

**BOROUGH OF GLEN RIDGE
ESSEX COUNTY, NEW JERSEY
REPORT ON
EXAMINATION OF ACCOUNTS
DECEMBER 31, 2012**

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, 2012

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds of the Borough of Glen Ridge, County of Essex, New Jersey (the "Borough") as of and for the years ended December 31, 2012 and 2011, the statements of revenues, expenditures and changes in fund balances for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 of the United States; and audit requirements as prescribed by the Division. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory basis financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion

Management has prepared the financial statements in conformity with accounting practices prescribed by the Division which 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. These practices differ in certain respects, which in some instances may be material, from accounting principles generally accepted in the United States of America applicable to local government units. The more significant of these practices are described in Note 1 to the financial statements.

Adverse Opinion

In our opinion, because of the Borough's policy to prepare its financial statements on the basis of accounting discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2012 or the results of its operations for the year then ended.

Unmodified Opinion

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds of the Borough of Glen Ridge, Essex County, New Jersey, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles and practices prescribed by the Division, as described in Note 1 to the financial statements.

Other Matters

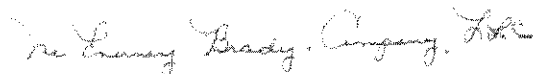
Other Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise Borough's basic financial statements. The accompanying supplementary sections and schedules of expenditures of state awards, as required by New Jersey State Office of Management and Budget Circular Letter 04-04, *State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information included in the supplemental sections and schedules of expenditures of state awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental sections and schedules of expenditures of state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2013 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



Livingston, New Jersey
May 22, 2013



John Lauria, RMA
Licensed Registered Municipal Accountant # 403

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

A
Sheet # 1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash	A-4	\$ 3,434,033.48	\$ 1,154,656.72
Change Funds	A-5	170.00	170.00
Prepaid School Tax	A-22	141,325.63	248,500.13
		<u>3,575,529.11</u>	<u>1,403,326.85</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	251,820.51	282,708.51
Tax Title Liens	A-8	22,289.64	19,659.67
Property Acquired for Taxes at Assessed Valuation	A-9	410.00	410.00
Revenue Accounts Receivable	A-10	11,625.06	10,092.77
Interfunds Receivable	A-11	52,373.70	9,410.60
		<u>338,518.91</u>	<u>322,281.55</u>
Deferred Charges:			
Emergency Authorizations	A-12		105,013.79
Special Emergency NJSA 40A:4-55.1	A-13	109,456.04	164,184.06
Special Emergency NJSA 40A:4-53	A-14	600,000.00	
		<u>709,456.04</u>	<u>269,197.85</u>
		<u>4,623,504.06</u>	<u>1,994,806.25</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-27	38,950.00	48,933.95
Interfunds Receivable	A-28	41,510.05	63,574.53
		<u>80,460.05</u>	<u>112,508.48</u>
		<u>\$ 4,703,964.11</u>	<u>\$ 2,107,314.73</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Expenditure Reserves:			
Appropriation Reserves:			
Encumbered	A-3, A-15	\$ 305,868.84	\$ 188,793.89
Unencumbered	A-3, A-15	383,741.98	343,798.98
Due to State of New Jersey:			
Ch. 129, P.L. 1976	A-6	2,236.44	2,530.56
Interfunds Payable	A-11	56,760.45	125,720.66
Accounts Payable	A-16	31,817.78	7,414.85
Due to State of New Jersey:			
Other Fees	A-17	2,945.00	3,250.00
Tax Overpayments	A-18	38,006.88	180,122.73
Inspection Fees Payable	A-19	1,318.00	1,059.00
Emergency Note Payable	A-23	709,456.04	164,184.06
Tax Anticipation Note Payable	A-24	1,595,000.00	
Reserve for Prepaid School Tax	A-25	141,325.63	248,500.13
Prepaid Taxes	A-26	321,065.97	293,389.45
Sub-Total		<u>3,589,543.01</u>	<u>1,558,764.31</u>
Reserve for Receivables and Other Assets		338,518.91	322,281.55
Fund Balance	A-1	<u>695,442.14</u>	<u>113,760.39</u>
		<u>4,623,504.06</u>	<u>1,994,806.25</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-29	62,722.92	106,646.29
Unappropriated Reserves	A-30	17,737.13	5,862.19
		<u>80,460.05</u>	<u>112,508.48</u>
		<u>\$ 4,703,964.11</u>	<u>\$ 2,107,314.73</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, 2012 AND 2011

A-1

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized		\$	\$ 647,778.00
Miscellaneous Revenue Anticipated	A-2	1,853,498.13	1,465,426.99
Receipts from Delinquent Taxes	A-2a	282,218.78	239,489.20
Receipts from Current Taxes	A-2a	42,664,381.62	41,583,063.16
Nonbudget Revenue	A-2b	104,143.11	64,326.29
Other Credits to Income:			
Accounts Receivable Liquidated			175.00
Appropriation Reserves Lapsed	A-15	86,908.66	169,636.54
Accounts Payable Cancelled			15,648.75
Tax Overpayments Cancelled	A-18	147,607.44	
Increase in Deferred School Tax	A-21	156,801.50	109,927.00
Total Revenue and Other Income		<u>45,295,559.24</u>	<u>44,295,470.93</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		4,174,383.68	4,031,304.26
Other Expenses		6,062,398.56	5,823,319.89
Capital Improvements		100,000.00	125,000.00
Debt Service		603,395.35	512,009.55
Statutory Expenditures and Deferred Charges		1,129,462.81	1,108,397.03
	A-3	<u>12,069,640.40</u>	<u>11,600,030.73</u>
Interfund Advances	A-11	42,963.10	8,768.00
State Tax Court Judgments	A-18	3,045.16	
County Taxes	A-20	6,712,794.20	6,557,210.36
Local District School Tax	A-21	26,344,109.00	26,030,506.00
Reserve for Prepaid School Tax	A-25	141,325.63	248,500.13
Total Expenditures		<u>45,313,877.49</u>	<u>44,445,015.22</u>
Excess (Deficit) in Revenue		(18,318.25)	(149,544.29)
Adjustments to Income before Fund Balance:			
Expenditures Include Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	<u>600,000.00</u>	<u>218,197.85</u>
Statutory Excess to Fund Balance		581,681.75	68,653.56
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>113,760.39</u>	<u>692,884.83</u>
		695,442.14	761,538.39
Decreased by:			
Utilized as Anticipated Revenue	Above		<u>647,778.00</u>
Balance, End of Year	A	<u>\$ 695,442.14</u>	<u>\$ 113,760.39</u>

See accompanying note to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

A-2

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
<u>Miscellaneous Revenues</u>				
Alcoholic Beverage Licenses	A-10	\$ 10,000.00	\$ 10,000.00	\$
Other Licenses	A-2a	650.00	419.00	(231.00)
Fees and Permits	A-2a	98,000.00	162,310.12	64,310.12
Municipal Court Fines and Costs	A-10	142,000.00	158,081.70	16,081.70
Other Fines and Costs	A-10	3,885.00	4,645.81	760.81
Interest and Cost on Taxes	A-10	53,000.00	59,644.40	6,644.40
Parking Lot Fees	A-10	47,400.00	51,732.16	4,332.16
Interest on Investments and Deposits	A-10	790.00		(790.00)
Recreation Receipts	A-10	75,000.00	79,063.84	4,063.84
Rental of Hurrell Field	A-10	25,000.00	25,000.00	
Cable TV Franchise Fee	A-10	39,226.41	39,226.41	
Consolidated Municipal Property Tax				
Relief Aid	A-10	54,880.00	54,830.00	(50.00)
Energy Receipts Tax	A-10	344,661.00	344,661.00	
Uniform Construction Code Fees	A-10	131,500.00	132,555.00	1,055.00
PILOT - Project Live	A-10	6,000.00	6,089.26	89.26
FEMA- Hurricane Irene	A-10	47,592.74	47,592.74	
Jitney Fees	A-10	72,300.00	52,866.00	(19,434.00)
Utility Operating Surplus of Prior Year Water	A-10	191,500.00	191,500.00	
Shared Service - Montclair				
Construction Code - 2012	A-10	31,350.00	18,750.00	(12,600.00)
Shared Service - Montclair				
Construction Code - 2011	A-10	25,000.00	25,000.00	
Additional Fees- Rental of Other Athletic Fields	A-10	50,000.00	50,000.00	
Recycling	A-10	11,000.00	14,747.19	3,747.19
Mountainside Hospital Sewer Fee	A-10	9,410.00	9,410.00	
Liquidation of the Reserve for				
Prepaid School Tax	A-25	248,500.00	248,500.13	0.13
		<u>1,718,645.15</u>	<u>1,786,624.76</u>	<u>67,979.61</u>
Federal and State Grants:				
Clean Communities Program		9,436.28	9,436.28	
Municipal Alliance on Alcohol and Drug				
Abuse		38,950.00	38,950.00	
Recycling Tonnage Grant		10,676.89	10,676.89	
Recycling Grant		5,208.62	5,208.62	
State Body Armor Replacement Fund		2,601.58	2,601.58	
	A-11	<u>66,873.37</u>	<u>66,873.37</u>	
Total Miscellaneous Revenue	A-1	<u>1,785,518.52</u>	<u>1,853,498.13</u>	<u>67,979.61</u>
Receipts from Delinquent Taxes	A-2a	<u>280,000.00</u>	<u>282,218.78</u>	<u>2,218.78</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purpose		9,482,167.97		
Minimum Library Tax		487,094.46		
	A-2a	<u>9,969,262.43</u>	<u>10,126,186.52</u>	<u>156,924.09</u>
		12,034,780.95	12,261,903.43	227,122.48
Nonbudget Revenue	A-2b		<u>104,143.11</u>	<u>104,143.11</u>
	A-3	<u>\$ 12,034,780.95</u>	<u>\$ 12,366,046.54</u>	<u>\$ 331,265.59</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, 2012

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	\$42,613,550.10	\$ 281,817.12	\$42,331,732.98
Exemptions Granted	A-7	39,259.19		39,259.19
Overpayments Applied	A-7	401.66	401.66	
Prepaid Taxes Applied	A-7	293,389.45		293,389.45
Total Revenue	A-1	42,946,600.40	282,218.78	42,664,381.62
Allocated to:				
County Levy and Added Taxes	A-20	(6,712,794.20)		(6,712,794.20)
Local District School Taxes	A-21	(26,344,109.00)		(26,344,109.00)
Plus: Reserve for Uncollected Taxes	A-3	518,708.10		518,708.10
Realized Revenue	A-2	<u>\$10,408,405.30</u>	<u>\$ 282,218.78</u>	<u>\$10,126,186.52</u>
<u>Other Licenses and Fees</u>		<u>Total</u>	<u>Other Licenses</u>	<u>Permits and Fees</u>
Public Works	A-10	\$ 3,506.00	\$	\$ 3,506.00
Clerk's Office	A-10	22,969.00	69.00	22,900.00
Tax Search Fees	A-10	10.00		10.00
Public Safety	A-10	7,495.79		7,495.79
Board of Health	A-10	29,973.00	350.00	29,623.00
Construction Official	A-10	98,775.33		98,775.33
Realized Revenue	A-2	<u>\$ 162,729.12</u>	<u>\$ 419.00</u>	<u>\$ 162,310.12</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, 2012

A-2b

Ref.

Miscellaneous Revenue Not Anticipated

Cash Receipts:

Prior Year Void Checks	\$ 10,853.64
FEMA Reimbursements	14,852.19
Cost of Tax Sale	500.70
Board of Adjustment Fees	1,050.00
Alarm Fees	1,850.00
Duplicate Tax Bills	80.00
Police	423.00
Bad Check Fee	140.00
Photocopies	4,427.84
Polling Place Rental	180.00
Premium on Sale of Tax Anticipation Note	5,000.00
Administrative Fee - Homestead Rebate	219.60
DMV Fines	1,200.00
Administrative Fee - Senior Citizens and Veterans	779.30
Other	<u>7,309.32</u>

A-4

\$ 48,865.59

Administrative Fee - Police Special Duty	50,796.47
Excess Animal Control Fund Balance	3,976.08
Interest Earned	<u>504.97</u>

A-11

55,277.52

A-1, A-2

\$104,143.11

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

A-3
Sheet # 1

Appropriation	Appropriations		Paid or Charged	Expended		Reserved	Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered		
APPROPRIATIONS WITHIN "CAPS":							
GENERAL GOVERNMENT							
Administrative and Executive:							
Salaries and Wages	\$ 100,631.00	\$ 101,668.72	\$ 101,668.72	\$	\$	\$	\$
Other Expenses	38,000.00	38,000.00	34,516.37	1,646.36	1,837.27		
Elections:							
Salaries and Wages	4,000.00	4,000.00	3,727.09		272.91		
Other Expenses							
Financial Administration:							
Salaries and Wages	79,434.00	79,434.00	79,433.03		0.97		
Other Expenses	58,512.00	58,512.00	33,120.07	20,606.42	4,785.51		
Annual Audit	25,000.00	25,000.00			25,000.00		
Assessment of Taxes:							
Salaries and Wages	45,000.00	45,000.00	40,626.74	1,232.00	3,141.26		
Other Expenses	9,000.00	9,000.00	3,693.81	280.00	5,026.19		
Revaluation		270,000.00	65,654.00	150,546.00	53,800.00		
Collection of Taxes:							
Salaries and Wages	66,500.00	67,671.03	67,671.03				
Other Expenses	6,500.00	7,315.10	7,165.87	129.23	0.00		
Community Affairs and Public Relations:							
Other Expenses	30,000.00	30,000.00	26,577.23	250.00	3,172.77		
Legal Services and Costs:							
Salaries and Wages	22,762.00	22,762.00	22,690.90		71.10		
Other Expenses	62,500.00	82,500.00	79,268.50	2,239.10	992.40		
Engineering Services and Costs:							
Salaries and Wages	71,421.00	69,403.39	69,403.39				
Other Expenses	27,900.00	27,900.00	24,359.98		3,540.02		
Public Buildings and Grounds:							
Salaries and Wages	42,950.00	23,006.33	23,006.33				
Other Expenses	48,000.00	48,000.00	31,786.54	12,583.65	3,629.81		
Planning Board:							
Other Expenses	5,000.00	5,000.00	2,681.04		2,318.96		
Board of Adjustment:							
Other Expenses	4,600.00	4,600.00	2,370.80		2,229.20		
Shade Tree Commission:							
Salaries and Wages	1,050.00	1,050.00	483.08		566.92		
Other Expenses	106,000.00	106,000.00	88,459.52	15,978.00	1,562.48		
Insurance:							
Surety Bond Premiums							
General Liability	290,462.00	290,462.00	280,962.00		9,500.00		
Workers Compensation	155,828.00	155,828.00	155,827.00		1.00		
Employee Group Health	759,246.00	759,246.00	744,216.48		15,029.52		
Municipal Court:							
Salaries and Wages	175,550.00	178,156.36	178,156.36				
Other Expenses	18,000.00	18,000.00	16,499.13	45.90	1,454.97		
Public Defender:							
Salaries and Wages	5,200.00	5,200.00	5,200.00				

