

BOROUGH OF GLEN GARDNER

COUNTY OF HUNTERDON

REPORT OF AUDIT

YEAR 2013

BOROUGH OF GLEN GARDNER
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013

<u>Exhibit</u>		<u>Page</u>
PART I		
	Independent Auditor's Report	2-4
FINANCIAL STATEMENTS-REGULATORY BASIS		
<u>Current Fund</u>		
A	Comparative Balance Sheet-Regulatory Basis	6-7
A-1	Comparative Statement of Operations and Change in Fund Balance-Regulatory Basis	8-9
A-2	Statement of Revenues-Regulatory Basis	10-13
A-3	Statement of Expenditures-Regulatory Basis	14-20
<u>Trust Fund</u>		
B	Comparative Balance Sheet-Regulatory Basis	21
<u>General Capital Fund</u>		
C	Comparative Balance Sheet-Regulatory Basis	22
C-1	Statement of Fund Balance-Regulatory Basis	23
<u>Water Utility Fund</u>		
D	Comparative Balance Sheet-Regulatory Basis	24-25
D-1	Comparative Statement of Operations and Change in Fund Balance-Regulatory Basis	26
D-2	Statement of Revenues-Regulatory Basis	27
D-3	Statement of Expenditures-Regulatory Basis	28-29
<u>General Fixed Assets Account Group</u>		
E	Statement of General Fixed Assets-Regulatory Basis	30
	Notes to Financial Statements	32-45
SUPPLEMENTARY SCHEDULES		
<u>Current Fund</u>		
A-4	Schedule of Cash-Treasurer/Collector	48-49
A-5	Schedule of Cash and Reconciliation Per NJS 40A:5-5- Treasurer/Collector	50
A-6	Schedule of Due to State of New Jersey-Veterans' and Senior Citizens' Deductions	51
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	52-53
A-8	Schedule of Tax Title Liens Receivable	54
A-9	Schedule of Property Acquired for Taxes (at Assessed Valuation)	54
A-10	Schedule of Revenue Accounts Receivable	55
A-11	Schedule of Due to Other Trust Funds	56

BOROUGH OF GLEN GARDNER
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Exhibit</u>	PART I (Continued)	<u>Page</u>
SUPPLEMENTARY SCHEDULES		
<u>Current Fund (Cont'd)</u>		
A-12	Schedule of State Grants Receivable	57
A-13	Schedule of Appropriation Reserves	58-60
A-14	Schedule of Reserve for Encumbrances	61
A-15	Schedule of County and State Fees Payable	61
A-16	Schedule of Due to Outside Lien Holders	62
A-17	Schedule of Due from General Capital Fund	63
A-18	Schedule of Due to Water Operating Fund	63
A-19	Schedule of Tax Overpayments	64
A-20	Schedule of Prepaid Taxes	64
A-21	Schedule of County Taxes Payable	65
A-22	Schedule of Local School Tax Payable	66
A-23	Schedule of Regional High School Tax Payable	67
A-24	Schedule of Reserve for Insurance Claims	68
A-25	Schedule of Appropriated Reserves for State Grants	69
A-26	Schedule of Unappropriated Reserves for State Grants	70
A-27	Schedule of Reserve for Encumbrances	70
<u>Trust Fund</u>		
B-1	Schedule of Cash-Treasurer	72
B-2	Schedule of Cash and Reconciliation Per NJS 40A:5-5-Treasurer	73
B-3	Schedule of Reserve for Animal Control Fund Expenditures	74
B-4	Schedule of Due to State Board of Health	75
B-5	Schedule of Due from Current Fund-Other Trust Fund	75
B-6	Schedule of Reserve for Unemployment Trust	76
B-7	Schedule of Reserve for Planning Board Escrow	76
B-8	Schedule of Reserve for Payroll Trust	77
B-9	Schedule of Reserve for Loan Escrow	77
B-10	Schedule of Reserve for Open Space Trust	78
B-11	Schedule of Reserve for Tax Sale Premiums	78
B-12	Schedule of Reserve for Snow Removal Trust	79
B-13	Schedule of Reserve for Nonoperating School Surplus Funds	79
B-14	Schedule of Reserve for Affordable Housing Trust	80
<u>General Capital Fund</u>		
C-2	Schedule of Cash-Treasurer	82
C-3	Schedule of Cash and Reconciliation Per NJS 40A:5-5-Treasurer	83
C-4	Analysis of Cash	84
C-5	Schedule of Deferred Charges to Future Taxation-Funded	85
C-6	Schedule of Deferred Charges to Future Taxation-Unfunded	86
C-7	Schedule of Due to Current Fund	87
C-8	Schedule of Due from Water Capital Fund	87

BOROUGH OF GLEN GARDNER
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Exhibit</u>	PART I (Continued)	<u>Page</u>
SUPPLEMENTARY SCHEDULES (Continued)		
<u>General Capital Fund</u> (Cont'd)		
C-9	Schedule of Improvement Authorizations	88
C-10	Schedule of Capital Improvement Fund	89
C-11	Schedule of Reserve for Road Reconstruction	89
C-12	Schedule of Reserve for Fire Truck Acquisition	90
C-13	Schedule of Reserve of Preliminary Plan Expenses	90
C-14	Schedule of Reserve for Acquisition of Sanitation Truck	91
C-15	Schedule of Reserve for Developer's Bond Forfeiture	92
C-16	Schedule of Reserve for Payment of Debt Service	92
C-17	Schedule of General Serial Bonds	93
C-18	Schedule of Bonds Anticipation Notes Payable	94
C-19	Schedule of Bonds and Notes Authorized But Not Issued	95
 <u>Water Utility Fund</u>		
D-4	Schedule of Cash-Treasurer	97
D-5	Schedule of Cash and Reconciliation Per NJS 40A:5-5-Treasurer	98
D-6	Schedule of Cash-Collector	99
D-7	Schedule of Cash and Reconciliation Per NJS 40A:5-5-Collector	99
D-8	Analysis of Capital Cash	100
D-9	Schedule of Due from Water Capital Fund	101
D-10	Schedule of Consumer Accounts Receivable	101
D-11	Schedule of Due from Current Fund	102
D-12	Schedule of Fixed Capital	103
D-13	Schedule of Fixed Capital Authorized and Uncompleted	104
D-14	Schedule of Due to Water Operating Fund	105
D-15	Schedule of Appropriation Reserves	106
D-16	Schedule of Accrued Interest on Bonds and Analysis of Balance	107
D-17	Schedule of Consumer Rent Overpayments	108
D-18	Schedule of Due to General Capital Fund	108
D-19	Schedule of Improvement Authorizations	109
D-20	Schedule of Reserve for Amortization	110
D-21	Schedule of Deferred Reserve for Amortization	111
D-22	Schedule of Reserve for Painting of Water Tanks	112
D-23	Schedule of Capital Improvement Fund	113
D-24	Schedule of Capital Fund Balance	113
D-25	Schedule of Water Bonds Payable	114
D-26	Schedule of Bond Anticipation Note Payable	115
D-27	Schedule of Bonds and Notes Authorized But Not Issued	116

BOROUGH OF GLEN GARDNER
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Exhibit</u>		<u>Page</u>
PART II		
	Independent Auditor's Reports on Compliance and on Internal Control Over Financial Reporting	118-119
Schedule 1	Schedule of Federal Financial Assistance	120
Schedule 2	Schedule of State Financial Assistance	121
PART III		
	Statistical Data	124-129
	Insurance Schedule	130
	List of Officials	131
	General Comments	132-134
	Recommendations	135

BOROUGH OF GLEN GARDNER
PART I
REPORT OF EXAMINATION OF FINANCIAL STATEMENTS
AND SUPPLEMENTARY DATA
YEARS ENDED DECEMBER 31, 2013 AND 2012

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

April 4, 2014

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

Report on the Financial Statements

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Borough of Glen Gardner (the Municipality), as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance-regulatory basis for the years then ended, and the related statement of revenues-regulatory basis and statement of expenditures-regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Municipality's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Auditor's Responsibility (continued)

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 of the financial statements, the financial statements are prepared by the Municipality on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on US Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for 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 Municipality as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

William M. Colantano, Jr.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipality's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 4, 2014 on our consideration of the Municipality'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 Municipality's internal control over financial reporting and compliance.



William M. Colantano, Jr.
Registered Municipal Accountant
No. 68

FINANCIAL STATEMENTS-REGULATORY BASIS

BOROUGH OF GLEN GARDNER
CURRENT FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
ASSETS			
Regular Fund:			
Cash:			
Treasurer	A-4	\$ 812,683	\$ 796,984
Due from State of NJ--Veterans' & Senior Citizens' Deductions	A-6	22	22
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	31,619	65,239
Tax Title Liens Receivable	A-8	83,527	72,917
Property Acquired for Taxes-Assessed Valuation	A-9	981,900	981,900
Revenue Accounts Receivable	A-10	615	921
Due from General Capital Fund	A-17		40
Total Regular Fund		<u>1,910,366</u>	<u>1,918,023</u>
Federal & State Grant Fund:			
Cash	A-4	9,245	17,833
State Grants Receivable	A-12	79,207	83,391
Total Federal and State Grant Fund		<u>88,452</u>	<u>101,224</u>
TOTAL ASSETS		<u>\$ 1,998,818</u>	<u>\$ 2,019,247</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
CURRENT FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
(Continued)

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
LIABILITIES, RESERVES AND FUND BALANCE			
Regular Fund:			
Appropriation Reserves	A-3;A-13	\$ 66,920	\$ 73,632
Due to Other Trust Funds	A-11	226,340	225,910
Reserve for Encumbrances	A-14	524	
County & State Fees Payable	A-15	3,763	625
Due to Outside Lien Holders	A-16		257
Due to Water Operating Fund	A-18	7,855	100
Tax Overpayments	A-19	6,760	1,832
Prepaid Taxes	A-20	8,907	28,642
County Taxes Payable	A-21		710
Local District School Tax Payable	A-22	145,599	159,045
Regional High School Tax Payable	A-23	86,399	95,580
Reserve for Insurance Claims	A-24		2,498
		<u>553,067</u>	<u>588,831</u>
Reserve for Receivables	A	1,097,661	1,121,017
Fund Balance	A-1	259,638	208,175
Total Regular Fund		<u>1,910,366</u>	<u>1,918,023</u>
Federal & State Grant Fund:			
Appropriated Reserves for State Grants	A-25	84,086	89,376
Unappropriated Reserve for State Grants	A-26	3,651	11,848
Reserve for Encumbrances	A-27	715	
Total Federal and State Grant Fund		<u>88,452</u>	<u>101,224</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 1,998,818</u></u>	<u><u>\$ 2,019,247</u></u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE-REGULATORY BASIS

	Ref.	For the Year Ending	
		Dec. 31, 2013	Dec. 31, 2012
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 150,000	\$ 177,400
Receipts from Current Taxes	A-2	3,935,405	3,861,396
Receipts from Delinquent Taxes	A-2	56,722	77,365
Miscellaneous Revenue Anticipated	A-2	219,155	327,854
Nonbudget Revenue	A-2	39,059	31,636
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	60,141	34,611
Interfunds Returned (Net)	A-2	40	
Fees Due to County Canceled	A-15	25	
Reserve for Insurance Claims Balance Canceled	A-24	2,498	
Total Income		<u>4,463,045</u>	<u>4,510,262</u>
EXPENDITURES			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	260,980	271,151
Other Expenses	A-3	534,588	608,016
Deferred Charges & Statutory Expenditures:			
Municipal Purposes	A-3	50,364	50,741
Debt Service	A-3	209,769	215,238
County Taxes	A-21	589,133	606,942
Local District School Taxes	A-22	1,666,613	1,653,354
Regional High School Taxes	A-23	948,718	987,928
Refund of Prior Year Revenue	A-4	665	
Prior Year Senior Citizens' Deductions Disallowed	A-6	750	750
Payroll Balance Shortage	A-11	2	
Total Expenditures		<u>4,261,582</u>	<u>4,394,120</u>
Statutory Excess to Fund Balance		201,463	116,142

BOROUGH OF GLEN GARDNER
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE-REGULATORY BASIS
(Continued)

	Ref.	For the Year Ending	
		Dec. 31, 2013	Dec. 31, 2012
FUND BALANCE			
Balance January 1,	A	\$ 208,175	\$ 269,433
		409,638	385,575
Decreased by:			
Utilized as Anticipated Revenue	A-2	150,000	177,400
Balance December 31,	A	<u>\$ 259,638</u>	<u>\$ 208,175</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF REVENUES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	NJSA 40A:4-87		
Fund Balance Anticipated	A-1	\$ 150,000	\$ -	\$ 150,000	\$ -
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	4,000		4,100	100
Fees and Permits:					
Other	A-10	10,000		11,051	1,051
Fines and Costs:					
Municipal Court	A-10	12,000		10,465	(1,535)
Interest & Costs on Taxes	A-10	16,000		9,794	(6,206)
Interest on Investments & Deposits	A-2	1,000		957	(43)
In-Lieu of Taxes (Senior Citizens Complex)	A-10	33,000		40,515	7,515
Consolidated Municipal Property Tax Relief Aid	A-10	10,082		7,665	(2,417)
Energy Receipts Tax	A-10	109,553		111,970	2,417
Clean Communities Program	A-12		4,006	4,006	
FEMA-Hurricane Irene-Prior Year Reserve	A-26	7,165		7,165	
General Capital Fund-Reserve to Pay Debt Service	A-17	6,784		6,784	
Alcohol Education & Rehabilitation Fund	A-26	54		54	
Recycling Tonnage Grant-Prior Year Reserve	A-26	3,082		3,082	
Uniform Fire Safety Act-Life Hazard Use Fees-Prior Year Reserve	A-26	1,547		1,547	
Total Miscellaneous Revenues	A-1	214,267	4,006	219,155	882

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF REVENUES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	NJSA 40A:4-87		
Receipts from Delinquent Taxes	A-1;A-7	\$ 65,428		\$ 56,722	\$ (8,706)
Property Tax for Support of Municipal Budget Appropriations:					
Local Tax for Municipal Purposes	A-2	732,000		798,556	66,556
Budget Totals		1,161,695	\$ 4,006	1,224,433	\$ 58,732
Non-Budget Revenues	A-1;A-2			39,059	
Total General Revenues		\$ 1,161,695	\$ 4,006	\$ 1,263,492	
	Ref.	A-3	A-3		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF REVENUES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Ref.	
<u>Allocation of Current Tax Collections</u>		
Tax Collections	A-1;A-7	\$ 3,935,405
Allocated to:		
County Taxes	A-7	\$ 589,133
Local District School Taxes	A-7	1,697,723
Regional High School Taxes	A-7	<u>959,993</u>
		<u>3,246,849</u>
Amount for Support of Municipal Budget		688,556
Add: Appropriation-"Reserve for Uncollected Taxes"	A-3	<u>110,000</u>
Realized for Support of Municipal Budget	A-2	<u><u>\$ 798,556</u></u>
<u>Analysis of Interest on Investments and Deposits</u>		
Treasurer's Receipts	A-4	\$ 721
Due from General Capital Fund	A-17	<u>236</u>
	A-2	<u><u>\$ 957</u></u>
<u>Analysis of Non-Budget Revenues</u>		
Cable TV Franchise Fee		\$ 5,999
Copies		4
Recycling Sales		3,904
FEMA Aid for Reimbursement of Expenditures		9,992
Sale of Capital Assets		7,217
Election Poll Rent		160
Prior Year Outstanding Checks Canceled		1,489
Prior Year Refunds		1,125
NJ Veteran's & Senior Citizens' Administrative Fee		155
Building Use Rent		9,000
Miscellaneous		<u>14</u>
	A-2;A-4	<u><u>\$ 39,059</u></u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF REVENUES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Interfund Receivable Analysis</u>	Balance Dec. 31, 2013	Balance Dec. 31, 2012	Advanced (Returned)
General Capital Fund	\$ -	\$ 40	\$ (40)
	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ (40)</u>

Ref.

