



**BOROUGH OF GLEN RIDGE
ESSEX COUNTY, NEW JERSEY
REPORT ON
EXAMINATION OF ACCOUNTS
DECEMBER 31, 2018 AND 2017**

BOROUGH OF GLEN RIDGE
COUNTY OF ESSEX, NEW JERSEY

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POOL UTILITY

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
YEARS ENDED DECEMBER 31, 2018 AND 2017

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

A
Sheet # 1

| <u>ASSETS AND DEFERRED CHARGES</u> | <u>Ref.</u> | <u>2018</u> | <u>2017</u> |
|---|-------------|------------------------|-------------------------|
| Cash | A-4 | \$ 5,558,630.89 | \$ 11,197,878.61 |
| Change Funds | A-5 | 370.00 | 370.00 |
| | | <u>5,559,000.89</u> | <u>11,198,248.61</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Taxes Receivable | A-7 | 293,453.80 | 225,665.08 |
| Tax Title Liens | A-8 | 36,487.83 | 34,001.44 |
| Property Acquired for Taxes at Assessed Valuation | A-9 | 410.00 | 410.00 |
| Revenue Accounts Receivable | A-10 | 11,997.49 | 5,579.29 |
| Interfunds Receivable | A-11 | 130,666.76 | 135,539.77 |
| | | <u>473,015.88</u> | <u>401,195.58</u> |
| Deferred Charges: | | | |
| Special Emergency N.J.S.A. 40A:4-53 | A-13 | 220,000.00 | 275,000.00 |
| | | <u>220,000.00</u> | <u>275,000.00</u> |
| | | <u>6,252,016.77</u> | <u>11,874,444.19</u> |
| Federal and State Grant Fund: | | | |
| Federal and State Grants Receivable | A-12 | 86,888.70 | 87,019.88 |
| Interfunds Receivable | A-24 | 48,970.55 | 58,254.01 |
| | | <u>135,859.25</u> | <u>145,273.89</u> |
| | | <u>\$ 6,387,876.02</u> | <u>\$ 12,019,718.08</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

A
Sheet # 2

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>Ref.</u> | <u>2018</u> | <u>2017</u> |
|---|-------------|------------------------|-------------------------|
| Expenditure Reserves: | | | |
| Appropriation Reserves: | | | |
| Encumbered | A-3, A-14 | \$ 176,150.25 | \$ 252,348.89 |
| Unencumbered | A-3, A-14 | 481,676.27 | 894,932.74 |
| Due to State of New Jersey: | | | |
| Ch. 129, P.L. 1976 | A-6 | 9,550.64 | 7,350.64 |
| Interfunds Payable | A-11 | 48,970.55 | 58,254.01 |
| Due to State of New Jersey: | | | |
| Other Fees | A-15 | 10,758.00 | 6,637.00 |
| Tax Overpayments | A-16 | 267,471.87 | 170,460.85 |
| Inspection Fees Payable | A-17 | 3,885.00 | 4,168.00 |
| School Taxes Payable | A-19 | 1,381,168.87 | 845,256.87 |
| County Taxes Payable | A-18 | 32,792.58 | 25,495.99 |
| Emergency Note Payable | A-20 | 220,000.00 | 275,000.00 |
| Reserve for Revaluation | A-21 | 96,019.81 | 243,645.81 |
| Accounts Payable | A-23 | 17,285.61 | 900.00 |
| Prepaid Taxes | A-22 | 209,105.81 | 6,195,051.50 |
| Sub-Total | | <u>2,954,835.26</u> | <u>8,979,502.30</u> |
| Reserve for Receivables and Other Assets | | 473,015.88 | 401,195.58 |
| Fund Balance | A-1 | <u>2,824,165.63</u> | <u>2,493,746.31</u> |
| | | <u>6,252,016.77</u> | <u>11,874,444.19</u> |
| Federal and State Grant Fund: | | | |
| Appropriated Reserves | A-25 | 133,511.31 | 137,323.04 |
| Unappropriated Reserves | A-26 | 2,347.94 | 7,950.85 |
| | | <u>135,859.25</u> | <u>145,273.89</u> |
| | | <u>\$ 6,387,876.02</u> | <u>\$ 12,019,718.08</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

A-1

| | <u>Ref.</u> | <u>2018</u> | <u>2017</u> |
|---|-------------|------------------------|------------------------|
| <u>Revenue and Other Income</u> | | | |
| Fund Balance Utilized | A-2 | \$ 1,000,000.00 | \$ 850,000.00 |
| Miscellaneous Revenue Anticipated | A-2 | 1,411,666.37 | 1,488,649.67 |
| Receipts from Delinquent Taxes | A-2a | 192,731.17 | 246,660.19 |
| Receipts from Current Taxes | A-2a | 51,161,963.52 | 49,766,484.24 |
| Nonbudget Revenue | A-2b | 32,025.71 | 74,388.66 |
| Other Credits to Income: | | | |
| Prior Year Interfunds Liquidated | A-11 | 4,873.01 | |
| Excess Dog License Fees | A-11 | 7,542.25 | 4,365.10 |
| Appropriation Reserves Lapsed | A-14 | 750,192.42 | 659,193.97 |
| Total Revenue and Other Income | | <u>54,560,994.45</u> | <u>53,089,741.83</u> |
| <u>Expenditures</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operations: | | | |
| Salaries and Wages | | 4,697,666.00 | 4,715,180.00 |
| Other Expenses | | 6,424,624.92 | 6,504,771.64 |
| Capital Improvements | | 492,312.00 | 503,652.00 |
| Debt Service | | 749,226.41 | 766,916.88 |
| Statutory Expenditures and Deferred Charges | | 1,277,892.00 | 1,130,621.48 |
| | A-3 | <u>13,641,721.33</u> | <u>13,621,142.00</u> |
| County Taxes | A-18 | 8,667,411.80 | 8,572,190.49 |
| Local District School Tax | A-19 | 30,921,442.00 | 29,893,889.00 |
| Total Expenditures | | <u>53,230,575.13</u> | <u>52,087,221.49</u> |
| Other Debits to Income: | | | |
| Interfunds Established | | | 98,914.28 |
| Other Adjustments | | | 1,133.69 |
| Excess in Revenue | | 1,330,419.32 | 902,472.37 |
| Adjustments to Income before Fund Balance: | | | |
| Expenditures Include Above Which are by Statute | | | |
| Deferred Charges to Budget of Succeeding Year | | | 275,000.00 |
| Statutory Excess to Fund Balance | | 1,330,419.32 | 1,177,472.37 |
| <u>Fund Balance</u> | | | |
| Balance, Beginning of Year | A | 2,493,746.31 | 2,166,273.94 |
| | | <u>3,824,165.63</u> | <u>3,343,746.31</u> |
| Decreased by: | | | |
| Utilized as Anticipated Revenue | Above | 1,000,000.00 | 850,000.00 |
| Balance, End of Year | A | <u>\$ 2,824,165.63</u> | <u>\$ 2,493,746.31</u> |

See accompanying note to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-2

| | Ref. | Budget | Realized | Excess or (Deficit) |
|---|------|-------------------------|-------------------------|------------------------|
| Fund Balance Appropriated | A-1 | \$ 1,000,000.00 | \$ 1,000,000.00 | |
| <u>Miscellaneous Revenues</u> | | | | |
| Alcoholic Beverage Licenses | A-10 | 10,000.00 | 10,000.00 | |
| Other Licenses | A-10 | 2,700.00 | 4,147.00 | \$ 1,447.00 |
| Fees and Permits | A-10 | 379,000.00 | 341,277.24 | (37,722.76) |
| Municipal Court Fines and Costs | A-10 | 107,000.00 | 104,028.08 | (2,971.92) |
| Other Fines and Costs | A-10 | 6,000.00 | 4,250.86 | (1,749.14) |
| Interest and Cost on Taxes | A-10 | 55,000.00 | 76,354.01 | 21,354.01 |
| Parking Lot Fees | A-10 | 82,000.00 | 86,769.93 | 4,769.93 |
| Interest on Investments and Deposits | A-10 | 26,850.00 | 28,142.30 | 1,292.30 |
| Recreation Receipts | A-10 | 72,000.00 | 36,650.90 | (35,349.10) |
| Rental of Hurrell Field | A-10 | 25,000.00 | 75,000.00 | 50,000.00 |
| Cable TV Franchise Fee | A-10 | 80,429.42 | 80,529.42 | 100.00 |
| Consolidated Municipal Property Tax | | | | |
| Relief Aid | A-10 | 5,108.00 | 3,575.60 | (1,532.40) |
| Energy Receipts Tax | A-10 | 394,433.00 | 395,965.40 | 1,532.40 |
| Uniform Construction Code Fees | A-10 | 12,000.00 | 15,645.00 | 3,645.00 |
| Summer Recreation Fees | A-10 | | 46,110.00 | 46,110.00 |
| Recreation Rentals | A-10 | | 7,652.50 | 7,652.50 |
| PILOT - Project Live | A-10 | 4,500.00 | 4,500.00 | |
| Jitney Fees | A-10 | 45,000.00 | 43,497.00 | (1,503.00) |
| Additional Fees- Rental of Other Athletic Fields | A-10 | 50,000.00 | | (50,000.00) |
| Mountainside Hospital Sewer Fee | A-10 | 9,410.00 | 10,508.22 | 1,098.22 |
| | | <u>1,366,430.42</u> | <u>1,374,603.46</u> | <u>8,173.04</u> |
| Federal and State Grants: | | | | |
| Municipal Alliance on Alcohol and Drug Abuse | | 31,460.00 | 31,460.00 | |
| Alcohol, Education and Rehabilitation | | 3,102.91 | 3,102.91 | |
| Body Worn Camera Assistance Program | | 2,500.00 | 2,500.00 | |
| | A-11 | <u>37,062.91</u> | <u>37,062.91</u> | |
| Total Miscellaneous Revenue | A-1 | <u>1,403,493.33</u> | <u>1,411,666.37</u> | <u>8,173.04</u> |
| Receipts from Delinquent Taxes | A-2a | <u>220,000.00</u> | <u>192,731.17</u> | <u>(27,268.83)</u> |
| Amount to be Raised by Taxes for Support of Municipal Budget: | | | | |
| Local Tax for Municipal Purpose | | 11,103,607.93 | | |
| Minimum Library Tax | | 567,706.51 | | |
| | A-2a | <u>11,671,314.44</u> | <u>12,225,956.74</u> | <u>554,642.30</u> |
| | | 14,294,807.77 | 14,830,354.28 | 535,546.51 |
| Nonbudget Revenue | A-2b | | <u>32,025.71</u> | <u>32,025.71</u> |
| | A-3 | <u>\$ 14,294,807.77</u> | <u>\$ 14,862,379.99</u> | <u>\$ 567,572.22</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF REALIZED REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

A-2a

| <u>Allocation of Tax Collections</u> | <u>Ref.</u> | <u>Total</u> | <u>Receipts from Delinquent Taxes</u> | <u>Current Tax Collections</u> |
|--------------------------------------|-------------|-------------------------|---|--|
| Taxes Receivable Cash Receipts | A-7 | \$ 45,136,643.19 | \$ 192,731.17 | \$ 44,943,912.02 |
| Exemptions Granted | A-7 | 23,000.00 | | 23,000.00 |
| Prepaid Taxes Applied | A-7 | 6,195,051.50 | | 6,195,051.50 |
| Total Revenue | A-1 | 51,354,694.69 | 192,731.17 | 51,161,963.52 |
| Allocated to: | | | | |
| County Levy and Added Taxes | A-18 | (8,667,411.80) | | (8,667,411.80) |
| Local District School Taxes | A-19 | (30,921,442.00) | | (30,921,442.00) |
| Plus: Reserve for Uncollected Taxes | A-3 | 652,847.02 | | 652,847.02 |
| Realized Revenue | A-2 | <u>\$ 12,418,687.91</u> | <u>\$ 192,731.17</u> | <u>\$ 12,225,956.74</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NONBUDGET REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-2b

| | <u>Ref.</u> | |
|--|-------------|---------------------|
| <u>Miscellaneous Revenue Not Anticipated</u> | | |
| Photocopies | \$ 50.00 | |
| Bad Check | 200.00 | |
| Board of Adjustment | 400.00 | |
| Plannign Board Fees | 1,620.00 | |
| Cost of Sale | 7,223.15 | |
| Towing | 450.00 | |
| Misc. Refunds | 6,282.00 | |
| Commercial Filming | 12,050.00 | |
| Other Misc. Revenue | 3,750.56 | \$ 32,025.71 |
| | | <u>\$ 32,025.71</u> |
| | A-1,2,4 | |

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-3
Sheet # 1

| Appropriation | Appropriations | | Expended | Reserved | | Canceled |
|---|----------------|-----------------|-----------------|------------|--------------|----------|
| | Budget | Modified Budget | Paid or Charged | Encumbered | Unencumbered | |
| <u>APPROPRIATIONS WITHIN "CAPS"</u> | | | | | | |
| <u>GENERAL GOVERNMENT</u> | | | | | | |
| Administrative and Executive: | | | | | | |
| Salaries and Wages | \$ 179,000.00 | \$ 185,600.00 | \$ 182,255.87 | | \$ 3,344.13 | |
| Other Expenses | 65,000.00 | 67,500.00 | 66,891.48 | \$ 141.23 | 467.29 | |
| Elections: | | | | | | |
| Other Expenses | 4,750.00 | 4,750.00 | 3,811.14 | | 938.86 | |
| Financial Administration: | | | | | | |
| Salaries and Wages | 8,054.00 | 8,054.00 | 4,993.92 | | 3,060.08 | |
| Other Expenses | 115,000.00 | 110,000.00 | 91,311.15 | 12,136.80 | 6,552.05 | |
| Annual Audit | 39,500.00 | 39,500.00 | | | 39,500.00 | |
| Assessment of Taxes: | | | | | | |
| Salaries and Wages | 36,030.00 | 36,030.00 | 35,992.97 | | 37.03 | |
| Other Expenses | 30,000.00 | 30,000.00 | 6,702.32 | | 23,297.68 | |
| Collection of Taxes: | | | | | | |
| Salaries and Wages | 87,025.00 | 87,025.00 | 83,677.23 | | 3,347.77 | |
| Other Expenses | 8,000.00 | 8,000.00 | 6,687.78 | | 1,312.22 | |
| Community Affairs and Public Relations: | | | | | | |
| Other Expenses | 65,000.00 | 68,500.00 | 60,207.70 | 8,144.64 | 147.66 | |
| Legal Services and Costs: | | | | | | |
| Other Expenses | 170,000.00 | 235,000.00 | 224,509.59 | 2,300.25 | 8,190.16 | |
| Engineering Services and Costs: | | | | | | |
| Salaries and Wages | 98,840.00 | 98,840.00 | 97,957.45 | | 882.55 | |
| Other Expenses | 45,000.00 | 46,600.00 | 34,243.09 | 12,168.60 | 188.31 | |
| Public Buildings and Grounds: | | | | | | |
| Salaries and Wages | 30,600.00 | 30,600.00 | 24,238.50 | | 6,361.50 | |
| Other Expenses | 81,500.00 | 83,000.00 | 77,631.57 | 4,858.71 | 509.72 | |
| Planning Board: | | | | | | |
| Other Expenses | 32,000.00 | 42,000.00 | 20,638.06 | 21,087.50 | 274.44 | |
| Board of Adjustment: | | | | | | |
| Other Expenses | 4,600.00 | 4,600.00 | 1,310.04 | 300.00 | 2,989.96 | |
| Shade Tree Commission: | | | | | | |
| Salaries and Wages | 2,000.00 | 2,000.00 | 529.34 | | 1,470.66 | |
| Other Expenses | 110,000.00 | 110,000.00 | 85,356.99 | 17,617.90 | 7,025.11 | |
| Insurance: | | | | | | |
| General Liability | 533,493.00 | 534,893.00 | 534,893.00 | | | |
| Workers Compensation | | | | | | |
| Employee Group Health | 840,000.00 | 719,775.00 | 694,967.96 | 4,285.10 | 20,521.94 | |
| Municipal Court: | | | | | | |
| Salaries and Wages | 130,000.00 | 141,700.00 | 129,757.60 | | 11,942.40 | |
| Other Expenses | 25,000.00 | 25,000.00 | 14,257.61 | 1,118.76 | 9,623.63 | |
| Public Defender: | | | | | | |
| Salaries and Wages | 9,000.00 | 9,000.00 | 5,953.32 | | 3,046.68 | |

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-3
Sheet # 2

| Appropriation | Appropriations | | Expended | Reserved | | Canceled |
|---------------------------------------|-----------------|-----------------|-----------------|--------------|--------------|----------|
| | Budget | Modified Budget | Paid or Charged | Encumbered | Unencumbered | |
| <u>APPROPRIATIONS WITHIN "CAPS"</u> | | | | | | |
| <u>PUBLIC SAFETY</u> | | | | | | |
| Department of Public Safety: | | | | | | |
| Salaries and Wages | \$ 2,385,000.00 | \$ 2,385,000.00 | \$ 2,381,685.16 | | \$ 3,314.84 | |
| Other Expenses | 211,164.00 | 211,164.00 | 195,443.52 | \$ 14,088.59 | 1,631.89 | |
| Crossing Guards: | | | | | | |
| Salaries and Wages | 150,587.00 | 150,587.00 | 119,789.22 | | 30,797.78 | |
| Police Dispatchers: | | | | | | |
| Salaries and Wages | 333,375.00 | 323,375.00 | 304,876.65 | | 18,498.35 | |
| Aid to Volunteer Ambulance Companies: | | | | | | |
| Other Expenses | 12,000.00 | 12,000.00 | (11,550.76) | 23,550.76 | | |
| Municipal Prosecutor: | | | | | | |
| Salaries and Wages | 28,000.00 | 28,000.00 | 25,762.34 | | 2,237.66 | |
| <u>STREETS AND ROADS</u> | | | | | | |
| Road Repair and Maintenance: | | | | | | |
| Salaries and Wages | 285,000.00 | 285,000.00 | 264,911.54 | | 20,088.46 | |
| Other Expenses | 90,000.00 | 90,000.00 | 80,126.32 | 6,060.88 | 3,812.80 | |
| Storms: | | | | | | |
| Salaries and Wages | 55,000.00 | 55,000.00 | 46,299.06 | | 8,700.94 | |
| Other Expenses | 35,000.00 | 35,000.00 | 25,878.83 | 1,014.50 | 8,106.67 | |
| <u>SANITATION</u> | | | | | | |
| Sewer System: | | | | | | |
| Salaries and Wages | 7,000.00 | 7,000.00 | 1,410.15 | | 5,589.85 | |
| Other Expenses | 10,000.00 | 10,000.00 | 5,876.50 | 618.18 | 3,505.32 | |
| Garbage and Trash Removal: | | | | | | |
| Other Expenses | 958,800.00 | 958,800.00 | 909,093.33 | 13,667.51 | 36,039.16 | |
| <u>HEALTH AND WELFARE</u> | | | | | | |
| Board of Health: | | | | | | |
| Salaries and Wages | 52,510.00 | 52,510.00 | 52,222.50 | | 287.50 | |
| Other Expenses | 4,000.00 | 4,000.00 | 2,931.54 | 10.00 | 1,058.46 | |