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

A-3
Sheet # 2

Appropriation	Appropriations		Paid or Charged	Expended		Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
PUBLIC SAFETY						
Department of Public Safety:						
Salaries and Wages	\$ 2,312,190.00	2,312,190.00	\$ 2,311,128.97	\$	\$ 1,061.03	\$
Other Expenses	145,974.00	147,974.00	137,197.71	10,175.72	600.57	
Life Hazard Use Fees:						
Other Expenses	13,000.00	13,000.00	13,000.00			
Crossing Guards:						
Salaries and Wages	123,423.75	123,423.75	123,423.75			
Police Dispatchers:						
Salaries and Wages	226,934.00	220,964.61	217,091.26		3,873.35	
Aid to Volunteer Ambulance Companies:						
Other Expenses	9,000.00	9,000.00	9,000.00			
Fire Suppression Contract:						
Other Expenses						
Municipal Prosecutor:						
Salaries and Wages	21,861.00	21,861.00	21,861.00			
STREETS AND ROADS						
Road Repair and Maintenance:						
Salaries and Wages	190,000.00	190,000.00	190,000.00			
Other Expenses	55,990.00	55,990.00	35,568.95	12,036.57	8,384.48	
Storms:						
Salaries and Wages	20,000.00	24,333.75	24,333.75			
Other Expenses	1,000.00	1,000.00	256.25		743.75	
SANITATION						
Sewer System:						
Salaries and Wages	3,300.00	3,300.00	1,527.10		1,772.90	
Other Expenses	10,000.00	8,000.00	5,445.20		2,554.80	
Garbage and Trash Removal:						
Other Expenses	832,000.00	839,000.00	795,009.62	43,452.00	538.38	
HEALTH AND WELFARE						
Board of Health:						
Salaries and Wages	45,461.40	44,461.40	43,975.85		485.55	
Other Expenses	3,000.00	3,000.00	1,934.82	950.99	114.19	
Administration of Public Assistance:						
Other Expenses						

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

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	\$ 147,020.00	\$ 147,020.00	\$ 145,796.67	\$ 2,248.04	\$ 1,223.33	\$
Other Expenses	87,700.00	87,700.00	79,587.15		5,864.81	
Hurrell Field:						
Salaries and Wages	64,490.00	59,831.15	59,831.15			
Other Expenses	33,600.00	33,798.77	28,404.85	906.00	4,488.92	
Recreation:						
Salaries and Wages	193,312.00	194,937.00	194,937.00	1,110.00	3,294.91	
Other Expenses	63,392.00	63,392.00	58,987.09			
Jitney Operation:						
Salaries and Wages	86,020.00	86,020.00	85,605.34		414.66	
Other Expenses	12,000.00	12,000.00	10,391.90		1,608.10	
<u>UNIFORM CONSTRUCTION CODE</u>						
Construction Code Officials:						
Inspection of Buildings:						
Salaries and Wages	169,270.00	152,689.19	138,344.37	189.27	14,344.82	
Other Expenses	3,000.00	3,000.00	2,648.60		162.13	
<u>UNCLASSIFIED</u>						
Electricity	125,000.00	125,000.00	104,543.37	127.31	20,329.32	
Gasoline, Diesel Fuel and Lubricants	125,000.00	125,000.00	102,705.40	6,804.24	15,490.36	
Street Lighting	200,000.00	200,000.00	176,399.73		23,600.27	
Total Operations Within "CAPS"	7,581,984.15	7,840,602.55	7,308,181.86	283,536.80	248,883.89	
Detail:						
Salaries and Wages	4,213,780.15	4,174,383.68	4,146,195.79		26,955.89	
Other Expenses	3,368,204.00	3,666,218.87	3,161,986.07	283,536.80	221,928.00	
<u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Public Employees' Retirement System	240,627.00	240,627.00	240,627.00			
Social Security System (OASI)	158,600.00	158,600.00	152,270.11		6,329.89	
State Unemployment Insurance	20,000.00	20,000.00	20,000.00			
Consolidated Police and Firemen's Pension	6,600.00	6,600.00				6,600.00
Police and Firemen's Retirement System	550,494.00	550,494.00	550,494.00			
	976,321.00	976,321.00	963,391.11		6,329.89	
Total Appropriations Within "CAPS"	8,558,305.15	8,816,923.55	8,271,572.97	283,536.80	255,213.78	6,600.00

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

A-3
Sheet # 4

Appropriation	Appropriations		Paid or Charged	Expended		Cancelled
	Budget	Modified Budget		Encumbered	Reserved	
					Unencumbered	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
OTHER OPERATIONS						
Maintenance of Free Public Library	\$ 598,186.00	\$ 598,186.00	\$ 562,389.80	\$	\$ 35,796.20	\$
Recycling Tax	18,000.00	18,000.00	7,945.68		4,054.32	6,000.00
Joint Outlet Sewer Maintenance	484,431.69	493,970.21	491,331.88		2,638.33	
Group Health Insurance	45,754.00	45,754.00	16,205.55			29,548.45
Emergency-Hurricane Sandy		330,000.00	228,002.61	22,332.04	79,665.35	
	<u>1,146,371.69</u>	<u>1,485,910.21</u>	<u>1,305,875.52</u>	<u>22,332.04</u>	<u>122,154.20</u>	<u>35,548.45</u>
Interlocal Municipal Service Agreements						
Township of Montclair:						
Health Services	25,496.00	25,496.00	19,122.00			6,374.00
Fire Prevention Suppression Contract			790,958.56			
Animal Control Services	14,752.00	14,752.00	14,752.00			
Sanitary Sewer	38,000.00	38,000.00	38,000.00			
Other Expenses						
	<u>868,776.00</u>	<u>869,206.56</u>	<u>862,832.56</u>		<u>6,374.00</u>	
PUBLIC AND PRIVATE PROGRAMS OFFSET						
BY REVENUES						
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	9,436.28	9,436.28	9,436.28			
Body Armor Replacement Fund	2,601.58	2,601.58	2,601.58			
Recycling Tonnage Grant	15,885.51	15,885.51	15,885.51			
Total Public and Private Programs	<u>76,611.37</u>	<u>76,611.37</u>	<u>76,611.37</u>			
Total Operations Excluded from "CAPS"	<u>2,091,759.06</u>	<u>2,431,728.14</u>	<u>2,245,319.45</u>	<u>22,332.04</u>	<u>128,528.20</u>	<u>35,548.45</u>
Detail:						
Salaries and Wages						
Other Expenses	<u>2,091,759.06</u>	<u>2,431,728.14</u>	<u>2,245,319.45</u>	<u>22,332.04</u>	<u>128,528.20</u>	<u>35,548.45</u>
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>			
	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>			

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

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	173,662.50	173,662.52	173,662.52			
Tax Appeal Refunding	98,230.00	98,230.00	94,000.00			4,230.00
Loan Repayments for Principal	36,641.61	36,641.61	36,641.61			
Clean Water Infrastructure Loan	22,678.72	24,091.22	24,091.22			
	<u>606,212.83</u>	<u>607,625.35</u>	<u>603,395.35</u>			<u>4,230.00</u>
DEFERRED CHARGES						
Special Emergency Authorization	54,013.79	54,013.79	54,013.79			
Special Emergency Authorizations - 5 Years	51,000.00	51,000.00	51,000.00			54.00
Special Emergency Authorizations - 3 Years	54,782.02	54,782.02	54,782.02			54.00
	<u>159,795.81</u>	<u>159,795.81</u>	<u>159,741.81</u>			<u>54.00</u>
Total Appropriations Excluded from "CAPS"	<u>2,957,767.70</u>	<u>3,299,149.30</u>	<u>3,108,456.61</u>	<u>22,332.04</u>	<u>128,528.20</u>	<u>39,832.45</u>
Sub-Total Appropriations	11,516,072.85	12,116,072.85	11,380,029.58	305,868.84	383,741.98	46,432.45
Reserve for Uncollected Taxes	518,708.10	518,708.10	518,708.10			
Total General Appropriations	<u>\$ 12,034,780.95</u>	<u>\$ 12,634,780.95</u>	<u>\$ 11,898,737.68</u>	<u>\$ 305,868.84</u>	<u>\$ 383,741.98</u>	<u>\$ 46,432.45</u>
Ref.	A-2	Below	Below	A, A-1	A, A-1	Below
Adopted Budget						
Emergency Appropriation	A-2, Above	\$ 12,034,780.95	\$			
Special Emergency Appropriation	A-1, A-12		105,013.79			
Special Emergency Appropriation	A-13		54,728.02			
Special Emergency Appropriation	A-14	600,000.00				
Reserve for Uncollected Taxes	A-2a	(518,708.10)				
Cash Disbursements	A-4		518,708.10			
Interfunds Payable	A-11		11,049,676.40			
Cancelled	Above	(46,432.45)	170,611.37			
		<u>\$ 12,069,640.40</u>	<u>\$ 11,898,737.68</u>			
	A-1					

BOROUGH OF GLEN RIDGE
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Animal Control Fund</u>			
Cash	B-2	\$ 20,588.08	\$ 15,306.73
<u>General Trust Fund</u>			
Cash	B-2	269,009.32	164,105.92
Community Development Block Grant Receivable	B-3	39,500.00	108,200.00
Police Outside Service Receivable	B-5	5,730.00	14,784.23
Interfunds Receivable	B-4	230,045.07	269,099.64
		<u>544,284.39</u>	<u>556,189.79</u>
		<u>\$ 564,872.47</u>	<u>\$ 571,496.52</u>
<u>LIABILITIES AND RESERVES</u>			
<u>Animal Control Fund</u>			
Interfunds Payable	B-8	\$ 3,976.08	\$ 642.60
Due to State of New Jersey	B-6		52.80
Reserve for Expenditures	B-9	16,612.00	14,611.33
		<u>20,588.08</u>	<u>15,306.73</u>
<u>General Trust Fund</u>			
Interfunds Payable	B-8	48,397.62	66,968.00
Payroll Deductions Payable	B-7	40,026.29	40,278.16
Reserves for:			
Special Deposits	B-10	269,526.41	305,380.18
State Unemployment Compensation			
Insurance	B-11	146,805.72	93,535.10
Community Development Block Grant	B-12	39,500.00	50,000.00
Fund Balance	B-1	28.35	28.35
		<u>544,284.39</u>	<u>556,189.79</u>
		<u>\$ 564,872.47</u>	<u>\$ 571,496.52</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
TRUST FUND

FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

B-1

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ <u>28.35</u>
Balance, December 31, 2012	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, 2012 AND 2011

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash	C-2	\$ 48,944.00	\$ 110,014.38
Due from State of New Jersey	C-4	52,500.00	200,854.01
Infrastructure Loan Receivable	C-5	64,657.00	202,035.00
Interfunds Receivable	C-6	15,250.40	115,551.49
Deferred Charges to Future Taxation:			
Funded	C-7	4,629,413.08	4,947,022.33
Unfunded	C-8	247,485.00	341,627.00
		<u>\$ 5,058,249.48</u>	<u>\$ 5,917,104.21</u>
 <u>LIABILITIES AND RESERVES</u>			
Improvement Authorizations:			
Funded	C-9	\$ 87,232.21	\$ 401,616.48
Unfunded	C-9	59,485.00	109,525.91
Interfunds Payable	C-6		39,511.00
Capital Improvement Fund	C-10	80,965.70	129,683.44
Green Trust Loan Payable	C-11	389,195.95	417,626.48
Infrastructure Loan Payable	C-14	330,217.13	344,395.85
Serial Bonds Payable	C-13	3,910,000.00	4,185,000.00
Bond Anticipation Note	C-12	188,000.00	282,000.00
Fund Balance	C-1	13,153.49	7,745.05
		<u>\$ 5,058,249.48</u>	<u>\$ 5,917,104.21</u>
 Bonds and Notes Authorized but Not Issued			
	C-15	<u>\$ 59,485.00</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, 2012

C-1

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$ 7,745.05
Increased by:			
Cash Receipts	C-2	\$ 1,475.00	
Improvement Authorizations Cancelled	C-9	<u>3,933.44</u>	
			<u>5,408.44</u>
Balance, December 31, 2012	C		<u>\$ 13,153.49</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

D

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 307,246.56	\$ 342,662.12
Consumer Accounts Receivable	D-7	112,902.48	102,931.27
Interfunds Receivable	D-13		106,802.42
Deferred Charges	D-10		22,343.07
		<u>420,149.04</u>	<u>574,738.88</u>
<u>Capital Fund</u>			
Cash	D-5, D-6	53,565.96	63,909.84
Note Receivable	D-9		164,184.06
Environmental Infrastructure Receivable	D-8		705,996.00
Fixed Capital	D-11	8,303,185.92	7,548,702.72
Fixed Capital - Authorized and Uncompleted	D-12	30,000.00	880,000.00
Interfunds Receivable	D-13		206.00
		<u>8,386,751.88</u>	<u>9,362,998.62</u>
		<u>\$ 8,806,900.92</u>	<u>\$ 9,937,737.50</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves - Encumbered	D-4, D-14	\$ 464.40	\$ 2,252.16
Appropriation Reserves - Reserved	D-4, D-14	13,106.67	19,494.98
Interfunds Payable	D-13	230,045.07	225,000.00
Accrued Interest on Loans	D-18	32,025.42	5,894.48
Overpaid Water Rents	D-21	9,170.18	5,234.07
		<u>284,811.74</u>	<u>257,875.69</u>
Reserve for Receivables	Above	112,902.48	102,931.27
Fund Balance	D-1	22,434.82	213,931.92
		<u>420,149.04</u>	<u>574,738.88</u>
<u>Capital Fund</u>			
Improvement Authorizations:			
Funded	D-15	657.50	739,979.82
Unfunded	D-15		84,137.00
Interfunds Payable	D-13		106,802.42
Loans Payable	D-16	4,833,189.33	5,172,855.74
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	3,499,996.59	3,171,709.98
Fund Balance	D-2	37,243.27	71,848.47
		<u>8,386,751.88</u>	<u>9,362,998.62</u>
		<u>\$ 8,806,900.92</u>	<u>\$ 9,937,737.50</u>
Bonds and Notes Authorized but Not Issued	D-22	\$	\$ 84,137.00