A-1

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Appropriations		Expended by		Balance Lapsed
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
General Government:					
Mayor and Council:					
Salaries and Wages	\$ 34,118	\$ 34,118	\$ 34,118		
Other Expenses	10,000	11,400	9,405	\$ 1,995	
Municipal Clerk:					
Salaries and Wages	36,196	35,396	35,395	1	
Other Expense	11,000	9,298	7,225	2,073	
Financial Administration:					
Salaries and Wages	20,365	20,040	20,029	11	
Other Expenses	6,000	6,000	5,227	773	
Audit Services	18,000	18,000	18,000		
Tax Assessment Administration:					
Salaries and Wages	7,650	7,650	7,650		
Other Expenses	400	400	116	284	
Revenue Administration:					
Salaries and Wages	16,648	16,413	16,409	4	
Other Expenses	5,000	5,000	3,936	1,064	
Legal Services:					
Other Expenses	14,000	14,000	13,276	724	
Housing Administrator:					
Salaries and Wages	2,870	663	662	1	
Other Expenses	100	100		100	
Engineering Services:					
Other Expenses	14,000	17,000	16,737	263	
Land Use Administration:					
Planning Board:					
Salaries and Wages	9,060	8,490	8,490		
Other Expenses	9,000	6,300	3,307	2,993	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Lapsed
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS": (Cont'd)					
Land Use Administration: (Cont'd)					
Zoning Costs:					
Salaries and Wages	\$ 7,022	\$ 6,424	\$ 6,423	\$ 1	
Other Expenses	100	100		100	
Environmental Commission:					
Other Expenses	100	100		100	
Code Enforcement:					
Fire Inspection:					
Salaries and Wages	750	750		750	
Insurance:					
General Liability	41,200	40,200	40,044	156	
Worker's Compensation	20,350	20,350	20,350		
Employee Group Health	42,952	57,869	57,869		
Public Safety:					
Safety Administration:					
Other Expenses	300	300		300	
Fire:					
Other Expenses	32,250	32,250	32,250		
First Aid Organization-Contribution	20,000	20,000	20,000		
Office of Emergency Management:					
Other Expenses	300	300	100	200	
Municipal Prosecutor:					
Other Expenses	500	200	105	95	
Public Works:					
Streets & Road Maintenance:					
Salaries and Wages	47,633	47,307	43,919	3,388	
Other Expenses	33,000	31,000	19,466	11,534	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Lapsed
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS": (Cont'd)					
Public Works: (Cont'd)					
Snow Removal:					
Salaries and Wages	\$ 5,000	\$ 7,555	\$ 7,555		
Other Expenses	5,000	8,466	8,465	\$ 1	
Solid Waste Collection:					
Salaries and Wages	71,511	66,511	64,271	2,240	
Other Expenses	500	500	133	367	
Buildings and Grounds:					
Salaries and Wages	2,870	2,870	2,870		
Other Expenses	11,000	9,800	8,879	921	
Vehicle Maintenance:					
Other Expenses	15,000	15,000	13,512	1,488	
Recycling:					
Salaries and Wages	1,595	1,595	368	1,227	
Other Expenses	100	100		100	
Health and Human Services:					
Public Health Services:					
Salaries and Wages	2,713	1,338	1,338		
Other Expenses	400	400	155	245	
Animal Control:					
Salaries and Wages	2,313	2,313	1,957	356	
Other Expenses	100	100		100	
Parks and Recreation:					
Parks and Playgrounds:					
Other Expenses	12,000	8,000	4,785	3,215	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Lapsed
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS": (Cont'd)					
Parks and Recreation: (Cont'd)					
Senior Citizens (NJSA 40:48-9.4)					
Other Expenses	\$ 3,000	\$ 3,000	\$ 2,366	\$ 634	
Glen Gardner Women's Club-Contribution	1,500	1,500	1,500		
Utilities:					
Electricity	17,500	17,500	14,079	3,421	
Street Lighting	21,000	21,000	20,287	713	
Telephone	7,000	7,000	5,857	1,143	
Water	600	600	420	180	
Natural Gas	7,000	7,000	4,614	2,386	
Fuel Oil-Diesel	15,000	15,000	13,399	1,601	
Gasoline	8,000	8,000	6,649	1,351	
Solid Waste Disposal Costs	60,000	59,000	46,041	12,959	
Municipal Court:					
Public Defender:					
Other Expenses	100	100	53	47	
Total Operations Within "CAPS"	731,666	731,666	670,061	61,605	\$ -
Detail:					
Salaries and Wages	268,314	259,433	251,454	7,979	-
Other Expenses	463,352	472,233	418,607	53,626	-

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Lapsed
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures					
Statutory Expenditures:					
Contribution to:					
Social Security System (OASI)	\$ 21,000	\$ 21,000	\$ 19,277	\$ 1,723	
Public Employees Retirement System	25,364	25,364	25,364		
Unemployment Insurance	1,000	1,000	1,000		
Total Deferred Charges and Statutory Expenditures	<u>47,364</u>	<u>47,364</u>	<u>45,641</u>	<u>1,723</u>	\$ -
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>779,030</u>	<u>779,030</u>	<u>715,702</u>	<u>63,328</u>	<u>-</u>
Operations-Excluded from "CAPS":					
Insurance:					
Employee Group Health	1,548	1,548	844	704	
Solid Waste Disposal Costs-Recycling Tax	2,500	2,500	1,914	586	
Inter-Local Municipal Service Agreement:					
North Hunterdon Municipal Court:					
Other Expenses	44,000	44,000	41,698	2,302	
Public & Private Programs Offset by Revenues:					
Clean Communities Program:					
Other Expenses		4,006	4,006		
Uniform Fire Safety Act-Life Hazard Use Fees:					
Salaries and Wages	1,547	1,547	1,547		
Recycling Tonnage Grant:					
Other Expenses	3,082	3,082	3,082		
Alcohol Education & Rehabilitation Fund:					
Other Expenses	54	54	54		
FEMA-Hurricane Irene-Prior Year Reserve:					
Other Expenses	7,165	7,165	7,165		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Appropriations		Expended by		Balance Lapsed
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations-Excluded from "CAPS" (Cont'd):					
Total Operations Excluded from "CAPS"	\$ 59,896	\$ 63,902	\$ 60,310	\$ 3,592	\$ -
Detail:					
Salaries and Wages	1,547	1,547	1,547		
Other Expenses	58,349	62,355	58,763	3,592	
Municipal Debt Service-Excluded from "CAPS":					
Payment of Bond Principal	125,000	125,000	125,000		
Interest on Bonds	84,769	84,769	84,769		
Total Municipal Debt Service-Excluded from "CAPS"	209,769	209,769	209,769	-	-
Deferred Charges-Municipal-Excluded from "CAPS":					
Hampton Street Improvements	3,000	3,000	3,000		
Total Deferred Charges Municipal-Excluded from "CAPS"	3,000	3,000	3,000	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	272,665	276,671	273,079	3,592	-
Subtotal General Appropriations	1,051,695	1,055,701	988,781	66,920	-
Reserve for Uncollected Taxes	110,000	110,000	110,000		
Total General Appropriations	<u>\$ 1,161,695</u>	<u>\$ 1,165,701</u>	<u>\$ 1,098,781</u>	<u>\$ 66,920</u>	<u>\$ -</u>
Ref.	A-2	A-3	A-1:A-3	A:A-1	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
CURRENT FUND
STATEMENT OF EXPENDITURES REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

Analysis of Paid or Charged	Ref.	Paid or Charged
Reserve for Uncollected Taxes	A-2	\$ 110,000
Cash Disbursed	A-4	1,067,351
Reserve for Encumbrances	A-14	524
Due to General Capital Fund	A-17	3,000
Appropriated Reserve for State Grants	A-25	15,854
		1,196,729
Less: Refunds Received	A-4	97,948
	A-3	\$ 1,098,781
Budget After Modification		
Adopted Budget	A-2	\$ 1,161,695
Appropriation by NJSA 40A:4-87	A-2	4,006
	A-3	\$ 1,165,701

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
TRUST FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
ASSETS			
Animal Control Fund:			
Cash	B-1	\$ 7,644	\$ 6,386
		<u>7,644</u>	<u>6,386</u>
Other Trust Fund:			
Cash	B-1	358,751	346,537
Due from Current Fund	B-5	226,340	225,910
NJ HUD Loans Receivable	B	20,964	21,632
		<u>606,055</u>	<u>594,079</u>
TOTAL ASSETS		<u>\$ 613,699</u>	<u>\$ 600,465</u>
 LIABILITIES AND RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	\$ 7,641	\$ 6,386
Due to State Board of Health	B-4	3	
		<u>7,644</u>	<u>6,386</u>
Other Trust Fund:			
Reserve for Unemployment Trust	B-6	5,638	4,005
Reserve for Planning Board Escrow	B-7	552	2,358
Reserve for Payroll Trust	B-8	1,369	1,512
Reserve for Loan Escrow	B-9	121,761	120,693
Reserve for Open Space Trust	B-10	148,299	148,151
Reserve for Tax Sale Premium	B-11	24,800	9,600
Reserve for Snow Removal Trust	B-12	53,792	54,409
Reserve for Nonoperating School Surplus Funds	B-13	228,880	228,452
Reserve for Affordable Housing Trust	B-14		3,267
Reserve for NJ HUD Loans Receivable	B	20,964	21,632
		<u>606,055</u>	<u>594,079</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 613,699</u>	<u>\$ 600,465</u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
ASSETS			
Cash	C-2	\$ 854,154	\$ 377,186
Deferred Charges to Future Taxation:			
Funded	C-5	1,790,000	1,915,000
Unfunded	C-6	949,185	577,185
Due from Water Capital Fund	C-8	<u>145,618</u>	<u>92,500</u>
TOTAL ASSETS		<u><u>\$ 3,738,957</u></u>	<u><u>\$ 2,961,871</u></u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-17	\$ 1,790,000	\$ 1,915,000
Bond Anticipation Notes Payable	C-18	948,000	
Due to Current Fund	C-7		40
Improvement Authorizations:			
Funded	C-9	217,649	280,910
Unfunded	C-9	412,755	266,000
Capital Improvement Fund	C-10	167,920	167,906
Reserve for Road Reconstruction	C-11	22,140	62,140
Reserve for Fire Truck Acquisition	C-12	634	634
Reserve for Preliminary Plan Expenses	C-13	127	10,926
Reserve for Acquisition of a Sanitation Truck	C-14	4,000	4,000
Reserve for Developer's Bond Forfeiture	C-15	75,195	148,862
Reserve for Payment of Debt Service	C-16		6,784
Fund Balance	C-1	<u>100,537</u>	<u>98,669</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 3,738,957</u></u>	<u><u>\$ 2,961,871</u></u>
 Bonds and Notes Authorized But Not Issued	 C-19	 <u><u>\$ 1,185</u></u>	 <u><u>\$ 577,185</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
COMPARATIVE SCHEDULE OF FUND BALANCE-REGULATORY BASIS

	Ref.	For the Year Ending	
		Dec. 31, 2013	Dec. 31, 2012
Balance December 31, 2012	C	\$ 98,669	\$ 98,669
Increased by:			
Premium on Sale of Notes	C-8	<u>1,868</u>	<u> </u>
Balance December 31, 2013	C	<u>\$ 100,537</u>	<u>\$ 98,669</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS

	<u>Ref.</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
ASSETS			
Operating Fund:			
Cash-Treasurer	D-4	\$ 51,633	\$ 40,572
Cash-Collector	D-6	5,495	6,632
Due from Water Capital Fund	D-9		4,800
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-10	11,107	16,447
Due from Current Fund	D-11	7,855	100
Total Operating Fund		<u>76,090</u>	<u>68,551</u>
Capital Fund:			
Cash	D-4	160,083	67,503
Fixed Capital	D-12	2,431,913	2,396,315
Fixed Capital Authorized and Uncompleted	D-13	8,315	42,015
Due from Water Operating Fund	D-14	4,716	
Total Capital Fund		<u>2,605,027</u>	<u>2,505,833</u>
TOTAL ASSETS		<u>\$ 2,681,117</u>	<u>\$ 2,574,384</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET-REGULATORY BASIS
(Continued)

	Ref.	Balance Dec. 31, 2013	Balance Dec. 31, 2012
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3;D-15	\$ 10,758	\$ 8,461
Due to Water Capital Fund	D-9	4,716	
Accrued Interest on Bonds	D-16	7,944	9,029
Consumer Rent Overpayments	D-17	2,333	2,554
		<u>25,751</u>	<u>20,044</u>
Reserve for Receivables	D	11,107	16,447
Fund Balance	D-1	39,232	32,060
Total Operating Fund		<u>76,090</u>	<u>68,551</u>
Capital Fund:			
Water Bonds Payable	D-25	482,000	547,000
Bond Anticipation Notes Payable	D-26	144,000	100,000
Due to Water Operating Fund	D-14		4,800
Due to General Capital Fund	D-18	145,618	92,500
Improvement Authorizations	D-19	14,049	15,049
Reserve for Amortization	D-20	1,805,989	1,705,391
Deferred Reserve for Amortization	D-21	7,239	40,939
Reserve for Painting of Storage Tanks	D-22	5,000	
Capital Improvement Fund	D-23	1,003	25
Capital Fund Balance	D-24	129	129
Total Capital Fund		<u>2,605,027</u>	<u>2,505,833</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 2,681,117</u>	<u>\$ 2,574,384</u>
Bonds and Notes Authorized but not Issued	D-27	<u>\$ 871</u>	<u>\$ 44,871</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE-REGULATORY BASIS