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-3
Sheet # 3

| Appropriation | Appropriations | | Expended | Reserved | | Canceled |
|--|----------------|-----------------|-----------------|------------|--------------|----------|
| | Budget | Modified Budget | Paid or Charged | Encumbered | Unencumbered | |
| <u>APPROPRIATIONS WITHIN "CAPS"</u> | | | | | | |
| <u>RECREATION AND EDUCATION</u> | | | | | | |
| Parks and Playgrounds: | | | | | | |
| Salaries and Wages | \$ 230,000.00 | \$ 230,000.00 | \$ 229,262.01 | | \$ 737.99 | |
| Other Expenses | 130,000.00 | 137,000.00 | 135,980.85 | \$ 484.04 | 535.11 | |
| Hurrell Field: | | | | | | |
| Salaries and Wages | 75,645.00 | 75,645.00 | 72,639.26 | | 3,005.74 | |
| Other Expenses | 64,000.00 | 64,000.00 | 62,337.70 | 1,068.39 | 593.91 | |
| Recreation: | | | | | | |
| Salaries and Wages | 210,000.00 | 236,500.00 | 225,984.09 | | 10,515.91 | |
| Other Expenses | 65,000.00 | 65,000.00 | 60,975.40 | 1,212.55 | 2,812.05 | |
| Summer Camp: | | | | | | |
| Salaries and Wages | - | - | - | | - | |
| Other Expenses | - | - | - | | - | |
| Jitney Operation: | | | | | | |
| Salaries and Wages | 108,000.00 | 108,000.00 | 100,226.57 | | 7,773.43 | |
| Other Expenses | 21,000.00 | 21,000.00 | 14,311.90 | 2,950.00 | 3,738.10 | |
| Health Waiver | 25,000.00 | 25,000.00 | 23,921.75 | | 1,078.25 | |
| <u>UNIFORM CONSTRUCTION CODE</u> | | | | | | |
| Construction Code Officials: | | | | | | |
| Inspection of Buildings: | | | | | | |
| Salaries and Wages | 184,200.00 | 162,200.00 | 155,026.17 | | 7,173.83 | |
| Other Expenses | 11,500.00 | 33,500.00 | 11,850.90 | 14,117.50 | 7,531.60 | |
| <u>UNCLASSIFIED</u> | | | | | | |
| Electricity | 135,000.00 | 135,000.00 | 107,674.78 | 1,947.24 | 25,377.98 | |
| Gasoline, Diesel Fuel and Lubricants | 90,000.00 | 90,000.00 | 66,720.70 | 11,165.50 | 12,113.80 | |
| Street Lighting | 230,000.00 | 220,000.00 | 163,887.99 | | 56,112.01 | |
| <u>CONTINGENT</u> | 15,000.00 | 15,000.00 | 14,302.16 | | 697.84 | |
| Total Operations Within "CAPS" | 8,961,173.00 | 8,953,248.00 | 8,338,633.81 | 176,115.13 | 438,499.06 | |
| Detail: | | | | | | |
| Salaries and Wages | 4,684,866.00 | 4,697,666.00 | 4,545,450.92 | | 152,215.08 | |
| Other Expenses | 4,276,307.00 | 4,255,582.00 | 3,793,182.89 | 176,115.13 | 286,283.98 | |
| <u>STATUTORY EXPENDITURES</u> | | | | | | |
| Contributions to: | | | | | | |
| Public Employees' Retirement System | 302,678.00 | 302,678.00 | 302,678.00 | | | |
| Social Security System (OASI) | 185,000.00 | 185,000.00 | 162,889.10 | | 22,110.90 | |
| Police and Firemen's Retirement System | 670,214.00 | 670,214.00 | 670,214.00 | | | |
| State Unemployment Insurance | 65,000.00 | 65,000.00 | 58,361.37 | | 6,638.63 | |
| | 1,222,892.00 | 1,222,892.00 | 1,194,142.47 | | 28,749.53 | |
| Total Appropriations Within "CAPS" | 10,184,065.00 | 10,176,140.00 | 9,532,776.28 | 176,115.13 | 467,248.59 | |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-3
Sheet # 4

| Appropriation | Appropriations | | Expended | Reserved | | Canceled |
|---|---------------------|---------------------|---------------------|--------------|------------------|----------|
| | Budget | Modified Budget | Paid or Charged | Encumbered | Unencumbered | |
| <u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u> | | | | | | |
| <u>OTHER OPERATIONS</u> | | | | | | |
| Maintenance of Free Public Library | \$ 650,000.00 | \$ 654,425.00 | \$ 643,801.60 | \$ 35.12 | \$ 10,588.28 | |
| Joint Outlet Sewer Maintenance | 643,000.00 | 646,500.00 | 643,694.15 | | 2,805.85 | |
| | <u>1,293,000.00</u> | <u>1,300,925.00</u> | <u>1,287,495.75</u> | <u>35.12</u> | <u>13,394.13</u> | |
| <u>Interlocal Municipal Service Agreements</u> | | | | | | |
| Township of Bloomfield: | | | | | | |
| Health Services | 28,180.00 | 28,180.00 | 28,107.00 | | 73.00 | |
| Borough of Glen Ridge: | | | | | | |
| Fire Prevention Suppression Contract | | | | | | |
| Other Expenses | 768,645.00 | 768,645.00 | 768,645.00 | | | |
| <u>HEALTH AND WELFARE</u> | | | | | | |
| Township of Bloomfield: | | | | | | |
| Animal Control Services | | | | | | |
| Other Expenses | 16,500.00 | 16,500.00 | 15,572.00 | | 928.00 | |
| Borough of Glen Ridge: | | | | | | |
| Sanitary Sewer | | | | | | |
| Other Expenses | 17,730.01 | 17,730.01 | 17,697.46 | | 32.55 | |
| | <u>831,055.01</u> | <u>831,055.01</u> | <u>830,021.46</u> | | <u>1,033.55</u> | |
| <u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u> | | | | | | |
| Municipal Alliance on Alcoholism and Drug Abuse | 31,460.00 | 31,460.00 | 31,460.00 | | | |
| Alcohol Education and Rehabilitation | 3,102.91 | 3,102.91 | 3,102.91 | | | |
| Body Worn Camera Assistance | 2,500.00 | 2,500.00 | 2,500.00 | | | |
| Total Public and Private Programs | <u>37,062.91</u> | <u>37,062.91</u> | <u>37,062.91</u> | <u>-</u> | <u>-</u> | |
| Total Operations Excluded from "CAPS" | <u>2,161,117.92</u> | <u>2,169,042.92</u> | <u>2,154,580.12</u> | <u>35.12</u> | <u>14,427.68</u> | |
| <u>Detail:</u> | | | | | | |
| Salaries and Wages | | | | | | |
| Other Expenses | <u>2,161,117.92</u> | <u>2,169,042.92</u> | <u>2,154,580.12</u> | <u>35.12</u> | <u>14,427.68</u> | |
| <u>CAPITAL IMPROVEMENTS</u> | | | | | | |
| Capital Improvement Fund | 400,000.00 | 400,000.00 | 400,000.00 | | - | |
| Public Safety Equipment | 92,312.00 | 92,312.00 | 92,312.00 | | - | |
| | <u>492,312.00</u> | <u>492,312.00</u> | <u>492,312.00</u> | <u>-</u> | <u>-</u> | |

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

A-3
Sheet # 5

| Appropriation | Appropriations | | Expended | Reserved | | Canceled |
|--|-------------------------|-------------------------|-------------------------|----------------------|----------------------|------------------|
| | Budget | Modified Budget | Paid or Charged | Encumbered | Unencumbered | |
| <u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u> | | | | | | |
| <u>DEBT SERVICE</u> | | | | | | |
| Payment of Bond Principal | \$ 345,000.00 | \$ 345,000.00 | \$ 345,000.00 | | | |
| Payment of Bond Anticipation Notes and Cap Notes | 225,000.00 | 225,000.00 | 225,000.00 | | | |
| Interest on Bonds | 72,437.50 | 72,437.50 | 72,437.50 | | | |
| Interest on Notes | 40,905.00 | 40,905.00 | 40,904.14 | | | \$ 0.86 |
| Loan Repayments for Principal | 36,641.61 | 36,641.61 | 36,641.61 | | | |
| Clean Water Infrastructure Loan | 26,178.72 | 26,178.72 | 25,940.16 | | | 238.56 |
| Emergency Note Interest | 3,303.00 | 3,303.00 | 3,303.00 | | | |
| | <u>749,465.83</u> | <u>749,465.83</u> | <u>749,226.41</u> | <u>-</u> | <u>-</u> | <u>239.42</u> |
| <u>DEFERRED CHARGES</u> | | | | | | |
| Special Emergency Authorizations - 5 Years | 55,000.00 | 55,000.00 | 55,000.00 | | | |
| | <u>55,000.00</u> | <u>55,000.00</u> | <u>55,000.00</u> | | | |
| Total Appropriations Excluded from "CAPS" | <u>3,457,895.75</u> | <u>3,465,820.75</u> | <u>3,451,118.53</u> | <u>\$ 35.12</u> | <u>\$ 14,427.68</u> | <u>239.42</u> |
| Sub-Total Appropriations | 13,641,960.75 | 13,641,960.75 | 12,983,894.81 | 176,150.25 | 481,676.27 | 239.42 |
| Reserve for Uncollected Taxes | <u>652,847.02</u> | <u>652,847.02</u> | <u>652,847.02</u> | | | |
| Total General Appropriations | <u>\$ 14,294,807.77</u> | <u>\$ 14,294,807.77</u> | <u>\$ 13,636,741.83</u> | <u>\$ 176,150.25</u> | <u>\$ 481,676.27</u> | <u>\$ 239.42</u> |
| <u>Ref.</u> | A-2 | | Below | A | A | Below |
| | <u>Ref.</u> | | | | | |
| Modified Budget | A-2, Above | \$ 14,294,807.77 | | | | |
| Deferred Charge | A-13 | | \$ 55,000.00 | | | |
| Reserve for Uncollected Taxes | A-2a | (652,847.02) | 652,847.02 | | | |
| Cash Disbursements | A-4 | | 12,891,831.90 | | | |
| Canceled | Above | (239.42) | | | | |
| Interfunds Payable | A-11 | | 37,062.91 | | | |
| | A-1 | <u>\$ 13,641,721.33</u> | <u>\$ 13,636,741.83</u> | | | |

BOROUGH OF GLEN RIDGE
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

B

| <u>ASSETS</u> | <u>Ref.</u> | <u>2018</u> | <u>2017</u> |
|-----------------------------------|-------------|----------------------|----------------------|
| <u>Animal Control Fund</u> | | | |
| Cash | B-2 | \$ 38,637.19 | \$ 32,656.34 |
| | | <u>38,637.19</u> | <u>32,656.34</u> |
| <u>General Trust Fund</u> | | | |
| Cash | B-2 | 198,739.61 | 533,157.39 |
| Community Development Block Grant | | | |
| Receivable | B-3 | 79,300.00 | 79,300.00 |
| Police Outside Service Receivable | B-4 | 89,020.70 | 185,525.28 |
| | | <u>367,060.31</u> | <u>797,982.67</u> |
| <u>Payroll Account</u> | | | |
| Cash | B-2 | 53,621.66 | 10,830.57 |
| | | <u>\$ 459,319.16</u> | <u>\$ 841,469.58</u> |
| <u>LIABILITIES AND RESERVES</u> | | | |
| <u>Animal Control Fund</u> | | | |
| Interfunds Payable | B-8 | \$ 23,753.19 | \$ 16,210.94 |
| Due to State of New Jersey | B-5 | | 12.60 |
| Reserve for Expenditures | B-9 | 14,884.00 | 16,432.80 |
| | | <u>38,637.19</u> | <u>32,656.34</u> |
| <u>General Trust Fund</u> | | | |
| Interfunds Payable | B-8 | | 40,000.00 |
| Reserves for: | | | |
| Special Deposits | B-10 | 288,126.76 | 506,542.07 |
| State Unemployment Compensation | | | |
| Insurance | B-6 | 505.20 | 212,212.25 |
| Community Development Block | | | |
| Grant | B-11 | 78,400.00 | 39,200.00 |
| Fund Balance | B-1 | 28.35 | 28.35 |
| | | <u>367,060.31</u> | <u>797,982.67</u> |
| <u>Payroll Account</u> | | | |
| Interfunds Payable | B-8 | 2,124.57 | 2,124.57 |
| Payroll Deductions Payable | B-7 | 51,497.09 | 8,706.00 |
| | | <u>53,621.66</u> | <u>10,830.57</u> |
| | | <u>\$ 459,319.16</u> | <u>\$ 841,469.58</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
TRUST FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

B-1

| | <u>Ref.</u> | |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2017 | B | <u>\$ 28.35</u> |
| Balance, December 31, 2018 | B | <u><u>\$ 28.35</u></u> |

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BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

C

| <u>ASSETS AND DEFERRED CHARGES</u> | <u>Ref.</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|----------------------------|------------------------|
| Cash | C-2 | \$ 187,447.13 | \$ 33,912.31 |
| Due from State of New Jersey | C-4 | 513,770.00 | 820,135.00 |
| Interfunds Receivable | C-5 | | 40,000.00 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-6 | 2,218,602.88 | 2,614,817.83 |
| Unfunded | C-7 | 3,613,000.00 | 1,818,000.00 |
| | | <u>\$ 6,532,820.01</u> | <u>\$ 5,326,865.14</u> |
| <u>LIABILITIES AND RESERVES</u> | | | |
| Improvement Authorizations: | | | |
| Funded | C-8 | \$ 537,360.79 | \$ 714,966.46 |
| Unfunded | C-8 | 2,008,908.09 | 1,132.60 |
| Interfunds Payable | C-5 | 141,321.48 | 144,321.48 |
| Capital Improvement Fund | C-9 | 6,214.51 | 6,214.51 |
| Green Trust Loan Payable | C-10 | 206,202.07 | 238,238.30 |
| Infrastructure Loan Payable | C-11 | 227,400.81 | 246,579.53 |
| Serial Bonds Payable | C-12 | 1,785,000.00 | 2,130,000.00 |
| Bond Anticipation Note | C-13 | 1,593,000.00 | 1,818,000.00 |
| Fund Balance | C-1 | 27,412.26 | 27,412.26 |
| | | <u>\$ 6,532,820.01</u> | <u>\$ 5,326,865.14</u> |
| Bonds and Notes Authorized but Not Issued | C-14 | <u>\$ 2,020,000.00</u> | <u>\$ -</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
DECEMBER 31, 2018

C-1

| | <u>Ref.</u> | |
|-------------------------------------|-------------|---------------------|
| Balance, December 31, 2017 and 2018 | C | <u>\$ 27,412.26</u> |

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BOROUGH OF GLEN RIDGE
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

D

| <u>ASSETS AND DEFERRED CHARGES</u> | <u>Ref.</u> | <u>2018</u> | <u>2017</u> |
|---|-------------|-------------------------|------------------------|
| <u>Operating Fund</u> | | | |
| Cash | D-5 | \$ 656,578.10 | \$ 649,131.56 |
| Consumer Accounts Receivable | D-7 | 143,950.22 | 94,456.79 |
| Interfunds Receivable | D-10 | 100,000.00 | 70,000.00 |
| | | <u>900,528.32</u> | <u>813,588.35</u> |
| <u>Capital Fund</u> | | | |
| Cash | D-5, D-6 | 16,565.96 | 16,565.96 |
| Fixed Capital | D-8 | 8,303,185.92 | 8,303,185.92 |
| Fixed Capital - Authorized and Uncompleted | D-9 | 2,510,000.00 | 30,000.00 |
| | | <u>10,829,751.88</u> | <u>8,349,751.88</u> |
| | | <u>\$ 11,730,280.20</u> | <u>\$ 9,163,340.23</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| <u>Operating Fund</u> | | | |
| Liabilities: | | | |
| Appropriation Reserves - Encumbered | D-4, D-11 | \$ 585.00 | \$ 14,310.45 |
| Appropriation Reserves - Reserved | D-4, D-11 | 165,162.94 | 110,252.64 |
| Interfunds Payable | D-10 | 63,467.52 | 42,882.78 |
| Accrued Interest on Loans | D-16 | 31,998.65 | 31,998.65 |
| Overpaid Water Rents | D-12 | 15,118.68 | 14,998.19 |
| | | <u>276,332.79</u> | <u>214,442.71</u> |
| Reserve for Receivables | Above | 143,950.22 | 94,456.79 |
| Fund Balance | D-1 | 480,245.31 | 504,688.85 |
| | | <u>900,528.32</u> | <u>813,588.35</u> |
| <u>Capital Fund</u> | | | |
| Improvement Authorizations: | | | |
| Unfunded | D-13 | 2,480,000.00 | |
| Funded | D-13 | 657.50 | 657.50 |
| Loans Payable | D-14 | 2,576,375.44 | 2,948,014.93 |
| Capital Improvement Fund | D-15 | 4,665.19 | 4,665.19 |
| Reserves for: | | | |
| Future Improvement Authorizations | D-17 | 11,000.00 | 11,000.00 |
| Amortization | D-18 | 5,756,810.48 | 5,385,170.99 |
| Fund Balance | D-2 | 243.27 | 243.27 |
| | | <u>10,829,751.88</u> | <u>8,349,751.88</u> |
| | | <u>\$ 11,730,280.20</u> | <u>\$ 9,163,340.23</u> |
| Bonds and Notes Authorized but Not Issued | D-19 | <u>\$ 2,480,000.00</u> | <u>\$ -</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - OPERATING FUND
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

D-1

| | <u>Ref.</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|----------------------|----------------------|
| <u>Revenue and Other Income</u> | | | |
| Fund Balance Utilized | D-3 | \$ 200,000.00 | \$ 100,000.00 |
| Rents | D-3 | 1,286,675.32 | 1,361,317.39 |
| Miscellaneous Revenue Anticipated | D-3 | 7,336.99 | 6,363.85 |
| Other Credits to Income: | | | |
| Accrued Interest Payable Cancelled | | | 4,133.65 |
| Appropriation Reserves Lapsed | D-11 | 109,321.44 | 92,864.25 |
| Total Income | | <u>1,603,333.75</u> | <u>1,564,679.14</u> |
| <u>Expenditures</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operations: | | | |
| Salaries and Wages | | 310,000.00 | 320,000.00 |
| Other Expenses | | 678,826.57 | 633,510.00 |
| Debt Service | | 438,950.72 | 438,925.15 |
| | D-4 | <u>1,427,777.29</u> | <u>1,392,435.15</u> |
| Statutory Excess to Fund Balance | | 175,556.46 | 172,243.99 |
| <u>Fund Balance</u> | | | |
| Balance, Beginning of Year | D | <u>504,688.85</u> | <u>462,444.86</u> |
| | | 680,245.31 | 634,688.85 |
| Decreased by: | | | |
| Amount Anticipated as Revenue | Above | 200,000.00 | 100,000.00 |
| Amount Anticipated as Revenue - Current Fund | | <u>200,000.00</u> | <u>30,000.00</u> |
| | | | 130,000.00 |
| Balance, End of Year | D | <u>\$ 480,245.31</u> | <u>\$ 504,688.85</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF WATER CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

D-2

| | <u>Ref.</u> | |
|----------------------------|-------------|-------------------------|
| Balance, December 31, 2017 | D | <u>\$ 243.27</u> |
| Balance, December 31, 2018 | D | <u><u>\$ 243.27</u></u> |

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BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

D-3

| <u>Source</u> | <u>Ref.</u> | <u>Budget Revenue</u> | <u>Realized</u> | <u>(Deficit) Excess</u> |
|-----------------------|-------------|---------------------------|------------------------|-----------------------------|
| Fund Balance Utilized | D-1 | \$ 200,000.00 | \$ 200,000.00 | |
| Rents | D-1, D-7 | 1,377,000.00 | 1,286,675.32 | \$ (90,324.68) |
| Miscellaneous | D-1, D-5 | 5,000.00 | 7,336.99 | 2,336.99 |
| | D-4 | <u>\$ 1,582,000.00</u> | <u>\$ 1,494,012.31</u> | <u>\$ (87,987.69)</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

D-4

| <u>Appropriation</u> | <u>Appropriations</u> | | <u>Expended</u> | | <u>Reserved</u> | <u>Canceled</u> |
|----------------------------------|------------------------|------------------------|------------------------|-------------------|----------------------|----------------------|
| | <u>Budget</u> | <u>Modified Budget</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | | |
| <u>Operating</u> | | | | | | |
| Salaries and Wages | \$ 320,000.00 | \$ 320,000.00 | \$ 283,890.80 | | \$ 26,109.20 | \$ 10,000.00 |
| Other Expenses | 818,826.57 | 818,826.57 | 539,187.83 | \$ 585.00 | 139,053.74 | 140,000.00 |
| <u>Debt Service</u> | | | | | | |
| Water Supply Rehabilitation Loan | 443,173.43 | 443,173.43 | 438,950.72 | | | 4,222.71 |
| | <u>\$ 1,582,000.00</u> | <u>\$ 1,582,000.00</u> | <u>\$ 1,262,029.35</u> | <u>\$ 585.00</u> | <u>\$ 165,162.94</u> | <u>\$ 154,222.71</u> |
| <u>Ref.</u> | D-3 | D-3 | Below | D | D | Below |
| <u>Ref.</u> | | | | | | |
| Adopted Budget | Above | \$ 1,582,000.00 | | | | |
| Cash Disbursements | D-5 | | \$ 1,241,444.61 | | | |
| Interfunds | D-10 | | 20,584.74 | | | |
| Canceled | Above | (154,222.71) | | | | |
| | D-1 | <u>\$ 1,427,777.29</u> | <u>\$ 1,262,029.35</u> | | | |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2018 AND 2017

E

| <u>ASSETS</u> | <u>Ref.</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|------------------------|------------------------|
| <u>Operating Fund</u> | | | |
| Cash | E-5 | \$ 387,236.85 | \$ 409,648.37 |
| Cash - Change Fund | E-6 | 100.00 | 100.00 |
| | | <u>387,336.85</u> | <u>409,748.37</u> |
| <u>Capital Fund</u> | | | |
| Cash | E-5 | 19,413.26 | 54,081.42 |
| Fixed Capital | E-7 | 2,427,842.09 | 1,647,842.09 |
| Fixed Capital - Authorized and Uncompleted | E-9 | | 780,000.00 |
| | | <u>2,447,255.35</u> | <u>2,481,923.51</u> |
| | | <u>\$ 2,834,592.20</u> | <u>\$ 2,891,671.88</u> |
| <u>LIABILITIES AND RESERVES</u> | | | |
| <u>Operating Fund</u> | | | |
| Liabilities: | | | |
| Appropriation Reserves: | | | |
| Encumbered | E-4, E-10 | \$ 2,754.69 | \$ 7,351.75 |
| Reserved | E-4, E-10 | 26,143.71 | 64,480.25 |
| Accrued Interest on Notes | E-11 | 3,751.00 | 3,751.00 |
| Fund Balance | E-1 | 354,687.45 | 334,165.37 |
| | | <u>387,336.85</u> | <u>409,748.37</u> |
| <u>Capital Fund</u> | | | |
| Improvement Authorizations: | | | |
| Unfunded | E-8 | | \$ 34,668.16 |
| Bond Anticipation Note | E-13 | \$ 540,000.00 | 700,000.00 |
| Reserve for Amortization | E-12 | 1,887,842.09 | 1,727,842.09 |
| Fund Balance | E-2 | 19,413.26 | 19,413.26 |
| | | <u>2,447,255.35</u> | <u>2,481,923.51</u> |
| | | <u>\$ 2,834,592.20</u> | <u>\$ 2,891,671.88</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - OPERATING FUND
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2017

