



**BOROUGH OF GLEN RIDGE
ESSEX COUNTY, NEW JERSEY
REPORT ON
EXAMINATION OF ACCOUNTS
DECEMBER 31, 2011**

BOROUGH OF GLEN RIDGE
COUNTY OF ESSEX, NEW JERSEY

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2011



INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying regulatory basis financial statements of the various funds of the Borough of Glen Ridge, Essex County, New Jersey (the "Borough") as of December 31, 2011 and 2010 and the related statements of operations and changes in fund balances for the years then ended, and the related statements of revenues, expenditures and fund balances for the year ended December 31, 2011, as listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Borough. Our responsibility is to express an opinion on these financial statements based upon our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting principles prescribed by the Division, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not presently determinable, are presumed to be material.

The regulatory basis financial statements referred to above do not include Capital Fixed Assets, which is required by accounting principles accepted in the United States of America, and should be included in order to conform to accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The amount that should be recorded in the Capital Fixed Assets is unknown.

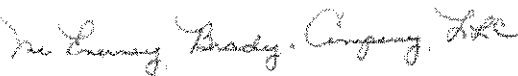
In our opinion, because the Borough's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, in all material reporting, the financial position of the Borough, as of December 31, 2011 and 2010, and the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the individual funds enclosed of the Borough at December 31, 2011, and the results of its operations and changes in fund balance of such funds for the year then ended, and the revenues, expenditures and fund balance for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 20, 2012 on our consideration of the Borough's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as Supplementary Data in the foregoing Table of Contents and the Schedule of Expenditures of State Awards are presented for purposes of additional analyses as required by New Jersey OMB Circular 04-04, which is also the responsibility of the management of the Borough, is presented for the purposes of additional analyses and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting as described in Note 1.

This report is intended solely for the information and use of the Borough's governing body and management, appropriate State awarding agencies and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. It is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.



McEnerney, Brady & Company, LLC
Certified Public Accountants



John Lauria
Licensed Registered Municipal Accountant #403

Livingston, New Jersey
June 20, 2012

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2011 AND 2010

A
Sheet # 1

| <u>ASSETS AND DEFERRED CHARGES</u> | <u>Ref.</u> | <u>2011</u> | <u>2010</u> |
|---|-------------|------------------------|------------------------|
| Cash | A-4 | \$ 1,154,656.72 | \$ 1,488,191.27 |
| Change Funds | A-5 | 170.00 | 170.00 |
| Prepaid School Tax | A-22 | 248,500.13 | 252,222.13 |
| | | <u>1,403,326.85</u> | <u>1,740,583.40</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Taxes Receivable | A-7 | 282,708.51 | 239,891.09 |
| Tax Title Liens | A-8 | 19,659.67 | 17,101.25 |
| Property Acquired for Taxes at Assessed Valuation | A-9 | 410.00 | 410.00 |
| Revenue Accounts Receivable | A-10 | 10,092.77 | 12,811.44 |
| Interfunds Receivable | A-11 | 9,410.60 | 642.60 |
| Other Accounts Receivable | A-12 | | 175.00 |
| | | <u>322,281.55</u> | <u>271,031.38</u> |
| Deferred Charges | A-13 | 269,197.85 | 110,076.05 |
| | | <u>1,994,806.25</u> | <u>2,121,690.83</u> |
| Federal and State Grant Fund: | | | |
| Federal and State Grants Receivable | A-24 | 48,933.95 | 38,082.00 |
| Interfunds Receivable | A-27 | 63,574.53 | 35,554.87 |
| | | <u>112,508.48</u> | <u>73,636.87</u> |
| | | <u>\$ 2,107,314.73</u> | <u>\$ 2,195,327.70</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2011 AND 2010

A
Sheet # 2

| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | <u>Ref.</u> | <u>2011</u> | <u>2010</u> |
|---|-------------|------------------------|------------------------|
| Expenditure Reserves: | | | |
| Appropriation Reserves: | | | |
| Encumbered | A-3, A-14 | \$ 188,793.89 | \$ 108,702.41 |
| Unencumbered | A-3, A-14 | 343,798.98 | 292,419.27 |
| Due to State of New Jersey: | | | |
| Ch. 129, P.L. 1976 | A-6 | 2,530.56 | 2,645.62 |
| Interfunds Payable | A-11 | 125,720.66 | 35,554.87 |
| State Library Aid | A-15 | | 629.00 |
| Accounts Payable | A-16 | 7,414.85 | 15,648.75 |
| Due to State of New Jersey: | | | |
| Other Fees | A-17 | 3,250.00 | 2,826.00 |
| Tax Overpayments | A-18 | 180,122.73 | 183,344.96 |
| Inspection Fees Payable | A-19 | 1,059.00 | 1,114.00 |
| Emergency Note Payable | A-23 | 164,184.06 | 102,000.00 |
| Reserve for Prepaid School Tax | A-25 | 248,500.13 | 252,222.13 |
| Prepaid Taxes | A-26 | 293,389.45 | 160,667.61 |
| Sub-Total | | <u>1,558,764.31</u> | <u>1,157,774.62</u> |
| Reserve for Receivables and Other Assets | | 322,281.55 | 271,031.38 |
| Fund Balance | A-1 | <u>113,760.39</u> | <u>692,884.83</u> |
| | | <u>1,994,806.25</u> | <u>2,121,690.83</u> |
| Federal and State Grant Fund: | | | |
| Appropriated Reserves | A-28 | 106,646.29 | 67,774.68 |
| Unappropriated Reserves | A-29 | 5,862.19 | 5,862.19 |
| | | <u>112,508.48</u> | <u>73,636.87</u> |
| | | <u>\$ 2,107,314.73</u> | <u>\$ 2,195,327.70</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, 2011 AND 2010

A-1

| | <u>Ref.</u> | <u>2011</u> | <u>2010</u> |
|---|-------------|----------------------|----------------------|
| <u>Revenue and Other Income</u> | | | |
| Fund Balance Utilized | A-2 | \$ 647,778.00 | \$ 1,191,500.00 |
| Miscellaneous Revenue Anticipated | A-2 | 1,465,426.99 | 1,294,285.87 |
| Receipts from Delinquent Taxes | A-2a | 239,489.20 | 262,790.57 |
| Receipts from Current Taxes | A-2a | 41,583,063.16 | 41,069,836.58 |
| Nonbudget Revenue | A-2b | 64,326.29 | 99,389.67 |
| Other Credits to Income: | | | |
| Accounts Receivable Liquidated | A-12 | 175.00 | |
| Appropriation Reserves Lapsed | A-14 | 169,636.54 | 199,992.87 |
| Accounts Payable Cancelled | A-16 | 15,648.75 | |
| Reserve for Revaluation Cancelled | | | 7,624.49 |
| Increase in Deferred School Tax | A-21 | 109,927.00 | 468,887.50 |
| Total Revenue and Other Income | | <u>44,295,470.93</u> | <u>44,594,307.55</u> |
| <u>Expenditures</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operations: | | | |
| Salaries and Wages | | 4,031,304.26 | 4,153,498.62 |
| Other Expenses | | 5,823,319.89 | 5,523,152.59 |
| Capital Improvements | | 125,000.00 | 100,000.00 |
| Debt Service | | 512,009.55 | 521,216.11 |
| Statutory Expenditures and Deferred Charges | | 1,108,397.03 | 1,045,952.00 |
| | A-3 | <u>11,600,030.73</u> | <u>11,343,819.32</u> |
| Prior Year Revenue Refunded | | | 7.17 |
| Prior Year Senior Citizen Deduction Disallowed | | | |
| Other Accounts Receivable Established | | | 175.00 |
| Interfund Advances | A-11 | 8,768.00 | 642.60 |
| State Tax Court Judgments | | | 171,716.30 |
| County Taxes | A-20 | 6,557,210.36 | 6,335,937.22 |
| Local District School Tax | A-21 | 26,030,506.00 | 25,810,652.00 |
| Reserve for Prepaid School Tax | A-25 | 248,500.13 | 252,222.13 |
| Total Expenditures | | <u>44,445,015.22</u> | <u>43,915,171.74</u> |
| Excess (Deficit) in Revenue | | (149,544.29) | 679,135.81 |
| Adjustments to Income before Fund Balance: | | | |
| Expenditures Include Above Which are by Statute | | | |
| Deferred Charges to Budget of Succeeding Year | A-3 | <u>218,197.85</u> | |
| Statutory Excess to Fund Balance | | 68,653.56 | 679,135.81 |
| <u>Fund Balance</u> | | | |
| Balance, Beginning of Year | A | <u>692,884.83</u> | <u>1,205,249.02</u> |
| | | 761,538.39 | 1,884,384.83 |
| Decreased by: | | | |
| Utilized as Anticipated Revenue | Above | <u>647,778.00</u> | <u>1,191,500.00</u> |
| Balance, End of Year | A | <u>\$ 113,760.39</u> | <u>\$ 692,884.83</u> |

See accompanying note to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

A-2

| | <u>Ref.</u> | <u>Anticipated Budget</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|--|-------------|-------------------------------|-------------------------|--------------------------------|
| Fund Balance Appropriated | A-1 | \$ 647,778.00 | \$ 647,778.00 | \$ |
| <u>Miscellaneous Revenues</u> | | | | |
| Alcoholic Beverage Licenses | A-10 | 10,250.00 | 10,000.00 | (250.00) |
| Other Licenses | A-2a | 2,750.00 | 510.00 | (2,240.00) |
| Fees and Permits | A-2a | 105,000.00 | 92,992.81 | (12,007.19) |
| Municipal Court Fines and Costs | A-10 | 190,000.00 | 147,447.18 | (42,552.82) |
| Other Fines and Costs | A-10 | 4,600.00 | 3,885.05 | (714.95) |
| Interest and Cost on Taxes | A-10 | 74,000.00 | 53,813.08 | (20,186.92) |
| Parking Lot Fees | A-10 | 41,000.00 | 47,625.50 | 6,625.50 |
| Interest on Investments and Deposits | A-10 | 5,000.00 | 1,042.96 | (3,957.04) |
| Recreation Receipts | A-10 | 86,000.00 | 75,230.00 | (10,770.00) |
| Rental of Hurrell Field | A-10 | 25,000.00 | 25,000.00 | |
| Cable TV Franchise Fee | A-10 | 34,596.68 | 34,596.68 | |
| Consolidated Municipal Property Tax | | | | |
| Relief Aid | A-10 | 54,880.00 | 54,880.00 | |
| Energy Receipts Tax | A-10 | 344,661.00 | 344,661.00 | |
| Uniform Construction Code Fees | A-10 | 125,000.00 | 131,275.00 | 6,275.00 |
| PILOT - Project Live | A-10 | 6,000.00 | 7,550.01 | 1,550.01 |
| FEMA- December Storm Blitz | A-10 | 25,086.79 | 25,086.79 | |
| Jitney Fees | A-10 | 18,000.00 | 72,163.00 | 54,163.00 |
| Recycling | A-10 | 10,000.00 | 11,429.00 | 1,429.00 |
| Mountainside Hospital Sewer Fee | A-10 | 8,400.00 | 9,410.00 | 1,010.00 |
| Liquidation of the Reserve for | | | | |
| Prepaid School Tax | A-25 | 252,222.00 | 252,222.13 | 0.13 |
| | | <u>1,422,446.47</u> | <u>1,400,820.19</u> | <u>(21,626.28)</u> |
| Federal and State Grants: | | | | |
| Clean Communities Program | | 9,594.90 | 9,594.90 | |
| Municipal Alliance on Alcohol and Drug | | | | |
| Abuse | | 38,950.00 | 38,950.00 | |
| Drunk Driving Enforcement Grant | | 2,204.15 | 2,204.15 | |
| Recycling Tonnage Grant | | 11,808.23 | 11,808.23 | |
| Alcohol, Education and Rehabilitation | | 2,049.52 | 2,049.52 | |
| | A-11 | <u>64,606.80</u> | <u>64,606.80</u> | |
| Total Miscellaneous Revenue | A-1 | <u>1,487,053.27</u> | <u>1,465,426.99</u> | <u>(21,626.28)</u> |
| Receipts from Delinquent Taxes | A-2a | <u>247,088.86</u> | <u>239,489.20</u> | <u>(7,599.66)</u> |
| Amount to be Raised by Taxes for Support | | | | |
| of Municipal Budget: | | | | |
| Local Tax for Municipal Purpose | | 9,038,222.39 | | |
| Minimum Library Tax | | 499,720.00 | | |
| | A-2a | <u>9,537,942.39</u> | <u>9,516,316.42</u> | <u>(21,625.97)</u> |
| | | 11,919,862.52 | 11,869,010.61 | (50,851.91) |
| Nonbudget Revenue | A-2b | | 64,326.29 | 64,326.29 |
| | A-3 | <u>\$ 11,919,862.52</u> | <u>\$ 11,933,336.90</u> | <u>\$ 13,474.38</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, 2011

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 | \$41,597,084.78 | \$ 239,489.20 | \$41,357,595.58 |
| Exemptions Granted | A-7 | 40,365.06 | | 40,365.06 |
| Overpayments Applied | A-7 | 24,434.91 | | 24,434.91 |
| Prepaid Taxes Applied | A-7 | 160,667.61 | | 160,667.61 |
| Total Revenue | A-1 | 41,822,552.36 | 239,489.20 | 41,583,063.16 |
| Allocated to: | | | | |
| County Levy and Added Taxes | A-20 | (6,557,210.36) | | (6,557,210.36) |
| Local District School Taxes | A-21 | (26,030,506.00) | | (26,030,506.00) |
| Plus: Reserve for Uncollected Taxes | A-3 | 520,969.62 | | 520,969.62 |
| Realized Revenue | A-2 | <u>\$ 9,755,805.62</u> | <u>\$ 239,489.20</u> | <u>\$ 9,516,316.42</u> |
| | | | | |
| <u>Other Licenses and Fees</u> | | <u>Total</u> | <u>Other Licenses</u> | <u>Permits and Fees</u> |
| Public Works | A-10 | \$ 927.00 | \$ | \$ 927.00 |
| Clerk's Office | A-10 | 20,810.00 | 60.00 | 20,750.00 |
| Tax Search Fees | A-10 | 10.00 | | 10.00 |
| Public Safety | A-10 | 9,997.64 | | 9,997.64 |
| Board of Health | A-10 | 28,082.00 | 450.00 | 27,632.00 |
| Construction Official | A-10 | 33,676.17 | | 33,676.17 |
| Realized Revenue | A-2 | <u>\$ 93,502.81</u> | <u>\$ 510.00</u> | <u>\$ 92,992.81</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, 2011

A-2b

Ref.

Miscellaneous Revenue Not Anticipated

Cash Receipts:

| | |
|---|---------------|
| Prior Year Void Checks | \$ 12,021.82 |
| FEMA Reimbursements | 27,354.73 |
| Insurance Refund | 4,194.15 |
| Sale of Municipal Assets | 2,473.41 |
| Education Foundation | 3,614.85 |
| Board of Adjustment Fees | 2,660.00 |
| Alarm Fees | 1,250.00 |
| Landscape Permit | 650.00 |
| Duplicate Tax Bills | 100.30 |
| Police | 432.00 |
| Bad Check Fee | 300.00 |
| Photocopies | 2,605.82 |
| Leaf Bags | 1,355.00 |
| Passaic Valley Rebate | 116.13 |
| Gasoline Purchases - Board of Education | 1,828.20 |
| DMV Fines | 1,600.00 |
| Senior Citizen and Veteran Deduction | |
| Administrative Fee | 805.00 |
| Other | <u>964.88</u> |

A-1, A-2, A-4

\$ 64,326.29

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

A-3
Sheet # 1

| Appropriation | Appropriations | | Paid or Charged | Expended | | Cancelled |
|---|----------------|--------------------|--------------------|------------|--------------|-----------|
| | Budget | Modified Budget | | Reserved | | |
| | | | | Encumbered | Unencumbered | |
| APPROPRIATIONS WITHIN "CAPS" | | | | | | |
| GENERAL GOVERNMENT | | | | | | |
| Administrative and Executive: | | | | | | |
| Salaries and Wages | \$ 97,700.00 | \$ 121,713.00 | \$ 121,712.89 | \$ | 0.11 | \$ |
| Other Expenses | 45,500.00 | 45,500.00 | 33,648.08 | 2,887.56 | 8,964.36 | |
| Elections: | | | | | | |
| Salaries and Wages | 4,100.00 | 4,100.00 | 3,961.77 | | 138.23 | |
| Other Expenses | | | | | | |
| Financial Administration: | | | | | | |
| Salaries and Wages | 81,730.00 | 77,119.43 | 77,119.43 | | | |
| Other Expenses | 55,678.00 | 61,678.00 | 36,330.79 | 17,327.53 | 8,019.68 | |
| Annual Audit | 45,000.00 | 45,000.00 | 15,000.00 | | 30,000.00 | |
| Assessment of Taxes: | | | | | | |
| Salaries and Wages | 30,000.00 | 18,604.75 | 18,604.38 | | 0.37 | |
| Other Expenses | 7,500.00 | 9,056.12 | 8,832.12 | 224.00 | | |
| Collection of Taxes: | | | | | | |
| Salaries and Wages | 62,240.00 | 52,847.75 | 52,847.75 | | | |
| Other Expenses | 7,500.00 | 6,943.88 | 5,788.43 | 25.00 | 1,130.45 | |
| Community Affairs and Public Relations: | | | | | | |
| Other Expenses | 20,000.00 | 22,133.61 | 21,620.61 | 513.00 | | |
| Legal Services and Costs: | | | | | | |
| Salaries and Wages | 21,879.00 | 22,098.71 | 22,098.71 | | | |
| Other Expenses | 74,132.00 | 74,132.00 | 35,535.51 | 1,397.80 | 37,198.69 | |
| Engineering Services and Costs: | | | | | | |
| Salaries and Wages | 76,787.00 | 79,048.66 | 79,048.66 | | | |
| Other Expenses | 27,900.00 | 27,900.00 | 22,725.09 | 1,099.50 | 4,075.41 | |
| Public Buildings and Grounds: | | | | | | |
| Salaries and Wages | 13,905.00 | 880.94 | 880.94 | | | |
| Other Expenses | 50,000.00 | 50,000.00 | 41,017.72 | 6,946.37 | 2,035.91 | |
| Planning Board: | | | | | | |
| Other Expenses | 5,000.00 | 5,000.00 | 2,582.69 | 1,621.76 | 795.55 | |
| Board of Adjustment: | | | | | | |
| Other Expenses | 4,600.00 | 4,600.00 | 2,387.44 | 1,942.56 | 270.00 | |
| Shade Tree Commission: | | | | | | |
| Salaries and Wages | 1,030.00 | 1,030.00 | 695.17 | | | |
| Other Expenses | 80,000.00 | 83,686.48 | 76,658.09 | 7,028.39 | 334.83 | |
| Insurance: | | | | | | |
| Surety Bond Premiums | | | | | | |
| General Liability | 280,564.40 | 275,823.00 | 275,823.00 | | | |
| Workers Compensation | 156,210.96 | 152,773.00 | 152,773.00 | | | |
| Employee Group Health | 745,242.00 | 726,254.53 | 711,711.20 | | 14,543.33 | |
| Municipal Court: | | | | | | |
| Salaries and Wages | 143,656.00 | 121,619.37 | 121,619.37 | | | |
| Other Expenses | 14,050.00 | 18,808.75 | 17,012.47 | 1,796.28 | | |
| Public Defender: | | | | | | |
| Salaries and Wages | 3,244.50 | 3,244.50 | 2,617.96 | | 626.54 | |

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

A-3
Sheet # 2

| Appropriation | Appropriations | | Expended | | | Cancelled |
|---------------------------------------|-----------------|-----------------|-----------------|--------------|--------------|--------------|
| | Budget | Modified Budget | Paid or Charged | Encumbered | Unencumbered | |
| APPROPRIATIONS WITHIN "CAPS" | | | | | | |
| <u>PUBLIC SAFETY</u> | | | | | | |
| Department of Public Safety: | | | | | | |
| Salaries and Wages | \$ 2,109,686.20 | \$ 2,206,003.29 | \$ 2,190,569.74 | \$ 16,989.91 | \$ 4,223.18 | \$ 11,210.37 |
| Other Expenses | 160,950.00 | 160,950.00 | 138,999.32 | | 4,960.77 | |
| Life Hazard Use Fees: | | | | | | |
| Other Expenses | 12,000.00 | 12,639.65 | 12,639.65 | | | |
| Crossing Guards: | | | | | | |
| Salaries and Wages | 126,948.25 | 113,551.09 | 113,551.09 | | | |
| Police Dispatchers: | | | | | | |
| Salaries and Wages | 260,196.93 | 196,556.18 | 196,556.18 | | | |
| Aid to Volunteer Ambulance Companies: | | | | | | |
| Other Expenses | 9,000.00 | 10,000.00 | 10,000.00 | | | |
| Fire Suppression Contract: | | | | | | |
| Other Expenses | | | | | | |
| Municipal Prosecutor: | | | | | | |
| Salaries and Wages | 21,218.00 | 21,432.24 | 21,432.24 | | | |
| <u>STREETS AND ROADS</u> | | | | | | |
| Road Repair and Maintenance: | | | | | | |
| Salaries and Wages | 240,550.00 | 241,292.56 | 224,530.71 | | 16,761.85 | |
| Other Expenses | 55,990.00 | 62,030.00 | 42,233.44 | 12,686.70 | 7,109.86 | |
| Storms: | | | | | | |
| Salaries and Wages | 40,150.00 | 32,609.29 | 22,779.58 | | 3,987.12 | 5,842.59 |
| Other Expenses | 24,850.00 | 17,874.37 | 17,723.94 | 150.43 | | |
| <u>SANITATION</u> | | | | | | |
| Sewer System: | | | | | | |
| Salaries and Wages | 3,270.62 | 6,744.40 | 6,744.40 | | | |
| Other Expenses | 10,000.00 | 7,908.31 | 7,699.33 | 208.98 | | |
| Garbage and Trash Removal: | | | | | | |
| Other Expenses | 850,000.00 | 805,511.36 | 744,067.45 | 49,443.91 | 12,000.00 | |
| <u>HEALTH AND WELFARE</u> | | | | | | |
| Board of Health: | | | | | | |
| Salaries and Wages | 27,209.00 | 43,271.14 | 43,271.14 | | | |
| Other Expenses | 3,000.00 | 3,000.00 | 2,239.10 | 415.02 | 345.88 | |
| Administration of Public Assistance: | | | | | | |
| Other Expenses | 2,000.00 | | | | | |