	Ref.	For the Year Ending	
		Dec. 31, 2013	Dec. 31, 2012
REVENUES AND OTHER INCOME REALIZED			
Surplus Anticipated	D-2	\$ 16,604	\$ 6,200
Rents	D-2	290,997	287,404
Miscellaneous	D-2	15,695	1,786
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-15	4,751	5,278
Total Income		<u>328,047</u>	<u>300,668</u>
EXPENDITURES			
Operating	D-3	190,374	183,200
Debt Service	D-3	89,242	85,727
Deferred Charges and Statutory Expenditures	D-3	14,655	14,780
Capital Improvements	D-3	10,000	5,000
Total Expenditures		<u>304,271</u>	<u>288,707</u>
Excess (Deficit) in Revenue		23,776	11,961
FUND BALANCE			
Balance January 1,	D	<u>32,060</u>	<u>26,299</u>
		55,836	38,260
Decreased by:			
Utilized as Anticipated Revenue	D-2	<u>16,604</u>	<u>6,200</u>
Balance December 31,	D	<u>\$ 39,232</u>	<u>\$ 32,060</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
 WATER UTILITY OPERATING FUND
 STATEMENT OF REVENUES-REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	D-1	\$ 16,604	\$ 16,604	
Rents	D-1;D-10	285,967	290,997	\$ 5,030
Miscellaneous Revenue	D-1;D-2	<u>1,700</u>	<u>15,695</u>	<u>13,995</u>
		<u>\$ 304,271</u>	<u>\$ 323,296</u>	<u>\$ 19,025</u>
	<u>Ref.</u>	D-3		
<u>Analysis of Miscellaneous Revenue</u>				
Collector:				
Interest on Delinquent Accounts			\$ 1,496	
Interest on Deposits/Investments			16	
Miscellaneous			<u>402</u>	
	D-6			\$ 1,914
Treasurer:				
Interest on Deposits/Investments			63	
Connection Fees			2,500	
FEMA Hurricane Reimbursements			3,119	
Miscellaneous			<u>276</u>	
	D-4			5,958
FEMA Hurricane Reimbursements Received in Current Fund	D-11			7,855
Water Capital:				
Interest on Deposits/Investments	D-9		52	
Miscellaneous	D-9		<u>284</u>	
				<u>336</u>
				16,063
Less: Refund of Miscellaneous Revenue:				
Collector	D-6			<u>368</u>
Total Miscellaneous Revenue	D-2			<u>\$ 15,695</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	Appropriations		Expended by		Balance Lapsed
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 80,374	\$ 80,374	\$ 75,709	\$ 4,665	
Other Expenses	110,000	110,000	106,439	3,561	
Debt Service:					
Payment of Bond Principal	65,000	65,000	65,000		
Interest on Bonds	22,992	22,992	22,992		
Interest on Notes	1,250	1,250	1,250		
Deferred Charges & Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	8,455	8,455	8,455		
Social Security System (OASI)	6,200	6,200	5,792	408	
Capital Improvements:					
Capital Outlay	5,000	5,000	2,876	2,124	
Reserve for Painting of Storage Tanks	5,000	5,000	5,000		
	<u>\$ 304,271</u>	<u>\$ 304,271</u>	<u>\$ 293,513</u>	<u>\$ 10,758</u>	<u>\$ -</u>
<u>Ref.</u>	D-2	D-2	D-1; D-3	D; D-1	

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES-REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013
(Continued)

<u>Analysis of Paid or Charged</u>	<u>Ref.</u>	<u>Paid or Charged</u>
Cash Disbursed	D-4	\$ 268,091
Reserve for Painting of Storage Tanks	D-9	5,000
Accrued Interest on Bonds	D-16	22,992
		<u>296,083</u>
Less: Refunds Received	D-4	<u>2,570</u>
	D-3	<u>\$ 293,513</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
GENERAL FIXED ASSETS ACCOUNT GROUP
STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS
AS OF DECEMBER 31, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
GENERAL FIXED ASSETS		
Land	\$ 805,207	\$ 805,207
Land Improvements	2,250,166	2,250,166
Building & Building Improvements	1,880,328	1,880,328
Furniture, Machinery & Equipment	1,319,663	1,127,789
Construction in Progress		32,700
	<u>\$ 6,255,364</u>	<u>\$ 6,096,190</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN GARDNER
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements-Regulatory Basis of the Borough of Glen Gardner (the Municipality) include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Municipality, as required by NJS 40A:5-5. Component units are legally separate organizations for which the Municipality is financially accountable. The Municipality is financially accountable for an organization if the Municipality appoints a voting majority of the organization's governing board and (1) the Municipality is able to significantly influence the programs or services performed or provided by the organization; or (2) the Municipality is legally entitled to or can otherwise access the organization's resources; the Municipality is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the Municipality is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Municipality in that the Municipality approves the budget, the issuance of debt or the levying of taxes. There are currently no component units of the Municipality.

B. Description of Funds and Account Group

The accounting policies of the Municipality conform to the accounting principles applicable to municipalities, which have been prescribed by the New Jersey Division of Local Government Services, Department of Community Affairs, (State of New Jersey). 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 Municipality accounts for its financial transactions through the following separate funds and account group:

Governmental Funds:

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - receipts and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Water Operating and Capital Funds – account for the operations and acquisition of capital facilities of the municipally owned Water Utility.

Account Groups:

General Fixed Assets Account Group - to account for all fixed assets of the Municipality. Neither infrastructure or depreciation of assets of the municipality are recorded in the group.

BOROUGH OF GLEN GARDNER
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the state of New Jersey differ in certain respects from accounting policies generally accepted in the United States of America (GAAP). The more significant differences, which may be material, are discussed further in part D of Note 1.

A modified accrual basis of accounting is followed with minor exceptions.

Budget and Budgetary Procedures - the State of New Jersey has promulgated the form and procedures for the municipality's cash basis budget in the Local Budget Law (NJSA 40A:4-1). The municipality is only required to adopt budgets for the Current Fund and any Utility Fund, if applicable.

The municipality must introduce and approve its annual budget no later than February 10th and adopt no later than March 20th of its budget year, unless extended by the Director of the Division of Local Government Services (the Director). All budgets shall be introduced, approved, amended and adopted by resolution passed by not less than a majority of the full membership of the governing body. The approved budget must be advertised and a public hearing must be held prior to adoption. No budget or amendment thereof shall be adopted unless the Director has certified his approval thereof.

Emergency and special emergency appropriations may be made by resolution adopted by a 2/3 vote of the full membership of the governing body. All emergency appropriations must be raised in full in the succeeding year's budget, while special emergency appropriations financed from surplus funds shall be raised in installments of at least 20% annually until fully provided for.

Transfers between current year appropriations are allowed only during the last two months of the fiscal year. Transfers between prior year appropriation reserves are allowed only during the first three months of the fiscal year.

Revenues - are recorded when received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the Municipal budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Municipality's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Municipality which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures - are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements and constitute part of the Municipality's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts, which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

BOROUGH OF GLEN GARDNER
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Basis of Accounting (Cont'd)

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Tax Title Liens - are taxes which have been put up for sale but not been purchased. The Municipality then accepts the lien which will earn 18% per annum until the lien is paid off by the property owner. The Municipality may choose to foreclose and return the property to the tax rolls.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Deferred Charges to Future Taxation-Funded and Unfunded (Capital Fund) - upon authorization of capital projects, the Municipality establishes deferred charges for the costs of the projects that are to be raised by future taxation. Deferred charges that relate to permanent debt issued are shown as funded. All other deferred charges are shown as unfunded.

General Fixed Assets - in accordance with New Jersey Administrative Code Section 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the State of New Jersey, which differs in certain respects from generally accepted accounting principles, all local units are required to have and maintain a fixed assets accounting and reporting system. In accordance with this administrative code requirement, fixed assets acquired after December 31, 1985 shall be valued on the basis of actual cost; prior to that time, they may be valued at cost or estimated historical cost.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general 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.

No depreciation has been provided for in the financial statements.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

D. Departures from Generally Accepted Accounting Principles

As noted, the accounting principles and practices used differ in some respects from generally accepted accounting principles (GAAP) for local governmental units. The more significant differences, which may be material, are as follows:

1. Financial Reporting Model-These statements are not based on the requirements as promulgated by GASB Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments." This statement made dramatic changes to the financial reporting requirements of state and local governments for GAAP purposes.

BOROUGH OF GLEN GARDNER
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Departures from Generally Accepted Accounting Principles (cont'd)

2. Revenues-GAAP records taxes, utility charges and other revenues as income when levied and there is no reserve for receivables for unpaid balances.
3. Expenditures-GAAP records expenditures when incurred and does not reflect appropriation reserve balances or deferred charges to future taxation.
4. Interfunds-GAAP does not require offsetting reserves for Interfund receivables and resulting revenue recognition when interfunds are liquidated.
5. Inventories-GAAP requires inventories to be reported on the balance sheet at year-end.
6. Fixed Assets-GAAP does not require the establishment of a reserve for amortization for utility fixed assets but does require the recording of depreciation as an operating expense of the utility.
7. Grant Accounting-GAAP requires that grants be recorded within a special revenue fund and revenues are not to be realized until earned.
8. Capital Funds-GAAP requires separate funds for the recording of capital projects and payment of debt service while New Jersey requirements incorporates these transactions within one fund.
9. Compensated absence liabilities for sick and vacation pay and for contributions to state administered pension plans are not recorded until paid.
10. Losses arising from tax appeals and other contingencies are not recorded until paid.

It is not practicable to determine the effect of these differences on the financial statements.

NOTE 2: DEPOSITS AND INVESTMENTS

State Requirements for Deposits and Investments

New Jersey statutes require each local unit to adopt a cash management plan and shall deposit and/or invest according to that plan, which shall include:

1. The designation of public depositories as defined in Section 1 of PL 1970 Ch 236 (C17:9-41) and permit deposits in designated depositories;
2. The designation of any fund that meets the requirements established pursuant to Section 8 PL 1977, Ch 396(C40A5-15.1);
3. The authorization for investments as permitted pursuant to Section 8 of PL 1977, Ch 396 (C.40A:5-15.1); or
4. Any combination of these designations or authorizations.

BOROUGH OF GLEN GARDNER
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 2: DEPOSITS AND INVESTMENTS (Cont'd)

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:

Deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name.

Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name.

As the municipality has no such investments, this disclosure is not applicable.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the municipality has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent or more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the municipality has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the municipality has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the municipality may invest with any one issuer. As of December 31, 2013, the municipality had 100% of its investments in Unity Bank

BOROUGH OF GLEN GARDNER
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 3: TAX ASSESSMENTS AND PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

Tax installments not paid on or before the due date are subject to interest penalties of eight percent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey Statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey Statutes.

NOTE 4: UTILITY REVENUES

Water Utility

Customers are charged on a governing body approved rate based on water usage. Water bills are mailed quarterly and delinquent accounts may be included in the municipality's annual tax sale.

NOTE 5: LONG-TERM DEBT

The Local Bond Law of the State of New Jersey governs the authorization of debt by municipalities to finance certain general municipal and utility capital expenditures. Among its provisions are requirements that bonds must mature within the statutory period of usefulness of the projects bonded. Bond anticipation notes may also be issued to temporarily finance capital projects for periods not greater than one year and may be reissued in yearly installments not to exceed ten years. All bonds and notes issued by the municipality are general full faith and credit obligations.

Summary of Municipal Debt

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
Issued:			
Water Utility:			
Bonds and Notes	\$ 626,000	\$ 647,000	\$ 607,000
General:			
Bonds and Notes	<u>2,738,000</u>	<u>1,915,000</u>	<u>2,040,000</u>
	<u>3,364,000</u>	<u>2,562,000</u>	<u>2,647,000</u>

BOROUGH OF GLEN GARDNER
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 5: LONG-TERM DEBT (Cont'd)

Summary of Municipal Debt (cont'd)

	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
Authorized but not Issued:			
Water Utility:			
Bonds and Notes	\$ 871	\$ 44,871	\$ 144,871
General:			
Bonds and Notes	1,185	577,185	336,015
	<u>2,056</u>	<u>622,056</u>	<u>480,886</u>
Net Bonds & Notes Issued & Authorized But Not Issued	<u>\$ 3,366,056</u>	<u>\$ 3,184,056</u>	<u>\$ 3,127,886</u>

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 1.67%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional High School Debt	\$ 55,906	\$ 55,906	
Water Utility Debt	626,871	626,871	
General Debt	<u>2,739,185</u>		<u>\$ 2,739,185</u>
	<u>\$ 3,421,962</u>	<u>\$ 682,777</u>	<u>\$ 2,739,185</u>

Net Debt \$2,739,185 divided by Equalized Valuation Basis per NJSA 40A:2-2 as amended, \$163,826,740 equals 1.67%.

Borrowing Power Under NJS 40A:2-6 As Amended

3 1/2% of Equalized Valuation Basis (Municipal) Net Debt	\$ 5,733,936
	<u>2,739,185</u>
Remaining Borrowing Power	<u>\$ 2,994,751</u>

General Obligation Bonds

General obligation General Capital and Water Capital bonds at December 31, 2013 are comprised of the following issues:

\$3,567,000 – 2005 General and Water Capital bonds interest from 4.375% to 4.50% due in annual installments beginning August 15, 2006 through August 15, 2023	<u>\$ 2,272,000</u>
--	---------------------

BOROUGH OF GLEN GARDNER
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 5: LONG-TERM DEBT (Cont'd)

Changes in Long-Term Debt

During the year ended December 31, 2013, the following changes occurred in Long-Term Debt.

	<u>Balance 01/01/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/12</u>
Issued Debt:				
General:				
Bonds	\$ 1,915,000		\$ 125,000	\$ 1,790,000
Notes		\$ 948,000		948,000
Water Utility:				
Bonds	547,000		65,000	482,000
Notes	100,000	44,000		144,000
Authorized But Not Issued Debt:				
General:				
Bonds and Notes	577,185	375,000	951,000	1,185
Water Utility:				
Bonds and Notes	<u>44,871</u>		<u>44,000</u>	<u>871</u>
Total	<u>\$ 3,184,056</u>	<u>\$ 1,367,000</u>	<u>\$ 1,185,000</u>	<u>\$ 3,366,056</u>

Schedule of Annual Debt Service for Principal and Interest for Outstanding Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 215,000	\$ 100,534	\$ 315,534
2015	215,000	91,128	306,128
2016	215,000	81,721	296,721
2017	245,000	72,315	317,315
2018	245,000	61,596	306,596
2019-2023	<u>1,137,000</u>	<u>152,037</u>	<u>1,289,037</u>
Totals	<u>\$ 2,272,000</u>	<u>\$ 559,331</u>	<u>\$ 2,831,331</u>

NOTE 6: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014, were as follows:

Current Fund	\$ 201,000
Water Operating Fund	22,346

BOROUGH OF GLEN GARDNER
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 7: SCHOOL TAXES

Local District Tax and Regional High School Tax have been raised and liabilities deferred by statute, resulting in the school taxes payable set forth in the Current Fund liabilities as follows:

	<u>Local District School Tax</u>		<u>Regional High School Tax</u>	
	Balance	Balance	Balance	Balance
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Balance of Tax	\$ 841,665	\$ 824,001	\$ 479,996	\$ 477,902
Deferred	<u>696,066</u>	<u>664,956</u>	<u>393,597</u>	<u>382,322</u>
Tax Payable	<u>\$ 145,599</u>	<u>\$ 159,045</u>	<u>\$ 86,399</u>	<u>\$ 95,580</u>

NOTE 8: TAXES COLLECTED IN ADVANCE

Taxes collected in advance, include discounts allowed for prepayments and the amount set forth as cash liabilities in the financial statements as follows:

	Balance	Balance
	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2012</u>
Prepaid Taxes	\$ 8,907	\$ 28,642
Less: Discount Allowed	<u>-0-</u>	<u>-0-</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 8,907</u>	<u>\$ 28,642</u>

NOTE 9: PENSIONS

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established in January of 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

Significant legislation which became effective October 1, 2011 under Chapter 78, PL 2011 gradually increases the employee contribution rate for PERS members from 5.5% to 7.5% of annual compensation by July 2018. Effective July 1, 2013, the rate increased to 6.78. After that, the rate increases each July 1st over the phase-in period until reaching 7.5% effective July 1, 2018.