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, 2012 AND 2011

D-1

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized		\$	\$ 27,847.44
Rents	D-3	1,207,611.75	1,214,759.67
Miscellaneous Revenue Anticipated	D-3	4,377.51	32,200.99
Water Capital Surplus	D-3	71,848.00	
Other Credits to Income:			
Appropriation Reserves Lapsed			21,471.26
Total Income		<u>1,283,837.26</u>	<u>1,296,279.36</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		282,206.00	261,440.77
Other Expenses		514,681.10	454,802.99
Debt Service		464,604.19	366,103.68
Deferred Charges		22,343.07	
	D-4	<u>1,283,834.36</u>	<u>1,082,347.44</u>
Statutory Excess to Fund Balance		2.90	213,931.92
<u>Fund Balance</u>			
Balance, Beginning of Year	D	<u>213,931.92</u>	<u>27,847.44</u>
		213,934.82	241,779.36
Decreased by:			
Amount Utilized as Anticipated Revenue			27,847.44
Amount Anticipated as Revenue - Current Fund	D-5	<u>191,500.00</u>	
Balance, End of Year	D	<u>\$ 22,434.82</u>	<u>\$ 213,931.92</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, 2012

D-2

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 71,848.47
Increased by:		
Funded Improvements Cancelled	D-20	<u>37,242.80</u>
		109,091.27
Decreased by:		
Anticipated Revenue	D-13	<u>71,848.00</u>
Balance, December 31, 2012	D	<u><u>\$ 37,243.27</u></u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Rents	D-1, D-7	\$ 1,214,000.00	1,207,611.75	(6,388.25)
Water Capital Surplus	D-1, D-13	71,848.00	71,848.00	
Additional Revenue - Rate Increase and Meter Change		28,754.97		(28,754.97)
Miscellaneous	D-1, D-5		4,377.51	4,377.51
	D-4	<u>\$ 1,314,602.97</u>	<u>\$ 1,283,837.26</u>	<u>\$ (30,765.71)</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

D-4

Appropriation	Appropriations		Expended		Reserved	Cancelled
	Budget	Modified Budget	Paid or Charged	Encumbered		
<u>Operating</u>						
Salaries and Wages	\$ 313,746.00	\$ 282,206.00	\$ 273,544.62	\$	\$ 8,661.38	\$
Other Expenses	483,141.10	514,681.10	509,771.41	464.40	4,445.29	
<u>Debt Service</u>						
Water Supply Rehabilitation Loan	495,372.80	495,372.80	464,604.19			30,768.61
<u>Deferred Charges</u>						
Overexpenditure of Budget Appropriation:	22,343.07	22,343.07	22,343.07			
	<u>\$ 1,314,602.97</u>	<u>\$ 1,314,602.97</u>	<u>\$ 1,270,263.29</u>	<u>\$ 464.40</u>	<u>\$ 13,106.67</u>	<u>\$ 30,768.61</u>
<u>Ref.</u>	D-3	D-3	Below	D	D	Below
<u>Ref.</u>						
Adopted Budget	Above	\$ 1,314,602.97	\$			
Cash Disbursements	D-5		1,121,245.08			
Accrued Interest on Loans	D-18		124,937.78			
Deferred Charges	D-10		22,343.07			
Interfunds	D-13		1,737.36			
Cancelled	Above	(30,768.61)				
	D-1	<u>\$ 1,283,834.36</u>	<u>\$ 1,270,263.29</u>			

BOROUGH OF GLEN RIDGE
POOL UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2012 AND 2011

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Operating Fund</u>			
Cash	E-5	\$ 189,643.44	\$ 191,029.57
Cash - Change Fund	E-6	100.00	100.00
Accounts Receivable	E-10		85.00
Notes Receivable	E-8	109,456.04	
		<u>299,199.48</u>	<u>191,214.57</u>
<u>Capital Fund</u>			
Cash	E-5	14,623.26	
Fixed Capital Authorized and Uncompleted	E-9		40,000.00
Fixed Capital	E-7	1,575,376.74	1,550,000.00
		<u>1,590,000.00</u>	<u>1,590,000.00</u>
		<u>\$ 1,889,199.48</u>	<u>\$ 1,781,214.57</u>
<u>LIABILITIES AND RESERVES</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	E-4, E-12	\$ 891.40	\$ 25,298.38
Reserved	E-4, E-12	76,357.43	58,871.33
Accounts Payable	E-11	1,365.03	1,095.03
Accrued Interest on Bonds	E-13	8,250.00	13,932.29
Fund Balance	E-1	212,335.62	92,017.54
		<u>299,199.48</u>	<u>191,214.57</u>
<u>Capital Fund</u>			
Improvement Authorizations:			
Unfunded	E-14		40,000.00
Bond Anticipation Note	E-16	600,000.00	
Serial Bonds Payable	E-17		560,000.00
Reserve for Amortization	E-15	975,376.74	990,000.00
Fund Balance	E-2	14,623.26	
		<u>1,590,000.00</u>	<u>1,590,000.00</u>
		<u>\$ 1,889,199.48</u>	<u>\$ 1,781,214.57</u>
Bonds and Notes Authorized but Not Issued	E-18	<u>\$</u>	<u>40,000.00</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, 2012 AND 2011

E-1

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized		\$	\$ 60,000.00
Membership Fees	E-3	380,749.00	336,569.00
Miscellaneous Revenue	E-3	6.37	93.94
Other Credits to Income:			
Cancellation of Accrued Interest	E-13	5,682.29	
Appropriation Reserves Lapsed	E-12	58,880.42	19,508.57
Total Income		<u>445,318.08</u>	<u>416,171.51</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		137,000.00	110,856.79
Other Expenses		138,000.00	124,143.21
Capital Improvements		50,000.00	49,808.34
Debt Service			100,441.66
	E-4	<u>325,000.00</u>	<u>385,250.00</u>
Excess in Revenue		120,318.08	30,921.51
<u>Fund Balance</u>			
Balance, Beginning of Year	E	<u>92,017.54</u>	<u>121,096.03</u>
		212,335.62	152,017.54
Decreased by:			
Amount Utilized as Anticipated Revenue			<u>60,000.00</u>
Balance, End of Year	E	<u>\$ 212,335.62</u>	<u>\$ 92,017.54</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF FUND BALANCE
REGULATORY BASIS
CAPITAL FUND
YEAR ENDED DECEMBER 31, 2012

E-2

	<u>Ref.</u>	
Increased by:		
Improvement Authorization Cancelled	E-15	<u>\$ 14,623.26</u>
Balance December 31, 2012	E	<u><u>\$ 14,623.26</u></u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

E-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Pool Fees	E-1, E-5	\$ 325,000.00	\$ 380,749.00	\$ 55,749.00
Miscellaneous - Interest	E-1, E-5		6.37	6.37
	E-4	<u>\$ 325,000.00</u>	<u>\$ 380,755.37</u>	<u>\$ 55,755.37</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENTS OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2012

E-4

<u>Appropriation</u>	<u>Appropriations</u>		<u>Expended</u>		<u>Reserved</u>
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	
<u>Operating</u>					
Salaries and Wages	\$ 137,000.00	\$ 137,000.00	\$ 134,475.24	\$ 891.40	\$ 2,524.76
Other Expenses	138,000.00	138,000.00	102,734.95		34,373.65
<u>Capital Improvements</u>					
Capital Outlay	50,000.00	50,000.00	10,540.98		39,459.02
	<u>\$ 325,000.00</u>	<u>\$ 325,000.00</u>	<u>\$ 247,751.17</u>	<u>\$ 891.40</u>	<u>\$ 76,357.43</u>
<u>Ref.</u>	<u>E-3</u>	<u>E-3</u>	<u>E-5</u>	<u>E</u>	<u>E</u>

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012

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 year.

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 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, 2012, the Borough had funds on deposit in checking accounts. The amount of the Borough's cash on deposit as of December 31, 2012 was \$4,715,279.00. 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 July 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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	<u>\$ 3.051</u>	<u>\$ 2.968</u>	<u>\$ 2.907</u>	<u>\$ 2.776</u>	<u>\$ 2.687</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.672	\$ 0.637	\$ 0.649	\$ 0.615	\$ 0.588
Municipal Library	0.035	0.035			
County	0.460	0.446	0.428	0.414	0.407
County Open Space	0.016	0.016	0.017	0.016	0.017
School	<u>1.868</u>	<u>1.834</u>	<u>1.813</u>	<u>1.731</u>	<u>1.675</u>

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2012	\$ 1,410,160,201.00
2011	1,419,213,439.00
2010	1,423,628,332.00
2009	1,437,278,029.00
2008	1,443,195,591.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2012	\$ 43,089,851.53	\$ 42,664,381.62	99.01 %*
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

* 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>
2012	\$ 22,289.64	\$ 251,820.51	\$ 274,110.15	0.64 %
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

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>
2012	\$ 410.00
2011	410.00
2010	410.00
2009	410.00
2008	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>
2012	\$ 1,217,582.96	\$ 1,207,611.75
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

*Includes prior year rent collections.

6. **FUND BALANCES APPROPRIATED**

Current Fund:	2012	\$ 690,442.14	\$ 235,475.87 *
	2011	113,760.39	
	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
Water Utility Operating Fund:	2012	22,434.82	
	2011	213,931.92	200,000.00 (1)
	2010	27,847.44	27,847.44
	2009	107,706.91	99,000.00 (2)
	2008	248,155.38	200,000.00 (3)
Pool Utility Operating Fund:	2012	212,335.62	60,000.00 *
	2011	92,017.54	
	2010	121,096.03	60,000.00
	2009	70,577.58	70,577.00
	2008	148,228.07	148,228.00

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

(2) Anticipated in Current Fund Budget

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

* As introduced

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. The Borough does not provide health benefits to employees after 25 years.

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 age 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 6.67% 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:

Year	PERS		PFRS		CPFPPF
	Borough	Employees	Borough	Employees	Borough
2012	\$ 240,627.00	\$ 164,974.96	\$ 550,494.00	\$ 274,749.70	-
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

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 2012, 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 0.385%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 5,555,000.00	\$ 5,555,000.00	\$
Water Utility	4,833,189.33	4,028,948.73	804,240.60
General Capital	4,876,898.08		4,876,898.08
Swimming Pool Utility	<u>600,000.00</u>	<u>600,000.00</u>	
	<u>\$ 15,865,087.41</u>	<u>\$ 10,183,948.73</u>	<u>\$ 5,681,138.68</u>

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

3 1/2 of Equalized Valuation Basis	\$ 51,590,870.89
Net Debt	<u>5,681,138.68</u>
Remaining Borrowing Power	<u>\$ 45,909,732.21</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		\$ 1,211,989.26
Deductions:		
Operating and Maintenance Cost	\$ 796,887.10	
Debt Service per Water Utility Operating Fund	<u>455,314.19</u>	
		<u>1,252,201.29</u>
Deficit in Revenue		<u>\$ (40,212.03)</u>

There being an deficit in revenue, not all Water Utility Debt is deductible for Debt Statement purposes. The deficit of \$40,212.03 is capitalized at 5% which results in \$804,240.60 being subject to net debt.

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		\$ 380,755.37
Deductions:		
Operating and Maintenance Cost	\$ 275,000.00	
Debt Service	<u> </u>	
		<u>275,000.00</u>
Excess in Revenue		<u>\$ 105,755.37</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, 2012, the Borough's long-term debt is as follows:

General Capital Improvement Bonds

\$5,160,000.00 Bonds, due in annual installments of \$300,000.00 to \$400,000 through October 2023, interest at 4.00% to 4.25%	<u>\$ 3,910,000.00</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>
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>\$ 4,913,600.00</u>	<u>\$ 3,910,000.00</u>	<u>\$ 1,003,600.00</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>
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>\$ 439,699.32</u>	<u>\$ 389,195.95</u>	<u>\$ 50,503.37</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>
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>\$ 420,717.13</u>	<u>\$ 330,217.13</u>	<u>\$ 90,500.00</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>
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>\$ 5,678,864.57</u>	<u>\$ 4,833,189.33</u>	<u>\$ 845,675.24</u>

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

	Balance Dec. 31, 2012	Balance Dec. 31, 2011
General Capital Fund:		
General Improvements	\$ 59,485.00	\$ 59,627.00
Water Utility Capital Fund:		
General Improvements		84,137.00
Pool Utility Capital Fund:		
General Improvements		40,000.00
	<u>\$ 59,485.00</u>	<u>\$ 183,764.00</u>

Special Emergency Notes

- A. A special emergency note was issued for the 2011 storms in the sum of \$164,184.00. The Borough is required to pay down the note in three equal installments of \$54,728.02. The balance remaining at December 31, 2012 is \$109,456.04. The note was issued by the Borough's Pool Operating Utility Fund and was at 0% interest.
- B. A special emergency note was issued for the 2012 Sandy storm in the sum of \$330,000.00 and for a revaluation of the Borough's tax assessment for \$270,000.00 for a total of \$600,000.00. A note was issued for \$600,000.00 bearing interest at a rate of 1.50%. The note matures December 27, 2013. The Borough is required to fund one-fifth of the total each year which is \$120,000.00

Bond Anticipation Notes

General Capital Fund:

A bond anticipation note was issued for the Borough's tax appeal refunding issue in the sum of \$188,000.00. The note is due December 27, 2013 and bears interest at a rate of 1.50%.