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

A-3
Sheet # 3

| Appropriation | Appropriations | | Paid or Charged | Expended | | Cancelled |
|---|----------------|--------------------|--------------------|--------------|--------------------------|-----------|
| | Budget | Modified Budget | | Encumbered | Reserved Unencumbered | |
| <u>APPROPRIATIONS WITHIN "CAPS"</u> | | | | | | |
| <u>RECREATION AND EDUCATION</u> | | | | | | |
| Parks and Playgrounds: | | | | | | |
| Salaries and Wages | \$ 166,016.33 | \$ 195,001.28 | \$ 195,001.28 | \$ 18,451.74 | \$ 5,689.72 | \$ |
| Other Expenses | 87,700.00 | 87,700.00 | 63,558.54 | | | |
| Hurrell Field: | | | | | | |
| Salaries and Wages | 57,000.00 | 64,195.23 | 64,195.23 | | | |
| Other Expenses | 33,600.00 | 33,600.00 | 22,543.46 | 2,339.30 | 8,717.24 | |
| Recreation: | | | | | | |
| Salaries and Wages | 200,846.75 | 205,403.85 | 205,403.85 | 2,720.00 | 3,217.10 | |
| Other Expenses | 63,350.00 | 63,350.00 | 57,412.90 | | | |
| Jitney Operation: | | | | | | |
| Salaries and Wages | 102,000.00 | 103,116.06 | 103,116.06 | 389.34 | 234.08 | |
| Other Expenses | 12,000.00 | 12,000.00 | 11,376.58 | | | |
| <u>UNIFORM CONSTRUCTION CODE</u> | | | | | | |
| Construction Code Officials: | | | | | | |
| Inspection of Buildings: | | | | | | |
| Salaries and Wages | 120,973.50 | 120,973.50 | 120,973.50 | 89.61 | 2,286.42 | |
| Other Expenses | 4,825.00 | 4,825.00 | 2,448.97 | | | |
| <u>UNCLASSIFIED</u> | | | | | | |
| Electricity | 125,000.00 | 128,138.24 | 121,879.88 | | 6,258.36 | |
| Gasoline, Diesel Fuel and Lubricants | 90,000.00 | 122,861.60 | 118,554.15 | 4,307.45 | 19,177.36 | |
| Street Lighting | 230,000.00 | 217,922.88 | 198,745.52 | | | |
| Total Operations Within "CAPS" | 7,406,479.44 | 7,412,058.00 | 7,040,900.50 | 151,002.14 | 203,102.40 | 17,052.96 |
| Detail: | | | | | | |
| Salaries and Wages | 4,008,237.08 | 4,048,357.22 | 4,005,370.26 | | 25,934.00 | 17,052.96 |
| Other Expenses | 3,397,242.36 | 3,363,700.78 | 3,035,530.24 | 151,002.14 | 177,168.40 | |
| <u>STATUTORY EXPENDITURES</u> | | | | | | |
| Contributions to: | | | | | | |
| Public Employees' Retirement System | 235,647.00 | 235,647.00 | 235,647.00 | | | |
| Social Security System (OASI) | 174,688.00 | 153,910.09 | 153,208.30 | | 701.79 | |
| State Unemployment Insurance | 20,000.00 | 20,000.00 | | | 20,000.00 | |
| Consolidated Police and Firemen's Pension | 20,910.00 | 6,598.89 | 6,598.89 | | | |
| Police and Firemen's Retirement System | 633,165.00 | 633,165.00 | 633,165.00 | | | |
| | 1,084,410.00 | 1,049,320.98 | 1,028,619.19 | | 20,701.79 | |
| Total Appropriations Within "CAPS" | 8,489,889.44 | 8,461,378.98 | 8,069,519.69 | 151,002.14 | 223,804.19 | 17,052.96 |

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

A-3
Sheet # 4

| Appropriation | Appropriations | | Paid or Charged | Expended | | Cancelled |
|---|---------------------|---------------------|---------------------|------------------|--------------------------|-----------|
| | Budget | Modified Budget | | Encumbered | Reserved Unencumbered | |
| <u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u> | | | | | | |
| <u>OTHER OPERATIONS</u> | | | | | | |
| Maintenance of Free Public Library | \$ 598,186.00 | \$ 598,186.00 | \$ 536,473.08 | \$ | \$ 61,712.92 | \$ |
| Recycling Tax | 18,000.00 | 18,000.00 | 18,000.00 | | | |
| Joint Outlet Sewer Maintenance | 453,134.00 | 472,455.46 | 460,367.59 | | 12,087.87 | |
| Emergency Declaration-Storms | 15,000.00 | 15,000.00 | 15,000.00 | | | |
| Emergency Irene (Emergency) | | 54,013.79 | 45,045.04 | 8,968.75 | | |
| Emergency Storm (Emergency) | | 164,184.06 | 164,184.06 | | | |
| | <u>1,084,320.00</u> | <u>1,321,839.31</u> | <u>1,239,069.77</u> | <u>8,968.75</u> | <u>73,800.79</u> | |
| <u>Interlocal Municipal Service Agreements</u> | | | | | | |
| Township of Montclair: | | | | | | |
| Health Services | 28,329.00 | 28,329.00 | 7,701.00 | 20,628.00 | | |
| Fire Prevention Suppression Contract | | | | | | |
| Other Expenses | 971,528.00 | 971,528.00 | 971,528.00 | | | |
| Animal Control Services | | | | | | |
| Other Expenses | 16,389.00 | 25,578.00 | 9,189.00 | 8,195.00 | 8,194.00 | |
| Sanitary Sewer | | | | | | |
| Other Expenses | 38,000.00 | 38,000.00 | | | 38,000.00 | |
| | <u>1,054,246.00</u> | <u>1,063,435.00</u> | <u>988,418.00</u> | <u>28,823.00</u> | <u>46,194.00</u> | |
| <u>PUBLIC AND PRIVATE PROGRAMS OFFSET</u> | | | | | | |
| <u>BY REVENUES</u> | | | | | | |
| Municipal Alliance on Alcoholism and Drug Abuse | 38,950.00 | 38,950.00 | 38,950.00 | | | |
| Municipal Alliance on Alcoholism and Drug Abuse-Match | 9,738.00 | 9,738.00 | 9,738.00 | | | |
| Clean Communities Grant | 9,594.90 | 9,594.90 | 9,594.90 | | | |
| Body Armor Replacement Fund | 2,204.15 | 2,204.15 | 2,204.15 | | | |
| Recycling Tonnage Grant | 11,808.23 | 11,808.23 | 11,808.23 | | | |
| Alcohol Education Program | 2,049.52 | 2,049.52 | 2,049.52 | | | |
| Total Public and Private Programs | <u>74,344.80</u> | <u>74,344.80</u> | <u>74,344.80</u> | | | |
| Total Operations Excluded from "CAPS" | <u>2,212,910.80</u> | <u>2,459,619.11</u> | <u>2,301,832.57</u> | <u>37,791.75</u> | <u>119,994.79</u> | |
| <u>Detail:</u> | | | | | | |
| Salaries and Wages | | | | | | |
| Other Expenses | <u>2,212,910.80</u> | <u>2,459,619.11</u> | <u>2,301,832.57</u> | <u>37,791.75</u> | <u>119,994.79</u> | |
| <u>CAPITAL IMPROVEMENTS</u> | | | | | | |
| Capital Improvement Fund | <u>125,000.00</u> | <u>125,000.00</u> | <u>125,000.00</u> | | | |
| | <u>125,000.00</u> | <u>125,000.00</u> | <u>125,000.00</u> | | | |

**BOROUGH OF GLEN RIDGE
CURRENT FUND**

**STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011**

A-3
Sheet # 5

| Appropriation | Appropriations | | Paid or Charged | Expended | | Cancelled |
|--|------------------|------------------|------------------|---------------|---------------|--------------|
| | Budget | Modified Budget | | Encumbered | Reserved | |
| | | | | | Unencumbered | |
| APPROPRIATIONS EXCLUDED FROM "CAPS" | | | | | | |
| DEBT SERVICE | | | | | | |
| Payment of Bond Principal | \$ 275,000.00 | \$ 275,000.00 | \$ 275,000.00 | | \$ | \$ |
| Interest on Bonds | 185,350.00 | 185,350.00 | 185,350.00 | | | |
| Interest on Notes | 2,550.00 | 2,550.00 | 2,542.94 | | | 7.06 |
| Loan Repayments for Principal | 36,641.61 | 36,641.61 | 36,641.61 | | | |
| Clean Water Infrastructure Loan | 12,475.00 | 12,475.00 | 12,475.00 | | | |
| | 512,016.61 | 512,016.61 | 512,009.55 | | | 7.06 |
| DEFERRED CHARGES | | | | | | |
| Overexpenditure of Appropriation | 8,076.05 | 8,076.05 | 8,076.05 | | | |
| Special Emergency Authorization | 51,000.00 | 51,000.00 | 51,000.00 | | | |
| | 59,076.05 | 59,076.05 | 59,076.05 | | | |
| Total Appropriations Excluded from "CAPS" | 2,909,003.46 | 3,155,711.77 | 2,997,918.17 | 37,791.75 | 119,994.79 | 7.06 |
| Sub-Total Appropriations | 11,398,892.90 | 11,617,090.75 | 11,067,437.86 | 188,793.89 | 343,798.98 | 17,060.02 |
| Reserve for Uncollected Taxes | 520,969.62 | 520,969.62 | 520,969.62 | | | |
| Total General Appropriations | \$ 11,919,862.52 | \$ 12,138,060.37 | \$ 11,588,407.48 | \$ 188,793.89 | \$ 343,798.98 | \$ 17,060.02 |
| | A-2 | Below | Below | A, A-1 | A, A-1 | Below |
| Ref. | Ref. | | | | | |
| Adopted Budget | A-2, Above | | | | | |
| Emergency Appropriation | A-1, A-13 | \$ 11,919,862.52 | \$ | | | |
| Special Emergency Appropriation | A-13a | 54,013.79 | | | | |
| Reserve for Uncollected Taxes | A-2a | 164,184.06 | | | | |
| Cash Disbursements | A-4 | (520,969.62) | 520,969.62 | | | |
| Deferred Charges | A-13 | | 10,934,017.01 | | | |
| Reserve for Federal and State Grants | A-11 | | 59,076.05 | | | |
| Cancelled | Above | (17,060.02) | 74,344.80 | | | |
| | A-1 | \$ 11,600,030.73 | \$ 11,588,407.48 | | | |

BOROUGH OF GLEN RIDGE
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2011 AND 2010

B

| <u>ASSETS</u> | <u>Ref.</u> | <u>2011</u> | <u>2010</u> |
|-----------------------------------|-------------|----------------------|----------------------|
| <u>Animal Control Fund</u> | | | |
| Cash | B-2 | \$ 15,306.73 | \$ 6,437.78 |
| <u>General Trust Fund</u> | | | |
| Cash | B-2 | 164,105.92 | 389,955.01 |
| Community Development Block Grant | | | |
| Receivable | B-3 | 108,200.00 | 58,200.00 |
| Police Outside Service Receivable | B-5 | 14,784.23 | 41,825.25 |
| Interfunds Receivable | B-4 | 269,099.64 | 39,305.00 |
| | | <u>556,189.79</u> | <u>529,285.26</u> |
| | | <u>\$ 571,496.52</u> | <u>\$ 535,723.04</u> |
| <u>LIABILITIES AND RESERVES</u> | | | |
| <u>Animal Control Fund</u> | | | |
| Interfunds Payable | B-8 | \$ 642.60 | \$ 642.60 |
| Due to State of New Jersey | B-6 | 52.80 | 10.20 |
| Reserve for Expenditures | B-9 | 14,611.33 | 5,784.98 |
| | | <u>15,306.73</u> | <u>6,437.78</u> |
| <u>General Trust Fund</u> | | | |
| Interfunds Payable | B-8 | 66,968.00 | |
| Payroll Deductions Payable | B-7 | 40,278.16 | 35,041.56 |
| Reserves for: | | | |
| Special Deposits | B-10 | 305,380.18 | 350,576.56 |
| State Unemployment Compensation | | | |
| Insurance | B-11 | 93,535.10 | 85,438.79 |
| Community Development Block | | | |
| Grant | B-12 | 50,000.00 | 58,200.00 |
| Fund Balance | B-1 | 28.35 | 28.35 |
| | | <u>556,189.79</u> | <u>529,285.26</u> |
| | | <u>\$ 571,496.52</u> | <u>\$ 535,723.04</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
TRUST FUND

FUND BALANCE
REGULATORY BASIS
DECEMBER 31, 2011

B-1

| | <u>Ref.</u> | |
|---------------------------|-------------|-----------------|
| Balance December 31, 2010 | B | <u>\$ 28.35</u> |
| Balance December 31, 2011 | B | <u>\$ 28.35</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2011 AND 2010

C

| <u>ASSETS AND DEFERRED CHARGES</u> | <u>Ref.</u> | <u>2011</u> | <u>2010</u> |
|--|-------------|------------------------|------------------------|
| Cash | C-2 | \$ 110,014.38 | \$ 516,732.62 |
| Due from State of New Jersey | C-4 | 200,854.01 | 517,974.38 |
| Infrastructure Loan Receivable | C-5 | 202,035.00 | 324,309.00 |
| Interfunds Receivable | C-6 | 115,551.49 | 26,206.00 |
| Deferred Charges to Future Taxation: | | | |
| Funded | C-7 | 4,947,022.33 | 5,256,011.82 |
| Unfunded | C-8 | 341,627.00 | 59,627.00 |
| | | <u>\$ 5,917,104.21</u> | <u>\$ 6,700,860.82</u> |
| <u>LIABILITIES AND RESERVES</u> | | | |
| Improvement Authorizations: | | | |
| Funded | C-9 | \$ 401,616.48 | \$ 974,885.22 |
| Unfunded | C-9 | 109,525.91 | 59,485.00 |
| Interfunds Payable | C-6 | 39,511.00 | 39,305.00 |
| Capital Improvement Fund | C-10 | 129,683.44 | 363,428.73 |
| Green Trust Loan Payable | C-11 | 417,626.48 | 445,496.82 |
| Infrastructure Loan Payable | C-14 | 344,395.85 | 350,515.00 |
| Serial Bonds Payable | C-13 | 4,185,000.00 | 4,460,000.00 |
| Bond Anticipation Note | C-12 | 282,000.00 | |
| Fund Balance | C-1 | 7,745.05 | 7,745.05 |
| | | <u>\$ 5,917,104.21</u> | <u>\$ 6,700,860.82</u> |
| Bonds and Notes Authorized but Not Issued | | | |
| | C-15 | <u>\$ 59,627.00</u> | <u>\$ 59,627.00</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
DECEMBER 31, 2011

C-1

| | <u>Ref.</u> | |
|---------------------------|-------------|--------------------|
| Balance December 31, 2010 | C | <u>\$ 7,745.05</u> |
| Balance December 31, 2011 | C | <u>\$ 7,745.05</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2011 AND 2010

D

| <u>ASSETS AND DEFERRED CHARGES</u> | <u>Ref.</u> | <u>2011</u> | <u>2010</u> |
|---|-------------|------------------------|------------------------|
| <u>Operating Fund</u> | | | |
| Cash | D-5 | \$ 342,662.12 | \$ 123,957.03 |
| Consumer Accounts Receivable | D-7 | 102,931.27 | 140,808.78 |
| Interfunds Receivable | D-13 | 106,802.42 | |
| Deferred Charges | D-10 | 22,343.07 | |
| | | <u>574,738.88</u> | <u>264,765.81</u> |
| <u>Capital Fund</u> | | | |
| Cash | D-5, D-6 | 63,909.84 | 206,652.33 |
| Note Receivable | D-9 | 164,184.06 | |
| Environmental Infrastructure Receivable | D-8 | 705,996.00 | 1,058,254.00 |
| Fixed Capital | D-11 | 7,548,702.72 | 6,303,557.60 |
| Fixed Capital - Authorized and Uncompleted | D-12 | 880,000.00 | 2,380,000.00 |
| Interfunds Receivable | D-13 | 206.00 | |
| | | <u>9,362,998.62</u> | <u>9,948,463.93</u> |
| | | <u>\$ 9,937,737.50</u> | <u>\$10,213,229.74</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u> | | | |
| <u>Operating Fund</u> | | | |
| Liabilities: | | | |
| Appropriation Reserves - Encumbered | D-4, D-14 | \$ 2,252.16 | \$ 14,594.00 |
| Appropriation Reserves - Reserved | D-4, D-14 | 19,494.98 | 29,532.49 |
| Interfunds Payable | D-13 | 225,000.00 | |
| Accrued Interest on Loans | D-18 | 5,894.48 | 36,647.93 |
| Overpaid Water Rents | D-21 | 5,234.07 | 15,335.17 |
| | | <u>257,875.69</u> | <u>96,109.59</u> |
| Reserve for Receivables | Above | 102,931.27 | 140,808.78 |
| Fund Balance | D-1 | 213,931.92 | 27,847.44 |
| | | <u>574,738.88</u> | <u>264,765.81</u> |
| <u>Capital Fund</u> | | | |
| Improvement Authorizations: | | | |
| Funded | D-15 | 739,979.82 | 1,206,988.55 |
| Unfunded | D-15 | 84,137.00 | 170,850.00 |
| Interfunds Payable | D-13 | 106,802.42 | 26,206.00 |
| Loans Payable | D-16 | 5,172,855.74 | 5,571,288.38 |
| Capital Improvement Fund | D-17 | 4,665.19 | 4,665.19 |
| Reserves for: | | | |
| Future Improvement Authorizations | D-19 | 11,000.00 | 11,000.00 |
| Amortization | D-20 | 3,171,709.98 | 2,941,419.22 |
| Fund Balance | D-2 | 71,848.47 | 16,046.59 |
| | | <u>9,362,998.62</u> | <u>9,948,463.93</u> |
| | | <u>\$ 9,937,737.50</u> | <u>\$10,213,229.74</u> |
| Bonds and Notes Authorized but Not Issued | D-22 | \$ 84,137.00 | \$ 170,850.00 |

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, 2011 AND 2010

D-1

| | <u>Ref.</u> | <u>2011</u> | <u>2010</u> |
|--------------------------------------|-------------|----------------------|---------------------|
| <u>Revenue and Other Income</u> | | | |
| Fund Balance Utilized | D-3 | \$ 27,847.44 | \$ |
| Rents | D-3 | 1,214,759.67 | 940,703.99 |
| Miscellaneous Revenue Anticipated | D-3 | 32,200.99 | 4,554.30 |
| Water Capital Surplus | | | 200,000.00 |
| Other Credits to Income: | | | |
| Appropriation Reserves Lapsed | D-14 | 21,471.26 | 16,516.27 |
| Total Income | | <u>1,296,279.36</u> | <u>1,161,774.56</u> |
| <u>Expenditures</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operations: | | | |
| Salaries and Wages | | 261,440.77 | 330,892.66 |
| Other Expenses | | 454,802.99 | 518,180.51 |
| Debt Service | | 366,103.68 | 270,710.86 |
| Statutory Expenditures | | | 22,850.00 |
| | D-4 | <u>1,082,347.44</u> | <u>1,142,634.03</u> |
| Statutory Excess to Fund Balance | | 213,931.92 | 19,140.53 |
| <u>Fund Balance</u> | | | |
| Balance, Beginning of Year | D | <u>27,847.44</u> | <u>107,706.91</u> |
| | | 241,779.36 | 126,847.44 |
| Decreased by: | | | |
| Amount Utilized | D-3 | <u>27,847.44</u> | <u>99,000.00</u> |
| Balance, End of Year | D | <u>\$ 213,931.92</u> | <u>\$ 27,847.44</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, 2011

D-2

| | <u>Ref.</u> | |
|-------------------------------|-------------|---------------------|
| Balance, December 31, 2010 | D | \$ 16,046.59 |
| Increased by: | | |
| Funded Improvements Cancelled | D-20 | <u>55,801.88</u> |
| Balance, December 31, 2011 | D | <u>\$ 71,848.47</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

D-3

| <u>Source</u> | <u>Ref.</u> | <u>Budget Revenue</u> | <u>Realized</u> | <u>Excess (Deficit)</u> |
|--|-------------|---------------------------|------------------------|-----------------------------|
| Fund Balance Utilized | D-1 | \$ 27,847.44 | \$ 27,847.44 | \$ |
| Rents | D-1, D-7 | 940,000.00 | 1,214,759.67 | 274,759.67 |
| Additional Revenue - Rate Increase and Meter Change | | 110,000.00 | | (110,000.00) |
| Miscellaneous | D-1, Below | 4,500.00 | 32,200.99 | 27,700.99 |
| | D-4 | <u>\$ 1,082,347.44</u> | <u>\$ 1,274,808.10</u> | <u>\$ 192,460.66</u> |
| Miscellaneous Revenue Anticipated | | | | |
| Interest on Investments: | | | | |
| Cash Receipts | D-5 | \$ 24.69 | | |
| Due from Water Capital | D-13 | <u>57.11</u> | | |
| | | | \$ 81.80 | |
| Miscellaneous: | | | | |
| Interest on Delinquent Water Rents | D-5 | \$ 7,496.43 | | |
| Other | D-5 | <u>24,622.76</u> | | |
| | | | <u>32,119.19</u> | |
| | Above | | <u>\$ 32,200.99</u> | |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

D-4

| Appropriation | Appropriations | | Expended | | Reserved | Overexpenditure |
|----------------------------------|------------------------|------------------------|------------------------|--------------------|---------------------|---------------------|
| | Budget | Modified Budget | Paid or Charged | Encumbered | | |
| <u>Operating</u> | | | | | | |
| Salaries and Wages | \$ 250,000.00 | \$ 261,440.77 | \$ 283,783.84 | \$ 2,252.16 | \$ 19,494.98 | \$ 22,343.07 |
| Other Expenses | 466,243.76 | 454,802.99 | 433,055.85 | | | |
| <u>Debt Service</u> | | | | | | |
| Water Supply Rehabilitation Loan | 366,103.68 | 366,103.68 | 366,103.68 | | | |
| | <u>\$ 1,082,347.44</u> | <u>\$ 1,082,347.44</u> | <u>\$ 1,082,943.37</u> | <u>\$ 2,252.16</u> | <u>\$ 19,494.98</u> | <u>\$ 22,343.07</u> |
| Ref. | D-3 | D-3 | Below | D | D | D-10 |
| <u>Ref.</u> | | | | | | |
| Adopted Budget | Above | \$ 1,082,347.44 | \$ | | | |
| Cash Disbursements | D-5 | | 997,627.83 | | | |
| Accrued Interest on Loans | D-18 | | 80,010.94 | | | |
| Interfunds | D-13 | | 5,304.60 | | | |
| | | | | | | |
| | D-1 | <u>\$ 1,082,347.44</u> | <u>\$ 1,082,943.37</u> | | | |

