



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

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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds of the Borough of Glen Ridge, County of Essex, New Jersey (the "Borough") as of and for the years ended December 31, 2015 the statements of revenues, expenditures and changes in fund balances for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States; and audit requirements as prescribed by the Division. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory basis financial statements are free of material misstatement.

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

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

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

As described in Note 1, the financial statements are prepared by the Borough on a basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the 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, 2015, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

Modified Opinion

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, except for the omission of fixed assets which has no material effect on the financial statements, the respective financial position of the various funds of the Borough of Glen Ridge, Essex County, New Jersey, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles and practices prescribed by the Division, as described in Note 1 to the financial statements.

Report on Summarized Comparative Information

We have previously audited the Borough's 2014 financial statements, and our report dated May 16, 2015, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year end ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it had been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise Borough's basic financial statements. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental sections are fairly stated, in all material respects, in relation to the basic financial statements as whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May , 2016 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

Livingston, New Jersey
May , 2016

John Lauria, RMA
Licensed Registered Municipal Accountant # 403

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

A
Sheet # 1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	A-4	\$ 4,516,723.87	\$ 2,786,901.67
Change Funds	A-5	270.00	270.00
Prepaid School Tax	A-20		131,328.13
		<u>4,516,993.87</u>	<u>2,918,499.80</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	218,349.33	249,004.79
Tax Title Liens	A-8	29,208.62	26,899.50
Property Acquired for Taxes at Assessed Valuation	A-9	410.00	410.00
Revenue Accounts Receivable	A-10	13,551.70	11,476.15
Interfunds Receivable	A-11	28,594.77	31,049.58
		<u>290,114.42</u>	<u>318,840.02</u>
Deferred Charges:			
Emergency Authorizations	A-12	30,222.52	20,427.04
Special Emergency N.J.S.A. 40A:4-53	A-13	108,000.00	162,000.00
		<u>138,222.52</u>	<u>182,427.04</u>
		<u>4,945,330.81</u>	<u>3,419,766.86</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-25	56,269.85	44,503.74
Interfunds Receivable	A-26	46,765.95	42,440.47
		<u>103,035.80</u>	<u>86,944.21</u>
		<u>\$ 5,048,366.61</u>	<u>\$ 3,506,711.07</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Expenditure Reserves:			
Appropriation Reserves:			
Encumbered	A-3, A-14	\$ 146,412.17	\$ 364,341.42
Unencumbered	A-3, A-14	618,770.15	330,236.92
Due to State of New Jersey:			
Ch. 129, P.L. 1976	A-6	4,870.64	3,620.30
Interfunds Payable	A-11	325,517.14	42,440.47
Due to State of New Jersey:			
Other Fees	A-15	2,527.00	5,445.00
Tax Overpayments	A-16	104,557.66	82,706.71
Inspection Fees Payable	A-17	1,070.00	6,848.00
School Taxes Payable	A-19	147,713.87	
Emergency Note Payable	A-21	108,000.00	162,000.00
Tax Anticipation Note Payable	A-22	1,000,000.00	
Reserve for Prepaid School Tax	A-23		131,328.13
Prepaid Taxes	A-24	161,820.76	144,698.24
Sub-Total		2,621,259.39	1,273,665.19
Reserve for Receivables and Other Assets		290,114.42	318,840.02
Fund Balance	A-1	2,033,957.00	1,827,261.65
		<u>4,945,330.81</u>	<u>3,419,766.86</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-27	84,021.01	76,633.13
Unappropriated Reserves	A-28	19,014.79	10,311.08
		<u>103,035.80</u>	<u>86,944.21</u>
		<u>\$ 5,048,366.61</u>	<u>\$ 3,506,711.07</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, 2015 AND 2014

A-1

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 630,000.00	\$ 700,000.00
Miscellaneous Revenue Anticipated	A-2	1,571,624.20	2,032,829.27
Receipts from Delinquent Taxes	A-2a	249,004.79	302,087.55
Receipts from Current Taxes	A-2a	46,994,212.19	45,985,107.98
Nonbudget Revenue	A-2b	67,008.52	129,048.04
Other Credits to Income:			
Interfunds Liquidated	A-11	2,454.81	68,548.33
Grant Reserves Canceled			22,950.57
Appropriation Reserves Lapsed	A-14	244,750.16	240,214.74
Tax Overpayments Canceled			3,033.49
Increase in Deferred School Tax			491,995.00
Total Revenue and Other Income		<u>49,759,054.67</u>	<u>49,975,814.97</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		4,441,308.83	4,381,960.58
Other Expenses		5,940,825.13	5,793,011.16
Capital Improvements		507,845.00	474,905.00
Debt Service		691,140.50	649,491.83
Statutory Expenditures and Deferred Charges		1,085,001.45	1,515,875.15
	A-3	<u>12,666,120.91</u>	<u>12,815,243.72</u>
Prior Year Senior Citizen Deduction Disallowed			1,000.00
County Taxes	A-18	7,871,506.41	7,765,998.64
Local District School Tax	A-19	28,384,732.00	27,841,642.00
Reserve for Prepaid School Tax			131,328.13
Total Expenditures		<u>48,922,359.32</u>	<u>48,555,212.49</u>
Excess in Revenue		836,695.35	1,420,602.48
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>1,827,261.65</u>	<u>1,106,659.23</u>
		2,663,957.00	2,527,261.71
Decreased by:			
Utilized as Anticipated Revenue	Above	<u>630,000.00</u>	<u>700,000.00</u>
Balance, End of Year	A	<u>\$ 2,033,957.00</u>	<u>\$ 1,827,261.71</u>

See accompanying note to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

A-2

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Appropriated	A-1	\$ 630,000.00	\$ 630,000.00	\$
<u>Miscellaneous Revenues</u>				
Alcoholic Beverage Licenses	A-10	10,000.00	10,000.00	
Other Licenses	A-2a	2,000.00	2,063.00	63.00
Fees and Permits	A-2a	200,000.00	132,095.26	(67,904.74)
Municipal Court Fines and Costs	A-10	144,000.00	158,336.55	14,336.55
Other Fines and Costs	A-10	5,000.00	6,810.65	1,810.65
Interest and Cost on Taxes	A-10	65,000.00	72,909.40	7,909.40
Parking Lot Fees	A-10	60,000.00	79,853.15	19,853.15
Recreation Receipts	A-10	73,500.00	79,915.00	6,415.00
Rental of Hurrell Field	A-10	25,000.00	25,000.00	
Cable TV Franchise Fee	A-10	56,785.15	56,785.15	
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	128,000.00	223,767.00	95,767.00
PILOT - Project Live	A-10	4,500.00	8,811.44	4,311.44
Jitney Fees	A-10	51,500.00	52,670.00	1,170.00
Additional Fees- Rental of Other Athletic Fields	A-10	50,000.00	50,000.00	
Recycling	A-10	10,000.00	6,878.79	(3,121.21)
Mountainside Hospital Sewer Fee	A-10	9,410.00	9,410.00	
Liquidation of the Reserve for				
Prepaid School Tax	A-23	131,328.13	131,328.13	
		<u>1,425,564.28</u>	<u>1,506,174.52</u>	<u>80,610.24</u>
Federal and State Grants:				
Clean Communities Program		12,628.65	12,628.65	
Municipal Alliance on Alcohol and Drug				
Abuse		38,895.00	38,895.00	
Recycling Tonnage Grant		10,304.79	10,304.79	
Alcohol, Education and Rehabilitation		6.29	6.29	
DCA - Second Chance		1,178.48	1,178.48	
State Body Armor Replacement Fund		2,436.47	2,436.47	
	A-11	<u>65,449.68</u>	<u>65,449.68</u>	
Total Miscellaneous Revenue	A-1	<u>1,491,013.96</u>	<u>1,571,624.20</u>	<u>80,610.24</u>
Receipts from Delinquent Taxes	A-2a	<u>230,000.00</u>	<u>249,004.79</u>	<u>19,004.79</u>
Amount to be Raised by Taxes for Support				
of Municipal Budget:				
Local Tax for Municipal Purpose		10,410,558.06		
Minimum Library Tax		500,439.01		
	A-2a	<u>10,910,997.07</u>	<u>11,333,829.88</u>	<u>422,832.81</u>
		13,262,011.03	13,784,458.87	522,447.84
Nonbudget Revenue	A-2b		<u>67,008.52</u>	<u>67,008.52</u>
	A-3	<u>\$ 13,262,011.03</u>	<u>\$ 13,851,467.39</u>	<u>\$ 589,456.36</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, 2015

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	\$47,084,599.02	\$ 249,004.79	\$46,835,594.23
Exemptions Granted	A-7	30,000.00		30,000.00
Prepaid Taxes Applied	A-7	128,617.96		128,617.96
Total Revenue	A-1	47,243,216.98	249,004.79	46,994,212.19
Allocated to:				
County Levy and Added Taxes	A-18	(7,871,506.41)		(7,871,506.41)
Local District School Taxes	A-19	(28,384,732.00)		(28,384,732.00)
Plus: Reserve for Uncollected Taxes	A-3	595,856.10		595,856.10
Realized Revenue	A-2	<u>\$11,582,834.67</u>	<u>\$ 249,004.79</u>	<u>\$11,333,829.88</u>
<u>Other Licenses and Fees</u>		<u>Total</u>	<u>Other Licenses</u>	<u>Permits and Fees</u>
Public Works	A-10	\$ 4,020.00	\$	\$ 4,020.00
Clerk's Office	A-10	19,200.00		19,200.00
Public Safety	A-10	4,212.20		4,212.20
Fire Inspections	A-10	11,820.06		11,820.06
Board of Health	A-10	81,081.00	2,063.00	79,018.00
Construction Official	A-10	13,825.00		13,825.00
Realized Revenue	A-2	<u>\$ 134,158.26</u>	<u>\$ 2,063.00</u>	<u>\$ 132,095.26</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, 2015

A-2b

Ref.

Miscellaneous Revenue Not Anticipated

Cash Receipts:

Sale of Recyclables	\$ 7,131.11
Insurance Refund	7,223.02
Sale of Municipal Assets	988.12
Cost of Tax Sale	340.00
Board of Adjustment Fees	300.00
Towing Fees	300.00
Planning Board Fees	1,260.00
Duplicate Tax Bills	110.00
Bad Check Fee	200.00
Photocopies	578.00
Polling Place Rental	120.00
FEMA - Prior Storms	30,823.90
Gasoline Purchases - Board of Education	8,404.18
Administrative Fee - Senior Citizens and Veterans	625.00
Other	<u>8,605.19</u>

A-1,2,4

\$ 67,008.52

**BOROUGH OF GLEN RIDGE
CURRENT FUND**

**STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

A-3
Sheet # 1

Appropriation	Appropriations		Expended Paid or Charged	Reserved		Canceled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT						
Administrative and Executive:						
Salaries and Wages	\$ 155,200.00	\$ 151,037.89	\$ 151,037.89	\$ 3,051.84	\$ 17.31	\$
Other Expenses	60,000.00	61,500.00	58,430.85			
Elections:						
Salaries and Wages	4,750.00	4,750.00	3,116.22		1,633.78	
Other Expenses						
Financial Administration:						
Salaries and Wages	85,200.00	75,232.53	75,232.53			
Other Expenses	57,000.00	82,000.00	71,478.16	8,410.37	2,111.47	
Annual Audit	35,000.00	35,000.00			35,000.00	
Assessment of Taxes:						
Salaries and Wages	33,950.00	33,950.00	33,917.04		32.96	
Other Expenses	25,000.00	32,400.00	32,368.33		31.67	
Collection of Taxes:						
Salaries and Wages	82,000.00	82,000.00	80,946.30		1,053.70	
Other Expenses	8,000.00	8,000.00	6,926.97		1,073.03	
Community Affairs and Public Relations:						
Other Expenses	50,000.00	50,000.00	48,899.55	610.88	489.57	
Legal Services and Costs:						
Salaries and Wages	100,000.00	100,000.00	63,841.16		36,158.84	
Other Expenses						
Engineering Services and Costs:						
Salaries and Wages	88,000.00	88,461.45	88,461.45			
Other Expenses	38,000.00	39,000.00	30,870.00	8,034.93	95.07	
Public Buildings and Grounds:						
Salaries and Wages	30,000.00	30,000.00	23,409.72		6,590.28	
Other Expenses	81,500.00	81,500.00	71,950.36	5,785.36	3,764.28	
Planning Board:						
Other Expenses	5,000.00	7,500.00	6,690.00	450.00	360.00	
Board of Adjustment:						
Other Expenses	4,600.00	4,600.00	1,462.12	416.92	2,720.96	
Shade Tree Commission:						
Salaries and Wages	2,000.00	2,000.00	192.50		1,807.50	
Other Expenses	82,000.00	82,000.00	71,973.07	9,180.19	846.74	
Insurance:						
Surety Bond Premiums						
General Liability	324,274.00	325,874.00	325,874.00			
Workers Compensation	174,048.00	174,048.00	174,048.00			
Employee Group Health	850,000.00	850,000.00	769,232.84	23,769.07	56,978.09	
Municipal Court:						
Salaries and Wages	198,000.00	198,000.00	197,504.43		495.57	
Other Expenses	24,000.00	24,000.00	20,796.24	2,114.10	1,087.66	
Public Defender:						
Salaries and Wages	6,000.00	6,000.00	5,610.00		390.00	