E-1

| | <u>Ref.</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|----------------------|----------------------|
| <u>Revenue and Other Income</u> | | | |
| Fund Balance Utilized | E-3 | \$ 75,000.00 | \$ 75,000.00 |
| Membership Fees | E-3 | 388,296.90 | 376,827.50 |
| Miscellaneous Revenue | E-3 | 32,624.43 | 22,634.00 |
| Other Credits to Income: | | | |
| Appropriation Reserves Lapsed | E-10 | 54,600.75 | 34,223.83 |
| Total Income | | <u>550,522.08</u> | <u>508,685.33</u> |
| <u>Expenditures</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operations: | | | |
| Salaries and Wages | | 158,482.00 | 158,482.00 |
| Other Expenses | | 120,768.00 | 123,001.18 |
| Debt Service | | <u>175,750.00</u> | <u>173,516.82</u> |
| | E-4 | <u>455,000.00</u> | <u>455,000.00</u> |
| Statutory Excess to Fund Balance | | 95,522.08 | 53,685.33 |
| <u>Fund Balance</u> | | | |
| Balance, Beginning of Year | E | <u>334,165.37</u> | <u>355,480.04</u> |
| | | <u>429,687.45</u> | <u>409,165.37</u> |
| Decreased by: | | | |
| Amount Utilized as Anticipated Revenue | Above | <u>75,000.00</u> | <u>75,000.00</u> |
| Balance, End of Year | E | <u>\$ 354,687.45</u> | <u>\$ 334,165.37</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF FUND BALANCE
REGULATORY BASIS
CAPITAL FUND
YEAR ENDED DECEMBER 31, 2018

E-2

| | <u>Ref.</u> | |
|---------------------------|-------------|----------------------------|
| Balance December 31, 2017 | E | <u>\$ 19,413.26</u> |
| Balance December 31, 2018 | E | <u><u>\$ 19,413.26</u></u> |

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BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

E-3

| <u>Source</u> | <u>Ref.</u> | <u>Budget Revenue</u> | <u>Realized</u> | <u>Excess</u> |
|-----------------------|-------------|---------------------------|----------------------|---------------------|
| Fund Balance Utilized | E-1 | \$ 75,000.00 | \$ 75,000.00 | |
| Pool Fees | E-1, E-5 | 360,000.00 | 388,296.90 | \$ 28,296.90 |
| Miscellaneous | E-1, E-5 | 20,000.00 | 32,624.43 | 12,624.43 |
| | | <u>\$ 455,000.00</u> | <u>\$ 495,921.33</u> | <u>\$ 40,921.33</u> |
| | <u>Ref.</u> | E-4 | | |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

E-4

| <u>Appropriation</u> | <u>Appropriations</u> | | <u>Expended</u> | | <u>Reserved</u> |
|------------------------------------|-----------------------|------------------------|------------------------|--------------------|---------------------|
| | <u>Budget</u> | <u>Modified Budget</u> | <u>Paid or Charged</u> | <u>Encumbered</u> | |
| <u>Operating</u> | | | | | |
| Salaries and Wages | \$ 158,482.00 | \$ 158,482.00 | \$ 143,442.21 | | \$ 15,039.79 |
| Other Expenses | 120,768.00 | 120,768.00 | 106,909.39 | \$ 2,754.69 | 11,103.92 |
| <u>Debt Service</u> | | | | | |
| Payment of Bond Anticipation Notes | 160,000.00 | 160,000.00 | 160,000.00 | | |
| Interest on Notes | 15,750.00 | 15,750.00 | 15,750.00 | | |
| | <u>\$ 455,000.00</u> | <u>\$ 455,000.00</u> | <u>\$ 426,101.60</u> | <u>\$ 2,754.69</u> | <u>\$ 26,143.71</u> |
| <u>Ref.</u> | E-3 | E-3 | Below | E | E |
| <u>Ref.</u> | | | | | |
| Modified Budget | E-3 | \$ 455,000.00 | | | |
| Cash Disbursements | E-5 | | \$ 410,351.60 | | |
| Accrued Interest on Bonds | E-11 | | 15,750.00 | | |
| | E-1 | <u>\$ 455,000.00</u> | <u>\$ 426,101.60</u> | | |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CAPITAL FIXED ASSETS

BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2018

E

| | December 31, <u>2018</u> |
|------------------------------------|-----------------------------|
| <u>CAPITAL FIXED ASSETS</u> | |
| Land | \$ 30,790,710.00 |
| Building and Equipment | 3,364,717.00 |
| Vehicles | <u>1,801,331.00</u> |
| | <u>\$ 35,956,758.00</u> |
| <u>RESERVE</u> | |
| Investment in Capital Fixed Assets | <u>\$ 35,956,758.00</u> |

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. REPORTING ENTITY

The Borough of Glen Ridge, County of Essex, New Jersey (the "Borough"), incorporated in 1895 is governed as a Mayor-Council form of government. The Mayor is elected in a general election to a four-year term. There are six councilpersons, each elected to three-year terms which are staggered. Two councilpersons run every year.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by the provisions of N.J.S.A. 40A:5-5. The Borough's Free Public Library is not included in these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is another reporting framework 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 the separate funds, which differ from the fund structure in accordance with GAAP.

The Governmental Accounting Standards Board and subsequent Codification (collectively, "GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments. The GASB establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with GAAP.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, 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. The financial statements contained herein include only those boards, bodies, officers or commissions as required by the provisions of N.J.S.A. 40A:5-5.

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. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Borough has the following funds and account groups:

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal Control Trust Fund, General Trust Fund, and Payroll Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as related long-term debt accounts.

Utilities Funds – Water and Swimming Pool Utilities are treated as separate entities. Each maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

General Fixed Asset Account Group - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of “Basis of Accounting”. The Borough has no current financial data for these accounts.

Basis of Accounting

The Borough follows the regulatory basis of accounting. Under this method of accounting, revenues, except for Federal and State 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 US GAAP applicable to local government units.

The more significant differences are as follows:

Property Taxes and Other Revenue

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 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. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April 1 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 11th 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.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. US 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.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough budget. GAAP requires such revenue to be recognized in the accounting period when they become subject to accrual.

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption to create spending reserves.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

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, which should be recognized when due.

Encumbrances

As of January 1, 1986, all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

Appropriation reserves 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.

Compensated Absences

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. 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 be recorded as a long-term obligation.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Acquired for Taxes

Property acquired for taxes ("Foreclosed Property") is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital fixed assets at market value on the date of acquisition.

Interfunds Receivable/Payable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the corresponding fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

The cost of inventories for all funds are recorded as expenditures at the time individual items are purchased.

Capital Fixed Assets

General:

In accordance with the Administrative Code, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough has developed a fixed asset accounting and reporting system.

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

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water and Swimming Pool Utilities, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the Utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility, but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift, as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Fixed Capital Accounts reflected herein are as recorded in the records of the Borough and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only.

Basic Financial Statements

The GASB also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements, which are required by the Division and differ from the financial statements required by GAAP. In addition, the Division requires the financial statements to be referenced to the supplementary schedules. This practice differs from GAAP.

Recent Pronouncements

The GASB issued Statement 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in June 2015. This Statement replaces the requirements of Statement 45 and the primary objective of this Statement is to improve accounting and reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2017. Management has not yet determined the impact of the Statement on the 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.

3. DEPOSITS AND INVESTMENTS

Deposits

New Jersey Statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation ("FDIC") or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund (the "Fund").

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based on GASB criteria, the Borough considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts, short-term investments and cash management money market mutual funds. The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

3. DEPOSITS AND INVESTMENTS (continued)

Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of fund investments is generally not required.

In addition, by regulation of the Division, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey (GUDPA), public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or;

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Cash and cash equivalents have original maturities of three months or less from the date of purchase. Investments are stated at cost, which approximates fair value.

At December 31, 2018 and 2017, the book values of the deposits of the Borough consisted of the following:

| | Book Balance | |
|---------------------------|------------------------|-------------------------|
| | December 31, 2018 | December 31, 2017 |
| <u>Depository Account</u> | | |
| Cash (Demand Accounts) | \$ 7,116,870.65 | \$ 12,937,862.53 |
| Change Funds (On-Hand) | 470.00 | 470.00 |
| | <u>\$ 7,117,340.65</u> | <u>\$ 12,938,332.53</u> |

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Borough's deposits may not be returned. The government does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute and to deposit all of its funds in banks covered by FDIC and GUDP A. At least five percent of the Borough's deposits were fully collateralized by funds held by the financial institution, but not in the name of the Borough. Due to the nature of GUDPA, further information is not available regarding the full amount that is collateralized.

At December 31, 2018 and 2017 the Borough had the following depository accounts. All deposits are carried at cost. \$167,434.40 and \$219,094.74 held in agency and payroll accounts for the years ended December 31, 2018 and 2017, respectively, are not covered by GUDPA.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

3. DEPOSITS AND INVESTMENTS (continued)

| <u>Depository Account</u> | <u>Bank Balance</u> | |
|---------------------------|------------------------------|------------------------------|
| | <u>December 31, 2018</u> | <u>December 31, 2017</u> |
| FDIC Insured | \$ 500,000.00 | \$ 250,000.00 |
| GUPDA Insured | 6,445,741.50 | 10,928,361.93 |
| | <u>\$ 6,945,741.50</u> | <u>\$ 11,178,361.93</u> |

Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury Bills, Notes and Bonds
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

As of December 31, 2018 and 2017, the Borough had no investments.

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 Funds is assigned to the Utility Operating Funds in accordance with the regulatory basis of accounting.

4. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation (the "Board") by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

4. TAXES AND TAX TITLE LIENS RECEIVABLE (continued)

The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey Statutes. The Borough may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a three year comparison of certain statistical information relative to property taxes and property tax collections:

Comparative Schedule of Tax Rates

| | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|----------------------------|-----------------|-----------------|-----------------|
| Tax Rate | <u>\$ 3.689</u> | <u>\$ 3.607</u> | <u>\$ 3.504</u> |
| Apportionment of Tax Rate: | | | |
| Municipal | \$ 0.800 | \$ 0.787 | \$ 0.771 |
| Municipal Library | 0.041 | 0.040 | 0.038 |
| County | 0.603 | 0.600 | 0.574 |
| County Open Space | 0.019 | 0.018 | 0.017 |
| School | <u>2.226</u> | <u>2.162</u> | <u>2.104</u> |

Assessed Valuations

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2018 | \$ 1,388,990,400.00 |
| 2017 | 1,382,682,900.00 |
| 2016 | 1,380,509,900.00 |

Comparison of Tax Levies and Collections

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collections</u> |
|-------------|------------------|--------------------|----------------------------------|
| 2018 | \$ 51,434,196.61 | \$ 51,161,963.52 | 99.47 % |
| 2017 | 50,022,354.98 | 49,766,484.24 | 99.49 |
| 2016 | 48,476,335.67 | 48,169,495.95 | 99.37 |

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

4. TAXES AND TAX TITLE LIENS RECEIVABLE (continued)

Delinquent Taxes and Tax Title Liens

| <u>Year</u> | <u>Amount of Tax Title Liens</u> | <u>Amount of Delinquent Taxes</u> | <u>Total Delinquent</u> | <u>Percentage of Tax Levy</u> |
|-------------|--|---|-----------------------------|---------------------------------------|
| 2018 | \$ 36,487.83 | \$ 293,453.80 | \$ 329,941.63 | 0.64 % |
| 2017 | 34,001.44 | 225,665.08 | 259,666.52 | 0.52 |
| 2016 | 31,570.32 | 248,171.40 | 279,741.72 | 0.58 |

5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2018 | \$ 410.00 |
| 2017 | 410.00 |
| 2016 | 410.00 |

6. WATER/SEWER CONSUMER ACCOUNTS RECEIVABLE

The Borough maintains a Utility fund for the billing and collection of water/sewer rents. The Borough is divided into three sections for the purposes of billings which are done on a quarterly basis.

A comparison of Water/Sewer billings and collections for the past three years are as follows:

| <u>Year</u> | <u>Billing</u> | <u>Collection*</u> |
|-------------|-----------------|--------------------|
| 2018 | \$ 1,336,168.75 | \$ 1,286,675.32 |
| 2017 | 1,344,380.85 | 1,361,317.39 |
| 2016 | 1,404,470.65 | 1,401,866.56 |

*Collections of prior year balances are included in the above sum amounts.

7. SWIMMING POOL MEMBERSHIP FEES

A comparison of Swimming Pool Membership Fees for the past three years are as follows:

| <u>Year</u> | <u>Collection</u> |
|-------------|-------------------|
| 2018 | \$ 388,296.90 |
| 2017 | 376,827.50 |
| 2016 | 366,920.75 |

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

8. FUND BALANCES APPROPRIATED

| | | Balance <u>December 31,</u> | Anticipated <u>Succeeding Year</u> |
|-------------------------------|------|--------------------------------|---------------------------------------|
| Current Fund: | 2018 | \$ 2,824,165.63 | \$ 1,240,000.00 |
| | 2017 | 2,493,746.31 | 1,000,000.00 |
| | 2016 | 2,166,273.94 | 850,000.00 |
| Water Utility Operating Fund: | 2018 | 480,245.31 | 300,000.00 |
| | 2017 | 504,688.85 | 200,000.00 |
| | 2016 | 462,444.86 | 100,000.00 |
| Pool Utility Operating Fund: | 2018 | 354,687.45 | 75,000.00 |
| | 2017 | 334,165.37 | 75,000.00 |
| | 2016 | 355,480.04 | 75,000.00 |

9. PENSION PLANS

Public Employee Retirement System

The Public Employee Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018 and 2017:

| | <u>2018</u> | <u>2017</u> |
|---|-----------------------|-----------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 174,904 | 170,124 |
| Inactive plan members entitled to but not yet receiving benefits | 589 | 650 |
| Active plan members | <u>254,780</u> | <u>254,685</u> |
| Total | <u><u>430,273</u></u> | <u><u>425,459</u></u> |

Contributing Employers – 1,703

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers were credited with full payment and any such amounts were not to be included in their unfunded liability. The actuaries determined

BOROUGH OF GLEN RIDGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

9. PENSION PLANS (continued)

the unfunded liability of the System, by employer, for the reduced normal and accrued liability. Each member contributes a percentage of compensation. Effective October 1, 2011, Chapter 78, P.L. 2011, Chapter 78, P.L. 2011 set the member contribution rate at 6.5% and caused it to increase by 1/7th of 1% each July thereafter. On July 1, 2018, the full rate implemented by this law was achieved, and therefore the full 7.5% will be the required 2018 contribution.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended December 31, 2018 and 2017, the Borough's total payroll for all employees was \$5,545,940.03 and \$5,747,709.09, respectively. Total PERS covered payroll was \$1,930,876 and \$2,077,197, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Borough to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contributions is based on an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year, 2018, the State's pension contribution was less than the actuarial determined amount.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Borough contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contribution requirements were calculated.

It is assumed that the Local employers will contribute 100% of their actuarially determined contribution and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution while the State will contribute 50% of its actuarially determined contribution and 100% of its NCGIPF contribution. The 50% contribution rate is the actual total State contribution rate paid in fiscal year ending June 30, 2018 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2018 for all State administered retirement systems.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Borough payments to PERS for the years ending December 31, 2018 and 2017 consisted of the following:

| | <u>2018</u> | <u>2017</u> |
|-----------------------|-------------|-------------|
| Total Regular Billing | \$ 289,630 | \$ 286,045 |

The Borough recognizes liabilities to PERS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

BOROUGH OF GLEN RIDGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

9. PENSION PLANS (continued)

The following represents the membership tiers for PERS:

Definition

Tier

- | | |
|---|--|
| 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 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 |

A service retirement benefit 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, tiers 3 and 4 with 25 years or more 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 retirement age of his/her respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory basis of accounting which is basis for the preparation of the Borough's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Borough does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2018, the PERS reported a net pension liability of \$19,689,501,539 for its Non-State Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Borough was \$5,733,189 or 0.0291180000%, which was a decrease of 0.0017592776% from its proportion measured as of June 30, 2017. The pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018.

At June 30, 2017, the PERS reported a net pension liability of \$23,278,401,588 for its Non-State Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Borough was \$7,187,737 or 0.0308772776%, which was an increase of 0.0037979363% from its proportion measured as of June 30, 2016.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. PENSION PLANS (continued)

At December 31, 2018, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources, if GASB #68 was recognized:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 109,333 | \$ 29,562 |
| Changes in assumptions | 944,735 | 1,833,169 |
| Net difference between projected and actual earnings on pension plan investments | - | 53,778 |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | 751,195 | 594,622 |
| Borough contributions subsequent to the measurement date | 289,630 | |
| | <u>\$ 2,094,893</u> | <u>\$ 2,511,131</u> |

\$289,630 is reflected above as deferred outflows of resources related to pensions resulting from Borough contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

| Year ended December 31, | Amount |
|----------------------------|------------------------|
| 2019 | 140,750 |
| 2020 | 5,006 |
| 2021 | (364,948) |
| 2022 | (330,891) |
| 2023 | (155,786) |
| Total | <u>\$ (705,869.00)</u> |

Actuarial Assumptions- The total pension liability in the June 30, 2018 and June 30, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | June 30, 2018 | June 30, 2017 |
|-------------------------------|----------------------------|----------------------------|
| Inflation | 2.25% | 2.25% |
| Salary Increases through 2026 | 1.65% - 4.15% based on age | 1.65% - 4.15% based on age |
| Thereafter | 2.65% - 5.15% based on age | 2.65% - 5.15% based on age |
| Investment rate of return | 7.00% | 7.00% |

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

9. PENSION PLANS (continued)

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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 the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2018 and 2017 are summarized in the following table:

| Asset Class | June 30, 2018 | | June 30, 2017 | |
|-----------------------------------|-------------------|--|-------------------|--|
| | Target Allocation | Long-Term Expected Real Rate of Return | Target Allocation | Long-Term Expected Real Rate of Return |
| Cash equivalents | 5.50% | 1.00% | 5.50% | 1.00% |
| U.S. Treasuries | 3.00% | 1.87% | 3.00% | 1.87% |
| Global diversified credit | 5.00% | 7.10% | 5.00% | 7.10% |
| Credit oriented hedge funds | 1.00% | 6.60% | 1.00% | 6.60% |
| Debt related private equity | 2.00% | 10.63% | 2.00% | 10.63% |
| Debt related real estate | 1.00% | 6.61% | 1.00% | 6.61% |
| Private real asset | 2.50% | 11.83% | 2.50% | 11.83% |
| Equity related real estate | 6.25% | 9.23% | 6.25% | 9.23% |
| U.S. equity | 30.00% | 8.19% | 30.00% | 8.19% |
| Non-U.S. developed markets equity | 11.50% | 9.00% | 11.50% | 9.00% |
| Emerging markets equity | 6.50% | 11.64% | 6.50% | 11.64% |
| Buyouts/venture capital | 8.25% | 13.08% | 8.25% | 13.08% |
| Absolute return/risk mitigation | 5.00% | 5.51% | 5.00% | 5.51% |
| Investment grade credit | 10.00% | 3.78% | 10.00% | 3.78% |
| Public high yield | 2.50% | 6.82% | 2.50% | 6.82% |
| | <u>100.00%</u> | | <u>100.00%</u> | |

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. PENSION PLANS (continued)

Discount Rate – The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018 and 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on 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. 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 made based on the contribution rate in the most recent fiscal year.

The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate.

| | At 1% Decrease (4.66%) | At Current Discount Rate (5.66%) | At 1% Increase (6.66%) |
|------|---------------------------|-------------------------------------|---------------------------|
| PERS | \$ 7,208,825 | \$ 5,733,189 | \$ 4,495,225 |

Plan Fiduciary Net Position – The plan fiduciary net position for PERS including the State of New Jersey at June 30, 2018 and 2017 were \$29,472,374,536 and \$28,464,239,518, respectively. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2018 and 2017 was \$22,742,071,972 and \$21,573,965,463, respectively.

Additional Information

Collective balances at June 30, 2018 are as follows:

| | |
|--|------------------|
| Collective deferred outflows of resources | \$ 4,684,852,302 |
| Collective deferred inflows of resources | 7,646,736,226 |
| Collective net pension liability – Local group | 19,689,501,539 |
| Borough's Proportion | 0.0291180000% |

Collective Local Group pension expense for the Local Group for the measurement period ended June 30, 2018 and 2017 was \$1,099,708,157 and \$1,694,305,613, respectively. The average of the expected remaining service lives of all plan members is 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2018, 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Prior to July 1, 2017 valuation, it is assumed the State will make pension contributions the June 30th following the valuation date. Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. PENSION PLANS (continued)

Receivable Contributions

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2018 and June 30, 2017 are \$1,017,878,064 and \$1,073,054,740, respectively.

Police and Firemen's Retirement System

The Police and Firemen's Retirement System is a cost-sharing, multiple employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the PFRS Plan are as follows:

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2018 and 2017:

| | 2018 | 2017 |
|---|---------------|---------------|
| Inactive plan members or beneficiaries currently receiving benefits | 43,755 | 43,011 |
| Inactive plan members entitled to but not yet receiving benefits | 39 | 47 |
| Active plan members | 41,517 | 40,789 |
| Total | <u>85,311</u> | <u>83,847</u> |

In addition to the State, who is the sole payer of regular employer contributions to the fund, PFRS contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program (ERIP) and are legally responsible to continue to pay toward their incurred liability. The current number of ERIP contributing employers is 26.

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven-year period beginning in the fiscal year ended June 30, 2012.

For the year ended June 30, 2018, it is assumed that the Local employers will contribute 100% of their actuarially determined contribution and 100% of their Non-Contributory Group Insurance Premium Fund (NCGIPF) contribution while the State will contribute 50% of its actuarially determined contribution and 100% of its NCGIPF contribution. The 50% contribution rate is the actual total State contribution rate paid in fiscal year ending June 30, 2018 with respect to the actuarially determined contribution for the fiscal year ending June 30, 2018 for all State administered retirement systems.