BOROUGH OF GLEN GARDNER
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 9: PENSIONS (Cont'd)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues a publicly available financial report that includes the financial statements and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at www.nj.gov/treasury/pensions/annrpts.shtml

The contribution policy for PERS is set by New Jersey State Statutes and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are a percentage of annual compensation, as defined, and is currently 6.78% for PERS. Funding by the municipality is at an actuarially determined rate. Three year trend information for PERS contributions are as follows:

Three Year Trend Information for PERS Contributions

<u>Year</u> <u>Funded</u>	<u>Annual Contribution</u>	
	<u>Municipality</u>	<u>Employee</u>
2013	\$ 33,819	\$ 18,847
2012	34,321	19,806
2011	33,390	17,284

Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is available from the State Retirement System.

NOTE 10: POST-RETIREMENT BENEFITS

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The Municipality's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

Plan Description-The Municipality contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The Municipality adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/health-benefits.shtml>.

BOROUGH OF GLEN GARDNER
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 10: POST-RETIREMENT BENEFITS (Cont'd)

Funding Policy- Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Municipality on a monthly basis. Premiums are funded entirely by the Municipality and are based on the type of coverage selected by the employee.

The Municipality's contributions to the SHBP for post retirement benefits for the years ended December 31, 2013, 2012, and 2011, were \$12,952 \$0, and \$0, which equaled the required benefit contribution for each year. There was one retired participant eligible at December 31, 2013.

NOTE 11: ACCRUED SICK AND VACATION BENEFITS

The Borough does not have a policy which allows employees to accrue unused vacation and sick pay.

NOTE 12: FIXED ASSETS

The following schedule is a summarization of the changes in general fixed assets for the year ended December 31, 2013 and 2012:

	Balance Dec. 31, 2012	Additions	Disposals	Balance Dec. 31, 2013
Land	\$ 805,207			\$ 805,207
Land Improvements	2,250,166			2,250,166
Building & Building Improvements	1,880,328			1,880,328
Construction in Progress	32,700	\$ 22	\$ 32,722	
Furniture, Machinery & Equipment	1,127,789	247,374	55,500	1,319,663
	6,096,190	247,396	88,222	6,255,364
Transfers	-0-	(32,722)	(32,722)	-0-
Totals	\$ 6,096,190	\$ 214,674	\$ 55,500	\$ 6,255,364

BOROUGH OF GLEN GARDNER
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 13: INTERFUNDS RECEIVABLE AND PAYABLE

The following Interfund balances remained on the various balance sheets of the municipality as of December 31, 2013.

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund:		
Other Trust Funds		\$ 226,340
Due to Water Operating Fund		7,855
Other Trust Fund:		
Current Fund	\$ 226,340	
General Capital Fund:		
Due from Water Capital Fund	145,618	
Water Capital Fund:		
Due to General Capital Fund		145,618
Due from Water Operating Fund	4,716	
Water Operating Fund:		
Due from Current Fund	7,855	
Due to Water Capital Fund		4,716
	<u>\$ 384,529</u>	<u>\$ 384,529</u>

The balance due to the Other Trust Fund from the Current Fund represents the net Other Trust Fund activity transacted in the Current Fund.

The balance due from Water Capital Fund to the General Capital Fund represents a loan advanced. The balance due to the Water Capital Fund from the Water Operating Fund represents a budget appropriation net of revenues earned.

The balance due to Water Operating Fund from the Current Fund represent a receipt deposited into the wrong fund.

All of the interfund balances are to be liquidated within one year.

NOTE 14: LITIGATION

During the normal course of operations, lawsuits are occasionally brought against the municipality. There are presently no outstanding lawsuits that would result in a contingent liability to the Borough.

NOTE 15: ECONOMIC DEPENDENCY

The Borough is not economically dependent on any one business or industry located within the municipality.

BOROUGH OF GLEN GARDNER
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2013 AND 2012
 (Continued)

NOTE 16: RISK MANAGEMENT

The Municipality is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster.

Property and Liability Insurance - The Municipality maintains commercial insurance coverage for property, liability, and surety bonds. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

New Jersey Unemployment Compensation Insurance - The Municipality has elected to fund its NJ Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the Municipality is required to reimburse the NJ Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Municipality is billed quarterly for amounts due to the State. The following is a summary of Municipality contributions, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Municipality's unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Municipal Contrib</u>	<u>Interest Earnings</u>	<u>Employee Contrib</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2013	\$ 1,000	\$ 4	\$ 629	\$ -0-	\$ 5,638
2012	1,000	2	619	-0-	4,005
2011	500	5	593	6,183	2,384

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the Municipality's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Municipality's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the Municipality's financial reporting.

BOROUGH OF GLEN GARDNER
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(Continued)

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any effect on the Municipality's financial reporting.

In November 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date- an amendment of GASB Statement No. 68". This statement, which is effective for fiscal periods beginning after June 30, 2014, is not expected to have an effect on the Municipality's financial reporting.

NOTE 18: SUBSEQUENT EVENTS

The Municipality has evaluated subsequent events through April 4, 2014, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

SUPPLEMENTARY SCHEDULES

BOROUGH OF GLEN GARDNER

COUNTY OF HUNTERDON

2013

CURRENT FUND

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF CASH-TREASURER/COLLECTOR

	Ref.	Regular Fund	Federal and State Grant Fund
Balance December 31, 2012	A	\$ 796,984	\$ 17,833
Increased by Receipts:			
Nonbudget Revenue	A-2	\$ 39,059	
Interest on Investments	A-2	721	
Appropriation Refunds	A-3	97,948	
State of NJ-Senior Citizens' & Veterans'	A-6	7,750	
Taxes Receivable	A-7	3,954,985	
Revenue Accounts Receivable	A-10	195,748	
Due from Other Trust Funds	A-11	428	
State Grants Receivable	A-12		\$ 8,190
County and State Fees Payable	A-15	4,363	
Due to Outside Lien Holders	A-16	19,668	
Due from General Capital Fund	A-17	7,060	
Due to Water Operating Fund	A-18	7,855	
Tax Overpayments	A-19	6,434	
Prepaid Taxes	A-20	8,907	
Unappropriated Reserves for State Grants	A-26		3,651
		<u>4,350,926</u>	<u>11,841</u>
		5,147,910	29,674

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF CASH-TREASURER/COLLECTOR
(Continued)

	Ref.	Regular Fund	Federal and State Grant Fund
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	\$ 1,067,351	
Refund of Prior Year Revenue	A-1	665	
Refund of Revenue Accounts Receivable	A-10	188	
Prior Year Appropriation Reserves	A-13	13,491	
County and State Fees Payable	A-15	1,200	
Due to Outside Lien Holders	A-16	19,925	
Due from General Capital Fund	A-17	3,000	
Due to Water Operating Fund	A-18	100	
Tax Overpayments	A-19	1,506	
County Taxes	A-21	589,843	
Local School Taxes	A-22	1,680,059	
Regional High School Taxes	A-23	957,899	
Appropriated Reserve for State Grants	A-25		\$ 20,429
		<u>\$ 4,335,227</u>	<u>\$ 20,429</u>
Balance December 31, 2013	A;A-5	<u>\$ 812,683</u>	<u>\$ 9,245</u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF CASH AND RECONCILIATION
PER NJS 40A:5.5-TREASURER/COLLECTOR

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2013	A-4	\$ 812,683	\$ 9,245
Increased by:			
Receipts		267,842	5,804
		<u>1,080,525</u>	<u>15,049</u>
Decreased by:			
Disbursements		340,400	137
		<u>340,400</u>	<u>137</u>
Balance January 31, 2014		<u>\$ 740,125</u>	<u>\$ 14,912</u>

Cash Reconciliation January 31, 2014

Balance on Deposit:			
Peapack-Gladstone Bank		\$ 519,360	\$ 14,912
Unity Bank		228,265	
Petty Cash		50	
		<u>747,675</u>	<u>14,912</u>
Add: Deposit in Transit		97	
		<u>747,772</u>	<u>14,912</u>
Less: Outstanding Checks		7,647	
		<u>740,125</u>	<u>14,912</u>
Book Balance		<u>\$ 740,125</u>	<u>\$ 14,912</u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF DUE FROM STATE OF NEW JERSEY
VETERANS' AND SENIOR CITIZENS' DEDUCTIONS

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 22
Increased by:			
Veterans' Deductions per Tax Billings		\$ 7,000	
Senior Citizens' Deductions per Tax Billings		<u>1,500</u>	
	A-7		<u>8,500</u>
			8,522
Decreased by:			
Received from State of New Jersey	A-4	7,750	
Prior Year Senior Citizens' Deductions Disallowed by Tax Collector	A-1	<u>750</u>	
			<u>8,500</u>
Balance December 31, 2013	A		<u><u>\$ 22</u></u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2013	2013	Collected		State of NJ	Transferred	Overpayments		Balance
	Dec. 31, 2012	Added	Levy	2012	2013	Citizens & Veterans' Deductions	to Tax Title Liens	Applied	Canceled	Dec. 31, 2013
2012	\$ 65,239	\$ 750			\$ 56,722		\$ 1,935		\$ 7,332	
2013			\$ 3,979,459	\$ 28,642	3,898,263	\$ 8,500	8,386		4,049	\$ 31,619
	<u>\$ 65,239</u>	<u>\$ 750</u>	<u>\$ 3,979,459</u>	<u>\$ 28,642</u>	<u>\$ 3,954,985</u>	<u>\$ 8,500</u>	<u>\$ 10,321</u>	<u>\$ -</u>	<u>\$ 11,381</u>	<u>\$ 31,619</u>
<u>Ref.</u>	A	Reserve	A-7	A-20	A-4	A-6	A-8		Reserve	A

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF
PROPERTY TAX LEVY
(Continued)

	Ref.	
<u>Analysis of Current Year Property Tax Levy</u>		
Tax Yield:		
General Purpose Tax		\$ 3,979,459
	A-7	\$ 3,979,459
Tax Levy:		
Local District School Tax	A-22	\$ 1,697,723
Regional District School Tax	A-23	959,993
County Taxes:		
Regular Taxes		\$ 491,140
Library Taxes		49,108
Open Space Taxes		48,885
Total County Taxes	A-21	589,133
Local Tax for Municipal Purposes	A-2	732,000
Add: Additional Tax Levied-Municipal	Reserve	610
		732,610
		\$ 3,979,459

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 72,917
Increased by:		
Tax Sale Interest & Costs	Reserve	\$ 289
Transferred from Taxes Receivable	A-7	<u>10,321</u>
		<u>10,610</u>
Balance December 31, 2013	A	<u>\$ 83,527</u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

	<u>Ref.</u>	
Balance December 31, 2012	A	<u>\$ 981,900</u>
Balance December 31, 2013	A	<u>\$ 981,900</u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Ref.	Balance Dec. 31, 2012	Accrued in 2013	Collected Treasurer	Balance Dec. 31, 2013
Alcoholic Beverage Licenses	A-2		\$ 4,100	\$ 4,100	
Fees and Permits	A-2		11,051	11,051	
Interest & Costs on Taxes	A-2		9,794	9,794	
Municipal Court	A-2	\$ 921	10,159	10,465	\$ 615
In Lieu of Taxes-Senior Citizen Complex	A-2		40,515	40,515	
Consolidated Municipal Property Tax Relief Aid	A-2		7,665	7,665	
Energy Receipts Tax	A-2		111,970	111,970	
		<u>\$ 921</u>	<u>\$ 195,254</u>	<u>\$ 195,560</u>	<u>\$ 615</u>
	<u>Ref.</u>	A	Reserve	Below	A
Treasurer's Receipts	A-4			\$ 195,748	
Less: Refunds	A-4			<u>188</u>	
				<u>\$ 195,560</u>	

TOWNSHIP OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF DUE TO OTHER TRUST FUNDS

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 225,910
Increased by:			
Receipts	A-4	\$ 428	
Payroll Balance Shortage	A-1	<u>2</u>	
			<u>430</u>
Balance December 31, 2013	A		<u>\$ 226,340</u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF STATE GRANTS RECEIVABLE

Grant	Balance Dec. 31, 2012	Revenue in 2013	Received	Balance Dec. 31, 2013
Clean Community Program		\$ 4,006	\$ 4,006	
Highlands Council Grant-Initial Assessment	\$ 270			\$ 270
Highlands Council Grant-Plan Conformance	83,121		4,184	78,937
	<u>\$ 83,391</u>	<u>\$ 4,006</u>	<u>\$ 8,190</u>	<u>\$ 79,207</u>
<u>Ref.</u>	A	A-2	A-4	A

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	Balance Dec. 31, 2012	Balance After Transfer	Expended	Balance Lapsed
Mayor and Council:				
Salaries and Wages	\$ 4	\$ 4		\$ 4
Other Expenses	1,422	1,422	\$ (176)	1,598
Municipal Clerk:				
Other Expenses	2,176	2,176	745	1,431
Financial Administration:				
Other Expenses	1,013	1,013	496	517
Revenue Administration:				
Other Expenses	356	356		356
Assessment of Taxes:				
Salaries and Wages	1,797	1,797		1,797
Other Expenses	297	297		297
Legal Services and Costs:				
Other Expenses	43	1,728	1,727	1
Housing Administrator:				
Other Expenses	350	350		350
Engineering Services & Costs:				
Other Expenses	4,193	4,193		4,193
Planning Board:				
Other Expenses	2,817	2,817	27	2,790
Zoning Costs:				
Salaries and Wages	1	1		1
Other Expenses	100	100		100
Environmental Commission:				
Other Expenses	100	100		100
Insurance:				
General Liability	2,513	2,513		2,513
Employee Group	2,949	2,949		2,949
Public Safety:				
Other Expenses	300	300		300
Office of Emergency Management:				
Other Expenses	300	300		300
Public Defender:				
Other Expenses	1	1		1
Municipal Prosecutor:				
Salaries and Wages	2	2		2