**BOROUGH OF GLEN RIDGE
CURRENT FUND**

**STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

A-3
Sheet # 2

Appropriation	Appropriations		Expended Paid or Charged	Reserved		Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
APPROPRIATIONS WITHIN "CAPS"						
PUBLIC SAFETY						
Department of Public Safety:						
Salaries and Wages	\$ 2,234,959.14	\$ 2,204,959.14	\$ 2,148,178.40	\$ 24,778.68	\$ 56,780.74	\$
Other Expenses	201,729.00	201,729.00	158,257.35		16,692.97	
Crossing Guards:						
Salaries and Wages	130,410.00	130,410.00	115,662.66		14,747.44	
Police Dispatchers:						
Salaries and Wages	315,565.00	315,565.00	310,451.01		5,113.99	
Aid to Volunteer Ambulance Companies:						
Other Expenses	12,000.00	12,000.00	12,000.00			
Municipal Prosecutor:						
Salaries and Wages	23,970.00	23,970.00	23,864.00		106.00	
STREETS AND ROADS						
Road Repair and Maintenance:						
Salaries and Wages	273,000.00	273,000.00	265,092.79	5,977.18	7,907.21	
Other Expenses	94,000.00	94,000.00	62,736.03		25,284.79	
Storms:						
Salaries and Wages	75,000.00	65,000.00	54,694.04	370.07	10,305.96	
Other Expenses	40,000.00	40,000.00	38,203.03		1,426.90	
SANITATION						
Sewer System:						
Salaries and Wages	4,500.00	4,500.00	706.63		3,793.47	
Other Expenses	10,000.00	10,000.00	8,208.31		3,791.69	
Garbage and Trash Removal:						
Other Expenses	910,000.00	910,000.00	815,326.26	12,782.00	81,891.74	
HEALTH AND WELFARE						
Board of Health:						
Salaries and Wages	49,000.00	49,000.00	48,554.40		445.60	
Other Expenses	3,500.00	3,500.00	2,450.73	206.95	842.32	

**BOROUGH OF GLEN RIDGE
CURRENT FUND**

**STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

A-3
Sheet # 3

Appropriation	Appropriations		Expended Paid or Charged	Reserved Encumbered		Unencumbered	Canceled
	Budget	Modified Budget					
APPROPRIATIONS WITHIN "CAPS"							
RECREATION AND EDUCATION							
Parks and Playgrounds							
Salaries and Wages	\$ 180,000.00	\$ 186,700.00	\$ 186,106.02	\$ 9,569.12	\$ 593.98	\$	
Other Expenses	129,700.00	137,200.00	127,116.39		514.49		
Hurrell Field							
Salaries and Wages	73,500.00	73,500.00	70,360.04		3,139.96		
Other Expenses	64,000.00	46,290.36	22,390.70	17,870.25	6,029.41		
Recreation:							
Salaries and Wages	194,000.00	194,000.00	182,811.12	4,773.15	11,188.88		
Other Expenses	64,000.00	64,000.00	59,187.41		39.44		
Jimney Operation:							
Salaries and Wages	104,000.00	104,000.00	94,303.31		9,696.69		
Other Expenses	17,000.00	17,000.00	15,547.10		1,452.90		
Health Waiver	9,035.00						
UNIFORM CONSTRUCTION CODE							
Construction Code Officials							
Inspection of Buildings:							
Salaries and Wages	145,305.12	150,022.82	150,022.82	800.00	97.30		
Other Expenses	7,500.00	8,250.00	7,352.70				
UNCLASSIFIED							
Electricity	130,000.00	130,000.00	106,692.61	0.86	23,106.53		
Gasoline, Diesel Fuel and Lubricants	125,000.00	125,000.00	71,098.23		53,900.77		
Street Lighting	220,000.00	220,000.00	169,924.33		50,075.67		
Total Operations Within "CAPS"	8,445,145.26	8,422,450.19	7,739,772.95	138,971.92	543,705.32		
Detail:							
Salaries and Wages	4,483,559.26	4,441,308.83	4,307,118.90	138,971.92	134,189.93		
Other Expenses	3,961,586.00	3,981,141.36	3,432,654.05		409,515.39		
STATUTORY EXPENDITURES							
Contributions to:							
Public Employees' Retirement System	231,668.00	231,668.00	231,668.00				
Social Security System (OAS)	168,300.00	170,102.45	170,102.45		6,000.00		
Police and Firemen's Retirement System	599,231.00	599,231.00	593,231.00		30,000.00		
State Unemployment Insurance	30,000.00	30,000.00			36,000.00		
	1,029,199.00	1,031,001.45	985,001.45				
Total Appropriations Within "CAPS"	9,474,344.26	9,453,451.64	8,734,774.40	138,971.92	579,705.32		

**BOROUGH OF GLEN RIDGE
CURRENT FUND**

**STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

A-3
Sheet # 4

Appropriation	Appropriations		Expended Paid or Charged	Reserved Encumbered	Unencumbered	Canceled
	Budget	Modified Budget				
APPROPRIATIONS EXCLUDED FROM "CAPS"						
OTHER OPERATIONS						
Maintenance of Free Public Library	\$ 598,186.00	\$ 602,148.33	\$ 590,243.28	\$ 802.45	\$ 11,102.60	\$
Recycling Tax	12,000.00	12,000.00			12,000.00	
Joint Outlet Sewer Maintenance	557,065.00	573,034.76	564,986.55	0.05	8,048.16	
Group Health Insurance						
	<u>1,167,251.00</u>	<u>1,187,183.09</u>	<u>1,155,229.83</u>	<u>802.50</u>	<u>31,150.76</u>	
Interlocal Municipal Service Agreements						
Township of Bloomfield						
Health Services	26,551.00	26,551.00	19,913.25	6,637.75		
Township of Montclair						
Fire Prevention Suppression Contract						
Other Expenses	625,000.00	625,000.00	625,000.00			
Township of Bloomfield						
Animal Control Services						
Other Expenses	15,500.00	15,500.00	7,750.00		7,750.00	
Township of Montclair						
Sanitary Sewer	40,000.00	40,000.00	40,000.00			
Other Expenses						
	<u>707,051.00</u>	<u>707,051.00</u>	<u>692,663.25</u>	<u>6,637.75</u>	<u>7,750.00</u>	
PUBLIC AND PRIVATE PROGRAMS OFFSET						
BY REVENUES						
Municipal Alliance on Alcoholism and Drug Abuse	38,895.00	38,895.00	38,895.00			
Body Armor Replacement Fund	2,436.47	2,436.47	2,436.47			
Alcohol Education and Rehabilitation	6.29	6.29	6.29			
Recycling Tonnage Grant	10,304.79	10,304.79	10,304.79			
Drunk Driving Enforcement Fund	12,628.65	12,628.65	12,628.65			
DCA Second Chance	1,178.48	1,178.48	1,178.48			
	<u>65,449.68</u>	<u>65,449.68</u>	<u>65,449.68</u>			
Total Public and Private Programs						
	<u>1,939,751.68</u>	<u>1,959,683.77</u>	<u>1,913,342.76</u>	<u>7,440.25</u>	<u>38,900.76</u>	
Total Operations Excluded from "CAPS"						
Detail						
Salaries and Wages	1,939,751.68	1,959,683.77	1,913,342.76	7,440.25	38,900.76	
Other Expenses						
CAPITAL IMPROVEMENTS						
Capital Improvement Fund	400,000.00	400,000.00	400,000.00			
Public Works Equipment	29,845.00	29,845.00	29,843.93		1.07	
Public Safety Equipment	78,000.00	78,000.00	77,837.00		163.00	
	<u>507,845.00</u>	<u>507,845.00</u>	<u>507,680.93</u>		<u>164.07</u>	

**BOROUGH OF GLEN RIDGE
CURRENT FUND**

**STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015**

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	\$ 325,000.00	\$ 325,000.00	\$ 325,000.00	\$	\$	34.02
Payment of Bond Anticipation Notes and Cap Notes	156,950.00	156,950.00	156,950.00			
Interest on Bonds	135,412.50	135,412.50	135,412.50			
Interest on Notes	14,281.14	14,281.14	14,247.12			
Loan Repayments for Principal	36,641.60	36,641.60	36,641.60			
Clean Water Infrastructure Loan	21,928.75	22,889.28	22,889.28			34.02
	690,213.99	691,174.52	691,140.50			
DEFERRED CHARGES						
Special Emergency Authorizations - 5 Years	54,000.00	54,000.00	54,000.00			
	54,000.00	54,000.00	54,000.00			
Total Appropriations Excluded from "CAPS"	3,191,810.67	3,212,703.29	3,166,164.19	7,440.25	39,064.83	34.02
Sub-Total Appropriations	12,666,154.93	12,666,154.93	11,900,938.59	146,412.17	618,770.15	34.02
Reserve for Uncollected Taxes	595,856.10	595,856.10	595,856.10			
Total General Appropriations	\$ 13,262,011.03	\$ 13,262,011.03	\$ 12,496,794.69	\$ 146,412.17	\$ 618,770.15	\$ 34.02
Ref.	A-2	Below	Below	A	A	Below
Ref.						
Adopted Budget	A-2, Above					
Special Emergency Appropriation	A-13	\$ 13,262,011.03	\$			
Reserve for Uncollected Taxes	A-2a	(595,856.10)	54,000.00			
Cash Disbursements	A-4		595,856.10			
Interfunds Payable	A-11		11,781,488.91			
Canceled	Above	(34.02)	65,449.68			
	A-1	\$ 12,666,120.91	\$ 12,496,794.69			

BOROUGH OF GLEN RIDGE
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Animal Control Fund</u>			
Cash	B-2	\$ 26,111.36	\$ 19,255.92
Account Receivable	B-5	3.80	
		<u>26,115.16</u>	<u>19,255.92</u>
<u>General Trust Fund</u>			
Cash	B-2	710,563.24	571,896.40
Community Development Block Grant Receivable	B-3	40,000.00	79,000.00
Police Outside Service Receivable	B-4	29,023.72	14,997.88
Interfunds Receivable	B-8		10,670.65
		<u>779,586.96</u>	<u>676,564.93</u>
<u>Payroll Account</u>			
Cash	B-2	<u>4,523.15</u>	<u>59,445.97</u>
		<u>\$ 810,221.47</u>	<u>\$ 755,266.82</u>
 <u>LIABILITIES AND RESERVES</u>			
<u>Animal Control Fund</u>			
Interfunds Payable	B-8	\$ 6,384.72	\$ 6,384.72
Due to State of New Jersey	B-5		2.20
Reserve for Expenditures	B-9	<u>19,730.44</u>	<u>12,869.00</u>
		<u>26,115.16</u>	<u>19,255.92</u>
<u>General Trust Fund</u>			
Interfunds Payable	B-8	86,595.67	22,670.18
Reserves for:			
Special Deposits	B-10	440,750.69	367,293.61
State Unemployment Compensation Insurance	B-6	212,212.25	207,572.79
Community Development Block Grant	B-11	40,000.00	79,000.00
Fund Balance	B-1	<u>28.35</u>	<u>28.35</u>
		<u>779,586.96</u>	<u>676,564.93</u>
<u>Payroll Account</u>			
Interfunds Payable	B-8		13,125.46
Payroll Deductions Payable	B-7	<u>4,523.15</u>	<u>46,320.51</u>
		<u>4,523.15</u>	<u>59,445.97</u>
		<u>\$ 810,225.27</u>	<u>\$ 755,266.82</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
TRUST FUND

FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

B-1

	<u>Ref.</u>	
Balance, December 31, 2014	B	<u>\$ 28.35</u>
Balance, December 31, 2015	B	<u><u>\$ 28.35</u></u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash	C-2	\$ 435,963.95	\$ 1,990,341.48
Due from State of New Jersey	C-4	118,500.00	474,000.00
Due from County of Essex	C-5		150,000.00
Interfunds Receivable	C-6	318,051.19	
Deferred Charges to Future Taxation:			
Funded	C-7	3,548,110.35	3,917,468.74
Unfunded	C-8	2,200,678.52	2,357,628.52
		<u>\$ 6,621,304.01</u>	<u>\$ 8,889,438.74</u>
 <u>LIABILITIES AND RESERVES</u>			
Improvement Authorizations:			
Funded	C-9	\$ 22,909.71	\$ 141,137.89
Unfunded	C-9	448,251.72	2,471,849.88
Capital Improvement Fund	C-10	402,014.51	2,014.51
Green Trust Loan Payable	C-11	300,429.38	330,609.05
Infrastructure Loan Payable	C-12	287,680.97	301,859.69
Serial Bonds Payable	C-13	2,960,000.00	3,285,000.00
Bond Anticipation Note	C-14	2,200,000.00	2,356,950.00
Fund Balance	C-1	17.72	17.72
		<u>\$ 6,621,304.01</u>	<u>\$ 8,889,438.74</u>
 Bonds and Notes Authorized but Not Issued			
	C-15	<u>\$ 678.52</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, 2015

C-1

	<u>Ref.</u>	
Balance, December 31, 2014	C	<u>\$ 17.72</u>
Balance, December 31, 2015	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, 2015 AND 2014

D

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 450,882.78	\$ 260,393.14
Consumer Accounts Receivable	D-7	108,789.24	114,359.82
Interfunds Receivable	D-10	25,085.62	460.13
		<u>584,757.64</u>	<u>375,213.09</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>\$ 8,934,509.52</u>	<u>\$ 8,724,964.97</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves - Encumbered	D-4, D-11	\$ 817.02	\$ 37,072.41
Appropriation Reserves - Reserved	D-4, D-11	130,644.44	61,272.26
Accrued Interest on Loans	D-16	36,132.30	39,325.26
Overpaid Water Rents	D-12	6,517.39	7,090.46
		<u>174,111.15</u>	<u>144,760.39</u>
Reserve for Receivables	Above	108,789.24	114,359.82
Fund Balance	D-1	301,857.25	116,092.88
		<u>584,757.64</u>	<u>375,213.09</u>
<u>Capital Fund</u>			
Improvement Authorizations:			
Funded	D-13	657.50	657.50
Loans Payable	D-14	3,785,521.68	4,143,451.44
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	4,547,664.24	4,189,734.48
Fund Balance	D-2	243.27	243.27
		<u>8,349,751.88</u>	<u>8,349,751.88</u>
		<u>\$ 8,934,509.52</u>	<u>\$ 8,724,964.97</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, 2015 AND 2014