Pool Utility Capital Fund:

The Borough refunded their outstanding pool serial bonds. Bond Anticipation notes were issued in the sum of \$600,000.00. The notes are payable in equal yearly installments of \$100,000.00. The note outstanding at December 31, 2012 is \$600,000.00 and bears interest at a rate of 1.50%

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2012, 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	\$ 52,373.70	\$ 56,760.45
Federal/State Grant Fund	41,510.05	
Animal Control Fund		3,976.08
General Trust Fund	230,045.07	48,397.62
General Capital Fund	15,250.40	
Water Utility Operating Fund		230,045.07
	<u>\$ 339,179.22</u>	<u>\$ 339,179.22</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, 2012 the following deferred charges are shown on the balance sheets of various funds:

	Balance <u>Dec. 31, 2012</u>	2013 Budget <u>Appropriation</u>
<u>Current Fund</u>		
Special Emergency (40A:4-53):		
Revaluation	\$ 270,000.00	\$ 54,000.00
Sandy Storm	330,000.00	66,000.00
Storm Damage (40A:4-55)	109,356.04	54,728.02

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, 2012</u>	Balance <u>Dec. 31, 2011</u>	<u>Increase</u>
*Balance of Tax	\$ 13,172,054.50	\$ 13,015,253.00	\$ 156,801.50
Amount Deferred	<u>13,172,054.50</u>	<u>13,015,253.00</u>	<u>156,801.50</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 \$646,178.81, computed internally at the 2012 salary rates, would be payable to officials and employees of the Borough as of December 31, 2012 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, 2012 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, 2012 through May 22, 2013, 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 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 \$146,805.72.

BOROUGH OF GLEN RIDGE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2012

A-4

	<u>Ref.</u>	<u>Current Fund</u>
Balance, December 31, 2011	A	\$ 1,154,656.72
Increased by Cash Receipts:		
Nonbudget Revenue	A-2b	\$ 48,865.59
Petty Cash Returned	A-5	600.00
Tax Exemptions Due from State	A-6	38,965.07
Taxes Receivable	A-7	42,613,550.10
Revenue Accounts Receivable	A-10	1,345,349.63
Interfund Settlements	A-11	800,455.50
Fees Payable to State	A-17	12,176.00
Tax Overpayments	A-18	90,817.25
Inspection Fees Payable	A-19	17,270.00
Emergency Note Payable	A-23	709,456.04
Tax Anticipation Note	A-24	1,595,000.00
Prepaid Taxes	A-26	281,089.20
		<u>47,553,594.38</u>
		48,708,251.10
Decreased by Cash Disbursed:		
Budget Appropriations	A-3	11,049,676.40
Petty Cash Fund Established	A-5	600.00
Interfund Settlements	A-11	768,064.29
Appropriation Reserves	A-15	413,866.43
Accounts Payable	A-16	7,414.85
Due to State of New Jersey	A-17	12,481.00
Refund of Tax Overpayments	A-18	47,992.39
Inspection Fees Payable	A-19	17,011.00
County Taxes Payable	A-20	6,712,794.20
Local School District Tax	A-21	25,938,807.37
Prepaid School Taxes	A-22	141,325.63
Emergency Note Payable	A-23	164,184.06
		<u>45,274,217.62</u>
Balance, December 31, 2012	A	<u>\$ 3,434,033.48</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2012

A-5

	<u>Ref.</u>	
Balance, December 31, 2011	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, 2012	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, 2012

A-6

	<u>Ref.</u>		
Balance, December 31, 2011 (Due To)	A		\$ (2,530.56)
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$ 2,750.00	
Veterans		36,250.00	
Senior Citizens'/Veterans' Deductions Allowed by Tax Collector		500.00	
		<u>39,500.00</u>	
Less: Senior Citizens'/Veterans' Deductions Disallowed by Tax Collector		240.81	
	A-7		<u>39,259.19</u>
			36,728.63
Decreased by:			
Cash Received	A-4		<u>38,965.07</u>
Balance, December 31, 2012 (Due To)	A		<u><u>\$ (2,236.44)</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2012

A-7

Year	Balance December 31, 2011	2012 Levy	2011	Collected 2012	Exemptions Granted	Cancelled	Transferred to Tax Title Liens	Balance December 31, 2012
2010	\$ 401.89	\$	\$	\$ 401.89	\$	\$	\$	\$
2011	282,306.62			281,816.89		489.73		
	282,708.51			282,218.78		489.73		
2012		43,089,851.53	293,389.45	42,331,732.98	39,259.19	171,019.43	2,629.97	251,820.51
	\$ 282,708.51	\$ 43,089,851.53	\$ 293,389.45	\$ 42,613,951.76	\$ 39,259.19	\$ 171,509.16	\$ 2,629.97	\$ 251,820.51
Ref.	A	Below	A-2a, A-26	Below	A-2a, A-6	Reserve	A-8	A

Ref.

Cash Receipts	A-4	\$ 42,613,550.10
Overpayments Applied	A-2a, A-18	401.66
		<u>\$ 42,613,951.76</u>

Analysis of Property Tax Yield and Levy

Tax Yield	Ref.	
General Purpose Tax		\$ 43,020,962.73
Added Taxes		68,888.80
	Above	<u>\$ 43,089,851.53</u>
Tax Levy		
Local District School Tax (Abstract)	A-21	\$ 26,344,109.00
County Taxes:		
Regular County Tax (Abstract)	A-20	\$ 6,482,617.12
Added Taxes	A-20	10,747.34
Open Space	A-20	219,429.74
		6,712,794.20
Local Taxes:		
For Municipal Purposes	A-2	9,482,167.97
Minimum Library	A-2	487,094.46
Additional Tax Levied		63,685.90
		10,032,948.33
	Above	<u>\$ 43,089,851.53</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2012

A-8

<u>Block</u>	<u>Lot</u>	<u>Date of Sale</u>	<u>Lien Number</u>	<u>Balance Dec. 31, 2011</u>	<u>Transfer from Taxes Receivable</u>	<u>Balance Dec. 31, 2012</u>
06	12	11-16-64	2-96	\$ 7,992.11	\$ 167.81	\$ 8,159.92
06	12A	11-16-64	3-96	3,326.22	128.14	3,454.36
63	15	06-17-09	9-06	<u>8,341.34</u>	<u>2,334.02</u>	<u>10,675.36</u>
				<u>\$ 19,659.67</u>	<u>\$ 2,629.97</u>	<u>\$ 22,289.64</u>
			<u>Ref.</u>	A	A-7	A

BOROUGH OF GLEN RIDGE
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
YEAR ENDED DECEMBER 31, 2012

A-9

	<u>Ref.</u>	
Balance, December 31, 2011	A	<u>\$ 410.00</u>
Balance, December 31, 2012	A	<u>\$ 410.00</u>

List of Property as of December 31, 2012

<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, 2012

A-10

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Township Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 10,000.00	\$ 10,000.00	\$
Other Licenses	A-2a		69.00	69.00	
Other Fees and Permits	A-2a		22,900.00	22,900.00	
Public Works:					
Other Fees and Permits	A-2a		3,506.00	3,506.00	
Tax Collector:					
Interest and Cost on Taxes	A-2		59,644.40	59,644.40	
Tax Search Fees	A-2a		10.00	10.00	
Board of Health:					
Other Licenses	A-2a		350.00	350.00	
Other Fees and Permits	A-2a		29,623.00	29,623.00	
Department of Public Safety:					
Parking Lot Fees	A-2		51,732.16	51,732.16	
Other Fees and Permits -					
Life Hazard Fees	A-2a		7,495.79	7,495.79	
Construction Official:					
Building Permits	A-2		132,555.00	132,555.00	
Other Fees and Permits	A-2a		98,775.33	98,775.33	
Municipal Court	A-2	10,092.77	159,613.99	158,081.70	11,625.06
Library Fines	A-2		4,645.81	4,645.81	
Recreation Receipts	A-2		79,063.84	79,063.84	
Jitney Fees	A-2		52,866.00	52,866.00	
Shared Service - Montclair	A-2		43,750.00	43,750.00	
Rental of Hurrell Field	A-2		75,000.00	75,000.00	
Cable TV Franchise Fee	A-2		39,226.41	39,226.41	
Recycling	A-2		14,747.19	14,747.19	
PILOT - Project Live	A-2		6,089.26	6,089.26	
Water Utility Operating Surplus	A-2		191,500.00	191,500.00	
FEMA - Hurricane Irene	A-2		47,592.74	47,592.74	
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		54,830.00	54,830.00	
		<u>\$ 10,092.77</u>	<u>\$ 1,539,656.92</u>	<u>\$ 1,538,124.63</u>	<u>\$ 11,625.06</u>

<u>Ref.</u>	A	Reserve	Below	A
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Ref.

Cash Receipts	A-4	\$ 1,345,349.63
Interfunds	A-11	<u>192,775.00</u>
	Above	<u>\$ 1,538,124.63</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

INTERFUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2012

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, 2011:								
From	\$ 9,410.60		\$ 642.60	\$	\$ 8,768.00			
(To)	\$ (125,720.66)	\$ (63,574.53)					\$ (57,351.49)	\$ (4,794.64)
Increased by:								
Miscellaneous Revenue not								
Anticipated	55,277.52		3,976.08		50,796.47			504.97
A-2b								
Anticipated Revenue	66,873.37	66,873.37			1,275.00			
A-2				191,500.00	12,585.00			
Revenue Accounts Receivable	192,775.00			26,957.28	73,424.47			
A-10						2,214.92	620,101.09	4,831.54
Cash Disbursed	768,064.29	101,374.46		218,457.28		2,214.92	562,749.60	541.87
A-4			4,618.68					
	966,680.12	104,673.30						
Decreased by:								
Cash Receipts	800,455.50	69,571.98	642.60	218,457.28	25,531.82	2,214.92	484,000.00	36.90
A-4							94,000.00	
Budget Appropriations	170,611.37	76,611.37						
A-3								
	971,066.87	146,183.35	642.60	218,457.28	25,531.82	2,214.92	578,000.00	36.90
Balance, December 31, 2012:								
From	\$ 52,373.70		\$ 3,976.08	\$	\$ 47,892.65	\$		\$ 504.97
(To)	\$ (56,760.45)	\$ (41,510.05)					\$ (15,250.40)	

Ref.

Net Charge to Operations

Interfunds Receivable:	
December 2012	\$ 52,373.70
December 2011	\$ 9,410.60
Net Charge	\$ 42,963.10

BOROUGH OF GLEN RIDGE
CURRENT FUND

DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2012

A-12

Ref.

Balance, December 31, 2011	A	\$ 105,013.79
Decreased by:		
Budget Appropriation	A-3	<u>105,013.79</u>
Balance, December 31, 2012		<u>\$</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

DEFERRED CHARGES
N.J.S.A. 40A:4-55.1 SPECIAL EMERGENCY
DECEMBER 31, 2012

A-13

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/3 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2011</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2012</u>
12-12-11	Storm Damage	\$ 164,184.06	\$ 54,728.02	<u>\$ 164,184.06</u>	<u>\$ 54,728.02</u>	<u>\$ 109,456.04</u>
	<u>Ref.</u>			A	A-3	A

DEFERRED CHARGES
N.J.S.A. 40A:4-53 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2012

A-14

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2012</u>
07-09-12	Revaluation	\$ 270,000.00	\$ 54,000.00	\$ 270,000.00	\$ 270,000.00
12-10-12	Hurricane Sandy	330,000.00	66,000.00	<u>330,000.00</u>	<u>330,000.00</u>
				<u>\$ 600,000.00</u>	<u>\$ 600,000.00</u>
	<u>Ref.</u>			A-3	A

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2012

A-15
Sheet # 1

Appropriations	Balance Dec. 31, 2011		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Unencumbered			
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$	\$ 0.11	0.11	\$	\$ 0.11
Other Expenses	2,887.56	8,964.36	11,851.92	11,824.92	27.00
Elections:					
Other Expenses		138.23	138.23		138.23
Financial Administration:					
Salaries and Wages					
Annual Audit		30,000.00	30,000.00	11,500.00	18,500.00
Other Expenses	17,327.53	8,019.68	25,347.21	19,127.67	6,219.54
Assessment of Taxes:					
Salaries and Wages		0.37	0.37		0.37
Other Expenses	224.00		224.00	224.00	
Collection of Taxes:					
Salaries and Wages					
Other Expenses	25.00	1,130.45	1,155.45	409.52	745.93
Community Affairs and Public Relations:					
Other Expenses	513.00		513.00	513.00	
Legal Services and Costs:					
Salaries and Wages					
Other Expenses	1,397.80	37,198.69	38,596.49	38,596.49	0.00
Engineering Services and Costs:					
Salaries and Wages					
Other Expenses	1,099.50	4,075.41	5,174.91	4,624.42	550.49
Public Buildings and Grounds:					
Other Expenses	6,946.37	2,035.91	8,982.28	7,837.37	1,144.91
Planning Board:					
Other Expenses	1,621.76	795.55	2,417.31		2,417.31
Board of Adjustment:					
Other Expenses	1,942.56	270.00	2,212.56	2,179.76	32.80
Shade Tree Commission:					
Salaries and Wages		334.83	334.83		334.83
Other Expenses	7,028.39		7,028.39	6,827.39	201.00
Insurance:					
Group Health		14,543.33	14,543.33	14,543.33	
Municipal Court:					
Other Expenses	1,796.28		1,796.28	1,583.31	212.97
Public Defender:					
Salaries and Wages		626.54	626.54		626.54
<u>PUBLIC SAFETY</u>					
Department of Public Safety:					
Salaries and Wages		4,223.18	4,223.18	4,223.18	
Other Expenses	16,989.91	4,960.77	21,950.68	13,418.32	8,532.36
<u>STREETS AND ROADS</u>					
Road Repair and Maintenance:					
Salaries and Wages		16,761.85	16,761.85	15,136.22	1,625.63
Other Expenses	12,686.70	7,109.86	19,796.56	19,796.56	
Storms:					
Salaries and Wages		3,987.12	3,987.12		3,987.12
Other Expenses	150.43		150.43		150.43

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2012

A-15
Sheet # 2

Appropriations	Balance Dec. 31, 2011		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Unencumbered			
<u>SANITATION</u>					
Sewer System:					
Other Expenses	\$ 208.98	\$	\$ 208.98	\$ 208.98	\$
Garbage and Trash Removal:					
Other Expenses	49,443.91	12,000.00	61,443.91	57,696.39	3,747.52
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Other Expenses	415.02	345.88	760.90	56.10	704.80
<u>RECREATION AND EDUCATION</u>					
Parks and Playgrounds:					
Other Expenses	18,451.74	5,689.72	24,141.46	21,894.04	2,247.42
Hurrell Field:					
Salaries and Wages					
Other Expenses	2,339.30	8,717.24	11,056.54	9,386.13	1,670.41
Recreation:					
Salaries and Wages					
Other Expenses	2,720.00	3,217.10	5,937.10	2,805.04	3,132.06
Jitney Operation:					
Salaries and Wages					
Other Expenses	389.34	234.08	623.42	623.42	
<u>UNIFORM CONSTRUCTION CODE</u>					
Construction Code Officials:					
Inspection of Buildings:					
Other Expenses	89.61	2,286.42	2,376.03		2,376.03
<u>UNCLASSIFIED</u>					
Natural Gas		6,258.36	6,258.36	3,664.50	2,593.86
Gasoline, Diesel Fuel and Lubricants	4,307.45		4,307.45		4,307.45
Heating Gas					
Street Lighting		19,177.36	19,177.36	18,777.69	399.67
<u>CONTINGENT</u>					
<u>STATUTORY EXPENDITURES</u>					
Contributions to:					
Social Security System		701.79	701.79	701.79	
Consolidated Police and Firemen's Pension					
State Unemployment Insurance		20,000.00	20,000.00	20,000.00	
<u>OTHER OPERATIONS</u>					
Joint Outlet Sewer Maintenance		12,087.87	12,087.87		12,087.87
Recycling Tax					
<u>Interlocal Municipal Service Agreements</u>					
Fire Prevention Suppression Contract					
Other Expenses					
Animal Control Services					
Other Expenses	8,195.00	8,194.00	16,389.00	8,195.00	8,194.00
Sanitary Sewer					
Other Expenses		38,000.00	38,000.00	38,000.00	
	<u>\$ 188,793.89</u>	<u>\$ 343,798.98</u>	<u>\$ 532,592.87</u>	<u>\$ 445,684.21</u>	<u>\$ 86,908.66</u>

Ref.

