

**TOWN OF GLEN RIDGE
GLEN RIDGE, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2011**

**TOWN OF GLEN RIDGE
GLEN RIDGE, FLORIDA**

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Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

2700 North Military Trail • Suite 350
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT

To the Town Council
Town of Glen Ridge, Florida

We have audited the accompanying financial statements of the governmental activities and the major fund of Town of Glen Ridge, Florida (the "Town") as of and for the fiscal year ended September 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Town as of and for the fiscal year ended September 30, 2011, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2012, on our consideration of the Town'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Grau & Associates

April 5, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Town of Glen Ridge, Glen Ridge, Florida (the "Town") provides a narrative overview of the Town's financial activities for the fiscal year ended September 30, 2011. Please read it in conjunction with the Town's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

This information is being presented to provide additional information regarding the activities of the Town and to meet the disclosure requirements of Government Accounting Standards Board Statement ("GASB") No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999. Comparative information between the current year and the prior year is required to be presented in the Management's Discussion and Analysis ("MD&A"). However, because there was no audit in the prior period pursuant to section 218.39(1) in the Florida statutes, balances as of and for the fiscal year ended September 30, 2010 are unaudited.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$431,358 (net assets). Of this amount, \$149,812 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The change in the Town's total net assets in comparison with the prior year was \$30,342 , an increase. The majority of the increase is attributable to the change from a full time employee with benefits to a part time employee without benefits. The key components of the Town's net assets and change in net assets are reflected in the table in the government-wide financial analysis section.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balance of \$149,812 an increase of \$37,565 .

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by intergovernmental revenues and franchise fees. The Town does not have any business-type activities. The governmental activities of the Town include the general government (management), physical environment and parks and recreation functions.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has one fund category: governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is the major fund.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of the Town, assets exceeded liabilities for the most recent fiscal year.

Key components of the Town's net assets are reflected in the following table:

	NET ASSETS SEPTEMBER 30,	
	2011	2010 (unaudited)
Assets, excluding capital assets	\$ 151,126	\$ 113,130
Capital assets, net of depreciation	281,546	288,769
Total assets	<u>432,672</u>	<u>401,899</u>
Current liabilities	1,314	883
Total liabilities	<u>1,314</u>	<u>883</u>
Net Assets		
Invested in capital assets, net of related debt	281,546	288,769
Unrestricted	149,812	112,247
Total net assets	<u>\$ 431,358</u>	<u>\$ 401,016</u>

:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The Town's net assets reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending.

The Town's net assets increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing program and general revenues exceeded the cost of operations and depreciation expense.

Key elements of the change in net assets are reflected in the following table:

	CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED SEPTEMBER 30,	
	2011	2010 (unaudited)
Revenues:		
Program revenues	\$ 9,336	\$ 38,235
General revenues	86,271	72,190
Total revenues	<u>95,607</u>	<u>110,425</u>
Expenses:		
General government	53,221	64,781
Physical environment	11,391	8,345
Parks and recreation	653	30,066
Total expenses	<u>65,265</u>	<u>103,192</u>
Change in net assets	30,342	7,233
Net assets, beginning	401,016	393,783
Net assets, ending	<u>\$ 431,358</u>	<u>401,016</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2011 was \$65,265. The costs of the Town's activities were primarily funded by general revenues. General revenues primarily comprise of intergovernmental revenues and franchise fees. General revenues increased during the year as a result of a tax sale of a property that a previous lien had been recorded against.

GENERAL FUND BUDGETARY HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the Town pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Town Council. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2011. Actual general fund expenditures for the fiscal year ended September 30, 2011 were less than appropriations due primarily to anticipated costs which were not incurred in the current fiscal year.

CAPITAL ASSETS

At September 30, 2011, the Town had \$371,496 invested in land, buildings, and equipment. In the government-wide financial statements depreciation of \$89,950 has been taken, which resulted in a net book value of \$281,546. More detailed information about the Town's capital assets is presented in the notes of the financial statements

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the financial resources it manages and the stewardship of the facilities it maintains. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town Manager at the Town of Glen Ridge, 1501 Glen Road, Glen Ridge, Florida 33406.