In accordance with Chapter 98, P.L. 2017, PERS receives 1.2% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PFRS.

For the year ended December 31, 2018 and 2017, the Borough's total payroll for all employees was \$5,545,940.03 and \$5,747,709.09, respectively. Total PFRS covered payroll was \$2,218,210 and \$2,083,310, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Borough to active employees covered by the Plan.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. PENSION PLANS (continued)

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 8.5% of annual compensation to 10.0% in October 2011. Employer contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Borough contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

Borough payments to PFRS for the years ending December 31, 2018 and 2017 consisted of the following:

| | 2018 | 2017 |
|-----------------------|------------|------------|
| Total Regular Billing | \$ 604,546 | \$ 576,927 |

The Borough recognizes liabilities to PFRS and records expenditures for same in the fiscal period that bills become due.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service.

The following represents the membership tiers for PFRS:

| <u>Tier</u> | <u>Definition</u> |
|-------------|---|
| 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 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% (tiers 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.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The regulatory-basis of accounting which is basis for the preparation of the Borough's basic financial statements does not require or permit the inclusion of entity-wide, full accrual basis financial statements. Accordingly, the Borough does not recognize pension liabilities for any current or prior period until the fiscal period in which such payments will become due and payable.

At June 30, 2018, the PFRS reported a net pension liability of \$15,369,699,278 for its Non-State, Non-Special Funding Situation Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$8,367,541 or 0.0618368178% which was a decrease in 0.0033513141% from its proportion measured as of June 30, 2017. The pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018.

At June 30, 2017, the PFRS reported a net pension liability of \$17,167,260,198 for its Non-State, Non-Special Funding Situation Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$10,063,787 or 0.0651881319% which was an increase in 0.0053225979% from its proportion measured

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. PENSION PLANS (continued)

as of June 30, 2016. The pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017.

At December 31, 2018, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources; if GASB #68 was recognized:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 85,129 | \$ 34,627 |
| Changes in assumptions | 718,241 | 2,144,456 |
| Net difference between projected and actual earnings on pension plan investments | - | 45,778 |
| Changes in proportion and differences between Borough contributions and proportionate share of contributions | 521,061 | 857,012 |
| Borough contributions subsequent to the measurement date | 604,546 | |
| | <u>\$ 1,928,977</u> | <u>\$ 3,081,873</u> |

\$604,546 shown as deferred outflows of resources related to PFRS resulting from Borough contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

| Year ended December 31, | Amount |
|----------------------------|-----------------------|
| 2019 | (145,441) |
| 2020 | (319,689) |
| 2021 | (650,346) |
| 2022 | (440,283) |
| 2023 | (201,682) |
| Total | <u>\$ (1,757,441)</u> |

Actuarial Assumptions- The total pension liability in the June 30, 2018 and June 30, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | June 30, 2018 | June 30, 2017 |
|-------------------------------|----------------------------|----------------------------|
| Inflation | 2.25% | 2.25% |
| Salary Increases through 2026 | 2.10% - 8.98% based on age | 2.10% - 8.98% based on age |
| Thereafter | 3.10% - 9.98% based on age | 3.10% - 9.98% based on age |
| Investment rate of return | 7.00% | 7.00% |

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

9. PENSION PLANS (continued)

Pre-retirement mortality rates were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) 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 the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2018 and 2017 are summarized in the following table:

| <u>Asset Class</u> | <u>June 30, 2018</u> | | <u>June 30, 2017</u> | |
|-----------------------------------|------------------------------|---|------------------------------|---|
| | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| Cash equivalents | 5.50% | 1.00% | 5.50% | 1.00% |
| U.S. Treasuries | 3.00% | 1.87% | 3.00% | 1.87% |
| Global diversified credit | 5.00% | 7.10% | 5.00% | 7.10% |
| Credit oriented hedge funds | 1.00% | 6.60% | 1.00% | 6.60% |
| Debt related private equity | 2.00% | 10.63% | 2.00% | 10.63% |
| Debt related real estate | 1.00% | 6.61% | 1.00% | 6.61% |
| Private real asset | 2.50% | 11.83% | 2.50% | 11.83% |
| Equity related real estate | 6.25% | 9.23% | 6.25% | 9.23% |
| U.S. equity | 30.00% | 8.19% | 30.00% | 8.19% |
| Non-U.S. developed markets equity | 11.50% | 9.00% | 11.50% | 9.00% |
| Emerging markets equity | 6.50% | 11.64% | 6.50% | 11.64% |
| Buyouts/venture capital | 8.25% | 13.08% | 8.25% | 13.08% |
| Absolute return/risk mitigation | 5.00% | 5.51% | 5.00% | 5.51% |
| Investment grade credit | 10.00% | 3.78% | 10.00% | 3.78% |
| Public high yield | 2.50% | 6.82% | 2.50% | 6.82% |
| | <u>100.00%</u> | | <u>100.00%</u> | |

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. PENSION PLANS (continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.51% as of June 30, 2018 and 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on 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. 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 made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2062, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of Net Pension Liability – the following presents the net pension liability of PFRS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

| | At 1% Decrease (5.51%) | At Current Discount Rate (6.51%) | At 1% Increase (7.51%) |
|------|---------------------------|-------------------------------------|---------------------------|
| PFRS | \$ 11,198,915 | \$ 8,367,541 | \$ 6,032,173 |

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2018 and 2017 was \$27,098,556,100 and \$25,847,718,399, respectively.

Additional Information

Collective balances at June 30, 2018 are as follows:

| | |
|--|------------------|
| Collective deferred outflows of resources | \$ 1,988,215,695 |
| Collective deferred inflows of resources | 4,286,994,294 |
| Collective net pension liability – Local group | 15,369,699,278 |
| Borough's Proportion | 0.0618368178% |

Collective pension expense for the Local Group for the measurement period ended June 30, 2018 and 2017 is \$1,270,762,352, and \$1,624,455,951, respectively. The average of the expected remaining service lives of all plan members is 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2018, 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates

Effective with the July 1, 2017 valuation Chapter 83 P.L. 2016 requires the State to make pension contributions on a quarterly basis at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30.

Receivable Contributions

The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate,

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. PENSION PLANS (continued)

the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the years ended June 30, 2018 and June 30, 2017 are \$1,017,878,064 and \$1,073,054,740, respectively.

Local contributions expected to be paid the April 1st, following the valuation are discounted by the interest rate used at the valuation date.

Special Funding Situation- Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and state is treated as a non-employer entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of June 30, 2018 and 2017 for police and fire is 0.5975524919% and 0.05482364024%, respectively. The non-employer contributing entities' contribution for the year ended June 30, 2018 and 2017 was \$650,478 and \$505,172, respectively. The state's proportionate share of net pension liability attributable to the Borough as of June 30, 2018 and 2017 was \$10,983,318 and \$10,102,578, respectively.

Defined Contribution Retirement Plan

DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. Prudential is acting on behalf of the NJ Division of Pensions and Benefits as the record keeper and investment funds manager. Chapter 1, P.L. 2010 increased the minimum annual salary required for eligibility in the DCRP. An employee must earn an annual salary of at least \$5,000 to be eligible or to continue participation.

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. The maximum wage limit for 2018 is \$128,400 and is subject to annual adjustment. Members who earn in excess of the annual maximum wage will be enrolled in the DCRP in addition to the PERS. The minimum salary will be increased to \$8,000 for the period ended June 30, 2019. At June 30, 2018 and 2017, the membership in the DCRP, based on the information within the Division's database, was 57,893 and 56,044, respectively.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employee's base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

9. PENSION PLANS (continued)

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 based on 7.20% for PERS, 10% for PFRS and 5.5% for DCRP of employees' base wages.

10. HEALTH BENEFITS

P.L. 2011 Ch. 78 Section 39 established guidelines for implementing employee contributions to the cost of their health insurance coverage.

The benefit cost of coverage is the premium. For State Health Benefit Plan ("SHBP") employers, the cost of coverage is the cost of medical and prescription coverage. For non-SHBP employers, the law requires that the cost of coverage includes all health care benefits; medical, prescription, dental, vision etc.

The base salary of the employees determines the percent of premium cost that is contributed.

The contribution is phased in at 25% per year:

- a) Immediately, for employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement ("CNA") that is in effect
- b) when a CNA that is in effect on June 28, 2011 expires or is in almost any way modified

Full contribution (Year 4) takes effect immediately for employees hired after June 28, 2011 who are not covered by a CNA or would be covered by a CNA that has expired.

When contributions begin, if the 1.5% of base salary calculation under Ch. 2 is greater than the standard contribution that amount is paid until the new contribution percentage is greater.

11. OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB) - OTHER THAN PENSIONS

State of New Jersey's OPEB Plan

Nonspecial Funding Situation – The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$9,452,773,649 and \$11,720,375,604 at June 30, 2018 and 2017, respectively.

Components of Net OPEB Liability – The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

| | June 30, 2017 | June 30, 2018 |
|--|--------------------------|--------------------------|
| Total OPEB Liability | \$ 20,629,044,656 | \$ 15,981,103,227 |
| Plan Fiduciary Net Position | <u>213,255,917</u> | <u>314,485,086</u> |
| Net OPEB Liability | <u>\$ 20,415,788,739</u> | <u>\$ 15,666,618,141</u> |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 1.03% | 1.97% |

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018 AND 2017

11. OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB) - OTHER THAN PENSIONS (continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to all periods (2017 and 2018) in the measurement:

| | |
|--------------------|---------------|
| Inflation | 2.50% |
| Salary Increases*: | |
| Through 2026 | 1.65% - 8.98% |
| Thereafter | 2.65% - 9.98% |

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

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2016 and July 1, 2017 valuations were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan – the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

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

Healthcare Trend 2018 Assumptions – For pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drugs benefits, the initial trend rate is 8.00% decreasing to a 5.0% trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate – The discount rate for June 30, 2018 and 2017 was 3.87% and 3.58%, respectively. 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.

Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate – The following presents the collective net OPEB liability of the participating employers as of June 30, 2018 and 2017, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

| | 1% Decrease | At Discount Rate | 1% Increase |
|---------------------------------|-------------------|-------------------|-------------------|
| Total Net OPEB Liability - 2017 | \$ 24,081,031,440 | \$ 20,415,788,739 | \$ 17,507,480,418 |
| Total Net OPEB Liability - 2018 | 18,381,085,096 | 15,666,618,141 | 13,498,373,388 |

BOROUGH OF GLEN RIDGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017**

**11. OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB) - OTHER THAN PENSIONS
(continued)**

Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the net OPEB liability as of June 30, 2018 and 2017, respectively, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
|---------------------------------|-------------------|-------------------------------|-------------------|
| Total Net OPEB Liability - 2017 | \$ 16,966,116,709 | \$ 20,415,788,739 | \$ 24,907,661,428 |
| Total Net OPEB Liability - 2018 | 13,068,471,450 | 15,666,618,141 | 19,029,006,023 |

Special Funding Situation – The State of New Jersey's Total OPEB Liability for special funding situation was \$6,213,844,492 and \$8,695,413,135 at June 30, 2018 and 2017, respectively.

Under Chapter 330, P.L. 1997, the State shall pay the premium 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.

Therefore, those employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

The amounts of the State's Non-employer OPEB Liability that are attributable to employees and retirees of the Borough of Glen Ridge was \$9,402,976 and \$13,745,187 at June 30, 2018 and 2017, respectively. These allocated liabilities represent 0.151323% and 0.158074% of the State's total Nonemployer OPEB Liability for June 30, 2018 and 2017, respectively. The OPEB Expense attributed to the Borough was \$284,639 and \$983,689 at June 30, 2018 and 2017, respectively.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

12. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within 10 years and 5 months or retired by the issuance of bonds.

The Borough's debt as of December 31st is summarized as follows:

Summary of Municipal Debt (Excluding Current and Operating Debt)

| | <u>2018</u> | <u>2017</u> |
|---|-------------------------|------------------------|
| General: | | |
| Bonds, Notes and Loans | \$ 3,811,602.88 | \$ 4,432,817.83 |
| Water Utility: | | |
| Loans | 2,576,375.44 | 2,948,014.93 |
| Swimming Pool Utility: | | |
| Notes | 540,000.00 | 700,000.00 |
| | <u>6,927,978.32</u> | <u>8,080,832.76</u> |
| Authorized But Not Issued: | | |
| General: | | |
| Bonds and Notes | \$ 2,020,000.00 | \$ - |
| Water: | | |
| Bonds and Notes | 2,480,000.00 | |
| | <u>4,500,000.00</u> | |
| Total Bonds and Notes Issued and Authorized But Not Issued | <u>\$ 11,427,978.32</u> | <u>\$ 8,080,832.76</u> |

The summarized statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 0.342% at December 31, 2018:

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|-----------------------|-------------------------|-------------------------|------------------------|
| Local School District | \$ 26,183,000.00 | \$ 26,183,000.00 | |
| Water Utility | 5,056,375.44 | 5,056,375.44 | |
| General Capital | 5,831,602.88 | | \$ 5,831,602.88 |
| Swimming Pool Utility | 540,000.00 | 540,000.00 | |
| | <u>\$ 37,610,978.32</u> | <u>\$ 31,779,375.44</u> | <u>\$ 5,831,602.88</u> |

Net debt, \$5,831,602.88 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,703,620,214.67 equals 0.342%.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

12. MUNICIPAL DEBT (Continued)

Summary of Statutory Debt Condition - Annual Debt Statement Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

| | |
|------------------------------------|-------------------------|
| 3 1/2 of Equalized Valuation Basis | \$ 59,626,707.51 |
| Net Debt | <u>5,831,602.88</u> |
| Remaining Borrowing Power | <u>\$ 53,795,104.63</u> |

School Debt Deductions

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuations of real property for the Local District.

Calculation of "Self-Liquidating Purposes" Water/Sewer Utility per N.J.S.A. 40A:2-45

| | |
|---|---------------------|
| Cash Receipts from Fees, Rents or Other Charges and Surplus Anticipated | \$ 1,494,012.31 |
| Deductions: | |
| Operating and Maintenance Cost | \$ 988,826.57 |
| Debt Service per Water Utility Operating Fund | <u>438,950.72</u> |
| | <u>1,427,777.29</u> |
| Excess in Revenue | <u>\$ 66,235.02</u> |

As there is an excess in revenue, all Water/Sewer Utility Debt is deductible for Debt Statement purposes.

Calculation of "Self-Liquidating Purposes" Swimming Pool Utility Per N.J.S.A. 40A:2-45

| | |
|---|---------------------|
| Cash Receipts from Fees, Rents or Other Charges and Surplus Anticipated | \$ 495,921.33 |
| Deductions: | |
| Operating and Maintenance Cost | \$ 279,250.00 |
| Debt Service | <u>175,750.00</u> |
| | <u>455,000.00</u> |
| Excess in Revenue | <u>\$ 40,921.33</u> |

As there is an excess in revenue, all Swimming Pool Utility Debt is deductible for Debt Statement purposes.

The foregoing debt information is in material agreement with the Annual Debt Statement, as amended, as filed by the Chief Financial Officer.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

12. MUNICIPAL DEBT (Continued)

General Capital Improvement Bonds

As of December 31, 2018 and 2017, the Borough's long-term debt is as follows:

| <u>General Improvement Bonds</u> | <u>2018</u> | <u>2017</u> |
|---|------------------------|------------------------|
| \$2,130,000 Refunding Bond, due in annual installments of \$350,000.00 to \$370,000 through August 2023, interest ranging from 3.00% to 5.00% | <u>\$ 1,785,000.00</u> | <u>\$ 2,130,000.00</u> |

Changes in Long-Term Municipal Debt

The Borough's long-term debt activity for 2018 and 2017 is as follows:

Changes in Long-Term Municipal Debt

| | Balance, December 31, 2017 | Additions | Reductions | Balance, December 31, 2018 |
|------------------------------------|----------------------------------|-----------|---------------|----------------------------------|
| Bonds Payable | | | | |
| General Capital Fund | \$ 2,130,000.00 | \$ - | \$ 345,000.00 | \$ 1,785,000.00 |
| Green Acres Loans Payable | | | | |
| General Capital Fund | \$ 238,238.30 | | \$ 32,036.23 | \$ 206,202.07 |
| Environmental Infrastructure | | | | |
| Loans Payable: | | | | |
| General Capital Fund | \$ 246,579.53 | | \$ 19,178.72 | \$ 227,400.81 |
| Water Capital Fund | 2,948,014.93 | | 371,639.49 | 2,576,375.44 |
| Total Environmental Infrastructure | | | | |
| Loans Payable | \$ 3,194,594.46 | | \$ 390,818.21 | \$ 2,803,776.25 |
| Total Long-Term Debt | \$ 5,562,832.76 | \$ | \$ 767,854.44 | \$ 4,794,978.32 |

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

12. MUNICIPAL DEBT (continued)

| | Balance, December 31, 2016 | Additions | Reductions | Balance, December 31, 2017 |
|------------------------------------|----------------------------------|-----------|-----------------|----------------------------------|
| Bonds Payable | | | | |
| General Capital Fund | \$ 2,610,000.00 | \$ | \$ 480,000.00 | \$ 2,130,000.00 |
| Green Acres Loans Payable | | | | |
| General Capital Fund | \$ 269,643.29 | | \$ 31,404.99 | \$ 238,238.30 |
| Environmental Infrastructure | | | | |
| Loans Payable: | | | | |
| General Capital Fund | \$ 273,502.25 | | \$ 26,922.72 | \$ 246,579.53 |
| Water Capital Fund | 3,423,282.59 | | 475,267.66 | 2,948,014.93 |
| Total Environmental Infrastructure | | | | |
| Loans Payable | \$ 3,696,784.84 | | \$ 502,190.38 | \$ 3,194,594.46 |
| Total Long-Term Debt | \$ 6,576,428.13 | \$ | \$ 1,013,595.37 | \$ 5,562,832.76 |

A schedule of annual debt service for future principal and interest for bonded debt is as follows:

| Year | Total | Principal | Interest |
|------|------------------------|------------------------|----------------------|
| 2019 | \$ 430,150.00 | \$ 355,000.00 | \$ 75,150.00 |
| 2020 | 414,500.00 | 350,000.00 | 64,500.00 |
| 2021 | 400,500.00 | 350,000.00 | 50,500.00 |
| 2022 | 406,500.00 | 370,000.00 | 36,500.00 |
| 2023 | 378,000.00 | 360,000.00 | 18,000.00 |
| 2024 | - | - | - |
| | <u>\$ 2,029,650.00</u> | <u>\$ 1,785,000.00</u> | <u>\$ 244,650.00</u> |

A schedule of annual debt service for future principal and interest for Green Acres debt is as follows:

| Year | Total | Principal | Interest |
|------|----------------------|----------------------|---------------------|
| 2019 | \$ 36,641.60 | \$ 32,680.15 | \$ 3,961.45 |
| 2020 | 36,641.61 | 33,337.03 | 3,304.58 |
| 2021 | 36,641.62 | 34,007.11 | 2,634.51 |
| 2022 | 36,641.62 | 34,690.65 | 1,950.97 |
| 2023 | 36,641.60 | 35,387.92 | 1,253.68 |
| 2024 | 36,641.59 | 36,099.21 | 542.38 |
| | <u>\$ 219,849.64</u> | <u>\$ 206,202.07</u> | <u>\$ 13,647.57</u> |

BOROUGH OF GLEN RIDGE**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017****12. MUNICIPAL DEBT (continued)****Environmental Infrastructure Loans:**

The Borough entered into a loan agreement with the State of New Jersey, Department of Environmental Protection Environmental Infrastructure Trust Financing Program for waterworks improvements. A loan was awarded in the sum of \$1,680,784.00. A loan repayment schedule provided by the State of New Jersey showed a total loan payable of \$1,655,392.00.

The Borough entered into a loan agreement in 2003 for \$1,192,053.00 and in 2005 for \$255,000.00. A fourth loan in the amount of \$1,614,785.00 was entered into in 2006. Three loans were initiated in 2010. Two of the loans were established in the Water Utility Fund, while the third loan related to sanitary sewer, was established in the General Capital Fund. The two loans in the Utility Fund were for \$1,413,287.00 and \$765,863.00. The General Capital Fund was for \$350,515.00.