A

A

Below

A-1

Ref.

Cash Disbursements
Transfer to Accounts Payable

A-4

A-16

Above

\$ 413,866.43

31,817.78

\$ 445,684.21

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2012

A-16

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 7,414.85
Increased by:		
Transferred from Appropriation Reserves	A-15	<u>31,817.78</u>
		39,232.63
Decreased by:		
Cash Disbursements	A-4	<u>7,414.85</u>
Balance, December 31, 2012	A	<u>\$ 31,817.78</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE TO STATE OF NEW JERSEY
(OTHER FEES)
YEAR ENDED DECEMBER 31, 2012

A-17

	<u>Ref.</u>	<u>Total</u>	<u>Marriage License/ Burial Fees</u>	<u>Building Construction Training Fee</u>
Balance, December 31, 2011	A	\$ 3,250.00	\$ 425.00	\$ 2,825.00
Increased by:				
Cash Receipts	A-4	<u>12,176.00</u>	<u>575.00</u>	<u>11,601.00</u>
		15,426.00	1,000.00	14,426.00
Decreased by:				
Paid to State	A-4	<u>12,481.00</u>	<u>425.00</u>	<u>12,056.00</u>
Balance, December 31, 2012	A	<u>\$ 2,945.00</u>	<u>\$ 575.00</u>	<u>\$ 2,370.00</u>

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2012

A-18

	<u>Ref.</u>		
Balance, December 31, 2011	A		\$ 180,122.73
Increased by:			
Prior Year Judgments:			
State Tax Court	A-1	\$ 3,045.16	
Cash Receipts	A-4	<u>90,817.25</u>	
			<u>93,862.41</u>
			273,985.14
Decreased by:			
Refunds	A-4	\$ 47,992.39	
Cancelled	A-1	147,607.44	
Applied to Prepaid Taxes	A-26	39,976.77	
Applied to Taxes Receivable	A-7	<u>401.66</u>	
			<u>235,978.26</u>
Balance, December 31, 2012	A		<u>\$ 38,006.88</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

INSPECTION FEES PAYABLE
YEAR ENDED DECEMBER 31, 2012

A-19

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 1,059.00
Increased by:		
Cash Receipts	A-4	17,270.00
		<u>18,329.00</u>
Decreased by:		
Cash Disbursements	A-4	17,011.00
Balance, December 31, 2012	A	<u>\$ 1,318.00</u>

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2012

A-20

	<u>Ref.</u>		
Increased by:			
2012 Levy:			
General County	A-7	\$ 6,482,617.12	
Open Space Preservation	A-7	219,429.74	
Due County for Added Taxes	A-7	10,747.34	
	A-1, A-2a	<u>6,712,794.20</u>	\$ 6,712,794.20
Decreased by:			
Payments	A-4	<u>6,712,794.20</u>	
Balance, December 31, 2012			<u>\$</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

LOCAL DISTRICT SCHOOL TAX
YEAR ENDED DECEMBER 31, 2012

A-21

	<u>Ref.</u>	<u>Payable</u>	<u>Deferred</u>
Balance, December 31, 2011		\$	\$ 13,015,253.00
Increased by:			
School Tax Levy - July 1, 2012 to June 30, 2013	A-1, A-2a, A-7	26,344,109.00	
Additional School Tax Deferred	Reserve		156,801.50
		<u>26,344,109.00</u>	<u>13,172,054.50</u>
Decreased by:			
Increase in Deferred School Taxes	A-1	156,801.50	
Applied from Prepaid School Tax	A-22	248,500.13	
Paid	A-4	25,938,807.37	
		<u>26,344,109.00</u>	
Balance, December 31, 2012		<u>\$</u>	<u>\$ 13,172,054.50</u>

PREPAID SCHOOL TAX
YEAR ENDED DECEMBER 31, 2012

A-22

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 248,500.13
Increased by:		
Cash Disbursements	A-4	141,325.63
		<u>389,825.76</u>
Decreased by:		
School Taxes Payable Applied	A-21	248,500.13
Balance, December 31, 2012	A	<u>\$ 141,325.63</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

EMERGENCY NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2012

A-23

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 164,184.06
Increased by:		
Cash Receipts	A-4	<u>709,456.04</u>
		873,640.10
Decreased by:		
Cash Disbursements	A-4	<u>164,184.06</u>
Balance, December 31, 2012	A	<u><u>\$ 709,456.04</u></u>

TAX ANTICIPATION NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2012

A-24

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-4	<u>\$1,595,000.00</u>
Balance, December 31, 2012	A	<u><u>\$1,595,000.00</u></u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR PREPAID SCHOOL TAX
YEAR ENDED DECEMBER 31, 2012

A-25

	<u>Ref.</u>	
Balance, December 31, 2011	A	\$ 248,500.13
Increased by:		
Prepaid School Payment	A-1	141,325.63
		<u>389,825.76</u>
Decreased by:		
Applied to Revenue	A-2	248,500.13
Balance, December 31, 2012	A	<u>\$ 141,325.63</u>

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2012

A-26

	<u>Ref.</u>		
Balance, December 31, 2011	A		\$ 293,389.45
Increased by:			
Cash Collections	A-4	\$ 281,089.20	
Transferred from Tax Overpayments	A-18	<u>39,976.77</u>	
			321,065.97
			<u>614,455.42</u>
Decreased by:			
Applied to Current Taxes Receivable	A-7		293,389.45
Balance, December 31, 2012	A		<u>\$ 321,065.97</u>

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

A-27

	Balance Dec. 31, 2011	Budget Revenue Realized	Collected	Cancelled	Balance Dec. 31, 2012
Clean Communities	\$	\$ 9,436.28	\$ 9,436.28	\$	\$
Municipal Alliance on Alcohol and Drug Abuse:					
2010	9,983.95			9,983.95	
2011	38,950.00		29,773.67	9,176.33	
2012		38,950.00			38,950.00
Body Armor Replacement Fund		2,601.58	2,601.58		
Recycling Program		15,885.51	15,885.51		
	<u>\$ 48,933.95</u>	<u>\$ 66,873.37</u>	<u>\$ 57,697.04</u>	<u>\$ 19,160.28</u>	<u>\$ 38,950.00</u>
Reference	A	A-28	Below	A-29	A
		Ref.			
Due from Current Fund		A-27	\$ 52,488.42		
Unappropriated Revenue		A-30	<u>5,208.62</u>		
			<u>\$ 57,697.04</u>		

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2012

A-28

	<u>Ref.</u>		<u>Current Fund</u>
Balance, December 31, 2011:			
Due From	A		\$ 63,574.53
Increased by:			
Unappropriated Grants Received	A-30	\$ 17,083.56	
Cash Collections through Current Fund	A-27	52,488.42	
Budget Appropriations	A-29	<u>76,611.37</u>	
			<u>146,183.35</u>
			209,757.88
Decreased by:			
Anticipated Revenue	A-27	66,873.37	
Expenditures Paid through Current Fund	A-29	<u>101,374.46</u>	
			<u>168,247.83</u>
Balance, December 31, 2012:			
Due From	A		<u><u>\$ 41,510.05</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, 2012

A-29

	Balance Dec. 31, 2011	Budget	Transferred from 2012 Budget Appropriations	Appropriations 40A4-87	Paid or Charged	Cancelled	Balance Dec. 31, 2012
Recycling Tonnage Aid	\$ 6,179.47	\$ 5,208.62	\$ 10,676.89	\$ 22,064.98	\$	\$	\$
Clean Communities Program:							
2012		9,436.28					9,436.28
2011	9,594.90				6,743.89		2,851.01
2010	11,936.04				11,936.04		
Municipal Alliance on Alcohol and Drug Abuse:							
2010	13,105.00					13,105.00	
2011	40,281.91				20,063.42	6,055.28	14,163.21
2012		48,688.00			27,558.53		21,129.47
Drunk Driving Enforcement Fund	7,993.45				7,993.45		
Body Armor Replacement Fund:	2,204.15			2,601.58	2,704.15		2,101.58
Domestic Violence Response Team	1,001.75						1,001.75
NJ Historic Trust	8,400.00				2,310.00		6,090.00
Alcohol Education and Rehabilitation Fund	5,949.62						5,949.62
	\$ 106,646.29	\$ 63,332.90	\$ 13,278.47	\$ 101,374.46	\$ 19,160.28	\$	\$ 62,722.92
Ref.	A	A-28	A-28	A-28	A-28	A-27	A

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2012

A-30

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 5,862.19
Increased by:		
Due from Current Fund	A-28	<u>17,083.56</u>
		22,945.75
Decreased by:		
Anticipated Revenue	A-27	<u>5,208.62</u>
Balance December 31, 2012	A	<u>\$ 17,737.13</u>
<u>Analysis of Balance</u>		
Drunk Driving Enforcement Fund		\$ 10,268.33
Alcohol Education and Rehabilitation		3,243.80
Drive Sober or Get Pulled Over		<u>4,225.00</u>
		<u>\$ 17,737.13</u>

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BOROUGH OF GLEN RIDGE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2012

B-2

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>General Trust Fund</u>
Balance, December 31, 2011	B	\$ 15,306.73	\$ 164,105.92
Increased by Receipts:			
Due to State of New Jersey	B-6	531.00	
Interfunds Receivable	B-4		1,054,641.51
Net Payroll and Deductions	B-7		6,195,758.42
Account Receivable	B-5		14,784.23
Animal Control Fees	B-9	7,034.00	
Interfunds Payable	B-8		12,050.00
Special Deposits	B-10		933,397.14
Unemployment Insurance	B-11		53,270.62
		<u>7,565.00</u>	<u>8,263,901.92</u>
		22,871.73	8,428,007.84
Decreased by Disbursements:			
Due to State of New Jersey	B-6	583.80	
Interfunds Payable	B-8	585.60	20,999.82
Interfunds Receivable	B-4		1,015,081.97
Net Payroll and Deductions	B-7		6,196,010.29
Animal Control Fund Expenditures	B-9	1,114.25	
Special Deposits	B-10		926,906.44
		<u>2,283.65</u>	<u>8,158,998.52</u>
Balance, December 31, 2012	B	<u>\$ 20,588.08</u>	<u>\$ 269,009.32</u>

BOROUGH OF GLEN RIDGE
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE B-3
YEAR ENDED DECEMBER 31, 2012

	<u>Ref.</u>	<u>General Trust Fund</u>
Balance, December 31, 2011	B	\$ 108,200.00
Increased by:		
Grant Award:		
Reserve	B-12	<u>39,500.00</u>
		147,700.00
Decreased by:		
Interfund Payable	B-8	<u>108,200.00</u>
Balance, December 31, 2012	B	<u><u>\$ 39,500.00</u></u>
<u>Analysis of Balance</u>		
<u>Program Year 2012</u>		<u><u>\$ 39,500.00</u></u>

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BOROUGH OF GLEN RIDGE
TRUST FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

B-4

	Ref.	Total	General Capital Fund	Pool Operating Fund	Water Operating Fund	Current Fund Payroll
Balance, December 31, 2011	B	\$ 269,099.64	\$ 39,305.00	\$	\$ 225,000.00	\$ 4,794.64
Increased by:						
Transferred to Interfunds Payable	B-8	504.97				504.97
Cash Disbursements	B-2	1,015,081.97	90,000.00	340,000.00	30,045.07	555,036.90
		1,284,686.58	129,305.00	340,000.00	255,045.07	560,336.51
Decreased by:						
Cash Receipts	B-2	1,054,641.51	129,305.00	340,000.00	25,000.00	560,336.51
Balance, December 31, 2012	B	\$ 230,045.07	\$	\$	\$ 230,045.07	\$

BOROUGH OF GLEN RIDGE
TRUST FUND

POLICE OUTSIDE SERVICE RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

B-5

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 14,784.23
Increased by:		
Due from Contractors	B-10	<u>5,730.00</u>
		20,514.23
Decreased by:		
Cash Receipts	B-2	<u>14,784.23</u>
Balance, December 31, 2012	B	<u><u>\$ 5,730.00</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2012

B-6

	<u>Ref.</u>	<u>Dog License Fund</u>
Balance, December 31, 2011	B	\$ 52.80
Increased by:		
State Registration Fees		\$ 380.00
Population Control		75.00
Pilot Clinic		<u>76.00</u>
	B-2	<u>531.00</u>
		<u>583.80</u>
Decreased by:		
Payments to State of New Jersey	B-2	<u>583.80</u>
Balance, December 31, 2012		<u><u>\$</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

