



**BOROUGH OF GLEN RIDGE
ESSEX COUNTY, NEW JERSEY
REPORT ON
EXAMINATION OF ACCOUNTS
DECEMBER 31, 2016 AND 2015**

PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
YEARS ENDED DECEMBER 31, 2016 AND 2015

**ROSTER OF OFFICIALS AS OF DECEMBER 31, 2016
AND REPORT ON SURETY BONDS**

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Stuart Patrick	Mayor	\$
Paul Lisovicz	Council President	
Ann Marie Morrow	Councilwoman	
Daniel Murphy	Councilman	
Arthur Dawson	Councilman	
Peter Hughes	Councilman	
David Lefkovits	Councilman	
Michael J. Rohal	Borough Clerk	
	Engineer	
	Borough Administrator	
	Tax Search Officer	
	Officer for Searches for Municipal Improvements	
Matthew Laracy	Chief Financial Officer	100,000.00
Stephen C. Berry, Jr.	Deputy Borough Clerk	
Denise Iandolo	Acting 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	
	Deputy Business Administrator	
John Malyska	Borough Attorney	

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

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 and account group of the Borough of Glen Ridge, Essex County, New Jersey (the "Borough") which comprise the balance sheets as of and for the years ended December 31, 2016 and 2015, and the related statements of revenues, expenditures and changes in fund balances for the years then ended, statements of revenues, statements of expenditures 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 the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States; and the audit requirements prescribed by the Division. Those standards and requirements prescribed by the Division 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 Borough'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 Borough'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 on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division to demonstrate compliance with Division's regulatory-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund of the Borough as of December 31, 2016 and 2015 and the results of its operations and changes in fund balance, for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

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 and account group of the Borough of Glen Ridge, Essex County, New Jersey, as of December 31, 2016 and 2015, and the respective results of its operations and changes in fund balance for the years then ended in accordance with the financial reporting provisions of the Division, as described in Note 1 to the financial statements.

Report on Supplementary Information as Required by the Division in Accordance with Regulatory-Basis

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary information, as identified as exhibits A-4 through E-14, the comments and recommendations and supplementary information in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the 2016 regulatory-basis financial statements of the Borough. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 25, 2017 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.

PKF O'Connor Davies, LLP

Livingston, New Jersey
May 25, 2017

John Lauria, RMA
Licensed Registered Municipal Accountant # 403

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

A
Sheet # 1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	A-4	\$ 4,091,905.66	\$ 4,516,723.87
Change Funds	A-5	370.00	270.00
		<u>4,092,275.66</u>	<u>4,516,993.87</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	248,171.40	218,349.33
Tax Title Liens	A-8	31,570.32	29,208.62
Property Acquired for Taxes at Assessed Valuation	A-9	410.00	410.00
Revenue Accounts Receivable	A-10	9,614.45	13,551.70
Interfunds Receivable	A-11	36,625.49	28,594.77
		<u>326,391.66</u>	<u>290,114.42</u>
Deferred Charges:			
Overexpenditure of Appropriation Reserves	A-12	9,795.48	30,222.52
Special Emergency N.J.S.A. 40A:4-53	A-13	54,000.00	108,000.00
		<u>63,795.48</u>	<u>138,222.52</u>
		<u>4,482,462.80</u>	<u>4,945,330.81</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-24	77,507.24	56,269.85
Interfunds Receivable	A-25	41,689.09	46,765.95
		<u>119,196.33</u>	<u>103,035.80</u>
		<u>\$ 4,601,659.13</u>	<u>\$ 5,048,366.61</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Expenditure Reserves:			
Appropriation Reserves:			
Encumbered	A-3, A-14	\$ 281,493.20	\$ 146,412.17
Unencumbered	A-3, A-14	740,572.09	618,770.15
Due to State of New Jersey:			
Ch. 129, P.L. 1976	A-6	7,120.64	4,870.64
Interfunds Payable	A-11	42,367.61	325,517.14
Due to State of New Jersey:			
Other Fees	A-15	6,361.00	2,527.00
Tax Overpayments	A-16	165,770.83	104,557.66
Inspection Fees Payable	A-17	5,348.00	1,070.00
School Taxes Payable	A-19	483,855.87	147,713.87
Emergency Note Payable	A-20	54,000.00	108,000.00
Tax Anticipation Note Payable	A-21		1,000,000.00
Accounts Payable	A	200.00	
Prepaid Taxes	A-22	202,705.96	161,820.76
Sub-Total		<u>1,989,795.20</u>	<u>2,621,259.39</u>
Reserve for Receivables and Other Assets		326,391.66	290,114.42
Fund Balance	A-1	<u>2,166,273.94</u>	<u>2,033,957.00</u>
		<u>4,482,460.80</u>	<u>4,945,330.81</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-26	114,751.54	84,021.01
Unappropriated Reserves	A-27	<u>4,444.79</u>	<u>19,014.79</u>
		<u>119,196.33</u>	<u>103,035.80</u>
		<u>\$ 4,601,657.13</u>	<u>\$ 5,048,366.61</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, 2016 AND 2015

A-1

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 830,000.00	\$ 630,000.00
Miscellaneous Revenue Anticipated	A-2	1,468,193.30	1,571,624.20
Receipts from Delinquent Taxes	A-2a	218,320.74	249,004.79
Receipts from Current Taxes	A-2a	48,169,495.95	46,994,212.19
Nonbudget Revenue	A-2b	27,336.21	67,008.52
Other Credits to Income:			
Prior Year Interfunds Liquidated			2,454.81
Excess Dog License Fees	A-11	11,845.84	
Appropriation Reserves Lapsed	A-14	508,578.60	244,750.16
Total Revenue and Other Income		<u>51,233,770.64</u>	<u>49,759,054.67</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		4,502,729.55	4,441,308.83
Other Expenses		6,179,748.22	5,940,825.13
Capital Improvements		495,930.43	507,845.00
Debt Service		702,514.05	691,140.50
Statutory Expenditures and Deferred Charges		1,156,632.56	1,085,001.45
	A-3	<u>13,037,554.81</u>	<u>12,666,120.91</u>
County Taxes	A-18	8,183,779.17	7,871,506.41
Local District School Tax	A-19	29,042,089.00	28,384,732.00
Total Expenditures		<u>50,263,422.98</u>	<u>48,922,359.32</u>
Other Debits to Income:			
Interfunds Liquidated	A-11	<u>8,030.72</u>	
Excess in Revenue		962,316.94	836,695.35
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>2,033,957.00</u>	<u>1,827,261.65</u>
		2,996,273.94	2,663,957.00
Decreased by:			
Utilized as Anticipated Revenue	Above	<u>830,000.00</u>	<u>630,000.00</u>
Balance, End of Year	A	<u>\$ 2,166,273.94</u>	<u>\$ 2,033,957.00</u>

See accompanying note to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

A-2

	Ref.	Anticipated Budget	Realized	(Deficit) or Excess
Fund Balance Appropriated	A-1	\$ 830,000.00	\$ 830,000.00	\$
<u>Miscellaneous Revenues</u>				
Alcoholic Beverage Licenses	A-10	10,000.00	7,500.00	(2,500.00)
Other Licenses	A-10	2,000.00	2,983.00	983.00
Fees and Permits	A-10	340,000.00	378,560.53	38,560.53
Municipal Court Fines and Costs	A-10	155,000.00	133,261.56	(21,738.44)
Other Fines and Costs	A-10	6,000.00	6,048.88	48.88
Interest and Cost on Taxes	A-10	65,000.00	56,038.78	(8,961.22)
Parking Lot Fees	A-10	70,000.00	84,098.60	14,098.60
Recreation Receipts	A-10	75,000.00	73,815.00	(1,185.00)
Rental of Hurrell Field	A-10	25,000.00	25,000.00	
Cable TV Franchise Fee	A-10	61,518.08	61,518.08	
Consolidated Municipal Property Tax				
Relief Aid	A-10	16,983.00	16,983.00	
Energy Receipts Tax	A-10	382,558.00	382,558.00	
Uniform Construction Code Fees	A-10	12,000.00	14,777.00	2,777.00
PILOT - Project Live	A-10	6,000.00	4,873.00	(1,127.00)
Jitney Fees	A-10	50,000.00	43,212.00	(6,788.00)
Additional Fees- Rental of Other Athletic Fields	A-10	50,000.00	50,000.00	
Recycling	A-10	5,000.00		(5,000.00)
Mountainside Hospital Sewer Fee	A-10	9,410.00	9,410.00	
PVSC Reimbursement	A-10	13,425.91	13,425.91	
		<u>1,354,894.99</u>	<u>1,364,063.34</u>	<u>9,168.35</u>
Federal and State Grants:				
Clean Communities Program		14,437.97	14,437.97	
Drunk Driving Enforcement Fund		17,070.00	17,070.00	
Municipal Alliance on Alcohol and Drug Abuse		38,895.00	38,895.00	
Recycling Tonnage Grant		20,443.92	20,443.92	
Alcohol, Education and Rehabilitation		1,938.50	1,938.50	
Body Worn Camera Assistance Program		9,000.00	9,000.00	
State Body Armor Replacement Fund		2,344.57	2,344.57	
	A-11	<u>104,129.96</u>	<u>104,129.96</u>	
Total Miscellaneous Revenue	A-1	<u>1,459,024.95</u>	<u>1,468,193.30</u>	<u>9,168.35</u>
Receipts from Delinquent Taxes	A-2a	<u>215,820.00</u>	<u>218,320.74</u>	<u>2,500.74</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purpose		10,641,721.83		
Minimum Library Tax		519,818.24		
	A-2a	<u>11,161,540.07</u>	<u>11,548,732.71</u>	<u>387,192.64</u>
		13,666,385.02	14,065,246.75	398,861.73
Nonbudget Revenue	A-2b		27,336.21	27,336.21
	A-3	<u>\$ 13,666,385.02</u>	<u>\$ 14,092,582.96</u>	<u>\$ 426,197.94</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, 2016

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	\$ 48,199,995.93	\$ 218,320.74	\$ 47,981,675.19
Exemptions Granted	A-7	26,000.00		26,000.00
Prepaid Taxes Applied	A-7	<u>161,820.76</u>		<u>161,820.76</u>
Total Revenue	A-1	48,387,816.69	218,320.74	48,169,495.95
Allocated to:				
County Levy and Added Taxes	A-18	(8,183,779.17)		(8,183,779.17)
Local District School Taxes	A-19	(29,042,089.00)		(29,042,089.00)
Plus: Reserve for Uncollected Taxes	A-3	<u>605,104.93</u>		<u>605,104.93</u>
Realized Revenue	A-2	<u>\$ 11,767,053.45</u>	<u>\$ 218,320.74</u>	<u>\$ 11,548,732.71</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, 2016

A-2b

Ref.

Miscellaneous Revenue Not Anticipated

Cash Receipts:

Sale of Recyclables	\$ 523.25
Tree Replacements	500.00
Prior Year Reimbursements	4,508.40
Cost of Tax Sale	400.00
Board of Adjustment Fees	450.00
Towing Fees	750.00
Planning Board Fees	3,560.00
Duplicate Tax Bills	75.00
Bad Check Fee	180.00
Photocopies	506.70
Polling Place Rental	60.00
Inspection Fines	1,400.00
Police	1,505.80
Administrative Fee - Senior Citizens and Veterans	565.00
Other	<u>12,352.06</u>

A-1,2,4

\$ 27,336.21

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

A-3
Sheet # 1

Appropriation	Appropriations		Modified Budget	Expended		Reserved		Canceled
	Budget			Paid or Charged		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS":								
GENERAL GOVERNMENT								
Administrative and Executive:								
Salaries and Wages	\$ 158,304.00	\$	158,304.00	\$ 157,116.85	\$	2,828.74	\$ 1,187.15	
Other Expenses	62,000.00		62,000.00	54,416.04			4,755.22	
Elections:								
Other Expenses	4,750.00		4,750.00	4,093.41			656.59	
Financial Administration:								
Salaries and Wages	44,000.00		15,385.61	6,894.50			8,471.11	
Other Expenses	115,000.00		115,000.00	96,945.39			18,054.61	
Annual Audit	37,000.00		37,000.00				37,000.00	
Assessment of Taxes:								
Salaries and Wages	34,629.00		34,629.00	34,595.04			33.96	
Other Expenses	34,000.00		34,000.00	29,114.87	517.50		4,367.63	
Collection of Taxes:								
Salaries and Wages	83,640.00		83,640.00	81,564.72			2,075.28	
Other Expenses	8,000.00		8,000.00	7,223.34			776.66	
Community Affairs and Public Relations:								
Other Expenses	55,000.00		55,000.00	54,729.77			270.23	
Legal Services and Costs:								
Other Expenses	100,000.00		100,000.00	70,319.19			29,680.81	
Engineering Services and Costs:								
Salaries and Wages	95,000.00		95,000.00	94,153.68			846.32	
Other Expenses	42,000.00		44,000.00	36,314.56	6,786.50		898.94	
Public Buildings and Grounds:								
Salaries and Wages	26,000.00		26,000.00	22,799.18			3,200.82	
Other Expenses	81,500.00		81,500.00	55,677.50	19,684.80		6,137.70	
Planning Board:								
Other Expenses	12,000.00		12,000.00	8,635.38			3,364.62	
Board of Adjustment:								
Other Expenses	4,600.00		4,600.00	1,380.48			3,219.52	
Shade Tree Commission:								
Salaries and Wages	2,000.00		2,000.00				2,000.00	
Other Expenses	82,000.00		82,000.00	77,454.58			4,545.42	
Insurance:								
General Liability	336,838.00		338,238.00	338,238.00				
Workers Compensation	181,008.00		181,008.00	181,008.00				
Employee Group Health	884,700.00		884,700.00	659,579.71	90,616.98		134,503.31	
Municipal Court:								
Salaries and Wages	201,960.00		201,963.36	201,983.36				
Other Expenses	25,000.00		25,000.00	20,467.91	1,657.11		2,874.98	
Public Defender:								
Salaries and Wages	9,000.00		9,000.00	5,922.32			3,077.68	