General Capital Fund

| <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|----------------------|----------------------|---------------------|
| 2019 | \$ 25,678.72 | \$ 19,178.72 | \$ 6,500.00 |
| 2020 | 25,178.72 | 19,178.72 | 6,000.00 |
| 2021 | 24,678.72 | 19,178.72 | 5,500.00 |
| 2022 | 24,178.72 | 19,178.72 | 5,000.00 |
| 2023 | 23,678.72 | 19,178.72 | 4,500.00 |
| 2024-2028 | 110,893.60 | 95,893.60 | 15,000.00 |
| 2029-2030 | 37,863.61 | 35,613.61 | 2,250.00 |
| | <u>\$ 272,150.81</u> | <u>\$ 227,400.81</u> | <u>\$ 44,750.00</u> |

Water Utility Capital Fund

| <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|------------------------|------------------------|----------------------|
| 2019 | \$ 437,633.04 | \$ 379,073.90 | \$ 58,559.14 |
| 2020 | 447,397.90 | 401,096.87 | 46,301.03 |
| 2021 | 332,875.09 | 293,099.69 | 39,775.40 |
| 2022 | 331,643.83 | 297,868.84 | 33,774.99 |
| 2023 | 332,708.37 | 302,145.87 | 30,562.50 |
| 2024-2028 | 909,740.39 | 840,746.64 | 68,993.75 |
| 2029-2032 | 67,843.63 | 62,343.63 | 5,500.00 |
| | <u>\$ 2,859,842.25</u> | <u>\$ 2,576,375.44</u> | <u>\$ 283,466.81</u> |

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

12. MUNICIPAL DEBT (continued)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

Short-Term Debt

Changes in Short-Term Debt

| | Balance, December 31, 2017 | Additions | Reductions | Balance, December 31, 2018 |
|---------------------------|-------------------------------|------------------------|------------------------|-------------------------------|
| Bond Anticipation Notes | | | | |
| General Capital Fund | \$ 1,818,000.00 | \$ 1,593,000.00 | \$ 1,818,000.00 | \$ 1,593,000.00 |
| Pool Utility Capital Fund | 700,000.00 | 540,000.00 | 700,000.00 | 540,000.00 |
| Total | <u>\$ 2,518,000.00</u> | <u>\$ 2,133,000.00</u> | <u>\$ 2,518,000.00</u> | <u>\$ 2,133,000.00</u> |
| | Balance, December 31, 2016 | Additions | Reductions | Balance, December 31, 2017 |
| Bond Anticipation Notes | | | | |
| General Capital Fund | \$ 2,043,000.00 | \$ 1,818,000.00 | \$ 2,043,000.00 | \$ 1,818,000.00 |
| Pool Utility Capital Fund | 860,000.00 | 700,000.00 | 860,000.00 | 700,000.00 |
| Total | <u>\$ 2,903,000.00</u> | <u>\$ 2,518,000.00</u> | <u>\$ 2,903,000.00</u> | <u>\$ 2,518,000.00</u> |

13. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2018 and 2017, interfund receivables and payables that resulted from various interfund transactions were as follows:

| Fund | 2018 | | 2017 | |
|------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | Due from Other Funds | Due to Other Funds | Due from Other Funds | Due to Other Funds |
| Current Fund | \$ 130,666.76 | \$ 48,970.55 | \$ 135,539.77 | \$ 58,254.01 |
| Federal and State Grant Fund | 48,970.55 | | 58,254.01 | |
| Animal Control Trust Fund | | 23,753.19 | | 16,210.94 |
| Payroll Trust Fund | | 2,124.57 | | 2,124.57 |
| General Trust Fund | | - | | 40,000.00 |
| General Capital Fund | - | 141,321.48 | 40,000.00 | 144,321.48 |
| Water/Sewer Operating Fund | 100,000.00 | 63,467.52 | 70,000.00 | 42,882.78 |
| | <u>\$ 279,637.31</u> | <u>\$ 279,637.31</u> | <u>\$ 303,793.78</u> | <u>\$ 303,793.78</u> |

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

14. DEFERRED SCHOOL TAX

The Local School District Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows:

| | Dec. 31, 2018 | Dec. 31, 2017 | Increase |
|------------------------------|------------------------|----------------------|----------------------|
| *Balance of Tax | \$ 15,301,989.87 | \$ 14,766,077.81 | \$ 535,912.06 |
| Amount Deferred | 13,920,821.00 | 13,920,821.00 | - |
| Tax Payable (Cash Liability) | <u>\$ 1,381,168.87</u> | <u>\$ 845,256.81</u> | <u>\$ 535,912.06</u> |

| | Dec. 31, 2017 | Dec. 31, 2016 | Increase |
|------------------------------|----------------------|----------------------|----------------------|
| *Balance of Tax | \$ 14,766,077.81 | \$ 14,404,676.87 | \$ 361,400.94 |
| Amount Deferred | 13,920,821.00 | 13,920,821.00 | - |
| Tax Payable (Cash Liability) | <u>\$ 845,256.81</u> | <u>\$ 483,855.87</u> | <u>\$ 361,400.94</u> |

*Required for school operations for the six month period following December 31st.

15. RISK MANAGEMENT

The Borough is a member of the North Jersey Intergovernmental Insurance Fund for various insurance coverages.

16. CONTINGENT LIABILITIES

a. Compensated Absences

The Borough permits its employees to accrue unused vacation and sick pay, which may be taken as compensatory time off or paid at a later date, at an agreed upon rate. It is estimated that the sum of \$870,126.47 and \$871,416.55 is due and payable to employees and officials of the Borough as of December 31, 2018 and 2017, respectively upon their retirements or other separations. This amount was not verified by audit.

b. Tax Appeals

As of December 31, 2018, the Borough Attorney indicated that there were several State Tax Appeals pending before the New Jersey Tax Court.

Judgments, adverse to the Borough, would apply to the year of appeal plus at least two subsequent years. Refunds or tax credits, including statutory interest thereon, would be chargeable to operations or future budget appropriations.

County taxes paid on the reductions in assessed valuations are subject to credits against County Tax Levy of the year subsequent to the year in which appeals were adjudicated.

c. Federal and State Awards

The Borough participates in several Federal and State grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Borough has not complied with the rules and regulations governing the grant, refunds of any money received may be required and the collectability of any related receivable at December 31, 2018 and 2017 may be

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

16. CONTINGENT LIABILITIES (continued)

impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

d. Litigation

The Borough is involved in claims incidental to its operation which has been referred to and are being handled by the Borough's liability insurance carrier. No claims are to be in excess of insurance coverage limits.

17. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGET

The following deferred charges are shown on the December 31, 2018 and 2017 balance sheet of the Borough's Current Fund:

| | December 31, 2018 | | December 31, 2017 | |
|--------------|----------------------|--|----------------------|--|
| | Amount | Raised in Succeeding Year Budget | Amount | Raised in Succeeding Year Budget |
| Current Fund | <u>\$ 220,000.00</u> | <u>\$ 55,000.00</u> | <u>\$ 275,000.00</u> | <u>\$ 55,000.00</u> |

The current year deferred charge resulted from a special emergency authorization of \$275,000.00 for the revaluation of the Borough's tax assessments.

18. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2018 through the date of August 28, 2019, which is the date the financial statements were available to be issued. Based on this evaluation, the Borough has determined that no subsequent events have occurred which require disclosure in the financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2018

A-4

| | <u>Ref.</u> | <u>Current Fund</u> | |
|-------------------------------|-------------|------------------------|----------------------|
| Balance, December 31, 2017 | A | \$ 11,197,878.61 | |
| Increased by Cash Receipts: | | | |
| Nonbudget Revenue | A-2b | \$ 32,025.71 | |
| Tax Exemptions Due from State | A-6 | 25,200.00 | |
| Taxes Receivable | A-7 | 45,136,643.19 | |
| Revenue Accounts Receivable | A-10 | 1,374,603.46 | |
| Interfund Settlements | A-11 | 106,591.18 | |
| Fees Payable to State | A-15 | 17,374.00 | |
| Tax Overpayments | A-16 | 103,662.30 | |
| Inspection Fees Payable | A-17 | 16,019.00 | |
| Accounts Payable | A-23 | 1,100.00 | |
| Prepaid Taxes | A-22 | <u>209,105.81</u> | |
| | | | <u>47,022,324.65</u> |
| | | | 58,220,203.26 |
| Decreased by Cash Disbursed: | | | |
| Budget Appropriations | A-3 | 12,891,831.90 | |
| Interfund Settlements | A-11 | 103,459.38 | |
| Appropriation Reserves | A-14 | 380,203.60 | |
| Accounts Payable | A-23 | 1,600.00 | |
| Due to State of New Jersey | A-15 | 13,253.00 | |
| Refund of Tax Overpayments | A-16 | 6,651.28 | |
| Inspection Fees Payable | A-17 | 16,302.00 | |
| County Taxes Payable | A-18 | 8,660,115.21 | |
| Local School District Tax | A-19 | 30,385,530.00 | |
| Reserve For Revaluation | A-21 | 147,626.00 | |
| Emergency Note Payable | A-20 | <u>55,000.00</u> | |
| | | | <u>52,661,572.37</u> |
| Balance, December 31, 2018 | A | <u>\$ 5,558,630.89</u> | |

BOROUGH OF GLEN RIDGE
CURRENT FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2018

A-5

| | <u>Ref.</u> | |
|----------------------------|-------------|------------------|
| Balance, December 31, 2017 | A | <u>\$ 370.00</u> |
| Balance, December 31, 2018 | A | <u>\$ 370.00</u> |
| <u>Analysis of Balance</u> | | |
| Tax Collector | | \$ 50.00 |
| Recreation | | 100.00 |
| Public Works | | 50.00 |
| Vital Statistics | | 100.00 |
| Library | | <u>70.00</u> |
| | Above | <u>\$ 370.00</u> |

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE TO STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
(SENIOR CITIZENS AND VETERANS TAX EXEMPTIONS)
YEAR ENDED DECEMBER 31, 2018

A-6

| | <u>Ref.</u> | |
|---|-------------|-----------------------------|
| Balance, December 31, 2017 (Due To) | A | \$ (7,350.64) |
| Increased by: | | |
| Deductions per Tax Duplicate: | | |
| Senior Citizens | | \$ 1,000.00 |
| Veterans | | <u>21,500.00</u> |
| Veterans' Deductions Allowed by | | |
| Tax Collector | | <u>1,000.00</u> |
| | | <u>23,500.00</u> |
| Less: Senior Citizens'/Veterans' Deductions | | |
| Disallowed by Tax Collector | | <u>500.00</u> |
| | A-7 | <u>23,000.00</u> |
| | | <u>15,649.36</u> |
| Decreased by: | | |
| Cash Received | A-4 | <u>25,200.00</u> |
| Balance, December 31, 2018 (Due To) | A | <u><u>\$ (9,550.64)</u></u> |

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2018

A-7

| Year | Balance December 31, 2017 | 2018 Levy | Added Taxes | Collected | | Exemptions Granted | Canceled | Transferred to Tax Title Liens | Balance December 31, 2018 |
|------|------------------------------|------------------|----------------|-----------------|------------------|-----------------------|-------------|--------------------------------------|------------------------------|
| | | | | 2017 | 2018 | | | | |
| 2016 | \$ 2,623.71 | | | | \$ 2,623.71 | | | | |
| 2017 | 223,041.37 | | | | 190,107.46 | | \$ 5,795.69 | | \$ 27,138.22 |
| | 225,665.08 | | | | 192,731.17 | | 5,795.69 | | 27,138.22 |
| 2018 | | \$ 51,434,196.61 | | \$ 6,195,051.50 | 44,943,912.02 | \$ 23,000.00 | 3,431.12 | \$ 2,486.39 | 266,315.58 |
| | \$ 225,665.08 | \$ 51,434,196.61 | \$ - | \$ 6,195,051.50 | \$ 45,136,643.19 | \$ 23,000.00 | \$ 9,226.81 | \$ 2,486.39 | \$ 293,453.80 |
| Ref. | A | Below | Reserve | A-2a, A-22 | A-4 | A-2a, A-6 | Reserve | A-8 | A |

Analysis of Property Tax Yield and Levy

| | <u>Ref.</u> | <u>Ref.</u> |
|--------------------------------------|-------------|------------------|
| <u>Tax Yield</u> | | |
| General Purpose Tax | | \$ 51,227,375.67 |
| Added Taxes | | 206,820.94 |
| | Above | \$ 51,434,196.61 |
| <u>Tax Levy</u> | | |
| Local District School Tax (Abstract) | A-19 | \$ 30,921,442.00 |
| County Taxes: | | |
| Regular County Tax (Abstract) | A-18 | \$ 8,373,032.46 |
| Added Taxes | A-18 | 32,792.57 |
| Open Space | A-18 | 261,586.77 |
| | | 8,667,411.80 |
| Local Taxes: | | |
| For Municipal Purposes | A-2 | 11,103,607.93 |
| Minimum Library | A-2 | 567,706.51 |
| Additional Tax Levied | Reserve | 174,028.37 |
| | | 11,845,342.81 |
| | Above | \$ 51,434,196.61 |

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2018

A-8

| <u>Block</u> | <u>Lot</u> | <u>Date of Sale</u> | <u>Lien Number</u> | <u>Balance Dec. 31, 2017</u> | <u>Transfer from Taxes Receivable</u> | <u>Balance Dec. 31, 2018</u> |
|--------------|------------|-------------------------|------------------------|----------------------------------|---|----------------------------------|
| 06 | 12 | 11-16-64 | 2-96 | \$ 8,454.04 | | \$ 8,454.04 |
| 06 | 12A | 11-16-64 | 3-96 | 3,308.22 | | 3,308.22 |
| 63 | 15 | 06-17-09 | 9-06 | <u>22,239.18</u> | <u>\$ 2,486.39</u> | <u>24,725.57</u> |
| | | | | <u>\$ 34,001.44</u> | <u>\$ 2,486.39</u> | <u>\$ 36,487.83</u> |
| <u>Ref.</u> | | | | A | A-7 | A |

BOROUGH OF GLEN RIDGE
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
YEAR ENDED DECEMBER 31, 2018

A-9

| | <u>Ref.</u> | |
|----------------------------|-------------|------------------|
| Balance, December 31, 2017 | A | <u>\$ 410.00</u> |
| Balance, December 31, 2018 | A | <u>\$ 410.00</u> |

List of Property as of December 31, 2018

| <u>Location</u> | <u>Block</u> | <u>Lot</u> | |
|-----------------|--------------|------------|------------------|
| Carteret Street | 17 | 15A | \$ 100.00 |
| Carteret Street | 17 | 16 | 300.00 |
| Mitchell Place | 123 | 7 | <u>10.00</u> |
| | Above | | <u>\$ 410.00</u> |

BOROUGH OF GLEN RIDGE
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

A-10

| | Ref. | Balance Dec. 31, 2017 | Accrued | Collected | Balance Dec. 31, 2018 |
|---|------|--------------------------|------------------------|------------------------|--------------------------|
| Borough Clerk: | | | | | |
| Alcoholic Beverage Licenses | A-2 | | \$ 10,000.00 | \$ 10,000.00 | |
| Other Licenses | A-2 | | 4,147.00 | 4,147.00 | |
| Fees and Permits | A-2 | | 341,277.24 | 341,277.24 | |
| Other Fines and Costs | A-2 | | 4,250.86 | 4,250.86 | |
| Interest on Investments and Deposits | A-2 | | 28,142.30 | 28,142.30 | |
| Tax Collector: | | | | | |
| Interest and Cost on Taxes | A-2 | | 76,354.01 | 76,354.01 | |
| Department of Public Safety: | | | | | |
| Parking Lot Fees | A-2 | | 86,769.93 | 86,769.93 | |
| Construction Official: | | | | | |
| Building Permits | A-2 | | 15,645.00 | 15,645.00 | |
| Municipal Court | A-2 | \$ 5,579.29 | 110,446.28 | 104,028.08 | \$ 11,997.49 |
| Recreation Receipts | A-2 | | 36,650.90 | 36,650.90 | |
| Jitney Fees | A-2 | | 43,497.00 | 43,497.00 | |
| Rental of Hurrell Field | A-2 | | 75,000.00 | 75,000.00 | |
| Summer Recreation Fees | A-2 | | 46,110.00 | 46,110.00 | |
| Recreation Rentals | A-2 | | 7,652.50 | 7,652.50 | |
| Cable TV Franchise Fee | A-2 | | 80,529.42 | 80,529.42 | |
| PILOT - Project Live | A-2 | | 4,500.00 | 4,500.00 | |
| Mountainside Hospital Sewer Fee | A-2 | | 10,508.22 | 10,508.22 | |
| State of New Jersey: | | | | | |
| Energy Receipts Tax | A-2 | | 395,965.40 | 395,965.40 | |
| Consolidated Municipal Property Tax Relief Act | A-2 | | 3,575.60 | 3,575.60 | |
| | | <u>\$ 5,579.29</u> | <u>\$ 1,381,021.66</u> | <u>\$ 1,374,603.46</u> | <u>\$ 11,997.49</u> |
| | Ref. | A | Reserve | A-4 | A |

BOROUGH OF GLEN RIDGE
CURRENT FUND

INTERFUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2018

A-11

| | <u>Ref.</u> | <u>Total</u> | <u>Federal and State Grant Fund</u> | <u>Animal Control Trust Fund</u> | <u>Water Operating Fund</u> | <u>General Capital Fund</u> | <u>Payroll Fund</u> |
|---------------------------------|-------------|-----------------------|---|--|-------------------------------------|---------------------------------|-------------------------|
| Balance, December 31, 2017: | | | | | | | |
| From | A | <u>\$ 135,539.77</u> | | <u>\$ 16,210.94</u> | <u>\$ 42,882.78</u> | <u>\$ 74,321.48</u> | <u>\$ 2,124.57</u> |
| (To) | A | <u>\$ (58,254.01)</u> | <u>\$ (58,254.01)</u> | | | | |
| Increased by: | | | | | | | |
| Excess Dog License Fees | A-1 | 7,542.25 | | 7,542.25 | | | |
| Anticipated Revenue | A-2 | 37,062.91 | 37,062.91 | | | | |
| Cash Disbursed | A-4 | <u>103,459.38</u> | <u>40,874.64</u> | | <u>20,584.74</u> | <u>42,000.00</u> | |
| | | <u>225,350.30</u> | <u>19,683.54</u> | <u>23,753.19</u> | <u>63,467.52</u> | <u>116,321.48</u> | <u>2,124.57</u> |
| Decreased by: | | | | | | | |
| Cash Receipts | A-4 | 106,591.18 | 31,591.18 | | | 75,000.00 | |
| Budget Appropriations | A-3 | <u>37,062.91</u> | <u>37,062.91</u> | | | | |
| | | <u>143,654.09</u> | <u>68,654.09</u> | | | <u>75,000.00</u> | |
| Balance, December 31, 2018: | | | | | | | |
| From | A | <u>\$ 130,666.76</u> | <u>\$</u> | <u>\$ 23,753.19</u> | <u>\$ 63,467.52</u> | <u>\$ 41,321.48</u> | <u>\$ 2,124.57</u> |
| (To) | A | <u>\$ (48,970.55)</u> | <u>\$ (48,970.55)</u> | <u>\$</u> | <u>\$</u> | | <u>\$</u> |
| <u>Net Credit to Operations</u> | <u>Ref.</u> | | | | | | |
| Interfunds Receivable: | | | | | | | |
| December 2017 | Above | \$ 135,539.77 | | | | | |
| December 2018 | Above | <u>130,666.76</u> | | | | | |
| Net Credit | A-1 | <u>\$ 4,873.01</u> | | | | | |

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

A-12

| | <u>Balance</u> <u>Dec. 31, 2017</u> | <u>Budget</u> <u>Revenue</u> <u>Realized</u> | <u>Collected</u> | <u>Transferred From</u> <u>Unappropriated</u> <u>Reserves</u> | <u>Balance</u> <u>Dec. 31, 2018</u> |
|--|--|--|---------------------|---|--|
| Municipal Alliance on Alcohol and Drug Abuse: | | | | | |
| 2013 | \$ 5,608.74 | | | | \$ 5,608.74 |
| 2014 | 26,001.52 | | | | 26,001.52 |
| 2015 | 24,659.59 | | | | 24,659.59 |
| 2016 | 7,945.47 | | | | 7,945.47 |
| 2017 | | \$ 31,460.00 | \$ 31,371.48 | | 88.52 |
| 2018 | | | | | |
| Body Worn Camera Assistance Program | | 2,500.00 | | \$ 2,500.00 | |
| Recycling Program | 21,228.65 | | | | 21,228.65 |
| Alcohol, Education and Rehabilitation | 1,575.91 | 3,102.91 | 219.70 | 3,102.91 | 1,356.21 |
| | <u>\$ 87,019.88</u> | <u>\$ 37,062.91</u> | <u>\$ 31,591.18</u> | <u>\$ 5,602.91</u> | <u>\$ 86,888.70</u> |
| | A | A-24 | A-24 | A-26 | A |

BOROUGH OF GLEN RIDGE
CURRENT FUND

DEFERRED CHARGES
N.J.S.A. 40A:4-53 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2018

A-13

| <u>Date Authorized</u> | <u>Purpose</u> | <u>Net Amount Authorized</u> | <u>1/5 of Net Amount Authorized</u> | <u>Balance Dec. 31, 2017</u> | <u>Budget Appropriation</u> | <u>Balance Dec. 31, 2018</u> |
|----------------------------|----------------|----------------------------------|---|----------------------------------|---------------------------------|----------------------------------|
| 12/21/2017 | Revaluation | \$ 275,000.00 | \$ 55,000.00 | \$ 275,000.00 | \$ 55,000.00 | \$ 220,000.00 |
| | | | | <u>\$ 275,000.00</u> | <u>\$ 55,000.00</u> | <u>\$ 220,000.00</u> |
| | <u>Ref.</u> | | | A | A-3 | A |