PAYROLL DEDUCTIONS PAYABLE
YEAR ENDED DECEMBER 31, 2012

B-7

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 40,278.16
Increased by:		
Cash Receipts:		
Gross Payroll		\$ 5,117,892.56
Clothing Allowance		21,850.00
State Unemployment Refund		7,270.62
Annual PERS, PFRS		791,121.00
Interfund and other Refunds		29,698.86
Employer Share of Social Security		<u>227,925.38</u>
	B-2	<u>6,195,758.42</u>
		<u>6,236,036.58</u>
Decreased by:		
Net Payroll and Agency Payments	B-2	<u>6,196,010.29</u>
Balance, December 31, 2012	B	<u><u>\$ 40,026.29</u></u>
<u>Analysis of Balance</u>		
Police and Firemen's Retirement System		\$ 21,229.45
Public Employees' Retirement System		17,162.66
Health Benefits		<u>1,634.18</u>
		<u><u>\$ 40,026.29</u></u>

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BOROUGH OF GLEN RIDGE
TRUST FUND

B-8

INTERFUNDS PAYABLE
YEAR ENDED DECEMBER 31, 2012

		General Trust Fund				Animal Control Fund
	Ref.	Total	General Capital	Current Fund	Payroll Account	Current Fund
Balance, December 31, 2011	B	\$ 66,968.00	\$ 58,200.00	\$ 8,768.00	\$	\$ 642.60
Increased by:						
Cash Receipts	B-2	12,050.00		12,050.00		
Special Deposits Cancelled	B-10	50,796.47		50,796.47		
CDBG Grant Due Capital	B-12	50,000.00	50,000.00			
Transferred from Interfunds Receivable	B-4	504.97			504.97	
Excess Animal Control Balance	B-9	113,351.44	50,000.00	62,846.47	504.97	3,976.08
		180,319.44	108,200.00	71,614.47	504.97	4,618.68
Decreased by:						
Cash Disbursements	B-2	20,999.82		20,999.82		585.60
Receipts Deposited in Capital Fund	B-3	108,200.00	108,200.00			
Receipts Deposited in Current Fund	B-10	2,722.00		2,722.00		57.00
		131,921.82	108,200.00	23,721.82		642.60
Balance, December 31, 2012	B	\$ 48,397.62	\$	\$ 47,892.65	\$ 504.97	\$ 3,976.08

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2012

B-9

	<u>Ref.</u>		
Balance, December 31, 2011	B		\$ 14,611.33
Increased by:			
Dog License Fees:			
Dog Licenses Issued		\$ 6,327.00	
Dog Licenses Late Charges and Fines		707.00	
	B-2	<u>7,034.00</u>	
Due from Current Fund	B-8	<u>57.00</u>	
			<u>7,091.00</u>
			<u>21,702.33</u>
Decreased by:			
Expenditures Under R.S. 41:19-15.11	B-2	1,114.25	
Excess Fund Balance	B-8	<u>3,976.08</u>	
			<u>5,090.33</u>
Balance, December 31, 2012	B		<u><u>\$ 16,612.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 7,091.00
2011	<u>9,521.00</u>
Maximum Reserve	<u><u>\$ 16,612.00</u></u>

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BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2012

B-10

Account	Balance Dec. 31, 2011	Increase	Decrease	Adjustment	Balance Dec. 31, 2012
Law Enforcement - Confiscated Funds	\$ 709.80	\$ 13,064.00	\$ 3,915.00	\$	\$ 9,858.80
Leaf Bags		1,275.00	1,275.00		
Municipal Court POAA	16,953.14	1,442.00		114.00	18,509.14
Municipal Drug Alliance Committee	12,008.08	4,968.00	1,723.40		15,252.68
Tax Title Lien Premiums	109,100.00		86,100.00		23,000.00
Tax Title Lien Redemptions		644,447.86	644,418.12	(29.74)	(0.00)
Cable Local Access	4,255.71		100.00		4,155.71
Adopt-A-Cop Program	1,467.67				1,467.67
Construction Code Fines	6,130.97	5,750.00	11,812.82		68.15
Public Defender				2,608.00	2,608.00
Mayor Gala	1,783.50				1,783.50
Planning Board Escrow Deposit	250.00		607.50	357.50	
Board of Adjustment Escrow	1,765.00	1,250.00	2,437.50	(357.50)	220.00
Recreation Programs	10,077.15	8,845.00	12,645.03		6,277.12
Affordable Housing	112,392.50				112,392.50
Glen Ridge Restoration	150.00				150.00
Senior Community Center Fund	3,926.03				3,926.03
Library Accumulated Absence	16,535.03	524.39			17,059.42
Tree Replacement	7,875.60	16,947.34	11,451.15	(534.12)	12,837.67
Police Outside Service Receivable		234,196.55	149,199.80	(45,036.73)	39,960.02
Environmental Advisory		687.00	1,221.12	534.12	
	<u>\$ 305,380.18</u>	<u>\$ 933,397.14</u>	<u>\$ 926,906.44</u>	<u>\$ (42,344.47)</u>	<u>\$ 269,526.41</u>
<u>Ref.</u>	B	B-2	B-2	Below	B

	<u>Ref.</u>	
Account Receivable	B-5	\$ 5,730.00
Interfund Payable	B-8	2,722.00
Cancelled	B-8	(50,796.47)
		<u>\$ (42,344.47)</u>

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR STATE UNEMPLOYMENT
COMPENSATION INSURANCE TRUST FUND
YEAR ENDED DECEMBER 31, 2012

B-11

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 93,535.10
Increased by:		
Budget Appropriations		\$ 46,000.00
Employee Deductions		<u>7,270.62</u>
	B-2	<u>53,270.62</u>
Balance, December 31, 2012	B	<u>\$ 146,805.72</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2012

B-12

	<u>Ref.</u>	
Balance, December 31, 2011	B	\$ 50,000.00
Increased by:		
Grant Awards	B-3	<u>39,500.00</u>
		89,500.00
Decreased by:		
Due General Capital	B-8	<u>50,000.00</u>
Balance, December 31, 2012	B	<u>\$ 39,500.00</u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2012

C-2

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$ 110,014.38
Increased by:			
Due from State of New Jersey	C-4	\$ 148,354.01	
Infrastructure Loan	C-5	137,378.00	
Capital Improvement Fund	C-10	100,000.00	
Bond Anticipation Note	C-12	188,000.00	
Fund Balance	C-1	1,475.00	
Interfunds	C-6	<u>595,625.85</u>	
			<u>1,170,832.86</u>
			1,280,847.24
Decreased by:			
Interfunds	C-6	274,835.76	
Bond Anticipation Note	C-12	188,000.00	
Improvement Authorizations	C-9	<u>769,067.48</u>	
			<u>1,231,903.24</u>
Balance, December 31, 2012	C		<u><u>\$ 48,944.00</u></u>

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BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ANALYSIS OF CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2012

C-3

Ordinance Number	Balance December 31, 2011	Receipts	Disbursed	Transfers		Balance December 31, 2012
				From	To	
Capital Improvement Fund	\$ 129,683.44	\$ 100,000.00		\$ 151,545.29	\$ 2,827.55	\$ 80,955.70
Due to Current Fund	(57,351.49)	364,687.09	112,586.00	210,000.00		(15,250.40)
Due From Water Capital	206.00	32,738.76	32,944.76			
Fund Balance	7,745.05	1,475.00			3,933.44	13,153.49
Due from Community Development Block Grant	(58,200.00)	108,200.00		50,000.00		
Due from General Trust Fund	39,305.00	90,000.00	129,305.00			
Improvement Authorizations						
Various Capital Improvements	756.23			756.23		
Replacement of Sanitary Sewer Pipes	91,404.85	137,378.00	257,152.41		26,206.00	(2,163.56)
Various Capital Improvements	141,330.62	148,354.01		289,684.63		
Various Capital Improvements	(262,537.33)		900.00		263,478.63	41.30
Purchase 2010 Ford Explorer	267.00			267.00		
Hurrell Field						
Storm Drainage System	50.00			50.00		
Purchase of Vehicle Maintenance Equipment	558.82			558.82		
Various Capital Improvements:						
Improvements to Various streets	(52,500.00)				52,500.00	
Engineer Service	120.00			120.00		
Capital Lease Payment for Front end Loader	1.36			1.36		
First year Payment for Capital Lease for Mason Dump Truck						
Improvement to Municipal Building	1,102.45		593.99	508.46		
Purchase of Public Safety Equipment	396.68			396.68		
Purchase of Public Safety Equipment	30,445.00		30,445.00			
Various Capital Improvements:						
Purchase of Public Works Equipment	9,387.45		9,387.45			
Improvement to Borough Parks	1,990.57		1,990.57			
Various Capital Improvements:						
Removal and Planting of Trees	30,000.00		29,205.00			795.00
Roadway Improvements	3,736.96		3,567.96	169.00		
Purchase of Office and Public Works Equipments	2,216.81		2,216.81			
Refund Bond Ordinance to Pay Tax Appeal	49,898.91	188,000.00	233,965.47	3,933.44		
Various Capital Improvements:			49,622.42		50,845.29	1,222.87
Various Capital Improvements:			56,175.20		58,200.00	2,024.80
Various Capital Improvements:			281,845.20		250,000.00	(31,845.20)
	\$ 110,014.38	\$ 1,170,832.86	\$ 1,231,903.24	\$ 707,990.91	\$ 707,990.91	\$ 48,944.00
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, 2012

C-4

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$ 200,854.01
Increased by:			
Grant Award Received	C-9		<u>210,000.00</u>
			410,854.01
Decreased by:			
Cash Receipts	C-2	\$ 148,354.01	
Interfund from Current Fund	C-6	<u>210,000.00</u>	
			<u>358,354.01</u>
Balance, December 31, 2012	C		<u>\$ 52,500.00</u>
<u>Analysis of Balance</u>			
Various Roads. #1583-1			<u>\$ 52,500.00</u>

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BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

C-5

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 202,035.00
Decreased by:		
Cash Receipts	C-2	<u>137,378.00</u>
Balance, December 31, 2012	C	<u>\$ 64,657.00</u>
 <u>Analysis of Balance:</u>		
Ordinance #1524		<u>\$ 64,657.00</u>

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BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2012

C-6

	Ref.	Total	Current	General Trust	Water Capital	CDBG Trust
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)	
Increased by:						
Cash Disbursements	C-2	274,835.76	112,586.00	129,305.00	32,944.76	
Grant Deposited in Current	C-4	210,000.00	210,000.00			50,000.00
CDBG Grant	C-9	50,000.00				
Sub-Total		610,876.25	379,937.49	90,000.00	32,738.76	108,200.00
Decreased by:						
Cash Receipts	C-2	595,625.85	364,687.09	90,000.00	32,738.76	108,200.00
Balance, December 31, 2012:						
From	C	\$ 15,250.40	\$ 15,250.40	\$	\$	\$

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2012

C-7

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$ 4,947,022.33
Decreased by:			
Bonds Paid By Budget	C-13	\$ 275,000.00	
Loans Paid By Budget	C-11, C-14	<u>42,609.25</u>	
			<u>317,609.25</u>
Balance, December 31, 2012	C		<u><u>\$ 4,629,413.08</u></u>

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BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2012

C-8

Ordinance Number	Improvement Authorization	Balance Dec. 31, 2011	Decrease	Balance Dec. 31, 2012	Analysis of Balance		
					Bond Anticipation Note	Expenditures	Improvement Authorization
1466	Various Capital Improvements	\$ 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	94,000.00	188,000.00	188,000.00		
		<u>\$ 341,627.00</u>	<u>\$ 94,142.00</u>	<u>\$ 247,485.00</u>	<u>\$ 188,000.00</u>	<u>\$</u>	<u>\$ 59,485.00</u>
	Ref.	C	Below	C	C-12		C-9
		Ref.					
	Paid through Current Fund	C-12	\$ 94,000.00				
	Improvement Authorization Cancelled	C-9	142.00				
			<u>\$ 94,142.00</u>				

**BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND**

**IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2012**

C-9

Description	Ordinance Number	Date	Original Amount	Balance Dec. 31, 2011		2012 Authorized	Paid or Charged	Cancelled	Balance Dec. 31, 2012	
				Funded	Unfunded				Funded	Unfunded
Street Lights	1486g	9-14-09	163,500.00	\$ 898.23	\$ 59,485.00	\$	\$ 257,152.41	\$ 898.23	\$ 62,483.44	\$ 59,485.00
Replacement of Sanitary Sewer Pipes	1524		410,000.00	\$ 319,645.85						
Various Capital Improvements:										
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	41.30					41.30	
Purchase 2010 Ford Explorer	1546	12-13-10	25,157.00	267.00				267.00		
Various Capital Improvements:										
Storm Drainage System	1548-2A	1-3-11	17,400.00	50.00						
Purchase of Vehicle Maintenance Equipment	1548-3A	1-3-11	8,000.00	558.82				558.82		
Various Capital Improvements:										
Engineer Service	1554-2A	2-28-11	15,000.00	120.00				120.00		
Capital Lease Payment for Front end Loader	1554-3A	2-28-11	20,857.79	1.36				1.36		
Improvement to Municipal Building	1554-5A	2-28-11	25,000.00	0.00						
Purchase of Public Safety Equipment	1554-6A	2-28-11	10,000.00	1,102.45			593.99	508.46		
Purchase of Public Safety Equipment	1563	7-11-11	19,000.00	396.68				396.68		
Purchase of Public Works Equipment	1564	8/8/11	50,000.00	30,445.00			30,445.00			
Various Capital Improvements:										
Purchase of Public Works Equipment	1567-1A	9/12/11	10,000.00	9,387.45			9,387.45			
Improvement to Borough Parks	1567-2A	9/12/11	12,000.00	1,990.57			1,990.57			
Various Capital Improvements:										
Removal and Planting of Trees	1568-1A	9-26-11	30,000.00	30,000.00			29,205.00		795.00	
Roadway Improvements	1568-2A	9-26-11	55,000.00	3,736.96			3,567.96	169.00		
Purchase of Office and Public Works Equipments	1588-3A	9-26-11	16,500.00	2,216.81			2,216.81			
Refund Bond Ordinance to pay Tax Appeal	1572	12-12-11	282,000.00	49,898.91			45,965.47	3,933.44		
Purchase of Public Works Equipment	1574-1A	2-27-12	20,857.79	20,857.79			20,856.43		1.36	
Purchase of Public Works Equipment	1574-2A	2-27-12	8,987.50	8,987.50			8,987.50			
Purchase of Public Works Equipment	1574-3A	2-27-12	15,000.00	15,000.00			14,228.49		771.51	
Purchase of Public Works and Admin Equipment	1574-4A	2-27-12	6,000.00	6,000.00			5,550.00		450.00	
Drainage	1577-1	4-23-12	17,000.00	17,000.00			17,000.00			
Purchase of Police Equipment	1577-2	4-23-12	8,000.00	8,000.00			7,985.00		15.00	
Engineer Service	1577-3	4-23-12	24,000.00	24,000.00			22,175.20		1,824.80	
Various Equipment	1577-4	4-23-12	5,500.00	5,500.00			5,500.00			
Storm Drainage System	1577-5	4-23-12	3,700.00	3,700.00			3,700.00			
Paint Machine	1583-1	9-10-12	296,000.00	296,000.00			277,070.20		18,929.80	
Roadway Improvements							4,775.00		1,725.00	
Municipal Complex	1583-2	9-10-12	6,500.00							
				\$ 401,758.48	\$ 109,383.91	\$ 411,545.29	\$ 769,067.48	\$ 6,902.99	\$ 87,232.21	\$ 59,485.00
				C	C	Below	C-2	Below	C	C
				Ref.						
				Grants - State of New Jersey						
				Due to General Trust Fund		\$ 210,000.00				
				Deferred Charges to Future		50,000.00				
				Taxation - Unfunded				142.00		
				Fund Balance				3,933.44		
				Capital Improvement Fund		151,545.29		2,827.55		
				Above		\$ 411,545.29		\$ 6,902.99		