D-1

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 75,000.00	\$ 75,000.00
Rents	D-3	1,447,477.67	1,310,601.01
Miscellaneous Revenue Anticipated	D-3	9,989.50	10,308.09
Other Credits to Income:			
Appropriation Reserves Lapsed	D-11	47,321.01	39,599.33
Total Income		<u>1,579,788.18</u>	<u>1,435,508.43</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		285,000.00	285,000.00
Other Expenses		592,702.66	591,437.13
Debt Service		441,321.15	453,562.87
	D-4	<u>1,319,023.81</u>	<u>1,330,000.00</u>
Statutory Excess to Fund Balance		260,764.37	105,508.43
<u>Fund Balance</u>			
Balance, Beginning of Year	D	<u>116,092.88</u>	<u>135,584.45</u>
		376,857.25	241,092.88
Decreased by:			
Amount Anticipated as Revenue	Above	75,000.00	75,000.00
Amount Anticipated as Revenue - Current Fund			50,000.00
		<u>75,000.00</u>	<u>125,000.00</u>
Balance, End of Year	D	<u>\$ 301,857.25</u>	<u>\$ 116,092.88</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, 2015

D-2

	<u>Ref.</u>	
Balance, December 31, 2014	D	<u>\$ 243.27</u>
Balance, December 31, 2015	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, 2015

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Utilized	D-1	\$ 75,000.00	\$ 75,000.00	\$
Rents	D-1, D-7	1,250,000.00	1,447,477.67	197,477.67
Miscellaneous	D-1, D-5	5,000.00	9,989.50	4,989.50
	D-4	<u>\$ 1,330,000.00</u>	<u>\$ 1,532,467.17</u>	<u>\$ 202,467.17</u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

D-4

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

Appropriation	Appropriations		Expended			Reserved	Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered			
Operating							
Salaries and Wages	\$ 285,000.00	\$ 285,000.00	\$ 263,334.06	\$		\$ 21,665.94	\$
Other Expenses	592,702.66	592,702.66	482,907.14	817.02		108,978.50	
Debt Service							
Water Supply Rehabilitation Loan	452,297.34	452,297.34	441,321.15				10,976.19
	<u>\$ 1,330,000.00</u>	<u>\$ 1,330,000.00</u>	<u>\$ 1,187,562.35</u>	<u>\$ 817.02</u>		<u>\$ 130,644.44</u>	<u>\$ 10,976.19</u>
Ref.	D-3	D-3	Below	D		D	Below
Adopted Budget							
Cash Disbursements	Above	\$ 1,330,000.00	\$				
Accrued Interest on Loans	D-5		1,104,170.96				
Canceled	D-16		83,391.39				
	Above	(10,976.19)					
	D-1	<u>\$ 1,319,023.81</u>	<u>\$ 1,187,562.35</u>				

BOROUGH OF GLEN RIDGE
POOL UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Operating Fund</u>			
Cash	E-5	\$ 417,007.96	\$ 385,473.84
Cash - Change Fund	E-6	100.00	100.00
		<u>417,107.96</u>	<u>385,573.84</u>
<u>Capital Fund</u>			
Cash	E-5	260,708.25	769,956.38
Fixed Capital	E-7	1,639,977.10	1,631,995.60
Fixed Capital - Authorized and Uncompleted	E-9	780,000.00	780,000.00
		<u>2,680,685.35</u>	<u>3,181,951.98</u>
		<u>\$ 3,097,793.31</u>	<u>\$ 3,567,525.82</u>
<u>LIABILITIES AND RESERVES</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	E-4, E-10	\$ 23,246.96	\$ 12,563.94
Reserved	E-4, E-10	25,514.64	77,185.80
Prepaid Fees	E-13		750.00
Accrued Interest on Notes	E-11	1,752.18	1,938.16
Fund Balance	E-1	366,594.18	293,135.94
		<u>417,107.96</u>	<u>385,573.84</u>
<u>Capital Fund</u>			
Improvement Authorizations:			
Unfunded	E-8	246,084.99	755,333.12
Bond Anticipation Note	E-14	1,020,000.00	1,180,000.00
Reserve for Amortization	E-12	1,399,977.10	1,231,995.60
Fund Balance	E-2	14,623.26	14,623.26
		<u>2,680,685.35</u>	<u>3,181,951.98</u>
		<u>\$ 3,097,793.31</u>	<u>\$ 3,567,525.82</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, 2015 AND 2014

E-1

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	E-3	\$ 70,000.00	\$ 100,000.00
Membership Fees	E-3	404,831.00	396,502.50
Miscellaneous Revenue	E-3	33,876.00	32,074.00
Other Credits to Income:			
Cancellation of Accounts Payable			1,365.03
Appropriation Reserves Lapsed	E-10	69,553.99	21,895.31
Total Income		<u>578,260.99</u>	<u>551,836.84</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		150,944.00	145,300.00
Other Expenses		115,000.00	119,700.00
Capital Improvements			89,250.00
Debt Service		168,858.75	108,255.52
	E-4	<u>434,802.75</u>	<u>462,505.52</u>
Excess in Revenue		143,458.24	89,331.32
<u>Fund Balance</u>			
Balance, Beginning of Year	E	<u>293,135.94</u>	<u>303,804.62</u>
		436,594.18	393,135.94
Decreased by:			
Amount Utilized as Anticipated Revenue	Above	<u>70,000.00</u>	<u>100,000.00</u>
Balance, End of Year	E	<u>\$ 366,594.18</u>	<u>\$ 293,135.94</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, 2015

E-2

	<u>Ref.</u>	
Balance December 31, 2014	E	<u>\$ 14,623.26</u>
Balance December 31, 2015	E	<u><u>\$ 14,623.26</u></u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

E-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Utilized	E-1	\$ 70,000.00	\$ 70,000.00	\$
Pool Fees	E-1, Below	350,000.00	404,831.00	54,831.00
Miscellaneous	E-1	<u>16,547.00</u>	<u>33,876.00</u>	<u>17,329.00</u>
	E-4	<u>\$ 436,547.00</u>	<u>\$ 508,707.00</u>	<u>\$ 72,160.00</u>
<u>Membership Fees</u>				
Cash Receipts	E-5	\$ 404,081.00		
Prepaid Fees	E-13	<u>750.00</u>		
	E-1, Above		<u>\$ 404,831.00</u>	

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

E-4

Appropriation	Appropriations		Expended		Reserved	Canceled
	Budget	Modified Budget	Paid or Charged	Encumbered		
<u>Operating</u>						
Salaries and Wages	\$ 150,944.00	\$ 150,944.00	\$ 130,690.41	\$ 23,246.96	\$ 20,253.59	\$
Other Expenses	115,000.00	115,000.00	86,491.99		5,261.05	
<u>Debt Service</u>						
Payment of Bond Anticipation Notes	160,000.00	160,000.00	160,000.00			1,744.25
Interest on Notes	10,603.00	10,603.00	8,858.75			
	<u>\$ 436,547.00</u>	<u>\$ 436,547.00</u>	<u>\$ 386,041.15</u>	<u>\$ 23,246.96</u>	<u>\$ 25,514.64</u>	<u>\$ 1,744.25</u>
<u>Ref.</u>	E-3	E-3	Below	E	E	Below
<u>Modified Budget</u>						
Cash Disbursements		\$ 436,547.00	\$ 377,182.40			
Accrued Interest on Bonds			8,858.75			
Canceled		(1,744.25)				
	E-1	<u>\$ 434,802.75</u>	<u>\$ 386,041.15</u>			

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 14 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Borough presents the financial statements listed in the table of contents which are required by the Division of Local Governmental Services, Department of Community Affairs, State of New Jersey (the "Division") and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

The financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by the provisions of N.J.S.A. 40A:5-5. The financial statements, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

Description of Funds

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by generally accepted accounting principles.

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

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

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

Utilities Fund - Water and Swimming Pool Utilities are treated as separate entities. The Water Utility maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity. The Swimming Pool Utility was established in December 2002.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. *REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

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

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

Basis of Accounting

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

Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue

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

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been 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". Amounts unexpended at the end of the second year are lapsed and are recognized as income.

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

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

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

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

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

1. *REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*

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

Encumbrances

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

Appropriation Reserves

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

Compensated Absences

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

Property Acquired for Taxes

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

Interfunds Receivable

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

Inventories of Supplies

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

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

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Fixed Assets

General:

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

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

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

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost. No costs or valuation basis was available at year end.

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

Utilities:

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

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

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

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

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

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

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

The Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division, municipalities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

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

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

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

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

Investments

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

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

As of December 31, 2015, the Borough had funds on deposit in checking accounts. The amount of the Borough's cash on deposit as of December 31, 2015 was \$5,702,193.21. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investments as defined by GASB Statement No. 40.

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

3. TAXES AND TAX TITLE LIENS RECEIVABLE

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

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

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

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

Comparative Schedule of Tax Rates

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$ 3.426</u>	<u>\$ 3.373</u>	<u>\$ 3.247</u>	<u>\$ 3.051</u>	<u>\$ 2.968</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.756	\$ 0.741	\$ 0.721	\$ 0.672	\$ 0.637
Municipal Library	0.037	0.036	0.036	0.035	0.035
County	0.554	0.549	0.512	0.460	0.446
County Open Space	0.017	0.017	0.016	0.016	0.016
School	<u>2.062</u>	<u>2.030</u>	<u>1.962</u>	<u>1.868</u>	<u>1.834</u>

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

3. TAXES AND TAX TITLE LIENS RECEIVABLE

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2015	\$ 1,376,746,000.00
2014	1,371,348,300.00
2013	1,369,281,300.00
2012	1,410,160,201.00
2011	1,419,213,439.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 47,231,007.16	\$ 46,994,212.19	99.49 %
2014	46,337,258.99	45,985,107.98	99.24
2013	44,509,735.11	44,141,612.49	99.17
2012	43,089,851.53	42,664,381.62	99.01 *
2011	42,179,390.79	41,583,063.16	99.32

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

Delinquent Taxes and Tax Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2015	\$ 29,208.62	\$ 218,349.33	\$ 247,557.95	0.52 %
2014	26,899.50	249,004.79	275,904.29	0.59
2013	23,604.63	303,109.02	326,713.65	0.73
2012	22,289.64	251,820.51	274,110.15	0.64
2011	19,659.67	282,708.51	302,368.18	0.72

4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2015	\$ 410.00
2014	410.00
2013	410.00
2012	410.00
2011	410.00

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

5. WATER CONSUMER ACCOUNTS RECEIVABLE

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

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

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2015	\$ 1,441,907.09	\$ 1,447,477.67
2014	1,307,237.04	1,310,601.01
2013	1,311,792.51	1,306,971.20
2012	1,217,582.96	1,207,611.75
2011	1,176,882.16	1,214,759.67

*Includes prior year rent collections.

6. FUND BALANCES APPROPRIATED

		<u>Balance</u> <u>December 31,</u>	<u>Anticipated</u> <u>Succeeding Year</u>
Current Fund:	2015	\$ 2,033,957.00	\$ 830,000.00
	2014	1,827,261.65	630,000.00
	2013	1,106,659.23	700,000.00
	2012	695,442.14	424,136.98
	2011	113,760.39	
Water Utility Operating Fund:	2015	301,857.25	75,000.00
	2014	116,092.88	75,000.00
	2013	135,584.45	125,000.00 (2)
	2012	22,434.82	
	2011	213,931.92	200,000.00 (1)
Pool Utility Operating Fund:	2015	366,594.18	75,000.00
	2014	293,135.94	70,000.00
	2013	303,804.62	100,000.00
	2012	212,335.62	60,000.00
	2011	92,017.54	

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

(2) Includes Anticipated in Current Fund Budget of \$50,000.00.

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

7. 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, 2015:

Inactive plan members or beneficiaries currently receiving benefits	160,716
Inactive plan members entitled to but not yet receiving benefits	730
Active plan members	<u>266,526</u>
Total	<u>427,972</u>

Contributing Employers – 1,707

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 2014, the State was required to make a minimum contribution representing 3/7th of the actuarially determined contribution amount based on the July 1, 2012 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, 2015 the Borough's total payroll for all employees was \$10,681,288. Total PERS covered payroll was \$2,901,274. Due to payroll system limitations, 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 6.78% in State fiscal year 2014 and increased to 6.92 for State fiscal year 2015, commencing July 1, 2015. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year. 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 OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

7. PENSION PLANS (continued)

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, 2014 and 2015 consisted of the following:

	<u>2015</u>	<u>2014</u>
Total Regular Billing	<u>\$257,979</u>	<u>\$220,946</u>

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, 2015, the PERS reported a net pension liability of \$22,447,996,119 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 \$6,735,951 or 0.03000691%. At June 30, 2014, the PERS reported a net pension liability of \$18,722,735,003 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 \$5,017,935 or 0.02680129%.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

7. PENSION PLANS (continued)

For the year ended December 31, 2015, the Borough recognized PERS expense of \$502,500. At December 31, 2015 the Borough would have reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources, if GASB #68 was recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expended and actual experience	\$ 160,696	\$ -
Changes in assumptions	723,387	-
Net difference between projected and actual earnings on pension plan investments	-	108,301
Changes in proportion and differences between Borough's contributions and proportionate share of contributions	631,960	-
Borough contributions subsequent to the measurement date	257,979	-

\$257,979 shown as deferred outflows of resources related to PERS resulting from Borough contributions subsequent to the measurement date (December 31, 2015) should have been recognized as a reduction of net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS should have been recognized in pension expense as follows, if GASB #68 was recognized:

<u>Year ended December 31,</u>	<u>Amount</u>
2016	\$ 278,792
2017	278,792
2018	278,792
2019	353,553
2020	217,809
Thereafter	
Total	<u>\$ 1,407,738</u>

Actuarial Assumptions- The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases (2012-2021)	2.15-4.40% Based on age
Thereafter	3.15-5.40% Based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA.

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

7. PENSION PLANS (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	
Cash	1.04%
U.S. Treasuries	1.64%
Investment Grade Credit	1.79%
Mortgages	1.62%
High Yield Bonds	4.03%
Inflation-Indexed Bonds	3.25%
Broad US Equities	8.52%
Developed Foreign Equities	6.88%
Emerging Market Equities	10.00%
Private Equity	12.41%
Hedge Funds/Absolute Return	4.72%
Real Estate (Property)	6.83%
Commodities	5.32%
Global Debt Ex U.S.	-0.40%
REIT	5.12%

Discount Rate – The discount rate used to measure the pension liabilities of PERS was 4.90%

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>
Borough's proportionate share	\$8,371,963	\$6,735,951	\$7,791,262

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2015 was \$28,999,581,773. Information regarding the portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group was not available.