BOROUGH OF GLEN RIDGE
POOL UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2011 AND 2010

E

| <u>ASSETS</u> | <u>Ref.</u> | <u>2011</u> | <u>2010</u> |
|---|-------------|------------------------|------------------------|
| <u>Operating Fund</u> | | | |
| Cash | E-4 | \$ 191,029.57 | \$ 170,353.64 |
| Cash - Change Fund | E-5 | 100.00 | 100.00 |
| Accounts Receivable | E-8 | 85.00 | |
| | | <u>191,214.57</u> | <u>170,453.64</u> |
| <u>Capital Fund</u> | | | |
| Fixed Capital Authorized and Uncompleted | E-7 | 40,000.00 | |
| Fixed Capital | E-6 | 1,550,000.00 | 1,550,000.00 |
| | | <u>1,590,000.00</u> | <u>1,550,000.00</u> |
| | | <u>\$ 1,781,214.57</u> | <u>\$ 1,720,453.64</u> |
| <u>LIABILITIES AND RESERVES</u> | | | |
| <u>Operating Fund</u> | | | |
| Liabilities: | | | |
| Appropriation Reserves: | | | |
| Encumbered | E-3, E-10 | \$ 25,298.38 | \$ 30,605.30 |
| Reserved | E-3, E-10 | 58,871.33 | 3,411.68 |
| Accounts Payable | E-9 | 1,095.03 | |
| Accrued Interest on Bonds | E-11 | 13,932.29 | 15,340.63 |
| Fund Balance | E-1 | 92,017.54 | 121,096.03 |
| | | <u>191,214.57</u> | <u>170,453.64</u> |
| <u>Capital Fund</u> | | | |
| Improvement Authorizations: | | | |
| Unfunded | E-12 | 40,000.00 | |
| Serial Bonds Payable | E-14 | 560,000.00 | 625,000.00 |
| Reserve for Amortization | E-13 | 990,000.00 | 925,000.00 |
| | | <u>1,590,000.00</u> | <u>1,550,000.00</u> |
| | | <u>\$ 1,781,214.57</u> | <u>\$ 1,720,453.64</u> |
| Bonds and Notes Authorized but Not Issued | E-15 | <u>\$ 40,000.00</u> | <u>\$</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, 2011 AND 2010

E-1

| | <u>Ref.</u> | <u>2011</u> | <u>2010</u> |
|--|-------------|---------------------|----------------------|
| <u>Revenue and Other Income</u> | | | |
| Fund Balance Utilized | E-2 | \$ 60,000.00 | \$ 70,577.00 |
| Membership Fees | E-2 | 336,569.00 | 328,947.90 |
| Miscellaneous Revenue | E-2 | 93.94 | 486.01 |
| Other Credits to Income: | | | |
| Appropriation Reserves Lapsed | E-10 | 19,508.57 | 14,457.75 |
| Total Income | | <u>416,171.51</u> | <u>414,468.66</u> |
| <u>Expenditures</u> | | | |
| Budget and Emergency Appropriations: | | | |
| Operations: | | | |
| Salaries and Wages | E-3 | 110,856.79 | 95,525.00 |
| Other Expenses | E-3 | 124,143.21 | 115,827.00 |
| Capital Improvements | E-3 | 49,808.34 | |
| Debt Service | E-3 | 100,441.66 | 82,021.21 |
| | | <u>385,250.00</u> | <u>293,373.21</u> |
| Excess in Revenue | | 30,921.51 | 121,095.45 |
| <u>Fund Balance</u> | | | |
| Balance, Beginning of Year | E | 121,096.03 | 70,577.58 |
| | | <u>152,017.54</u> | <u>191,673.03</u> |
| Decreased by: | | | |
| Amount Utilized as Anticipated Revenue | E-2 | <u>60,000.00</u> | <u>70,577.00</u> |
| Balance, End of Year | E | <u>\$ 92,017.54</u> | <u>\$ 121,096.03</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

E-2

| <u>Source</u> | <u>Ref.</u> | <u>Budget Revenue</u> | <u>Realized</u> | <u>Excess (Deficit)</u> |
|--------------------------|-------------|---------------------------|----------------------|-----------------------------|
| Fund Balance Utilized | E-1 | \$ 60,000.00 | \$ 60,000.00 | \$ |
| Pool Fees | E-1, E-4 | 325,000.00 | 336,569.00 | 11,569.00 |
| Miscellaneous - Interest | E-1, E-4 | 250.00 | 93.94 | (156.06) |
| | E-3 | <u>\$ 385,250.00</u> | <u>\$ 396,662.94</u> | <u>\$ 11,412.94</u> |

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENTS OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2011

E-3

| Appropriation | Appropriations | | Expended | | Reserved |
|-----------------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| | Budget | Modified Budget | Paid or Charged | Encumbered | |
| <u>Operating</u> | | | | | |
| Salaries and Wages | \$ 100,000.00 | \$ 110,856.79 | \$ 109,008.45 | \$ | \$ 1,848.34 |
| Other Expenses | 135,000.00 | 124,143.21 | 88,780.18 | 17,523.38 | 17,839.65 |
| <u>Capital Improvements</u> | | | | | |
| Capital Outlay | 49,808.34 | 49,808.34 | 2,850.00 | 7,775.00 | 39,183.34 |
| <u>Debt Service</u> | | | | | |
| Payment of Bond Principal | 65,000.00 | 65,000.00 | 65,000.00 | | |
| Interest on Bonds | 35,441.66 | 35,441.66 | 35,441.66 | | |
| | <u>\$ 385,250.00</u> | <u>\$ 385,250.00</u> | <u>\$ 301,080.29</u> | <u>\$ 25,298.38</u> | <u>\$ 58,871.33</u> |
| Ref. | E-2 | E-2 | Below | E | E |
| <u>Modified Budget</u> | | | | | |
| Cash Disbursements | | \$ 385,250.00 | \$ | 265,638.63 | |
| Accrued Interest on Bonds | | | | 35,441.66 | |
| | | <u>\$ 385,250.00</u> | <u>\$ 301,080.29</u> | | |

Ref.

Modified Budget
Cash Disbursements
Accrued Interest on Bonds

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2011

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 two years.

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 14 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.

Basic Financial Statements

The GASB Codification 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 listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

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 financial statements, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

Description of Funds

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). 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 following separate funds which differ from the fund structure required by generally accepted accounting principles.

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 and General 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 Fund - Water and Swimming Pool Utilities are treated as separate entities. The Water Utility 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. The Swimming Pool Utility was established in December 2002.

The Swimming Pool Utility maintains its own Operating and Capital Funds which reflect revenues, expenditures, acquisition of capital facilities, debt service and other related activity.

Free Public Library - All expenditures for payroll are handled by the Finance Officer of the Borough, however, all other expenses are paid directly by the Free Public Library. The Borough turns over monthly fixed amounts to the Library. Interest on investments, Library fines and other revenue are retained by the Library and expended therefrom. The Library is the subject of a separate report.

Capital Fixed Assets - 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 accounting principles and practices prescribed for municipalities by the Division, differ in certain respects from accounting principles generally accepted. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in of the Borough are summarized as follows:

Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, 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 of Glen Ridge budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible 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 cancelled 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". Amounts unexpended at the end of the second year are lapsed and are recorded as income.

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

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

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.

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 general fixed assets account group at market value on the date of acquisition.

Interfunds Receivable

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 opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water Utility is required, by regulation, to be prepared by Borough personnel for inclusion on the Water Utility Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Year end inventory had no significant monetary value and is not included herein. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Capital Fixed Assets

General:

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough has not maintained a capital fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Capital 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 capital fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost. No costs or valuation basis was available at year end.

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

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water Utility and Swimming Pool Utility, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utility. 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 Capital Fixed Assets.

Capital Fixed Assets of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of capital 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.

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

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

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").

The 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. 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 Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, 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.

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, 2011, the Borough had funds on deposit in checking accounts, New Jersey Cash Management Accounts and New Jersey CLASS Accounts. The amount of the Borough's cash on deposit as of December 31, 2011 was \$1,876,504.76. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investments as defined by GASB Statement No. 40.

3. 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. 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 municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

Comparative Schedule of Tax Rates

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years:

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> |
|----------------------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| Tax Rate | <u>\$ 2.968</u> | <u>\$ 2.907</u> | <u>\$ 2.776</u> | <u>\$ 2.687 *</u> | <u>\$ 15.61</u> |
| Apportionment of Tax Rate: | | | | | |
| Municipal | \$ 0.672 | \$ 0.649 | \$ 0.615 | \$ 0.588 | \$ 3.44 |
| County | 0.446 | 0.428 | 0.414 | 0.407 | 2.30 |
| County Open Space | 0.016 | 0.017 | 0.016 | 0.017 | 0.06 |
| School | <u>1.834</u> | <u>1.813</u> | <u>1.731</u> | <u>1.675</u> | <u>9.81</u> |

*Revaluation

Assessed Valuations

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------------|
| 2011 | \$ 1,419,213,439.00 |
| 2010 | 1,423,628,332.00 |
| 2009 | 1,437,278,029.00 |
| 2008 | 1,443,195,591.00 * |
| 2007 | 234,629,485.00 |

*Revaluation

Comparison of Tax Levies and Collections

| <u>Year</u> | <u>Tax Levy</u> | <u>Collections</u> | <u>Percentage of Collections</u> |
|-------------|------------------|--------------------|----------------------------------|
| 2011 | \$ 42,179,390.79 | \$ 41,583,063.16 | 99.32 %* |
| 2010 | 41,438,199.30 | 41,069,836.58 | 99.11 |
| 2009 | 39,958,607.99 | 39,500,943.76 | 98.85 |
| 2008 | 38,812,441.28 | 38,258,856.71 | 98.57 |
| 2007 | 37,161,060.70 | 36,692,935.55 | 98.74 |

* Percentage of collection based on a reduction of the tax levy due to tax appeals in accordance with the provisions of N.J.S.A. 40A:41c(2).

Delinquent Taxes and Tax 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> |
|-------------|----------------------------------|-----------------------------------|-------------------------|-------------------------------|
| 2011 | \$ 19,659.67 | \$ 282,708.51 | \$ 302,368.18 | 0.72 % |
| 2010 | 17,101.25 | 239,891.09 | 256,992.34 | 0.62 |
| 2009 | 14,595.41 | 262,791.07 | 277,386.48 | 0.69 |
| 2008 | 10,479.18 | 418,561.20 | 429,040.38 | 1.11 |
| 2007 | 10,218.54 | 463,931.06 | 474,149.60 | 1.28 |

4. **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> |
|-------------|---------------|
| 2011 | \$ 410.00 |
| 2010 | 410.00 |
| 2009 | 410.00 |
| 2008 | 410.00 |
| 2007 | 410.00 |

5. **WATER CONSUMER ACCOUNTS RECEIVABLE**

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

A comparison of Water Utility billings and collections for the past five years are as follows:

| <u>Year</u> | <u>Billing</u> | <u>Collection*</u> |
|-------------|-----------------|--------------------|
| 2011 | \$ 1,176,882.16 | \$ 1,214,759.67 |
| 2010 | 1,007,577.81 | 940,703.99 |
| 2009 | 911,804.36 | 991,940.04 |
| 2008 | 1,010,055.93 | 1,121,408.42 |
| 2007 | 1,056,696.00 | 953,922.76 |

*Includes prior year rent collections.

6. **FUND BALANCES APPROPRIATED**

| | | | |
|-------------------------------|------|---------------|----------------|
| Current Fund: | 2011 | \$ 113,760.39 | \$ - 0 - |
| | 2010 | 692,884.83 | 647,778.00 |
| | 2009 | 1,205,249.02 | 1,191,500.00 |
| | 2008 | 1,309,709.02 | 1,309,000.00 |
| | 2007 | 1,233,530.39 | 1,223,000.00 |
| Water Utility Operating Fund: | 2011 | 213,931.92 | 200,000.10 (4) |
| | 2010 | 27,847.44 | 27,847.44 |
| | 2009 | 107,706.91 | 99,000.00 (2) |
| | 2008 | 248,155.38 | 200,000.00 (3) |
| | 2007 | 235,936.15 | 235,000.00 (1) |
| Pool Utility Operating Fund: | 2011 | 92,017.54 | - 0 - |
| | 2010 | 121,096.03 | 60,000.00 |
| | 2009 | 70,577.58 | 70,577.00 |
| | 2008 | 148,228.07 | 148,228.00 |
| | 2007 | 48,115.34 | 36,300.00 |

(1) Includes Anticipated in Current Fund Budget of \$143,000.00.

(2) Anticipated in Current Fund Budget

(3) Includes Anticipated in Current Fund Budget of \$200,000.00.

(4) Includes Anticipated in Current Fund Budget of \$200,000.00.

7. PENSION PLANS

Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). In addition, the Borough contributes to the Consolidated Police and Firemen's Pension Fund. These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The PERS and the PFRS is considered a cost sharing multiple-employer plan.

Public Employees Retirement System

PERS was established January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage, including postretirement health care, to substantially all full-time employees of the State or any County, Municipality, School district or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after ten years of service and 25 years for health care coverage.

Tier 1 Members (members enrolled prior to July 1, 2007) are eligible for retirement at age sixty with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 60 with 25 or more years of credited service. Members who retire early and are under age 55 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/4$ of 1% for each month the member lacks of attaining age 55). Tier 2 Members (members enrolled July 1, 2007 to November 2, 2008) are eligible for retirement at age 66 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to these under age 60 with 25 or more years of credited service. Members who retire early and are under age 60 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12^{\text{th}}$ of 1% each month the member lacks attaining age 60, but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55).

Chapter 89, P.L. 2008, established a minimum base salary of \$7,700 per year to be eligible for enrollment in Tier 3 of the PERS (members enrolled on or after November 2, 2008 and prior to May 21, 2010) are eligible for retirement at age 62 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 62 with 25 or more years of credited service. Members who retires early and is under age 62 receives retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12$ of 1% for each month the member lacks of attaining age 62 but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55).

Chapter 1, P.L. 2010, requires a minimum of 32 hours per week to be eligible to enroll in Tier 4 of PERS (members enrolled after May 21, 2010) and are eligible for retirement at age 62 with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 62 with 25 of more years of credited service. Members who retire early and are under age 62, receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12$ of 1% for each month the member lacks of attaining age 62 but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55). Chapter 1, P.L.2010 imposes a maximum compensation limits for PERS pension contributions for those who become members after May 21, 2010. For 2010, that amount is \$106,800.00. Any members hired after May 21, 2010 whose annual maximum compensation will be reached in any year, become a participant of the Defined Contribution Retirement Program ("DCRP") with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5 % will be deducted as a contribution for the purposes of the DCRP. The Borough will be responsible for the DCRP's matching 3% contribution. (See Note 9)

Tier 5 became effective as of June 28, 2011 and requires a minimum of 32 hours per week for local and school employees and 35 hours per week for state employees. Employees who do not work the minimum hours of work but earn over \$5,000.00 may participate in the DCRP. PERS salary is limited to the Social Security maximum wage. The minimum age to retire is 65 and the annual retirement benefit equals years of service divided by 60 times average of last five years salary. Additional requirements and limitations apply for early retirements and veteran retirements.

Police and Firemen's Retirement System

The PFRS was established July 1, 1944 under the provisions of N.J.S.A. 43:16A, to provide coverage to substantially all full-time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service. Chapter 1, P.L. 2010 imposes a maximum compensation limit for officers who become members after May 21, 2010 is \$106,800.00. Any member hired after May 21, 2010, whose annual maximum compensation is reached in any year will become a participant of the DCRP with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5% will be deducted as a contribution for the purposes of the DCRP. The Borough will be responsible for the DCRP's matching 3% contribution. Tier 5 requirements for PFRS enrollers after June 28, 2011 are the same as those under PERS.

Deferred Compensation Plan (Un-audited) (See Note 8)

The Borough offers its employees a Deferred Compensation Plan (the "DC Plan") created in accordance with the provisions of N.J.S.A. 43:15B-1 et seq., and Internal Revenue Code, Section 457. The DC Plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of a Deferred Compensation Plan have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" (the "Act") revised several provisions of Section 457 of the Internal Revenue Code. A provision of the Act requires that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

Consolidated Police and Firemen's Pension Fund

The Consolidated Police and Firemen's Pension Fund (CPFPPF) is a defined benefit pension fund established in 1952 to replace, on an actuarial basis, 212 local police and firemen pension funds. The CPFPPF membership is limited to policemen and firemen appointed prior to July 1, 1944. The liabilities of these funds were shared by two-thirds of the participating municipalities and one-third by the State. The CPFPPF Board of Trustees has the responsibility for the proper administration of the CPFPPF.

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 6.5% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

| <u>Year</u> | <u>PERS</u> | | <u>PFRS</u> | | <u>CPFPPF</u> |
|-------------|-----------------|------------------|-----------------|------------------|-----------------|
| | <u>Township</u> | <u>Employees</u> | <u>Township</u> | <u>Employees</u> | <u>Township</u> |
| 2011 | \$ 235,647.00 | \$ 147,267.57 | \$ 633,165.00 | \$ 244,685.58 | \$ 6,598.89 |
| 2010 | 182,857.00 | 118,161.06 | 564,995.00 | 176,894.94 | 20,451.22 |
| 2009 | 87,767.00 * | 136,127.98 | 297,853.50 | 285,884.71 | 20,355.72 |

*Credits applied under the provisions of the Pension Security Act are detailed as follows:

| | <u>2009</u> |
|--|----------------------|
| Public Employees' Retirement System | \$ 70,292.00 |
| Police and Firemen's Retirement System | <u>238,020.50</u> |
| | <u>\$ 308,312.50</u> |

8. 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.

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the discretion of the Governor only during that Governor's term of office.

- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Office such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions Required

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

During the year 2011, there were no employees enrolled in the DCRP.

10. OTHER POSTEMPLOYMENT BENEFITS

The Borough does not pay retirement benefits for any retired employees.

11. 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. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.350%.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|-----------------------|-------------------------|-------------------------|------------------------|
| Local School District | \$ 5,917,000.00 | \$ 5,917,000.00 | \$ |
| Water Utility | 5,256,992.74 | 5,256,992.74 | |
| General Capital | 5,288,649.33 | | 5,288,649.33 |
| Swimming Pool Utility | 600,000.00 | 600,000.00 | |
| | <u>\$ 17,062,642.07</u> | <u>\$ 11,773,992.74</u> | <u>\$ 5,288,649.33</u> |

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

| | |
|------------------------------------|-------------------------|
| 3 1/2 of Equalized Valuation Basis | \$ 52,824,801.73 |
| Net Debt | <u>5,288,649.33</u> |
| Remaining Borrowing Power | <u>\$ 47,536,152.40</u> |

School Debt Deductions

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

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

| | | |
|---|-------------------|----------------------|
| Cash Receipts from Fees, Rents or Other | | |
| Charges and Surplus Anticipated | | \$ 1,274,808.10 |
| Deductions: | | |
| Operating and Maintenance Cost | \$ 738,586.83 | |
| Debt Service per Water Utility | | |
| Operating Fund | <u>366,103.68</u> | |
| | | <u>1,104,690.51</u> |
| Excess in Revenue | | <u>\$ 170,117.59</u> |

There being an excess in revenue, all Water Utility Debt is deductible for Debt Statement purposes.

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

| | | |
|---|-------------------|---------------------|
| Cash Receipts from Fees, Rents or Other | | |
| Charges and Surplus Anticipated | | \$ 396,662.94 |
| Deductions: | | |
| Operating and Maintenance Cost | \$ 284,808.34 | |
| Debt Service | <u>100,441.66</u> | |
| | | <u>385,250.00</u> |
| Excess in Revenue | | <u>\$ 11,412.94</u> |

There being an excess in revenue, all Pool Utility Debt is deductible for Debt Statement purposes.

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

Long Term Debt

As of December 31, 2011, the Borough's long-term debt is as follows:

General Capital Improvement Bonds

| | |
|--|------------------------|
| \$5,160,000.00 Bonds, due in annual installments of \$275,000.00 to \$400,000 through October 2023, interest at 4.00% to 4.25% | <u>\$ 4,185,000.00</u> |
|--|------------------------|

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

| <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|------------------------|------------------------|------------------------|
| 2012 | \$ 448,662.50 | \$ 275,000.00 | \$ 173,662.50 |
| 2013 | 461,975.00 | 300,000.00 | 161,975.00 |
| 2014 | 474,225.00 | 325,000.00 | 149,225.00 |
| 2015 | 460,412.50 | 325,000.00 | 135,412.50 |
| 2016 | 471,600.00 | 350,000.00 | 121,600.00 |
| 2017 | 456,725.00 | 350,000.00 | 106,725.00 |
| 2018 | 441,850.00 | 350,000.00 | 91,850.00 |
| 2019 | 452,850.00 | 375,000.00 | 77,850.00 |
| 2020 | 437,850.00 | 375,000.00 | 62,850.00 |
| 2021 | 422,850.00 | 375,000.00 | 47,850.00 |
| 2022 | 432,381.25 | 400,000.00 | 32,381.25 |
| 2023 | 400,881.25 | 385,000.00 | 15,881.25 |
| | <u>\$ 5,362,262.50</u> | <u>\$ 4,185,000.00</u> | <u>\$ 1,177,262.50</u> |

Green Acres Loan

The Borough entered into a loan agreement with the State of New Jersey, Department of Environmental Protection. The loan was for improvements to Hurrell Field. The following is a Schedule of Annual Principal and Interest:

| <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|----------------------|----------------------|---------------------|
| 2012 | \$ 36,641.61 | \$ 28,430.53 | \$ 8,211.08 |
| 2013 | 36,641.61 | 29,001.98 | 7,639.63 |
| 2014 | 36,641.61 | 29,584.92 | 7,056.69 |
| 2015 | 36,641.60 | 30,179.57 | 6,462.03 |
| 2016 | 36,641.61 | 30,786.19 | 5,855.42 |
| 2017 | 36,641.61 | 31,404.99 | 5,236.62 |
| 2018 | 36,641.61 | 32,036.23 | 4,605.38 |
| 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 | 36,641.62 | 36,099.21 | 542.41 |
| | <u>\$ 476,340.93</u> | <u>\$ 417,626.48</u> | <u>\$ 58,714.45</u> |

Swimming Pool Utility Bonds

\$1,000,000, Bonds, due in annual installments of \$65,000 to \$95,000 through August 2018, interest at 5.0% to 6.0% (Taxable)

\$ 560,000.00

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

| <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|----------------------|----------------------|----------------------|
| 2012 | \$ 98,437.50 | \$ 65,000.00 | \$ 33,437.50 |
| 2013 | 99,700.00 | 70,000.00 | 29,700.00 |
| 2014 | 100,500.00 | 75,000.00 | 25,500.00 |
| 2015 | 101,000.00 | 80,000.00 | 21,000.00 |
| 2016 | 101,200.00 | 85,000.00 | 16,200.00 |
| 2017 | 101,100.00 | 90,000.00 | 11,100.00 |
| 2018 | 100,700.00 | 95,000.00 | 5,700.00 |
| | <u>\$ 702,637.50</u> | <u>\$ 560,000.00</u> | <u>\$ 142,637.50</u> |

Environmental Infrastructure Loan

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 was for \$350,515.00.