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2012

C-10

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$ 129,683.44
Increased by:			
Cash Receipt - Budget Appropriation	C-2	\$ 100,000.00	
Improvement Authorizations Cancelled			
Financed by Capital Improvement Fund	C-9	<u>2,827.55</u>	
			<u>102,827.55</u>
			232,510.99
Decreased by:			
Appropriated to Finance Improvement			
Authorizations	C-9		<u>151,545.29</u>
Balance, December 31, 2012	C		<u><u>\$ 80,965.70</u></u>

GREEN TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2012

C-11

	<u>Ref.</u>		
Balance, December 31, 2011	C		\$ 417,626.48
Decreased by:			
Paid By Budget Appropriation	C-7		<u>28,430.53</u>
Balance, December 31, 2012	C		<u><u>\$ 389,195.95</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2012

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>Balance Dec. 31, 2011</u>	<u>Notes Issued</u>	<u>Notes Redeemed</u>	<u>Balance Dec. 31, 2012</u>
1572	Tax Appeal Refunding	12-30-11	12-31-12	1.5%	\$ 282,000.00	\$ 188,000.00	\$ 282,000.00	\$ 188,000.00
				<u>Ref.</u>	<u>\$ 282,000.00</u>	<u>\$ 188,000.00</u>	<u>\$ 282,000.00</u>	<u>\$ 188,000.00</u>
				C		C-2	Below	C
						Ref.		
	Cash Disbursements					C-2	\$ 188,000.00	
	Deferred Charges to Future Taxation - Unfunded					C-8	94,000.00	
							<u>\$ 282,000.00</u>	

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

GENERAL IMPROVEMENT BONDS
DECEMBER 31, 2012

C-13

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2011	Decrease	Balance Dec. 31, 2012
			Date	Outstanding Dec. 31, 2012	Amount				
General Improvements	8-15-2007	\$ 5,160,000.00	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	\$ 4,185,000.00	\$ 275,000.00	\$ 3,910,000.00
						<u>Ref.</u>	C	C-7	C

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2012

C-14

	<u>Ref.</u>	
Balance, December 31, 2011	C	\$ 344,395.85
Decreased by:		
Loan Paid	C-7	<u>14,178.72</u>
Balance, December 31, 2012	C	<u><u>\$ 330,217.13</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2012

C-15

Improvement Description	Number	Ordinance		Balance Dec. 31, 2011	Decrease	Balance Dec. 31, 2012
		Date	Amount			
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
				<u>\$ 59,627.00</u>	<u>\$ 142.00</u>	<u>\$ 59,485.00</u>
		Ref.		C	C-8	C

BOROUGH OF GLEN RIDGE
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2012

D-5

	Ref.	Operating	Capital
Balance, December 31, 2011	D	\$ 342,662.12	\$ 63,909.84
Increased by Receipts:			
Miscellaneous Revenue	D-3	4,377.51	
Consumer Accounts Receivable	D-7	1,202,377.68	
Loans Receivable	D-8		731,859.00
Interfunds	D-13	234,005.93	206.00
Overpaid Water Rents	D-21	9,170.18	
Contra			125,000.00
		<u>1,449,931.30</u>	<u>857,065.00</u>
		1,792,593.42	920,974.84
Decreased by Disbursements:			
Anticipated Revenue - Current Fund	D-1	191,500.00	
Budget Appropriations	D-4	1,121,245.08	
Improvement Authorizations	D-15		695,203.76
Interfunds	D-13	52,047.80	47,205.12
Appropriation Reserves	D-14	21,747.14	
Accrued Interest on Loans	D-18	98,806.84	
Contra			125,000.00
		<u>1,485,346.86</u>	<u>867,408.88</u>
Balance, December 31, 2012	D	\$ 307,246.56	\$ 53,565.96

BOROUGH OF GLEN RIDGE
WATER UTILITY

ANALYSIS OF CASH AND INVESTMENTS
WATER CAPITAL FUND
YEAR ENDED DECEMBER 31, 2012

D-6

	Balance Dec. 31, 2011	Receipts	Disbursements	Transfers		Balance Dec. 31, 2012
				From	To	
Capital Improvement Fund						
Fund Balance	\$ 4,665.19	\$	\$			\$ 4,665.19
Due To/(From) Water Operating Fund	71,848.47		14,466.36	71,848.00	37,242.80	37,243.27
Due To/(From) Current Fund	106,802.42		125,000.00	164,184.06	71,848.00	
Due To/(From) General Capital Fund	(206.00)	125,000.00	32,738.76		32,738.76	
Note Receivable	(164,184.06)	206.00			164,184.06	
Reserve for Future Improvements	11,000.00					11,000.00
Improvement Authorizations:						
#1502 Various Improvements	657.50	25,863.00			274.00	657.50
#1511 Water Meters	(26,137.00)					
#1523 Replacement of Lead and Lead Line Services	59,463.32	705,996.00	695,203.76	70,255.56		
	<u>\$ 63,909.84</u>	<u>\$ 857,065.00</u>	<u>\$ 867,408.88</u>	<u>\$ 306,287.62</u>	<u>\$ 306,287.62</u>	<u>\$ 53,565.96</u>
Ref.	D	D-5	D-5	Contra	Contra	D

BOROUGH OF GLEN RIDGE
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

D-7

	<u>Ref.</u>		
Balance, December 31, 2011	D		\$ 102,931.27
Increased by:			
Rent Billings	Reserve		1,217,582.96
			<u>1,320,514.23</u>
Decreased by:			
Collections	D-5	\$ 1,202,377.68	
Overpaid Applied	D-21	<u>5,234.07</u>	
	D-3		<u>1,207,611.75</u>
Balance, December 31, 2012	D		<u><u>\$ 112,902.48</u></u>

ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

D-8

	<u>Ref.</u>		
Balance, December 31, 2011	D		\$ 705,996.00
Increased by:			
Excess Loan Receivable	D-20		25,863.00
			<u>731,859.00</u>
Decreased by:			
Cash Receipts	D-5		<u>731,859.00</u>
Balance, December 31, 2012			<u><u>\$</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

NOTE RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

D-9

Water Capital
Fund

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 164,184.06
Decreased by:		
Interfunds	D-13	<u>164,184.06</u>
Balance, December 31, 2012		<u><u>\$</u></u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

DEFERRED CHARGES
EMERGENCY AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2012

D-10

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 22,343.07
Decreased by:		
Budget Appropriation	D-4	<u>22,343.07</u>
Balance, December 31, 2012		<u><u>\$</u></u>

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2012

D-11

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 7,548,702.72
Increased by:		
Completed Project	D-12	<u>754,483.20</u>
Balance, December 31, 2012	D	<u><u>\$ 8,303,185.92</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2012

D-12

Description	Number	Ordinance		Balance Dec. 31, 2011	Decrease	Cancelled	Balance Dec. 31, 2012
		Date	Amount				
Various Improvements	1502	11-24-08	\$ 30,000.00	\$ 30,000.00	\$	\$	\$ 30,000.00
Replacement of Lead and Lead Line Services	1523	9-14-09	850,000.00	850,000.00	754,483.20	95,516.80	
				<u>\$ 880,000.00</u>	<u>\$ 754,483.20</u>	<u>\$ 95,516.80</u>	<u>\$ 30,000.00</u>
				Ref. D	D-11	D-15	D

BOROUGH OF GLEN RIDGE
WATER UTILITY

INTERFUNDS
YEAR ENDED DECEMBER 31, 2012

D-13

Ref.	Water Operating Fund			Water Capital Fund		
	Total	Current	General Trust - Regular	Total	Water Operating	General Capital Fund
Balance December 31, 2011:						
From	\$ 106,802.42	\$	\$	\$ 206.00	\$	\$ 206.00
(To)	(225,000.00)		(225,000.00)	(106,802.42)	(106,802.42)	
Increased by:						
Note Receivable				164,184.06	164,184.06	
Anticipated Revenue	71,848.00					
Cash Disbursements	52,047.80	27,047.80	25,000.00	47,205.12	14,466.36	32,738.76
Sub-Total	5,698.22	27,047.80	(200,000.00)	104,792.76	71,848.00	32,944.76
Decreased by:						
Expenditure Paid by Current Fund	1,737.08	1,737.08			71,848.00	
Fund Balance				71,848.00		32,738.76
Improvement Authorization Charge				32,738.76		206.00
Cash Receipts	234,005.93	25,310.44	30,045.07	206.00		
	235,743.01	27,047.52	30,045.07	104,792.76	71,848.00	32,944.76
Balance December 31, 2012:						
(To)	\$ (230,045.07)	\$	\$ (230,045.07)	\$	\$	\$

BOROUGH OF GLEN RIDGE
WATER UTILITY

APPROPRIATION RESERVES
DECEMBER 31, 2012

D-14

	Balance After Transfers Dec. 31, 2011		Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>		
Other Expenses	\$ 2,252.16	\$ 19,494.98	\$ 21,747.14	\$
	<u>\$ 2,252.16</u>	<u>\$ 19,494.98</u>	<u>\$ 21,747.14</u>	<u>\$</u>
<u>Ref.</u>	D	D	D-5	

BOROUGH OF GLEN RIDGE
WATER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2012

D-15

Description	Ordinance Number	Date	Amount	Balance Dec. 31, 2011		Expenditures	Cancelled	Balance Dec. 31, 2012	
				Funded	Unfunded			Funded	Unfunded
Various Water Improvements	1502	11-24-08	\$ 30,000.00	\$ 657.50	\$	\$	\$	\$ 657.50	\$
Replacement of Lead and Lead Line Services	1523	9-14-09	850,000.00	739,322.32	84,137.00	727,942.52	95,516.80		
				<u>\$ 739,979.82</u>	<u>\$ 84,137.00</u>	<u>\$ 727,942.52</u>	<u>\$ 95,516.80</u>	<u>\$ 657.50</u>	<u>\$</u>
	<u>Ref.</u>			D	D	Below	D-12	D	
Cash Disbursements						\$ 695,203.76			
Interfunds						<u>32,738.76</u>			
						<u>\$ 727,942.52</u>			

Ref.

D-5
D-13

BOROUGH OF GLEN RIDGE
WATER UTILITY

LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2012

D-16

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 5,172,855.64
Decreased by:		
Loan Repayment	D-20	<u>339,666.41</u>
Balance, December 31, 2012	D	<u>\$ 4,833,189.23</u>

Analysis of Balance

Ordinance #1332	\$ 786,287.48
Ordinance #1393	781,802.10
Ordinance #1426	173,336.47
Ordinance #1442	1,187,534.45
Ordinance #1511	1,181,903.43
Ordinance #1523	<u>722,325.30</u>
	<u>\$ 4,833,189.23</u>

CAPITAL IMPROVEMENT FUND
DECEMBER 31, 2012

D-17

	<u>Ref.</u>	
Balance, December 31, 2011	D	<u>\$ 4,665.19</u>
Balance, December 31, 2012	D	<u>\$ 4,665.19</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2012

D-18

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 5,894.48
Increased by:		
Budget Appropriation	D-4	124,937.78
		<u>130,832.26</u>
Decreased by:		
Cash Disbursements	D-5	98,806.84
		<u>98,806.84</u>
Balance, December 31, 2012	D	<u>\$ 32,025.42</u>

Analysis of Accrued Interest on Loans at December 31, 2012

<u>Date of Issue</u>	<u>Interest Payable</u>	<u>Period</u>	<u>Amount</u>
10/15/2000	\$ 11,365.63	5 Months	\$ 9,471.36
11/01/2003	10,108.75	5 Months	8,423.96
11/01/2005	2,187.50	5 Months	1,822.92
11/01/2006	14,815.63	5 Months	12,346.36
11/01/2010	7,087.50	5 Months	5,906.25
11/01/2010	9,000.00	5 Months	7,500.00
			<u>\$ 45,470.85</u>

Note: The shortfall has been raised in the 2013 budget.