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
YEAR ENDED DECEMBER 31, 2015

7. 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, 2015:

Inactive plan members or beneficiaries currently receiving benefits	42,576
Inactive plan members entitled to but not yet receiving benefits	55
Active plan members	<u>40,106</u>
Total	<u>82,737</u>

Contributing Employers – 585

In addition to the State, who is the sole payer of regular employer contributions to the fund, PFRS'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 towards 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 2014, the State was required to make a minimum contribution representing 3/7th of the actuarially determined contribution amount based on the July 1, 2012 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, 2015 the Borough's total payroll for all employees was \$10,681,288. Total PFRS covered payroll was \$2,901,274. Due to payroll system limitations, 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 made in the years ending December 31, 2014 and 2015 consisted of the following:

Total PFRS Payment - Regular	<u>\$502,500</u>	<u>\$504,663</u>
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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
YEAR ENDED DECEMBER 31, 2015

7. 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, 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 0.06181945%. At June 30, 2014, the PFRS reported a net pension liability of \$13,933,627,128 for its Non-State, Non-Special Funding Situation Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$8,265,132, or 0.065705419%.

For the year ended December 31, 2015, the Borough recognized PFRS expense of \$502,500. At December 31, 2015 the Borough would have reported deferred outflows of resources and deferred inflows of resources related to PFRS 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		\$ 88,815
Changes in assumptions	\$1,901,096	
Net difference between projected and actual earnings on pension plan investments		179,210
Changes in proportion and differences between Borough contributions and proportionate share of contributions		962,572
Borough contributions subsequent to the measurement date	502,500	

BOROUGH OF GLEN RIDGE

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

7. PENSION PLANS (continued)

\$502,500 shown as deferred outflows of resources related to PFRS resulting from Borough contributions subsequent to the measurement date (December 31, 2015) should have been recognized as a reduction of net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS should have been recognized in pension expense as follows, if GASB #68 was recognized:

<u>Year ended December 31,</u>	<u>Amount</u>
2016	\$ 84,603
2017	84,603
2018	84,603
2019	295,460
2020	121,205
Thereafter	
Total	<u>\$670,474</u>

Actuarial Assumptions- The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.04%
Salary Increases (2012-2021)	2.60-9.48% based on age
Thereafter	3.60-10.48% based on age
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale BB.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	
Cash	1.04%
U.S. Treasuries	1.64%
Investment Grade Credit	1.79%
Mortgages	1.62%
High Yield Bonds	4.03%
Inflation-Indexed Bonds	3.25%
Broad US Equities	8.52%
Developed Foreign Equities	6.88%
Emerging Market Equities	10.00%
Private Equity	12.41%
Hedge Funds/Absolute Return	4.72%
Real Estate (Property)	6.83%
Commodities	5.32%
Global Debt Ex U.S.	-0.40%
REIT	5.12%

Discount Rate – The discount rate used to measure the pension liabilities of PFRS was 5.79%

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

7. PENSION PLANS (continued)

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:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
PFRS	\$13,574,671	\$10,296,967	\$7,624,292

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2015 was \$25,020,485,785.

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, 2014, the membership in the DCRP, based on the information within the Division's database, was 28,270.

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

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

8. HEALTH BENEFITS

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

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

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

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

8. HEALTH BENEFITS (continued)

The contribution is phased in at 25% per year:

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

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

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

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

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

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

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

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

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the discretion of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Office such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

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

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM (continued)

Contributions Required

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

During the year 2015, there were no employees enrolled in the DCRP.

10. OTHER POSTEMPLOYMENT BENEFITS

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

11. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.380%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 4,055,000.00	\$ 4,055,000.00	\$
Water Utility	3,785,521.68	3,785,521.68	
General Capital	5,748,788.87		5,748,788.87
Swimming Pool Utility	1,020,000.00	1,020,000.00	
	<u>\$ 14,609,310.55</u>	<u>\$ 8,860,521.68</u>	<u>\$ 5,748,788.87</u>

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

3 1/2 of Equalized Valuation Basis	\$ 52,962,645.38
Net Debt	<u>5,748,788.87</u>
Remaining Borrowing Power	<u>\$ 47,213,856.51</u>

School Debt Deductions

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

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

11. MUNICIPAL DEBT (CONTINUED)

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

Cash Receipts from Fees, Rents or Other

Charges and Surplus Anticipated	\$1,532,467.17
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Deductions:

Operating and Maintenance Cost	\$ 77,702.66
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Debt Service per Water Utility	
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Operating Fund	<u>441,321.15</u>
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	<u>1,319,023.81</u>
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Excess in Revenue	<u>\$ 213,443.36</u>
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There being an excess in revenue, all Water Utility Debt is deductible for Debt Statement purposes.

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

Cash Receipts from Fees, Rents or
Other

Charges and Surplus Anticipated	\$508,707.00
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Deductions:

Operating and Maintenance Cost	\$265,944.00
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Debt Service	<u>168,858.75</u>
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	<u>434,802.75</u>
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Excess in Revenue	<u>\$ 73,904.25</u>
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There being an excess in revenue, all Pool Utility Debt is deductible for Debt Statement purposes.

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

Long Term Debt

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

General Capital Improvement Bonds

\$5,160,000.00 Bonds, due in annual installments
of \$350,000.00 to \$400,000 through October 2023,
interest ranging from 4.00% to 4.25%

<u>\$ 2,960,000.00</u>

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

11. MUNICIPAL DEBT (CONTINUED)

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 471,600.00	\$ 350,000.00	\$ 121,600.00
2017	456,725.00	350,000.00	106,725.00
2018	441,850.00	350,000.00	91,850.00
2019	452,850.00	375,000.00	77,850.00
2020	437,850.00	375,000.00	62,850.00
2021	422,850.00	375,000.00	47,850.00
2022	432,381.25	400,000.00	32,381.25
2023	400,881.25	385,000.00	15,881.25
	<u>\$ 3,516,987.50</u>	<u>\$ 2,960,000.00</u>	<u>\$ 556,987.50</u>

Green Acres Loan

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 36,641.61	\$ 30,786.19	\$ 5,855.42
2017	36,641.61	31,404.99	5,236.62
2018	36,641.61	32,036.23	4,605.38
2019	36,641.60	32,680.15	3,961.45
2020	36,641.61	33,337.03	3,304.58
2021	36,641.62	34,007.11	2,634.51
2022	36,641.62	34,690.65	1,950.97
2023	36,641.60	35,387.92	1,253.68
2024	36,641.62	36,099.21	542.41
	<u>\$ 329,774.50</u>	<u>\$ 300,429.48</u>	<u>\$ 29,345.02</u>

Environmental Infrastructure Loan

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

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

BOROUGH OF GLEN RIDGE**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015****11. MUNICIPAL DEBT (CONTINUED)****GENERAL CAPITAL FUND**

The following is a Schedule of Annual Principal and Interest

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 21,678.72	\$ 14,178.72	\$ 7,500.00
2017	21,428.72	14,178.72	7,250.00
2018	26,178.72	19,178.72	7,000.00
2019	25,678.72	19,178.72	6,500.00
2020	25,178.72	19,178.72	6,000.00
2021	24,678.72	19,178.72	5,500.00
2022	24,178.72	19,178.72	5,000.00
2023	23,678.72	19,178.72	4,500.00
2024	23,178.72	19,178.72	4,000.00
2025	22,678.72	19,178.72	3,500.00
2026	22,178.72	19,178.72	3,000.00
2027	21,678.72	19,178.72	2,500.00
2028	21,178.72	19,178.72	2,000.00
2029	25,678.72	24,178.72	1,500.00
2030	24,928.89	24,178.89	750.00
	<u>\$ 354,180.97</u>	<u>\$ 287,680.97</u>	<u>\$ 66,500.00</u>

WATER UTILITY CAPITAL FUND

The following is a Schedule of Annual Principal and Interest:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 448,956.61	\$ 362,239.09	\$ 86,717.52
2017	453,189.11	374,390.35	78,798.76
2018	449,185.10	378,453.84	70,731.26
2019	449,654.27	387,285.51	62,368.76
2020	465,453.80	412,009.94	53,443.86
2021	344,288.85	300,957.59	43,331.26
2022	343,539.74	306,333.48	37,206.26
2023	341,900.76	311,338.26	30,562.50
2024	247,718.46	224,105.96	23,612.50
2025	234,014.86	214,389.86	19,625.00
2026	204,942.20	191,554.70	13,387.50
2027	135,054.70	126,554.70	8,500.00
2028	76,890.95	70,640.95	6,250.00
2029	79,138.72	75,138.72	4,000.00
2030	51,628.73	50,128.73	1,500.00
	<u>\$ 4,325,556.86</u>	<u>\$ 3,785,521.68</u>	<u>\$ 540,035.18</u>

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

11. MUNICIPAL DEBT (CONTINUED)

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

	Balance <u>Dec. 31, 2015</u>	Balance <u>Dec. 31, 2014</u>
General Capital Fund:		
General Improvements	<u>\$678.25</u>	<u>\$ 678.52</u>

Emergency Notes

A special emergency note was issued for the revaluation of the Borough's tax assessment for \$270,000.00. A note was issued for \$ 108,000.00 bearing interest at a rate of 0.91%. The note matures December 17, 2016. The Borough is required to fund one-fifth of the total each year which is \$54,000.00.

Bond Anticipation Notes

General Capital Fund:

A bond anticipation note was issued for various capital improvements in the amount of \$2,200,000.00. The note is due July 22, 2016 and bears interest at a rate of 0.53%.

Pool Utility Capital Fund:

The Borough refunded their outstanding pool serial bonds of \$600,000.00 with bond anticipation notes. The notes are payable in equal annual installments of \$100,000.00. A bond anticipation note of \$300,000.00 was issued and matures on December 16, 2016 and bears interest at 0.91%. A second bond anticipation note for various pool capital improvements was issued on July 26, 2015, bearing interest at 0.53% and matures on July 25, 2016 in the sum of \$720,000.00.

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2015, Interfund Receivables and Payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 28,594.77	\$325,517.14
Federal/State Grant Fund	46,765.95	
Animal Control Trust Fund		6,384.72
General Trust Fund		86,595.67
General Capital Fund	318,051.19	
Water Utility Operating Fund	<u>25,085.62</u>	
	<u>\$ 418,497.53</u>	<u>\$418,497.53</u>

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

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

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015 the following deferred charges are shown on the balance sheets of various funds:

	<u>Balance</u> <u>Dec. 31, 2015</u>	<u>2016 Budget</u> <u>Appropriation</u>
<u>Current Fund</u>		
Special Emergency (40A:4-53):		
Revaluation	\$ 108,000.00	\$ 54,000.00
Overexpenditure of Appropriation Reserves	30,222.52	20,427.04

14. DEFERRED COMPENSATION PLAN

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

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

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

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

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

15. DEFERRED SCHOOL TAX

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

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

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

16. CONTINGENT LIABILITIES

a. Compensated Absences

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

It is estimated that the sum of \$838,425.00 computed internally at the 2015 salary rates, would be payable to officials and employees of the Borough as of December 31, 2015 for accumulated sick days, vacation days and unused holidays. This amount was not verified by audit.

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

b. Tax Appeals

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

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

c. Federal and State Awards

The Borough participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Borough has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2015 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

d. Litigation

The Borough is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Borough.

17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2015 through XXXX X., 2016, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that the following subsequent events require disclosure.

The Borough has been notified by the State of New Jersey of an outstanding balance due from the Borough for State Unemployment Insurance Claims. The Borough is currently reviewing the claim. A reserve has been set up in the sum of \$212,212.25

BOROUGH OF GLEN RIDGE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2015

A-4

	<u>Ref.</u>	<u>Current Fund</u>	
Balance, December 31, 2014	A		\$ 2,786,901.67
Increased by Cash Receipts:			
Nonbudget Revenue	A-2b	\$ 67,008.52	
Petty Cash Returned	A-5	600.00	
Tax Exemptions Due from State	A-6	31,250.34	
Taxes Receivable	A-7	47,068,161.42	
Revenue Accounts Receivable	A-10	1,374,845.39	
Interfund Settlements	A-11	4,072,101.40	
Fees Payable to State	A-15	13,322.00	
Tax Overpayments	A-16	52,212.25	
Inspection Fees Payable	A-17	17,495.00	
Emergency Note Payable	A-21	108,000.00	
Tax Anticipation Note	A-24	1,000,000.00	
Prepaid Taxes	A-24	161,820.76	
			<u>53,966,818.08</u>
			56,753,719.75
Decreased by Cash Disbursed:			
Budget Appropriations	A-3	11,781,488.91	
Petty Cash Fund Established	A-5	600.00	
Interfund Settlements	A-11	3,786,569.92	
Appropriation Reserves	A-14	459,623.66	
Due to State of New Jersey	A-15	16,240.00	
Refund of Tax Overpayments	A-16	30,003.98	
Inspection Fees Payable	A-17	23,273.00	
County Taxes Payable	A-18	7,871,506.41	
Local School District Tax	A-19	28,105,690.00	
Emergency Note Payable	A-21	162,000.00	
			<u>52,236,995.88</u>
Balance, December 31, 2015	A		<u>\$ 4,516,723.87</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2015

A-5

	<u>Ref.</u>	
Balance, December 31, 2014	A	<u>\$ 270.00</u>
Increased by:		
Petty Cash Fund Established	A-4	<u>600.00</u>
		<u>600.00</u>
		870.00
Decreased by:		
Petty Cash Funds Returned	A-4	<u>600.00</u>
Balance, December 31, 2015	A	<u><u>\$ 270.00</u></u>
<u>Analysis of Balance</u>		
Tax Collector		\$ 50.00
Recreation		100.00
Public Works		50.00
Library		<u>70.00</u>
	Above	<u><u>\$ 270.00</u></u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
(SENIOR CITIZENS AND VETERANS TAX EXEMPTIONS)
YEAR ENDED DECEMBER 31, 2015

A-6

	<u>Ref.</u>		
Balance, December 31, 2014 (Due To)	A		\$ (3,620.30)
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$ 2,000.00	
Veterans		29,250.00	
		<u>31,250.00</u>	
Less: Senior Citizens'/Veterans' Deductions			
Disallowed by Tax Collector		<u>1,250.00</u>	
	A-7		<u>30,000.00</u>
			26,379.70
Decreased by:			
Cash Received	A-4		<u>31,250.34</u>
Balance, December 31, 2015 (Due To)	A		<u>\$ (4,870.64)</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2015

A-7

Year	Balance December 31, 2014	2015 Levy	2014	Collected 2015	Exemptions Granted	Canceled	Transferred to Tax Title Liens	Balance December 31, 2015
2014	\$ 249,004.79	\$ 47,231,007.16	\$ 128,617.96	\$ 249,004.79	\$ 30,000.00	\$ 16,136.52	\$ 2,309.12	\$ 218,349.33
2015	\$ 249,004.79	\$ 47,231,007.16	\$ 128,617.96	\$ 47,084,599.02	\$ 30,000.00	\$ 16,136.52	\$ 2,309.12	\$ 218,349.33
<u>Ref.</u>	A	Below	A-2a, A-24	Below	A-2a, A-6	Reserve	A-8	A

Ref.