GENERAL CAPITAL FUND

The following is a Schedule of Annual Principal and Interest

| <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|----------------------|----------------------|---------------------|
| 2012 | \$ 22,678.72 | \$ 14,178.72 | \$ 8,500.00 |
| 2013 | 22,428.72 | 14,178.72 | 8,250.00 |
| 2014 | 22,178.72 | 14,178.72 | 8,000.00 |
| 2015 | 21,928.72 | 14,178.72 | 7,750.00 |
| 2016 | 21,678.72 | 14,178.72 | 7,500.00 |
| 2017 | 21,428.72 | 14,178.72 | 7,250.00 |
| 2018 | 26,178.72 | 19,178.72 | 7,000.00 |
| 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 | 23,178.72 | 19,178.72 | 4,000.00 |
| 2025 | 22,678.72 | 19,178.72 | 3,500.00 |
| 2026 | 22,178.72 | 19,178.72 | 3,000.00 |
| 2027 | 21,678.72 | 19,178.72 | 2,500.00 |
| 2028 | 21,178.72 | 19,178.72 | 2,000.00 |
| 2029 | 25,678.72 | 24,178.72 | 1,500.00 |
| 2030 | 24,928.89 | 24,178.89 | 750.00 |
| | <u>\$ 443,395.85</u> | <u>\$ 344,395.85</u> | <u>\$ 99,000.00</u> |

WATER UTILITY CAPITAL FUND

The following is a Schedule of Annual Principal and Interest:

| <u>Year</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|-------------|------------------------|------------------------|----------------------|
| 2012 | \$ 455,796.44 | \$ 339,666.41 | \$ 116,130.03 |
| 2013 | 445,215.88 | 336,085.86 | 109,130.02 |
| 2014 | 455,782.05 | 353,652.03 | 102,130.02 |
| 2015 | 452,309.78 | 357,929.76 | 94,380.02 |
| 2016 | 448,956.61 | 362,239.09 | 86,717.52 |
| 2017 | 453,189.11 | 374,390.35 | 78,798.76 |
| 2018 | 449,185.10 | 378,453.84 | 70,731.26 |
| 2019 | 449,654.27 | 387,285.51 | 62,368.76 |
| 2020 | 465,453.80 | 412,009.94 | 53,443.86 |
| 2021 | 344,288.85 | 300,957.59 | 43,331.26 |
| 2022 | 343,539.74 | 306,333.48 | 37,206.26 |
| 2023 | 341,900.76 | 311,338.26 | 30,562.50 |
| 2024 | 247,718.46 | 224,105.96 | 23,612.50 |
| 2025 | 234,014.86 | 214,389.86 | 19,625.00 |
| 2026 | 204,942.20 | 191,554.70 | 13,387.50 |
| 2027 | 135,054.70 | 126,554.70 | 8,500.00 |
| 2028 | 76,890.95 | 70,640.95 | 6,250.00 |
| 2029 | 79,138.72 | 75,138.72 | 4,000.00 |
| 2030 | 51,628.73 | 50,128.73 | 1,500.00 |
| | <u>\$ 6,134,661.01</u> | <u>\$ 5,172,855.74</u> | <u>\$ 961,805.27</u> |

There were Bonds and Notes Authorized but Not Issued in the following amounts:

| | <u>Balance Dec. 31, 2011</u> | <u>Balance Dec. 31, 2010</u> |
|-----------------------------|----------------------------------|----------------------------------|
| General Capital Fund: | | |
| General Improvements | \$ 59,627.00 | \$ 59,627.00 |
| Water Utility Capital Fund: | | |
| General Improvements | 84,137.00 | 170,850.00 |
| Pool Utility Capital Fund: | | |
| General Improvements | <u>40,000.00</u> | <u> </u> |
| | <u>\$ 183,764.00</u> | <u>\$ 230,477.00</u> |

Special Emergency Capital Note

A special emergency capital note was issued for the Borough's storm damage in the sum of \$164,184.06. The note was issued by the Borough's Water Capital Fund and was at 0% interest.

Bond Anticipation Note

A bond anticipation note was issued for the Borough's tax appeal refunding issue in the sum of \$282,000.00. The State of New Jersey approved a three year payoff for the note.

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2011, interfund receivables and payables that resulted from various interfund transactions were as follows:

| <u>Fund</u> | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|------------------------------|---------------------------------|-------------------------------|
| Current Fund | \$ 9,410.60 | \$ 125,720.66 |
| Federal/State Grant Fund | 63,574.53 | |
| Animal Control Fund | | 642.60 |
| General Trust Fund | 269,099.64 | 66,968.00 |
| General Capital Fund | 115,551.49 | 39,511.00 |
| Water Utility Operating Fund | 106,802.42 | 225,000.00 |
| Water Utility Capital Fund | 206.00 | 106,802.42 |
| | <u>\$ 564,644.68</u> | <u>\$ 564,644.68</u> |

13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2011 the following deferred charges are shown on the balance sheets of various funds:

| | <u>Balance Dec. 31, 2011</u> | <u>2012 Budget Appropriation</u> |
|---|----------------------------------|--------------------------------------|
| <u>Current Fund</u> | | |
| Special Emergency (40A:4-53): | | |
| Revaluation | \$ 51,000.00 | \$ 51,000.00 |
| Storm Damage (40A:4-55) | 164,184.06 | 54,728.02 |
| Emergency Appropriations (40A:4-47) | 54,013.79 | 54,013.78 |
| <u>Water Operating Fund</u> | | |
| Overexpenditure of Budget Appropriation | \$ 22,343.07 | \$ 22,343.07 |

14. DEFERRED COMPENSATION PLAN

The Borough offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S.A. 43:14B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Borough authorized such modifications to their plan by resolution of the Borough Council adopted October 28, 1997.

The Administrators for the Borough's Deferred Compensation Plan are the Variable Annuity Life Insurance Company (VALIC) and the Equitable Assurance Company.

15. DEFERRED SCHOOL TAX

The Local District School 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:

| | Balance <u>Dec. 31, 2011</u> | Balance <u>Dec. 31, 2010</u> | <u>Increase</u> |
|------------------------------|---------------------------------|---------------------------------|-------------------|
| *Balance of Tax | \$ 13,015,253.00 | \$ 12,905,326.00 | \$ 109,927.00 |
| Amount Deferred | <u>13,015,253.00</u> | <u>12,905,326.00</u> | <u>109,927.00</u> |
| Tax Payable (Cash Liability) | <u>\$</u> | <u>\$</u> | <u>\$</u> |

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

16. CONTINGENT LIABILITIES

a. Compensated Absences

It has been ordained by the Borough of Glen Ridge (Ordinance #886 of August 12, 1968) that full-time employees may accumulate sick leave at the rate of one and one-quarter (1¼) days per month up to the maximum of 200 days. Upon retirement, the retiree will be permitted compensatory time off for one-half (1/2) of any unused sick leave up to a maximum of 100 days.

It is estimated that the sum of \$592,184.00, computed internally at the 2011 salary rates, would be payable to officials and employees of the Borough as of December 31, 2011 for accumulated sick days, vacation days and unused holidays. This amount was not verified by audit.

Provision for the above are not reflected on the Financial Statements of the Borough.

b. Tax Appeals

A number of appeals are pending, before both the County Board of Taxation and the New Jersey Tax Court of an undetermined amount.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Borough to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

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 grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2011 may be 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 several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Borough.

16. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2011 through May 7, 2012, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that the following subsequent events require disclosure. The Borough refunded their 2003 Pool Utility Improvement Bonds. The Borough issued \$600,000.00 of the Pool Utility Refunding Bond Anticipation Note at a rate of 1.50% percent on February 1, 2012. The result of this transactions resulted in the Borough using escrow funds to pay down on the refunded bonds with no debt service payment in 2012.

The Borough has been notified by the State of New Jersey of an outstanding balance due from the Borough for State Unemployment Insurance Claims. The Borough is currently reviewing the claim. A reserve has been set up in the sum of \$93,535.10.

BOROUGH OF GLEN RIDGE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2011

A-4

| | <u>Ref.</u> | <u>Current Fund</u> | |
|-------------------------------|-------------|----------------------|------------------------|
| Balance December 31, 2010 | A | | \$ 1,488,191.27 |
| Increased by Cash Receipts: | | | |
| Nonbudget Revenue | A-2b | \$ 64,326.29 | |
| Petty Cash Returned | A-5 | 600.00 | |
| Tax Exemptions Due from State | A-6 | 40,250.00 | |
| Taxes Receivable | A-7 | 41,597,084.78 | |
| Revenue Accounts Receivable | A-10 | 1,148,263.56 | 1,860,782.62 |
| Interfund Settlements | A-11 | 1,578,751.70 | |
| Other Accounts Receivable | A-12 | 175.00 | |
| Fees Payable to State | A-17 | 9,726.00 | |
| Tax Overpayments | A-18 | 265,028.98 | |
| Inspection Fees Payable | A-19 | 14,738.00 | |
| Emergency Note Payable | A-23 | 164,184.06 | |
| Prepaid Taxes | A-26 | 293,389.45 | |
| | | <u>45,176,517.82</u> | |
| | | | 46,664,709.09 |
| Decreased by Cash Disbursed: | | | |
| Budget Appropriations | A-3 | 10,934,017.01 | |
| Petty Cash Fund Established | A-5 | 600.00 | |
| Interfund Settlements | A-11 | 1,506,757.41 | |
| Appropriation Reserves | A-14 | 224,070.29 | |
| State Library Aid | A-15 | 629.00 | |
| Due to State of New Jersey | A-17 | 9,302.00 | |
| Refund of Tax Overpayments | A-18 | 243,816.30 | |
| Inspection Fees Payable | A-19 | 14,793.00 | |
| County Taxes Payable | A-20 | 6,557,210.36 | |
| Local School District Tax | A-21 | 25,668,356.87 | |
| Prepaid School Taxes | A-22 | 248,500.13 | |
| Emergency Note Payable | A-23 | 102,000.00 | |
| | | <u>45,510,052.37</u> | |
| Balance December 31, 2011 | A | | <u>\$ 1,154,656.72</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2011

A-5

| | <u>Ref.</u> | |
|--------------------------------|-------------|------------------|
| Balance December 31, 2010 | A | \$ 170.00 |
| Increased by: | | |
| Petty Cash Fund Established | A-4 | 600.00 |
| | | <u>770.00</u> |
| Decreased by: | | |
| Petty Cash Funds Returned | A-4 | 600.00 |
| | | <u>600.00</u> |
| Balance December 31, 2011 | A | <u>\$ 170.00</u> |
| <u>Analysis of Balance</u> | | |
| Tax Collector | | \$ 50.00 |
| Public Works | | 50.00 |
| Library | | <u>70.00</u> |
| | Above | <u>\$ 170.00</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
(SENIOR CITIZENS AND VETERANS TAX EXEMPTIONS)
YEAR ENDED DECEMBER 31, 2011

A-6

| | <u>Ref.</u> | |
|--|-------------|-----------------------------|
| Balance December 31, 2010 (Due To) | A | \$ (2,645.62) |
| Increased by: | | |
| Deductions per Tax Duplicate: | | |
| Senior Citizens | | \$ 2,500.00 |
| Veterans | | 37,750.00 |
| Senior Citizens'/Veterans' Deductions Allowed by Tax Collector | | <u>250.00</u> |
| | | 40,500.00 |
| Less: Senior Citizens'/Veterans' Deductions Disallowed by Tax Collector | | <u>134.94</u> |
| | A-7 | <u>40,365.06</u> |
| | | 37,719.44 |
| Decreased by: | | |
| Cash Received | A-4 | <u>40,250.00</u> |
| Balance December 31, 2011 (Due To) | A | <u><u>\$ (2,530.56)</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2011

A-7

| Year | Balance December 31, 2010 | 2011 Levy | 2010 | Collected | 2011 | Exemptions Granted | Cancelled | Transferred to Tax Title Liens | Balance December 31, 2011 |
|------|------------------------------|------------------|---------------|----------------------|------------------|-----------------------|---------------|--------------------------------------|------------------------------|
| 2010 | \$ 239,891.09 | \$ | \$ | \$ | \$ 239,489.20 | \$ | \$ | \$ | \$ 401.89 |
| 2011 | | \$ 42,179,390.79 | \$ 160,667.61 | | \$ 41,382,030.49 | \$ 40,365.06 | \$ 311,462.59 | \$ 2,558.42 | \$ 282,306.62 |
| | \$ 239,891.09 | \$ 42,179,390.79 | \$ 160,667.61 | | \$ 41,621,519.69 | \$ 40,365.06 | \$ 311,462.59 | \$ 2,558.42 | \$ 282,708.51 |
| Ref. | A | Below | A-2a, A-26 | Below | | A-2a, A-6 | Reserve | A-8 | A |
| Ref. | | | | | | | | | |
| | | | | Cash Receipts | A-4 | | | | |
| | | | | Overpayments Applied | A-2a, A-18 | | | | |
| | | | | | \$ 41,597,084.78 | | | | |
| | | | | | 24,434.91 | | | | |
| | | | | | \$ 41,621,519.69 | | | | |

Analysis of Property Tax Yield and Levy

| | | |
|--------------------------------------|-------------------------|-------------------------|
| Tax Yield | | Ref. |
| General Purpose Tax | \$ 42,117,885.44 | |
| Public Utilities | 14,021.99 | |
| | <u>42,131,907.43</u> | |
| Added Taxes | 47,483.36 | |
| | <u>\$ 42,179,390.79</u> | |
| Above | | |
| Tax Levy | | |
| Local District School Tax (Abstract) | A-21 | |
| County Taxes: | | |
| Regular County Tax (Abstract) | A-20 | |
| Added Taxes | A-20 | |
| Open Space | A-20 | |
| | | 6,557,210.36 |
| | | <u>\$ 26,030,506.00</u> |
| Local Taxes: | | |
| For Municipal Purposes | A-2 | |
| Additional Tax Levied | | |
| | | 9,537,942.39 |
| | | <u>53,732.04</u> |
| | | <u>\$ 42,179,390.79</u> |
| Above | | |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2011

A-8

| <u>Block</u> | <u>Lot</u> | <u>Date of Sale</u> | <u>Lien Number</u> | <u>Balance Dec. 31, 2010</u> | <u>Transfer from Taxes Receivable</u> | <u>Balance Dec. 31, 2011</u> |
|--------------|------------|-------------------------|------------------------|----------------------------------|---|----------------------------------|
| 06 | 12 | 11-16-64 | 2-96 | \$ 7,828.87 | \$ 163.24 | \$ 7,992.11 |
| 06 | 12A | 11-16-64 | 3-96 | 3,201.56 | 124.66 | 3,326.22 |
| 63 | 15 | 06-17-09 | 9-06 | <u>6,070.82</u> | <u>2,270.52</u> | <u>8,341.34</u> |
| | | | | <u>\$ 17,101.25</u> | <u>\$ 2,558.42</u> | <u>\$ 19,659.67</u> |
| | | | <u>Ref.</u> | A | A-7 | A |

BOROUGH OF GLEN RIDGE
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
DECEMBER 31, 2011

A-9

| | <u>Ref.</u> | |
|---------------------------|-------------|------------------|
| Balance December 31, 2010 | A | <u>\$ 410.00</u> |
| Balance December 31, 2011 | A | <u>\$ 410.00</u> |

List of Property as of December 31, 2011

| <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, 2011

A-10

| | <u>Ref.</u> | <u>Balance</u> <u>Dec. 31, 2010</u> | <u>Accrued</u> | <u>Collected</u> | <u>Balance</u> <u>Dec. 31, 2011</u> |
|---------------------------------|-------------|--|------------------------|------------------------|--|
| Township Clerk: | | | | | |
| Alcoholic Beverage Licenses | A-2 | \$ | \$ 10,000.00 | \$ 10,000.00 | \$ |
| Other Licenses | A-2a | | 60.00 | 60.00 | |
| Other Fees and Permits | A-2a | | 20,750.00 | 20,750.00 | |
| Public Works: | | | | | |
| Other Fees and Permits | A-2a | | 927.00 | 927.00 | |
| Tax Collector: | | | | | |
| Interest and Cost on Taxes | A-2 | | 53,813.08 | 53,813.08 | |
| Tax Search Fees | A-2a | | 10.00 | 10.00 | |
| Board of Health: | | | | | |
| Other Licenses | A-2a | | 450.00 | 450.00 | |
| Other Fees and Permits | A-2a | | 27,632.00 | 27,632.00 | |
| Department of Public Safety: | | | | | |
| Parking Lot Fees | A-2 | | 47,625.50 | 47,625.50 | |
| Other Fees and Permits - | | | | | |
| Life Hazard Fees | A-2a | | 9,997.64 | 9,997.64 | |
| Construction Official: | | | | | |
| Building Permits | A-2 | | 131,275.00 | 131,275.00 | |
| Other Fees and Permits | A-2a | | 33,676.17 | 33,676.17 | |
| Municipal Court | A-2 | 12,811.44 | 144,728.51 | 147,447.18 | 10,092.77 |
| Library Fines | A-2 | | 3,885.05 | 3,885.05 | |
| Recreation Receipts | A-2 | | 75,230.00 | 75,230.00 | |
| Jitney Fees | A-2 | | 72,163.00 | 72,163.00 | |
| Rental of Hurrell Field | A-2 | | 25,000.00 | 25,000.00 | |
| Cable TV Franchise Fee | A-2 | | 34,596.68 | 34,596.68 | |
| Interest on Investments | A-2 | | 1,042.96 | 1,042.96 | |
| Recycling | A-2 | | 11,429.00 | 11,429.00 | |
| PILOT - Project Live | A-2 | | 7,550.01 | 7,550.01 | |
| FEMA - December 2010 Storm | A-2 | | 25,086.79 | 25,086.79 | |
| Mountainside Hospital Sewer Fee | A-2 | | 9,410.00 | 9,410.00 | |
| State of New Jersey: | | | | | |
| Energy Receipts Tax | A-2 | | 344,661.00 | 344,661.00 | |
| Consolidated Municipal | | | | | |
| Property Tax Relief Act | A-2 | | 54,880.00 | 54,880.00 | |
| | | <u>\$ 12,811.44</u> | <u>\$ 1,145,879.39</u> | <u>\$ 1,148,598.06</u> | <u>\$ 10,092.77</u> |
| | <u>Ref.</u> | <u>A</u> | <u>Reserve</u> | <u>Below</u> | <u>A</u> |
| | | | <u>Ref.</u> | | |
| | | Cash Receipts | A-4 | \$ 1,148,263.56 | |
| | | Interfunds | A-11 | 334.50 | |
| | | | Above | <u>\$ 1,148,598.06</u> | |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

INTERFUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2011

A-11

| Ref. | Total | Federal and State Grant Fund | Animal Control Trust Fund | Water Operating Fund | General Trust Fund | Pool Operating | General Capital Fund | Payroll Fund |
|----------------------------|-----------------|------------------------------------|---------------------------------|----------------------------|-----------------------|-------------------|-------------------------|-----------------|
| Balance December 31, 2010: | | | | | | | | |
| From | \$ 642.60 | \$ | \$ 642.60 | \$ | \$ | \$ | \$ | \$ |
| (To) | \$ (35,554.87) | \$ (35,554.87) | \$ | \$ | \$ | \$ | \$ | \$ |
| Increased by: | | | | | | | | |
| Interest on Deposits | 334.50 | | | | 129.29 | | 148.51 | 56.70 |
| Anticipated Revenue | 64,606.80 | 64,606.80 | | | 363,000.00 | 315,000.00 | 282,000.00 | 469,623.33 |
| Cash Disbursed | 1,506,757.41 | 32,473.19 | | 44,660.89 | 363,129.29 | 315,000.00 | 282,148.51 | 469,680.03 |
| | 1,536,786.44 | 61,525.12 | 642.60 | 44,660.89 | | | | |
| Decreased by: | | | | | | | | |
| Cash Receipts | 1,578,751.70 | 50,754.85 | | 44,660.89 | 354,361.29 | 315,000.00 | 339,500.00 | 474,474.67 |
| Budget Appropriations | 74,344.80 | 74,344.80 | | | | | | |
| | 1,653,096.50 | 125,099.65 | | 44,660.89 | 354,361.29 | 315,000.00 | 339,500.00 | 474,474.67 |
| Balance December 31, 2011: | | | | | | | | |
| From | \$ 9,410.60 | \$ | \$ 642.60 | \$ | \$ 8,768.00 | \$ | \$ | \$ |
| (To) | \$ (125,720.66) | \$ (63,574.53) | \$ | \$ | \$ | \$ | \$ (57,351.49) | \$ (4,794.64) |
| Net Change to Operations | | | | | | | | |
| Interfunds Receivable: | | | | | | | | |
| December 2011 | \$ 9,410.60 | | | | | | | |
| December 2010 | 642.60 | | | | | | | |
| Net Change | \$ 8,768.00 | | | | | | | |

Ref.