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Balance Dec. 31, 2012	Balance After Transfer	Expended	Balance Lapsed
Road Repairs and Maintenance:				
Salaries and Wages	\$ 5,519	\$ 3,104		\$ 3,104
Other Expenses	3,313	3,313	\$ 1,156	2,157
Snow Removal:				
Salaries and Wages	2,766	2,766	2,766	
Other Expenses	405	405	405	
Solid Waste Collection:				
Salaries and Wages	3,969	2,284		2,284
Other Expenses	51	51		51
Public Buildings and Grounds:				
Other Expenses	557	2,957	550	2,407
Vehicle Maintenance:				
Other Expenses	72	72		72
Recycling:				
Other Expenses	1	1		1
Public Health Services:				
Other Expenses	1	16	15	1
Animal Control:				
Other Expenses	100	100		100
Parks and Playgrounds:				
Other Expenses	6,915	6,915		6,915
Senior Citizens:				
Other Expenses	3	3		3
Utilities:				
Electricity	2,844	2,844	1,338	1,506
Street Lighting	4,404	4,404	145	4,259
Telephone	1,868	1,868	494	1,374
Water	180	180	140	40
Natural Gas	2,377	2,377	1,061	1,316
Fuel Oil-Diesel	112	112		112
Gasoline	3,190	3,190		3,190
Solid Waste Disposal Costs	12,199	12,199	2,495	9,704
Contribution to:				
Social Security System (OASI)	1,512	1,512		1,512
Solid Waste Disposal Costs- Recycling Tax	440	440	107	333

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013
(Continued)

	Balance Dec. 31, 2012	Balance After Transfer	Paid or Charged	Balance Lapsed
Matching Fund for Grants	\$ 100	\$ 100		\$ 100
	<u>\$ 73,632</u>	<u>\$ 73,632</u>	<u>\$ 13,491</u>	<u>\$ 60,141</u>
<u>Ref.</u>	A		A-4	A-1

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ -
Increased by:		
Current Year Budget Charges	A-3	<u>524</u>
Balance December 31, 2013	A	<u><u>\$ 524</u></u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF COUNTY AND STATE FEES PAYABLE

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 625
Increased by:		
Receipts	A-4	<u>4,363</u>
		4,988
Decreased by:		
Disbursements	A-4	\$ 1,200
Balances Canceled	A-1	<u>25</u>
		<u>1,225</u>
Balance December 31, 2013	A	<u><u>\$ 3,763</u></u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF DUE TO OUTSIDE LIEN HOLDERS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 257
Increased by:		
Receipts	A-4	<u>19,668</u>
		19,925
Decreased by:		
Disbursements	A-4	<u>19,925</u>
Balance December 31, 2013	A	<u><u>\$ -</u></u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF DUE FROM GENERAL CAPITAL FUND

	<u>Ref.</u>		
Balance December 31, 2012	A	\$	40
Increased by:			
Interest on Capital Investments	A-2	\$	236
Reserve for Payment of Debt Service			
Anticipated as Revenue	A-2		6,784
Disbursements	A-4		<u>3,000</u>
			<u>10,020</u>
			10,060
Decreased by:			
Current Year Budget Appropriations:			
Deferred Charge to Future Taxation-Unfunded	A-3		3,000
Receipts	A-4		<u>7,060</u>
			<u>10,060</u>
Balance December 31, 2013	A	<u>\$</u>	<u>-</u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF DUE TO WATER OPERATING FUND

	<u>Ref.</u>		
Balance December 31, 2012	A	\$	100
Increased by:			
Receipts	A-4		<u>7,855</u>
			7,955
Decreased by:			
Disbursements	A-4		<u>100</u>
Balance December 31, 2013	A	<u>\$</u>	<u>7,855</u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF TAX OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 1,832
Increased by:		
Receipts	A-4	<u>6,434</u>
		8,266
Decreased by:		
Overpayments Refunded	A-4	<u>1,506</u>
Balance December 31, 2013	A	<u><u>\$ 6,760</u></u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF PREPAID TAXES

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 28,642
Increased by:		
Collection of Subsequent Year's Taxes	A-4	<u>8,907</u>
		37,549
Decreased by:		
Applied to Current Year Taxes Receivable	A-7	<u>28,642</u>
Balance December 31, 2013	A	<u><u>\$ 8,907</u></u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF COUNTY TAXES PAYABLE

	<u>Ref.</u>		
Balance December 31, 2012	A	\$	710
Increased by:			
Current Year Tax Levy:			
County Taxes		\$	491,140
County Library Tax			49,108
County Open Space Tax			48,885
	A-1;A-7		<u>589,133</u>
			589,843
Decreased by:			
Payments	A-4		<u>589,843</u>
Balance December 31, 2013	A	<u>\$</u>	<u>-</u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2012			
School Tax Payable	A	\$ 159,045	
School Tax Deferred (40.0%)		<u>664,956</u>	\$ 824,001
Increased by:			
Levy-School Year July 1, 2013 to June 30, 2014	A-2;A-7		<u>1,697,723</u>
			2,521,724
Decreased by:			
Payments	A-4		<u>1,680,059</u>
Balance December 31, 2013			
School Tax Payable	A	145,599	
School Tax Deferred (41.0%)		<u>696,066</u>	<u>\$ 841,665</u>
<u>Current Year Liability for Regional High School Tax</u>			
Tax Paid			\$ 1,680,059
Add: Tax Payable December 31, 2013			<u>145,599</u>
			1,825,658
Less: Tax Payable December 31, 2012			<u>159,045</u>
Amount Charged to Operations	A-1		<u>\$ 1,666,613</u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF REGIONAL HIGH SCHOOL TAX PAYABLE

	<u>Ref.</u>		
Balance December 31, 2012			
School Tax Payable	A	\$ 95,580	
School Tax Deferred (40.0%)		<u>382,322</u>	
			\$ 477,902
Increased by:			
Levy-School Year July 1, 2013 to June 30, 2014	A-2;A-7		<u>959,993</u>
			1,437,895
Decreased by:			
Payments	A-4		<u>957,899</u>
Balance December 31, 2013			
School Tax Payable	A	86,399	
School Tax Deferred (41.0%)		<u>393,597</u>	
			<u>\$ 479,996</u>
<u>Current Year Liability for Regional High School Tax</u>			
Tax Paid			\$ 957,899
Add: Tax Payable December 31, 2013			<u>86,399</u>
			1,044,298
Less: Tax Payable December 31, 2012			<u>95,580</u>
Amount Charged to Operations	A-1		<u>\$ 948,718</u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF RESERVE FOR INSURANCE CLAIMS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 2,498
Decreased by:		
Balance Canceled to Fund Balance	A-1	<u>2,498</u>
Balance December 31, 2013	A	<u><u>\$ -</u></u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR STATE GRANTS

Grant Period	Grant	Balance Dec. 31, 2012	Transferred from Budget	Paid or Charged		Balance Dec. 31, 2013
				Reserve for Encumbrances	Cash Disbursed	
01/01/13 to 12/31/14	FEMA Hurricane Irene- Prior Year Reserve		\$ 7,165		\$ 7,165	
01/01/11 to 12/31/12	Clean Communities Program	\$ 3,497			1,231	\$ 2,266
01/01/12 to 06/30/13	Clean Communities Program	4,000				4,000
01/01/13 to 06/30/14	Clean Communities Program		4,006		865	3,141
01/01/11 to 12/31/12	Uniform Fire Safety Act	170				170
01/01/12 to 12/31/13	Uniform Fire Safety Act	1,364				1,364
01/01/13 to 12/31/14	Uniform Fire Safety Act		1,547		1,020	527
01/01/12 to 12/31/17	Highlands Council Grant Plan Conformance	80,296			8,310	71,986
01/01/12 to 12/31/13	Recycling Tonnage Grant- 2011 Reserve	49			49	-
01/01/13 to 12/31/14	Recycling Tonnage Grant- 2012 Reserve		3,082	\$ 715	1,735	632
01/01/13 to 12/31/14	Alcohol Education & Rehabilitation Fund		54		54	
		<u>\$ 89,376</u>	<u>\$ 15,854</u>	<u>\$ 715</u>	<u>\$ 20,429</u>	<u>\$ 84,086</u>
	<u>Ref.</u>	A	A-3	A-27	A-4	A

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES FOR STATE GRANTS

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 11,848
Increased by:		
Receipts	A-4	<u>3,651</u>
		15,499
Decreased by:		
Anticipated as Current Year Budget Revenue	A-2	<u>11,848</u>
Balance December 31, 2013	A	<u><u>\$ 3,651</u></u>

BOROUGH OF GLEN GARDNER
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ -
Increased by:		
Current Year Budget Charges	A-25	<u>715</u>
Balance December 31, 2013	A	<u><u>\$ 715</u></u>

BOROUGH OF GLEN GARDNER

COUNTY OF HUNTERDON

2013

TRUST FUND

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF CASH-TREASURER

	Ref.	Animal Control Fund	Other Trust Fund
Balance December 31, 2012	B	\$ 6,386	\$ 346,537
Increased by Receipts:			
Reserve for Animal Control Expenditures	B-3	\$ 4,558	
Due to State of New Jersey	B-4	468	
Reserve for Unemployment	B-6		\$ 1,004
Reserve for Payroll Trust	B-8		472,461
Reserve for Loan Escrow	B-9		1,318
Reserve for Open Space	B-10		148
Reserve for Tax Sale Premium	B-11		17,900
Reserve for Snow Removal Trust	B-12		2,883
Reserve for Affordable Housing Trust	B-14		1
		<u>5,026</u>	<u>495,715</u>
		11,412	842,252
Decreased by Disbursements:			
Administrative Expenses	B-3	3,303	
Due to State of New Jersey	B-4	465	
Planning Board Escrow	B-7		1,806
Reserve for Payroll Trust	B-8		471,977
Reserve for Loan Escrow	B-9		250
Reserve for Tax Sale Premium	B-11		2,700
Reserve for Snow Removal Trust	B-12		3,500
Reserve for Affordable Housing Trust	B-14		3,268
		<u>3,768</u>	<u>483,501</u>
Balance December 31, 2013	B;B-2	<u>\$ 7,644</u>	<u>\$ 358,751</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF CASH AND RECONCILIATION
PER NJS 40A:5-5-TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>
Balance December 31, 2013	B-1	\$ 7,644	\$ 358,751
Increased by:			
Receipts		2,181	33,945
		<u>9,825</u>	<u>392,696</u>
Decreased by:			
Disbursements		200	33,281
Balance January 31, 2014		<u>\$ 9,625</u>	<u>\$ 359,415</u>
 <u>Cash Reconciliation January 31, 2014</u>			
Balance per Statement:			
Peapack Gladstone Bank		<u>\$ 9,625</u>	<u>\$ 359,415</u>
Book Balance		<u>\$ 9,625</u>	<u>\$ 359,415</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL
FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 6,386
Increased by:		
Animal License Fees	B-1	4,558
		<u>10,944</u>
Decreased by:		
Expenditures Under RS 4:119-15.11	B-1	3,303
		<u>3,303</u>
Balance December 31, 2013	B	<u>\$ 7,641</u>
<u>Animal License Fee Collections</u>		
2011		\$ 3,565
2012		4,440
		<u>8,005</u>
Maximum Allowable Reserve		<u>\$ 8,005</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF DUE TO STATE BOARD OF HEALTH

	<u>Ref.</u>		
Balance December 31, 2012	B	\$	-
Increased by:			
State Fees Received	B-1		468
			<u>468</u>
Decreased by:			
Disbursements	B-1		465
			<u>465</u>
Balance December 31, 2013	B	<u>\$</u>	<u>3</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF DUE FROM CURRENT FUND-OTHER TRUST FUND

	<u>Ref.</u>		
Balance December 31, 2012	B	\$	225,910
Increased by:			
Payroll Balance Shortage Canceled	B-8	\$	2
Interest on Nonoperating School Surplus Funds	B-13		428
			<u>430</u>
Balance December 31, 2013	B	<u>\$</u>	<u>226,340</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF RESERVE FOR UNEMPLOYMENT TRUST

	<u>Ref.</u>		
Balance December 31, 2012	B		\$ 4,005
Increased by:			
Interest Earned	B-1	\$ 4	
Current Year Budget Appropriation Received	B-1	1,000	
Employee Withholdings:			
Due from Payroll Trust	B-8	<u>629</u>	
			<u>1,633</u>
Balance December 31, 2013	B		<u>\$ 5,638</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF RESERVE FOR PLANNING BOARD ESCROW

	<u>Ref.</u>		
Balance December 31, 2012	B		\$ 2,358
Decreased by:			
Disbursements	B-1		<u>1,806</u>
Balance December 31, 2013	B		<u>\$ 552</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF RESERVE FOR PAYROLL TRUST

	<u>Ref.</u>		
Balance December 31, 2012	B		\$ 1,512
Increased by:			
Payroll Withholdings & Expenses	B-1	\$ 472,461	
Payroll Balance Shortage Canceled	B-5	<u>2</u>	
			<u>472,463</u>
			473,975
Decreased by:			
Disbursements	B-1	471,977	
Due to Reserve for Unemployment Trust	B-6	<u>629</u>	
			<u>472,606</u>
Balance December 31, 2013	B		<u>\$ 1,369</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF RESERVE FOR LOAN ESCROW

	<u>Ref.</u>		
Balance December 31, 2012	B		\$ 120,693
Increased by:			
Interest Earned		\$ 121	
Loans Repayments Received		<u>1,197</u>	
	B-1		<u>1,318</u>
			122,011
Decreased by:			
Disbursements	B-1		<u>250</u>
Balance December 31, 2013	B		<u>\$ 121,761</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF RESERVE FOR OPEN SPACE TRUST

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 148,151
Increased by:		
Interest Earned	B-1	<u>148</u>
Balance December 31, 2013	B	<u>\$ 148,299</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 9,600
Increased by:		
Premiums Received	B-1	<u>17,900</u>
		27,500
Decreased by:		
Premiums Refunded	B-1	<u>2,700</u>
Balance December 31, 2013	B	<u>\$ 24,800</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF RESERVE FOR SNOW REMOVAL TRUST

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 54,409
Increased by:		
Transferred from Current Fund Budget	B-1	<u>2,883</u>
		57,292
Decreased by:		
Transferred to Current Fund Budget to cover costs of snow plowing	B-1	<u>3,500</u>
Balance December 31, 2013	B	<u>\$ 53,792</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF RESERVE FOR NON-OPERATING SCHOOL SURPLUS FUNDS