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

A-3
Sheet # 2

Appropriation	Appropriations		Modified Budget	Expended		Reserved		Canceled
	Budget			Paid or Charged	Encumbered	Unencumbered		
APPROPRIATIONS WITHIN "CAPS"								
PUBLIC SAFETY								
Department of Public Safety:								
Salaries and Wages		\$ 2,298,000.00	\$ 2,298,000.00	\$ 2,275,356.18		\$ 22,643.82		
Other Expenses		199,128.00	199,128.00	139,173.47	\$ 52,234.15	7,720.38		
Crossing Guards:								
Salaries and Wages		133,020.00	133,020.00	117,496.25		15,523.75		
Police Dispatchers:								
Salaries and Wages		323,500.00	323,500.00	313,296.67		10,203.33		
Aid to Volunteer Ambulance Companies:								
Other Expenses		12,000.00	12,000.00	12,000.00				
Municipal Prosecutor:								
Salaries and Wages		24,500.00	24,500.00	24,137.28		362.72		
STREETS AND ROADS								
Road Repair and Maintenance:								
Salaries and Wages		275,000.00	282,042.72	282,042.72		9,243.90		
Other Expenses		90,000.00	90,000.00	74,064.27	6,691.83			
Storms:								
Salaries and Wages		45,000.00	45,000.00	35,918.86		9,081.14		
Other Expenses		25,000.00	25,000.00	12,987.44	4,574.51	7,438.05		
SANITATION								
Sewer System:								
Salaries and Wages		4,590.00	7,590.00	7,065.16		524.84		
Other Expenses		10,000.00	10,000.00	5,795.75		4,204.25		
Garbage and Trash Removal:								
Other Expenses		919,000.00	929,000.00	902,211.14	6,907.65	19,881.21		
HEALTH AND WELFARE								
Board of Health:								
Salaries and Wages		49,980.00	49,981.95	49,981.95				
Other Expenses		20,020.00	20,020.00	13,645.70	5,763.48	610.82		

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

A-3
Sheet # 3

Appropriation	Appropriations		Expended Paid or Charged	Reserved		Unencumbered	Canceled
	Budget	Modified Budget		Encumbered			
APPROPRIATIONS WITHIN "CAPS"							
RECREATION AND EDUCATION							
Parks and Playgrounds:							
Salaries and Wages	\$ 194,000.00	\$ 187,470.00	\$ 186,352.69		\$ 1,117.31		
Other Expenses	129,700.00	129,700.00	100,159.42	\$ 28,801.00	739.58		
Hurrell Field:							
Salaries and Wages	72,000.00	72,000.00	67,849.74		4,150.26		
Other Expenses	64,000.00	64,000.00	17,352.83	14,566.38	32,080.79		
Recreation:							
Salaries and Wages	190,000.00	199,301.34	199,262.99		38.35		
Other Expenses	65,000.00	65,000.00	48,856.95	3,828.87	12,314.18		
Jitney Operation:							
Salaries and Wages	98,000.00	98,000.00	94,441.68		3,558.32		
Other Expenses	18,000.00	21,476.38	20,348.87	514.91	612.60		
Health Waiver	24,500.00	24,500.00			24,500.00		
UNIFORM CONSTRUCTION CODE							
Construction Code Officials:							
Inspection of Buildings:							
Salaries and Wages	154,000.00	156,401.57	155,325.46		1,076.11		
Other Expenses	8,500.00	11,325.45	11,076.96		248.49		
UNCLASSIFIED							
Electricity	130,000.00	130,000.00	105,310.09	630.80	24,059.11		
Gasoline, Diesel Fuel and Lubricants	119,535.00	119,535.00	54,510.94	2,175.18	62,848.88		
Street Lighting	210,000.00	210,000.00	169,368.67		40,631.33		
CONTINGENT	15,000.00	15,000.00	4,494.08		10,505.92		
Total Operations Within "CAPS"	8,640,902.00	8,647,210.38	7,800,511.99	248,780.39	597,918.00		
Detail:							
Salaries and Wages	4,516,123.00	4,502,729.55	4,413,557.28		89,172.27		
Other Expenses	4,124,779.00	4,144,480.83	3,386,954.71	248,780.39	508,745.73		
STATUTORY EXPENDITURES							
Contributions to:							
Public Employees' Retirement System	268,768.00	268,768.00	268,768.00		27,213.68		
Social Security System (OASDI)	185,000.00	185,000.00	157,786.32				
Police and Firemen's Retirement System	616,469.36	592,759.00	592,759.00		35,000.00		
State Unemployment Insurance	35,000.00	35,000.00			62,213.68		
	1,105,237.36	1,081,527.00	1,019,313.32				
Total Appropriations Within "CAPS"	9,746,139.36	9,728,737.38	8,819,825.31	248,780.39	660,131.68		

A-3
Sheet # 4

APPROPRIATIONS EXCLUDED FROM "CAPS"

See accompanying notes to financial statements.

**BOROUGH OF GLEN RIDGE
CURRENT FUND**

**STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016**

A-3
Sheet # 5

Appropriation	Appropriations		Expended Paid or Charged	Reserved		Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS EXCLUDED FROM "CAPS"						
DEBT SERVICE						
Payment of Bond Principal	\$ 350,000.00	\$ 350,000.00	\$ 350,000.00			
Payment of Bond Anticipation Notes and Cap Notes	156,950.00	157,000.00	157,000.00			
Interest on Bonds	121,600.00	121,600.01	121,600.01			
Interest on Notes	18,049.40	17,999.40	17,892.97			\$ 106.43
Loan Repayments for Principal	36,641.60	36,641.60	36,641.60			
Clean Water Infrastructure Loan	21,928.75	21,928.75	19,379.47			2,549.28
	<u>705,169.75</u>	<u>705,169.76</u>	<u>702,514.05</u>			<u>2,655.71</u>
DEFERRED CHARGES						
Special Emergency Authorizations - 5 Years	54,000.00	54,000.00	54,000.00			
Unfunded Improvement Authorization	678.52	678.52	678.52			
Overexpenditure of Appropriation	20,427.04	20,427.04	20,427.04			
	<u>75,105.56</u>	<u>75,105.56</u>	<u>75,105.56</u>			
Total Appropriations Excluded from "CAPS"	<u>3,315,140.73</u>	<u>3,332,542.71</u>	<u>3,195,662.21</u>	<u>\$ 32,712.81</u>	<u>\$ 80,442.41</u>	<u>23,725.28</u>
Sub-Total Appropriations	13,061,280.09	13,061,280.09	12,015,487.52	281,493.20	740,574.09	23,725.28
Reserve for Uncollected Taxes	605,104.93	605,104.93	605,104.93			
Total General Appropriations	<u>\$ 13,666,385.02</u>	<u>\$ 13,666,385.02</u>	<u>\$ 12,620,592.45</u>	<u>\$ 281,493.20</u>	<u>\$ 740,574.09</u>	<u>\$ 23,725.28</u>
	A-2		Below	A	A	Below
	Ref.					
Adopted Budget	A-2, Above	\$ 13,639,463.35				
Appropriation by 40A 4-87		26,921.67				
Deferred Charge	A-12, 13		74,427.04			
Reserve for Uncollected Taxes	A-2a	(605,104.93)	605,104.93			
Cash Disbursements	A-4		11,836,252.00			
Interfunds Payable	A-11		104,808.48			
Canceled	Above	(23,725.28)				
	A-1	<u>\$ 13,037,554.81</u>	<u>\$ 12,620,592.45</u>			

BOROUGH OF GLEN RIDGE
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Animal Control Fund</u>			
Cash	B-2	\$ 27,304.04	\$ 26,111.36
Account Receivable	B-5		3.80
		<u>27,304.04</u>	<u>26,115.16</u>
<u>General Trust Fund</u>			
Cash	B-2	581,086.62	710,563.24
Community Development Block Grant			
Receivable	B-3	40,100.00	40,000.00
Police Outside Service Receivable	B-4	25,237.01	29,023.72
		<u>646,423.63</u>	<u>779,586.96</u>
<u>Payroll Account</u>			
Cash	B-2	6,202.05	4,523.15
		<u>\$ 679,929.72</u>	<u>\$ 810,225.27</u>
 <u>LIABILITIES AND RESERVES</u>			
<u>Animal Control Fund</u>			
Interfunds Payable	B-8	\$ 11,845.84	\$ 6,384.72
Reserve for Expenditures	B-9	15,458.20	19,730.44
		<u>27,304.04</u>	<u>26,115.16</u>
<u>General Trust Fund</u>			
Interfunds Payable	B-8	40,000.00	86,595.67
Reserves for:			
Special Deposits	B-10	354,183.03	440,750.69
State Unemployment Compensation			
Insurance	B-6	212,212.25	212,212.25
Community Development Block			
Grant	B-11	40,000.00	40,000.00
Fund Balance	B-1	28.35	28.35
		<u>646,423.63</u>	<u>779,586.96</u>
<u>Payroll Account</u>			
Interfunds Payable	B-8	3,258.26	
Payroll Deductions Payable	B-7	2,943.79	4,523.15
		<u>6,202.05</u>	<u>4,523.15</u>
		<u>\$ 679,929.72</u>	<u>\$ 810,225.27</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
TRUST FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

B-1

	<u>Ref.</u>	
Balance, December 31, 2015	B	<u>\$ 28.35</u>
Balance, December 31, 2016	B	<u><u>\$ 28.35</u></u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
Cash	C-2	\$ 92,987.68	\$ 435,963.95
Due from State of New Jersey	C-4	570,135.00	118,500.00
Interfunds Receivable	C-5	40,678.52	318,051.19
Deferred Charges to Future Taxation:			
Funded	C-6	3,153,145.54	3,548,110.45
Unfunded	C-7	<u>2,043,000.00</u>	<u>2,200,678.52</u>
		<u>\$ 5,899,946.74</u>	<u>\$ 6,621,304.11</u>
 <u>LIABILITIES AND RESERVES</u>			
Improvement Authorizations:			
Funded	C-8	\$ 511,847.86	\$ 22,909.71
Unfunded	C-8	49,921.11	448,251.72
Capital Improvement Fund	C-9	142,014.51	402,014.51
Green Trust Loan Payable	C-10	269,643.29	300,429.48
Infrastructure Loan Payable	C-11	273,502.25	287,680.97
Serial Bonds Payable	C-12	2,610,000.00	2,960,000.00
Bond Anticipation Note	C-13	2,043,000.00	2,200,000.00
Fund Balance	C-1	<u>17.72</u>	<u>17.72</u>
		<u>\$ 5,899,946.74</u>	<u>\$ 6,621,304.11</u>
 Bonds and Notes Authorized but Not Issued			
	C-14	<u>\$ -</u>	<u>\$ 678.52</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
DECEMBER 31, 2016

C-1

	<u>Ref.</u>	
Balance, December 31, 2015	C	<u>\$ 17.72</u>
Balance, December 31, 2016	C	<u><u>\$ 17.72</u></u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

D

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 634,876.80	\$ 450,882.78
Consumer Accounts Receivable	D-7	111,393.33	108,789.24
Interfunds Receivable	D-10		25,085.62
		<u>746,270.13</u>	<u>584,757.64</u>
<u>Capital Fund</u>			
Cash	D-5, D-6	16,565.96	16,565.96
Fixed Capital	D-8	8,303,185.92	8,303,185.92
Fixed Capital - Authorized and Uncompleted	D-9	30,000.00	30,000.00
		<u>8,349,751.88</u>	<u>8,349,751.88</u>
		<u>\$ 9,096,022.01</u>	<u>\$ 8,934,509.52</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves - Encumbered	D-4, D-11	\$ 6,564.55	\$ 817.02
Appropriation Reserves - Reserved	D-4, D-11	98,929.65	130,644.44
Interfunds Payable	D-10	21,521.39	
Accrued Interest on Loans	D-16	36,132.30	36,132.30
Overpaid Water Rents	D-12	9,284.05	6,517.39
		<u>172,431.94</u>	<u>174,111.15</u>
Reserve for Receivables	Above	111,393.33	108,789.24
Fund Balance	D-1	<u>462,444.86</u>	<u>301,857.25</u>
		<u>746,270.13</u>	<u>584,757.64</u>
<u>Capital Fund</u>			
Improvement Authorizations:			
Funded	D-13	657.50	657.50
Loans Payable	D-14	3,423,282.59	3,785,521.68
Capital Improvement Fund	D-15	4,665.19	4,665.19
Reserves for:			
Future Improvement Authorizations	D-17	11,000.00	11,000.00
Amortization	D-18	4,909,903.33	4,547,664.24
Fund Balance	D-2	<u>243.27</u>	<u>243.27</u>
		<u>8,349,751.88</u>	<u>8,349,751.88</u>
		<u>\$ 9,096,022.01</u>	<u>\$ 8,934,509.52</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - OPERATING FUND
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2016 AND 2015

D-1

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 75,000.00	\$ 75,000.00
Rents	D-3	1,401,866.56	1,447,477.67
Miscellaneous Revenue Anticipated	D-3	6,192.58	9,989.50
Other Credits to Income:			
Appropriation Reserves Lapsed	D-11	118,447.58	47,321.01
Total Income		<u>1,601,506.72</u>	<u>1,579,788.18</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		319,460.89	285,000.00
Other Expenses		615,000.00	592,702.66
Debt Service		431,458.22	441,321.15
	D-4	<u>1,365,919.11</u>	<u>1,319,023.81</u>
Statutory Excess to Fund Balance		235,587.61	260,764.37
<u>Fund Balance</u>			
Balance, Beginning of Year	D	<u>301,857.25</u>	<u>116,092.88</u>
		537,444.86	376,857.25
Decreased by:			
Amount Anticipated as Revenue	Above	75,000.00	75,000.00
		<u>75,000.00</u>	<u>75,000.00</u>
Balance, End of Year	D	<u>\$ 462,444.86</u>	<u>\$ 301,857.25</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, 2016

D-2

	<u>Ref.</u>	
Balance, December 31, 2015	D	<u>\$ 243.27</u>
Balance, December 31, 2016	D	<u><u>\$ 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, 2016

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Utilized	D-1	\$ 75,000.00	\$ 75,000.00	
Rents	D-1, D-7	1,300,000.00	1,401,866.56	\$ 101,866.56
Miscellaneous	D-1, D-5	5,000.00	6,192.58	1,192.58
	D-4	<u>\$ 1,380,000.00</u>	<u>\$ 1,483,059.14</u>	<u>\$ 103,059.14</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