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2018

A-14
Sheet # 1

| Appropriations | Balance Dec. 31, 2017 | | Balance After Transfers | Expended | Balance Lapsed |
|---|--------------------------|--------------|-------------------------------|-----------|-------------------|
| | Encumbered | Unencumbered | | | |
| <u>GENERAL GOVERNMENT</u> | | | | | |
| Administrative and Executive: | | | | | |
| Salaries and Wages | | \$ 460.76 | \$ 460.76 | | \$ 460.76 |
| Other Expenses | \$ 509.57 | 588.38 | 1,097.95 | \$ 271.62 | 826.33 |
| Elections: | | | | | |
| Other Expenses | | 1,252.29 | 1,252.29 | | 1,252.29 |
| Financial Administration: | | | | | |
| Salaries and Wages | | 104.00 | 104.00 | | 104.00 |
| Annual Audit | | 37,740.00 | 37,740.00 | 37,500.00 | 240.00 |
| Other Expenses | 6,535.02 | 14,425.92 | 20,960.94 | 8,260.35 | 12,700.59 |
| Assessment of Taxes: | | | | | |
| Salaries and Wages | | 34.80 | 34.80 | | 34.80 |
| Other Expenses | | 13,924.57 | 11,424.57 | 507.50 | 10,917.07 |
| Collection of Taxes: | | | | | |
| Salaries and Wages | | 2,986.82 | 2,986.82 | | 2,986.82 |
| Other Expenses | 123.88 | 1,788.21 | 1,912.09 | 123.88 | 1,788.21 |
| Community Affairs and Public Relations: | | | | | |
| Other Expenses | 4,437.59 | 5,540.63 | 9,978.22 | 4,124.54 | 5,853.68 |
| Legal Services and Costs: | | | | | |
| Other Expenses | | 13,195.78 | 31,195.78 | 21,197.24 | 9,998.54 |
| Engineering Services and Costs: | | | | | |
| Salaries and Wages | | 863.28 | 863.28 | | 863.28 |
| Other Expenses | 10,921.71 | 60.55 | 10,982.26 | 7,319.28 | 3,662.98 |
| Public Buildings and Grounds: | | | | | |
| Salaries and Wages | | 2,001.91 | 2,001.91 | 934.83 | 1,067.08 |
| Other Expenses | 20,700.39 | 10,801.49 | 31,501.88 | 8,538.78 | 22,963.10 |
| Planning Board: | | | | | |
| Other Expenses | 2,624.20 | 4,250.00 | 6,874.20 | 924.20 | 5,950.00 |
| Board of Adjustment: | | | | | |
| Other Expenses | 300.00 | 2,811.96 | 3,111.96 | | 3,111.96 |
| Shade Tree Commission: | | | | | |
| Salaries and Wages | | 2,000.00 | 2,000.00 | | 2,000.00 |
| Other Expenses | 28,155.33 | 1,250.30 | 29,405.63 | 25,455.00 | 3,950.63 |
| Insurance: | | | | | |
| Workmen's Compensation | | 2.00 | 2.00 | | 2.00 |
| Group Health | 8,643.11 | 88,263.77 | 96,906.88 | | 96,906.88 |
| Municipal Court: | | | | | |
| Salaries and Wages | | 262.33 | 262.33 | 127.67 | 134.66 |
| Other Expenses | 1,480.41 | 2,139.01 | 3,619.42 | 809.11 | 2,810.31 |
| Public Defender: | | | | | |
| Salaries and Wages | | 2,963.44 | 2,963.44 | | 2,963.44 |
| <u>PUBLIC SAFETY</u> | | | | | |
| Department of Public Safety: | | | | | |
| Salaries and Wages | | 167,229.77 | 167,229.77 | 7,381.92 | 159,847.85 |
| Other Expenses | 35,002.99 | 5,140.33 | 40,143.32 | 40,087.12 | 56.20 |
| Crossing Guards: | | | | | |
| Salaries and Wages | | 23,052.22 | 23,052.22 | 7,380.13 | 15,672.09 |
| Police Dispatchers: | | | | | |
| Salaries and Wages | 511.35 | 25,767.36 | 26,278.71 | | 26,278.71 |
| Municipal Prosecutor: | | | | | |
| Salaries and Wages | | 380.08 | 380.08 | | 380.08 |
| <u>STREETS AND ROADS</u> | | | | | |
| Road Repair and Maintenance: | | | | | |
| Salaries and Wages | | 33,771.92 | 15,771.92 | 878.37 | 14,893.55 |
| Other Expenses | 12,258.12 | 9,936.92 | 22,195.04 | 10,017.27 | 12,177.77 |
| Storms: | | | | | |
| Salaries and Wages | | 18,251.52 | 18,251.52 | 3,382.29 | 14,869.23 |
| Other Expenses | | 10,002.25 | 10,002.25 | 222.36 | 9,779.89 |

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2018

A-14
Sheet # 2

| Appropriations | Balance Dec. 31, 2017 | | Balance After Transfers | Expended | Balance Lapsed |
|--|--------------------------|----------------------|-------------------------------|----------------------|----------------------|
| | Encumbered | Unencumbered | | | |
| <u>SANITATION</u> | | | | | |
| Sewer System: | | | | | |
| Salaries and Wages | | \$ 7,000.00 | \$ 7,000.00 | | \$ 7,000.00 |
| Other Expenses | | 1,400.94 | 1,400.94 | | 1,400.94 |
| Garbage and Trash Removal: | | | | | |
| Other Expenses | \$ 4,315.72 | 128,252.87 | 132,568.59 | \$ 3,610.96 | 128,957.63 |
| <u>HEALTH AND WELFARE</u> | | | | | |
| Board of Health: | | | | | |
| Salaries and Wages | | 484.32 | 484.32 | | 484.32 |
| Other Expenses | | 2,064.39 | 2,064.39 | | 2,064.39 |
| <u>RECREATION AND EDUCATION</u> | | | | | |
| Parks and Playgrounds: | | | | | |
| Salaries and Wages | | 7,906.89 | 7,906.89 | 277.38 | 7,629.51 |
| Other Expenses | 9,265.55 | 16,727.33 | 25,992.88 | 9,807.48 | 16,185.40 |
| Hurrell Field: | | | | | |
| Salaries and Wages | | 1,088.55 | 1,088.55 | | 1,088.55 |
| Other Expenses | 11,570.35 | 7,486.77 | 19,057.12 | 11,260.00 | 7,797.12 |
| Recreation: | | | | | |
| Salaries and Wages | | 2,627.52 | 2,627.52 | 999.12 | 1,628.40 |
| Other Expenses | 2,793.61 | 13,970.04 | 16,763.65 | 639.68 | 16,123.97 |
| Jitney Operation: | | | | | |
| Salaries and Wages | | 2,296.62 | 2,296.62 | 373.50 | 1,923.12 |
| Other Expenses | 1,594.96 | 2,295.07 | 3,890.03 | 756.30 | 3,133.73 |
| Health Waiver | | 6,085.88 | 6,085.88 | | 6,085.88 |
| <u>UNIFORM CONSTRUCTION CODE</u> | | | | | |
| Construction Code Officials: | | | | | |
| Inspection of Buildings: | | | | | |
| Salaries and Wages | | 7,890.43 | 7,890.43 | 200.00 | 7,690.43 |
| Other Expenses | 655.67 | 5,376.29 | 6,031.96 | 645.67 | 5,386.29 |
| <u>UNCLASSIFIED</u> | | | | | |
| Electricity | 15,886.33 | 22,306.45 | 38,192.78 | 5,971.81 | 32,220.97 |
| Gasoline, Diesel Fuel and | | | | | |
| Lubricants | 8,906.98 | 1,791.86 | 13,198.84 | 12,921.43 | 277.41 |
| Street Lighting | 65,085.38 | 30,114.07 | 95,199.45 | 83,557.81 | 11,641.64 |
| <u>STATUTORY EXPENDITURES</u> | | | | | |
| Contributions to: | | | | | |
| Social Security System | | 24,551.45 | 24,551.45 | 6,812.72 | 17,738.73 |
| State Unemployment Insurance | | 50,000.00 | 50,000.00 | 50,000.00 | |
| <u>OTHER OPERATIONS</u> | | | | | |
| Maintenance of Free Public Library | 70.67 | 28,166.22 | 28,236.89 | 23,811.89 | 4,425.00 |
| Group Health Insurance | | 15,148.61 | 15,148.61 | | 15,148.61 |
| <u>Interlocal Municipal Service Agreements</u> | | | | | |
| Health Services Contract | | 69.00 | 69.00 | | 69.00 |
| Sanitary Sewer Services Contract | | 857.03 | 857.03 | | 857.03 |
| <u>Capital Improvements</u> | | | | | |
| Public Safety Equipment | | 5,729.57 | 5,729.57 | | 5,729.57 |
| | <u>\$ 252,348.89</u> | <u>\$ 894,932.74</u> | <u>\$ 1,147,281.63</u> | <u>\$ 397,089.21</u> | <u>\$ 750,192.42</u> |
| Ref. | A | A | | Below | A-1 |

Ref.

| | | |
|------------------|------|----------------------|
| Accounts Payable | A-23 | \$ 16,885.61 |
| Cash Disbursed | A-4 | 380,203.60 |
| | | <u>\$ 397,089.21</u> |

Above

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE TO STATE OF NEW JERSEY
(OTHER FEES)
YEAR ENDED DECEMBER 31, 2018

A-15

| | <u>Ref.</u> | <u>Total</u> | <u>Marriage License/ Burial Fees</u> | <u>Building Construction Training Fee</u> |
|----------------------------|-------------|----------------------------|--|---|
| Balance, December 31, 2017 | A | \$ 6,637.00 | \$ 75.00 | \$ 6,562.00 |
| Increased by: | | | | |
| Cash Receipts | A-4 | <u>17,374.00</u> | <u>475.00</u> | <u>16,899.00</u> |
| | | 24,011.00 | 550.00 | 23,461.00 |
| Decreased by: | | | | |
| Paid to State | A-4 | <u>13,253.00</u> | <u>550.00</u> | <u>12,703.00</u> |
| Balance, December 31, 2018 | A | <u><u>\$ 10,758.00</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 10,758.00</u></u> |

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2018

A-16

| | <u>Ref.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2017 | A | \$ 170,460.85 |
| Increased by: | | |
| Cash Receipts | A-4 | <u>103,662.30</u> |
| | | 274,123.15 |
| Decreased by: | | |
| Refunds | A-4 | <u>6,651.28</u> |
| Balance, December 31, 2018 | A | <u><u>\$ 267,471.87</u></u> |

BOROUGH OF GLEN RIDGE
CURRENT FUND

INSPECTION FEES PAYABLE
YEAR ENDED DECEMBER 31, 2018

A-17

| | <u>Ref.</u> | |
|----------------------------|-------------|--------------------|
| Balance, December 31, 2017 | A | \$ 4,168.00 |
| Increased by: | | |
| Cash Receipts | A-4 | 16,019.00 |
| | | <u>20,187.00</u> |
| Decreased by: | | |
| Cash Disbursements | A-4 | 16,302.00 |
| Balance, December 31, 2018 | A | <u>\$ 3,885.00</u> |

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2018

A-18

| | <u>Ref.</u> | | |
|----------------------------|-------------|-----------------|---------------------|
| Balance, December 31, 2017 | | | \$ 25,495.99 |
| Increased by: | | | |
| 2017 Levy: | | | |
| General County | A-7 | \$ 8,373,032.46 | |
| Open Space Preservation | A-7 | 261,586.77 | |
| Due County for Added Taxes | A-7 | 32,792.57 | |
| | A-1, A-2a | | <u>8,667,411.80</u> |
| Decreased by: | | | |
| Payments | A-4 | | <u>8,660,115.21</u> |
| Balance, December 31, 2018 | A | | <u>\$ 32,792.58</u> |

BOROUGH OF GLEN RIDGE
CURRENT FUND

LOCAL DISTRICT SCHOOL TAX
YEAR ENDED DECEMBER 31, 2018

A-19

| | <u>Ref.</u> | <u>Payable</u> | <u>Deferred</u> |
|-----------------------------------|----------------|------------------------|-------------------------|
| Balance, December 31, 2017 | A | \$ 845,256.87 | \$ 13,920,821.00 |
| Increased by: | | | |
| School Tax Levy - July 1, 2018 to | | | |
| June 30, 2019 | A-1, A-2a, A-7 | <u>30,921,442.00</u> | <u>13,920,821.00</u> |
| | | <u>31,766,698.87</u> | |
| Decreased by: | | | |
| Paid | A-4 | <u>30,385,530.00</u> | |
| | | <u>30,385,530.00</u> | |
| Balance, December 31, 2018 | A | <u>\$ 1,381,168.87</u> | <u>\$ 13,920,821.00</u> |

BOROUGH OF GLEN RIDGE
CURRENT FUND

EMERGENCY NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2018

A-20

| | <u>Ref.</u> | |
|----------------------------|-------------|-----------------------------|
| Balance, December 31, 2017 | A | \$ 275,000.00 |
| Decreased by: | | |
| Cash Disbursed | A-4 | <u>55,000.00</u> |
| Balance, December 31, 2018 | A | <u><u>\$ 220,000.00</u></u> |

RESERVE FOR REVALUATIONS
YEAR ENDED DECEMBER 31, 2018

A-21

| | <u>Ref.</u> | |
|----------------------------|-------------|----------------------------|
| Balance December 31, 2017 | A | \$ 243,645.81 |
| Decreased by: | | |
| Cash Disbursements | A-4 | <u>147,626.00</u> |
| Balance, December 31, 2018 | A | <u><u>\$ 96,019.81</u></u> |

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR PREPAID TAXES
YEAR ENDED DECEMBER 31, 2018

A-22

| | <u>Ref.</u> | |
|-------------------------------------|-------------|----------------------|
| Balance, December 31, 2017 | A | \$ 6,195,051.50 |
| Increased by: | | |
| Cash Collections | A-4 | 209,105.81 |
| | | <u>6,404,157.31</u> |
| Decreased by: | | |
| Applied to Current Taxes Receivable | A-7 | 6,195,051.50 |
| | | <u>6,195,051.50</u> |
| Balance, December 31, 2018 | A | <u>\$ 209,105.81</u> |

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2018

A-23

| | <u>Ref.</u> | | |
|----------------------------|-------------|------------------|---------------------|
| Balance, December 31, 2017 | A | | \$ 900.00 |
| Increased by: | | | |
| Cash Collections | A-4 | \$ 1,100.00 | |
| Appropriation Reserves | A-14 | <u>16,885.61</u> | |
| | | | 17,985.61 |
| | | | <u>18,885.61</u> |
| Decreased by: | | | |
| Cash Disbursements | A-4 | | 1,600.00 |
| | | | <u>1,600.00</u> |
| Balance, December 31, 2018 | A | | <u>\$ 17,285.61</u> |
| <u>Analysis of Balance</u> | | | |
| Borough Library | | | \$ 14,400.60 |
| Other | | | <u>2,885.01</u> |
| | | | <u>\$ 17,285.61</u> |

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2018

A-24

| | <u>Ref.</u> | | <u>Current Fund</u> |
|--|-------------|------------------|----------------------------|
| Balance, December 31, 2017: | | | |
| Due From | A | | \$ 58,254.01 |
| Increased by: | | | |
| Cash Collections through Current Fund | A-12 | \$ 31,591.18 | |
| Budget Appropriations | A-25 | <u>37,062.91</u> | |
| | | | <u>68,654.09</u> |
| | | | 126,908.10 |
| Decreased by: | | | |
| Anticipated Revenue | A-12 | 37,062.91 | |
| Expenditures Paid through Current Fund | A-25 | <u>40,874.64</u> | |
| | | | <u>77,937.55</u> |
| Balance, December 31, 2018: | | | |
| Due From | A | | <u><u>\$ 48,970.55</u></u> |

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
YEAR ENDED DECEMBER 31, 2018

A-25

| | <u>Balance</u> <u>Dec. 31, 2017</u> | <u>Transferred from 2018</u> <u>Budget Appropriations</u> | <u>Paid or</u> <u>Charged</u> | <u>Balance</u> <u>Dec. 31, 2018</u> |
|--|--|--|----------------------------------|--|
| | | <u>Budget</u> | | |
| Recycling Tonnage Aid | \$ 41,997.18 | | \$ 1,207.45 | \$ 40,789.73 |
| Municipal Alliance on Alcohol and Drug Abuse: | | | | |
| 2013 | 11,148.57 | | | 11,148.57 |
| 2014 | 19,160.23 | | | 19,160.23 |
| 2016 | 4,244.71 | | | 4,244.71 |
| 2017 | 8,135.00 | | 4,975.55 | 3,159.45 |
| 2018 | | \$ 31,460.00 | 31,121.64 | 338.36 |
| Body Worn Camera Assistance Program | 9,000.00 | 2,500.00 | 2,500.00 | 9,000.00 |
| Drunk Driving Enforcement Fund | 20,512.42 | | 1,070.00 | 19,442.42 |
| Body Armor Replacement Fund: | 732.69 | | | 732.69 |
| Domestic Violence Response Team | 1,001.75 | | | 1,001.75 |
| NJ Historic Trust | 6,090.00 | | | 6,090.00 |
| DCA - Second Chance | 1,178.48 | | | 1,178.48 |
| Alcohol Education and Rehabilitation Fund | 14,122.01 | 3,102.91 | | 17,224.92 |
| | <u>\$ 137,323.04</u> | <u>\$ 37,062.91</u> | <u>\$ 40,874.64</u> | <u>\$ 133,511.31</u> |
| Reference | A | A-24 | A-24 | A |

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2018

A-26

| | <u>Ref.</u> | |
|--------------------------------|-------------|--------------------|
| Balance, December 31, 2017 | A | \$ 7,950.85 |
| Decreased by: | | |
| Anticipated Revenue | A-12 | <u>5,602.91</u> |
| Balance, December 31, 2018 | A | <u>\$ 2,347.94</u> |
| <u>Analysis of Balance</u> | | |
| Body Armor Replacement Fund | | <u>\$ 2,347.94</u> |
| | | <u>\$ 2,347.94</u> |

BOROUGH OF GLEN RIDGE
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

B-3

| | <u>Ref.</u> | <u>General Trust Fund</u> |
|--------------------------------|-------------|--------------------------------|
| Balance, December 31, 2017 | B | \$ 79,300.00 |
| Increased by Grant Award | B-11 | <u>39,200.00</u> 118,500.00 |
| Decreased by: Cash Receipts | B-2 | <u>39,200.00</u> |
| Balance, December 31, 2018 | B | <u><u>\$ 79,300.00</u></u> |
| <u>Analysis of Balance</u> | | |
| Program Year 2015 | | \$ 100.00 |
| Program Year 2016 | | 40,000.00 |
| Program Year 2018 | | <u>39,200.00</u> |
| | | <u><u>\$ 79,300.00</u></u> |

BOROUGH OF GLEN RIDGE
TRUST FUND

POLICE OUTSIDE SERVICE RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

B-4

| | <u>Ref.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2017 | B | \$ 185,525.28 |
| Increased by: | | |
| Due from Contractors | B-10 | <u>89,020.70</u> |
| | | 274,545.98 |
| Decreased by: | | |
| Due to Contractors | B-10 | <u>185,525.28</u> |
| Balance, December 31, 2018 | B | <u><u>\$ 89,020.70</u></u> |

BOROUGH OF GLEN RIDGE
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2018

B-5

| | <u>Ref.</u> | <u>Dog License Fund</u> |
|---------------------------------|-------------|-----------------------------|
| Balance, December 31, 2017 | B | \$ 12.60 |
| Increased by: | | |
| Collections | B-2 | <u>495.00</u> |
| | | 507.60 |
| Decreased by: | | |
| Payments to State of New Jersey | B-2 | <u>507.60</u> |
| Balance, December 31, 2018 | | <u><u>\$ -</u></u> |

RESERVE FOR STATE UNEMPLOYMENT
COMPENSATION INSURANCE TRUST FUND
YEAR ENDED DECEMBER 31, 2018

B-6

| | <u>Ref.</u> | |
|--------------------------------|-------------|-------------------------|
| Balance, December 31, 2017 | B | \$ 212,212.25 |
| Increased by: | | |
| Transfer from Special Deposits | B-10 | <u>505.20</u> |
| | | 212,717.45 |
| Decreased by: | | |
| Cash Disbursements | B-2 | <u>212,212.25</u> |
| Balance, December 31, 2018 | B | <u><u>\$ 505.20</u></u> |

BOROUGH OF GLEN RIDGE
TRUST FUND

PAYROLL DEDUCTIONS PAYABLE
YEAR ENDED DECEMBER 31, 2018

B-7

| | <u>Ref.</u> | |
|-----------------------------------|-------------|----------------------------|
| Balance, December 31, 2017 | B | \$ 8,706.00 |
| Increased by: | | |
| Cash Receipts: | | |
| Gross Payroll | | \$ 5,545,940.03 |
| Annual PERS, PFRS Contributions | | 972,892.00 |
| Other refunds | | 1,029.34 |
| Employer Share of Social Security | | <u>251,809.77</u> |
| | B-2 | <u>6,771,671.14</u> |
| | | <u>6,780,377.14</u> |
| Decreased by: | | |
| Net Payroll and Agency Payments | B-2 | <u>6,728,880.05</u> |
| Balance, December 31, 2018 | B | <u><u>\$ 51,497.09</u></u> |
| <u>Analysis of Balance</u> | | |
| PERS | | \$ 15,392.99 |
| PFRS | | 20,964.99 |
| PRFS - Insurance | | 1,366.30 |
| Other Deductions | | <u>13,772.81</u> |
| | | <u><u>\$ 51,497.09</u></u> |

BOROUGH OF GLEN RIDGE
TRUST FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2018

B-8

| | | <u>General Trust Fund</u> | <u>Animal Control Fund</u> | <u>Payroll Account</u> |
|-----------------------------|-------------|---------------------------|----------------------------|------------------------|
| | <u>Ref.</u> | <u>General Capital</u> | <u>Current Fund</u> | <u>Current Fund</u> |
| Balance, December 31, 2017: | | | | |
| Due To | B | <u>\$ 40,000.00</u> | <u>\$ 16,210.94</u> | <u>\$ 2,124.57</u> |
| Increased by: | | | | |
| Excess Dog License Fees | B-9 | | <u>7,542.25</u> | |
| | | | <u>7,542.25</u> | |
| | | <u>40,000.00</u> | <u>23,753.19</u> | <u>2,124.57</u> |
| Decreased by: | | | | |
| Cash Disbursements | B-2 | <u>40,000.00</u> | | |
| | | <u>40,000.00</u> | | |
| Balance, December 31, 2018: | | | | |
| Due To | B | <u>\$ -</u> | <u>\$ 23,753.19</u> | <u>\$ 2,124.57</u> |

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2018

B-9

| | <u>Ref.</u> | | |
|-------------------------------------|-------------|----|-------------------------|
| Balance, December 31, 2017 | B | \$ | 16,432.80 |
| Increased by: | | | |
| Dog Licenses Issued | | \$ | 6,118.00 |
| Other | | | 406.20 |
| | B-2 | | <u>6,524.20</u> |
| | | | <u>22,957.00</u> |
| Decreased by: | | | |
| Expenditures Under R.S. 41:19-15.11 | B-2 | \$ | 530.75 |
| Due to Current Fund | B-8 | | <u>7,542.25</u> |
| | | | <u>8,073.00</u> |
| Balance, December 31, 2018 | B | \$ | <u><u>14,884.00</u></u> |

License Fees Collected

| | | |
|------|----|-------------------------|
| 2016 | \$ | 8,476.00 |
| 2017 | | <u>6,408.00</u> |
| | \$ | <u><u>14,884.00</u></u> |

Note: R.S. 4:19-15.11

"....there shall be transferred from such special account to the general funds of the municipality any amount then in such special account which is in excess of the total amount paid into such special account during the last two fiscal years next preceding".