Cash Receipts	A-4	\$ 47,068,161.42
Overpayments Applied	A-16	16,437.60
		<u>\$ 47,084,599.02</u>

Analysis of Property Tax Yield and Levy

Ref.

<u>Tax Yield</u>				
General Purpose Tax		\$ 47,167,318.11		
Added Taxes		63,689.05		
	Above	<u>\$ 47,231,007.16</u>		
<u>Tax Levy</u>				
Local District School Tax (Abstract)	A-19	\$ 28,384,732.00		
County Taxes:				
Regular County Tax (Abstract)	A-18	\$ 7,631,353.22		
Added Taxes	A-18	10,617.21		
Open Space	A-18	229,535.98		
		7,871,506.41		
<u>Local Taxes:</u>				
For Municipal Purposes	A-2	10,410,558.06		
Minimum Library	A-2	500,439.01		
Additional Tax Levied	Reserve	63,771.68		
		10,974,768.75		
	Above	<u>\$ 47,231,007.16</u>		

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2015

A-8

<u>Block</u>	<u>Lot</u>	<u>Date of Sale</u>	<u>Lien Number</u>	<u>Balance Dec. 31, 2014</u>	<u>Transfer from Taxes Receivable</u>	<u>Balance Dec. 31, 2015</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>15,137.24</u>	<u>2,309.12</u>	<u>17,446.36</u>
				<u>\$ 26,899.50</u>	<u>\$ 2,309.12</u>	<u>\$ 29,208.62</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, 2015

A-9

	<u>Ref.</u>	
Balance, December 31, 2014	A	<u>\$ 410.00</u>
Balance, December 31, 2015	A	<u>\$ 410.00</u>

List of Property as of December 31, 2015

<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, 2015

A-10

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Township Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 10,000.00	\$ 10,000.00	\$
Other Fees and Permits	A-2a		19,200.00	19,200.00	
Public Works:					
Other Fees and Permits	A-2a		4,020.00	4,020.00	
Tax Collector:					
Interest and Cost on Taxes	A-2		72,909.40	72,909.40	
Board of Health:					
Other Licenses	A-2a		2,063.00	2,063.00	
Other Fees and Permits	A-2a		79,018.00	79,018.00	
Department of Public Safety:					
Parking Lot Fees	A-2		79,853.15	79,853.15	
Other Fees and Permits -					
Life Hazard Fees	A-2a		4,212.20	4,212.20	
Fire Inspections	A-2a		11,820.06	11,820.06	
Construction Official:					
Building Permits	A-2		223,767.00	223,767.00	
Other Fees and Permits	A-2a		13,825.00	13,825.00	
Municipal Court	A-2	11,476.15	160,411.10	158,335.55	13,551.70
Library Fines	A-2		6,810.65	6,810.65	
Recreation Receipts	A-2		79,915.00	79,915.00	
Jitney Fees	A-2		52,670.00	52,670.00	
Rental of Hurrell Field	A-2		25,000.00	25,000.00	
Cable TV Franchise Fee	A-2		56,785.15	56,785.15	
Recycling	A-2		6,878.79	6,878.79	
PILOT - Project Live	A-2		8,811.44	8,811.44	
Water Utility Operating Surplus	A-2				
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>\$ 11,476.15</u>	<u>\$ 1,376,920.94</u>	<u>\$ 1,374,845.39</u>	<u>\$ 13,551.70</u>
	<u>Ref.</u>	<u>A</u>	<u>Reserve</u>	<u>A-4</u>	<u>A</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

INTERFUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2015

A-11

	<u>Ref.</u>	<u>Total</u>	<u>Federal and State Grant Fund</u>	<u>Animal Control Trust Fund</u>	<u>Water Operating Fund</u>	<u>General Trust Fund</u>	<u>General Capital Fund</u>	<u>Payroll Fund</u>
Balance, December 31, 2014:								
From	A	\$ 31,049.58	\$	\$ 6,384.72	\$	\$ 22,210.05	\$	\$ 2,454.81
(To)	A	\$ (42,440.47)	\$ (42,440.47)	\$	\$	\$	\$	\$
Increased by:								
Miscellaneous Revenue not								
Anticipated Revenue	A-2	65,449.68	65,449.68					
Cash Disbursed	A-4	3,786,569.92	58,062.30		25,707.62	250.00	3,702,550.00	
		<u>3,840,628.71</u>	<u>81,071.51</u>	<u>6,384.72</u>	<u>25,707.62</u>	<u>22,460.05</u>	<u>3,702,550.00</u>	<u>2,454.81</u>
Decreased by:								
Cash Receipts	A-4	4,072,101.40	62,387.78		25,707.62	250.00	3,981,301.19	2,454.81
Budget Appropriations	A-3	65,449.68	65,449.68					
		<u>4,137,551.08</u>	<u>127,837.46</u>		<u>25,707.62</u>	<u>250.00</u>	<u>3,981,301.19</u>	<u>2,454.81</u>
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)	\$
<u>Net Credit to Operations</u>	<u>Ref.</u>							
Interfunds Receivable:								
December 2014	Above	\$ 31,049.58						
December 2015	Above	<u>28,594.77</u>						
Net Credit	A-1	\$ 2,454.81						

BOROUGH OF GLEN RIDGE
CURRENT FUND

DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2015

A-12

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$ 20,427.04
Increased by:		
Overexpenditure of Appropriation Reserve	A-14	<u>9,795.48</u>
Balance, December 31, 2015	A	<u>\$ 30,222.52</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

DEFERRED CHARGES
N.J.S.A. 40A:4-53 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2015

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, 2014</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
07-09-12	Revaluation	\$ 270,000.00	\$ 54,000.00	\$ 162,000.00	\$ 54,000.00	\$ 108,000.00
				<u>\$ 162,000.00</u>	<u>\$ 54,000.00</u>	<u>\$ 108,000.00</u>
	<u>Ref.</u>			A	A-3	A

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2015

A-14
Sheet # 1

Appropriations	Balance Dec. 31, 2014		Balance After Transfers	Expended	Balance Lapsed	Over- Expenditures
	Encumbered	Unencumbered				
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages	\$	\$ 90.14	\$ 90.14	\$	\$ 90.14	\$
Other Expenses	2,383.96	953.67	3,337.63	3,181.63	156.00	
Elections:						
Other Expenses		372.86	372.86		372.86	
Financial Administration:						
Salaries and Wages		762.78	762.78		762.78	
Annual Audit		30,000.00	30,000.00	26,000.00	4,000.00	
Other Expenses	19,897.82	4,178.77	24,076.59	15,475.74	8,600.85	
Assessment of Taxes:						
Salaries and Wages		48.00	48.00		48.00	
Other Expenses	1,012.96	13,220.52	14,233.48	24,028.96		9,795.48
Collection of Taxes:						
Salaries and Wages		1,915.60	1,915.60		1,915.60	
Other Expenses	76.18	1,171.62	1,247.80	479.98	767.82	
Community Affairs and Public Relations:						
Other Expenses	13,174.00	3,078.77	16,252.77	13,169.68	3,083.09	
Legal Services and Costs:						
Other Expenses	3,930.00	8,892.38	12,822.38	11,894.88	927.50	
Engineering Services and Costs:						
Salaries and Wages		2.48	2.48		2.48	
Other Expenses	3,298.98	1,195.04	4,494.02	3,399.11	1,094.91	
Public Buildings and Grounds:						
Other Expenses	16,913.63	260.41	17,174.04	14,268.17	2,905.87	
Planning Board:						
Other Expenses	750.00	815.49	1,565.49		1,565.49	
Board of Adjustment:						
Other Expenses	804.60	2,500.00	3,304.60		3,304.60	
Shade Tree Commission:						
Salaries and Wages						
Other Expenses	9,742.69	1,041.52	10,784.21	9,887.74	896.47	
Insurance:						
General Liability		9,500.00	9,500.00		9,500.00	
Group Health		50,549.52	50,549.52		50,549.52	
Municipal Court:						
Salaries and Wages		676.28	676.28	676.28		
Other Expenses	1,582.91	204.58	1,787.49	816.06	971.43	
<u>PUBLIC SAFETY</u>						
Department of Public Safety:						
Salaries and Wages		35,197.75	35,197.75	14,294.19	20,903.56	
Other Expenses	21,209.58	284.20	21,493.78	17,724.57	3,769.21	
Crossing Guards:						
Salaries and Wages		9,991.06	9,991.06	8,659.06	1,332.00	
Police Dispatchers:						
Salaries and Wages	54.00	23,491.80	23,545.80	3,074.99	20,470.81	
Municipal Prosecutor:						
Salaries and Wages		99.92	99.92		99.92	
<u>STREETS AND ROADS</u>						
Road Repair and Maintenance:						
Other Expenses	6,889.49	3,164.72	10,054.21	5,241.48	4,812.73	
Storms:						
Salaries and Wages		3,818.34	3,818.34	2,237.58	1,580.76	
Other Expenses						

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2015

A-14
Sheet # 2

Appropriations	Balance Dec. 31, 2014		Balance After Transfers	Expended	Balance Lapsed	Over- Expenditures
	Encumbered	Unencumbered				
<u>SANITATION</u>						
Sewer System:						
Salaries and Wages	\$	\$	\$	\$	\$	\$
Other Expenses		1,446.22	1,446.22		1,446.22	
Garbage and Trash Removal:						
Other Expenses	49,364.18	16,517.66	65,881.84	49,376.83	16,505.01	
<u>HEALTH AND WELFARE</u>						
Board of Health:						
Salaries and Wages		1,104.16	1,104.16		1,104.16	
Other Expenses	357.56	163.94	521.50	41.20	480.30	
<u>RECREATION AND EDUCATION</u>						
Parks and Playgrounds:						
Salaries and Wages						
Other Expenses	1,740.88	8,884.01	10,624.89	2,914.04	7,710.85	
Hurrell Field:						
Salaries and Wages						
Other Expenses	698.32	23,369.78	24,068.10	3,962.93	20,105.17	
Recreation:						
Salaries and Wages		2,867.58	2,867.58	1,704.89	1,162.69	
Other Expenses	4,248.70	5,193.43	9,442.13	2,826.31	6,615.82	
Jitney Operation:						
Salaries and Wages		4,003.38	4,003.38	4,003.38		
Other Expenses	1,121.80	1,371.39	2,493.19	81.00	2,412.19	
<u>UNIFORM CONSTRUCTION CODE</u>						
Construction Code Officials:						
Inspection of Buildings:						
Salaries and Wages		819.04	819.04	200.00	619.04	
Other Expenses	947.56	632.84	1,580.40	947.56	632.84	
<u>UNCLASSIFIED</u>						
Electricity		12,377.05	12,377.05	8,455.70	3,921.35	
Gasoline, Diesel Fuel and Lubricants	32,363.71	5,694.27	38,057.98	16,208.82	21,849.16	
Street Lighting		19,611.41	19,611.41	18,528.72	1,082.69	
<u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Social Security System		2,540.57	2,540.57	209.10	2,331.47	
<u>OTHER OPERATIONS</u>						
Joint Outlet Sewer Maintenance		67.05	67.05		67.05	
Maintenance of Free Public Library	116.23	3,875.17	3,991.40	3,991.40		
Recycling Tax		12,000.00	12,000.00		12,000.00	
<u>Interlocal Municipal Service Agreements</u>						
Fire Prevention Suppression Contract						
Other Expenses	156,250.00		156,250.00	156,250.00		
Animal Control Services						
Other Expenses	7,994.00		7,994.00	7,994.00		
<u>Capital Improvements</u>						
Public Safety Equipment	7,417.68	218.68	7,636.36	7,417.68	218.68	
Public Works Equipment		1.07	1.07		1.07	
	<u>\$ 364,341.42</u>	<u>\$ 330,236.92</u>	<u>\$ 694,578.34</u>	<u>\$ 459,623.66</u>	<u>\$ 244,750.16</u>	<u>\$ 9,795.48</u>
Ref.	A	A		A-4	A-1	A-12

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE TO STATE OF NEW JERSEY
(OTHER FEES)
YEAR ENDED DECEMBER 31, 2015

A-15

	<u>Ref.</u>	<u>Total</u>	<u>Marriage License/ Burial Fees</u>	<u>Building Construction Training Fee</u>
Balance, December 31, 2014	A	\$ 5,445.00	\$ 100.00	\$ 5,345.00
Increased by:				
Cash Receipts	A-4	<u>13,322.00</u>	<u>525.00</u>	<u>12,797.00</u>
		18,767.00	625.00	18,142.00
Decreased by:				
Paid to State	A-4	<u>16,240.00</u>	<u>475.00</u>	<u>15,765.00</u>
Balance, December 31, 2015	A	<u>\$ 2,527.00</u>	<u>\$ 150.00</u>	<u>\$ 2,377.00</u>