BOROUGH OF GLEN RIDGE
WATER UTILITY

RESERVE FOR FUTURE IMPROVEMENT AUTHORIZATIONS
DECEMBER 31, 2012

D-19

	<u>Ref.</u>	
Balance, December 31, 2011	D	<u>\$ 11,000.00</u>
Balance, December 31, 2012	D	<u>\$ 11,000.00</u>

RESERVE FOR AMORTIZATION
DECEMBER 31, 2012

D-20

	<u>Ref.</u>		
Balance, December 31, 2011	D		\$ 3,171,709.98
Increased by:			
Loan Repayment	D-16	\$ 339,666.41	
Funding of Ord. #1523	D-8	<u>25,863.00</u>	
			365,529.41
			<u>3,537,239.39</u>
Decreased by:			
Funded Projects Cancelled	D-2		<u>37,242.80</u>
Balance, December 31, 2012	D		<u>\$ 3,499,996.59</u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

OVERPAID WATER RENTS
YEAR ENDED DECEMBER 31, 2012

D-21

	<u>Ref.</u>	
Balance, December 31, 2011	D	\$ 5,234.07
Increased by:		
Cash Receipts	D-5	<u>9,170.18</u>
		14,404.25
Decreased by:		
Applied to Rents Receivable	D-7	<u>5,234.07</u>
Balance, December 31, 2012	D	<u><u>\$ 9,170.18</u></u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2012

D-22

Improvement Description	Number	Ordinance		Amount	Balance Dec. 31, 2011	Cancelled	Balance Dec. 31, 2012
		Date					
Replacement of Lead and Lead Line Services	1523	9-14-09		\$ 850,000.00	\$ 84,137.00	\$ 84,137.00	\$
			Ref.		D		

BOROUGH OF GLEN RIDGE
POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR-TREASURER
YEAR ENDED DECEMBER 31, 2012

E-5

	Ref.	Operating	Capital
Balance, December 31, 2011	E	\$ 191,029.57	\$
Increased by Receipts:			
Interest Earned	E-3	\$ 6.37	
Pool Fees	E-3	380,749.00	
Account Receivable	E-10	85.00	
Bond Anticipation Note	E-16		600,000.00
Contra	Below	342,214.92	
		<u>723,055.29</u>	<u>600,000.00</u>
		914,084.86	600,000.00
Decreased by Disbursements:			
Budget Appropriations	E-4	247,751.17	
Note Receivable	E-8	109,456.04	
Appropriation Reserves	E-12	25,019.29	
Improvement Authorizations	E-14		25,376.74
Serial Bonds Refunded	E-17		560,000.00
Contra	Above	342,214.92	
		<u>724,441.42</u>	<u>585,376.74</u>
Balance, December 31, 2012	E	\$ 189,643.44	\$ 14,623.26

BOROUGH OF GLEN RIDGE
POOL UTILITY

CHANGE FUND
DECEMBER 31, 2012

E-6

	<u>Ref.</u>	
Balance, December 31, 2011	E	<u>\$ 100.00</u>
Balance, December 31, 2012	E	<u>\$ 100.00</u>

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2012

E-7

	<u>Ref.</u>	
Balance, December 31, 2011	E	\$ 1,550,000.00
Increased by:		
Transferred from Fixed Capital Authorized and Uncompleted	E-9	<u>25,376.74</u>
Balance, December 31, 2012	E	<u>\$ 1,575,376.74</u>

NOTE RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

E-8

	<u>Ref.</u>	
Increased by:		
Cash Disbursements	E-5	<u>\$ 109,456.04</u>
Balance, December 31, 2012	E	<u>\$ 109,456.04</u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2012

E-9

Description	Number	Ordinance		Balance Dec. 31, 2011	Decrease	Balance Dec. 31, 2012
		Date	Amount			
Refunding Bond Issue	1569	11/14/11	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$
			Ref.	E	Below	
			Transferred to Fixed Capital	E-7	\$ 25,376.74	
			Cancelled	E-14	14,623.46	
					\$ 40,000.20	

BOROUGH OF GLEN RIDGE
POOL UTILITY

ACCOUNT RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

E-10

	<u>Ref.</u>	
Balance, December 31, 2011	<u>E</u>	\$ 85.00
Decreased by:		
Cash Receipt	E-5	<u>85.00</u>
Balance, December 31, 2012		<u><u>\$</u></u>

ACCOUNT PAYABLE
YEAR ENDED DECEMBER 31, 2012

E-11

	<u>Ref.</u>	
Balance, December 31, 2011	E	\$ 1,095.03
Increased by:		
Transferred from Appropriation Reserve	E-12	<u>\$ 270.00</u>
Balance, December 31, 2012	E	<u><u>\$ 1,365.03</u></u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

E-12

	Balance December 31, 2011		Paid or Charged	Unexpended Balance Cancelled
	<u>Encumbered</u>	<u>Reserved</u>		
Salaries and Wages	\$	\$ 1,848.34	\$	\$ 1,848.34
Other Expenses	17,523.38	17,839.65	17,514.29	17,848.74
Capital Improvements	<u>7,775.00</u>	<u>39,183.34</u>	<u>7,775.00</u>	<u>39,183.34</u>
	<u>\$ 25,298.38</u>	<u>\$ 58,871.33</u>	<u>\$ 25,289.29</u>	<u>\$ 58,880.42</u>
<u>Ref.</u>	E	E	Below	E-1

	<u>Ref.</u>	
Cash Disbursement	E-5	\$ 25,019.29
Transfer to Accounts Payable	E-11	<u>270.00</u>
		<u>\$ 25,289.29</u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

ACCRUED INTEREST ON BONDS/NOTES
YEAR ENDED DECEMBER 31, 2012

E-13

	<u>Ref.</u>	
Balance, December 31, 2011	E	\$ 13,932.29
Decreased by:		
Cancelled	E-1	<u>5,682.29</u>
Balance, December 31, 2012	E	<u>\$ 8,250.00</u>

Analysis of Accrued Interest on Notes at December 31, 2012

<u>Date of Issue</u>	<u>Principal</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>
2/01/2012	\$ 600,000.00	1.50%	11 Months	<u>\$ 8,250.00</u>

E-14

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BOROUGH OF GLEN RIDGE
POOL UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2012

E-15

	<u>Ref.</u>	
Balance, December 31, 2011	E	\$ 990,000.00
Decreased by:		
Funded Improvement Authorization Cancelled	E-2	<u>14,623.26</u>
Balance, December 31, 2012	E	<u>\$ 975,376.74</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
POOL CAPITAL FUND

E-16

BOND ANTICIPATION NOTE
YEAR ENDED DECEMBER 31, 2012

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Issued</u>	<u>Balance Dec. 31, 2012</u>
Pool Utility Improvements	2-01-2012	\$ 600,000.00	1.50%	\$ 600,000.00	\$ 600,000.00

Ref. E-5

E-17

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2011	Refunded	Balance Dec. 31, 2012
			Date	Outstanding Dec. 31, 2012 Amount				
Pool Utility Improvements	9-22-2003	\$ 1,000,000.00				\$ 560,000.00	\$ 560,000.00	\$
					Ref.	E	E-5	

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2012

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See Independent Auditors' Report

PART II
REPORT ON INTERNAL CONTROL
SINGLE AUDIT ATTACHMENTS
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2012



**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards**

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

We have audited, in accordance with the 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, the regulatory basis financial statements of the various funds of the Borough of Glen Ridge, Essex County, New Jersey (the "Borough"), as of and for the year ended December 31, 2012, the related statement of revenues, expenditures and changes in fund balances for the year ended December 31, 2012 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated May 22, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Borough's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

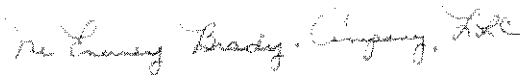
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script, likely belonging to a representative of the auditing firm, positioned above the date and location.

Livingston, New Jersey
May 22, 2013

A handwritten signature in cursive script, reading "John Lauria", positioned above the printed name and title.

John Lauria, RMA
Licensed Registered Municipal Accountant # 403



**Report on Compliance For Each Major State
Program; Report on Internal Control Over Compliance; and Report on the Schedule
of Expenditures of State Awards Required New Jersey OMB Circular 04-04**

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

Report on Compliance for Each Major State Program

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 Compliance Supplement* that could have a direct and material effect on each of the Borough's major programs for the year ended December 31, 2012. The Borough's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *New Jersey OMB Circular 04-04, Single Audit Policy for State Grants and State Aid Programs* (collectively, "OMB Circular 04-04"). Those standards and OMB Circular 04-04 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 and material effect on a major 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 on compliance for each major program. However, our audit does not provide a legal determination of the Borough's compliance.

Opinion on Each Major Program

In our opinion, the Borough complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Borough is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough's internal control over compliance with the types of requirements

that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with 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.

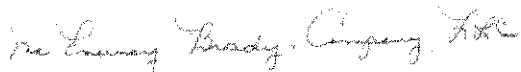
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards Required by OMB Circular 04-04

We have audited the regulatory basis financial statements of the Borough as of and for the year ended December 31, 2012, and have issued our report thereon dated May 22, 2013, which contained an unmodified opinion on those financial statements on the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statements as a whole. The accompanying schedules of expenditures of state awards is presented for purposes of additional analysis as required by OMB Circular 04-04 and is not a required part of the regulatory basis financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.



Livingston, New Jersey
May 22, 2013



John Lauria, RMA
Licensed Registered Municipal Accountant # 403

BOROUGH OF GLEN RIDGE
COUNTY OF ESSEX

SCHEDULE OF STATE FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED DECEMBER 31, 2012

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		1-01-12	12-31-12	\$ 38,950.00	\$	\$ 27,558.53	\$ 27,558.53
	State Funds CY 2009		1-01-11	12-31-11	29,773.67	29,773.67	19,646.12	29,773.67
Environmental Protection	Clean Communities:	4906-765-178910-60						
	State Funds CY 2008		1-01-08	12-31-08	7,327.24		6,541.32	785.92
	State Funds CY 2010		1-01-10	12-31-10	10,079.68		5,394.72	4,684.96
	State Funds CY 2011		1-01-11	12-31-11	9,594.90		6,743.89	6,743.89
	State Funds CY 2012		1-01-12	12-31-12	9,436.28	9,436.28		
	Recycling Tonnage Program		1-01-11	12-31-12	22,064.98	15,885.51	22,064.98	22,064.98
	Environmental Infrastructure Loan:							
	General Capital - Ord. # 1524		2-08-10	Completion	350,515.00	137,378.00	257,152.41	267,537.41
	Water Capital - Ord. # 1511		2-08-10	Completion	1,245,145.12	25,863.00		1,245,145.12
	Water Capital - Ord. # 1523		2-08-10	Completion	754,483.20	705,996.00	727,942.52	754,483.20
	Historic Trust Program		1-01-09	Completion	8,400.00		2,310.00	2,310.00
Motor Vehicles	Drunk Driving Enforcement Fund	1110-101-030000-12	1-01-09	12-31-11	12,451.65		7,993.45	12,451.65
	Alcohol, Education and Rehabilitation		1-01-06	Completion	4,778.28			878.18
Transportation	Transportation Trust Fund:	6320-480-078-6320						
	CY 2010 Ord. #1527 Various Roads		1-01-10	Completion	260,000.00	158,354.01		260,000.00
	CY 2010 Ord. #1535-1 Various Roads		1-01-10	Completion	360,000.00	52,500.00		350,512.50
	CY 2012 Ord. #1583-1 Various Roads		1-01-12	Completion	210,000.00	157,500.00	208,200.00	208,200.00
Law and Public Safety	Body Armor Replacement Fund:	066-1020-718-001-6120						
	State Funds		7-01-10	6-30-13	4,805.73	2,601.58	2,704.15	2,704.15
	Total				\$ 1,294,252.09	\$ 1,295,288.05	\$ 1,294,252.09	\$ 3,195,834.16

The accompanying notes are an integral part of this schedule.

BOROUGH OF GLEN RIDGE
NOTES TO THE SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2012

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, 2012:

General Capital Fund:	
Green Acres Loan	\$ 389,195.95
Environmental Infrastructure	<u>330,217.13</u>
	<u>\$ 719,413.08</u>
Water Utility Capital Fund:	
Environmental Infrastructure	<u>\$ 4,833,189.33</u>

5. FEDERAL EMERGENCY MANAGEMENT ASSISTANCE

The Borough had eligible expenditures of \$229,357.71 for the 2011 storms. The federal government share of seventy-five percent was reimbursed to the Borough.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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:

Account Number(s) Name of Program or Cluster

Environmental Infrastructure Loan

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, 2012
(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, 2012
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	
Mark Clemente	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.



McENERNEY, BRADY & COMPANY, LLC
Certified Public Accountants

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

Ladies and Gentlemen:

We have audited the regulatory 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, 2012, 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
May 22, 2013

293 Eisenhower Parkway, Livingston, NJ 07039
(973) 535-2880

832 McLean Avenue, Yonkers, NY 10704
(914) 237-3676

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, 2012 of \$251,820.51 were all 2012 taxes.

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>
2012	3
2011	3
2010	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 2012 and 2013 Taxes	25
Delinquent Real Estate Taxes	25
Payment of Water Utility Charges	25
Unpaid Water Utility Charges	25
	<u>100</u>

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.

Accounting Procedures

It was noted during our audit that an employee was reimbursed for out of pocket expenses related to the Borough operation in excess of \$12,000.00. The effect on these reimbursements could lead to the quote and/or the bid threshold being circumvented and to sales tax being paid.

It is recommended that purchases be made through the Borough's requisition/purchase order system and that reimbursements to employees be kept to a minimum amount which should be established by a Borough resolution.

Administrative Procedures

Pension Eligibility

The State of New Jersey enacted legislation under Ch. 92 P.L. 2007 and codified under N.J.S.A. 43:15A-7.2 and 43:15c-2b(4). The law established that individuals performing professional services 1) under a contract awarded pursuant to N.J.S.A. 40A11.5 and 1 or 2) under an independent contract as determined in accordance with rules and policy of the IRS are ineligible for membership in the State's Pension System (PERS). There was no "grandfathering" provisions under N.J.S.A. 43:15A-7.2. The municipalities were required to remove them from the pension rolls.

It appears that three individuals who are enrolled in PERS do not meet the requirements under the statutes. The Borough has removed one employee effective January 1, 2013 and for the other employees (prosecutor and public defender) the Borough is awaiting an opinion from the State Division of Pensions.

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.

It is recommended that:

- 1) Greater care be taken by those posting revenue collections to ensure that the proper accounts are credited.

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 2011 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.

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

Page Number

Accounting Procedures

That purchases be made through the Borough's purchase order system and that reimbursements to employees be kept to a minimum. 130

Revenue Departments

That departmental revenue be posted correctly by employees having that responsibility. 130

Encumbrance System:

That all departments adhere to the required policies and procedures to ensure compliance with the state requirements. 130

Capital Fixed Assets:

That the Borough update its capital fixed asset accounting system. 131

Dedication by Rider

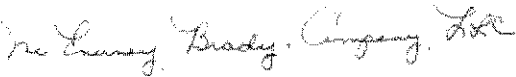
That certain trust accounts be reviewed by Borough officials for possible inclusion in the municipal budget under the provisions of Dedication by Rider, N.J.S.A. 40A:4-39. 131

RECOMMENDATIONS
(Continued)

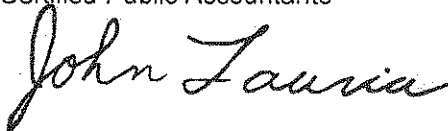
The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

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
May 22, 2013