D-4

Appropriation	Appropriations		Expended		Reserved	Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered		
<u>Operating</u>						
Salaries and Wages	\$ 319,460.89	\$ 319,460.89	\$ 276,610.20		\$ 42,850.69	
Other Expenses	615,000.00	615,000.00	552,356.49	\$ 6,564.55	56,078.96	
<u>Debt Service</u>						
Water Supply Rehabilitation Loan	445,539.11	445,539.11	431,458.22			\$ 14,080.89
	<u>\$ 1,380,000.00</u>	<u>\$ 1,380,000.00</u>	<u>\$ 1,260,424.91</u>	<u>\$ 6,564.55</u>	<u>\$ 98,929.65</u>	<u>\$ 14,080.89</u>
Ref.	D-3	D-3	Below	D	D	Below
	<u>Ref.</u>					
Adopted Budget	Above	\$ 1,380,000.00				
Cash Disbursements	D-5		\$ 1,169,684.39			
Interfunds	D-10		21,521.39			
Accrued Interest on Loans	D-16		69,219.13			
Canceled	Above	(14,080.89)				
	D-1	<u>\$ 1,365,919.11</u>	<u>\$ 1,260,424.91</u>			

BOROUGH OF GLEN RIDGE
POOL UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2016 AND 2015

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Operating Fund</u>			
Cash	E-5	\$ 395,386.04	\$ 417,007.96
Cash - Change Fund	E-6	100.00	100.00
		<u>395,486.04</u>	<u>417,107.96</u>
<u>Capital Fund</u>			
Cash	E-5	245,295.25	260,708.25
Fixed Capital	E-7	1,647,842.09	1,639,977.10
Fixed Capital - Authorized and Uncompleted	E-9	780,000.00	780,000.00
		<u>2,673,137.34</u>	<u>2,680,685.35</u>
		<u>\$ 3,068,623.38</u>	<u>\$ 3,097,793.31</u>
<u>LIABILITIES AND RESERVES</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	E-4, E-10	\$ 2,835.50	\$ 23,246.96
Reserved	E-4, E-10	35,418.32	25,514.64
Accrued Interest on Notes	E-11	1,752.18	1,752.18
Fund Balance	E-1	355,480.04	366,594.18
		<u>395,486.04</u>	<u>417,107.96</u>
<u>Capital Fund</u>			
Improvement Authorizations:			
Unfunded	E-8	230,671.99	246,084.99
Bond Anticipation Note	E-13	860,000.00	1,020,000.00
Reserve for Amortization	E-12	1,567,842.09	1,399,977.10
Fund Balance	E-2	14,623.26	14,623.26
		<u>2,673,137.34</u>	<u>2,680,685.35</u>
		<u>\$ 3,068,623.38</u>	<u>\$ 3,097,793.31</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, 2016 AND 2015

E-1

	<u>Ref.</u>	<u>2016</u>	<u>2015</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	E-3	\$ 75,000.00	\$ 70,000.00
Membership Fees	E-3	366,920.75	404,831.00
Miscellaneous Revenue	E-3	24,101.00	33,876.00
Other Credits to Income:			
Appropriation Reserves Lapsed	E-10	27,845.93	69,553.99
Total Income		<u>493,867.68</u>	<u>578,260.99</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		138,454.00	150,944.00
Other Expenses		125,000.00	115,000.00
Debt Service		<u>166,527.82</u>	<u>168,858.75</u>
	E-4	<u>429,981.82</u>	<u>434,802.75</u>
Statutory Excess to Fund Balance		63,885.86	143,458.24
<u>Fund Balance</u>			
Balance, Beginning of Year	E	<u>366,594.18</u>	<u>293,135.94</u>
		430,480.04	436,594.18
Decreased by:			
Amount Utilized as Anticipated Revenue	Above	<u>75,000.00</u>	<u>70,000.00</u>
Balance, End of Year	E	<u>\$ 355,480.04</u>	<u>\$ 366,594.18</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, 2016

E-2

	<u>Ref.</u>	
Balance December 31, 2015	E	<u>\$ 14,623.26</u>
Balance December 31, 2016	E	<u><u>\$ 14,623.26</u></u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

E-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance Utilized	E-1	\$ 75,000.00	\$ 75,000.00	
Pool Fees	E-1, Below	360,000.00	366,920.75	\$ 6,920.75
Miscellaneous	E-1	20,000.00	24,101.00	4,101.00
		<u>\$ 455,000.00</u>	<u>\$ 466,021.75</u>	<u>\$ 11,021.75</u>
	<u>Ref.</u>	E-4	E-5	

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2016

E-4

<u>Appropriation</u>	<u>Appropriations</u>		<u>Expended</u>		<u>Reserved</u>	<u>Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Encumbered</u>		
Operating						
Salaries and Wages	\$ 153,454.00	\$ 153,454.00	\$ 135,503.05	\$	\$ 2,950.95	\$ 15,000.00
Other Expenses	125,000.00	125,000.00	89,697.13	2,835.50	32,467.37	
Debt Service						
Payment of Bond Anticipation Notes	170,000.00	170,000.00	160,000.00			10,000.00
Interest on Notes	6,546.00	6,546.00	6,527.82			18.18
	<u>\$ 455,000.00</u>	<u>\$ 455,000.00</u>	<u>\$ 391,728.00</u>	<u>\$ 2,835.50</u>	<u>\$ 35,418.32</u>	<u>\$ 25,018.18</u>
<u>Ref.</u>	E-3	E-3	Below	E	E	Below
Modified Budget						
Cash Disbursements		\$ 455,000.00	\$ 385,200.18			
Accrued Interest on Bonds	E-5		6,527.82			
Canceled	E-11	(25,018.18)				
	Above					
	E-1	<u>\$ 429,981.82</u>	<u>\$ 391,728.00</u>			

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

1. REPORTING ENTITY

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), which is another reporting framework other than accounting principles generally accepted in the United States of America ("GAAP"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the separate funds, which differ from the fund structure in accordance with GAAP.

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

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by the provisions of N.J.S.A. 40A:5-5.

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

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Borough has the following funds and account groups:

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

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

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

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

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

Basis of Accounting

The Borough follows the regulatory basis of accounting. Under this method of accounting, revenues, except for Federal and State Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division ("regulatory basis of accounting") differ in certain respects from US GAAP applicable to local government units.

The more significant differences are as follows:

Property Taxes and Other Revenue

Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30 of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April 1 in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the 11th month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. US GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Grant Revenue

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

Expenditures

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

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

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

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

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances

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

Appropriation Reserves

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

Compensated Absences

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Acquired for Taxes

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

Interfunds Receivable/Payable

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

Inventories of Supplies

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

Capital Fixed Assets

General:

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

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

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

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

Utilities:

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

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

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

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Basic Financial Statements

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

Recent Pronouncements

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

The GASB issued Statement 77, Tax Abatement Disclosures in August 2015. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. The requirements of this Statement are effective for financial statements for reporting periods beginning after December 15, 2015. The Borough has implemented this standard in the current year, but has no tax abatements to disclose.

Use of Estimates

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

3. DEPOSITS AND INVESTMENTS

Deposits

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

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

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

BOROUGH OF GLEN RIDGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

3. DEPOSITS AND INVESTMENTS (continued)

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

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

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

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

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

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

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

At December 31, 2016 and 2015, the book values of the deposits of the Borough consisted of the following:

	Book Balance	
	December 31, 2016	December 31, 2015
<u>Depository Account</u>		
Cash (Demand Accounts)	\$ 6,091,610.10	\$ 7,156,380.54
Change Funds (On-Hand)	470.00	370.00
	<u>\$ 6,092,080.10</u>	<u>\$ 7,156,750.54</u>

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

At December 31, 2016 and 2015 the Borough had the following depository accounts. All deposits are carried at cost. \$219,094.74 and \$63,036.18 held in agency and payroll accounts for the years ended December 31, 2016 and 2015, respectively, are not covered by GUDPA.

BOROUGH OF GLEN RIDGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

3. DEPOSITS AND INVESTMENTS (continued)

	Bank Balance	
	December 31, 2016	December 31, 2015
<u>Depository Account</u>		
FDIC Insured	\$ 250,000.00	\$ 250,000.00
GUPDA Insured	8,165,664.29	7,048,425.78
	<u>\$ 8,415,664.29</u>	<u>\$ 7,298,425.78</u>

Investments

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

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

As of December 31, 2016 and 2015, the Borough had no investments.

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

4. TAXES AND TAX TITLE LIENS RECEIVABLE

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

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

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

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

4. TAXES AND TAX TITLE LIENS RECEIVABLE (continued)

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

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

Comparative Schedule of Tax Rates

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$ 3.504</u>	<u>\$ 3.426</u>	<u>\$ 3.373</u>
Apportionment of Tax Rate:			
Municipal	\$ 0.771	\$ 0.756	\$ 0.741
Municipal Library	0.038	0.037	0.036
County	0.574	0.554	0.549
County Open Space	0.017	0.017	0.017
School	<u>2.104</u>	<u>2.062</u>	<u>2.030</u>

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2016	\$ 1,380,509,900.00
2015	1,376,746,000.00
2014	1,371,348,300.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 48,476,335.67	\$ 48,169,495.95	99.37 %
2015	47,231,007.16	46,964,212.19	99.49
2014	46,337,258.99	45,985,107.98	99.24

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 31,570.32	\$ 248,171.40	\$ 279,741.72	0.58 %
2015	29,208.62	218,349.33	247,557.95	0.52
2014	26,899.50	249,004.79	275,904.29	0.59

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2016	\$ 410.00
2015	410.00
2014	410.00

6. WATER/SEWER CONSUMER ACCOUNTS RECEIVABLE

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

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

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2016	\$ 1,404,470.65	\$ 1,401,866.56
2015	1,441,907.09	1,415,301.59
2014	1,307,237.04	1,310,601.01

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

7. SWIMMING POOL MEMBERSHIP FEES

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

<u>Year</u>	<u>Collection</u>
2016	\$ 366,920.75
2015	404,831.00
2014	396,502.50

8. FUND BALANCES APPROPRIATED

		<u>Balance December 31,</u>	<u>Anticipated Succeeding Year</u>
Current Fund:	2016	\$ 2,166,273.94	\$ 850,000.00
	2015	2,033,957.00	830,000.00
	2014	1,827,261.65	630,000.00
Water Utility Operating Fund:	2016	462,444.86	100,000.00
	2015	301,857.25	75,000.00
	2014	116,092.88	75,000.00
Pool Utility Operating Fund:	2016	355,480.04	75,000.00
	2015	366,594.18	75,000.00
	2014	293,135.94	70,000.00

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

9. PENSION PLANS

Public Employee Retirement System

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

Plan Membership and Contributing Employers- Substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency are enrolled in PERS, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or other jurisdiction's pension fund. Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2016 and 2015:

	2016	2015
Inactive plan members or beneficiaries currently receiving benefits	\$ 170,685	\$ 166,637
Inactive plan members entitled to but not yet receiving benefits	650	703
Active plan members	254,685	259,161
Total	<u>\$ 426,020</u>	<u>\$ 426,501</u>

Contributing Employers – 1,710

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2016, the State was required to make a minimum contribution representing 5/7th of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law.

This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

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

For the year ended December 31, 2016 and 2015 the Borough's total payroll for all employees was \$1,958,517 and \$5,513,337.56, respectively. Total PERS covered payroll was \$2,120,046 and \$2,901,274, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Borough to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.92% in State fiscal year 2015 and increased to 7.06% for State fiscal year 2016, commencing July 1, 2016. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year.

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

9. PENSION PLANS (continued)

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Borough contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. Borough payments to PERS for the years ending December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Total Regular Billing	\$240,569	\$257,979

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

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

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

At June 30, 2016, the PERS reported a net pension liability of \$29,617,131,759 for its Non-State Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Borough was \$8,020,124 or 0.0270793413%, which was a decrease of 0.0029275747% from its proportion measured as of June 30, 2015.

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

At June 30, 2015, the PERS reported a net pension liability of \$22,447,996,119 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the Borough was \$6,735,951 or 0.0300069160%.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

9. PENSION PLANS (continued)

At December 31, 2016, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS were from the following sources, if GASB #68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expended and actual experience	\$ 149,150	
Changes in assumptions	1,661,341	
Net difference between projected and actual earnings on pension plan investments	305,815	
Changes in proportion and differences between Township contributions and proportionate share of contributions	496,430	\$ 477,097
Township contributions subsequent to the measurement date	<u>240,569</u>	
	<u>\$ 2,853,305</u>	<u>\$ 477,097</u>

\$240,569 is reflected above as deferred outflows of resources related to pensions resulting from Borough contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

<u>Year ended December 31,</u>	<u>Amount</u>
2017	\$ 510,559
2018	510,561
2019	585,320
2020	449,576
2021	<u>79,623</u>
Total	<u>\$2,135,639</u>

Actuarial Assumptions- The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Inflation	3.08%	3.04%
Salary Increases (2012-2026)	1.65-4.15% Based on age	2.15-4.40% Based on age
Thereafter	2.65-5.15% Based on age	3.15-5.40% Based on age
Investment rate of return	7.65%	7.90%

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

9. PENSION PLANS (continued)

mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale.

Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 and 2015 are summarized in the following table:

9. PENSION PLANS (continued)

<u>Asset Class</u>	<u>June 30, 2016</u>		<u>June 30, 2015</u>	
	<u>Target</u> <u>Allocation</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>	<u>Target</u> <u>Allocation</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>
Cash	5.00%	0.87%	5.00%	1.04%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad U.S. Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Markets	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Returns	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
U.S. Treasuries	1.50%	1.64%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

9. PENSION PLANS (continued)

Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
PERS	\$9,827,726	\$8,020,124	\$6,527,792

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2016 and 2015 were \$26,762,070,610 and \$28,553,566,906 respectively. The portion of the Plan Fiduciary Net Position was allocable to the Local (Non-Sate) Groups at June 30, 2016 and 2015 was \$19,857,566,387 and \$20,661,583,919, respectively.

Additional Information

Collective balances at June 30, 2016 are as follows:

Collective deferred outflows of resources	\$ 8,658,338,380
Collective deferred inflows of resources	870,133,595
Collective net pension liability – Local group	29,617,131,759
 Borough's Proportion	 0.0270793413%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 and 2015 was \$2,830,763,540 and \$1,481,308,816, respectively. The average of the expected remaining service lives of all plan members if 5.57, 5.72 and 6.44 years for 2016, 2015 and 2014, respectively.