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2015

A-16

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$ 82,706.71
Increased by:			
Transferred from Prepaid Taxes	A-24	\$ 16,080.28	
Cash Receipts	A-4	<u>52,212.25</u>	
			<u>68,292.53</u>
			150,999.24
Decreased by:			
Refunds	A-4	\$ 30,003.98	
Applied to Taxes Receivable	A-7	<u>16,437.60</u>	
			<u>46,441.58</u>
Balance, December 31, 2015	A		<u>\$ 104,557.66</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

INSPECTION FEES PAYABLE
YEAR ENDED DECEMBER 31, 2015

A-17

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$ 6,848.00
Increased by:		
Cash Receipts	A-4	17,495.00
		<u>24,343.00</u>
Decreased by:		
Cash Disbursements	A-4	23,273.00
		<u>23,273.00</u>
Balance, December 31, 2015	A	<u>\$ 1,070.00</u>

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2015

A-18

	<u>Ref.</u>		
Balance, December 31, 2014			
Increased by:			
2015 Levy:			
General County	A-7	\$ 7,631,353.22	
Open Space Preservation	A-7	229,535.98	
Due County for Added Taxes	A-7	10,617.21	
	A-1, A-2a	<u>7,871,506.41</u>	
Decreased by:			
Payments	A-4	<u>7,871,506.41</u>	
Balance, December 31, 2015		<u>\$</u>	

BOROUGH OF GLEN RIDGE
CURRENT FUND

LOCAL DISTRICT SCHOOL TAX
YEAR ENDED DECEMBER 31, 2015

A-19

	<u>Ref.</u>	<u>Payable</u>	<u>Deferred</u>
Balance, December 31, 2014		\$	\$13,920,821.00
Increased by:			
School Tax Levy - July 1, 2015 to June 30, 2016	A-1, A-2a, A-7	28,384,732.00	
Additional School Tax Deferred	Reserve		
		<u>28,384,732.00</u>	<u>13,920,821.00</u>
Decreased by:			
Applied from Prepaid School Tax	A-20	131,328.13	
Paid	A-4	28,105,690.00	
		<u>28,237,018.13</u>	
Balance, December 31, 2015	A	<u>\$ 147,713.87</u>	<u>\$13,920,821.00</u>

PREPAID SCHOOL TAX
YEAR ENDED DECEMBER 31, 2015

A-20

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$ 131,328.13
Decreased by:		
School Taxes Payable Applied	A-19	<u>131,328.13</u>
Balance, December 31, 2015		<u>\$</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

EMERGENCY NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2015

A-21

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$ 162,000.00
Increased by:		
Cash Receipts	A-4	<u>108,000.00</u>
		270,000.00
Decreased by:		
Cash Disbursements	A-4	<u>162,000.00</u>
Balance, December 31, 2015	A	<u><u>\$ 108,000.00</u></u>

TAX ANTICIPATION NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2015

A-22

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

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR PREPAID SCHOOL TAX
YEAR ENDED DECEMBER 31, 2015

A-23

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$ 131,328.13
Decreased by:		
Applied to Revenue	A-2	<u>131,328.13</u>
Balance, December 31, 2015		<u><u>\$</u></u>

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2015

A-24

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$ 144,698.24
Increased by:			
Cash Collections	A-4		<u>161,820.76</u>
			306,519.00
Decreased by:			
Applied to Current Taxes Receivable	A-7	\$ 128,617.96	
Transferred to Tax Overpayments	A-16	<u>16,080.28</u>	
			<u>144,698.24</u>
Balance, December 31, 2015	A		<u><u>\$ 161,820.76</u></u>

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015

A-25

	Balance Dec. 31, 2014	Budget Revenue Realized	Collected	Balance Dec. 31, 2015
Clean Communities	\$	\$ 12,628.65	\$ 12,628.65	\$
Municipal Alliance on Alcohol and Drug Abuse:				
2013	5,608.74			5,608.74
2014	38,895.00	38,895.00	12,893.48	26,001.52
2015			14,235.41	24,659.59
Body Armor Replacement Fund		2,436.47	2,436.47	
DCA - Second Chance		1,178.48	1,178.48	
Recycling Program		10,304.79	10,304.79	
Alcohol, Education and Rehabilitation		6.29	6.29	
	<u>\$ 44,503.74</u>	<u>\$ 65,449.68</u>	<u>\$ 53,683.57</u>	<u>\$ 56,269.85</u>
	A	A-26	Below	A
Applied from Unappropriated Interfunds		Ref.		
		A-28	\$ 10,311.08	
		A-26	<u>43,372.49</u>	
			<u>\$ 53,683.57</u>	

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2015

A-26

	<u>Ref.</u>		<u>Current Fund</u>
Balance, December 31, 2014:			
Due From	A		\$ 42,440.47
Increased by:			
Unappropriated Grants Received	A-28	\$ 19,014.79	
Cash Collections through Current Fund	A-25	43,372.49	
Budget Appropriations	A-27	<u>65,449.68</u>	
			<u>127,836.96</u>
			170,277.43
Decreased by:			
Anticipated Revenue	A-25	65,449.68	
Expenditures Paid through Current Fund	A-27	<u>58,061.80</u>	
			<u>123,511.48</u>
Balance, December 31, 2015:			
Due From	A		<u>\$ 46,765.95</u>

**BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND**

**RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
YEAR ENDED DECEMBER 31, 2015**

A-27

	Balance Dec. 31, 2014	Transferred from 2015 Budget Appropriations		Paid or Charged	Balance Dec. 31, 2015
		Budget	Appropriations 40A4-87		
Recycling Tonnage Aid	\$ 7,079.25	\$ 10,304.79	\$	\$ 4,511.00	\$ 12,873.04
Clean Communities Program: 2015			12,628.65	12,628.65	
Municipal Alliance on Alcohol and Drug Abuse:					
2013	11,148.57				11,148.57
2014	25,127.21			5,966.98	19,160.23
2015		38,895.00		26,511.57	12,383.43
Drive Sober or get Pulled Over	4,225.00			4,225.00	
Drunk Driving Enforcement Fund	6,072.48			958.60	5,113.88
Body Armor Replacement Fund:	3,451.65		2,436.47	3,000.00	2,888.12
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	12,437.22	6.29		260.00	12,183.51
	\$ 76,633.13	\$ 50,384.56	\$ 15,065.12	\$ 58,061.80	\$ 84,021.01
Reference	A	A-26	A-26	A-26	A

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2015

A-28

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$ 10,311.08
Increased by:		
Due from Current Fund	A-26	<u>19,014.79</u>
		29,325.87
Decreased by:		
Anticipated Revenue	A-25	<u>10,311.08</u>
Balance, December 31, 2015	A	<u><u>\$ 19,014.79</u></u>
 <u>Analysis of Balance</u>		
Alcohol Education and Rehabilitation		\$ 1,944.79
Drunk Driving Enforcement Fund		<u>17,070.00</u>
		<u><u>\$ 19,014.79</u></u>

BOROUGH OF GLEN RIDGE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
TREASURER
YEAR ENDED DECEMBER 31, 2015

B-2

	Ref.	Animal Control Fund	General Trust Fund	Payroll Account
Balance, December 31, 2014	B	\$ 19,255.92	\$ 571,896.40	\$ 59,445.97
Increased by Receipts:				
Due to State of New Jersey	B-5	\$ 643.20		
Grant Receivable	B-3		\$ 39,300.00	
Net Payroll and Deductions	B-7			\$ 6,620,969.09
Account Receivable	B-4		14,997.88	
Animal Control Fees	B-9	7,956.80		
Interfunds Payable	B-8		47,080.52	10,670.65
Special Deposits	B-10		445,519.78	
Unemployment Insurance	B-6		4,639.46	
		8,600.00	551,537.64	6,631,639.74
		<u>27,855.92</u>	<u>1,123,434.04</u>	<u>6,691,085.71</u>
Decreased by Disbursements:				
Due to State of New Jersey	B-5	649.20		
Interfunds Payable	B-8		11,784.38	23,796.11
Net Payroll and Deductions	B-7			6,662,766.45
Animal Control Fund Expenditures	B-9	1,095.36		
Special Deposits	B-10		401,086.42	
Community Development Grant	B-12			
		<u>1,744.56</u>	<u>412,870.80</u>	<u>6,686,562.56</u>
Balance, December 31, 2015	B	<u>\$ 26,111.36</u>	<u>\$ 710,563.24</u>	<u>\$ 4,523.15</u>

BOROUGH OF GLEN RIDGE
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE B-3
YEAR ENDED DECEMBER 31, 2015

	<u>Ref.</u>		<u>General Trust Fund</u>
Balance, December 31, 2014	B		\$ 79,000.00
Increased by:			
Grant Award:			
Reserve	B-11		<u>40,000.00</u>
			119,000.00
Decreased by:			
Cash Receipts	B-2	\$ 39,300.00	
Received in General Capital Fund	B-11	39,500.00	
Canceled	B-11	<u>200.00</u>	
			<u>79,000.00</u>
Balance, December 31, 2015	B		<u><u>\$ 40,000.00</u></u>
<u>Analysis of Balance</u>			
Program Year 2015			<u><u>\$ 40,000.00</u></u>

BOROUGH OF GLEN RIDGE
TRUST FUND

POLICE OUTSIDE SERVICE RECEIVABLE
YEAR ENDED DECEMBER 31, 2015

B-4

	<u>Ref.</u>	
Balance, December 31, 2014	B	\$ 14,997.88
Increased by:		
Due from Contractors	B-10	<u>29,023.72</u>
		44,021.60
Decreased by:		
Cash Receipts	B-2	<u>14,997.88</u>
Balance, December 31, 2015	B	<u><u>\$ 29,023.72</u></u>

BOROUGH OF GLEN RIDGE
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2015

B-5

	<u>Ref.</u>	<u>Dog License Fund</u>
Balance, December 31, 2014	B	\$ 2.20
Increased by:		
Collections	B-2	<u>643.20</u>
		645.40
Decreased by:		
Payments to State of New Jersey	B-2	649.20
Overpayment	B	<u>(3.80)</u>
		<u>645.40</u>
Balance, December 31, 2015		<u><u>\$ -</u></u>

RESERVE FOR STATE UNEMPLOYMENT
COMPENSATION INSURANCE TRUST FUND
YEAR ENDED DECEMBER 31, 2015

B-6

	<u>Ref.</u>	
Balance, December 31, 2014	B	\$ 207,572.79
Increased by:		
Cash Receipts	B-2	<u>4,639.46</u>
Balance, December 31, 2015	B	<u><u>\$ 212,212.25</u></u>

BOROUGH OF GLEN RIDGE
TRUST FUND

PAYROLL DEDUCTIONS PAYABLE
YEAR ENDED DECEMBER 31, 2015

B-7

	<u>Ref.</u>	
Balance, December 31, 2014	B	\$ 46,320.51
Increased by:		
Cash Receipts:		
Gross Payroll		\$ 5,513,337.56
State Unemployment Refund		810.48
Annual PERS, PFRS Contributions		824,899.00
Employer Share of Social Security		<u>281,922.05</u>
	B-2	<u>6,620,969.09</u>
		6,667,289.60
Decreased by:		
Net Payroll and Agency Payments	B-2	<u>6,662,766.45</u>
Balance, December 31, 2015	B	<u><u>\$ 4,523.15</u></u>
<u>Analysis of Balance</u>		
Police and Firemen's Retirement System		\$ 308.49
Public Employees' Retirement System		225.58
AFLAC		(66.02)
SUI		1,991.92
PBA		38.20
Other Deductions Payable		1,614.86
Health Benefits-Flex Account		(319.06)
AXA		100.00
VALIC		(170.00)
Excess		<u>799.18</u>
		<u><u>\$ 4,523.15</u></u>

BOROUGH OF GLEN RIDGE
TRUST FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2015

B-8

Ref.	General Trust Fund				Animal Control Fund		Payroll Account	
	Total	Water Operating	Current Fund	General Capital	Payroll Account	Current Fund	General Trust	Current Fund
B								
Balance, December 31, 2014:								
Due To	\$ 22,670.18	\$ 460.13	\$ 22,210.05			\$ 6,384.72	\$ 10,670.65	\$ 2,454.81
(Due from)	\$ (10,670.65)							
Increased by:								
Cash Receipts	47,080.52	25,739.22					10,670.65	
CDBG Grant Due Capital	39,300.00			39,300.00				
B-2	86,380.52	25,739.22		39,300.00			10,670.65	
B-11								
	98,380.05	26,199.35	22,210.05	39,300.00		6,384.72	21,341.30	2,454.81
Decreased by:								
Cash Disbursements	11,784.38	1,113.73					21,341.30	2,454.81
B-2								
Balance, December 31, 2015								
Due To	\$ 86,595.67	\$ 25,085.62	\$ 22,210.05	\$ 39,300.00	\$	\$ 6,384.72	\$	\$

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2015

B-9

	<u>Ref.</u>		
Balance, December 31, 2014	B		\$ 12,869.00
Increased by:			
Dog Licenses Issued	B-2	\$ 7,492.80	
Dog Licenses Late Charges and Fines	B-2	<u>464.00</u>	
			<u>7,956.80</u>
			20,825.80
Decreased by:			
Expenditures Under R.S. 41:19-15.11	B-2	<u>1,095.36</u>	
			<u>1,095.36</u>
Balance, December 31, 2015	B		<u><u>\$ 19,730.44</u></u>