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2018

B-10

| Account | Balance Dec. 31, 2017 | Increase | Decrease | Transfers | Balance Dec. 31, 2018 |
|-------------------------------------|--------------------------|----------------------|----------------------|--------------------|--------------------------|
| Law Enforcement - Confiscated Funds | \$ 6,180.67 | | \$ 1,350.00 | | \$ 4,830.67 |
| Leaf Bags | 4,369.60 | \$ 675.00 | | \$ (538.12) | 4,506.48 |
| Municipal Court POAA | 25,097.14 | 1,092.00 | | | 26,189.14 |
| Municipal Drug Alliance Committee | 34,203.33 | 2,631.12 | | (8,390.24) | 28,444.21 |
| Tax Title Lien Premiums | 238,000.00 | 1,900.00 | 237,600.00 | | 2,300.00 |
| Tax Title Lien Redemptions | | 309,946.42 | 303,295.14 | 32.92 | 6,684.20 |
| Cable Local Access | 42.47 | | | | 42.47 |
| Adopt-A-Cop Program | 657.87 | | | | 657.87 |
| Construction Code Fines | 2,575.00 | | | (2,575.00) | - |
| Public Defender | 2,608.00 | | | | 2,608.00 |
| Construction Code Fines | 3,100.00 | | 5,675.00 | 2,575.00 | |
| Board of Adjustment Escrow | 2,040.00 | 2,100.00 | | | 4,140.00 |
| Recreation Programs | 2,551.28 | 10,942.79 | 3,744.80 | | 9,749.27 |
| Recreation Donations | 4,400.00 | | | | 4,400.00 |
| Affordable Housing | 1,293.32 | | 6,289.50 | 4,996.18 | |
| Glen Ridge Restoration | 2,186.39 | 1,500.00 | 2,240.51 | | 1,445.88 |
| Senior Community Center Fund | 400.00 | | | | 400.00 |
| Planning Board Escrow | 648.44 | | 4,042.50 | 3,394.06 | |
| Library Accumulated Absence | 29,045.47 | 5,256.00 | | | 34,301.47 |
| Glen Ridge Pool Fund | 225.00 | 325.00 | | | 550.00 |
| Tree Replacement | 9,372.40 | | | | 9,372.40 |
| Library Gifts and Donations | 2,520.00 | | | | 2,520.00 |
| Police Outside Service | 133,090.12 | 261,090.36 | 251,516.99 | | 142,663.49 |
| Environmental Advisory | 518.24 | 2,127.00 | 1,609.70 | | 1,035.54 |
| Domestic Violence | 1,417.33 | | 131.66 | | 1,285.67 |
| | <u>\$ 506,542.07</u> | <u>\$ 599,585.69</u> | <u>\$ 817,495.80</u> | <u>\$ (505.20)</u> | <u>\$ 288,126.76</u> |

Ref.

B

Below

Below

B-6

B

Ref.

Cash Receipts
Cash Disbursements
Accounts Receivable

B-2

B-2

B-4

\$ 510,564.99

\$ 631,970.52

185,525.28

Total

\$ 599,585.69

\$ 817,495.80

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2018

| | <u>Ref.</u> | <u>B-11</u> |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2017 | B | \$ 39,200.00 |
| Increased by: | | |
| Grant Award | B-3 | <u>39,200.00</u> |
| Balance, December 31, 2018 | B | <u><u>\$ 78,400.00</u></u> |
| <u>Analysis of Balance</u> | | |
| Fiscal Year 2016 | | \$ 39,200.00 |
| Fiscal Year 2018 | | <u>39,200.00</u> |
| | | <u><u>\$ 78,400.00</u></u> |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2018

C-2

| | <u>Ref.</u> | | |
|------------------------------|-------------|---------------------|-----------------------------|
| Balance, December 31, 2017 | C | | \$ 33,912.31 |
| Increased by: | | | |
| Due from State of New Jersey | C-4 | \$ 806,365.00 | |
| Bond Anticipation Note | C-13 | 1,593,000.00 | |
| Interfunds | C-5 | <u>582,000.00</u> | |
| | | | <u>2,981,365.00</u> |
| | | | 3,015,277.31 |
| Decreased by: | | | |
| Interfunds | C-5 | 145,000.00 | |
| Bond Anticipation Note | C-13 | 1,593,000.00 | |
| Improvement Authorizations | C-8 | <u>1,089,830.18</u> | |
| | | | <u>2,827,830.18</u> |
| Balance, December 31, 2018 | C | | <u><u>\$ 187,447.13</u></u> |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ANALYSIS OF CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2018

C-3

| Ordinance Number | | Balance | Receipts | Disbursed | Transfers | | Balance |
|---------------------|--|---------------------|------------------------|------------------------|------------------------|------------------------|----------------------|
| | | December 31, 2017 | | | From | To | December 31, 2018 |
| | Capital Improvement Fund | \$ 6,214.51 | | | \$ 400,000.00 | \$ 400,000.00 | \$ 6,214.51 |
| | Due (from) to Current Fund | 74,321.48 | \$ 442,000.00 | \$ 75,000.00 | 400,000.00 | | 41,321.48 |
| | Due to Water Operating Fund | 70,000.00 | 100,000.00 | 70,000.00 | | | 100,000.00 |
| | Fund Balance | 27,412.26 | | | | | 27,412.26 |
| | Due from General Trust Fund | (40,000.00) | 40,000.00 | | | | |
| | Due from NJDOT | (820,135.00) | 806,365.00 | | 500,000.00 | | (513,770.00) |
| | <u>Improvement Authorizations</u> | | | | | | |
| 1612 | Various Capital Improvements | 1,132.60 | | 1,132.60 | | | |
| 1636 | Various Capital Improvements - Generator | 6,286.72 | | 6,286.72 | | | |
| 1640 | Various Capital Improvements | 168.39 | | 139.34 | | | 29.05 |
| 1641 | Various Street Improvements | 240,000.00 | | 240,000.00 | | | - |
| 1649 | Various Capital Improvements - DPW | 8,566.16 | | 8,566.16 | | | |
| 1656 | Various Capital Improvements and Equipment | 74,375.87 | | 74,375.87 | | | |
| 1666 | Various Capital Improvements and Equipment | 85,800.00 | | 85,800.00 | | | |
| 1673 | Various Capital Improvements for Roads | 250,000.00 | | 226,324.98 | | | 23,675.02 |
| 1674 | Various Capital Improvements and Equipment | 49,769.32 | | 43,463.27 | | | 6,306.05 |
| 1677 | Various Capital Improvements and Equipment | | | 249,545.00 | | 250,000.00 | 455.00 |
| 1682 | Various Capital Improvements and Equipment | | | 143,104.33 | | 150,000.00 | 6,895.67 |
| 1683 | Various Capital Improvements for Roads | | | | | 500,000.00 | 500,000.00 |
| 1689 | Various Sanitary Sewer Improvements | | | 600.00 | | | (600.00) |
| 1691 | Various Sanitary Sewer Improvements | | | 10,491.91 | | | (10,491.91) |
| | | <u>\$ 33,912.31</u> | <u>\$ 1,388,365.00</u> | <u>\$ 1,234,830.18</u> | <u>\$ 1,300,000.00</u> | <u>\$ 1,300,000.00</u> | <u>\$ 187,447.13</u> |
| | <u>Ref.</u> | C | | | Contra | Contra | C |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY
GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

C-4

| | <u>Ref.</u> | |
|--|-------------|----------------------|
| Balance, December 31, 2017 | C | \$ 820,135.00 |
| Increased by: | | |
| Grant Award | C-8 | <u>500,000.00</u> |
| | | 1,320,135.00 |
| Decreased by: | | |
| Cash Receipts | C-2 | <u>806,365.00</u> |
| Balance, December 31, 2018 | C | <u>\$ 513,770.00</u> |
| <u>Analysis of Balance</u> | | |
| <u>Department of Transportation:</u> | | |
| Ord #1673 Various Streets | | \$ 13,770.00 |
| Ord #1683 Various Capital Improvements for Roads | | <u>500,000.00</u> |
| Grand Total | | <u>\$ 513,770.00</u> |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2018

C-5

| | <u>Ref.</u> | <u>Total</u> | <u>Current</u> | <u>General Trust</u> | <u>Water Operating</u> |
|--|-------------|------------------------|-----------------------|--------------------------|----------------------------|
| Balance, December 31, 2017 Due from (to) | C | \$ (104,321.48) | \$ (74,321.48) | \$ 40,000.00 | \$ (70,000.00) |
| Increased by: | | | | | |
| Cash Disbursements | C-2 | 145,000.00 | \$ 75,000.00 | | 70,000.00 |
| Budget Appropriation | C-9 | <u>400,000.00</u> | <u>400,000.00</u> | | |
| | | 440,678.52 | 400,678.52 | 40,000.00 | |
| Decreased by: | | | | | |
| Cash Receipts | C-2 | <u>582,000.00</u> | <u>442,000.00</u> | <u>40,000.00</u> | <u>100,000.00</u> |
| Balance, December 31, 2018 Due from (to) | C | <u>\$ (141,321.48)</u> | <u>\$ (41,321.48)</u> | <u>\$ -</u> | <u>\$ (100,000.00)</u> |

Draft

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2018

C-6

| | <u>Ref.</u> | | |
|----------------------------------|-------------|------------------|------------------------|
| Balance, December 31, 2017 | C | | \$ 2,614,817.83 |
| Decreased by: | | | |
| Bonds Paid By Budget | C-12 | \$ 345,000.00 | |
| EIT Loan Paid by Budget | C-11 | 19,178.72 | |
| Green Trust Loans Paid By Budget | C-10 | <u>32,036.23</u> | |
| | | | <u>396,214.95</u> |
| Balance, December 31, 2018 | C | | <u>\$ 2,218,602.88</u> |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2018

C-7

| Ordinance Number | Improvement Authorization | Analysis of Balance | | | | | | |
|---------------------|-------------------------------------|--------------------------|------------------------|----------------------|--------------------------|------------------------------|---------------------|--|
| | | Balance Dec. 31, 2017 | Increase | Decrease | Balance Dec. 31, 2018 | Bond Anticipation Note | Expenditures | Unexpended Improvement Authorization |
| 1612 | Various Capital Improvements | \$ 1,818,000.00 | | \$ 225,000.00 | \$ 1,593,000.00 | \$ 1,593,000.00 | | |
| 1689 | Various Sanitary Sewer Improvements | | \$ 100,000.00 | | 100,000.00 | | \$ 600.00 | \$ 99,400.00 |
| 1691 | Various Sanitary Sewer Improvements | | 1,920,000.00 | | 1,920,000.00 | | 10,491.91 | 1,909,508.09 |
| | | <u>\$ 1,818,000.00</u> | <u>\$ 2,020,000.00</u> | <u>\$ 225,000.00</u> | <u>\$ 3,613,000.00</u> | <u>\$ 1,593,000.00</u> | <u>\$ 11,091.91</u> | <u>\$ 2,008,908.09</u> |
| <u>Ref.</u> | | C | C-8 | C-13 | C | C-13 | C-3 | C-8 |

Draft

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2018

C-8

| <u>Description</u> | <u>Ordinance Number</u> | <u>Date</u> | <u>Original Amount</u> | <u>Balance Dec. 31, 2017</u> | | <u>2018 Authorized</u> | <u>Paid or Charged</u> | <u>Balance Dec. 31, 2018</u> | |
|--|-------------------------|-------------|------------------------|------------------------------|--------------------|------------------------|------------------------|------------------------------|------------------------|
| | | | | <u>Funded</u> | <u>Unfunded</u> | | | <u>Funded</u> | <u>Unfunded</u> |
| Various Capital Improvements: | 1612 | 5-12-14 | \$ 2,481,000.00 | | \$ 1,132.60 | | \$ 1,132.60 | | |
| Various Capital Improvements - Generator | 1636 | 2-8-16 | 153,635.00 | \$ 6,286.72 | | | 6,286.72 | | |
| Various Capital Improvements | 1640 | 3-28-16 | 200,000.00 | 168.39 | | | 139.34 | \$ 29.05 | |
| Various Street Improvements | 1641 | 4-25-16 | 240,000.00 | 240,000.00 | | | 240,000.00 | | |
| Various Capital Improvements - DPW | 1649 | 11-14-16 | 100,000.00 | 8,566.16 | | | 8,566.16 | | |
| Various Capital Improvements and Equipment | 1656 | 3-13-17 | 250,000.00 | 74,375.87 | | | 74,375.87 | | |
| Various Capital Improvements and Equipment | 1666 | 7-10-17 | 85,800.00 | 85,800.00 | | | 85,800.00 | | |
| Various Capital Improvements for Roads | 1673 | 11-13-17 | 250,000.00 | 250,000.00 | | | 226,324.98 | 23,675.02 | |
| Various Capital Improvements and Equipment | 1674 | 12-11-17 | 200,000.00 | 49,769.32 | | | 43,463.27 | 6,306.05 | |
| Various Capital Improvements and Equipment | 1677 | 2-27-18 | 250,000.00 | | | \$ 250,000.00 | 249,545.00 | 455.00 | |
| Various Capital Improvements and Equipment | 1682 | 6-11-18 | 150,000.00 | | | 150,000.00 | 143,104.33 | 6,895.67 | |
| Various Capital Improvements for Roads | 1683 | 6-11-18 | 500,000.00 | | | 500,000.00 | | 500,000.00 | |
| Various Sanitary Sewer Improvements | 1689 | 9-24-18 | 100,000.00 | | | 100,000.00 | 600.00 | | \$ 99,400.00 |
| Various Sanitary Sewer Improvements | 1691 | 9-24-18 | 1,920,000.00 | | | 1,920,000.00 | 10,491.91 | | 1,909,508.09 |
| | | | | <u>\$ 714,966.46</u> | <u>\$ 1,132.60</u> | <u>\$ 2,920,000.00</u> | <u>\$ 1,089,830.18</u> | <u>\$ 537,360.79</u> | <u>\$ 2,008,908.09</u> |
| | | | | C | C | Below | C-2 | C | C |
| | | | | <u>Ref.</u> | | | | | |
| Grants Receivable | | | | C-4 | | \$ 500,000.00 | | | |
| Capital Improvement Fund | | | | C-9 | | 400,000.00 | | | |
| Deferred Charges to Future Taxation - Unfunded | | | | C-7 | | 2,020,000.00 | | | |
| | | | | Above | | <u>\$ 2,920,000.00</u> | | | |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2018

C-9

| | <u>Ref.</u> | |
|--|-------------|---------------------------|
| Balance, December 31, 2017 | C | \$ 6,214.51 |
| Increased by: | | |
| Budget Appropriation | C-5 | <u>400,000.00</u> |
| | | 406,214.51 |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | C-8 | <u>400,000.00</u> |
| Balance, December 31, 2018 | C | <u><u>\$ 6,214.51</u></u> |

GREEN TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2018

C-10

| | <u>Ref.</u> | |
|------------------------------|-------------|-----------------------------|
| Balance, December 31, 2017 | C | \$ 238,238.30 |
| Decreased by: | | |
| Paid By Budget Appropriation | C-6 | <u>32,036.23</u> |
| Balance, December 31, 2018 | C | <u><u>\$ 206,202.07</u></u> |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2018

C-11

| | <u>Ref.</u> | |
|------------------------------|-------------|-----------------------------|
| Balance, December 31, 2017 | C | \$ 246,579.53 |
| Decreased by: | | |
| Paid By Budget Appropriation | C-6 | <u>19,178.72</u> |
| Balance, December 31, 2018 | C | <u><u>\$ 227,400.81</u></u> |

Draft

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

GENERAL IMPROVEMENT BONDS
DECEMBER 31, 2018

C-12

| Purpose | Date of Issue | Original Issue | Maturities of Bonds Outstanding Dec. 31, 2018 | | Interest Rate | Balance Dec. 31, 2017 | Decrease | Balance Dec. 31, 2018 |
|--|---------------------|-------------------|---|---------------|------------------|--------------------------|----------------------|--------------------------|
| | | | Date | Amount | | | | |
| General Improvement Refunding Bonds | 9-19-2017 | \$ 2,130,000.00 | 8-15-19 | \$ 355,000.00 | 3.00 % | | | |
| | | | 8-15-20/21 | 350,000.00 | 4.00 | | | |
| | | | 8-15-22 | 370,000.00 | 5.00 | | | |
| | | | 8-15-23 | 360,000.00 | 5.00 | \$ 2,130,000.00 | \$ 345,000.00 | \$ 1,785,000.00 |
| | | | | | | <u>\$ 2,130,000.00</u> | <u>\$ 345,000.00</u> | <u>\$ 1,785,000.00</u> |
| | | | | | <u>Ref.</u> | C | C-6 | C |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2018

C-13

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Original Issue</u> | <u>Date of Maturity</u> | <u>Rate of Interest</u> | <u>Balance Dec. 31, 2017</u> | <u>Notes Issued</u> | <u>Notes Redeemed</u> | <u>Balance Dec. 31, 2018</u> |
|-----------------------------|--------------------------------|---------------------------|-----------------------------|------------------------------|----------------------------------|-------------------------|---------------------------|----------------------------------|
| 1612 | Various Capital Improvements | 07-25-14 | 07-20-19 | 2.25% | <u>\$ 1,818,000.00</u> | <u>\$ 1,593,000.00</u> | <u>\$ 1,818,000.00</u> | <u>\$ 1,593,000.00</u> |
| | | | | <u>Ref.</u> | C | C-2 | Below | C |
| | | | | | | <u>Ref.</u> | | |
| | | | | Paid by Budget Appropriation | | C-7 | \$ 225,000.00 | |
| | | | | Notes Renewed | | C-2 | <u>1,593,000.00</u> | |
| | | | | | | | <u>\$ 1,818,000.00</u> | |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2018

C-14

| <u>Improvement Description</u> | <u>Ordinance</u> | | <u>Amount</u> | <u>Increase</u> | <u>Balance Dec. 31, 2018</u> |
|-------------------------------------|------------------|-------------|---------------|------------------------|----------------------------------|
| | <u>Number</u> | <u>Date</u> | | | |
| Various Sanitary Sewer Improvements | 1689 | 9-24-18 | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| Various Sanitary Sewer Improvements | 1691 | 9-24-18 | 1,920,000.00 | <u>1,920,000.00</u> | <u>1,920,000.00</u> |
| | | | | <u>\$ 2,020,000.00</u> | <u>\$ 2,020,000.00</u> |
| | | | <u>Ref.</u> | C-8 | C |

BOROUGH OF GLEN RIDGE
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2018

D-5

| | <u>Ref.</u> | <u>Operating</u> | <u>Capital</u> |
|------------------------------|-------------|----------------------|---------------------|
| Balance, December 31, 2017 | D | \$ 649,131.56 | \$ 16,565.96 |
| Increased by Receipts: | | | |
| Miscellaneous Revenue | D-3 | \$ 7,336.99 | |
| Consumer Accounts Receivable | D-7 | 1,286,675.32 | |
| Interfunds | D-10 | 70,000.00 | |
| Overpaid Water Rents | D-12 | 120.49 | |
| | | <u>1,364,132.80</u> | |
| | | 2,013,264.36 | <u>16,565.96</u> |
| Decreased by Disbursements: | | | |
| Budget Appropriations | D-4 | 1,241,444.61 | |
| Interfunds | D-10 | 100,000.00 | |
| Appropriation Reserves | D-11 | 15,241.65 | |
| | | <u>1,356,686.26</u> | |
| Balance, December 31, 2018 | D | <u>\$ 656,578.10</u> | <u>\$ 16,565.96</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

ANALYSIS OF CASH AND INVESTMENTS
WATER CAPITAL FUND
YEAR ENDED DECEMBER 31, 2018

D-6

| | Balance Dec. 31, 2017 | Balance Dec. 31, 2018 |
|---------------------------------|--------------------------|--------------------------|
| Capital Improvement Fund | \$ 4,665.19 | \$ 4,665.19 |
| Fund Balance | 243.27 | 243.27 |
| Reserve for Future Improvements | 11,000.00 | 11,000.00 |
| Improvement Authorizations: | | |
| #1502 Various Improvements | 657.50 | 657.50 |
| | <u>\$ 16,565.96</u> | <u>\$ 16,565.96</u> |
| | Ref. D | D |