Police and Firemen's Retirement System

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

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

9. PENSION PLANS (continued)

Plan Membership and Contributing Employers- Substantially all full-time county and municipal police and firemen and state firemen or officer employees with police powers appointed after June 30, 1944 are enrolled in PFRS Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2016 and 2015:

	2016	2015
Inactive plan members or beneficiaries currently receiving benefits	40,789	44,252
Inactive plan members entitled to but not yet receiving benefits	47	51
Active plan members	<u>45,625</u>	<u>40,359</u>
Total	<u>86,461</u>	<u>84,662</u>

Contributing Employers – 585

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

Significant Legislation – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2016, the State was required to make a minimum contribution representing 5/7th of the actuarially determined contribution amount based on the July 1, 2014 actuarial valuation.

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

For the year ended December 31, 2016 and 2015 the Borough's total payroll for all employees was \$5,063,237.79 and \$5,513,337.56, respectively. Total PFRS covered payroll was \$2,074,646 and \$1,964,167, respectively. Covered payroll refers to pensionable compensation, rather than total compensation, paid by the Borough to active employees covered by the Plan.

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

Borough payments to PFRS for the years ending December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Total Regular Billing	\$488,108	\$502,500

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

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

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

9. PENSION PLANS (continued)

The following represents the membership tiers for PFRS:

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

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

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

At June 30, 2016, the PFRS reported a net pension liability of \$20,706,699,056 for its Non-State, Non-Special Funding Situation Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$11,435,848, or 0.00598655340% which was a decrease of 0.0019539257% from its proportion measured as of June 30, 2015. Then pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016.

At June 30, 2015, the PFRS reported a net pension liability of \$18,117,234,618 for its Non-State, Non-Special Funding Situation Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$10,296,967, or 0.0618194597%.

At December 31, 2016, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources; if GASB #68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expended and actual experience		\$ 74,964
Changes in assumptions	\$ 1,583,959	
Net difference between projected and actual earnings on pension plan investments	801,287	
Changes in proportion and differences between Township contributions and proportionate share of contributions		964,629
Township contributions subsequent to the measurement date	488,108	
	<u>\$ 2,873,354</u>	<u>\$ 1,039,593</u>

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

9. PENSION PLANS (continued)

\$488,108 is reflected above as deferred outflows of resources related to pensions resulting from Borough contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense on the GAAP basis as follows:

<u>Year ended December 31,</u>	<u>Amount</u>
2017	\$ 278,447
2018	278,446
2019	489,304
2020	315,056
2021	<u>(15,600)</u>
Total	<u>\$1,345,653</u>

Actuarial Assumptions- The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Inflation	3.08%	3.04%
Salary Increases (2012-2026)	2.10-8.98% based on age	2.60-9.48% based on age
Thereafter	3.10-9.98% based on age	3.60-10.48% based on age
Investment rate of return	7.65%	7.90%

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality tables were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2016 and 2015 are summarized in the following table:

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

9. PENSION PLANS (continued)

Asset Class	June 30, 2016		June 30, 2015	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%	5.00%	1.04%
Mortgages	2.00%	1.67%	2.10%	1.62%
High Yield Bonds	2.00%	4.56%	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.44%	1.50%	3.25%
Broad U.S. Equities	26.00%	8.53%	27.25%	8.52%
Developed Foreign Markets	13.25%	6.83%	12.00%	6.88%
Emerging Market Equities	6.50%	9.95%	6.40%	10.00%
Private Equity	9.00%	12.40%	9.25%	12.41%
Hedge Funds/Absolute Returns	12.50%	4.68%	12.00%	4.72%
Real Estate (Property)	2.00%	6.91%	2.00%	6.83%
Commodities	0.50%	5.45%	1.00%	5.32%
U.S. Treasuries	1.50%	1.64%	1.75%	1.64%
Investment Grade Credit	8.00%	1.79%	10.00%	1.79%
Global Debt ex US	5.00%	-0.25%	3.50%	-0.40%
REIT	5.25%	5.63%	4.25%	5.12%
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total pension liability was 5.55% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and a municipal bond rate of 2.85% as of June 30, 2016 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 30% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2050. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2050, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

	At 1% Decrease	At Current Discount Rate	At 1% Increase
PFRS	<u>\$14,745,687</u>	<u>\$11,435,848</u>	<u>\$8,736,873</u>

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2016 and 2015 was \$23,984,726,664 and \$25,106,858,921, respectively.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

9. PENSION PLANS (continued)

Additional Information

Collective balances at June 30, 2016 are as follows:

Collective deferred outflows of resources	\$ 4,547,316,543
Collective deferred inflows of resources	688,197,590
Collective net pension liability – Local group	20,706,699,056
 Borough's Proportion	 0.0598655340%

Collective pension expense for the Local Group for the measurement period ended June 30, 2016 and 2015 was \$2,255,296,958 and \$1,645,612,699, respectively. The average of the expected remaining service lives of all plan members is 5.58, 5.53 and 6.17 years for 2016, 2015 and 2014, respectively.

Special Funding Situation- Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and state is treated as a non-employer entity. The non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the Borough as of June 30, 2016 and 2015 for police and fire is 0.0598655340% and 0.0618194597%, respectively. The non-employer contributing entities' contribution for the year ended June 30, 2016 and 2015 was \$36,797 and \$47,006, respectively. The state's proportionate share of net pension liability attributable to the Borough as of June 30, 2016 and 2015 was \$1,960,328 and \$1,903,009, respectively.

Defined Contribution Retirement Plan

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

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

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2016 and 2015, the membership in the DCRP, based on the information within the Division's database, was 36,808 and 28,270.

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

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

9. PENSION PLANS (continued)

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

10. HEALTH BENEFITS

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

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

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

The contribution is phased in at 25% per year:

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

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

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

11. POST-RETIREMENT BENEFITS

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

12. MUNICIPAL DEBT

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

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

12. MUNICIPAL DEBT (continued)

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

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>2016</u>	<u>2015</u>
General:		
Bonds, Notes and Loans	\$ 5,196,145.54	\$ 5,748,110.45
Water Utility:		
Loans	3,423,282.59	3,785,521.68
Swimming Pool Utility:		
Notes	860,000.00	1,020,000.00
	<u>9,479,428.13</u>	<u>10,553,632.13</u>
Less:		
Reserve to Pay Debt Service		
Net Debt Issued	<u>\$ 9,479,428.13</u>	<u>\$ 10,553,632.13</u>
Authorized But Not Issued		
General:		
Bonds and Notes	\$	\$ 678.52
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 9,479,428.13</u>	<u>\$ 10,554,310.65</u>

The summarized statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of 0.332% at December 31, 2016:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 3,530,000.00	\$ 3,530,000.00	
Water Utility	3,423,282.59	3,423,282.59	
General Capital	5,196,145.54		\$ 5,196,145.54
Swimming Pool Utility	860,000.00	860,000.00	
	<u>\$ 13,009,428.13</u>	<u>\$ 7,813,282.59</u>	<u>\$ 5,196,145.54</u>

Net debt, \$5,196,145.54 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,567,224,990.00 equals 0.332%.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

12. MUNICIPAL DEBT (continued)

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

3 1/2 of Equalized Valuation Basis	\$ 54,852,874.65
Net Debt	<u>5,196,145.54</u>
Remaining Borrowing Power	<u><u>\$ 49,656,729.11</u></u>

School Debt Deductions

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

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

Cash Receipts from Fees, Rents or Other		
Charges and Surplus Anticipated		\$ 1,483,059.14
Deductions:		
Operating and Maintenance Cost	\$ 934,460.89	
Debt Service per Water Utility		
Operating Fund	<u>431,458.22</u>	
		<u>1,365,919.11</u>
Excess in Revenue		<u><u>\$ 117,140.03</u></u>

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

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

Cash Receipts from Fees, Rents or Other		
Charges and Surplus Anticipated		\$466,021.75
Deductions:		
Operating and Maintenance Cost	\$ 263,454.00	
Debt Service	<u>166,527.82</u>	
		<u>429,981.82</u>
Excess in Revenue		<u><u>\$ 36,039.93</u></u>

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

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

BOROUGH OF GLEN RIDGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

12. MUNICIPAL DEBT (continued)

General Capital Improvement Bonds

As of December 31, 2016 and 2015, the Borough's long-term debt is as follows:

<u>General Improvement Bonds</u>	<u>2016</u>	<u>2015</u>
\$5,160,000.00 Bonds, due in annual installments of \$350,000.00 to \$400,000 through August 2023, interest ranging from 4.00% to 4.25%	<u>\$ 2,610,000.00</u>	<u>\$ 2,960,000.00</u>

Changes in Long-Term Municipal Debt

The Borough's long-term debt activity for 2016 and 2015 is as follows:

	Balance, December 31, 2015	Additions	Reductions	Balance, December 31, 2016
Bonds Payable				
General Capital Fund	<u>\$ 2,960,000.00</u>	<u>\$</u>	<u>\$ 350,000.00</u>	<u>\$ 2,610,000.00</u>
Green Acres Loans Payable				
General Capital Fund	<u>\$ 300,429.48</u>	<u></u>	<u>\$ 30,786.19</u>	<u>\$ 269,643.29</u>
Environmental Infrastructure Loans Payable				
General Capital Fund	\$ 287,680.97		\$ 14,178.72	\$ 273,502.25
Water Capital Fund	3,785,521.68		362,239.09	3,423,282.59
Total Environmental Infrastructure Loans Payable	<u>\$ 4,073,202.65</u>	<u></u>	<u>\$ 376,417.81</u>	<u>\$ 3,696,784.84</u>
Total Long-Term Debt	<u>\$ 7,333,632.13</u>	<u>\$</u>	<u>\$ 757,204.00</u>	<u>\$ 6,576,428.13</u>

BOROUGH OF GLEN RIDGE

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

12. MUNICIPAL DEBT (continued)

	Balance, December 31, 2014	Additions	Reductions	Balance, December 31, 2015
Bonds Payable				
General Capital Fund	\$ 3,285,000.00	\$	\$ 325,000.00	\$ 2,960,000.00
Green Acres Loans Payable				
General Capital Fund	\$ 330,609.05	\$	\$ 30,179.57	\$ 300,429.48
Environmental Infrastructure				
Loans Payable				
General Capital Fund	\$ 301,859.69	\$	\$ 14,178.72	\$ 287,680.97
Water Capital Fund	4,143,451.44		357,929.76	3,785,521.68
Total Environmental Infrastructure				
Loans Payable	\$ 4,445,311.13	\$	\$ 372,108.48	\$ 4,073,202.65
Total Long-Term Debt	\$ 8,060,920.18	\$	\$ 727,288.05	\$ 7,333,632.13

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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
2022-2023	833,262.50	785,000.00	48,262.50
	<u>\$ 3,045,387.50</u>	<u>\$ 2,610,000.00</u>	<u>\$ 435,387.50</u>

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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
2022-2024	109,924.84	106,177.78	3,747.06
	<u>\$ 293,132.89</u>	<u>\$ 269,643.29</u>	<u>\$ 23,489.60</u>

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016 AND 2015

12. MUNICIPAL DEBT (continued)

Environmental Infrastructure Loans:

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

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

General Capital Fund

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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
2022-2026	115,893.60	95,893.60	20,000.00
2027-2030	93,465.05	86,715.05	6,750.00
	<u>\$ 332,502.25</u>	<u>\$ 273,502.25</u>	<u>\$ 59,000.00</u>

Water Utility Capital Fund

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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
2022-2026	1,372,116.02	1,247,722.26	124,393.76
2027-2030	342,713.10	322,463.10	20,250.00
	<u>\$ 3,876,600.25</u>	<u>\$ 3,423,282.59</u>	<u>\$ 453,317.66</u>

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

12. MUNICIPAL DEBT (continued)

Bond Anticipation Notes

Outstanding Bond Anticipation Notes are summarized as follows:

Short-Term Debt

Changes in Short-Term Debt

	Balance, December 31, 2015	Additions	Reductions	Balance, December 31, 2016
Bond Anticipation Notes				
General Capital Fund	\$ 2,200,000.00	\$ 2,043,000.00	\$ 2,200,000.00	\$ 2,043,000.00
Pool Utility Capital Fund	1,020,000.00	860,000.00	1,020,000.00	860,000.00
Total	<u>\$ 3,220,000.00</u>	<u>\$ 2,903,000.00</u>	<u>\$ 3,220,000.00</u>	<u>\$ 2,903,000.00</u>
	Balance, December 31, 2014	Additions	Reductions	Balance, December 31, 2015
Bond Anticipation Notes				
General Capital Fund	\$ 2,356,950.00	\$ 2,200,000.00	\$ 2,356,950.00	\$ 2,200,000.00
Pool Utility Capital Fund	1,180,000.00	1,020,000.00	1,180,000.00	1,020,000.00
Total	<u>\$ 3,536,950.00</u>	<u>\$ 3,220,000.00</u>	<u>\$ 3,536,950.00</u>	<u>\$ 3,220,000.00</u>

13. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2016 and 2015, interfund receivables and payables that resulted from various interfund transactions were as follows:

Fund	2016		2015	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund	\$ 36,625.49	\$ 42,367.61	\$ 28,594.77	\$ 325,517.14
Federal and State Grant Fund	41,689.09		46,765.95	
Animal Control Trust Fund		11,845.84		6,384.72
Payroll Trust Fund		3,258.26		
General Trust Fund		40,000.00		86,595.67
General Capital Fund	40,678.52		318,051.19	
Water/Sewer Operating Fund		21,521.39	25,085.62	
	<u>\$ 118,993.10</u>	<u>\$ 118,993.10</u>	<u>\$ 418,497.53</u>	<u>\$ 418,497.53</u>

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

14. DEFERRED SCHOOL TAX

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

	Dec. 31, 2016	Dec. 31, 2015	Increase
*Balance of Tax	\$ 14,404,676.87	\$ 14,068,534.87	\$ 336,142.00
Amount Deferred	13,920,821.00	13,920,821.00	
Tax Payable (Cash Liability)	<u>\$ 483,855.87</u>	<u>\$ 147,713.87</u>	<u>\$ 336,142.00</u>
	Dec. 31, 2015	Dec. 31, 2014	Increase
*Balance of Tax	\$ 14,068,534.87	\$ 13,920,821.00	\$ 147,713.87
Amount Deferred	13,920,821.00	13,920,821.00	
Tax Payable (Cash Liability)	<u>\$ 147,713.87</u>	<u>\$</u>	<u>\$ 147,713.87</u>

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

15. RISK MANAGEMENT

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

16. CONTINGENT LIABILITIES

a. Compensated Absences

The Borough permits its employees to accrue unused vacation and sick pay, which may be taken as compensatory time off or paid at a later date, at an agreed upon rate. It is estimated that the sum of \$871,416.55 and \$838,425.09 is due and payable to employees and officials of the Borough as of December 31, 2016 and 2015, respectively upon their retirements or other separations. This amount was not verified by audit.

b. Tax Appeals

As of December 31, 2016, the Borough Attorney indicated that there were several State Tax Appeals pending before the New Jersey Tax Court.