BOROUGH OF GLEN RIDGE
TRUST FUND

B-10

RESERVE FOR SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2015

Account	Balance Dec. 31, 2014	Increase	Decrease	Adjustment	Balance Dec. 31, 2015
Leaf Bags	\$	\$ 1,874.60	\$	\$	\$ 1,874.60
Municipal Court POAA	21,283.14	1,586.00			22,869.14
Municipal Drug Alliance Committee	21,465.97	2,584.00			24,049.97
Tax Title Lien Premiums	140,600.00	116,600.00	88,200.00		169,000.00
Tax Title Lien Redemptions		154,516.16	154,267.34		248.82
Cable Local Access	192.47		150.00		42.47
Adopt-A-Cop Program	1,467.67	2,930.00	4,039.80		357.87
Construction Code Fines	500.00			(175.00)	325.00
Public Defender	2,608.00				2,608.00
Planning Board Escrow Deposit		2,930.00	3,105.00	175.00	
Board of Adjustment Escrow	2,895.00				2,895.00
Recreation Programs	5,630.41	6,431.89	6,603.00		5,459.30
Affordable Housing	112,392.50				112,392.50
Glen Ridge Restoration	2,268.10	15,300.00	16,981.71		586.39
Senior Community Center Fund	0.00	400.00			400.00
Library Accumulated Absence	20,430.47	4,318.84			24,749.31
Tree Replacement	9,312.67	500.00			9,812.67
Police Outside Service Receivable	14,693.54	134,150.29	125,931.86	29,023.72	51,935.69
Domestic Violence	2,000.00				2,000.00
	<u>\$ 367,293.61</u>	<u>\$ 445,519.78</u>	<u>\$ 401,086.42</u>	<u>\$ 29,023.72</u>	<u>\$ 440,750.69</u>
<u>Ref.</u>	<u>B</u>	<u>B-2</u>	<u>B-2</u>	<u>B-4</u>	<u>B</u>

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2015

B-11

	<u>Ref.</u>		
Balance, December 31, 2014	B		\$ 79,000.00
Increased by:			
Grant Awards	B-3		<u>40,000.00</u>
			119,000.00
Decreased by:			
Cash Deposited directly in General Capital	B-3	\$ 39,500.00	
Canceled	B-3	200.00	
Due General Capital	B-8	<u>39,300.00</u>	
			<u>79,000.00</u>
Balance, December 31, 2015	B		<u>\$ 40,000.00</u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2015

C-2

	<u>Ref.</u>		
Balance, December 31, 2014	C		\$ 1,990,341.48
Increased by:			
Due from State of New Jersey	C-4	\$ 355,500.00	
Due from Essex County - CDBG	C-5	150,000.00	
Capital Improvement Fund	C-10	400,000.00	
Bond Anticipation Note	C-14	2,200,000.00	
Interfunds	C-6	<u>1,542,050.00</u>	
			<u>4,647,550.00</u>
			6,637,891.48
Decreased by:			
Interfunds	C-6	1,355,500.00	
Bond Anticipation Note	C-14	2,200,000.00	
Improvement Authorizations	C-9	<u>2,646,427.53</u>	
			<u>6,201,927.53</u>
Balance, December 31, 2015	C		<u>\$ 435,963.95</u>

**BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND**

**ANALYSIS OF CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2015**

C-3

Ordinance Number		Balance December 31, 2014	Receipts	Disbursed	Transfers		Balance December 31, 2015
					From	To	
	Capital Improvement Fund	\$ 2,014.51	\$ 400,000.00	\$ 1,355,500.00	\$ 425,801.19	\$	\$ 402,014.51
	Due to Current Fund		1,502,550.00				(278,751.19)
	Due From Water Capital Fund Balance	17.72					17.72
	Due from Community Development Block Grant						
	Due from General Trust Fund		39,500.00		78,800.00		(39,300.00)
	Improvement Authorizations						
1524	Replacement of Sanitary Sewer Pipes	(678.52)					(678.52)
1535	Various Capital Improvements	41.30					41.30
1568-1A	Removal and Planting of Trees	795.00					795.00
1574	Various Capital Improvements	1,221.51		1,221.51			
1577	Various Capital Improvements	5,869.07		1,396.04			4,473.03
1583	Various Capital Improvements	9,548.80		2,505.00			7,043.80
1587	Various Capital Improvements	239.94		239.94			
1597	Improvements to Public Buildings and Parks						
1599	Shade Tree	618.25					618.25
1602	Public Works Equipment	2,137.84		771.51			1,366.33
1611	Various Capital Improvements	50,666.18		42,094.18			8,572.00
1612	Various Capital Improvements	1,847,849.88		1,612,408.91		212,810.75	448,251.72
1616/1626	Street Improvements		355,500.00	474,000.00		212,990.44	(118,500.00)
1617	Improvements to Washington Field		150,000.00	362,990.44		78,800.00	
1619	Improvements to Public Buildings and Parks	70,000.00		148,800.00			
1626							
		<u>\$ 1,990,341.48</u>	<u>\$ 2,447,550.00</u>	<u>\$ 4,001,927.53</u>	<u>\$ 504,601.19</u>	<u>\$ 504,601.19</u>	<u>\$ 435,963.95</u>
Ref.	C				Contra	Contra	C

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY
DEPARTMENT OF TRANSPORTATION GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015

C-4

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$ 474,000.00
Decreased by:		
Cash Receipts	C-2	<u>355,500.00</u>
Balance, December 31, 2015	C	<u>\$ 118,500.00</u>
<u>Analysis of Balance</u>		
#1616 Essex Avenue and Herman Street		<u>\$ 118,500.00</u>

DUE FROM COUNTY OF ESSEX
OPEN SPACE GRANT
YEAR ENDED DECEMBER 31, 2015

C-5

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$ 150,000.00
Decreased by:		
Cash Receipts	C-2	<u>150,000.00</u>
Balance, December 31, 2015		<u>\$</u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2015

YEAR ENDED DECEMBER 31, 2015				C-6
	Ref.	Total	Current	General Trust
Increased by:				
Cash Disbursements	C-2	\$ 1,355,500.00	1,355,500.00	
Grant Deposited in Current	C-9	425,801.19	425,801.19	
CDBG Grant	C-9	78,800.00		78,800.00
		<u>1,860,101.19</u>	<u>1,781,301.19</u>	<u>78,800.00</u>
Decreased by:				
Cash Receipts	C-2	<u>1,542,050.00</u>	<u>1,502,550.00</u>	<u>39,500.00</u>
Balance, December 31, 2015		<u>\$ 318,051.19</u>	<u>\$ 278,751.19</u>	<u>\$ 39,300.00</u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2015

C-7

	<u>Ref.</u>		
Balance, December 31, 2014	C		\$ 3,917,468.74
Decreased by:			
Bonds Paid By Budget	C-13	\$ 325,000.00	
Loans Paid By Budget	C-11, C-12	<u>44,358.29</u>	
			<u>369,358.29</u>
Balance, December 31, 2015	C		<u><u>\$ 3,548,110.35</u></u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2015

C-8

Ordinance Number	Improvement Authorization	Balance Dec. 31, 2014	Decrease	Balance Dec. 31, 2015	Analysis of Balance	
					Bond Anticipation Note	Expenditures
1524	Replacement of Sanitary Sewer Pipes	\$ 678.52	\$	\$ 678.52	\$	\$ 678.52
1612	Various Capital Improvements	2,356,950.00	156,950.00	2,200,000.00	2,200,000.00	
		<u>\$ 2,357,628.52</u>	<u>\$ 156,950.00</u>	<u>\$ 2,200,678.52</u>	<u>\$ 2,200,000.00</u>	<u>\$ 678.52</u>
	Ref.	C	C-14	C	C-14	C-15

**BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND**

**IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2015**

C-9

Description	Ordinance Number	Date	Original Amount	Balance Dec 31, 2014		Paid or Charged	Balance Dec 31, 2015	
				Funded	Unfunded		Funded	Unfunded
Library and Municipal Bldg	1535-6	9-13-10	\$ 22,500.00	\$ 41.30	\$	\$	\$ 41.30	\$
Various Capital Improvements:								
Removal and Planting of Trees	1569-1A	9-26-11	30,000.00	795.00			795.00	
Purchase of Public Works and Admin Equipment	1574-3A	2-27-12	15,000.00	771.51		771.51		
Drainage	1574-4A	2-27-12	6,000.00	450.00		450.00		
Various Equipment	1577-3	4-23-12	24,000.00	938.80		938.80		
Paint Machine	1577-5	4-23-12	3,700.00	185.00		185.00		
Administrative Equipment	1577-6	4-23-12	14,437.74	4,745.27		272.24	4,473.03	
Roadway Improvements	1583-1	9-10-12	296,000.00	9,548.80		2,505.00	7,043.80	
Public Works Equipment	1587-3	2-11-13	75,000.00	239.94		239.94		
Shade Tree	1589	10-28-13	30,000.00	618.25		618.25		
Public Works Equipment	1602	11-25-13	50,000.00	2,137.84		771.51	1,366.33	
Various Capital Improvements	1611	4-26-14	100,000.00	50,686.18	1,847,849.88	42,094.18	8,572.00	448,251.72
Various Capital Improvements	1612	5-12-14	2,481,000.00		474,000.00	1,399,598.16		
Street Improvements	1616/1626	5-27-14	474,000.00		150,000.00	474,000.00		
Improvements to Washington Field	1617	6-23-14	150,000.00		150,000.00	150,000.00		
Improvements to Public Works and Parks	1619	10-14-14	70,000.00	70,000.00		70,000.00		
			\$	141,137.89	\$2,471,849.88	\$ 2,141,826.34	\$ 22,909.71	\$ 448,251.72
				C	C	Below	C	C
Ref.								
Due from General Trust Fund						\$ (78,800.00)		
Due from Current Fund						(425,801.19)		
Cash Disbursements						2,646,427.53		
						\$ 2,141,826.34		
						Above		

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2015

C-10

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$ 2,014.51
Increased by:		
Cash Receipt - Budget Appropriation	C-2	<u>400,000.00</u>
Balance, December 31, 2015	C	<u>\$ 402,014.51</u>

GREEN TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2015

C-11

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$ 330,609.05
Decreased by:		
Paid By Budget Appropriation	C-7	<u>30,179.57</u>
Balance, December 31, 2015	C	<u>\$ 300,429.48</u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2015

C-12

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$ 301,859.69
Decreased by:		
Loan Paid	C-7	<u>14,178.72</u>
Balance, December 31, 2015	C	<u>\$ 287,680.97</u>

GENERAL IMPROVEMENT BONDS
DECEMBER 31, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Decrease	Balance Dec. 31, 2015
			Date	Amount				
General Improvements	8-15-2007	\$ 5,160,000.00	8-15-16/17	\$ 350,000.00	4.25 %			
			8-15-18	350,000.00	4.00			
			8-15-19/20	375,000.00	4.00			
			8-15-21	375,000.00	4.125			
			8-15-22	400,000.00	4.125			
			8-15-23	385,000.00	4.125	\$ 3,285,000.00	\$ 325,000.00	\$ 2,960,000.00

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2015

C-14

<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, 2014</u>	<u>Notes Issued</u>	<u>Notes Redeemed</u>	<u>Balance Dec. 31, 2015</u>
1612	Various Capital Improvements	07-25-14	07-22-16	0.53%	<u>\$ 2,356,950.00</u>	<u>\$ 2,200,000.00</u>	<u>\$ 2,356,950.00</u>	<u>\$ 2,200,000.00</u>
				<u>Ref.</u>	C	C-2	Below	C
				Paid by Budget Appropriation Notes Renewed		Ref. C-8 C-2	\$ 156,950.00 <u>2,200,000.00</u>	
							<u>\$ 2,356,950.00</u>	

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2015

Improvement Description	Ordinance		Balance Dec. 31, 2014	Decrease	Balance Dec. 31, 2015
	Number	Date			
Replacement of Sanitary Sewer Pipes	1524	9-14-09	\$ 410,000.00	\$	\$ 678.52
					C

BOROUGH OF GLEN RIDGE
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2015

D-5

	Ref.	Operating	Capital
Balance, December 31, 2014	D	\$ 260,393.14	\$ 16,565.96
Increased by Receipts:			
Miscellaneous Revenue	D-3	\$ 9,989.50	
Consumer Accounts Receivable	D-7	1,415,301.59	
Interfunds	D-10	1,010.72	
Overpaid Water Rents	D-12	6,517.39	
		<u>1,432,819.20</u>	
		1,693,212.34	<u>16,565.96</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	1,104,170.96	
Interfunds	D-10	550.59	
Appropriation Reserves	D-11	51,023.66	
Accrued Interest on Loans	D-16	86,584.35	
		<u>1,242,329.56</u>	
Balance, December 31, 2015	D	<u>\$ 450,882.78</u>	<u>\$ 16,565.96</u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

ANALYSIS OF CASH AND INVESTMENTS
WATER CAPITAL FUND
YEAR ENDED DECEMBER 31, 2015

D-6

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance</u> <u>Dec. 31, 2015</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, 2015

D-7

	<u>Ref.</u>		
Balance, December 31, 2014	D		\$ 114,359.82
Increased by:			
Rent Billings	Reserve		<u>1,441,907.09</u>
			1,556,266.91
Decreased by:			
Collections	D-5	\$ 1,415,301.59	
Interfunds	D-10	25,085.62	
Overpaid Applied	D-12	<u>7,090.46</u>	
			<u>1,447,477.67</u>
Balance, December 31, 2015	D		<u><u>\$ 108,789.24</u></u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2015

D-8

	<u>Ref.</u>	
Balance, December 31, 2014	D	<u>\$ 8,303,185.92</u>
Balance, December 31, 2015	D	<u><u>\$ 8,303,185.92</u></u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2015

D-9

<u>Description</u>	<u>Number</u>	<u>Ordinance</u>	<u>Amount</u>	<u>Balance</u>	<u>Balance</u>
		<u>Date</u>		<u>Dec. 31, 2014</u>	<u>Dec. 31, 2015</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, 2015

D-10

	<u>Ref.</u>	<u>Water Operating Fund</u>		
		<u>Total</u>	<u>Current</u>	<u>General Trust - Regular</u>
Balance, December 31, 2014 From	D	<u>\$ 460.13</u>	<u>\$</u>	<u>\$ 460.13</u>
Increased by:				
Consumer Accounts Receivable	D-7	25,085.62		25,085.62
Cash Disbursements	D-5	<u>550.59</u>	<u>550.59</u>	
Sub-Total		<u>26,096.34</u>	<u>550.59</u>	<u>25,545.75</u>
Decreased by:				
Cash Receipts	D-5	<u>1,010.72</u>	<u>550.59</u>	<u>460.13</u>
		<u>1,010.72</u>	<u>550.59</u>	<u>460.13</u>
Balance, December 31, 2015 From	D	<u>\$ 25,085.62</u>	<u>\$</u>	<u>\$ 25,085.62</u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

APPROPRIATION RESERVES
DECEMBER 31, 2015

D-11

	Balance After Transfers Dec. 31, 2014		Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>		
Salaries and Wages	\$	\$	\$	\$
Other Expenses	37,072.41	22,336.77 38,935.49	1,019.57 50,004.09	21,317.20 26,003.81
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
	37,072.41	61,272.26	51,023.66	47,321.01
<u>Ref.</u>	D	D	D-5	D-1

BOROUGH OF GLEN RIDGE
WATER UTILITY

OVERPAID WATER RENTS
YEAR ENDED DECEMBER 31, 2015

D-12

	<u>Ref.</u>		
Balance, December 31, 2014	D		\$ 7,090.46
Increased by:			
Cash Receipts	D-5		<u>6,517.39</u>
			13,607.85
Decreased by:			
Applied to Rents Receivable	D-7	<u>\$ 7,090.46</u>	<u>7,090.46</u>
Balance, December 31, 2015	D		<u><u>\$ 6,517.39</u></u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2015

D-13

Description	Number	Ordinance		Amount	Balance	
		Date			Dec. 31, 2014	Dec. 31, 2015
					Funded	Funded
Various Water Improvements	1502	11-24-08	\$	30,000.00	\$ 657.50	\$ 657.50

Ref.