BOROUGH OF GLEN RIDGE
CURRENT FUND

OTHER ACCOUNTS RECEIVABLE
YEAR ENDED DECMEBER 31, 2011

A-12

| | <u>Ref.</u> | |
|---------------------------|-------------|------------------|
| Balance December 31, 2010 | A | \$ 175.00 |
| Decreased by: | | |
| Cash Receipt | A-1, A-4 | <u>175.00</u> |
| Balance December 31, 2011 | | <u><u>\$</u></u> |

DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2011

A-13

| | <u>Ref.</u> | |
|---------------------------------|-------------|-----------------------------|
| Balance December 31, 2010 | A | \$ 110,076.05 |
| Increased by: | | |
| Budget Appropriation | A-3 | <u>54,013.79</u> |
| | | 164,089.84 |
| Decreased by: | | |
| Budget Appropriation | A-3 | <u>59,076.05</u> |
| Balance December 31, 2011 | A | <u><u>\$ 105,013.79</u></u> |
| <u>Analysis of Balance</u> | | |
| Special Emergency - Revaluation | | \$ 51,000.00 |
| Emergency Authorization | | <u>54,013.79</u> |
| | Above | <u><u>\$ 105,013.79</u></u> |

BOROUGH OF GLEN RIDGE
CURRENT FUND

DEFERRED CHARGES
N.J.S.A. 40A:4-55.1 SPECIAL EMERGENCY
DECEMBER 31, 2011

A-13a

| <u>Date Authorized</u> | <u>Purpose</u> | <u>Net Amount Authorized</u> | <u>1/3 of Net Amount Authorized</u> | <u>Budget Appropriation</u> | <u>Balance Dec. 31, 2011</u> |
|----------------------------|----------------|----------------------------------|---|---------------------------------|----------------------------------|
| 12-12-11 | Storm Damage | \$ 164,184.06 | \$ 54,728.02 | <u>\$ 164,184.06</u> | <u>\$ 164,184.06</u> |
| | <u>Ref.</u> | | | A-3 | A |

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2011

A-14
Sheet # 1

| Appropriations | Balance Dec. 31, 2010 | | Balance After Transfers | Expended | Balance Lapsed |
|---|--------------------------|--------------|-------------------------------|-----------|-------------------|
| | Encumbered | Unencumbered | | | |
| <u>GENERAL GOVERNMENT</u> | | | | | |
| Administrative and Executive: | | | | | |
| Salaries and Wages | \$ | \$ | \$ | \$ | \$ |
| Other Expenses | 2,673.51 | 3,327.94 | 6,001.45 | 1,097.04 | 4,904.41 |
| Elections: | | | | | |
| Other Expenses | | 0.44 | 0.44 | | 0.44 |
| Financial Administration: | | | | | |
| Salaries and Wages | | 4,100.06 | 4,100.06 | | 4,100.06 |
| Annual Audit | 15,050.00 | 138.50 | 15,188.50 | 14,450.00 | 738.50 |
| Other Expenses | | | | | |
| Assessment of Taxes: | | | | | |
| Other Expenses | | 95.26 | 95.26 | 92.20 | 3.06 |
| Collection of Taxes: | | | | | |
| Salaries and Wages | | 2,573.39 | 2,573.39 | | 2,573.39 |
| Other Expenses | | 360.54 | 360.54 | | 360.54 |
| Community Affairs and Public Relations: | | | | | |
| Other Expenses | 1,285.41 | 31.62 | 1,317.03 | 1,091.00 | 226.03 |
| Legal Services and Costs: | | | | | |
| Salaries and Wages | | | | | |
| Other Expenses | 337.60 | 24,769.84 | 25,107.44 | 3,084.09 | 22,023.35 |
| Engineering Services and Costs: | | | | | |
| Salaries and Wages | | 140.05 | 140.05 | | 140.05 |
| Other Expenses | 1,318.92 | 14,381.74 | 15,700.66 | 13,368.00 | 2,332.66 |
| Public Buildings and Grounds: | | | | | |
| Salaries and Wages | | 77.93 | 77.93 | | 77.93 |
| Other Expenses | 4,320.59 | 1,934.62 | 6,255.21 | 3,198.69 | 3,056.52 |
| Planning Board: | | | | | |
| Other Expenses | 274.23 | 308.44 | 582.67 | 193.71 | 388.96 |
| Board of Adjustment: | | | | | |
| Other Expenses | 598.92 | 205.00 | 803.92 | | 803.92 |
| Shade Tree Commission: | | | | | |
| Salaries and Wages | | 223.03 | 223.03 | | 223.03 |
| Other Expenses | 1,750.00 | 7,387.33 | 9,137.33 | 8,612.50 | 524.83 |
| Insurance: | | | | | |
| General Liability | | 78.00 | 78.00 | | 78.00 |
| Workmen's Compensation | | 1.00 | 1.00 | | 1.00 |
| Group Health | | 267.97 | 267.97 | | 267.97 |
| Municipal Court: | | | | | |
| Salaries and Wages | | 96.04 | 96.04 | 96.04 | |
| Other Expenses | 203.00 | 7.66 | 210.66 | 203.00 | 7.66 |
| Public Defender: | | | | | |
| Salaries and Wages | | 527.13 | 527.13 | 374.41 | 152.72 |
| <u>PUBLIC SAFETY</u> | | | | | |
| Department of Public Safety: | | | | | |
| Salaries and Wages | | 14,729.86 | 14,729.86 | 14,729.86 | |
| Other Expenses | 15,619.19 | 1,771.65 | 17,390.84 | 10,995.73 | 6,395.11 |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2011

A-14
Sheet # 2

| Appropriations | Balance Dec. 31, 2010 | | Balance After Transfers | Expended | Balance Lapsed |
|--------------------------------------|--------------------------|--------------|-------------------------------|--------------|-------------------|
| | Encumbered | Unencumbered | | | |
| <u>PUBLIC SAFETY (Continued)</u> | | | | | |
| Crossing Guards: | | | | | |
| Salaries and Wages | \$ | \$ 16,583.65 | \$ 16,583.65 | \$ 10,080.78 | \$ 6,502.87 |
| Police Dispatchers: | | | | | |
| Salaries and Wages | | 8,401.26 | 8,401.26 | 189.57 | 8,211.69 |
| <u>STREETS AND ROADS</u> | | | | | |
| Road Repair and Maintenance: | | | | | |
| Salaries and Wages | | 583.36 | 583.36 | 423.03 | 160.33 |
| Other Expenses | 8,174.60 | 1,634.36 | 9,808.96 | 7,178.90 | 2,630.06 |
| Storms: | | | | | |
| Salaries and Wages | | 1,914.48 | 1,914.48 | 1,914.48 | |
| Other Expenses | 66.88 | 95.30 | 162.18 | 162.18 | |
| <u>SANITATION</u> | | | | | |
| Sewer System: | | | | | |
| Salaries and Wages | | 3.81 | 3.81 | 3.81 | |
| Other Expenses | | 1,451.88 | 1,451.88 | 975.00 | 476.88 |
| Garbage and Trash Removal: | | | | | |
| Other Expenses | 42,189.00 | 53,783.70 | 95,972.70 | 63,705.46 | 32,267.24 |
| <u>HEALTH AND WELFARE</u> | | | | | |
| Board of Health: | | | | | |
| Salaries and Wages | | 24.17 | 24.17 | | 24.17 |
| Other Expenses | 740.07 | 758.65 | 1,498.72 | 57.23 | 1,441.49 |
| Animal Control Services: | | | | | |
| Other Expenses | | 2,448.26 | 2,448.26 | 30.00 | 2,418.26 |
| Administration of Public Assistance: | | | | | |
| Other Expenses | | | | | |
| <u>RECREATION AND EDUCATION</u> | | | | | |
| Parks and Playgrounds: | | | | | |
| Salaries and Wages | | 902.60 | 902.60 | 902.60 | 0.00 |
| Other Expenses | 8,379.84 | 3,937.66 | 12,317.50 | 6,289.15 | 6,028.35 |
| Hurrell Field: | | | | | |
| Salaries and Wages | | 90.96 | 90.96 | | 90.96 |
| Other Expenses | 1,130.30 | 11,927.92 | 13,058.22 | 12,046.00 | 1,012.22 |
| Recreation: | | | | | |
| Salaries and Wages | | 5,688.48 | 5,688.48 | 5,688.48 | |
| Other Expenses | 4,528.25 | 1,900.61 | 6,428.86 | 2,716.58 | 3,712.28 |
| Jitney Operation: | | | | | |
| Salaries and Wages | | 3,572.89 | 3,572.89 | 3,572.89 | |
| Other Expenses | | 1,728.56 | 1,728.56 | 392.70 | 1,335.86 |
| <u>UNIFORM CONSTRUCTION CODE</u> | | | | | |
| Construction Code Officials: | | | | | |
| Inspection of Buildings: | | | | | |
| Salaries and Wages | | 1,773.14 | 1,773.14 | 516.92 | 1,256.22 |
| Other Expenses | 62.10 | 1,046.61 | 1,108.71 | 628.50 | 480.21 |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2011

A-14
Sheet # 3

| Appropriations | Balance Dec. 31, 2010 | | Balance After Transfers | Expended | Balance Lapsed |
|--|--------------------------|----------------------|-------------------------------|----------------------|----------------------|
| | Encumbered | Unencumbered | | | |
| <u>UNCLASSIFIED</u> | | | | | |
| Electricity | \$ | \$ 19,742.07 | \$ 19,742.07 | \$ 7,900.31 | \$ 11,841.76 |
| Gasoline, Diesel Fuel and Lubricants | | 6,894.83 | 6,894.83 | 5,466.80 | 1,428.03 |
| Street Lighting | | 27,046.66 | 27,046.66 | 20,351.80 | 6,694.86 |
| <u>STATUTORY EXPENDITURES</u> | | | | | |
| Contributions to: | | | | | |
| Social Security System | | 6,173.28 | 6,173.28 | 479.40 | 5,693.88 |
| Consolidated Police and Firemen's Pension | | 48.78 | 48.78 | | 48.78 |
| <u>OTHER OPERATIONS</u> | | | | | |
| Joint Outlet Sewer Maintenance | | | | | |
| Maintenance of Free Public Library | | 8,226.30 | 8,226.30 | 8,226.30 | |
| Recycling Tax | | 26,500.00 | 26,500.00 | | 26,500.00 |
| | | <u>\$ 108,702.41</u> | <u>\$ 292,419.27</u> | <u>\$ 231,485.14</u> | <u>\$ 169,636.54</u> |
| <u>Ref.</u> | A | A | | Below | A-1 |

| | | |
|------------------------------|-------------|----------------------|
| | <u>Ref.</u> | |
| Cash Disbursements | A-4 | \$ 224,070.29 |
| Transfer to Accounts Payable | A-16 | <u>7,414.85</u> |
| | Above | <u>\$ 231,485.14</u> |

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR STATE LIBRARY AID
YEAR ENDED DECEMBER 31, 2011

A-15

| | <u>Ref.</u> | |
|---------------------------|-------------|------------------|
| Balance December 31, 2010 | A | \$ 629.00 |
| Decreased by: | | |
| Cash Disbursements | A-4 | <u>629.00</u> |
| Balance December 31, 2011 | | <u><u>\$</u></u> |

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2011

A-16

| | <u>Ref.</u> | |
|---|-------------|---------------------------|
| Balance December 31, 2010 | A | \$ 15,648.75 |
| Increased by: | | |
| Transferred from Appropriation Reserves | A-14 | <u>7,414.85</u> |
| | | 23,063.60 |
| Decreased by: | | |
| Cancelled | A-1 | <u>15,648.75</u> |
| Balance December 31, 2011 | A | <u><u>\$ 7,414.85</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE TO STATE OF NEW JERSEY
(OTHER FEES)
YEAR ENDED DECEMBER 31, 2011

A-17

| | <u>Ref.</u> | <u>Total</u> | <u>Marriage License/ Burial Fees</u> | <u>Building Construction Training Fee</u> |
|---------------------------|-------------|--------------------|--|---|
| Balance December 31, 2010 | A | \$ 2,826.00 | \$ 125.00 | \$ 2,701.00 |
| Increased by: | | | | |
| Cash Receipts | A-4 | <u>9,726.00</u> | <u>500.00</u> | <u>9,226.00</u> |
| | | 12,552.00 | 625.00 | 11,927.00 |
| Decreased by: | | | | |
| Paid to State | A-4 | <u>9,302.00</u> | <u>200.00</u> | <u>9,102.00</u> |
| Balance December 31, 2011 | A | <u>\$ 3,250.00</u> | <u>\$ 425.00</u> | <u>\$ 2,825.00</u> |

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2011

A-18

| | <u>Ref.</u> | | |
|-----------------------------|-------------|------------------|----------------------|
| Balance December 31, 2010 | A | | \$ 183,344.96 |
| Increased by: | | | |
| Cash Receipts | A-4 | | <u>265,028.98</u> |
| | | | 448,373.94 |
| Decreased by: | | | |
| Refunds | A-4 | \$ 243,816.30 | |
| Applied to Taxes Receivable | A-7 | <u>24,434.91</u> | |
| | | | <u>268,251.21</u> |
| Balance December 31, 2011 | A | | <u>\$ 180,122.73</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

INSPECTION FEES PAYABLE
YEAR ENDED DECEMBER 31, 2011

A-19

| | <u>Ref.</u> | |
|---------------------------|-------------|--------------------|
| Balance December 31, 2010 | A | \$ 1,114.00 |
| Increased by: | | |
| Cash Receipts | A-4 | 14,738.00 |
| | | <u>15,852.00</u> |
| Decreased by: | | |
| Cash Disbursements | A-4 | 14,793.00 |
| Balance December 31, 2011 | A | <u>\$ 1,059.00</u> |

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2011

A-20

| | <u>Ref.</u> | | |
|----------------------------|-------------|---------------------|------------------------|
| Increased by: | | | |
| 2011 Levy: | | | |
| General County | A-7 | \$ 6,324,437.85 | |
| Open Space Preservation | A-7 | 225,386.33 | |
| Due County for Added Taxes | A-7 | 7,386.18 | |
| | A-1, A-2a | <u>6,557,210.36</u> | <u>\$ 6,557,210.36</u> |
| Decreased by: | | | |
| Payments | A-4 | <u>6,557,210.36</u> | <u>\$</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

LOCAL DISTRICT SCHOOL TAX
YEAR ENDED DECEMBER 31, 2011

A-21

| | <u>Ref.</u> | <u>Payable</u> | <u>Deferred</u> |
|--|----------------|----------------------|-------------------------|
| Balance December 31, 2010 | | \$ | \$ 12,905,326.00 |
| Increased by: | | | |
| School Tax Levy - July 1, 2011 to June 30, 2012 | A-1, A-2a, A-7 | 26,030,506.00 | |
| Additional School Tax Deferred | Reserve | | 109,927.00 |
| | | <u>26,030,506.00</u> | <u>13,015,253.00</u> |
| Decreased by: | | | |
| Increase in Deferred School Taxes | A-1 | 109,927.00 | |
| Applied from Prepaid School Tax | A-22 | 252,222.13 | |
| Paid | A-4 | 25,668,356.87 | |
| | | <u>26,030,506.00</u> | |
| Balance December 31, 2011 | | <u>\$</u> | <u>\$ 13,015,253.00</u> |

PREPAID SCHOOL TAX
YEAR ENDED DECEMBER 31, 2011

A-22

| | <u>Ref.</u> | |
|------------------------------|-------------|----------------------|
| Balance December 31, 2010 | A | \$ 252,222.13 |
| Increased by: | | |
| Cash Disbursements | A-4 | 248,500.13 |
| | | <u>500,722.26</u> |
| Decreased by: | | |
| School Taxes Payable Applied | A-21 | 252,222.13 |
| Balance December 31, 2011 | A | <u>\$ 248,500.13</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

EMERGENCY NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2011

A-23

| | <u>Ref.</u> | |
|---------------------------|-------------|-----------------------------|
| Balance December 31, 2010 | A | \$ 102,000.00 |
| Increased by: | | |
| Cash Receipts | A-4 | <u>164,184.06</u> |
| | | 266,184.06 |
| Decreased by: | | |
| Cash Disbursements | A-4 | <u>102,000.00</u> |
| Balance December 31, 2011 | A | <u><u>\$ 164,184.06</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

A-24

FEDERAL AND STATE
GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

| | Balance Dec. 31, 2010 | Budget Revenue Realized | Collected | Cancelled | Balance Dec. 31, 2011 |
|--|--------------------------|-------------------------------|--------------|-------------|--------------------------|
| Clean Communities | \$ | \$ 9,594.90 | \$ 9,594.90 | \$ | \$ |
| Municipal Alliance on Alcohol and Drug Abuse: | | | | | |
| 2010 | 35,082.00 | | 25,098.05 | | 9,983.95 |
| 2011 | | 38,950.00 | | | 38,950.00 |
| Body Armor Replacement Fund | | | | | |
| Recycling Program | | 2,204.15 | 2,204.15 | | |
| Green Communities | 3,000.00 | 11,808.23 | 11,808.23 | 3,000.00 | |
| Alcohol, Education and Rehabilitation | | | | | |
| | | 2,049.52 | 2,049.52 | | |
| | \$ 38,082.00 | \$ 64,606.80 | \$ 50,754.85 | \$ 3,000.00 | \$ 48,933.95 |
| Ref. | A | A-27 | A-27 | A-28 | A |

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR PREPAID SCHOOL TAX
YEAR ENDED DECEMBER 31, 2011

A-25

| | <u>Ref.</u> | |
|---------------------------|-------------|---|
| Balance December 31, 2010 | A | \$ 252,222.13 |
| Increased by: | | |
| Prepaid School Payment | A-1 | <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">248,500.13</div> <div style="border-top: 1px solid black; text-align: right;">500,722.26</div> </div> |
| Decreased by: | | |
| Applied to Revenue | A-2 | <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">252,222.13</div> <div style="border-top: 1px solid black; text-align: right;">500,722.26</div> </div> |
| Balance December 31, 2011 | A | <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 248,500.13</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">248,500.13</div> </div> |

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2011

A-26

| | <u>Ref.</u> | |
|-------------------------------------|-------------|---|
| Balance December 31, 2010 | A | \$ 160,667.61 |
| Increased by: | | |
| Cash Collections | A-4 | <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">293,389.45</div> <div style="border-top: 1px solid black; text-align: right;">454,057.06</div> </div> |
| Decreased by: | | |
| Applied to Current Taxes Receivable | A-7 | <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">160,667.61</div> <div style="border-top: 1px solid black; text-align: right;">454,057.06</div> </div> |
| Balance December 31, 2011 | A | <div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 293,389.45</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">293,389.45</div> </div> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2011

A-27

| | <u>Ref.</u> | | <u>Current Fund</u> |
|--|-------------|------------------|----------------------------|
| Balance December 31, 2010: | | | |
| Due From | A | | \$ 35,554.87 |
| Increased by: | | | |
| Cash Collections through Current Fund | A-24 | \$ 50,754.85 | |
| Budget Appropriations | A-28 | <u>74,344.80</u> | |
| | | | <u>125,099.65</u> |
| | | | 160,654.52 |
| Decreased by: | | | |
| Anticipated Revenue | A-24 | 64,606.80 | |
| Expenditures Paid through Current Fund | A-28 | <u>32,473.19</u> | |
| | | | <u>97,079.99</u> |
| Balance December 31, 2011: | | | |
| Due From | A | | <u><u>\$ 63,574.53</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
YEAR ENDED DECEMBER 31, 2011

A-28

| | Balance December 31, 2010 | Budget | Transferred from 2011 Budget Appropriations 40A4-87 | Paid or Charged | Cancelled | Balance December 31, 2011 |
|--|------------------------------|--------------|---|--------------------|-------------|------------------------------|
| Recycling Tonnage Aid | \$ | \$ 5,628.76 | \$ 6,179.47 | \$ 5,628.76 | \$ | \$ 6,179.47 |
| Clean Communities Program: | | | | | | |
| 2011 | | | 9,594.90 | | | 9,594.90 |
| 2010 | 5,394.72 | | | | | 5,394.72 |
| 2008 | 6,541.32 | | | | | 6,541.32 |
| Municipal Alliance on Alcohol and Drug Abuse: | | | | | | |
| 2010 | 28,822.45 | | | 15,717.45 | | 13,105.00 |
| 2011 | | 48,688.00 | | 8,406.09 | | 40,281.91 |
| Drunk Driving Enforcement Fund | 8,637.40 | | | 643.95 | | 7,993.45 |
| Body Armor Replacement Fund: | | | 2,204.15 | | | 2,204.15 |
| Domestic Violence Response Team | 1,001.75 | | | | | 1,001.75 |
| NJ Historic Trust | 8,400.00 | | | | | 8,400.00 |
| Green Communities | 3,000.00 | | | | 3,000.00 | |
| NJ Transit Shuttle Grant: | | | | | | |
| 2010 | 2,076.94 | | | 2,076.94 | | |
| Alcohol Education and Rehabilitation Fund | 3,900.10 | | 2,049.52 | | | 5,949.62 |
| | \$ 67,774.68 | \$ 54,316.76 | \$ 20,028.04 | \$ 32,473.19 | \$ 3,000.00 | \$ 106,646.29 |
| Ref. | A | A-27 | A-27 | A-27 | A-24 | A |

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2011

A-29

| | <u>Ref.</u> | |
|--------------------------------------|-------------|--------------------|
| Balance December 31, 2010 | A | <u>\$ 5,862.19</u> |
| Balance December 31, 2011 | A | <u>\$ 5,862.19</u> |
| <u>Analysis of Balance</u> | | |
| Alcohol Education and Rehabilitation | | \$ 653.55 |
| Recycling Program | | <u>5,208.64</u> |
| | | <u>\$ 5,862.19</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2011

B-2

| | <u>Ref.</u> | <u>Animal Control Fund</u> | <u>General Trust Fund</u> |
|----------------------------------|-------------|----------------------------|---------------------------|
| Balance December 31, 2010 | B | \$ 6,437.78 | \$ 389,955.01 |
| Increased by Receipts: | | | |
| Due to State of New Jersey | B-6 | 744.60 | |
| Interfunds Receivable | B-4 | | 684,826.21 |
| Net Payroll and Deductions | B-7 | | 6,103,994.63 |
| Account Receivable | B-5 | | 27,041.02 |
| Animal Control Fees | B-9 | 10,237.95 | |
| Interfunds Payable | B-8 | | 367,592.61 |
| Special Deposits | B-10 | | 134,024.00 |
| Unemployment Insurance | B-11 | | 8,096.31 |
| | | <u>10,982.55</u> | <u>7,325,574.78</u> |
| | | 17,420.33 | 7,715,529.79 |
| Decreased by Disbursements: | | | |
| Due to State of New Jersey | B-6 | 702.00 | |
| Interfunds Payable | B-8 | | 360,179.61 |
| Interfunds Receivable | B-4 | | 914,620.85 |
| Net Payroll and Deductions | B-7 | | 6,098,758.03 |
| Animal Control Fund Expenditures | B-9 | 1,411.60 | |
| Special Deposits | B-10 | | 177,865.38 |
| | | <u>2,113.60</u> | <u>7,551,423.87</u> |
| Balance December 31, 2011 | B | <u>\$ 15,306.73</u> | <u>\$ 164,105.92</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

B-3

| | <u>Ref.</u> | <u>General Trust Fund</u> |
|----------------------------|-------------|-------------------------------|
| Balance December 31, 2010 | B | \$ 58,200.00 |
| Increased by: | | |
| Grant Award: | | |
| Reserve | B-12 | <u>50,000.00</u> |
| Balance December 31, 2011 | B | <u><u>\$ 108,200.00</u></u> |
| <u>Analysis of Balance</u> | | |
| Program Year 2010 | | \$ 58,200.00 |
| Program Year 2011 | | <u>50,000.00</u> |
| | | <u><u>\$ 108,200.00</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