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

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

c. Federal and State Awards

The Borough participates in several Federal and State grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Borough has not complied with the rules and regulations governing the grant, refunds of any money received may be required and the collectability of any related receivable at December 31, 2016 and 2015 may be

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

16. CONTINGENT LIABILITIES (continued)

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

d. Litigation

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

17. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS BUDGET

The following deferred charges are shown on the December 31, 2016 and 2015 balance sheet of the Borough's Current Fund

	December 31, 2016		December 31, 2015	
	Amount	Raised in Succeeding Year Budget	Amount	Raised in Succeeding Year Budget
Current Fund	\$ 63,795.48	\$ 63,795.48	\$ 138,222.52	\$ 74,427.04

The over-expenditure of an appropriation reserve represents budgetary over-expenditures of certain prior year budgetary reserve appropriations.

The special emergency authorization of \$270,000 was authorized on December 17, 2011 for the revaluation of the Borough's tax assessment. A note was issued for \$108,000 bearing interest at a rate of 0.91%. The note matured on December 17, 2016. The Borough was required to fund one-fifth of the total each year, which was \$54,000.

18. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2016 through the date of May 23, 2017, which is the date the financial statements were available to be issued. Based on this evaluation, the Borough has determined that no subsequent events have occurred which require disclosure in the financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2016

A-4

	<u>Ref.</u>	<u>Current Fund</u>	
Balance, December 31, 2015	A		\$ 4,516,723.87
Increased by Cash Receipts:			
Nonbudget Revenue	A-2b	\$ 27,336.21	
Tax Exemptions Due from State	A-6	28,250.00	
Taxes Receivable	A-7	48,199,995.93	
Revenue Accounts Receivable	A-10	1,364,063.34	
Interfund Settlements	A-11	270,917.34	
Fees Payable to State	A-15	14,786.00	
Tax Overpayments	A-16	61,213.17	
Inspection Fees Payable	A-17	15,990.00	
Emergency Note Payable	A-20	54,000.00	
Accounts Payable	A-23	200.00	
Prepaid Taxes	A-22	202,705.96	
			<u>50,239,457.95</u>
			54,756,181.82
Decreased by Cash Disbursed:			
Budget Appropriations	A-3	11,868,252.00	
Change Fund	A-5	100.00	
Interfund Settlements	A-11	550,930.27	
Appropriation Reserves	A-14	256,603.72	
Due to State of New Jersey	A-15	10,952.00	
Inspection Fees Payable	A-17	11,712.00	
County Taxes Payable	A-18	8,183,779.17	
Local School District Tax	A-19	28,705,947.00	
Tax Anticipation Note	A-21	1,000,000.00	
Emergency Note Payable	A-20	108,000.00	
			<u>50,696,276.16</u>
Balance, December 31, 2016	A		<u>\$ 4,059,905.66</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2016

A-5

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 270.00
Increased by:		
Cash Change Fund Increased	A-4	<u>100.00</u>
Balance, December 31, 2016	A	<u><u>\$ 370.00</u></u>
<u>Analysis of Balance</u>		
Tax Collector		\$ 50.00
Recreation		100.00
Public Works		50.00
Vital Statistics		100.00
Library		<u>70.00</u>
	Above	<u><u>\$ 370.00</u></u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE TO STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
(SENIOR CITIZENS AND VETERANS TAX EXEMPTIONS)
YEAR ENDED DECEMBER 31, 2016

A-6

	<u>Ref.</u>		
Balance, December 31, 2015 (Due To)	A		\$ (4,870.64)
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$ 1,250.00	
Veterans		27,250.00	
Veterans' Deductions Allowed by			
Tax Collector		<u>250.00</u>	
		28,750.00	
Less: Senior Citizens'/Veterans' Deductions			
Disallowed by Tax Collector		<u>2,750.00</u>	
	A-7		<u>26,000.00</u>
			21,129.36
Decreased by:			
Cash Received	A-4		<u>28,250.00</u>
Balance, December 31, 2016 (Due To)	A		<u>\$ (7,120.64)</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2016

A-7

Year	Balance December 31, 2015	2016 Levy	Collected		Exemptions Granted	Canceled	Transferred to Tax Title Liens	Balance December 31, 2016
			2015	2016				
2015	\$ 218,349.33			\$ 218,320.74		\$ 28.59		
2016	\$ 218,349.33	\$ 48,476,335.67	\$ 161,820.76	47,981,675.19	\$ 26,000.00	56,306.62	\$ 2,361.70	\$ 248,171.40
		\$ 48,476,335.67	\$ 161,820.76	\$ 48,199,995.93	\$ 26,000.00	\$ 56,306.62	\$ 2,361.70	\$ 248,171.40
<u>Ref.</u>	A	Below	A-2a, A-22	A-4	A-2a, A-6	Reserve	A-8	A

Tax Yield		Ref.
General Purpose Tax	\$ 48,375,992.41	
Added Taxes	100,343.26	
	<u>\$ 48,476,335.67</u>	
	Above	
Tax Levy		
Local District School Tax (Abstract)	A-19	
County Taxes:		
Regular County Tax (Abstract)	A-18	
Added Taxes	A-18	\$ 7,929,930.07
Open Space	A-18	16,915.71
		<u>236,933.39</u>
		8,183,779.17
Local Taxes:		
For Municipal Purposes	A-2	10,641,721.83
Minimum Library	A-2	519,818.24
Additional Tax Levied	Reserve	88,927.43
		<u>11,250,467.50</u>
		\$ 48,476,335.67
	Above	

Analysis of Property Tax Yield and Levy

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2016

A-8

<u>Block</u>	<u>Lot</u>	<u>Date of Sale</u>	<u>Lien Number</u>	<u>Balance Dec. 31, 2015</u>	<u>Transfer from Taxes Receivable</u>	<u>Balance Dec. 31, 2016</u>
06	12	11-16-64	2-96	\$ 8,454.04		\$ 8,454.04
06	12A	11-16-64	3-96	3,308.22		3,308.22
63	15	06-17-09	9-06	<u>17,446.36</u>	<u>\$ 2,361.70</u>	<u>19,808.06</u>
				<u>\$ 29,208.62</u>	<u>\$ 2,361.70</u>	<u>\$ 31,570.32</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, 2016

A-9

	<u>Ref.</u>	
Balance, December 31, 2015	A	<u>\$ 410.00</u>
Balance, December 31, 2016	A	<u>\$ 410.00</u>

List of Property as of December 31, 2016

<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, 2016

A-10

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Township Clerk:					
Alcoholic Beverage Licenses	A-2		\$ 7,500.00	\$ 7,500.00	
Other Licenses	A-2		2,983.00	2,983.00	
Fees and Permits	A-2		378,560.53	378,560.53	
Other Fines and Costs	A-2		6,048.88	6,048.88	
Tax Collector:					
Interest and Cost on Taxes	A-2		56,038.78	56,038.78	
Department of Public Safety:					
Parking Lot Fees	A-2		84,098.60	84,098.60	
Construction Official:					
Building Permits	A-2		14,777.00	14,777.00	
Municipal Court	A-2	\$ 13,551.70	129,324.31	133,261.56	\$ 9,614.45
Recreation Receipts	A-2		73,815.00	73,815.00	
Jitney Fees	A-2		43,212.00	43,212.00	
Rental of Hurrell Field	A-2		25,000.00	25,000.00	
Cable TV Franchise Fee	A-2		61,518.08	61,518.08	
PVSC Reimbursement	A-2		13,425.91	13,425.91	
PILOT - Project Live	A-2		4,873.00	4,873.00	
Mountainside Hospital Sewer Fee	A-2		9,410.00	9,410.00	
Rental of Hurrell and Other Fields	A-2		50,000.00	50,000.00	
State of New Jersey:					
Energy Receipts Tax	A-2		382,558.00	382,558.00	
Consolidated Municipal					
Property Tax Relief Act	A-2		16,983.00	16,983.00	
		<u>\$ 13,551.70</u>	<u>\$ 1,360,126.09</u>	<u>\$ 1,364,063.34</u>	<u>\$ 9,614.45</u>
<u>Ref.</u>	A		Reserve	A-4	A

BOROUGH OF GLEN RIDGE
CURRENT FUND

INTERFUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2016

A-11

	Ref.	Total	Federal and State Grant Fund	Animal Control Trust Fund	Water Operating Fund	General Trust Fund	General Capital Fund	Payroll Interest Fund
Balance, December 31, 2015:								
From	A	\$ 28,594.77		\$ 6,384.72		\$ 22,210.05		
(To)	A	\$ (325,517.14)	\$ (46,765.95)				\$ (278,751.19)	
Increased by:								
Excess Dog License Fees	A-1	11,845.84		11,845.84				
Anticipated Revenue	A-2	104,129.96	104,129.96		\$ 21,521.39		452,751.19	\$ 3,258.26
Cash Disbursed	A-4	550,930.27	73,399.43		21,521.39	22,210.05	174,000.00	3,258.26
		366,725.44	130,763.44	18,230.56				
Decreased by:								
Cash Receipts	A-4	270,917.34	68,322.57	6,384.72		22,210.05	174,000.00	
Budget Appropriations	A-3	104,808.48	104,129.96				678.52	
		375,725.82	172,452.53	6,384.72		22,210.05	174,678.52	
Balance, December 31, 2016:								
From	A	\$ 36,625.49	\$	\$ 11,845.84	\$ 21,521.39		\$	\$ 3,258.26
(To)	A	\$ (42,367.61)	\$ (41,689.09)	\$	\$	\$	\$ (678.52)	\$
Net Debit to Operations	Ref.							
Interfunds Receivable:								
December 2015	Above	\$ 28,594.77						
December 2016	Above	(8,030.72)						
Net Debit	A-1	\$ 36,625.49						

BOROUGH OF GLEN RIDGE
CURRENT FUND

DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2016

A-12

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 30,222.52
Decreased by:		
Budget Appropriation	A-3	<u>20,427.04</u>
Balance, December 31, 2016	A	<u>\$ 9,795.48</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

DEFERRED CHARGES
N.J.S.A. 40A:4-53 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2016

A-13

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2015</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2016</u>
07-09-12	Revaluation	\$ 270,000.00	\$ 54,000.00	\$ 108,000.00	\$ 54,000.00	\$ 54,000.00
				<u>\$ 108,000.00</u>	<u>\$ 54,000.00</u>	<u>\$ 54,000.00</u>
	<u>Ref.</u>			A	A-3	A

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2016

A-14
Sheet # 1

Appropriations	Balance Dec. 31, 2015		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Unencumbered			
GENERAL GOVERNMENT					
Administrative and Executive:					
Other Expenses	\$ 3,051.84	\$ 17.31	\$ 3,069.15	\$ 487.84	\$ 2,581.31
Elections:					
Other Expenses		1,633.78	1,633.78		1,633.78
Financial Administration:					
Annual Audit		35,000.00	35,000.00	32,000.00	3,000.00
Other Expenses	8,410.37	2,111.47	10,521.84	3,002.43	7,519.41
Assessment of Taxes:					
Salaries and Wages		32.96	32.96		32.96
Other Expenses		31.67	31.67		31.67
Collection of Taxes:					
Salaries and Wages		1,053.70	1,053.70		1,053.70
Other Expenses		1,073.03	1,073.03	86.00	987.03
Community Affairs and Public Relations:					
Other Expenses	610.88	489.57	1,100.45	100.00	1,000.45
Legal Services and Costs:					
Other Expenses		36,158.84	36,158.84	16,380.50	19,778.34
Engineering Services and Costs:					
Other Expenses	8,034.93	95.07	8,130.00	4,630.54	3,499.46
Public Buildings and Grounds:					
Salaries and Wages		6,590.28	6,590.28		6,590.28
Other Expenses	5,785.36	3,764.28	9,549.64		9,549.64
Planning Board:					
Other Expenses	450.00	360.00	810.00		810.00
Board of Adjustment:					
Other Expenses	416.92	2,720.96	3,137.88		3,137.88
Shade Tree Commission:					
Salaries and Wages		1,807.50	1,807.50		1,807.50
Other Expenses	9,180.19	846.74	10,026.93	2,375.55	7,651.38
Insurance:					
Group Health	23,789.07	56,978.09	80,767.16		80,767.16
Municipal Court:					
Salaries and Wages		495.57	495.57	495.57	
Other Expenses	2,114.10	1,087.66	3,201.76	1,491.11	1,710.65
Public Defender:					
Salaries and Wages		390.00	390.00		390.00
PUBLIC SAFETY					
Department of Public Safety:					
Salaries and Wages		56,780.74	56,780.74	11,400.07	45,380.67
Other Expenses	24,778.68	18,692.97	43,471.65	26,456.10	17,015.55
Crossing Guards:					
Salaries and Wages		14,747.44	14,747.44	13,520.00	1,227.44
Police Dispatchers:					
Salaries and Wages		5,113.99	5,113.99	1,061.64	4,052.35
Municipal Prosecutor:					
Salaries and Wages		106.00	106.00		106.00
STREETS AND ROADS					
Road Repair and Maintenance:					
Salaries and Wages		7,907.21	7,907.21	3,426.80	4,480.41
Other Expenses	5,977.18	25,284.79	31,261.97	27,277.73	3,984.24
Storms:					
Salaries and Wages		10,305.96	10,305.96	406.97	9,898.99
Other Expenses	370.07	1,426.90	1,796.97	335.92	1,461.05