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 228,452
Increased by Received in Current Fund:		
Interest Earned	B-5	<u>428</u>
Balance December 31, 2013	B	<u>\$ 228,880</u>

BOROUGH OF GLEN GARDNER
TRUST FUND
SCHEDULE OF RESERVE FOR AFFORDABLE HOUSING TRUST

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 3,267
Increased by		
Interest Earned	B-1	<u>1</u>
		3,268
Decreased by:		
Disbursements	B-1	<u>3,268</u>
Balance December 31, 2013	B	<u><u>\$ -</u></u>

**BOROUGH OF GLEN GARDNER
COUNTY OF HUNTERDON
2013
GENERAL CAPITAL FUND**

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF CASH-TREASURER

	<u>Ref.</u>		
Balance December 31, 2012	C		\$ 377,186
Increased by Receipts:			
Interest on Investments	C-7	\$ 236	
Due from Current Fund	C-7	3,000	
Due from Water Capital Fund	C-8	50,000	
Bond Anticipation Notes Issued	C-18	<u>948,000</u>	
			<u>1,001,236</u>
			1,378,422
Decreased by Disbursements:			
Due to Current Fund	C-7	7,060	
Due from Water Capital Fund	C-8	101,250	
Improvement Authorizations	C-9	405,159	
Preliminary Plan Expenses	C-13	<u>10,799</u>	
			<u>524,268</u>
Balance December 31, 2013	C		<u><u>\$ 854,154</u></u>

BOROUGH OF GLEN GARDNER
 GENERAL CAPITAL FUND
 SCHEDULE OF CASH AND RECONCILIATION PER NJS 40A:5-5
 TREASURER

	<u>Ref.</u>	
Balance December 31, 2013	C-2	\$ 854,154
Increased by:		
Receipts		101,327
		<u>955,481</u>
Decreased by:		
Disbursements		6,723
		<u>948,758</u>
Balance January 31, 2014		<u>\$ 948,758</u>

Cash Reconciliation January 31, 2014

Balance on Deposit:		
Peapack Gladstone Bank		\$ 952,302
Less: Outstanding Checks		3,544
		<u>948,758</u>
Book Balance		<u>\$ 948,758</u>

BOROUGH OF GLEN GARDNER
 GENERAL CAPITAL FUND
 ANALYSIS OF CASH

Description	Balance	Receipts	Disburse- ments	Transfers		Balance
	12/31/2012			From	To	12/31/2013
Capital Improvement Fund	\$ 167,906				\$ 14	\$ 167,920
Due to Current Fund	40	\$ 3,236	\$ 7,060	\$ 3,000	6,784	
Due from Water Capital Fund	(92,500)	50,000	101,250	1,868		(145,618)
Reserve for Road Reconstruction	62,140			40,000		22,140
Reserve for Fire Truck Acquisition	634					634
Reserve for Preliminary Plan Expenses	10,926		10,799			127
Reserve for Acquisition of Sanitation Truck	4,000					4,000
Reserve for Developer's Bond Forfeiture	148,862			85,000	11,333	75,195
Reserve for Payment of Debt Service	6,784			6,784		
Fund Balance	98,669				1,868	100,537
<u>Improvement Authorization</u>						
Acquisition, Construction & Furnishing of a New Municipal Building	86,810		35,433			51,377
Acquisition of Property for Open Space	88,222					88,222
Various Capital Improvements	78,050					78,050
Reconstruction of Hampton Road	(199,933)	196,000			3,000	(933)
Reconstruction of Sanitorium Road	(8,175)	8,000				(175)
Route 31 Main Street Closure	(51,500)	51,500				
Fencing Around Detention Basins	5,168			5,168		
Reconstruction of School Street	(51,577)	51,500				(77)
Storm Drain and Asphalt Repairs	9,159		5,525	3,634		
Purchase of a Street Sweeper	14			14		
Acquisition of a Mason Dump Truck	13,487	266,000	214,652			64,835
Micropaving of Various Roads			82,469	2,531	85,000	
Drainage & Improvement of Prospect Hill Road			40,000		40,000	
Road & Drainage Improvements on Glenn Avenue		375,000	27,080			347,920
	<u>\$ 377,186</u>	<u>\$ 1,001,236</u>	<u>\$ 524,268</u>	<u>\$ 147,999</u>	<u>\$ 147,999</u>	<u>\$ 854,154</u>

Ref. C C-2 C-2 Contra Contra C

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 1,915,000
Decreased by:		
Current Year Budget Appropriation to Pay Bonds	C-17	<u>125,000</u>
Balance December 31, 2013	C	<u><u>\$ 1,790,000</u></u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

Ordinance Number	Improvement Description	Balance 12/31/12	2013 Authorizations	2013 Funded	Balance 12/31/13	Analysis of Balance		
						Unexpended Improvement Authorizations	Bond Anticipation Notes	Expended
06-07 & 06-08	Reconstruction of Hampton Road	\$ 199,933		\$ 3,000	\$ 196,933		\$ 196,000	\$ 933
07-10	Reconstruction of Sanitarium Road	8,175			8,175		8,000	175
07-11	Route 31 Main Street Closure	51,500			51,500		51,500	
9-02	Reconstruction of School Street	51,577			51,577		51,500	77
12-07	Acquisition of a Mason Dump Truck	266,000			266,000		266,000	
13-09	Road/Drainage Improvements on Glenn Ave		\$ 375,000		375,000		375,000	
		<u>\$ 577,185</u>	<u>\$ 375,000</u>	<u>\$ 3,000</u>	<u>\$ 949,185</u>	<u>\$ -</u>	<u>\$ 948,000</u>	<u>\$ 1,185</u>
	<u>Ref.</u>	C	C-19	C-7	C	Below	C-18	C-4
	Improvement Authorizations-Unfunded				<u>Ref.</u>			
	Less: Unexpended Proceeds of Ordinances with Notes Issued				C-9	\$ 412,755		
					C-18	412,755		
						<u>\$ -</u>		

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF DUE TO CURRENT FUND

	<u>Ref.</u>		
Balance December 31, 2012	C		\$ 40
Increased by:			
Interest on Investments	C-2	\$ 236	
Receipts	C-2	3,000	
Reserve for Payment of Debt Service Anticipated as Revenue	C-16	<u>6,784</u>	
			<u>10,020</u>
			10,060
Decreased by:			
Disbursements	C-2	7,060	
Current Year Budget Appropriations: Deferred Charges to Future Taxation-Unfunded	C-6	<u>3,000</u>	
			<u>10,060</u>
Balance December 31, 2013	C		<u>\$ -</u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF DUE FROM WATER CAPITAL FUND

	<u>Ref.</u>		
Balance December 31, 2012	C		\$ 92,500
Increased by:			
Disbursements	C-2	\$ 101,250	
Premium on Note Issue Received in Water Capital Fund	C-1	<u>1,868</u>	
			<u>103,118</u>
			195,618
Decreased by:			
Receipts	C-2		<u>50,000</u>
Balance December 31, 2013	C		<u>\$ 145,618</u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance December 31, 2012		2013 Authorization	Paid or Charged	Balance Canceled	Balance December 31, 2013	
	Date	Amount	Funded	Unfunded				Funded	Unfunded
Acquisition, Construction & Furnishing of a New Municipal Building	06/02/92	\$ 250,000	\$ 86,810			\$ 35,433		\$ 51,377	
Acquisition of Property for Use as Open Space	01/21/03	400,000	88,222					88,222	
Various Capital Improvements	06/15/04	1,160,000	78,050					78,050	
Fencing Around Detention Basins	06/17/08	10,000	5,168				\$ 5,168		
Storm Drain and Asphalt Repairs	03/16/10	10,000	9,159			5,525	3,634		
Purchase of a Street Sweeper	07/17/12	27,000	14				14		
Acquisition of a Mason Dump Truck	10/02/12	280,000	13,487	\$ 266,000		214,652			\$ 64,835
Micropaving of Various Roads	06/18/13	85,000			\$ 85,000	82,469	2,531		
Drainage & Improvement of Prospect Hill Road	07/16/13	40,000			40,000	40,000			
Road & Drainage Improvements on Glenn Avenue	07/23/13	375,000			375,000	27,080			347,920
			<u>\$ 280,910</u>	<u>\$ 266,000</u>	<u>\$ 500,000</u>	<u>\$ 405,159</u>	<u>\$ 11,347</u>	<u>\$ 217,649</u>	<u>\$ 412,755</u>
	Ref.		C	C	Below	C-2	Below	C	C
Deferred Charge to Future Taxation-Unfunded	C-6				\$ 375,000				
Reserve for Road Reconstruction	C-11				40,000				
Reserve for Developer's Bond Forfeiture	C-15				85,000				
					<u>\$ 500,000</u>				
Reserve for Developer's Bond Forfeiture	C-15						\$ 11,333		
Capital Improvement Fund	C-10						14		
							<u>\$ 11,347</u>		

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 167,906
Increased by:		
Improvement Authorizations Canceled	C-9	<u>14</u>
Balance December 31, 2013	C	<u>\$ 167,920</u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ROAD RECONSTRUCTION

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 62,140
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>40,000</u>
Balance December 31, 2013	C	<u>\$ 22,140</u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR FIRE TRUCK ACQUISITION

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ <u>634</u>
Balance December 31, 2013	C	\$ <u><u>634</u></u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PRELIMINARY PLAN EXPENSES

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 10,926
Decreased by:		
Disbursements	C-2	<u>10,799</u>
Balance December 31, 2013	C	<u><u>\$ 127</u></u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR ACQUISITION OF A SANITATION TRUCK

	<u>Ref.</u>	
Balance December 31, 2012	C	<u>\$ 4,000</u>
Balance December 31, 2013	C	<u><u>\$ 4,000</u></u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR DEVELOPER'S
BOND FORFEITURE

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 148,862
Increased by:		
Improvement Authorizations Canceled	C-9	<u>11,333</u>
		160,195
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	C-9	<u>85,000</u>
Balance December 31, 2013	C	<u>\$ 75,195</u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF RESERVE FOR PAYMENT OF DEBT SERVICE

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 6,784
Decreased by:		
Anticipated as Current Year Budget Revenue	C-7	<u>6,784</u>
Balance December 31, 2013	C	<u>\$ -</u>

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding 12/31/13		Interest Rate	Balance Dec. 31, 2012	Decreased	Balance Dec. 31, 2013
			Date	Amount				
Various Projects	08/17/05	\$ 2,655,000	08/15/14-		4.375%			
			08/15/16	\$ 150,000				
			08/15/17-					
			08/15/18	175,000				
			08/15/19	200,000				
			08/15/20-					
			08/15/22	200,000				
08/15/23	190,000							
						<u>\$ 1,915,000</u>	<u>\$ 125,000</u>	<u>\$ 1,790,000</u>
					<u>Ref.</u>	C	C-5	C

BOROUGH OF GLEN GARDNER
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Improvement Description	Original Note	Date of		Interest Rate	Balance 12/31/2012	Increased	Decreased	Balance 12/31/2013
		Issue	Maturity					
Reconstruction of Hampton Road	\$ 196,000	12/10/13	12/10/14	1.25%		\$ 196,000		\$ 196,000
Reconstruction of Sanitarium Road	8,000	12/10/13	12/10/14	1.25%		8,000		8,000
Route 31 Main Street Closure	51,500	12/10/13	12/10/14	1.25%		51,500		51,500
Reconstruction of School Street	51,500	12/10/13	12/10/14	1.25%		51,500		51,500
Acquisition of a Mason Dump Truck	266,000	12/10/13	12/10/14	1.25%		266,000		266,000
Road/Drainage Improvements on Glenn Ave	375,000	12/10/13	12/10/14	1.25%		375,000		375,000
					\$ -	\$ 948,000	\$ -	\$ 948,000
				Ref.	C	C-2		C

BOROUGH OF GLEN GARDNER
 GENERAL CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ordinance Date	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	NJ DOT Aid Received	Funded by Budget Appropriation	Notes Issued	Balance Dec. 31, 2013
05/02/06 & 09/19/06	Reconstruction of Hampton Road	\$ 199,933			\$ 3,000	\$ 196,000	\$ 933
12/04/07	Reconstruction of Sanitorium Road	8,175				8,000	175
12/04/07	Route 31 Main Street Closure	51,500				51,500	
03/03/09	Reconstruction of School Street	51,577				51,500	77
03/16/10	Acquisition of a Mason Dump Truck	266,000				266,000	
07/23/13	Road & Drainage Improvements on Glenn Avenue		\$ 375,000			375,000	
		<u>\$ 577,185</u>	<u>\$ 375,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 948,000</u>	<u>\$ 1,185</u>
	<u>Re</u>	C	C-6		C-6	C-9	C

**BOROUGH OF GLEN GARDNER
COUNTY OF HUNTERDON
2013
WATER UTILITY FUND**

BOROUGH OF GLEN GARDNER
WATER UTILITY FUND
SCHEDULE OF CASH-TREASURER

	Ref.	Operating Fund	Capital Fund
Balance December 31, 2012	D	\$ 40,572	\$ 67,503
Increased by Receipts:			
Miscellaneous Revenue	D-2	\$ 5,958	
Appropriation Refunds	D-3	2,570	
Transferred from Collector	D-6	293,459	
Due from Water Capital Fund	D-9	4,852	
Due to Current Fund	D-11	100	
Due to Water Operating Fund	D-14		\$ 336
Due to General Capital Fund	D-18		3,118
Bond Anticipation Notes Payable	D-26		144,000
		<u>306,939</u>	<u>147,454</u>
		347,511	214,957
Decreased by Disbursements:			
Budget Appropriation Expenditures	D-3	268,091	
Due to Water Operating Fund	D-14		4,852
Appropriation Reserve Expenditures	D-15	3,710	
Interest on Bonds	D-16	24,077	
Due to General Capital Fund	D-18		50,000
Improvement Authorizations	D-19		22
		<u>295,878</u>	<u>54,874</u>
Balance December 31, 2013	D;D-5	<u>\$ 51,633</u>	<u>\$ 160,083</u>

BOROUGH OF GLEN GARDNER
 WATER UTILITY FUND
 SCHEDULE OF CASH AND RECONCILIATION
 PER NJS 40A:5-5-TREASURER

	Ref.	Operating	Capital
Balance December 31, 2013	D-4	\$ 51,633	\$ 160,083
Increased by:			
Receipts		5,509	9
		57,142	160,092
Decreased by:			
Disbursements		11,176	101,259
		11,176	101,259
Balance January 31, 2014		\$ 45,966	\$ 58,833
 <u>Cash Reconciliation January 31, 2014</u>			
Balance Per Statement:			
Peapack-Gladstone Bank		\$ 48,604	\$ 58,833
Less: Outstanding Checks		2,638	
		2,638	
Book Balance		\$ 45,966	\$ 58,833