B-4

| | Ref. | Total | General Capital Fund | Water Operating Fund | Current Fund Payroll |
|---------------------------|------|---------------|----------------------------|----------------------------|----------------------------|
| Balance December 31, 2010 | B | \$ 39,305.00 | \$ 39,305.00 | \$ | \$ |
| Increased by: | | | | | |
| Cash Disbursements | B-2 | 914,620.85 | | 225,000.00 | 689,620.85 |
| | | 953,925.85 | 39,305.00 | 225,000.00 | 689,620.85 |
| Decreased by: | | | | | |
| Cash Receipts | B-2 | 684,826.21 | | | 684,826.21 |
| Balance December 31, 2011 | B | \$ 269,099.64 | \$ 39,305.00 | \$ 225,000.00 | \$ 4,794.64 |

BOROUGH OF GLEN RIDGE
TRUST FUND

POLICE OUTSIDE SERVICE RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

B-5

| | <u>Ref.</u> | |
|---------------------------|-------------|---------------------|
| Balance December 31, 2010 | B | \$ 41,825.25 |
| Decreased by: | | |
| Cash Receipts | B-2 | <u>27,041.02</u> |
| Balance December 31, 2011 | B | <u>\$ 14,784.23</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2011

B-6

| | <u>Ref.</u> | <u>Dog License Fund</u> |
|---------------------------------|-------------|-----------------------------|
| Balance December 31, 2010 | B | \$ 10.20 |
| Increased by: | | |
| State Registration Fees | | \$ 523.00 |
| Population Control | | 117.00 |
| Pilot Clinic | | 104.60 |
| | B-2 | <u>744.60</u> |
| | | 754.80 |
| Decreased by: | | |
| Payments to State of New Jersey | B-2 | <u>702.00</u> |
| Balance December 31, 2011 | B | <u><u>\$ 52.80</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

PAYROLL DEDUCTIONS PAYABLE
YEAR ENDED DECEMBER 31, 2011

B-7

| | <u>Ref.</u> | |
|--|-------------|----------------------------|
| Balance December 31, 2010 | B | \$ 35,041.56 |
| Increased by: | | |
| Cash Receipts: | | |
| Gross Payroll | | \$ 4,978,021.02 |
| Clothing Allowance | | 21,800.00 |
| State Unemployment Refund | | 9,336.65 |
| Annual PERS, PFRS | | 868,812.00 |
| Employer Share of Social Security | | <u>226,024.96</u> |
| | B-2 | <u>6,103,994.63</u> |
| | | <u>6,139,036.19</u> |
| Decreased by: | | |
| Net Payroll and Agency Payments | B-2 | <u>6,098,758.03</u> |
| Balance December 31, 2011 | B | <u><u>\$ 40,278.16</u></u> |
| <u>Analysis of Balance</u> | | |
| Police and Firemen's Retirement System | | \$ 23,155.87 |
| Public Employees' Retirement System | | 16,996.71 |
| Health Benefits | | <u>125.58</u> |
| | | <u><u>\$ 40,278.16</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2011

B-8

| | | <u>General Trust Fund</u> | | | <u>Animal Control Fund</u> |
|-------------------------------|-------------|---------------------------|------------------------|---------------------|----------------------------|
| | <u>Ref.</u> | <u>Total</u> | <u>General Capital</u> | <u>Current Fund</u> | <u>Current Fund</u> |
| Balance December 31, 2010 | B | \$ | \$ | \$ | \$ 642.60 |
| Increased by: | | | | | |
| Cash Receipts | B-2 | 367,589.43 | | 367,589.43 | |
| Interest Earned | B-2 | 3.18 | | 3.18 | |
| CDBG Grant Due Capital | B-12 | 58,200.00 | 58,200.00 | | |
| Leaf Bags Transfer to Current | B-10 | 1,355.00 | | 1,355.00 | |
| | | <u>427,147.61</u> | <u>58,200.00</u> | <u>368,947.61</u> | |
| | | <u>427,147.61</u> | <u>58,200.00</u> | <u>368,947.61</u> | <u>642.60</u> |
| Decreased by: | | | | | |
| Cash Disbursements | B-2 | <u>360,179.61</u> | | <u>360,179.61</u> | |
| | | <u>360,179.61</u> | | <u>360,179.61</u> | |
| Balance December 31, 2011 | B | <u>\$ 66,968.00</u> | <u>\$ 58,200.00</u> | <u>\$ 8,768.00</u> | <u>\$ 642.60</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2011

B-9

| | <u>Ref.</u> | | |
|-------------------------------------|-------------|-------------|----------------------------|
| Balance December 31, 2010 | B | | \$ 5,784.98 |
| Increased by: | | | |
| Dog License Fees: | | | |
| Dog Licenses Issued | | \$ 9,531.00 | |
| Dog Licenses Late Charges and Fines | | 701.00 | |
| Interest | | <u>5.95</u> | |
| | B-2 | | <u>10,237.95</u> |
| | | | <u>16,022.93</u> |
| Decreased by: | | | |
| Expenditures Under R.S. 41:19-15.11 | B-2 | | <u>1,411.60</u> |
| Balance December 31, 2011 | B | | <u><u>\$ 14,611.33</u></u> |

License Fees Collected

| <u>Year</u> | <u>Amount</u> |
|-----------------|----------------------------|
| 2010 | \$ 8,534.00 |
| 2011 | <u>9,531.00</u> |
| Maximum Reserve | <u><u>\$ 18,065.00</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2011

B-10

| <u>Account</u> | <u>Balance</u> <u>Dec. 31, 2010</u> | <u>Increase</u> | <u>Decrease</u> | <u>Adjustment</u> | <u>Balance</u> <u>Dec. 31, 2011</u> |
|-------------------------------------|--|----------------------|----------------------|--------------------|--|
| Law Enforcement - Confiscated Funds | \$ 1,519.80 | \$ | \$ 810.00 | \$ | \$ 709.80 |
| Leaf Bags | | 1,355.00 | | 1,355.00 | |
| Municipal Court POAA | 15,541.14 | 1,412.00 | | | 16,953.14 |
| Municipal Drug Alliance Committee | 8,263.51 | 4,395.00 | 650.43 | | 12,008.08 |
| Tax Title Lien Premiums | 147,200.00 | | 38,100.00 | | 109,100.00 |
| Cable Local Access | 4,399.61 | | 143.90 | | 4,255.71 |
| Adopt-A-Cop Program | 1,467.67 | | | | 1,467.67 |
| Construction Code Fines | 6,164.11 | 9,650.00 | 9,683.14 | | 6,130.97 |
| Commercial Filming | | | | | |
| Mayor Gala | 1,783.50 | | | | 1,783.50 |
| Planning Board Escrow Deposit | | 250.00 | | | 250.00 |
| Board of Adjustment Escrow | | 2,500.00 | 735.00 | | 1,765.00 |
| Recreation Programs | 1,656.40 | 14,225.00 | 5,804.25 | | 10,077.15 |
| Affordable Housing | 112,392.50 | | | | 112,392.50 |
| Glen Ridge Restoration | 60.00 | 90.00 | | | 150.00 |
| Tree Replacement | | 8,377.00 | 501.40 | | 7,875.60 |
| Police Outside Service Receivable | 41,199.16 | 74,846.48 | 116,045.64 | | |
| Environmental Advisory | | 481.22 | 481.22 | | |
| | <u>\$ 350,576.56</u> | <u>\$ 134,024.00</u> | <u>\$ 177,865.38</u> | <u>\$ 1,355.00</u> | <u>\$ 305,380.18</u> |
| <u>Ref.</u> | B | B-2 | B-2 | B-8 | B |

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR STATE UNEMPLOYMENT
COMPENSATION INSURANCE TRUST FUND
YEAR ENDED DECEMBER 31, 2011

B-11

| | <u>Ref.</u> | |
|---------------------------|-------------|---------------------|
| Balance December 31, 2010 | B | \$ 85,438.79 |
| Increased by: | | |
| Interest Earned | | \$ 38.95 |
| Refund | | <u>8,057.36</u> |
| | B-2 | <u>8,096.31</u> |
| Balance December 31, 2011 | B | <u>\$ 93,535.10</u> |

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2011

B-12

| | <u>Ref.</u> | |
|---------------------------|-------------|---------------------|
| Balance December 31, 2010 | B | \$ 58,200.00 |
| Increased by: | | |
| Grant Awards | B-3 | <u>50,000.00</u> |
| | | 108,200.00 |
| Decreased by: | | |
| Due General Capital | B-7 | <u>58,200.00</u> |
| Balance December 31, 2011 | B | <u>\$ 50,000.00</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2011

C-2

| | <u>Ref.</u> | | |
|------------------------------|-------------|---------------------|-----------------------------|
| Balance December 31, 2010 | C | | \$ 516,732.62 |
| Increased by: | | | |
| Due from State of New Jersey | C-4 | \$ 109,620.37 | |
| Infrastructure Loan | C-5 | 122,274.00 | |
| Capital Improvement Fund | C-10 | 125,000.00 | |
| Bond Anticipation Note | C-12 | 282,000.00 | |
| Interfunds | C-6 | <u>338,617.80</u> | |
| | | | <u>977,512.17</u> |
| | | | 1,494,244.79 |
| Decreased by: | | | |
| Interfunds | C-6 | 212,057.29 | |
| Improvement Authorizations | C-9 | <u>1,172,173.12</u> | |
| | | | <u>1,384,230.41</u> |
| Balance December 31, 2011 | C | | <u><u>\$ 110,014.38</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ANALYSIS OF CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2011

C-3

| Ordinance Number | Balance December 31, 2010 | Receipts | Disbursed | Transfers | | Balance December 31, 2011 |
|---|------------------------------|---------------|-----------------|---------------|---------------|------------------------------|
| | | | | From | To | |
| Capital Improvement Fund | \$ 363,428.73 | \$ 125,000.00 | \$ | \$ 358,745.29 | \$ | \$ 129,683.44 |
| Due to Current Fund | | 302,148.51 | 202,000.00 | 157,500.00 | | (57,351.49) |
| Due From Water Capital Fund Balance | 7,745.05 | 36,469.29 | 10,057.29 | | | 26,412.00 |
| Due from Community Development Block Grant | | | | 58,200.00 | | 7,745.05 |
| Due from General Trust Fund | | | | | 39,305.00 | (58,200.00) |
| | | | | | | 39,305.00 |
| <u>Improvement Authorizations</u> | | | | | | |
| Various Capital Improvements | 46,724.06 | | 45,967.83 | | | 756.23 |
| Various Capital Improvements | 68,170.30 | | 68,170.30 | | | |
| Replacement of Sanitary Sewer Pipes | (10,385.00) | 122,274.00 | 20,484.15 | | | 91,404.85 |
| Various Capital Improvements | 340,090.50 | | 198,759.88 | | | 141,330.62 |
| Various Capital Improvements | (324,198.02) | 109,620.37 | 34,860.68 | | | (249,438.33) |
| Purchase 2010 Ford Explorer | 25,157.00 | | 24,890.00 | | | 267.00 |
| Hurrell Field | | | 61,000.00 | | 61,000.00 | |
| Storm Drainage System | | | 17,350.00 | | 17,400.00 | 50.00 |
| Purchase of Vehicle Maintenance Equipment | | | 7,441.18 | | 8,000.00 | 558.82 |
| <u>Various Capital Improvements:</u> | | | | | | |
| Improvements to Various streets | | | 210,000.00 | | 157,500.00 | (52,500.00) |
| Improvements to Various streets | | | 58,200.00 | | 58,200.00 | |
| Engineer Service | | | 14,880.00 | | 15,000.00 | 120.00 |
| Capital Lease Payment for Front end Loader | | | 20,856.43 | | 20,857.79 | 1.36 |
| First year Payment for Capital Lease for Mason Dump Truck | | | 8,987.50 | | 8,987.50 | |
| Improvement to Municipal Building | | | 25,000.00 | | 25,000.00 | |
| Purchase of Public Safety Equipment | | | 8,897.55 | | 10,000.00 | 1,102.45 |
| Purchase of Public Safety Equipment | | | 18,603.32 | | 19,000.00 | 396.68 |
| Purchase of Public Works Equipment | | | 19,555.00 | | 50,000.00 | 30,445.00 |
| <u>Various Capital Improvements:</u> | | | | | | |
| Purchase of Public Works Equipment | | | 612.55 | | 10,000.00 | 9,387.45 |
| Improvement to Borough Parks | | | 10,009.43 | | 12,000.00 | 1,990.57 |
| <u>Various Capital Improvements:</u> | | | | | | |
| Removal and Planting of Trees | | | 51,263.04 | | 30,000.00 | 30,000.00 |
| Roadway Improvements | | | 14,283.19 | | 55,000.00 | 3,736.96 |
| Purchase of Office and Public Works Equipments | | | 232,101.09 | | 16,500.00 | 2,216.81 |
| Refund Bond Ordinance to Pay Tax Appeal | | 282,000.00 | | | | 49,898.91 |
| | | | | | | |
| | \$ 516,732.62 | \$ 977,512.17 | \$ 1,384,230.41 | \$ 574,445.29 | \$ 613,750.29 | \$ 149,319.38 |
| Ref. | C | C-2 | C-2 | Contra | Contra | C |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY
DEPARTMENT OF TRANSPORTATION GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

C-4

| | <u>Ref.</u> | | |
|-----------------------------|-------------|-------------------|-----------------------------|
| Balance December 31, 2010 | C | | \$ 517,974.38 |
| Increased by: | | | |
| Grant Award Received | C-9 | | <u>210,000.00</u> |
| | | | 727,974.38 |
| Decreased by: | | | |
| Cash Receipts | C-2 | \$ 109,620.37 | |
| Cancelled | C-9 | 260,000.00 | |
| Interfund from Current Fund | C-6 | <u>157,500.00</u> | |
| | | | <u>527,120.37</u> |
| Balance December 31, 2011 | C | | <u><u>\$ 200,854.01</u></u> |

Analysis of Balance

| | |
|------------------------|-----------------------------|
| Historic Trust #1527-2 | \$ 148,354.01 |
| Various Roads. #1554-1 | <u>52,500.00</u> |
| | <u><u>\$ 200,854.01</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

C-5

| | <u>Ref.</u> | |
|---------------------------------|-------------|----------------------|
| Balance December 31, 2010 | C | \$ 324,309.00 |
| Decreased by: | | |
| Cash Receipts | C-2 | <u>122,274.00</u> |
| Balance December 31, 2011 | C | <u>\$ 202,035.00</u> |
| <u>Analysis of Balance:</u> | | |
| Ordinance #1524 | | <u>\$ 202,035.00</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2011

C-6

| | Ref. | Total | Current | General Trust | Water Capital | CDBG Trust |
|----------------------------|------|----------------|--------------|------------------|------------------|---------------|
| Balance December 31, 2010: | | | | | | |
| From | C | \$ 26,206.00 | \$ | \$ | \$ 26,206.00 | \$ |
| To | C | (39,305.00) | | (39,305.00) | | |
| Increased by: | | | | | | |
| Cash Disbursements | C-2 | 212,057.29 | 202,000.00 | | 10,057.29 | |
| Grant Deposited in Current | C-4 | 157,500.00 | 157,500.00 | | | |
| CDBG Grant | C-9 | 58,200.00 | | | | 58,200.00 |
| Sub-Total | | 414,658.29 | 359,500.00 | (39,305.00) | 36,263.29 | 58,200.00 |
| Decreased by: | | | | | | |
| Cash Receipts | C-2 | 338,617.80 | 302,148.51 | | 36,469.29 | |
| | | 338,617.80 | 302,148.51 | | 36,469.29 | |
| Balance December 31, 2011: | | | | | | |
| From | C | \$ 115,551.49 | \$ 57,351.49 | | | \$ 58,200.00 |
| To | C | \$ (39,511.00) | | \$ (39,305.00) | \$ (206.00) | |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2011

C-7

| | <u>Ref.</u> | | |
|---------------------------|-------------|------------------|-------------------------------|
| Balance December 31, 2010 | C | | \$ 5,256,011.82 |
| Decreased by: | | | |
| Bonds Paid By Budget | C-13 | \$ 275,000.00 | |
| Loans Paid By Budget | C-11, C-14 | <u>33,989.49</u> | |
| | | | <u>308,989.49</u> |
| Balance December 31, 2011 | C | | <u><u>\$ 4,947,022.33</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2011

C-8

| Ordinance Number | Improvement Authorization | Balance Dec. 31, 2010 | Increase | Balance Dec. 31, 2011 | Bond Anticipation Note | Expenditures | Improvement Authorization |
|---------------------|--|--------------------------|----------------------|--------------------------|------------------------------|------------------|------------------------------|
| 1466 | Various Capital Improvements | \$ 142.00 | \$ | \$ 142.00 | \$ | \$ 142.00 | \$ |
| 1524 | Replacement of Sanitary Sewer Pipes | 59,485.00 | | 59,485.00 | | | 59,485.00 |
| 1572 | Refunding Bond Ordinance for Tax Appeals | | 282,000.00 | 282,000.00 | 282,000.00 | | |
| | | <u>\$ 59,627.00</u> | <u>\$ 282,000.00</u> | <u>\$ 341,627.00</u> | <u>\$ 282,000.00</u> | <u>\$ 142.00</u> | <u>\$ 59,485.00</u> |
| Ref. | | C | C-9 | C | | | C-9 |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2011

C-9

| Description | Ordinance Number | Date | Original Amount | Balance Dec. 31, 2010 | | 2011 Authorized | Paid or Charged | Cancelled | Balance Dec. 31, 2011 | |
|---|------------------|----------|-----------------|-----------------------|--------------|-----------------|-----------------|---------------|-----------------------|---------------|
| | | | | Funded | Unfunded | | | | Funded | Unfunded |
| Public Works Renovations | 1466a | | \$ 1,029,993.00 | \$ | \$ | \$ | \$ 41,071.19 | \$ | \$ | \$ |
| Public Safety Complex | 1466d | | 741,349.00 | 1,264.54 | | | 1,264.54 | | | |
| Street Lights | 1466g | | 163,500.00 | 4,530.33 | | | 3,632.10 | | 756.23 | 142.00 |
| Hurrell Field | 1515d | | 225,000.00 | 68,170.30 | | | 68,170.30 | | | |
| Replacement of Sanitary Sewer Pipes | 1524 | 9-14-09 | 410,000.00 | 340,130.00 | 59,485.00 | | 20,484.15 | | 319,645.85 | 59,485.00 |
| Various Capital Improvements: | | | | | | | | | | |
| Various Roads | 1527-1 | 2-08-10 | 260,000.00 | 260,000.00 | | | | 260,000.00 | | |
| Improvements to Municipal Complex Exterior | 1527-2 | 2-08-10 | 664,200.00 | 198,759.88 | | | 198,759.88 | | | |
| Various Capital Improvements: | | | | | | | | | | |
| Various Road Improvements | 1535-1 | 9-13-10 | 418,200.00 | 9,487.50 | | | 9,487.50 | | | |
| Public Safety Equipment | 1535-2 | 9-13-10 | 30,000.00 | 19,724.66 | | | 19,724.66 | | | |
| Various Equipment | 1535-3 | 9-13-10 | 21,000.00 | 2,847.31 | | | 2,847.31 | | | |
| Engineer Service | 1535-4 | 9-13-10 | 10,000.00 | 900.00 | | | | | 900.00 | |
| Library and Municipal Bldg | 1535-6 | 9-13-10 | 22,500.00 | 2,842.51 | | | 2,801.21 | | 41.30 | |
| Purchase 2010 Ford Explorer | 1546 | 12-13-10 | 25,157.00 | 25,157.00 | | | 24,890.00 | | 267.00 | |
| Various Capital Improvements: | | | | | | | | | | |
| Hurrell Field | 1548-1A | 1-3-11 | 61,000.00 | | | 61,000.00 | | | | |
| Storm Drainage System | 1548-2A | 1-3-11 | 17,400.00 | | | 17,400.00 | | | 50.00 | |
| Purchase of Vehicle Maintenance Equipment | 1548-3A | 1-3-11 | 8,000.00 | | | 8,000.00 | 7,441.18 | | 558.82 | |
| Various Capital Improvements: | | | | | | | | | | |
| Improvements to Various Streets | 1554-1A | 2-28-11 | 210,000.00 | | | 210,000.00 | | | | |
| Improvements to Various Streets CDBG | 1554-1B | 2-28-11 | 58,200.00 | | | 58,200.00 | | | | |
| Engineer Service | 1554-2A | 2-28-11 | 15,000.00 | | | 15,000.00 | | | 120.00 | |
| Front End Loader | 1554-3A | 2-28-11 | 20,857.79 | | | 20,857.79 | | | 1.36 | |
| First year Payment for Mason Dump Truck | 1554-4A | 2-28-11 | 8,987.50 | | | 8,987.50 | | | | |
| Improvement to Municipal Building | 1554-5A | 2-28-11 | 25,000.00 | | | 25,000.00 | | | | |
| Purchase of Public Safety Equipment | 1554-6A | 2-28-11 | 10,000.00 | | | 10,000.00 | 8,897.55 | | 1,102.45 | |
| Purchase of Public Safety Equipment | 1563 | 7-11-11 | 19,000.00 | | | 19,000.00 | 18,603.32 | | 396.68 | |
| Purchase of Public Works Equipment | 1564 | 8-8-11 | 50,000.00 | | | 50,000.00 | 19,555.00 | | 30,445.00 | |
| Various Capital Improvements: | | | | | | | | | | |
| Purchase of Public Works Equipment | 1567-1A | 9-12-11 | 10,000.00 | | | 10,000.00 | 612.55 | | 9,387.45 | |
| Improvement to Borough Parks | 1567-2A | 9-12-11 | 12,000.00 | | | 12,000.00 | 10,009.43 | | 1,990.57 | |
| Various Capital Improvements: | | | | | | | | | | |
| Removal and Planting of Trees | 1568-1A | 9-26-11 | 30,000.00 | | | 30,000.00 | | | 30,000.00 | |
| Roadway Improvements | 1568-2A | 9-26-11 | 55,000.00 | | | 55,000.00 | 51,263.04 | | 3,736.96 | |
| Purchase of Office and Public Works Equipment | 1568-3A | 9-26-11 | 16,500.00 | | | 16,500.00 | 14,283.19 | | 2,216.81 | |
| Refunding Tax Appeal | 1572 | 12-12-11 | 282,000.00 | | | 282,000.00 | 232,101.09 | | | 49,898.91 |
| | | | | \$ 974,885.22 | \$ 59,485.00 | \$ 908,945.29 | \$ 1,172,173.12 | \$ 260,000.00 | \$ 401,616.48 | \$ 109,525.91 |
| | | | | C | C | Below | C-2 | C-4 | C | C |

Ref.