BOROUGH OF GLEN RIDGE
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

D-7

| | <u>Ref.</u> | |
|----------------------------|-------------|----------------------|
| Balance, December 31, 2017 | D | \$ 94,456.79 |
| Increased by: | | |
| Rent Billings | Reserve | <u>1,336,168.75</u> |
| | | 1,430,625.54 |
| Decreased by: | | |
| Collections | D-5 | <u>1,286,675.32</u> |
| Balance, December 31, 2018 | D | <u>\$ 143,950.22</u> |

BOROUGH OF GLEN RIDGE
WATER UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2018

D-8

| | <u>Ref.</u> | |
|----------------------------|-------------|------------------------|
| Balance, December 31, 2017 | D | <u>\$ 8,303,185.92</u> |
| Balance, December 31, 2018 | D | <u>\$ 8,303,185.92</u> |

Draft

BOROUGH OF GLEN RIDGE
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2018

D-9

| Description | Ordinance | | Balance Dec. 31, 2017 | Improvement Authorizations | Balance Dec. 31, 2018 |
|----------------------------|-----------|----------|--------------------------|-------------------------------|--------------------------|
| | Number | Date | | | |
| Various Improvements | 1502 | 11-24-08 | \$ 30,000.00 | | \$ 30,000.00 |
| Various Water Improvements | 1688 | 10-22-18 | 100,000.00 | \$ 100,000.00 | 100,000.00 |
| Various Water Improvements | 1690 | 9-24-18 | 2,380,000.00 | 2,380,000.00 | 2,380,000.00 |
| | | | | | |
| | | | \$ 30,000.00 | \$ 2,480,000.00 | \$ 2,510,000.00 |
| | | | | | |
| | | | <u>Ref.</u> | D | D-13, D-19 |
| | | | | | D |

BOROUGH OF GLEN RIDGE
WATER UTILITY

INTERFUNDS
YEAR ENDED DECEMBER 31, 2018

D-10

| | | <u>Water Operating Fund</u> | | |
|----------------------------------|-------------|-----------------------------|---------------------|------------------------|
| | <u>Ref.</u> | <u>Total</u> | <u>Current</u> | <u>General Capital</u> |
| Balance, December 31, 2017 | | | | |
| (To) | D | <u>\$ (27,117.22)</u> | <u>\$ 42,882.78</u> | <u>\$ (70,000.00)</u> |
| Increased by: | | | | |
| Cash Receipt | D-5 | 70,000.00 | | 70,000.00 |
| Expenditure Paid by Current Fund | D-4 | <u>20,584.74</u> | <u>20,584.74</u> | <u>70,000.00</u> |
| | | <u>90,584.74</u> | <u>20,584.74</u> | <u>70,000.00</u> |
| Sub-Total | | <u>63,467.52</u> | <u>63,467.52</u> | |
| Decreased by: | | | | |
| Cash Disbursed | D-5 | <u>100,000.00</u> | | <u>\$ 100,000.00</u> |
| | | <u>100,000.00</u> | | <u>100,000.00</u> |
| Balance, December 31, 2018 | | | | |
| From | D | <u>\$ (100,000.00)</u> | | <u>\$ (100,000.00)</u> |
| (To) | D | <u>\$ 63,467.52</u> | <u>\$ 63,467.52</u> | |

BOROUGH OF GLEN RIDGE
WATER UTILITY

APPROPRIATION RESERVES
DECEMBER 31, 2018

D-11

| | Balance After Transfers Dec. 31, 2017 | | Paid or Charged | Balance Lapsed |
|--------------------|--|----------------------|---------------------|----------------------|
| | <u>Encumbered</u> | <u>Reserved</u> | | |
| Salaries and Wages | | \$ 39,658.70 | \$ 241.98 | \$ 39,416.72 |
| Other Expenses | \$ 14,310.45 | 70,593.94 | 14,999.67 | 69,904.72 |
| | <u>\$ 14,310.45</u> | <u>\$ 110,252.64</u> | <u>\$ 15,241.65</u> | <u>\$ 109,321.44</u> |
| <u>Ref.</u> | D | D | D-5 | D-1 |

BOROUGH OF GLEN RIDGE
WATER UTILITY

OVERPAID WATER RENTS
YEAR ENDED DECEMBER 31, 2018

D-12

| | <u>Ref.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2017 | D | \$ 14,998.19 |
| Increased by: | | |
| Cash Receipts | D-5 | <u>120.49</u> |
| Balance, December 31, 2018 | D | <u><u>\$ 15,118.68</u></u> |

Draft

BOROUGH OF GLEN RIDGE
WATER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2018

D-13

| Description | Number | Ordinance Date | Amount | Balance Dec. 31, 2017 | | 2018 Authorizations | Balance Dec. 31, 2018 | |
|----------------------------|--------|-------------------|--------------|--------------------------|-------------|------------------------|--------------------------|------------------------|
| | | | | Funded | Unfunded | | Funded | Unfunded |
| Various Water Improvements | 1502 | 11-24-08 | \$ 30,000.00 | \$ 657.50 | \$ - | | \$ 657.50 | |
| Various Water Improvements | 1688 | 10-22-18 | 100,000.00 | | | \$ 100,000.00 | | \$ 100,000.00 |
| Various Water Improvements | 1690 | 9-24-18 | 2,380,000.00 | | | 2,380,000.00 | | 2,380,000.00 |
| | | | | <u>\$ 657.50</u> | <u>\$ -</u> | <u>\$ 2,480,000.00</u> | <u>\$ 657.50</u> | <u>\$ 2,480,000.00</u> |
| <u>Ref.</u> | | | | D | | D-9, D-19 | D | D |

BOROUGH OF GLEN RIDGE
WATER UTILITY

LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2018

D-14

| | <u>Ref.</u> | |
|----------------------------|-------------|-------------------------------|
| Balance, December 31, 2017 | D | \$ 2,948,014.93 |
| Decreased by: | | |
| Loan Repayment | D-18 | <u>371,639.49</u> |
| Balance, December 31, 2018 | D | <u><u>\$ 2,576,375.44</u></u> |

CAPITAL IMPROVEMENT FUND
DECEMBER 31, 2018

D-15

| | <u>Ref.</u> | |
|----------------------------|-------------|---------------------------|
| Balance, December 31, 2017 | D | <u>\$ 4,665.19</u> |
| Balance, December 31, 2018 | D | <u><u>\$ 4,665.19</u></u> |

BOROUGH OF GLEN RIDGE
WATER UTILITY

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2018

D-16

| | <u>Ref.</u> | |
|----------------------------|-------------|----------------------------|
| Balance, December 31, 2017 | D | <u>\$ 31,998.65</u> |
| Balance, December 31, 2018 | D | <u><u>\$ 31,998.65</u></u> |

Analysis of Accrued Interest on Loans at December 31, 2018

| <u>Date of Issue</u> | <u>Interest Payable</u> | <u>Period</u> | <u>Amount</u> |
|--|-----------------------------|---------------|----------------------------|
| 10/15/2000 | \$ 4,856.25 | 5 Months | \$ 4,046.88 |
| 11/01/2003 | 6,243.75 | 5 Months | 5,203.13 |
| 11/01/2005 | 1,637.50 | 5 Months | 1,364.58 |
| 11/01/2006 | 10,165.63 | 5 Months | 8,471.36 |
| 11/01/2010 | 5,212.50 | 5 Months | 4,343.75 |
| 11/01/2010 | 7,250.00 | 5 Months | <u>6,041.67</u> |
| | | | 29,471.36 |
| Add: Amount to be Utilized in Subsequent Year's Budget | | | <u>2,527.29</u> |
| | | | <u><u>\$ 31,998.65</u></u> |

BOROUGH OF GLEN RIDGE
WATER UTILITY

RESERVE FOR FUTURE IMPROVEMENT AUTHORIZATIONS
DECEMBER 31, 2018

D-17

| | <u>Ref.</u> | |
|----------------------------|-------------|--------------|
| Balance, December 31, 2017 | D | \$ 11,000.00 |
| Balance, December 31, 2018 | D | \$ 11,000.00 |

RESERVE FOR AMORTIZATION
DECEMBER 31, 2018

D-18

| | <u>Ref.</u> | |
|----------------------------|-------------|-----------------|
| Balance, December 31, 2017 | D | \$ 5,385,170.99 |
| Increased by: | | |
| Loan Repayment | D-14 | 371,639.49 |
| Balance, December 31, 2018 | D | \$ 5,756,810.48 |

BOROUGH OF GLEN RIDGE
WATER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2018

D-19

| <u>Improvement Description</u> | <u>Ordinance</u> | | <u>Amount</u> | <u>2018 Authorizations</u> | <u>Balance Dec. 31, 2018</u> |
|--------------------------------|------------------|-------------|---------------|--------------------------------|----------------------------------|
| | <u>Number</u> | <u>Date</u> | | | |
| Various Water Improvements | 1688 | 10-22-18 | \$ 100,000.00 | \$ 100,000.00 | \$ 100,000.00 |
| Various Water Improvements | 1690 | 9-24-18 | 2,380,000.00 | 2,380,000.00 | 2,380,000.00 |
| | | | | <u>\$ 2,480,000.00</u> | <u>\$2,480,000.00</u> |
| | | <u>Ref.</u> | | D-9, D-13 | D |

BOROUGH OF GLEN RIDGE
POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR-TREASURER
YEAR ENDED DECEMBER 31, 2018

E-5

| | <u>Ref.</u> | <u>Operating</u> | <u>Capital</u> | |
|-----------------------------|-------------|----------------------|----------------|---------------------|
| Balance, December 31, 2017 | E | \$ 409,648.37 | | \$ 54,081.42 |
| Increased by Receipts: | | | | |
| Miscellaneous Income | E-3 | \$ 32,624.43 | | |
| Pool Fees | E-3 | 388,296.90 | | |
| Bond Anticipation Note | E-13 | | 540,000.00 | |
| | | <u>420,921.33</u> | | <u>540,000.00</u> |
| | | 830,569.70 | | 594,081.42 |
| Decreased by Disbursements: | | | | |
| Budget Appropriations | E-4 | 410,351.60 | | |
| Appropriation Reserves | E-10 | 17,231.25 | | |
| Accrued Interest Payable | E-11 | 15,750.00 | | |
| Improvement Authorizations | E-8 | | 34,668.16 | |
| Bond Anticipation Note | E-13 | | 540,000.00 | |
| | | <u>443,332.85</u> | | <u>574,668.16</u> |
| Balance, December 31, 2018 | E | <u>\$ 387,236.85</u> | | <u>\$ 19,413.26</u> |

BOROUGH OF GLEN RIDGE
POOL UTILITY

CHANGE FUND
DECEMBER 31, 2018

E-6

| | <u>Ref.</u> | |
|----------------------------|-------------|------------------|
| Balance, December 31, 2017 | E | <u>\$ 100.00</u> |
| Balance, December 31, 2018 | E | <u>\$ 100.00</u> |

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2018

E-7

| | <u>Ref.</u> | |
|---|-------------|------------------------|
| Balance, December 31, 2017 | E | \$ 1,647,842.09 |
| Increased by: | | |
| Transferred from Fixed Capital Authorized and Uncompleted | E-9 | <u>780,000.00</u> |
| Balance, December 31, 2018 | E | <u>\$ 2,427,842.09</u> |

BOROUGH OF GLEN RIDGE
POOL UTILITY CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2018

E-8

| <u>Description</u> | <u>Ordinance</u> | | <u>Balance</u> <u>Dec. 31, 2017</u> | | <u>Expended</u> | <u>Balance</u> <u>Dec. 31, 2018</u> |
|------------------------------|------------------|-------------|--|-----------------|-----------------|--|
| | <u>Number</u> | <u>Date</u> | <u>Amount</u> | <u>Unfunded</u> | | <u>Unfunded</u> |
| Various Capital Improvements | 1615 | 05/12/14 | \$ 780,000.00 | \$ 34,668.16 | \$ 34,668.16 | \$ - |
| | | <u>Ref.</u> | | E | E-5 | |

BOROUGH OF GLEN RIDGE
POOL UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2018

E-9

| | <u>Ref.</u> | |
|----------------------------|-------------|-------------------|
| Balance, December 31, 2017 | E | \$ 780,000.00 |
| Decreased by: | | |
| Completed Projects | E-7 | <u>780,000.00</u> |
| Balance, December 31, 2018 | | <u>\$ -</u> |

BOROUGH OF GLEN RIDGE
POOL UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

E-10

| | Balance December 31, 2017 | | Paid or Charged | Unexpended Balance Canceled |
|--------------------|------------------------------|---------------------|---------------------|-----------------------------------|
| | <u>Encumbered</u> | <u>Reserved</u> | | |
| Salaries and Wages | | \$ 23,398.65 | | \$ 23,398.65 |
| Other Expenses | \$ 7,351.75 | 41,081.60 | \$ 17,231.25 | 31,202.10 |
| | <u>\$ 7,351.75</u> | <u>\$ 64,480.25</u> | <u>\$ 17,231.25</u> | <u>\$ 54,600.75</u> |
| <u>Ref.</u> | E | E | E-5 | E-1 |

BOROUGH OF GLEN RIDGE
POOL UTILITY

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2018

E-11

| | <u>Ref.</u> | |
|----------------------------|-------------|-------------------------------|
| Balance, December 31, 2017 | E | \$ 3,751.00 |
| Increased by: | | |
| Budget Appropriation | E-4 | <u>15,750.00</u> 19,501.00 |
| Decreased by: | | |
| Cash Disbursements | E-5 | <u>15,750.00</u> |
| Balance, December 31, 2018 | E, Below | <u><u>\$ 3,751.00</u></u> |

Analysis of Accrued Interest on Notes at December 31, 2018

| <u>Date of Issue</u> | <u>Principal</u> | <u>Rate</u> | <u>Period</u> | <u>Amount</u> |
|--------------------------|--|-------------|------------------|---------------------------|
| 07/20/18 | \$ 100,000.00 | 2.25% | 163 Days | \$ 1,004.79 |
| 07/20/18 | 440,000.00 | 2.25% | 163 Days | <u>4,421.10</u> |
| | | | | 5,425.89 |
| | Less: Amount to be Raised in Subsequent Years Budget | | | <u>(1,674.89)</u> |
| | | | | <u><u>\$ 3,751.00</u></u> |
| | | | <u>Reference</u> | Above |

BOROUGH OF GLEN RIDGE
POOL UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2018

E-12

| | <u>Ref.</u> | |
|-----------------------------------|-------------|-------------------------------|
| Balance, December 31, 2017 | E | \$ 1,727,842.09 |
| Increased by: | | |
| Paydown on Bond Anticipation Note | E-13 | <u>160,000.00</u> |
| Balance, December 31, 2018 | E | <u><u>\$ 1,887,842.09</u></u> |

Draft

BOROUGH OF GLEN RIDGE
POOL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2018

E-13

| <u>Purpose</u> | <u>Original Date of Issue</u> | <u>Original Amount Issued</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Balance Dec. 31, 2017</u> | <u>Increase</u> | <u>Decrease</u> | <u>Balance Dec. 31, 2018</u> |
|---------------------------|---------------------------------------|-----------------------------------|--------------------------|--------------------------|----------------------------------|----------------------|----------------------|----------------------------------|
| Pool Utility Improvements | 12-19-2013 | \$ 500,000.00 | 7/20/2019 | 2.25% | \$ 100,000.00 | | \$ 100,000.00 | |
| Pool Utility Improvements | 7-25-2014 | 780,000.00 | 7/20/2019 | 2.25% | 600,000.00 | \$ 540,000.00 | 600,000.00 | \$ 540,000.00 |
| | | | | | <u>\$ 700,000.00</u> | <u>\$ 540,000.00</u> | <u>\$ 700,000.00</u> | <u>\$ 540,000.00</u> |
| | | | | <u>Ref.</u> | E | Below | Below | E |
| | | | | | <u>Ref.</u> | | | |
| | | | | Cash Receipts | E-5 | \$ 540,000.00 | | |
| | | | | Cash Disbursements | E-5 | | \$ 540,000.00 | |
| | | | | Paid by Budget | | | | |
| | | | | Appropriation | E-12 | | 160,000.00 | |
| | | | | | | <u>\$ 540,000.00</u> | <u>\$ 700,000.00</u> | |

PART II
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEARS ENDED DECEMBER 31, 2018 AND 2017

**ROSTER OF OFFICIALS AS OF DECEMBER 31, 2018
AND REPORT ON SURETY BONDS**

| <u>Name</u> | <u>Title</u> | <u>Amount of Bond</u> |
|--------------------|---|-------------------------------|
| Stuart Patrick | Mayor | \$ |
| Ann Marie Morrow | Council President | |
| Paul Lisovicz | Councilman | |
| Daniel Murphy | Councilman | |
| Deborah Mans | Councilwoman | |
| Peter Hughes | Councilman | |
| David Lefkovits | Councilman | |
| Michael J. Rohal | Borough Clerk | |
| | Engineer | |
| | Borough Administrator | |
| | Tax Search Officer | |
| | Officer for Searches for Municipal Improvements | |
| Matthew Laracy | Chief Financial Officer | 1,000,000.00 |
| Tara Ventola | Deputy Borough Clerk | |
| Denise Iandolo | Municipal Court Administrator | 50,000.00 |
| George F. Librizzi | Tax Assessor | |
| Mark Clemente | Judge - Municipal Court | 50,000.00 |
| Donna Altschuler | Tax Collector | 1,000,000.00 |
| | Water Collector | 1,000,000.00 |
| Michael Zichelli | Director of Planning and Development | |
| | Deputy Business Administrator | |
| John Malyska | Borough Attorney | |

The Borough is covered through the Municipal Excess Liability Joint Insurance Fund. The coverage is \$1,000,000.00 for covered employees (Tax/Water Collector, Chief Financial Officer and the Court Magistrate, Clerk and Administrator). All other employees are covered in the amount of \$50,000.00.

Contracts and Agreements Required to be Advertised per (N.J.S.A. 40A:11-4)

N.J.S.A. 40A:11-4, as amended, states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to (N.J.S.A. 40A:11-3c) except by contract or agreement."

It is pointed out that the Borough Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Borough Attorney should be sought before a commitment is made.

The bidding threshold for the period under review was \$40,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3a, based on the appointment of a qualified purchasing agent.

Notwithstanding N.J.S.A. 40:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay to Play Law", provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity. This procedure has been implemented by the Borough.

The minutes indicate that bids were requested by public advertising for all required purchases.

Inasmuch as the system of records did not provide for an accumulation of payments for categories of materials and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The minutes indicate that proposals were solicited for "Professional Services" in accordance with N.J.S.A. 19:44A:20-5.

It is also noted that certain contracts were awarded under the provisions of N.J.S.A. 40A:11-12, New Jersey State purchasing contracts.

Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S.A. 40A:11-6.1)

N.J.S.A. 40A:11-6.1 states "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$6,000.00 at least two quotations as to the cost or price are required. Quotations, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder."

Property Acquired by Tax Title Lien Liquidation

There are three properties which remain in tax title lien. If these properties are not readily saleable, they should be placed in the exempt category or otherwise disposed of.

Delinquent Taxes and Tax Title Liens

Delinquent taxes and tax title liens at December 31, 2018 were \$329,941.63.

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary. The following exception was noted.

2018-001

Based on our review of the animal control fund, it was difficult to determine the cause of several small discrepancies in dog licenses. Additionally, remittances to the State of New Jersey were not submitted timely during the year ended December 31, 2018.

We recommend that the Borough maintain adequate records illustrating support for all license numbers and retain copies of the monthly reports submitted to the State of New Jersey.

Examination of Claims

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Purchase Order System and Encumbrance System

The Borough's budgetary operation is on a full encumbrance system with the exception of payrolls and other direct costs. All purchases are made directly by the purchasing department or subsequently confirmed on an emergency basis. Blanket orders and other outstanding encumbrances were reviewed at the close of the year, and adjustments and cancellations were made where appropriate to reflect actual commitments outstanding for budgetary control.

2018-002

Our review indicated that certain departments had made commitments prior to the certification to the availability of funds. In accordance with N.J.A.C. 5:30-5.3, a certification of availability of funds must be made prior to any commitment of rendered services or purchased goods.

We recommend that all requisitions are submitted and the CFO certify the availability of funds prior to any commitment of services or receipt of goods.

Status of Prior Years' Audit Recommendations

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. A plan was prepared for items found in the CY 2017 Report on Examination of Accounts.

A review was performed on all prior years' recommendations and corrective action was taken on all prior year findings with the exception of the below.

Following are the prior year recommendations included in this year's audit:

Animal Control Fund:

Remittances to the State of New Jersey were not submitted timely during the year.

Encumbrance System:

That all departments adhere to the required policies and procedures to ensure compliance with state requirements.

Miscellaneous

A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

A statutory report summarizing collections of Dog License Fees and remittances of State Registration Fees was prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A separate Trust Fund for State Unemployment Insurance Compensation is detailed in Section "B" herein.

As a separate report on the operations of the Uniform Construction Code Office was also prepared and filed with the New Jersey Division of Local Government Services.

All sums of outstanding checks shown in cash reconciliations, herein, are in agreement with the records of the Treasurer.

A copy of this report was filed with the New Jersey Division of Local Government Services.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

RECOMMENDATIONS

Animal Control Fund:

Maintain adequate records illustrating support for all license numbers and retain copies of the monthly reports submitted to the State of New Jersey.

Purchase Order System:

That purchase orders be created before the ordering of goods and services.

The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer with the members of the Borough Council on questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the assistance and courtesies rendered by the Borough officials and employees during the course of our examination.

PKF O'Connor Davies, LLP

Cranford, New Jersey
August 28, 2019

David J. Gannon

David J. Gannon, CPA
Licensed Registered Municipal Accountant, No. 520