BOROUGH OF GLEN GARDNER
WATER UTILITY FUND
SCHEDULE OF CASH-COLLECTOR

	<u>Ref.</u>		
Balance December 31, 2012	D		\$ 6,632
Increased by:			
Consumer Accounts Receivable	D-10	\$ 290,776	
Consumer Rent Overpayments	D-17		
Interest on Delinquent Accounts	D-2	1,496	
Interest on Checking Account	D-2	16	
Miscellaneous	D-2	<u>402</u>	
			<u>292,690</u>
			299,322
Decreased by:			
Payments to Treasurer	D-4	293,459	
Refund of Miscellaneous Revenue	D-2	<u>368</u>	
			<u>293,827</u>
Balance December 31, 2013	D		<u><u>\$ 5,495</u></u>

BOROUGH OF GLEN GARDNER
WATER UTILITY FUND
SCHEDULE OF CASH AND RECONCILIATION
PER NJS 40A:5-5-COLLECTOR

	<u>Ref.</u>		
Balance December 31, 2013	D-6		\$ 5,495
Increased by:			
Receipts			<u>42,380</u>
			47,875
Decreased by:			
Disbursements			<u>5,495</u>
Balance January 31, 2014			<u><u>\$ 42,380</u></u>
<u>Cash Reconciliation January 31, 2014</u>			
Balance Per Statement:			
Peapack-Gladstone Bank			<u><u>\$ 42,380</u></u>

BOROUGH OF GLEN GARDNER
 WATER UTILITY FUND
 ANALYSIS OF CAPITAL CASH

Description	Ordinance Date	Balance	Receipts	Disbursements	Transfers		Balance
		Dec. 31, 2012			From	To	Dec. 31, 2013
Due to Water Operating Fund		\$ 4,800	\$ 336	\$ 4,852	\$ 5,000		\$ (4,716)
Due to General Capital Fund		92,500	103,118	50,000			145,618
Capital Improvement Fund		25				\$ 978	1,003
Capital Fund Balance		129					129
Reserve for Painting of Storage Tanks						5,000	5,000
<u>Improvement Authorizations</u>							
Improvement to the Water System	06/15/14	13,810					13,810
Acquisition of Land for Water Utility	11/05/02	(45,000)	44,000				(1,000)
Replacement of Various Equipment	08/17/10	239					239
Acquisition of a Generator	11/20/13	1,000		22	978		
		<u>\$ 67,503</u>	<u>\$ 147,454</u>	<u>\$ 54,874</u>	<u>\$ 5,978</u>	<u>\$ 5,978</u>	<u>\$ 160,083</u>
	<u>Ref.</u>	D	D-4	D-4	Contra	Contra	D

BOROUGH OF GLEN GARDNER
WATER UTILITY OPERATING FUND
SCHEDULE OF DUE FROM/TO WATER CAPITAL FUND

	<u>Ref.</u>		
Balance December 31, 2012 (Due From)	D		\$ 4,800
Increased by:			
Interest Earned in Water Capital Fund		\$ 52	
Premium on Note Issue		284	
	D-2	<u>336</u>	<u>5,136</u>
Decreased by:			
Receipts	D-4	4,852	
Current Year Budget Appropriation:			
Reserve for Painting of Storage Tanks	D-3	<u>5,000</u>	
			<u>9,852</u>
Balance December 31, 2013 (Due To)	D		<u><u>\$ 4,716</u></u>

D-10

BOROUGH OF GLEN GARDNER
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>		
Balance December 31, 2012	D		\$ 16,447
Increased by:			
Water Rents Levied	Reserve		<u>285,657</u>
			302,104
Decreased by:			
Collected by Water Collector	D-6	\$ 290,776	
Overpayments Applied	D-17	<u>221</u>	
	D-1		<u>290,997</u>
Balance December 31, 2013	D		<u><u>\$ 11,107</u></u>

BOROUGH OF GLEN GARDNER
WATER UTILITY OPERATING FUND
SCHEDULE OF DUE FROM CURRENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 100
Increased by:		
FEMA Aid Received in Current Fund	D-2	<u>7,855</u>
		7,955
Decreased by:		
Receipts	D-4	<u>100</u>
Balance December 31, 2013	D	<u><u>\$ 7,855</u></u>

BOROUGH OF GLEN GARDNER
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

Description	Balance Dec. 31, 2012	Additions	Balance Dec. 31, 2013
Pumping Station, Distribution Main & General Equipment	\$ 42,181		\$ 42,181
Water Meters and Equipment	21,537	\$ 2,876	24,413
Hydrants	985		985
Wells and Equipment	22,553		22,553
Repaving Water Trench	15,800		15,800
Water Monitoring Equipment	8,000		8,000
Handheld Meter Reading Computer	4,554		4,554
Improvement to the Water Supply System:			
Ordinance 08/10/81 & 02/15/83	1,342,195		1,342,195
Ordinance 11/19/85	7,132		7,132
Ordinance 06/18/91	15,000		15,000
Ordinance 11/17/92	10,000		10,000
Ordinance 02/15/94	13,770		13,770
Ordinance 04/01/97	250,000		250,000
Ordinance 10/20/98	150,000		150,000
Ordinance 03/02/99	100,000		100,000
Ordinance 12/05/00	25,000		25,000
Ordinance 06/15/04	39,931		39,931
Acquisition of Land-Ordinance 11/05/02	44,871		44,871
Bobcat Mower (Water Capital Portion)	2,500		2,500
Generator		32,722	32,722
Painting of the Water Tanks-Ordinance 03/03/09	280,306		280,306
	<u>\$ 2,396,315</u>	<u>\$ 35,598</u>	<u>\$ 2,431,913</u>
<u>Ref.</u>	D	D-13;D-20	D

BOROUGH OF GLEN GARDNER
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Purpose	Ordinance		Balance	Authorizations	Costs to Fixed Capital	Prior Year Authorizations Canceled	Balance
	Date	Amount	Dec. 31, 2012				Dec. 31, 2013
Improvement to the Water System	06/15/04	\$ 158,813	\$ 8,076				\$ 8,076
Replacement of Various Equipment	08/17/10	5,000	239				239
Acquisition of a Generator	11/20/13	33,700	33,700		\$ 32,722	\$ 978	
			<u>\$ 42,015</u>	<u>\$ -</u>	<u>\$ 32,722</u>	<u>\$ 978</u>	<u>\$ 8,315</u>
			<u>Ref.</u>	D	D-12	D-21	D

BOROUGH OF GLEN GARDNER
WATER UTILITY CAPITAL FUND
SCHEDULE OF DUE TO/FROM WATER OPERATING FUND

	<u>Ref.</u>		
Balance December 31, 2012 (Due To)	D		\$ 4,800
Increased by:			
Interest Earned		\$ 52	
Premium on Bond Issue		<u>284</u>	
	D-4		<u>336</u>
			5,136
Decreased by:			
Disbursements	D-4	4,852	
Budget Appropriation:			
Reserve for Painting of Storage Tanks	D-22	<u>5,000</u>	
			<u>9,852</u>
Balance December 31, 2013 (Due From)	D		<u><u>\$ 4,716</u></u>

BOROUGH OF GLEN GARDNER
WATER UTILITY OPERATING FUND
SCHEDULE OF APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

	Balance Dec. 31, 2012	Balance After Transfer	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 1,172	\$ 1,172		\$ 1,172
Other Expenses	5,162	5,162	\$ 2,060	3,102
Capital Improvements:				
Capital Outlay	1,820	1,820	1,650	170
Contribution to Social Security System	307	307		307
	<u>\$ 8,461</u>	<u>\$ 8,461</u>	<u>\$ 3,710</u>	<u>\$ 4,751</u>
<u>Ref.</u>	D		D-4	D-1

BOROUGH OF GLEN GARDNER
WATER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST ON BONDS AND
ANALYSIS OF BALANCE

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 9,029
Increased by:		
Budget Appropriation-Interest on Bonds	D-3	<u>22,992</u>
		32,021
Decreased by:		
Interest Paid	D-4	<u>24,077</u>
Balance December 31, 2013	D	<u><u>\$ 7,944</u></u>

Analysis of Accrued Interest-December 31, 2013

	<u>Principal Balance</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Serial Bonds	\$ 482,000	4.396%	08/15/13	12/31/13	4.5 Months	<u><u>\$ 7,944</u></u>

BOROUGH OF GLEN GARDNER
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER RENT OVERPAYMENTS

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 2,554
Decreased by:		
Applied to Consumer Accounts Receivable	D-10	<u>221</u>
Balance December 31, 2013	D	<u><u>\$ 2,333</u></u>

BOROUGH OF GLEN GARDNER
WATER UTILITY CAPITAL FUND
SCHEDULE OF DUE TO GENERAL CAPITAL FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 92,500
Increased by:		
Receipts	D-4	\$ 3,118
Note Principal Paid in General Capital Fund	D-26	<u>100,000</u>
		<u>103,118</u>
		195,618
Decreased by:		
Disbursements	D-4	<u>50,000</u>
Balance December 31, 2013	D	<u><u>\$ 145,618</u></u>

BOROUGH OF GLEN GARDNER
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Improvement Description	Ordinance		Balance December 31, 2012		Current Year Authorizations	Paid or Charged	Balance Canceled	Balance December 31, 2013	
	Date	Amount	Funded	Unfunded				Funded	Unfunded
Improvement to the Water System	06/15/04	\$ 158,813	\$ 13,810					\$ 13,810	
Replacement of Various Equipment	08/17/10	5,000	239					239	
Acquisition of a Generator	11/20/13	33,700	1,000			\$ 22	\$ 978		
			<u>\$ 15,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22</u>	<u>\$ 978</u>	<u>\$ 14,049</u>	<u>\$ -</u>
		<u>Ref.</u>	D			D-4	D-23	D	

BOROUGH OF GLEN GARDNER
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>		
Balance December 31, 2012	D		\$ 1,705,391
Increased by:			
Capital Outlay by:			
Operating Budget	D-3	\$ 2,876	
Transfer from Reserve for Deferred Amortization	D-21	32,722	
Serial Bonds Paid by Operating Budget	D-25	<u>65,000</u>	
			<u>100,598</u>
Balance December 31, 2013	D		<u><u>\$ 1,805,989</u></u>

BOROUGH OF GLEN GARDNER
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Canceled</u>	<u>Transfer to Reserve for Amortization</u>	<u>Balance Dec. 31, 2013</u>
Improvements to the Water System	06/15/04	\$ 7,000			\$ 7,000
Replacement of Various Equipment	08/17/10	239			239
Acquisition of a Generator	11/20/13	33,700	\$ 978	\$ 32,722	
		<u>\$ 40,939</u>	<u>\$ 978</u>	<u>\$ 32,722</u>	<u>\$ 7,239</u>
<u>Ref.</u>		D	D-13	D-20	D

BOROUGH OF GLEN GARDNER
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR PAINTING OF WATER TANKS

	<u>Ref.</u>		
Balance December 31, 2012	D	\$	-
Increased by:			
Current Year Budget Appropriation	D-14		<u>5,000</u>
Balance December 31, 2013	D	\$	<u>5,000</u>

BOROUGH OF GLEN GARDNER
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 25
Increased by:		
Improvement Authorizations Canceled	D-19	<u>978</u>
Balance December 31, 2013	D	<u>\$ 1,003</u>

BOROUGH OF GLEN GARDNER
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2012	D	<u>\$ 129</u>
Balance December 31, 2013	D	<u>\$ 129</u>

BOROUGH OF GLEN GARDNER
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF WATER BONDS PAYABLE

Purpose	Date of Original Issue	Amount of Original Issue	Maturities of Bonds Outstanding 12/31/12		Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
			Date	Amount					
Improvements to the Water Supply System	08/17/05	\$ 902,000	08/15/14-		4.375%	\$ 547,000		\$ 65,000	\$ 482,000
			08/15/16	\$ 65,000					
			08/15/17-		4.50%				
			08/15/18	70,000					
			08/15/19	30,000					
			08/15/20-		4.50%				
08/15/22	30,000								
			08/15/23	27,000					
						\$ 547,000		\$ 65,000	\$ 482,000
						\$ 547,000	\$ -	\$ 65,000	\$ 482,000
					Ref.	D		D-20	D

BOROUGH OF GLEN GARDNER
 WATER UTILITY CAPITAL FUND
 SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ordinance Number	Purpose	Date of		Current Note Maturity	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
		Original Note Issue	Current Note Issue						
2009-03	Painting of the Water Tanks	12/11/12	12/11/12	12/11/13	1.25%	\$ 100,000		\$ 100,000	\$ 100,000
			12/10/13	12/10/14	1.25%		\$ 100,000		\$ 100,000
2002-08	Acquisition of Land for the Water Utility	12/10/13	12/10/13	12/10/14	1.25%		44,000		44,000
						<u>\$ 100,000</u>	<u>\$ 144,000</u>	<u>\$ 100,000</u>	<u>\$ 144,000</u>
					Ref.	D	Below	Below	D
					New Notes Issued		\$ 44,000		
					Notes Reissued	D-27 Contra	100,000	\$ 100,000	
							<u>\$ 144,000</u>	<u>\$ 100,000</u>	

BOROUGH OF GLEN GARDNER
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2012</u>	<u>Current Year Authorizations</u>	<u>Notes Issued</u>	<u>Balance Dec. 31, 2013</u>
Acquisition of Land for Water Utility	11/05/02	\$ 44,871		\$ 44,000	\$ 871
		\$ 44,871	\$ -	\$ 44,000	\$ 871
	<u>Ref.</u>	D		D-26	D

BOROUGH OF GLEN GARDNER

PART II

**REPORTS ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING**

**SCHEDULES OF FEDERAL AND
STATE FINANCIAL ASSISTANCE**

**SCHEDULES OF FINDINGS AND
QUESTIONED COSTS**

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

April 4, 2014

To the Mayor and Members
of the Borough Council
Borough of Glen Gardner
County of Hunterdon, 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 and account group as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Borough of Glen Gardner's (the Municipality's) basic financial statements, and have issued our report thereon dated April 4, 2014, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipality's 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 financial statements but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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



William M. Colantano, Jr.
Registered Municipal Accountant
No. 68

BOROUGH OF GLEN GARDNER
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

(NOT APPLICABLE TO THIS REPORT)

BOROUGH OF GLEN GARDNER
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2013