Deferred Charges to Future Taxation -
Unfunded
Grants - State of New Jersey C-8
Due from Essex County - CDBG C-4
Capital Improvement Fund C-6
C-10

\$ 282,000.00
210,000.00
58,200.00
358,745.29
\$ 908,945.29
Above

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2011

C-10

| | <u>Ref.</u> | |
|--|-------------|----------------------|
| Balance December 31, 2010 | C | \$ 363,428.73 |
| Increased by: | | |
| Cash Receipt - Budget Appropriation | C-2 | 125,000.00 |
| | | <u>488,428.73</u> |
| Decreased by: | | |
| Appropriated to Finance Improvement Authorizations | C-9 | 358,745.29 |
| | | <u>358,745.29</u> |
| Balance December 31, 2011 | C | <u>\$ 129,683.44</u> |

GREEN TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2011

C-11

| | <u>Ref.</u> | |
|------------------------------|-------------|----------------------|
| Balance December 31, 2010 | C | \$ 445,496.82 |
| Decreased by: | | |
| Paid By Budget Appropriation | C-7 | 27,870.34 |
| | | <u>27,870.34</u> |
| Balance December 31, 2011 | C | <u>\$ 417,626.48</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
DECEMBER 31, 2011

C-12

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Original Issue</u> | <u>Date of Maturity</u> | <u>Rate of Interest</u> | <u>Notes Issued</u> | <u>Balance Dec. 31, 2011</u> |
|-----------------------------|--------------------------------|---------------------------|-----------------------------|-----------------------------|-------------------------|----------------------------------|
| 1572 | Tax Appeal Refunding | 12-30-11 | 12-31-12 | 1.5% | <u>\$ 282,000.00</u> | <u>\$ 282,000.00</u> |
| | | | | | <u>\$ 282,000.00</u> | <u>\$ 282,000.00</u> |
| | | | | <u>Ref.</u> | C-2 | C |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

GENERAL IMPROVEMENT BONDS
DECEMBER 31, 2011

C-13

| Purpose | Date of Issue | Original Issue | Maturities of Bonds Outstanding | | Interest Rate | Balance Dec. 31, 2010 | Decrease | Balance Dec. 31, 2011 |
|----------------------|---------------------|-------------------|------------------------------------|---------------|------------------|--------------------------|---------------|--------------------------|
| | | | Date | Amount | | | | |
| General Improvements | 8-15-2007 | \$ 5,160,000.00 | 8-15-12 | \$ 275,000.00 | 4.25 % | | | |
| | | | 8-15-13 | 300,000.00 | 4.25 | | | |
| | | | 8-15-14/15 | 325,000.00 | 4.25 | | | |
| | | | 8-15-16/17 | 350,000.00 | 4.25 | | | |
| | | | 8-15-18 | 350,000.00 | 4.00 | | | |
| | | | 8-15-19/20 | 375,000.00 | 4.00 | | | |
| | | | 8-15-21 | 375,000.00 | 4.125 | | | |
| | | | 8-15-22 | 400,000.00 | 4.125 | | | |
| | | | 8-15-23 | 385,000.00 | 4.125 | | | |
| | | | | | | \$ 4,460,000.00 | \$ 275,000.00 | \$ 4,185,000.00 |
| | | | | | | | | |
| | | | | | Ref. | C | C-7 | C |

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2011

C-14

| | <u>Ref.</u> | |
|---------------------------|-------------|----------------------|
| Balance December 31, 2010 | C | \$ 350,515.00 |
| Decreased by: | | |
| Loan Paid | C-7 | <u>6,119.15</u> |
| Balance December 31, 2011 | C | <u>\$ 344,395.85</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2011

C-15

| Improvement Description | Ordinance | | Amount | Balance Dec. 31, 2010 | Increase | Decrease | Balance Dec. 31, 2011 |
|-------------------------------------|-----------|----------|-----------------|--------------------------|----------------------|----------------------|--------------------------|
| | Number | Date | | | | | |
| Various Capital Improvements | 1466 | 2-23-07 | \$ 5,160,142.00 | \$ 142.00 | \$ | \$ | 142.00 |
| Replacement of Sanitary Sewer Pipes | 1524 | 9-14-09 | 410,000.00 | 59,485.00 | | | 59,485.00 |
| Tax Appeal Bond Ordinance | 1572 | 12-12-11 | 282,000.00 | | 282,000.00 | 282,000.00 | |
| | | | | <u>\$ 59,627.00</u> | <u>\$ 282,000.00</u> | <u>\$ 282,000.00</u> | <u>\$ 59,627.00</u> |
| | | | <u>Ref.</u> | C | C-9 | C-12 | C |

BOROUGH OF GLEN RIDGE
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2011

D-5

| | Ref. | Operating | Capital |
|------------------------------|-----------|---------------------|-------------------|
| Balance December 31, 2010 | D | \$ 123,957.03 | \$ 206,652.33 |
| Increased by Receipts: | | | |
| Interest Earned | D-3, D-13 | \$ 24.69 | \$ 57.11 |
| Miscellaneous Revenue | D-3 | 32,119.19 | |
| Consumer Accounts Receivable | D-7 | 1,199,424.50 | 193,771.00 |
| Loans Receivable | D-8 | | 247,577.19 |
| Interfunds | D-13 | 388,139.69 | |
| Overpaid Water Rents | D-21 | 8,172.43 | |
| | | <u>1,627,880.50</u> | <u>441,405.30</u> |
| | | 1,751,837.53 | 648,057.63 |
| Decreased by Disbursements: | | | |
| Budget Appropriations | D-4 | 997,627.83 | |
| Improvement Authorizations | D-15 | | 235,158.60 |
| Interfunds | D-13 | 275,189.60 | 184,805.13 |
| Note Receivable | D-9 | | 164,184.06 |
| Appropriation Reserves | D-14 | 22,655.23 | |
| Water Rent Overpayments | D-21 | 2,938.36 | |
| Accrued Interest on Loans | D-18 | 110,764.39 | |
| | | <u>1,409,175.41</u> | <u>584,147.79</u> |
| Balance December 31, 2011 | D | \$ 342,662.12 | \$ 63,909.84 |

BOROUGH OF GLEN RIDGE
WATER UTILITY

ANALYSIS OF CASH AND INVESTMENTS
WATER CAPITAL FUND
YEAR ENDED DECEMBER 31, 2011

D-6

| | Balance Dec. 31, 2010 | Receipts | Disbursements | Transfers | | Balance Dec. 31, 2011 |
|--|--------------------------|---------------|---------------|--------------|--------------|--------------------------|
| | | | | From | To | |
| Capital Improvement Fund | \$ 4,665.19 | \$ | \$ | \$ | \$ | \$ 4,665.19 |
| Fund Balance | 16,046.59 | | | | 55,801.88 | 71,848.47 |
| Due To/(From) Water Operating Fund | | 217,577.01 | 128,335.84 | | 17,561.25 | 106,802.42 |
| Due To/(From) General Capital Fund | 26,206.00 | 30,057.29 | 56,469.29 | | | (206.00) |
| Note Receivable | | | 164,184.06 | | | (164,184.06) |
| Reserve for Future Improvements | 11,000.00 | | | | | 11,000.00 |
| Improvement Authorizations: | | | | | | |
| #1502 Various Improvements | 657.50 | | | | | 657.50 |
| #1511 Water Meters | 103,091.06 | 167,923.00 | 223,787.93 | 73,363.13 | | (26,137.00) |
| #1523 Replacement of Lead and Lead Line Services | 44,985.99 | 25,848.00 | 11,370.67 | | | 59,463.32 |
| | | | | | | |
| | \$ 206,652.33 | \$ 441,405.30 | \$ 584,147.79 | \$ 73,363.13 | \$ 73,363.13 | \$ 63,909.84 |
| Ref. | D | D-5 | D-5 | Contra | Contra | D |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

D-7

| | <u>Ref.</u> | | |
|---------------------------|-------------|------------------|-----------------------------|
| Balance December 31, 2010 | D | | \$ 140,808.78 |
| Increased by: | | | |
| Rent Billings | Reserve | | <u>1,176,882.16</u> |
| | | | 1,317,690.94 |
| Decreased by: | | | |
| Collections | D-5 | \$ 1,199,424.50 | |
| Overpaid Applied | D-21 | <u>15,335.17</u> | |
| | D-3 | | <u>1,214,759.67</u> |
| Balance December 31, 2011 | D | | <u><u>\$ 102,931.27</u></u> |

ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

D-8

| | <u>Ref.</u> | | |
|--|-------------|-------------------|-----------------------------|
| Balance December 31, 2010 | D | | \$ 1,058,254.00 |
| Decreased by: | | | |
| Cancelled against Loan Payable | D-16 | \$ 112,340.00 | |
| Fees Charged to Improvement Authorizations | D-15 | 46,147.00 | |
| Cash Receipts | D-5 | <u>193,771.00</u> | |
| | | | <u>352,258.00</u> |
| Balance December 31, 2011 | D | | <u><u>\$ 705,996.00</u></u> |

Analysis of Balance:

| | |
|-----------------|-----------------------------|
| Ordinance #1511 | \$ 26,137.00 |
| Ordinance #1523 | <u>679,859.00</u> |
| | <u><u>\$ 705,996.00</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

NOTE RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

D-9

Water Capital
Fund

Ref.

Increased by:

Cash Disbursements

D-5

\$ 164,184.06

Balance December 31, 2011

D

\$ 164,184.06

BOROUGH OF GLEN RIDGE
WATER UTILITY

DEFERRED CHARGES
EMERGENCY AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2011

D-10

| | <u>Ref.</u> | |
|-----------------------------------|-------------|------------------|
| Increased by: | | |
| Overexpenditure of Appropriations | D-4 | \$ 22,343.07 |
| | | <u>22,343.07</u> |
| Balance December 31, 2011 | D | \$ 22,343.07 |
| | | <u>22,343.07</u> |

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2011

D-11

| | <u>Ref.</u> | |
|---------------------------|-------------|---------------------|
| Balance December 31, 2010 | D | \$ 6,303,557.60 |
| Increased by: | | |
| Completed Project | D-12 | 1,245,145.12 |
| | | <u>1,245,145.12</u> |
| Balance December 31, 2011 | D | \$ 7,548,702.72 |
| | | <u>7,548,702.72</u> |

BOROUGH OF GLEN RIDGE
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2011

D-12

| Description | Ordinance | | Balance Dec. 31, 2010 | Decrease | Cancelled | Balance Dec. 31, 2011 |
|--|-----------|----------|--------------------------|------------------------|----------------------|--------------------------|
| | Number | Date | | | | |
| Various Improvements | 1502 | 11-24-08 | \$ 30,000.00 | \$ | \$ | \$ 30,000.00 |
| Replacement of Water Meters | 1511 | 4-13-09 | 1,500,000.00 | 1,245,145.12 | 254,854.88 | |
| Replacement of Lead and Lead Line Services | 1523 | 9-14-09 | 850,000.00 | | | 850,000.00 |
| | | | <u>\$ 2,380,000.00</u> | <u>\$ 1,245,145.12</u> | <u>\$ 254,854.88</u> | <u>\$ 880,000.00</u> |
| | | | Ref. D | D-11 | D-15 | D |

BOROUGH OF GLEN RIDGE
WATER UTILITY

INTERFUNDS
YEAR ENDED DECEMBER 31, 2011

D-13

| | Ref. | Water Operating Fund | | | Water Capital Fund | | |
|----------------------------------|------|----------------------|-----------|-------------------------|--------------------|-----------------|----------------------|
| | | Total | Current | General Trust - Regular | Total | Water Operating | General Capital Fund |
| Balance December 31, 2010: | | | | | | | |
| From | D | \$ | \$ | \$ | \$ | \$ | \$ |
| (To) | D | | | | (26,206.00) | | (26,206.00) |
| Increased by: | | | | | | | |
| Interest on Investments | D-3 | 57.11 | | | | | |
| Cash Disbursements | D-5 | 275,189.60 | 40,108.45 | | 184,805.13 | 128,335.84 | 56,469.29 |
| Sub-Total | | 275,246.71 | 40,108.45 | | 184,805.13 | 128,335.84 | 30,263.29 |
| Decreased by: | | | | | | | |
| Interest on Investments | D-5 | | | | 57.11 | 57.11 | |
| Expenditure Paid by Current Fund | D-4 | 5,304.60 | 5,304.60 | | | | |
| Improvement Authorization Charge | D-15 | | | | 17,561.25 | 17,561.25 | |
| Cash Receipts | D-5 | 388,139.69 | 34,803.85 | 225,000.00 | 247,577.19 | 217,519.90 | 30,057.29 |
| | | 393,444.29 | 40,108.45 | 225,000.00 | 265,195.55 | 235,138.26 | 30,057.29 |
| Balance December 31, 2011: | | | | | | | |
| From | D | \$ 106,802.42 | \$ | | \$ 206.00 | | \$ 206.00 |
| (To) | D | \$ (225,000.00) | \$ | \$ (225,000.00) | \$ (106,802.42) | \$ (106,802.42) | |

BOROUGH OF GLEN RIDGE
WATER UTILITY

APPROPRIATION RESERVES
DECEMBER 31, 2011

D-14

| | Balance After Transfers Dec. 31, 2010 | | Paid or Charged | Balance Lapsed |
|--------------------|--|---------------------|---------------------|---------------------|
| | <u>Encumbered</u> | <u>Reserved</u> | | |
| Salaries and Wages | \$ | \$ 2,889.70 | \$ 619.01 | \$ 2,270.69 |
| Other Expenses | 14,594.00 | 26,642.79 | 22,036.22 | 19,200.57 |
| | <u>\$ 14,594.00</u> | <u>\$ 29,532.49</u> | <u>\$ 22,655.23</u> | <u>\$ 21,471.26</u> |
| <u>Ref.</u> | D | D | D-5 | D-1 |

BOROUGH OF GLEN RIDGE
WATER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2011

D-15

| Description | Number | Ordinance Date | Amount | Balance Dec. 31, 2010 | | Expenditures | Cancelled | Balance Dec. 31, 2011 | |
|--|--------|-------------------|--------------|--------------------------|----------------------|----------------------|----------------------|--------------------------|---------------------|
| | | | | Funded | Unfunded | | | Funded | Unfunded |
| Various Water Improvements | 1502 | 11-24-08 | \$ 30,000.00 | \$ 657.50 | \$ | \$ | \$ | \$ 657.50 | \$ |
| Replacement of Water Meters | 1511 | 4-13-09 | 1,500,000.00 | 455,638.06 | 86,713.00 | 287,496.18 | 254,854.88 | | |
| Replacement of Lead and Lead Line Services | 1523 | 9-14-09 | 850,000.00 | 750,692.99 | 84,137.00 | 11,370.67 | | 739,322.32 | 84,137.00 |
| | | | | <u>\$ 1,206,988.55</u> | <u>\$ 170,850.00</u> | <u>\$ 298,866.85</u> | <u>\$ 254,854.88</u> | <u>\$ 739,979.82</u> | <u>\$ 84,137.00</u> |
| | | | <u>Ref.</u> | <u>D</u> | <u>D</u> | <u>Below</u> | <u>D-12</u> | <u>D</u> | <u>D</u> |
| | | | | | | | | | |
| | | | | <u>Ref.</u> | | | | | |
| Cash Disbursements | | | | D-5 | | \$ 235,158.60 | | | |
| Charged against Loan Receivable | | | | D-8 | | 46,147.00 | | | |
| Interfunds | | | | D-13 | | 17,561.25 | | | |
| | | | | | | <u>\$ 298,866.85</u> | | | |

BOROUGH OF GLEN RIDGE
WATER UTILITY

LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2011

D-16

| | <u>Ref.</u> | | |
|---------------------------|-------------|-------------------|------------------------|
| Balance December 31, 2010 | D | | \$ 5,571,288.38 |
| Decreased by: | | | |
| Loan Adjustment | D-8 | \$ 112,340.00 | |
| Loan Repayment | D-20 | <u>286,092.74</u> | |
| | | | <u>398,432.74</u> |
| Balance December 31, 2011 | D | | <u>\$ 5,172,855.64</u> |

Analysis of Balance

| | |
|-----------------|------------------------|
| Ordinance #1332 | \$ 875,446.90 |
| Ordinance #1393 | 842,753.54 |
| Ordinance #1426 | 184,319.76 |
| Ordinance #1442 | 1,264,562.01 |
| Ordinance #1511 | 1,253,329.51 |
| Ordinance #1523 | <u>752,443.92</u> |
| | <u>\$ 5,172,855.64</u> |

CAPITAL IMPROVEMENT FUND
DECEMBER 31, 2011

D-17

| | <u>Ref.</u> | |
|---------------------------|-------------|--------------------|
| Balance December 31, 2010 | D | <u>\$ 4,665.19</u> |
| Balance December 31, 2011 | D | <u>\$ 4,665.19</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2011

D-18

| | <u>Ref.</u> | |
|---------------------------|-------------|--------------------|
| Balance December 31, 2010 | D | \$ 36,647.93 |
| Increased by: | | |
| Budget Appropriation | D-4 | 80,010.94 |
| | | <u>116,658.87</u> |
| Decreased by: | | |
| Cash Disbursements | D-5 | 110,764.39 |
| | | <u>110,764.39</u> |
| Balance December 31, 2011 | D | <u>\$ 5,894.48</u> |

Analysis of Accrued Interest on Loans at December 31, 2011

| <u>Date of Issue</u> | <u>Interest Payable</u> | <u>Period</u> | <u>Amount</u> |
|--------------------------|-----------------------------|---------------|---------------------|
| 10/15/2000 | \$ 12,490.63 | 5 Months | \$ 5,204.43 |
| 11/01/2003 | 10,858.75 | 5 Months | 4,524.48 |
| 11/01/2005 | 2,312.50 | 5 Months | 963.54 |
| 11/01/2006 | 15,690.63 | 5 Months | 6,537.76 |
| 11/01/2010 | 7,462.00 | 5 Months | 3,109.17 |
| 11/01/2010 | 9,250.00 | 5 Months | 3,854.17 |
| | | | <u>\$ 24,193.55</u> |

Note: The shortfall has been raised in the 2012 budget.

BOROUGH OF GLEN RIDGE
WATER UTILITY

RESERVE FOR FUTURE IMPROVEMENT AUTHORIZATIONS
DECEMBER 31, 2011

D-19

| | <u>Ref.</u> | |
|---------------------------|-------------|---------------------|
| Balance December 31, 2010 | D | <u>\$ 11,000.00</u> |
| Balance December 31, 2011 | D | <u>\$ 11,000.00</u> |

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2011

D-20

| | <u>Ref.</u> | |
|---------------------------|-------------|------------------------|
| Balance December 31, 2010 | D | \$ 2,941,419.12 |
| Increased by: | | |
| Loan Repayment | D-16 | <u>286,092.74</u> |
| | | 3,227,511.86 |
| Decreased by: | | |
| Funded Projects Cancelled | D-2 | <u>55,801.88</u> |
| Balance December 31, 2011 | D | <u>\$ 3,171,709.98</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

OVERPAID WATER RENTS
YEAR ENDED DECEMBER 31, 2011

D-21

| | <u>Ref.</u> | | |
|-----------------------------|-------------|-----------------|--------------------|
| Balance December 31, 2010 | D | | \$ 15,335.17 |
| Increased by: | | | |
| Cash Receipts | D-5 | | <u>8,172.43</u> |
| | | | 23,507.60 |
| Decreased by: | | | |
| Applied to Rents Receivable | D-7 | \$ 15,335.17 | |
| Refund | D-5 | <u>2,938.36</u> | |
| | | | <u>18,273.53</u> |
| Balance December 31, 2011 | D | | <u>\$ 5,234.07</u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2011

D-22

| Improvement Description | Number | Ordinance | | Balance Dec. 31, 2010 | Cancelled | Balance Dec. 31, 2011 |
|--|--------|-----------|-----------------|--------------------------|---------------------|--------------------------|
| | | Date | Amount | | | |
| Replacement of Water Meters | 1511 | 4-13-09 | \$ 1,500,000.00 | \$ 86,713.00 | \$ 86,713.00 | \$ |
| Replacement of Lead and Lead Line Services | 1523 | 9-14-09 | 850,000.00 | 84,137.00 | | 84,137.00 |
| | | | | <u>\$ 170,850.00</u> | <u>\$ 86,713.00</u> | <u>\$ 84,137.00</u> |
| | | | <u>Ref.</u> | D | | D |

BOROUGH OF GLEN RIDGE
POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR-TREASURER
YEAR ENDED DECEMBER 31, 2011

E-4

| | <u>Ref.</u> | <u>Operating</u> | |
|-----------------------------|-------------|-------------------|-----------------------------|
| Balance December 31, 2010 | E | | \$ 170,353.64 |
| Increased by Receipts: | | | |
| Interest Earned | E-2 | \$ 93.94 | |
| Pool Fees | E-2 | <u>336,569.00</u> | |
| | | | <u>336,662.94</u> |
| | | | 507,016.58 |
| Decreased by Disbursements: | | | |
| Budget Appropriations | E-3 | 265,638.63 | |
| Account Receivable | E-8 | 85.00 | |
| Appropriation Reserves | E-10 | 13,413.38 | |
| Accrued Interest on Bonds | E-11 | <u>36,850.00</u> | |
| | | | <u>315,987.01</u> |
| Balance December 31, 2011 | E | | <u><u>\$ 191,029.57</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
POOL UTILITY

CHANGE FUND
DECEMBER 31, 2011

E-5

| | <u>Ref.</u> | |
|---------------------------|-------------|------------------|
| Balance December 31, 2010 | E | <u>\$ 100.00</u> |
| Balance December 31, 2011 | E | <u>\$ 100.00</u> |

FIXED CAPITAL
DECEMBER 31, 2011

E-6

| | <u>Ref.</u> | |
|---------------------------|-------------|------------------------|
| Balance December 31, 2010 | E | <u>\$ 1,550,000.00</u> |
| Balance December 31, 2011 | E | <u>\$ 1,550,000.00</u> |

BOROUGH OF GLEN RIDGE
POOL UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2011

E-7

| <u>Description</u> | <u>Ordinance</u> | | | <u>2011 Improvement Authorizations</u> | <u>Balance Dec. 31, 2011</u> |
|----------------------|------------------|-------------|---------------|--|----------------------------------|
| | <u>Number</u> | <u>Date</u> | <u>Amount</u> | | |
| Refunding Bond Issue | 1569 | 11/14/11 | \$ 40,000.00 | <u>\$ 40,000.00</u> | <u>\$ 40,000.00</u> |
| | | | <u>Ref.</u> | E-12 | E |

BOROUGH OF GLEN RIDGE
POOL UTILITY

ACCOUNT RECEIVABLE
YEAR ENDED DECEMBER 31, 2011

E-8

Ref.