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2016

A-14
Sheet # 2

Appropriations	Balance Dec. 31, 2015		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Unencumbered			
<u>SANITATION</u>					
Sewer System:					
Salaries and Wages		\$ 3,793.47	\$ 3,793.47		\$ 3,793.47
Other Expenses		3,791.69	3,791.69		3,791.69
Garbage and Trash Removal:					
Other Expenses	\$ 12,782.00	81,891.74	94,673.74	\$ 10,478.52	84,195.22
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Salaries and Wages		445.60	445.60		445.60
Other Expenses	206.95	842.32	1,049.27	1,049.27	
<u>RECREATION AND EDUCATION</u>					
Parks and Playgrounds:					
Salaries and Wages		593.98	593.98	593.98	
Other Expenses	9,569.12	514.49	10,083.61	9,029.10	1,054.51
Hurrell Field:					
Salaries and Wages		3,139.96	3,139.96		3,139.96
Other Expenses	17,870.25	6,029.41	23,899.66	20,119.47	3,780.19
Recreation:					
Salaries and Wages		11,188.88	11,188.88	1,493.34	9,695.54
Other Expenses	4,773.15	39.44	4,812.59	2,486.14	2,326.45
Jitney Operation:					
Salaries and Wages		9,696.69	9,696.69	9,283.80	412.89
Other Expenses		1,452.90	1,452.90		1,452.90
<u>UNIFORM CONSTRUCTION CODE</u>					
Construction Code Officials:					
Inspection of Buildings:					
Other Expenses	800.00	97.30	897.30	95.00	802.30
<u>UNCLASSIFIED</u>					
Electricity	0.86	23,106.53	23,107.39	6,689.20	16,418.19
Gasoline, Diesel Fuel and					
Lubricants		53,900.77	53,900.77	10,597.38	43,303.39
Street Lighting		50,075.67	50,075.67	16,602.78	33,472.89
<u>STATUTORY EXPENDITURES</u>					
Contributions to:					
Consolidated Police and Firemen's					
Pension		6,000.00	6,000.00		6,000.00
State Unemployment Insurance		30,000.00	30,000.00		30,000.00
<u>OTHER OPERATIONS</u>					
Joint Outlet Sewer Maintenance	0.05	8,048.16	8,048.21		8,048.21
Maintenance of Free Public Library	802.45	11,102.60	11,905.05	9,455.56	2,449.49
Recycling Tax		12,000.00	12,000.00		12,000.00
<u>Interlocal Municipal Service Agreements</u>					
Health Services Contract	6,637.75		6,637.75	6,637.75	
Animal Control Services					
Other Expenses		7,750.00	7,750.00	7,057.66	692.34
<u>Capital Improvements</u>					
Public Safety Equipment		163.00	163.00		163.00
Public Works Equipment		1.07	1.07		1.07
	<u>\$ 146,412.17</u>	<u>\$ 618,770.15</u>	<u>\$ 765,182.32</u>	<u>\$ 256,603.72</u>	<u>\$ 508,578.60</u>
Ref.	A	A		A-4	A-1

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE TO STATE OF NEW JERSEY
(OTHER FEES)
YEAR ENDED DECEMBER 31, 2016

A-15

	<u>Ref.</u>	<u>Total</u>	<u>Marriage License/ Burial Fees</u>	<u>Building Construction Training Fee</u>
Balance, December 31, 2015	A	\$ 2,527.00	\$ 150.00	\$ 2,377.00
Increased by:				
Cash Receipts	A-4	<u>14,786.00</u>	<u>300.00</u>	<u>14,486.00</u>
		17,313.00	450.00	16,863.00
Decreased by:				
Paid to State	A-4	<u>10,952.00</u>	<u>375.00</u>	<u>10,577.00</u>
Balance, December 31, 2016	A	<u>\$ 6,361.00</u>	<u>\$ 75.00</u>	<u>\$ 6,286.00</u>

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2016

A-16

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 104,557.66
Increased by:		
Cash Receipts	A-4	<u>61,213.17</u>
Balance, December 31, 2016	A	<u>\$ 165,770.83</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

INSPECTION FEES PAYABLE
YEAR ENDED DECEMBER 31, 2016

A-17

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 1,070.00
Increased by:		
Cash Receipts	A-4	15,990.00
		<u>17,060.00</u>
Decreased by:		
Cash Disbursements	A-4	11,712.00
Balance, December 31, 2016	A	<u>\$ 5,348.00</u>

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2016

A-18

	<u>Ref.</u>		
Balance, December 31, 2015			\$ -
Increased by:			
2016 Levy:			
General County	A-7	\$ 7,929,930.07	
Open Space Preservation	A-7	236,933.39	
Due County for Added Taxes	A-7	16,915.71	
	A-1, A-2a	<u>8,183,779.17</u>	\$ 8,183,779.17
Decreased by:			
Payments	A-4	<u>8,183,779.17</u>	
Balance, December 31, 2016			<u>\$ -</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

LOCAL DISTRICT SCHOOL TAX
YEAR ENDED DECEMBER 31, 2016

A-19

	<u>Ref.</u>	<u>Payable</u>	<u>Deferred</u>
Balance, December 31, 2015		\$ 147,713.87	\$ 13,920,821.00
Increased by:			
School Tax Levy - July 1, 2016 to			
June 30, 2017	A-1, A-2a, A-7	29,042,089.00	
		<u>29,189,802.87</u>	<u>13,920,821.00</u>
Decreased by:			
Paid	A-4	28,705,947.00	
		<u>28,705,947.00</u>	
Balance, December 31, 2016	A	<u>\$ 483,855.87</u>	<u>\$ 13,920,821.00</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

EMERGENCY NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2016

A-20

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 108,000.00
Increased by:		
Cash Receipts	A-4	<u>54,000.00</u>
		162,000.00
Decreased by:		
Cash Disbursements	A-4	<u>108,000.00</u>
Balance, December 31, 2016	A	<u><u>\$ 54,000.00</u></u>

TAX ANTICIPATION NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2016

A-21

	<u>Ref.</u>	
Balance December 31, 2015	A	\$ 1,000,000.00
Decreased by:		
Cash Disbursements	A-4	<u>1,000,000.00</u>
Balance, December 31, 2016	A	<u><u>\$ -</u></u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR PREPAID TAXES
YEAR ENDED DECEMBER 31, 2016

A-22

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 161,820.76
Increased by:		
Cash Collections	A-4	<u>202,705.96</u>
		364,526.72
Decreased by:		
Applied to Current Taxes Receivable	A-7	<u>161,820.76</u>
Balance, December 31, 2016	A	<u><u>\$ 202,705.96</u></u>

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2016

A-23

	<u>Ref.</u>	
Increased by:		
Cash Collections	A-4	<u>\$ 200.00</u>
Balance, December 31, 2016	A	<u><u>\$ 200.00</u></u>

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

A-24

	Balance Dec. 31, 2015	Budget Revenue Realized	Collected	Balance Dec. 31, 2016
Clean Communities		\$ 14,437.97	\$ 14,437.97	
Municipal Alliance on Alcohol and Drug Abuse:				
2013	\$ 5,608.74			\$ 5,608.74
2014	26,001.52			26,001.52
2015	24,659.59			24,659.59
2016		38,895.00	30,949.53	7,945.47
Body Worn Camera Assistance Program		9,000.00	9,000.00	
Body Armor Replacement Fund		2,344.57	2,344.57	
Drunk Driving Enforcement Fund		17,070.00	17,070.00	
Recycling Program		20,443.92	8,727.91	11,716.01
Alcohol, Education and Rehabilitation		1,938.50	362.59	1,575.91
	<u>\$ 56,269.85</u>	<u>\$ 104,129.96</u>	<u>\$ 82,892.57</u>	<u>\$ 77,507.24</u>
	A	A-25	Below	A
Applied from Unappropriated Interfunds		Ref.		
		A-26	\$ 17,070.00	
		A-24	65,822.57	
			<u>\$ 82,892.57</u>	

See Independent Auditor's Report

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2016

A-25

Current
Fund

	<u>Ref.</u>		
Balance, December 31, 2015:			
Due From	A		\$ 46,765.95
Increased by:			
Unappropriated Grants Received	A-26	\$ 2,500.00	
Cash Collections through Current Fund	A-23	65,822.57	
Budget Appropriations	A-25	<u>104,129.96</u>	
			<u>172,452.53</u>
			219,218.48
Decreased by:			
Anticipated Revenue	A-23	104,129.96	
Expenditures Paid through Current Fund	A-25	<u>73,399.43</u>	
			<u>177,529.39</u>
Balance, December 31, 2016:			
Due From	A		<u>\$ 41,689.09</u>

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
YEAR ENDED DECEMBER 31, 2016

A-26

	Balance Dec. 31, 2015	Transferred from 2016 Budget Appropriations		Paid or Charged	Balance Dec. 31, 2016
		Budget	Appropriations 40A4-87		
Recycling Tonnage Aid	\$ 12,873.04	\$ 10,304.79	\$ 10,139.13	\$ 6,664.33	\$ 26,652.63
Clean Communities Program: 2016			14,437.97	14,437.97	
Municipal Alliance on Alcohol and Drug Abuse:					
2013	11,148.57				11,148.57
2014	19,160.23				19,160.23
2015	12,383.43			12,383.43	
2016		38,895.00		34,650.29	4,244.71
Body Worn Camera Assistance Program		9,000.00			9,000.00
Drunk Driving Enforcement Fund	5,113.88	17,070.00		1,263.41	20,920.47
Body Armor Replacement Fund:	2,888.12		2,344.57	4,000.00	1,232.69
Domestic Violence Response Team	1,001.75				1,001.75
NJ Historic Trust	6,090.00				6,090.00
DCA - Second Chance	1,178.48				1,178.48
Alcohol Education and Rehabilitation Fund	12,183.51	1,938.50			14,122.01
	\$ 84,021.01	\$ 77,208.29	\$ 26,921.67	\$ 73,399.43	\$ 114,751.54
Reference	A	A-23	A-23	A-26	A

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2016

A-27

	<u>Ref.</u>	
Balance, December 31, 2015	A	\$ 19,014.79
Increased by:		
Due from Current Fund	A-25	2,500.00
		<u>21,514.79</u>
Decreased by:		
Anticipated Revenue	A-24	17,070.00
		<u>17,070.00</u>
Balance, December 31, 2016	A	<u>\$ 4,444.79</u>
 <u>Analysis of Balance</u>		
Alcohol Education and Rehabilitation		\$ 1,944.79
Body Worn Camera Assistance Program		<u>2,500.00</u>
		<u>\$ 4,444.79</u>

BOROUGH OF GLEN RIDGE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
TREASURER
YEAR ENDED DECEMBER 31, 2016

B-2

	Ref.	Animal Control Fund	General Trust Fund	Payroll Account
Balance, December 31, 2015	B	\$ 26,111.36	\$ 710,563.24	\$ 4,523.15
Increased by Receipts:				
Due to State of New Jersey	B-5	\$ 608.40		
Grant Receivable	B-3		\$ 39,900.00	
Net Payroll and Deductions	B-7			\$ 6,562,293.43
Account Receivable	B-4		29,023.72	
Animal Control Fees	B-9	8,477.20		
Interfunds Payable	B-8		336,137.45	
Special Deposits	B-10			
Unemployment Insurance	B-6			
		<u>9,085.60</u>	<u>405,061.17</u>	<u>6,562,293.43</u>
		35,196.96	1,115,624.41	6,566,816.58
Decreased by Disbursements:				
Due to State of New Jersey	B-5	609.60		
Interfunds Payable	B-8	6,384.72	86,595.67	
Net Payroll and Deductions	B-7			6,560,614.53
Animal Control Fund Expenditures	B-9	898.60		
Special Deposits	B-10		447,942.12	
		<u>7,892.92</u>	<u>534,537.79</u>	<u>6,560,614.53</u>
Balance, December 31, 2016	B	<u>\$ 27,304.04</u>	<u>\$ 581,086.62</u>	<u>\$ 6,202.05</u>

BOROUGH OF GLEN RIDGE
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE B-3
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	<u>General Trust Fund</u>
Balance, December 31, 2015	B	\$ 40,000.00
Increased by:		
Grant Award:		
Reserve	B-11	<u>40,000.00</u>
		80,000.00
Decreased by:		
Cash Receipts	B-2	<u>39,900.00</u>
Balance, December 31, 2016	B	<u><u>\$ 40,100.00</u></u>
<u>Analysis of Balance</u>		
Program Year 2015		\$ 100.00
Program Year 2016		<u>40,000.00</u>
		<u><u>\$ 40,100.00</u></u>

BOROUGH OF GLEN RIDGE
TRUST FUND

POLICE OUTSIDE SERVICE RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

B-4

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$ 29,023.72
Increased by:		
Due from Contractors	B-10	<u>25,237.01</u>
		54,260.73
Decreased by:		
Cash Receipts	B-2	<u>29,023.72</u>
Balance, December 31, 2016	B	<u><u>\$ 25,237.01</u></u>

BOROUGH OF GLEN RIDGE
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2016

B-5

	<u>Ref.</u>	<u>Dog License Fund</u>
Balance, December 31, 2015	B	\$ (3.80)
Increased by:		
Collections	B-2	608.40
Adjustment	B-6	5.00
		<u>613.40</u>
		609.60
Decreased by:		
Payments to State of New Jersey	B-2	<u>609.60</u>
Balance, December 31, 2016		<u>\$ -</u>

RESERVE FOR STATE UNEMPLOYMENT
COMPENSATION INSURANCE TRUST FUND
YEAR ENDED DECEMBER 31, 2016

B-6

	<u>Ref.</u>	
Balance, December 31, 2015	B	<u>\$ 212,212.25</u>
Balance, December 31, 2016	B	<u>\$ 212,212.25</u>

BOROUGH OF GLEN RIDGE
TRUST FUND

PAYROLL DEDUCTIONS PAYABLE
YEAR ENDED DECEMBER 31, 2016

B-7

	<u>Ref.</u>		
Balance, December 31, 2015	B		\$ 4,523.15
Increased by:			
Cash Receipts:			
Gross Payroll		\$ 5,063,237.79	
Annual PERS, PFRS Contributions		1,341,269.32	
Employer Share of Social Security		<u>157,786.32</u>	
	B-2		<u>6,562,293.43</u>
			6,566,816.58
Decreased by:			
Due to Current Fund	B-8	3,258.26	
Net Payroll and Agency Payments	B-2	<u>6,560,614.53</u>	
			<u>6,563,872.79</u>
Balance, December 31, 2016	B		<u><u>\$ 2,943.79</u></u>
<u>Analysis of Balance</u>			
Police and Firemen's Retirement System			\$ 3,257.92
Public Employees' Retirement System			(3,721.80)
AFLAC			(60.92)
SUI			1,991.92
PBA			18.20
Other Deductions Payable			(7,207.27)
Health Benefits-Flex Account			1,330.45
Essex County Sherif			(38.81)
Federal & State Taxes			7,428.30
Flexible Spending			3,814.06
AXA			100.00
VALIC			(710.00)
Excess			<u>(3,258.26)</u>
Due to Current Fund			<u><u>\$ 2,943.79</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2016