D

D

BOROUGH OF GLEN RIDGE
WATER UTILITY

LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2015

D-14

	<u>Ref.</u>	
Balance, December 31, 2014	D	\$ 4,143,451.44
Decreased by:		
Loan Repayment	D-18	<u>357,929.76</u>
Balance, December 31, 2015	D	<u>\$ 3,785,521.68</u>

CAPITAL IMPROVEMENT FUND
DECEMBER 31, 2015

D-15

	<u>Ref.</u>	
Balance, December 31, 2014	D	<u>\$ 4,665.19</u>
Balance, December 31, 2015	D	<u>\$ 4,665.19</u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2015

D-16

	<u>Ref.</u>	
Balance, December 31, 2014	D	\$ 39,325.26
Increased by:		
Budget Appropriation	D-4	83,391.39
		<u>122,716.65</u>
Decreased by:		
Cash Disbursements	D-5	86,584.35
Balance, December 31, 2015	D	<u>\$ 36,132.30</u>

Analysis of Accrued Interest on Loans at December 31, 2015

<u>Date of Issue</u>	<u>Interest Payable</u>	<u>Period</u>	<u>Amount</u>
10/15/2000	\$ 7,709.38	5 Months	\$ 6,424.48
11/01/2003	7,783.75	5 Months	6,486.46
11/01/2005	1,837.50	5 Months	1,531.25
11/01/2006	12,065.63	5 Months	10,054.69
11/01/2010	5,962.50	5 Months	4,968.75
11/01/2010	8,000.00	5 Months	6,666.67
			<u>\$ 36,132.30</u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

RESERVE FOR FUTURE IMPROVEMENT AUTHORIZATIONS
DECEMBER 31, 2015

D-17

	<u>Ref.</u>	
Balance, December 31, 2014	D	<u>\$ 11,000.00</u>
Balance, December 31, 2015	D	<u>\$ 11,000.00</u>

RESERVE FOR AMORTIZATION
DECEMBER 31, 2015

D-18

	<u>Ref.</u>	
Balance, December 31, 2014	D	\$ 4,189,734.48
Increased by:		
Loan Repayment	D-14	<u>357,929.76</u>
Balance, December 31, 2015	D	<u>\$ 4,547,664.24</u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR-TREASURER
YEAR ENDED DECEMBER 31, 2015

E-5

	Ref.	Operating	Capital
Balance, December 31, 2014	E	\$ 385,473.84	\$ 769,956.38
Increased by Receipts:			
Miscellaneous Income	E-3	\$ 33,876.00	
Pool Fees	E-3	404,081.00	
Bond Anticipation Note	E-14		1,020,000.00
		<u>437,957.00</u>	<u>1,020,000.00</u>
		823,430.84	1,789,956.38
Decreased by Disbursements:			
Budget Appropriations	E-4	377,182.40	
Appropriation Reserves	E-10	20,195.75	
Accrued Interest Payable	E-11	9,044.73	
Improvement Authorizations	E-8		509,248.13
Bond Anticipation Note	E-14		<u>1,020,000.00</u>
		<u>406,422.88</u>	<u>1,529,248.13</u>
Balance, December 31, 2015	E	<u>\$ 417,007.96</u>	<u>\$ 260,708.25</u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

CHANGE FUND
DECEMBER 31, 2015

E-6

	<u>Ref.</u>	
Balance, December 31, 2014	E	<u>\$ 100.00</u>
Balance, December 31, 2015	E	<u>\$ 100.00</u>

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2015

E-7

	<u>Ref.</u>	
Balance, December 31, 2014	E	\$ 1,631,995.60
Increased by:		
Budget Appropriation- Capital Outlay	E-12	<u>7,981.50</u>
Balance, December 31, 2015	E	<u>\$ 1,639,977.10</u>

BOROUGH OF GLEN RIDGE
POOL UTILITY CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2015

E-8

Description	Ordinance		Balance	
	Number	Date	Amount	Dec. 31, 2014
				Unfunded
Various Capital Improvements	1615	05/12/14	\$ 780,000.00	
				Expended
			\$ 509,248.13	
				Balance
				Dec. 31, 2015
				Unfunded
			\$	246,084.99
				E
				E-5
				E

BOROUGH OF GLEN RIDGE
POOL UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2015

E-9

Ref.

Balance, December 31, 2014	E	<u>\$ 780,000.00</u>
Balance, December 31, 2015		<u><u>\$ 780,000.00</u></u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015

E-10

	Balance December 31, 2014		Paid or Charged	Unexpended Balance Canceled
	<u>Encumbered</u>	<u>Reserved</u>		
Salaries and Wages	\$	\$ 97.15	\$ 97.15	\$
Other Expenses	4,582.44	34,901.89	12,117.10	27,367.23
Capital Improvements	<u>7,981.50</u>	<u>42,186.76</u>	<u>7,981.50</u>	<u>42,186.76</u>
	<u>\$ 12,563.94</u>	<u>\$ 77,185.80</u>	<u>\$ 20,195.75</u>	<u>\$ 69,553.99</u>
<u>Ref.</u>	E	E	E-5	E-1

BOROUGH OF GLEN RIDGE
POOL UTILITY

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2015

E-11

	<u>Ref.</u>	
Balance, December 31, 2014	E	\$ 1,938.16
Increased by:		
Budget Appropriation	E-4	<u>8,858.75</u> 10,796.91
Decreased by:		
Cash Disbursements	E-5	<u>9,044.73</u>
Balance, December 31, 2015	E	<u><u>\$ 1,752.18</u></u>

Analysis of Accrued Interest on Notes at December 31, 2015

<u>Date of Issue</u>	<u>Principal</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>
12/16/2015	\$ 300,000.00	.91%	13 Days	\$ 98.58
07/25/15	720,000.00	0.53%	156 Days	<u>1,653.60</u>
				<u><u>\$ 1,752.18</u></u>

BOROUGH OF GLEN RIDGE
POOL UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2015

E-12

	<u>Ref.</u>		
Balance, December 31, 2014	E		\$1,231,995.60
Increased by:			
Paydown on Bond Anticipation Note	E-14	\$ 160,000.00	
Capital Outlay Expenditures	E-7	<u>7,981.50</u>	
			<u>167,981.50</u>
Balance, December 31, 2015	E		<u>\$1,399,977.10</u>

PREPAID FEES
YEAR ENDED DECEMBER 31, 2015

E-13

	<u>Ref.</u>		
Balance, December 31, 2014	E		\$ 750.00
Decreased by:			
Recognizing Prior Year Prepaid Fees	E-3		<u>750.00</u>
Balance, December 31, 2015			<u>\$</u>

BOROUGH OF GLEN RIDGE
POOL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2015

E-14

Purpose	Original Date of Issue	Original Amount Issued	Maturity Date	Interest Rate	Balance Dec. 31, 2014	Increase	Decreased	Balance Dec. 31, 2015
Pool Utility Improvements	12-19-2013	500,000.00	12-16-16	0.91%	\$ 400,000.00	\$ 300,000.00	\$ 400,000.00	\$ 300,000.00
Pool Utility Improvements	7-25-2014	780,000.00	7-25-16	.53%	780,000.00	720,000.00	780,000.00	720,000.00
					<u>\$ 1,180,000.00</u>	<u>\$ 1,020,000.00</u>	<u>\$ 1,180,000.00</u>	<u>\$ 1,020,000.00</u>
				<u>Ref.</u>	E	Below	Below	E
				<u>Ref.</u>				
					Cash Receipts	E-5 \$ 1,020,000.00		
					Cash Disbursements	E-5 \$ 1,020,000.00		
					Paid by Budget		160,000.00	
					Appropriation	E-12 \$ 1,020,000.00		
						<u>\$ 1,020,000.00</u>	<u>\$ 1,180,000.00</u>	

E-15

E-15

E-15

PART II
REPORT ON INTERNAL CONTROL
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 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**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds of the Borough of Glen Ridge, Essex County, New Jersey (the "Borough"), as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated XXXX XX, 2016.

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. We did not identify any deficiencies in internal control.

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*. We noted certain matters that we reported to management of the Borough incorporated herein the schedule of findings and recommendations.

Purpose of this Report

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

XXXX XX, 2016

John Lauria, RMA
Licensed Registered Municipal Accountant # 403

**ROSTER OF OFFICIALS AS OF DECEMBER 31, 2015
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.

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

Ladies and Gentlemen:

We have audited the regulatory basis financial statements, Assistance and supplemental schedules and data of the Borough of Glen Ridge, County of Essex New Jersey (the "Borough") for the year ended December 31, 2015, and have issued our report thereon. As part of our audit, we reviewed and tested the Borough's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America and by the Division of Local Government Services of the Department of Community Affairs, State of New Jersey, by the *Government Auditing Standards*, issued by the U.S. General Accounting Office.

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

Livingston, New Jersey
XXXX XX, 2016

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 audit is \$36,000.00 through June 30th and \$40,000.00 from July 1st in accordance with the provisions of N.J.S.A. 40:11-3a.

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

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

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

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

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

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

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

N.J.S.A. 40A:11-6.1 states "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$5,400.00 through June 30th and \$6,000.00 from July 1st at least two quotations as to the cost of 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."

Minor differences were noted in our tests.

Property Acquired by Tax Title Lien Liquidation

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

Delinquent Taxes and Tax Title Liens

Delinquent taxes at December 31, 2015 of \$249,004.79 were all 2015 taxes.

Verification of Delinquent Taxes and Other Charges

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

	<u>Number of Notices</u>
Delinquent Real Estate Taxes	25
Unpaid Water Utility Charges	<u>25</u>
	<u>50</u>

The results of our test did not determine any irregularities.

Examination of Claims

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

Revenue Departments

Comments:

Animal Control:

- 1) Monthly reports were not prepared, they were being issued on a quarterly basis. The state reports were not in agreement with actual collection.
- 2) Cash book was not maintained and not all dog tags were accounted for.

Recreation:

- 3) A number of transactions were not recorded in the cash receipt journal.
- 4) Fees charged were in agreement with the application but were not part of the Borough fee ordinance.

Pool Utility

- 5) Not all activities and pro-rated fees charged were made part of the Boroughs fee ordinance. Pro-rated fees should be made part of the fee ordinance.
- 6) Proper internal control is not maintained for pool applications. Applications are not pre-numbered, are only given to new members and the application does not contain the proper fees for each category.

Health/Vital Statistics:

- 7) We were unable to reconcile revenue reported by the department to the amount recorded by the finance office.

It is recommended that:

- 1) Turnovers be made within 48 hours by the Construction Code Department.
- 2) Monthly reports be prepared by Animal Control and be in agreement with actual collections.
- 3) A proper cash book be maintained by Animal Control and that all dog tags be accounted for.
- 4) Pool applications should be maintained for all members.
- 5) Cash receipts journal for Health/Vital Statistics should be footed monthly and contain on-line payments.

Encumbrance System

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

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

Tax Office

- 1) Differences were noted when reconciling the tax account status reports maintained by the tax office to the revenue reports of the finance office.
- 2) Cash receipts for delinquent taxes as reported on the tax account status report was not in agreement with the revenue report maintained by the finance office. Adjustments were required to be made to bring the records into agreement.

It is recommended that:

- 1) A monthly reconciliation be performed whereby the Tax Collector's reported revenue received be in agreement with the turnovers made to the finance office.

Capital Fixed Assets

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

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

General Trust Accounts

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

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

It is recommended:

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

Status of Prior Years' Audit Recommendations

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. A plan was prepared for items found in the 2013 Report on Examination of Accounts.

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

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

Encumbrance System:

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

Capital Fixed Assets:

That the Borough update its capital fixed asset accounting system.

General Trust Accounts:

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

Accounting Procedures:

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

Revenue Departments:

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

Pool Utility:

That membership applications be available for review and contact agreements be prepared for all special events.

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

Accounting Procedures:

Revenue Departments:

Turnovers be made within 48 hours by the Construction Code Department.

Monthly reports be prepared by Animal Control and be in agreement with actual collections.

A proper cash book be maintained by Animal Control and that all dog tags be accounted for.

Pool applications should be maintained for all members.

Cash receipts journal for Health/Vital Statistics should be footed monthly and contain on-line payments.

Tax Collector:

Revenue received and reported by the tax office be reconciled to the finance office revenue reports for delinquent taxes.

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.

Livingston, New Jersey
XXXX XX, 2016

John Lauria, RMA
Licensed Registered Municipal Accountant #403