Increased by:

Cash Disbursement

E-4

\$ 85.00

Balance December 31, 2011

E

\$ 85.00

ACCOUNT PAYABLE
YEAR ENDED DECEMBER 31, 2011

E-9

Ref.

Increased by:

Transferred from Appropriation Reserve

E-10

\$ 1,095.03

Balance December 31, 2011

E

\$ 1,095.03

BOROUGH OF GLEN RIDGE
POOL UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2011

E-10

| | Balance December 31, 2010 | | Paid or Charged | Unexpended Balance |
|--------------------|------------------------------|--------------------|---------------------|-----------------------|
| | <u>Encumbered</u> | <u>Reserved</u> | | |
| Salaries and Wages | \$ | \$ 3,408.53 | \$ 634.50 | \$ 2,774.03 |
| Other Expenses | 30,605.30 | 3.15 | 13,873.91 | 16,734.54 |
| | <u>\$ 30,605.30</u> | <u>\$ 3,411.68</u> | <u>\$ 14,508.41</u> | <u>\$ 19,508.57</u> |
| <u>Ref.</u> | E | E | Below | E-1 |

| | | |
|------------------------------|-------------|---------------------|
| | <u>Ref.</u> | |
| Cash Disbursement | E-4 | \$ 13,413.38 |
| Transfer to Accounts Payable | E-9 | 1,095.03 |
| | | <u>\$ 14,508.41</u> |

BOROUGH OF GLEN RIDGE
POOL UTILITY

ACCRUED INTEREST ON BONDS
YEAR ENDED DECEMBER 31, 2011

E-11

| | <u>Ref.</u> | |
|---------------------------|-------------|-------------------------------|
| Balance December 31, 2010 | E | \$ 15,340.63 |
| Increased by: | | |
| Budget Appropriation | E-3 | <u>35,441.66</u> 50,782.29 |
| Decreased by: | | |
| Cash Disbursements | E-4 | <u>36,850.00</u> |
| Balance December 31, 2011 | E | <u><u>\$ 13,932.29</u></u> |

Analysis of Accrued Interest on Bonds at December 31, 2011

| <u>Date of Issue</u> | <u>Principal</u> | <u>Rate</u> | <u>Period</u> | <u>Amount</u> | |
|--------------------------|------------------|-------------|---------------|------------------|----------------------------|
| 11/01/2003 | \$ 65,000.00 | 5.75% | 5 Months | \$ 1,557.29 | |
| | 495,000.00 | 6.00% | | <u>12,375.00</u> | |
| | | | | | <u><u>\$ 13,932.29</u></u> |

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
POOL UTILITY CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2011

E-12

| <u>Description</u> | <u>Ordinance</u> | | <u>Amount</u> | <u>2011</u> <u>Authorizations</u> | <u>Balance</u> |
|----------------------|------------------|-------------|---------------|--------------------------------------|---|
| | <u>Number</u> | <u>Date</u> | | | <u>Dec. 31, 2011</u> <u>Unfunded</u> |
| Refunding Bond Issue | 1569 | 11/14/11 | \$ 40,000.00 | <u>\$ 40,000.00</u> | <u>\$ 40,000.00</u> |
| | | | | <u>Ref.</u> E-7 | E |

BOROUGH OF GLEN RIDGE
POOL UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2011

E-13

| | <u>Ref.</u> | |
|---------------------------|-------------|----------------------|
| Balance December 31, 2010 | E | \$ 925,000.00 |
| Increased by: | | |
| Serial Bonds Redeemed | E-14 | <u>65,000.00</u> |
| Balance December 31, 2011 | E | <u>\$ 990,000.00</u> |

BOROUGH OF GLEN RIDGE
POOL CAPITAL FUND

POOL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2011

E-14

| Purpose | Date of Issue | Original Issue | Maturities of Bonds | | Interest Rate | Balance Dec. 31, 2010 | Decrease | Balance Dec. 31, 2011 |
|---------------------------|---------------|-----------------|---------------------------|--------------|---------------|-----------------------|--------------|-----------------------|
| | | | Outstanding Dec. 31, 2011 | | | | | |
| | | | Date | Amount | | | | |
| Pool Utility Improvements | 9-22-2003 | \$ 1,000,000.00 | 8-1-12 | \$ 65,000.00 | 5.75 % | | | |
| | | | 8-1-13 | 70,000.00 | 6.00 | | | |
| | | | 8-1-14 | 75,000.00 | 6.00 | | | |
| | | | 8-1-15 | 80,000.00 | 6.00 | | | |
| | | | 8-1-16 | 85,000.00 | 6.00 | | | |
| | | | 8-1-17 | 90,000.00 | 6.00 | | | |
| | | | 8-1-18 | 95,000.00 | 6.00 | | | |
| | | | | | | \$ 625,000.00 | \$ 65,000.00 | \$ 560,000.00 |
| | | | Ref. | | E | E-13 | E | |

BOROUGH OF GLEN RIDGE
POOL UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2011

E-15

| <u>Improvement Description</u> | <u>Ordinance</u> | | <u>Amount</u> | <u>Increase</u> | <u>Balance Dec. 31, 2011</u> |
|--------------------------------|------------------|-------------|---------------|---------------------|----------------------------------|
| | <u>Number</u> | <u>Date</u> | | | |
| Refunding Bond Issue | 1569 | 11/14/11 | \$ 40,000.00 | <u>\$ 40,000.00</u> | <u>\$ 40,000.00</u> |
| <u>Ref.</u> E-12 | | | | | E |

PART II
REPORT ON INTERNAL CONTROL
SINGLE AUDIT ATTACHMENTS
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2011



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

The Honorable Mayor and Members
of the Borough Council
Borough of Glen Ridge
Glen Ridge, New Jersey 07028

We have audited the financial statements - regulatory basis of the various funds of the Borough of Glen Ridge, County of Essex (the "Borough"), as of and for the year ended December 31, 2011, and have issued our report thereon dated June 20, 2012, which was qualified because the financial statements do not include the Capital Fixed Assets and as a result of the Borough's policy to prepare its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over financial reporting.

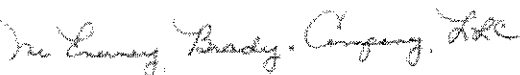
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this report and would not necessarily identify all deficiencies in internal control that might be deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division. However, we noted certain immaterial instances of noncompliance or other matters that we have reported to the management of the Borough in the "Auditor's Comments and Recommendations" section of this report.

This report is intended solely for the information of the governing body, management and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.



McEnerney, Brady & Company, LLC
Certified Public Accountants



John Lauria
Licensed Registered Municipal Accountant #403

Livingston, New Jersey
June 20, 2012



**Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each
Major Program and on Internal Control Over Compliance in Accordance with
New Jersey OMB Circular 04-04**

The Honorable Mayor and Members
of the Borough Council
Borough of Glen Ridge
Glen Ridge, New Jersey 07028

Compliance

We have audited the Borough of Glen Ridge, County of Essex, New Jersey's (the "Borough") compliance with the types of compliance requirements described in the *New Jersey OMB Circular 04-04* that could have a direct and material effect on each of Borough's major state programs for the year ended December 31, 2011. The Borough's major state programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its state programs is the responsibility of the management of the municipality. Our responsibility is to express an opinion on Borough's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State, Local Governments, and Nonprofit Organizations*; and the provisions of the state Treasury Circular Letter 04-04 OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Programs*. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough's compliance with those requirements.

In our opinion, the Borough complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2011.

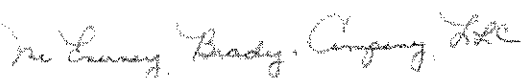
Internal Control Over Compliance

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the Borough's internal control over compliance with the requirements that could have a direct and material effect on a state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control over compliance.

A *deficiency in internal control* over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness* in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration in internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the Borough's governing body and management, State awarding agencies and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. It is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



McEnerney, Brady & Company, LLC
Certified Public Accountants



John Lauria
Licensed Registered Municipal Accountant #403

Livingston, New Jersey
June 20, 2012

BOROUGH OF GLEN RIDGE
COUNTY OF ESSEX

SCHEDULE OF STATE FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE B

| State Funding Department or Division | Program | State Account Number | Grant Period | | Award Amount | Cash Received | Expenditures | Cumulative Expenditures |
|--|---|-------------------------|--------------|------------|-----------------|------------------|-----------------|----------------------------|
| | | | From | To | | | | |
| Community Affairs | Municipal Alliance on Alcohol and Drug Abuse: | 2000-475-9915120-60 | | | | | | |
| | State Funds CY 2008 | | 1-01-08 | 12-31-08 | \$ 40,174.59 | | \$ 3,010.16 | \$ 40,174.59 |
| | State Funds CY 2009 | | 1-01-09 | 12-31-09 | 30,164.98 | 27,986.09 | 8,707.55 | 30,164.98 |
| Environmental Protection | State Funds CY 2010 | | 1-01-10 | 12-31-10 | 38,950.00 | 3,868.00 | 10,127.55 | 10,127.55 |
| | Clean Communities: | 4900-765-178910-60 | | | | | | |
| | State Funds CY 2008 | | 1-01-08 | 12-31-08 | 7,327.24 | | | 785.92 |
| | State Funds CY 2010 | | 1-01-10 | 12-31-10 | 10,079.68 | 10,079.68 | 4,684.96 | 4,684.96 |
| | Environmental Infrastructure Loan: | | | | | | | |
| | General Capital: Ord. # 1524 | | 2-08-10 | Completion | 350,515.00 | 26,200.00 | 450.00 | 10,385.00 |
| | Water Capital - Ord. # 1511 | | 2-08-10 | Completion | 1,413,287.00 | 1,060,740.00 | 865,464.98 | 957,648.94 |
| Motor Vehicles | Water Capital - Ord. # 1523 | | 2-08-10 | Completion | 765,863.00 | 60,156.00 | 450.00 | 15,170.01 |
| | New Jersey Historic Trust | 487-542-320010-60 | 2-08-10 | Completion | 664,200.00 | 515,845.99 | 465,440.12 | 465,440.12 |
| | Historic Trust Program | | 1-01-09 | Completion | 8,400.00 | | | |
| Transportation | Drunk Driving Enforcement Fund | 1110-101-030000-12 | 1-01-09 | 12-31-11 | 13,095.60 | | 2,362.97 | 4,458.20 |
| | Alcohol, Education and Rehabilitation | | 1-01-06 | Completion | 4,778.28 | | | 878.18 |
| | Transportation Trust Fund: | 6320-480-078-6320 | | | | | | |
| | CY 2008 Ord. #1487 Various Roads | | 1-01-08 | Completion | 270,000.00 | 88,060.19 | | 270,000.00 |
| | CY 2009 Ord. #1507 Various Roads | | 1-01-05 | Completion | 260,000.00 | 65,000.00 | 52,906.21 | 260,000.00 |
| | CY 2010 Ord. #1527 Various Roads | | 1-01-10 | Completion | 280,000.00 | | | |
| Law and Public Safety | CY 2010 Ord. #1535-1 Various Roads | | 1-01-10 | Completion | 360,000.00 | 250,379.63 | 350,512.50 | 350,512.50 |
| | NJ Transit Shuttle Grant - CY 2009 | | 1-01-09 | Completion | 20,000.00 | | 5,751.81 | 20,000.00 |
| | Body Armor Replacement Fund: | 066-1020-718-001-6120 | 7-01-10 | 6-30-11 | 2,076.94 | 2,076.94 | | |
| State Funds FY 2010 | | | | | | | | |
| Total | | | | | | | \$ 1,769,868.81 | \$ 2,440,430.95 |

BOROUGH OF GLEN RIDGE
NOTES TO THE SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

1. GENERAL

The accompanying Schedule of State Financial Assistance presents the activity of all state financial assistance programs of the Borough of Glen Ridge. All state financial assistance received directly from state agencies as well as state financial assistance, passed through other government agencies, is included on the Schedule of Expenditures of State Financial Assistance.

2. BASIS OF ACCOUNTING

The accompanying Schedule of State Financial Assistance is presented using the modified accrual basis of accounting with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with Budget Laws of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. This basis of accounting is described in Note 1 to the Borough's regulatory basis financial statements.

3. RELATIONSHIP TO STATUTORY BASIS FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's statutory basis financial statements. These amounts are reported in the Current Fund, General Capital Fund or Water Utility Fund. Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedule.

4. STATE LOANS OUTSTANDING

The Borough had the following loans outstanding at December 31, 2011:

General Capital Fund:

| | |
|------------------------------|-------------------|
| Green Acres Loan | \$ 417,626.48 |
| Environmental Infrastructure | <u>344,395.85</u> |

\$ 762,022.33

Water Utility Capital Fund:

| | |
|------------------------------|------------------------|
| Environmental Infrastructure | <u>\$ 5,172,855.74</u> |
|------------------------------|------------------------|

**BOROUGH OF GLEN RIDGE
COUNTY OF ESSEX, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:

Qualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes √ No

Were significant deficiency(ies) identified that are not considered to be material weaknesses?

_____ Yes √ None Reported

Noncompliance material to financial statements noted?

_____ Yes √ No

State Awards

Internal Control over major state programs:

Material weakness(es) identified?

_____ Yes √ No

Were significant deficiency(ies) identified that are not considered to be material weaknesses?

_____ Yes √ None Reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular 04-04?

_____ Yes √ No

Identification of major programs:

| <u>Account Number(s)</u> | <u>Name of Program or Cluster</u> |
|--------------------------|-----------------------------------|
|--------------------------|-----------------------------------|

| | |
|-------------------|--|
| 6320-480-078-6320 | Environmental Infrastructure Loan Transportation Trust Fund |
|-------------------|--|

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000.00

Auditee qualified as low-risk auditee?

 √ Yes _____ No

**BOROUGH OF GLEN RIDGE
COUNTY OF ESSEX, NEW JERSEY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

**Section II - Financial Statement Audit - Reported Findings
Under Government Auditing Standards**

None

Section III - State Financial Assistance Findings and Questioned Costs

None

Section IV - Schedule of Prior Year Audit Findings

None

**ROSTER OF OFFICIALS AS OF DECEMBER 31, 2011
AND REPORT ON SURETY BONDS**

| <u>Name</u> | <u>Title</u> | <u>Amount of Bond</u> |
|-----------------------|---|-------------------------------|
| Peter Hughes | Mayor | \$ |
| Elizabeth Baker | Councilwoman | |
| Arthur Dawson | Councilman | |
| Stuart Patrick | Councilman | |
| Paul Lisovitz | Councilman | |
| David Lefkovits | Councilman | |
| Jeffrey Theodorou | Councilman | |
| Michael J. Rohal | Borough Clerk | |
| | Engineer | |
| | Borough Administrator | |
| | Tax Search Officer | |
| | Officer for Searches for Municipal Improvements | |
| Irene C. W. Wheat | Chief Financial Officer | 100,000.00 |
| Stephen C. Berry, Jr. | Deputy Borough Clerk | |
| | Deputy Collector | |
| | Municipal Court Administrator | 50,000.00 |
| George F. Librizzi | Tax Assessor | |
| Joseph T. Connolly | Judge - Municipal Court | 50,000.00 |
| Donna Altschuler | Tax Collector | 300,000.00 |
| | Water Collector | |
| Michael Zichelli | Director of Planning and Development | |
| | Assistant Business Administrator | |

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.



The Honorable Mayor and Members
of the Borough Council
Borough of Glen Ridge
Glen Ridge, New Jersey 07028

Ladies and Gentlemen:

We have audited the statutory basis financial statements, State Financial Assistance Programs and supplemental schedules and data of the Borough of Glen Ridge, County of Essex New Jersey (the "Borough") for the year ended December 31, 2011, and have issued our report thereon. As part of our audit, we reviewed and tested the Borough's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America and by the Division of Local Government Services of the Department of Community Affairs, State of New Jersey, by the *Government Auditing Standards*, issued by the U.S. General Accounting Office. Compliance requirements were also reviewed in accordance with the requirements of the aforementioned standards and guidelines or, where applicable, the terms and conditions of particular grant agreements.

Other comments with respect to the audit, internal control, and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the audit are herewith set forth.

McEnerney, Brady & Company, LLC
Certified Public Accountants

John Lauria
Licensed Registered Municipal Accountant #403

Livingston, New Jersey
June 20, 2012

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. 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 audit is \$36,000.00 in accordance with the provisions of N.J.S.A. 40:11-3a.

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 \$5,400.00 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."

It is noted that our sample did not disclose any exception to the quote threshold.

Collection of Interest on Delinquent Taxes

N.J.S.A. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body, on January 6, 2000, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

"BE IT RESOLVED by the Council of the Borough of Glen Ridge in the County of Essex that:

the Collector of Taxes for the Borough of Glen Ridge be directed to charge eight (8%) percent per annum for the nonpayment of taxes and assessments which become delinquent subsequent to the effective date of this Resolution, on the first One Thousand - Five Hundred (\$1,500.00) Dollars of delinquency and eighteen (18%) percent per annum on any amount in excess of One Thousand - Five Hundred (\$1,500.00) Dollars; and

BE IT FURTHER RESOLVED, that all Motions or Resolutions inconsistent with the provisions of this Resolution be and the same are hereby rescinded and repealed and that this Resolution shall take effect immediately upon its adoption."

Minor differences were noted in our tests,

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 at December 31, 2011 of \$282,708.51 were all 2011 taxes except for \$401.89 which was an omitted tax in 2011 and paid in 2012.

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

| <u>Year</u> | <u>Number of Liens</u> |
|-------------|----------------------------|
| 2011 | 3 |
| 2010 | 3 |
| 2009 | 3 |

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services and consisted of the following:

| | <u>Number of Notices</u> |
|----------------------------------|------------------------------|
| Payment of 2011 and 2012 Taxes | 25 |
| Delinquent Real Estate Taxes | 25 |
| Payment of Water Utility Charges | 25 |
| Unpaid Water Utility Charges | 25 |
| | <hr/> |
| | 100 |
| | <hr/> |

The results of our test did not determine any irregularities.

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.

Capital Ordinances

- 1) A number of capital expenditures were charged to the incorrect ordinance. Adjustments were made to reflect the proper ordinance to be charged.

It is recommended that:

- 1) Greater care be taken when posting capital expenditures to ensure that the correct ordinance is charged.

Payroll/Personnel

- 1) Calculations for employee payroll health deductions were not properly calculated.

It is recommended that:

- 1) The Borough use the proper chart established under Ch. 78 PL 2010 in calculating employee payroll health deductions.

Revenue Departments

General:

- 1) We were unable to reconcile revenue submitted by the various Borough departments to the finance office records. This appears to be due to posting errors.
- 2) The following departments did not turnover funds within 48 hours. They include police and construction code.

Vital Statistics:

- 1) Duplicate receipt books were not maintained to ensure that all fees were booked.

It is recommended that:

- 1) Greater care be taken by those posting revenue collections to ensure that the proper accounts are credited.
- 2) Turnovers of revenue by department be made within 48 hours.
- 3) Duplicate receipts be maintained by Vital Statistics.

Police Special Duty:

- 1) A review of activity for police special duty work disclosed that fees are not being collected from vendors before the work is scheduled as required. This has resulted in the Township paying the cost for police special duty work.

It is recommended that:

- 1) That vendor's pay in advance for projects in which police officers are schedule to provide traffic patrol duties.

Encumbrance System

In accordance with regulations issued by the Division of Local Government Services, all local units are required to maintain an Encumbrance Accounting System. Although the Borough of Glen Ridge does maintain such a system, not all departments are adhering to the procedures that are in place. We noted instances where purchase orders are processed as confirming orders. This is where the goods have been received or services rendered without purchase orders being encumbered against budgetary appropriations. Confirming orders greatly increase the risk of possible over expenditures of funds.

It is recommended that all departments adhere to the required policies and procedures to ensure compliance with state requirements.

Capital Fixed Assets

The Borough established a capital fixed asset accounting system in 2000. However, the Borough has not maintained and updated the records.

It is recommended that the Borough update and maintain on a contemporaneous basis their capital fixed asset accounting system.

General Trust Accounts

Certain accounts included in the General Trust Fund may be subject to the provisions of the Dedication by Rider, N.J.S.A. 40A:4-39 as detailed on Exhibit "B-9", "Reserve for Special Deposits". Expenditures are being made from revenue collections which is not in accordance with the provisions of N.J.S.A. 40A:4-57, which states:

"No officer, board, body or commission shall, during any fiscal year expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided..."

It is recommended:

That certain trust accounts be reviewed by Borough officials for possible inclusion in the municipal budget under the provisions of Dedication by Rider, N.J.S.A. 40A:4-39.

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 2010 Report on Examination of Accounts.

A review was performed on all prior years' recommendations and corrective action was only taken on one of last year's recommendations, which was to prepare a salary ordinance for pool personnel.

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

Encumbrance System:

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

Capital Fixed Assets:

That the Borough update its capital fixed asset accounting system.

General Trust Accounts:

That certain trust accounts be reviewed by Borough officials for possible inclusion in the municipal budget under the provisions of Dedication by Rider N.J.S.A. 40A:4-39.

Capital Ordinances:

That greater care be taken when posting capital expenditures to ensure that the correct ordinances is charged.

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.

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

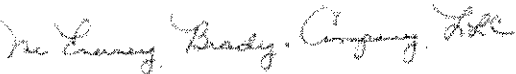
| | <u>Page Number</u> |
|---|------------------------|
| Payroll/Personnel: | 130 |
| That the Borough calculate employee payroll health deductions according to the State Requirement | |
| Capital Ordinances: | 130 |
| That greater care be taken when posting capital expenditures to ensure that the correct ordinance is charged. | |
| That vendor's pay in advance for projects in which police officers are scheduled to provide traffic patrol duties. | |
| Revenue Departments | 130 |
| That all departments turnover receipts within 48 hours. | |
| That departmental revenue be posted correctly by employees having that responsibility. | |
| That Vital Statistics maintain duplicate receipts. | |
| Encumbrance System: | 131 |
| That all departments adhere to the required policies and procedures to ensure compliance with the state requirements. | |
| Capital Fixed Assets: | 131 |
| That the Borough update its capital fixed asset accounting system. | |
| Dedication by Rider | 131 |
| That certain trust accounts be reviewed by Borough officials for possible inclusion in the municipal budget under the provisions of Dedication by Rider, N.J.S.A. 40A:4-39. | |

RECOMMENDATIONS
(Continued)

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.



McEnerney, Brady & Company, LLC
Certified Public Accountants



John Lauria
Licensed Registered Municipal Accountant #403

Livingston, New Jersey
June 20, 2012