B-8

Ref.	General Trust Fund				Animal Control Fund		Payroll Account	
	Total	Water Operating	Current Fund	General Capital	Current Fund	Current Fund		
B	\$ 86,595.67	\$ 25,085.62	\$ 22,210.05	\$ 39,300.00	\$ 6,384.72			
Balance, December 31, 2015:								
Due To								
Increased by:								
B-9	11,845.84				11,845.84			
B-7	3,258.26					\$ 3,258.26		
B-11	40,000.00			40,000.00				
	55,104.10			40,000.00	11,845.84	3,258.26		
	141,699.77	25,085.62	22,210.05	79,300.00	18,230.56	3,258.26		
Decreased by:								
B-2	86,595.67	25,085.62	22,210.05	39,300.00	6,384.72			
Cash Disbursements	86,595.67	25,085.62	22,210.05	39,300.00	6,384.72			
Balance, December 31, 2016:								
Due To	\$ 55,104.10	\$	\$	\$ 40,000.00	\$ 11,845.84	\$ 3,258.26		

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2016

B-9

	<u>Ref.</u>		
Balance, December 31, 2015	B	\$	19,730.44
Increased by:			
Dog Licenses Issued	B-2	\$	8,476.00
Other	B-2		<u>1.20</u>
			<u>8,477.20</u>
			28,207.64
Decreased by:			
Expenditures Under R.S. 41:19-15.11	B-2	\$	898.60
Adjustment	B-5		5.00
Due to Current Fund	B-8		<u>11,845.84</u>
			<u>12,749.44</u>
Balance, December 31, 2016	B	\$	<u><u>15,458.20</u></u>

License Fees Collected

2014	\$	7,505.20
2015		<u>7,956.80</u>
	\$	<u><u>15,462.00</u></u>

Note: R.S. 4:19-15.11

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

BOROUGH OF GLEN RIDGE
TRUST FUND

B-10

RESERVE FOR SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2016

Account	Balance Dec. 31, 2015	Increase	Decrease	Adjustment	Balance Dec. 31, 2016
Law Enforcement - Confiscated Funds	\$ 8,298.67	\$ 5,642.00	\$ 810.00		\$ 13,130.67
Leaf Bags	1,874.60	1,275.00			3,149.60
Municipal Court POAA	22,869.14	1,154.00			24,023.14
Municipal Drug Alliance Committee	24,049.97	6,018.00			30,067.97
Tax Title Lien Premiums	169,000.00		58,700.00		110,300.00
Tax Title Lien Redemptions	248.82		248.82		0.00
Cable Local Access	42.47				42.47
Adopt-A-Cop Program	357.87				357.87
Construction Code Fines	325.00	750.00			1,075.00
Public Defender	2,608.00				2,608.00
Construction Code Fines		1,100.00			1,100.00
Board of Adjustment Escrow	2,895.00		855.00		2,040.00
Recreation Programs	5,459.30	4,610.00	6,088.91		3,980.39
Affordable Housing	112,392.50		58,220.36		54,172.14
Glen Ridge Restoration	586.39	1,950.00	350.00		2,186.39
Senior Community Center Fund	400.00				400.00
Planning Board Escrow		1,655.00	31.56		1,623.44
Library Accumulated Absence	24,749.31				24,749.31
Tree Replacement	9,812.67		440.00	\$ (0.27)	9,372.40
Tax Title Liens		119,823.56	119,823.56		
Police Outside Service Receivable	51,935.69	215,795.90	200,586.89	0.27	67,144.97
Environmental Advisory	845.29	1,601.00	1,569.20		877.09
Domestic Violence	2,000.00		217.82		1,782.18
	<u>\$ 440,750.69</u>	<u>\$ 361,374.46</u>	<u>\$ 447,942.12</u>	<u>\$</u>	<u>\$ 354,183.03</u>
Ref.	B	B-2	B-2	B-10	B
Ret.					
Cash Receipts		B-2	\$ 336,137.45		
Accounts Receivable		B-4	25,237.01		
Total			<u>\$ 361,374.46</u>		

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2016

B-11

	<u>Ref.</u>	
Balance, December 31, 2015	B	\$ 40,000.00
Increased by:		
Grant Awards	B-3	<u>40,000.00</u>
		80,000.00
Decreased by:		
Due General Capital	B-8	<u>40,000.00</u>
Balance, December 31, 2016	B	<u><u>\$ 40,000.00</u></u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2016

C-2

	<u>Ref.</u>		
Balance, December 31, 2015	C		\$ 435,963.95
Increased by:			
Due from State of New Jersey	C-4	\$ 174,000.00	
Capital Improvement Fund	C-9	400,000.00	
Bond Anticipation Note	C-13	2,043,000.00	
Interfunds	C-5	<u>318,051.19</u>	
			<u>2,935,051.19</u>
			3,371,015.14
Decreased by:			
Interfunds	C-5	40,000.00	
Bond Anticipation Note	C-13	2,043,000.00	
Improvement Authorizations	C-8	<u>1,195,027.46</u>	
			<u>3,278,027.46</u>
Balance, December 31, 2016	C		<u>\$ 92,987.68</u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ANALYSIS OF CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2016

C-3

Ordinance Number	Balance December 31, 2015	Receipts	Disbursed	Transfers		Balance December 31, 2016
				From	To	
Capital Improvement Fund	\$ 402,014.51	\$ 400,000.00		\$ 660,000.00		\$ 142,014.51
Due from Current Fund	(278,751.19)	278,751.19		678.52		(678.52)
Fund Balance	17.72					17.72
Due from General Trust Fund	(39,300.00)	39,300.00	\$ 40,000.00			(40,000.00)
Due from NJDOT		174,000.00		744,135.00		(570,135.00)
<u>Improvement Authorizations</u>						
1524 Replacement of Sanitary Sewer Pipes	(678.52)			\$ 678.52		41.30
1535 Various Capital Improvements	41.30					795.00
1568-1A Removal and Planting of Trees	795.00					3,854.78
1577 Various Capital Improvements	4,473.03		618.25			7,043.80
1583 Various Capital Improvements	7,043.80					618.25
1599 Shade Tree	618.25					444.33
1602 Public Works Equipment	1,366.33		922.00			3,212.43
1611 Various Capital Improvements	8,572.00		5,359.57			49,921.11
1612 Various Capital Improvements	448,251.72		398,330.61			
1616/1626 Street Improvements	(118,500.00)				118,500.00	
1636 Various Capital Improvements - Generator			125,568.28		153,635.00	28,066.72
1638 Various Road Improvements			80,804.90		232,000.00	151,195.10
1640 Various Capital Improvements			184,500.80		200,000.00	15,499.20
1641 Various Street Improvements					240,000.00	240,000.00
1643 Various Capital Improvements - Carteret Park			360,000.00		360,000.00	
1649 Various Capital Improvements - DPW			38,923.05		100,000.00	61,076.95
	\$ 435,963.95	\$ 892,051.19	\$ 1,235,027.46	\$ 1,404,813.52	\$ 1,404,813.52	\$ 92,987.68
Ref.	C			Contra	Contra	C

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY
GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

C-4

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 118,500.00
Increased by:		
Grant Award	C-9	<u>625,635.00</u>
		744,135.00
Decreased by:		
Cash Receipts	C-2	<u>174,000.00</u>
Balance, December 31, 2016	C	<u><u>\$ 570,135.00</u></u>

Analysis of Balance

Department of Transportation:

Ord. #1616 Essex Avenue and Herman Street	\$ 118,500.00
Ord. #1638 Douglas, Marsten, Washington, and Wildwood Terrace	58,000.00
Ord. #1641 Herman, Edgewood, Cambridge, and Avon Place	<u>240,000.00</u>
Total Department of Transportation	<u>416,500.00</u>

Emergency Management Fund:

Ord. #1636 Generator for Municipal Complex	153,635.00
Total Emergency Management Fund	<u>153,635.00</u>

Grand Total	<u><u>\$ 570,135.00</u></u>
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BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	<u>Total</u>	<u>Current</u>	<u>C-5</u> <u>General</u> <u>Trust</u>
Balance, December 31, 2015 (Due from)	C	\$ 318,051.19	\$ 278,751.19	\$ 39,300.00
Increased by:				
Cash Disbursements	C-2	40,000.00		40,000.00
Budget Appropriation	C-7	<u>678.52</u>	<u>678.52</u>	
		358,729.71	279,429.71	79,300.00
Decreased by:				
Cash Receipts	C-2	<u>318,051.19</u>	<u>278,751.19</u>	<u>39,300.00</u>
Balance, December 31, 2016 (Due from)	C	<u>\$ 40,678.52</u>	<u>\$ 678.52</u>	<u>\$ 40,000.00</u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2016

C-6

	<u>Ref.</u>		
Balance, December 31, 2015	C		\$ 3,548,110.45
Decreased by:			
Bonds Paid By Budget	C-12	\$ 350,000.00	
Loans Paid By Budget	C-10, C-11	<u>44,964.91</u>	
			<u>394,964.91</u>
Balance, December 31, 2016	C		<u><u>\$ 3,153,145.54</u></u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2016

C-7

Ordinance Number	Improvement Authorization	Balance Dec. 31, 2015	Decrease	Balance Dec. 31, 2016	Analysis of Balance Bond Anticipation Note
1524	Replacement of Sanitary Sewer Pipes	\$ 678.52	\$ 678.52		
1612	Various Capital Improvements	2,200,000.00	157,000.00	\$ 2,043,000.00	\$ 2,043,000.00
		<u>\$ 2,200,678.52</u>	<u>\$ 157,678.52</u>	<u>\$ 2,043,000.00</u>	<u>\$ 2,043,000.00</u>
Ref.		C	C-5, C-13	C	C-14

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2016

	Ordinance Number	Description	Date	Original Amount	Dec. 31, 2015		Paid or Charged	2016	
					Funded	Unfunded		Authorized	Funded
	1535-6	Library and Municipal Bldg	9-13-10	\$ 22,500.00	\$	41.30	\$	41.30	
		Various Capital Improvements:							
	1568-1A	Removal and Planting of Trees	9-26-11	30,000.00		795.00		795.00	
	1577-6	Administrative Equipment	4-23-12	14,437.74		4,473.03	\$	618.25	3,854.78
	1583-1	Roadway Improvements	9-10-12	296,000.00		7,043.80		7,043.80	
	1599	Shade Tree	10-28-13	30,000.00		618.25		618.25	
	1602	Public Works Equipment	11-25-13	50,000.00		1,366.33		444.33	
	1611	Various Capital Improvements	4-28-14	100,000.00		8,572.00		3,212.43	
	1612	Various Capital Improvements	5-12-14	2,481,000.00	\$	448,251.72		5,359.57	\$ 49,921.11
	1636	Generator	2-8-16	153,635.00	\$	153,635.00		398,330.61	
	1638	Various Capital Improvements - Generator	3-28-16	232,000.00		125,568.28		151,195.10	
	1640	Various Road Improvements	3-28-16	200,000.00		232,000.00		80,804.90	
	1641	Various Capital Improvements	4-25-16	200,000.00		200,000.00		184,500.80	
	1643	Street Improvements - Carteret Park	6-27-16	240,000.00		240,000.00		240,000.00	
	1649	Various Capital Improvements - DPW	11-14-16	360,000.00		360,000.00		360,000.00	
				100,000.00		100,000.00		38,923.05	
					\$	22,909.71	\$	1,195,027.46	\$ 511,847.86
						448,251.72	\$	1,285,635.00	\$ 49,921.11

C	Ref.
	C-4
	C-9
	C-2
	Above

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2016

C-9

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 402,014.51
Increased by:		
Cash Receipt - Budget Appropriation	C-2	400,000.00
		<u>802,014.51</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-8	660,000.00
Balance, December 31, 2016	C	<u>\$ 142,014.51</u>

GREEN TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2016

C-10

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 300,429.48
Decreased by:		
Paid By Budget Appropriation	C-6	30,786.19
Balance, December 31, 2016	C	<u>\$ 269,643.29</u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2016

C-11

	<u>Ref.</u>	
Balance, December 31, 2015	C	\$ 287,680.97
Decreased by:		
Loan Paid	C-6	<u>14,178.72</u>
Balance, December 31, 2016	C	<u><u>\$ 273,502.25</u></u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

GENERAL IMPROVEMENT BONDS
DECEMBER 31, 2016

C-12

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2015	Decrease	Balance Dec. 31, 2016
			Date	Amount				
General Improvements	8-15-2007	\$ 5,160,000.00	8-15-17	\$ 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	\$ 2,960,000.00	\$ 350,000.00	\$ 2,610,000.00
					Ref.	C	C-6	C

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2016

C-13

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Balance Dec. 31, 2015</u>	<u>Notes Issued</u>	<u>Notes Redeemed</u>	<u>Balance Dec. 31, 2016</u>
1612	Various Capital Improvements	07-25-14	07-23-17	1.30%	<u>\$ 2,200,000.00</u>	<u>\$ 2,043,000.00</u>	<u>\$ 2,200,000.00</u>	<u>\$ 2,043,000.00</u>
				<u>Ref.</u>	C	C-2	Below	C
				Paid by Budget Appropriation		Ref.		
				Notes Renewed		C-7	\$ 157,000.00	
						C-1	<u>2,043,000.00</u>	
							<u>\$ 2,200,000.00</u>	

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2016

C-14

Improvement Description	Number	Ordinance		Balance Dec. 31, 2015	Decrease	Balance Dec. 31, 2016
		Date	Amount			
Replacement of Sanitary Sewer Pipes	1524	9-14-09	\$ 410,000.00	\$ 678.52	\$ 678.52	\$ -
			Ref.	C	C-5	C