Description	Award Amount	Grant Period		Balance 12/31/2012	Receipts	Expended	Balance 12/31/2013
		From	To				
Uniform Fire Safety Act	\$ 955	07/01/10	06/30/12	\$ 170			\$ 170
Uniform Fire Safety Act	1,364	07/01/11	06/30/13	1,364			1,364
Uniform Fire Safety Act	1,547	07/01/12	06/30/14	1,547		\$ 1,020	527
Uniform Fire Safety Act	1,591	07/01/13	06/30/15		\$ 1,591		1,591
Clean Communities Program	4,000	01/01/10	12/31/12	3,497		1,231	2,266
Clean Communities Program	4,000	01/01/12	06/30/13	4,000			4,000
Clean Communities Program	4,006	01/01/13	06/30/14		4,006	865	3,141
Recycling Tonnage Grant	1,233	07/01/12	06/30/13	49		49	
Recycling Tonnage Grant	3,082	07/01/13	06/30/14	3,082		1,735	1,347
Recycling Tonnage Grant	2,060	07/01/13	06/30/14		2,060		2,060
Alcohol Education & Rehabilitation Fund	54	07/01/13	06/30/14	54		54	
Highlands Council Grant:							
Plan Conformance	50,000	01/01/09	12/31/13	(521)	521		
Plan Conformance	82,600	01/01/09	12/31/13	(2,304)	3,663	8,310	(6,951)
Initial Assessment	15,000	01/01/09	12/31/13	(270)			(270)
Federal Emergency Management Agency (FEMA)							
Hurricane Irene Reimbursement Aid	7,165	07/01/13	06/30/14	7,165		7,165	
				<u>\$ 17,833</u>	<u>\$ 11,841</u>	<u>\$ 20,429</u>	<u>\$ 9,245</u>

BOROUGH OF GLEN GARDNER

PART III

STATISTICAL DATA

INSURANCE SCHEDULE

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

BOROUGH OF GLEN GARDNER
STATISTICAL DATA

BOROUGH OF GLEN GARDNER
STATISTICAL DATA

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE-CURRENT FUND**

	2013		2012	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	\$ 150,000	3.36	\$ 177,400	3.93
Collection of Current Tax Levy	3,935,405	88.18	3,861,396	85.61
Collection of Delinquent Taxes & Tax Title Liens	56,722	1.27	77,365	1.72
Miscellaneous	320,918	7.19	394,101	8.74
Total Income	<u>4,463,045</u>	<u>100.00</u>	<u>4,510,262</u>	<u>100.00</u>
<u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	1,055,701	24.78	1,145,146	26.06
Local Open Space Tax				
County Taxes	589,133	13.82	606,942	13.81
Local School Taxes	1,666,613	39.11	1,653,354	37.63
Regional School Taxes	948,718	22.26	987,928	22.48
Other Deductions	1,417	0.03	750	0.02
Total Expenditures	<u>4,261,582</u>	<u>100.00</u>	<u>4,394,120</u>	<u>100.00</u>
Statutory Excess to Fund Balance	201,463		116,142	
<u>Fund Balance</u>				
Fund Balance January 1,	<u>208,175</u>		<u>269,433</u>	
	409,638		385,575	
Less: Utilization as Anticipated Revenue	<u>150,000</u>		<u>177,400</u>	
Fund Balance December 31,	<u>\$ 259,638</u>		<u>\$ 208,175</u>	

BOROUGH OF GLEN GARDNER
STATISTICAL DATA

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE-WATER UTILITY OPERATING FUND**

	2013		2012	
	Amount	%	Amount	%
<u>Revenue and Other Income Realized</u>				
Operating Surplus Anticipated	\$ 16,604	5.06	\$ 6,200	2.06
Collection of Water Rents	290,997	88.71	287,404	95.59
Miscellaneous-From Other Than Water Rents	20,446	6.23	7,064	2.35
Total Income	328,047	100.00	300,668	100.00
<u>Expenditures</u>				
Budget Expenditures:				
Operating	190,374	62.57	183,200	63.46
Debt Service	89,242	29.33	85,727	29.69
Deferred Charges & Statutory Expenditures	14,655	4.82	14,780	5.12
Capital Improvements	10,000	3.29	5,000	1.73
Total Expenditures	304,271	100.00	288,707	100.00
Excess (Deficit) in Revenue	23,776		11,961	
<u>Fund Balance</u>				
Fund Balance January 1,	32,060		26,299	
	55,836		38,260	
Less: Utilization as Anticipated Revenue	16,604		6,200	
Fund Balance December 31,	\$ 39,232		\$ 32,060	

BOROUGH OF GLEN GARDNER
STATISTICAL DATA
(Continued)

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

Year	Apportionment					Total Tax Rate
	Municipal Open Space	Municipal	County	Local School	Regional High School	
2013	\$ -	\$ 0.52	\$ 0.43	\$ 1.22	\$ 0.69	\$ 2.86
2012	-	0.50	0.44	1.19	0.69	2.82
2011	0.01	0.48	0.45	1.18	0.74	2.86
2010	0.01	0.47	0.46	1.12	0.76	2.82
2009	0.01	0.45	0.49	1.09	0.79	2.83
2008	0.01	0.44	0.49	1.10	0.75	2.79
2007	0.01	0.44	0.49	1.06	0.68	2.68
2006	0.01	0.44	0.46	1.04	0.73	2.68
2005	0.01	0.41	0.45	0.97	0.63	2.47
2004	0.01	0.41	0.45	1.06	0.50	2.43

* Revalued/Reassessed

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Year	Net Assessed Valuations	Estimated Full Cash Valuations	Percentage of Net Assessed of Estimated Full Cash Valuations
2013	\$ 139,044,690	\$ 162,454,364	85.59%
2012	139,447,956	171,924,493	81.11%
2011	139,461,256	181,519,271	76.83%
2010	139,986,364	188,971,251	74.08%
2009	139,502,914	198,633,379	70.23%
2008	139,609,415	205,175,078	68.04%
2007	139,490,475	207,045,626	67.37%
2006	139,214,343	181,962,442	76.51%
2005	139,551,793	166,165,659	83.98%
2004	139,864,345	154,203,125	90.70%

* Revalued/Reassessed

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in percentage of current collection could be an indication of probable increases in future tax levies.

Year	Tax Levy	Cash Collections	Percentage of Collections
2013	\$ 3,979,459	\$ 3,935,405	98.89%
2012	3,934,219	3,861,396	98.15%
2011	3,983,013	3,912,840	98.24%
2010	3,943,892	3,865,672	98.02%
2009	3,952,336	3,861,141	97.69%
2008	3,898,996	3,847,017	98.67%
2007	3,743,444	3,664,547	97.89%
2006	3,748,187	3,627,812	96.79%
2005	3,447,499	3,384,229	98.16%
2004	3,401,029	3,330,169	97.92%

Increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal and state aid, should decline without corresponding decreases in budgeted expenditures.

BOROUGH OF GLEN GARDNER
STATISTICAL DATA
(Continued)

ASSESSED VALUES DISTRIBUTION

Year	Vacant Land	Residential	Apartments	Commercial	Farmland	Industrial	Total Real Property	Personal Property	Total Assessed Values
2013	\$ 1,331,803	\$ 128,702,700	\$ 1,205,200	\$ 4,869,500	\$ 2,480,987	\$ 568,600	\$ 139,158,790	\$ 289,166	\$ 139,447,956
2012	1,331,803	128,702,700	1,205,200	4,869,500	2,480,987	568,600	139,158,790	289,166	139,447,956
2011	1,331,803	128,716,000	1,205,200	4,869,500	2,480,987	568,600	139,172,090	289,166	139,461,256
2010	1,363,103	129,175,200	1,205,200	4,869,500	2,553,287	568,600	139,734,890	251,474	139,986,364
2009	1,363,103	128,763,800	1,205,200	4,869,500	2,481,237	568,600	139,251,440	251,474	139,502,914
2008	1,363,104	128,991,800	1,205,200	4,748,000	2,481,237	568,600	139,357,941	251,474	139,609,415
2007	1,363,104	128,664,600	1,205,200	4,920,800	2,481,237	568,600	139,203,541	286,934	139,490,475
2006	1,328,003	129,175,900	880,000	4,822,800	1,965,637	568,600	138,740,940	473,403	139,214,343
2005	1,338,903	129,505,200	880,000	4,827,800	1,957,887	568,600	139,078,390	473,403	139,551,793
2004	1,513,603	129,220,400	880,000	4,813,300	2,349,987	568,600	139,345,890	518,455	139,864,345

* Revalued/Reassessed

DELINQUENT TAXES AND TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last ten years.

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2013	\$ 83,527	\$ 31,619	\$ 115,146	2.89%
2012	72,917	65,239	138,156	3.51%
2011	69,490	76,615	146,105	3.67%
2010	62,845	71,799	134,644	3.41%
2009	58,366	86,691	145,057	3.67%
2008	53,874	47,443	101,317	2.60%
2007	53,355	74,694	128,049	3.42%
2006	54,310	113,519	167,829	4.48%
2005	46,912	56,597	103,509	3.00%
2004	42,504	66,836	109,340	3.21%

BOROUGH OF GLEN GARDNER
STATISTICAL DATA
(Continued)

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties was as follows:

<u>Year</u>	<u>Amount</u>
2013	\$ 981,900
2012	981,900
2011	981,900
2010	981,900
2009	981,900
2008	981,900
2007	981,900
2006	981,900
2005	981,900
2004	981,900

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance Dec. 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
Current Fund	2013	\$ 259,638	\$ 201,000
	2012	208,175	150,000
	2011	269,433	177,400
	2010	374,114	262,000
	2009	443,806	224,545
	2008	552,107	210,000
	2007	523,205	178,000
	2006	579,452	364,000
	2005	585,330	381,323
	2004	333,911	325,000

BOROUGH OF GLEN GARDNER
 STATISTICAL DATA
 (Continued)

COMPARATIVE SCHEDULE OF FUND BALANCES

Water Utility Fund	Year	Balance Dec. 31,	Utilized in Budget of Succeeding Year
	2013	\$ 39,232	\$ 22,346
	2012	32,060	16,604
	2011	26,299	6,200
	2010	15,532	5,000
	2009	33	-
	2008	33	-
	2007	31,533	31,500
	2006	32,065	32,000
	2005	42,100	34,718
	2004	31,558	31,180

BOROUGH OF GLEN GARDNER
SCHEDULE OF INSURANCE
YEAR ENDED DECEMBER 31, 2013
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Worker's Compensation-Statewide Insurance Fund: Policy Limit	\$ 2,000,000	
General Liability Insurance-Statewide Insurance Fund: Policy Limit	10,000,000	
Package Policy-Statewide Insurance Fund: Property-Fund Limit	150,000,000	\$ 1,000
Boiler and Machinery-Statewide Insurance Fund: Fund Limit	100,000,000	10,000
Excess Liability Umbrella-Statewide Insurance Fund Through Selective Insurance: Fund Limit	5,000,000	
Public Officials Liability Insurance-Statewide Insurance Fund: Policy Limit	10,000,000	2,500
Commercial Crime Policy-Statewide Insurance Fund: Policy Limit	1,000,000	5,000
Public Employees Faithful Performance-Selective Insurance Co. of America Clerk, Water Collector, Deputy Treasurer	52,000	
Chief Financial Officer	35,000	
Tax Collector, Treasurer	100,000	
Volunteer Firefighter Accident Insurance-National Union Fire Insurance Company of Pittsburgh, PA: Maximum Benefit	30,000	

Adequacy of insurance coverage is the responsibility of the Borough

BOROUGH OF GLEN GARDNER
LIST OF OFFICIALS

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>
Stanley Kovach	Mayor
John O'Brien	Council President
Michael Gronau	Councilman
Richard Mitterando	Councilman
Carol Morton	Councilwoman
Linda Rifino	Councilwoman
Steven Yaros	Councilman

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Surety Company</u>
Marilyn Hodgson	Clerk, Water Collector (To 03/31/13)	\$ 52,000	Selective Insurance Co
Judy Bass	Clerk, Water Collector (From 04/01/13)	52,000	Selective Insurance Co
Diane Laudenbach	Tax Collector, Treasurer	100,000	Selective Insurance Co
Nancy Smith	Chief Financial Officer	35,000	Selective Insurance Co
J. Peter Jost	Municipal Attorney		
Michelle Trivigno	Assessor		
Robert Clerico	Engineer		

All of the bonds were examined and were properly executed and were in accordance with the schedule as promulgated by the Local Government Board of the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

BOROUGH OF GLEN GARDNER
GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost of 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 the aggregate (\$17,500 effective January 1, 2011) except by contract or agreement."

In accordance with 40A:11-3 © and NJAC 5:34-5 et seq. the Municipality has appointed a "Qualified Purchasing Agent" which allows the Municipality to increase the bid threshold and to grant the authorization to negotiate contracts below the bid threshold.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory bid limit within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicated that contracts were awarded for the following items:

Road Reconstruction

The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per NJS 40A:11-5 as follows:

Planner	Architect
Auditor	Municipal Attorney
Engineer	Insurance Agent
Planning Board Attorney	

As the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violations existed.

From our examination of expenditures, it appears that there were no individual payments, contracts or agreements in excess of the statutory bid limit, "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

COLLECTION OF INTEREST ON DELINQUENT TAXES

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

BOROUGH OF GLEN GARDNER
GENERAL COMMENTS
(Continued)

COLLECTION OF INTEREST ON DELINQUENT TAXES (Cont'd)

In 2013, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED, that pursuant to RS54:4-57 the Borough Council of the Borough of Glen Gardner, County of Hunterdon and State of New Jersey hereby fixes the rate of interest to be charged on delinquent taxes for the year 2009, at the rate of eight percent (8%) per annum on the first one thousand five hundred dollars of delinquency and eighteen percent (18%) per annum on any amount in excess of one thousand five hundred dollars of delinquency.

In addition to the resolution, in 2013 the governing body adopted a resolution implementing PL 1995, Ch 75 that allows a municipality to charge an additional penalty of six percent (6%) to taxpayers with a delinquency in excess of \$10,000.

It appears from an examination of the Collector's records that interest was generally collected in accordance with the foregoing resolutions.

DELINQUENT TAXES AND TAX TITLE LIENS

A tax sale was held in the year 2013 and was complete.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number of Liens</u>
2013	9
2012	6
2011	7
2010	5
2009	5
2008	5
2007	4
2006	5
2005	4
2004	3

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to return such properties to a taxpaying basis.

BOROUGH OF GLEN GARDNER
GENERAL COMMENTS
(Continued)

CONTROL DEFICIENCIES

Segregation of Duties-The Municipality does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. This is due to the limited number of personnel of the Municipality. Accordingly, management of the Municipality should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control. We do not believe that the significant deficiencies described above are to be considered material weaknesses.

BOROUGH OF GLEN GARDNER
RECOMMENDATIONS

RECOMMENDATIONS

There were no recommendations developed as a result of this audit.

STATUS OR PRIOR YEAR'S AUDIT FINDINGS/RECOMMENDATIONS

There were no prior year recommendations.

The foregoing conditions were considered in determining the nature, timing and extent of the audit tests to be applied in our examination of the financial statements and this report of such conditions does not modify our report dated April 4, 2014.

We would be pleased to confer on questions that might arise with respect to any matter in this report.

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



William M. Colantano, Jr.
Registered Municipal Accountant
No. 68