BOROUGH OF GLEN RIDGE
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER D-5
YEAR ENDED DECEMBER 31, 2016

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2015	D	\$ 450,882.78	\$ 16,565.96
Increased by Receipts:			
Miscellaneous Revenue	D-3	\$ 6,192.58	
Consumer Accounts Receivable	D-7	1,395,349.17	
Interfunds	D-10	25,085.62	
Overpaid Water Rents	D-12	9,284.05	
		<u>1,435,911.42</u>	
		<u>1,886,794.20</u>	<u>16,565.96</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	1,169,684.39	
Appropriation Reserves	D-11	13,013.88	
Accrued Interest on Loans	D-16	69,219.13	
		<u>1,251,917.40</u>	
Balance, December 31, 2016	D	<u>\$ 634,876.80</u>	<u>\$ 16,565.96</u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

ANALYSIS OF CASH AND INVESTMENTS
WATER CAPITAL FUND
YEAR ENDED DECEMBER 31, 2016

D-6

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
Capital Improvement Fund	\$ 4,665.19	\$ 4,665.19
Fund Balance	243.27	243.27
Reserve for Future Improvements	11,000.00	11,000.00
Improvement Authorizations:		
#1502 Various Improvements	657.50	657.50
	<u>\$ 16,565.96</u>	<u>\$ 16,565.96</u>
<u>Ref.</u>	D	D

BOROUGH OF GLEN RIDGE
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2016

D-7

	<u>Ref.</u>		
Balance, December 31, 2015	D		\$ 108,789.24
Increased by:			
Rent Billings	Reserve		<u>1,404,470.65</u>
			1,513,259.89
Decreased by:			
Collections	D-5	\$ 1,395,349.17	
Overpaid Applied	D-12	<u>6,517.39</u>	
			<u>1,401,866.56</u>
Balance, December 31, 2016	D		<u><u>\$ 111,393.33</u></u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2016

D-8

	<u>Ref.</u>	
Balance, December 31, 2015	D	<u>\$ 8,303,185.92</u>
Balance, December 31, 2016	D	<u><u>\$ 8,303,185.92</u></u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2016

D-9

<u>Description</u>	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2015</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
	<u>Number</u>	<u>Date</u> <u>Amount</u>		
Various Improvements	1502	11-24-08 \$ 30,000.00	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>
		<u>Ref.</u>	D	D

BOROUGH OF GLEN RIDGE
WATER UTILITY

INTERFUNDS
YEAR ENDED DECEMBER 31, 2016

D-10

	Ref.	Water Operating Fund		
		Total	Current	General Trust - Regular
Balance, December 31, 2015				
From	D	\$ 25,085.62		\$ 25,085.62
Decreased by:				
Expenditure Paid by Current Fund	D-4	21,521.39	\$ 21,521.39	
Cash Receipts	D-5	25,085.62		25,085.62
		<u>46,607.01</u>	<u>21,521.39</u>	<u>25,085.62</u>
Balance, December 31, 2016				
(To)	D	\$ (21,521.39)	\$ (21,521.39)	\$ -

BOROUGH OF GLEN RIDGE
WATER UTILITY

APPROPRIATION RESERVES
DECEMBER 31, 2016

D-11

	Balance After Transfers Dec. 31, 2015		Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>		
Salaries and Wages		\$ 21,665.94	\$ 430.73	\$ 21,235.21
Other Expenses	\$ 817.02	108,978.50	12,583.15	97,212.37
	<u>\$ 817.02</u>	<u>\$ 130,644.44</u>	<u>\$ 13,013.88</u>	<u>\$ 118,447.58</u>
<u>Ref.</u>	D	D	D-5	D-1

BOROUGH OF GLEN RIDGE
WATER UTILITY

OVERPAID WATER RENTS
YEAR ENDED DECEMBER 31, 2016

D-12

	<u>Ref.</u>	
Balance, December 31, 2015	D	\$ 6,517.39
Increased by:		
Cash Receipts	D-5	<u>9,284.05</u>
		15,801.44
Decreased by:		
Applied to Rents Receivable	D-7	<u>\$ 6,517.39</u>
Balance, December 31, 2016	D	<u><u>\$ 9,284.05</u></u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2016

D-13

Description	Ordinance		Balance Dec. 31, 2015 Funded	Balance Funded
	Number	Date		
Various Water Improvements	1502	11-24-08	\$ 30,000.00	\$ 657.50

Ref.

D

D

BOROUGH OF GLEN RIDGE
WATER UTILITY

LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2016

D-14

	<u>Ref.</u>	
Balance, December 31, 2015	D	\$ 3,785,521.68
Decreased by:		
Loan Repayment	D-18	<u>362,239.09</u>
Balance, December 31, 2016	D	<u>\$ 3,423,282.59</u>

CAPITAL IMPROVEMENT FUND
DECEMBER 31, 2016

D-15

	<u>Ref.</u>	
Balance, December 31, 2015	D	<u>\$ 4,665.19</u>
Balance, December 31, 2016	D	<u>\$ 4,665.19</u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2016

D-16

	<u>Ref.</u>	
Balance, December 31, 2015	D	\$ 36,132.30
Increased by:		
Budget Appropriation	D-4	69,219.13
		<u>105,351.43</u>
Decreased by:		
Cash Disbursements	D-5	69,219.13
Balance, December 31, 2016	D	<u>\$ 36,132.30</u>

Analysis of Accrued Interest on Loans at December 31, 2016

<u>Date of Issue</u>	<u>Interest Payable</u>	<u>Period</u>	<u>Amount</u>
10/15/2000	\$ 6,300.00	5 Months	\$ 5,250.00
11/01/2003	7,083.75	5 Months	5,903.13
11/01/2005	1,737.50	5 Months	1,447.92
11/01/2006	11,065.63	5 Months	9,221.36
11/01/2010	5,587.50	5 Months	4,656.25
11/01/2010	7,625.00	5 Months	6,354.17
			<u>32,832.82</u>
Add: Amount to be Utilized in Subsequent Year's Budget			<u>3,299.48</u>
			<u>\$ 36,132.30</u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

RESERVE FOR FUTURE IMPROVEMENT AUTHORIZATIONS
DECEMBER 31, 2016

D-17

	<u>Ref.</u>	
Balance, December 31, 2015	D	<u>\$ 11,000.00</u>
Balance, December 31, 2016	D	<u>\$ 11,000.00</u>

RESERVE FOR AMORTIZATION
DECEMBER 31, 2016

D-18

	<u>Ref.</u>	
Balance, December 31, 2015	D	\$ 4,547,664.24
Increased by:		
Loan Repayment	D-14	<u>362,239.09</u>
Balance, December 31, 2016	D	<u>\$ 4,909,903.33</u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR-TREASURER
YEAR ENDED DECEMBER 31, 2016

E-5

	Ref.	Operating	Capital
Balance, December 31, 2015	E	\$ 417,007.96	\$ 260,708.25
Increased by Receipts:			
Miscellaneous Income	E-3	\$ 24,101.00	
Pool Fees	E-3	366,920.75	
Bond Anticipation Note	E-14		860,000.00
		<u>391,021.75</u>	<u>860,000.00</u>
		808,029.71	1,120,708.25
Decreased by Disbursements:			
Budget Appropriations	E-4	385,200.18	
Appropriation Reserves	E-10	20,915.67	
Accrued Interest Payable	E-11	6,527.82	
Improvement Authorizations	E-8		15,413.00
Bond Anticipation Note	E-14		860,000.00
		<u>412,643.67</u>	<u>875,413.00</u>
Balance, December 31, 2016	E	<u>\$ 395,386.04</u>	<u>\$ 245,295.25</u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

CHANGE FUND
DECEMBER 31, 2016

E-6

	<u>Ref.</u>	
Balance, December 31, 2015	E	<u>\$ 100.00</u>
Balance, December 31, 2016	E	<u>\$ 100.00</u>

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2016

E-7

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$ 1,639,977.10
Increased by:		
Budget Appropriation- Capital Outlay	E-12	<u>7,864.99</u>
Balance, December 31, 2016	E	<u>\$ 1,647,842.09</u>

BOROUGH OF GLEN RIDGE
POOL UTILITY CAPITAL FUND

E-8

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2016

<u>Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Ref.</u>	<u>Balance</u>	
					<u>Dec. 31, 2015</u>	<u>Dec. 31, 2016</u>
					<u>Unfunded</u>	<u>Unfunded</u>
Various Capital Improvements	1615	05/12/14	\$ 780,000.00			
					<u>\$ 246,084.99</u>	<u>\$ 230,671.99</u>
					<u>E</u>	<u>E</u>
					<u>E-5</u>	

BOROUGH OF GLEN RIDGE
POOL UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2016

E-9

	<u>Ref.</u>	
Balance, December 31, 2015	E	<u>\$ 780,000.00</u>
Balance, December 31, 2016		<u><u>\$ 780,000.00</u></u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2016

E-10

	Balance December 31, 2015		Paid or Charged	Unexpended Balance Canceled
	<u>Encumbered</u>	<u>Reserved</u>		
Salaries and Wages		\$ 20,253.59		\$ 20,253.59
Other Expenses	\$ 23,246.96	5,261.05	\$ 20,915.67	7,592.34
	<u>\$ 23,246.96</u>	<u>\$ 25,514.64</u>	<u>\$ 20,915.67</u>	<u>\$ 27,845.93</u>
<u>Ref.</u>	E	E	E-5	E-1

BOROUGH OF GLEN RIDGE
POOL UTILITY

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2016

E-11

	<u>Ref.</u>	
Balance, December 31, 2015	E	\$ 1,752.18
Increased by:		
Budget Appropriation	E-4	<u>6,527.82</u> 8,280.00
Decreased by:		
Cash Disbursements	E-5	<u>6,527.82</u>
Balance, December 31, 2016	E, Below	<u><u>\$ 1,752.18</u></u>

Analysis of Accrued Interest on Notes at December 31, 2016

<u>Date of Issue</u>	<u>Principal</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>
12/17/2016	\$ 200,000.00	1.47%	23 Days	\$ 185.13
07/13/16	660,000.00	1.30%	171 Days	<u>4,019.67</u> 4,204.81
Less: Amount to be Raised in Subsequent Years Budget				<u>(2,452.63)</u> <u><u>\$ 1,752.18</u></u>
<u>Reference</u>				Above

BOROUGH OF GLEN RIDGE
POOL UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2016

E-12

	<u>Ref.</u>		
Balance, December 31, 2015	E		\$ 1,399,977.10
Increased by:			
Paydown on Bond Anticipation Note	E-14	\$ 160,000.00	
Capital Outlay Expenditures	E-7	<u>7,864.99</u>	
			<u>167,864.99</u>
Balance, December 31, 2016	E		<u>\$ 1,567,842.09</u>

BOROUGH OF GLEN RIDGE
POOL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2016

E-13

Purpose	Original Date of Issue	Original Amount Issued	Maturity Date	Interest Rate	Balance Dec. 31, 2015	Increase	Decreased	Balance Dec. 31, 2016
Pool Utility Improvements	12-19-2013	500,000.00	12-7-17	1.47%	\$ 300,000.00	\$ 200,000.00	\$ 300,000.00	\$ 200,000.00
Pool Utility Improvements	7-25-2014	780,000.00	7-13-17	1.30%	720,000.00	660,000.00	720,000.00	660,000.00
					<u>\$ 1,020,000.00</u>	<u>\$ 860,000.00</u>	<u>\$ 1,020,000.00</u>	<u>\$ 860,000.00</u>
				Ref.	E	Below	Below	E
				Ref.				
				Cash Receipts		\$ 860,000.00	\$	
				Cash Disbursements			860,000.00	
				Paid by Budget			160,000.00	
				Appropriation			160,000.00	
				E-12		<u>\$ 860,000.00</u>	<u>\$ 1,020,000.00</u>	

PART II
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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

Independent Auditors' Report

**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, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory-basis financial statements of the various funds and account group of the Borough of Glen Ridge, Essex County, New Jersey (the "Borough"), as of and for the year ended December 31, 2016, 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 25, 2017, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

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 entity'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.

PKF O'Connor Davies, LLP

May 25, 2017
Livingston, New Jersey

John Lauria, RMA
Licensed Registered Municipal Accountant # 403

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

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

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

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

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

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

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

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

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

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

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

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

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 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."

Trivial 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 and tax title liens at December 31, 2016 of \$279,741.72.

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.

Cash Management

Cash Deposits

During our internal control testing over cash receipts, we identified instances in which monies collected by several outside departments including the Uniform Construction Code Office, Recreation Department, Police Department, and Community Pool Office were not deposited into an official depository within 48 hours, as required by NJSA 40A:5-15.

- 1.) We suggest that the Borough strengthen internal procedures relating to the depositing of funds to ensure that all cash receipts are deposited within 48 hours of collection as required by state statute. Effective January 1, 2017, the Borough implemented a new procedure for the Community Pool Office that requires turnover sheets and deposit slips to be turned over to the finance department every Tuesday and Thursday to ensure deposits are made within 48 hours. The tax collector will sign a copy of the turnover sheet along with the pool director to confirm proper remittance of receipts. Consequently, the Borough has taken the appropriate corrective action on that department and no further recommendation is required for the Community Pool Office.

Purchase Order System and Encumbrance System

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

- 2.) We recommend that all requisitions be submitted prior to any commitment of goods or services.

Payment of Claims

The examination did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. Authorization for payment of claims is delegated to the Chief Financial Officer and bill lists are submitted to the Borough's Council for approval and recorded as a supplement to the official minutes.

Claims were examined on a test basis for the year under audit and the following opportunity for improvement was noted.

In accordance with N.J.A.C. 5:30-5.3, a certification of availability of funds must be made prior to any commitment of rendered services or purchased goods.

Capital Fixed Assets

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

- 3.) We recommend 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..."

Our examination of the trust accounts discovered not all amounts in the trust reserves were approved either through the budget process or by dedication by rider.

- 4.) We recommend 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 CY 2015 Report on Examination of Accounts.

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

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

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

Revenue Departments:

Turnovers be made within 48 hours by the outside departments.

Encumbrance System:

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

Capital Fixed Assets:

That the Borough update its capital fixed asset accounting system.

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.

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.

PKF O'Connor Davies, LLP

Livingston, New Jersey
May 25, 2017

John Lauria, RMA
Licensed Registered Municipal Accountant #403