**TOWN OF GLEN RIDGE
GLEN RIDGE, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 136,589
Investments	6,542
Accounts receivable	7,995
Capital assets:	
Non-depreciable	70,000
Depreciable, net	211,546
Total assets	432,672
 LIABILITIES	
Deferred revenue	1,314
Total liabilities	1,314
 NET ASSETS	
Invested in capital assets	281,546
Unrestricted	149,812
Total net assets	\$ 431,358

See notes to the financial statements

**TOWN OF GLEN RIDGE
GLEN RIDGE, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
Primary government:			
Governmental activities:			
General government	\$ 53,221	\$ 9,336	\$ (43,885)
Physical environment	11,391	-	(11,391)
Parks and recreation	653	-	(653)
Total governmental activities	<u>65,265</u>	<u>9,336</u>	<u>(55,929)</u>
General revenues:			
Franchise fees			13,618
Utilities and communication service tax			16,898
Unrestricted intergovernmental revenue			35,763
Unrestricted investment earnings			227
Miscellaneous			19,765
Total general revenues			<u>86,271</u>
Change in net assets			30,342
Net assets - beginning			401,016
Net assets - ending			<u>\$ 431,358</u>

See notes to the financial statements

**TOWN OF GLEN RIDGE
GLEN RIDGE, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

	Major Fund General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 136,589	\$ 136,589
Investments	6,542	6,542
Accounts receivable	7,995	7,995
Total assets	\$ 151,126	\$ 151,126
LIABILITIES AND FUND BALANCES		
Liabilities:		
Deferred revenue	\$ 1,314	\$ 1,314
Total liabilities	1,314	1,314
Fund balances:		
Unassigned	149,812	149,812
Total fund balances	149,812	149,812
Total liabilities and fund balances	\$ 151,126	\$ 151,126

Fund balance - governmental funds \$ 149,812

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net assets includes those capital assets in the net assets for the government as a whole.

Cost of capital assets	371,496	
Accumulated depreciation	(89,950)	281,546
Net assets of governmental activities		\$ 431,358

See notes to the financial statements

**TOWN OF GLEN RIDGE
GLEN RIDGE, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	Major Fund General Fund
REVENUES	
Franchise fees	\$ 13,618
Utility and communication service tax	16,898
Licenses and permits	9,336
Intergovernmental revenue	35,763
Investments income	227
Miscellaneous	19,765
Total revenues	95,607
EXPENDITURES	
Current:	
General government	43,277
Physical environment	14,112
Parks and recreation	653
Total expenditures	58,042
Excess (deficiency) of revenues over (under) expenditures	37,565
Fund balance - beginning	112,247
Fund balance - ending	\$ 149,812
Net change in fund balance - total governmental funds	\$ 37,565
Amounts reported for governmental activities in the statement of activities are different because:	
Depreciation on capital assets is not recognized in the governmental fund statement but is reported as an expense in the statement of activities.	(10,398)
Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net assets.	3,175
Change in net assets of governmental activities	\$ 30,342

See notes to the financial statements

**TOWN OF GLEN RIDGE
GLEN RIDGE, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

The Town of Glen Ridge, Florida (the "Town"), was incorporated December 9, 1947, and organized pursuant to Chapter 165 of Florida Statutes 1941 as amended by Laws 1947, Chapter 23656. The Town is governed by an Elected Mayor, which appoints a Town Manager. The Town provides the following services to its residents: public safety, sanitation, streets, and general administrative services. The Town Council, ("Council") is responsible for legislative and fiscal control of the Town.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement 14, and Statement 39, an amendment of GASB Statement 14. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the Town Council is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the Town are such that, if excluded, the financial statements of the Town would be considered incomplete or misleading. There are no entities considered to be component units of the Town; therefore, the financial statements include only the operations of the Town.

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting.

Taxes, franchise fees, licenses and permits, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized in revenues for the current period. Only the portion of receivables due within the current fiscal period is considered to be susceptible to accrual as revenue for the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The Town reports the following major governmental fund:

General Fund

The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand and demand deposits. (interest and non-interest bearing).

The Town has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The Town may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The Town records all interest revenue related to investment activities in the respective funds and reports investments at fair value.

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government of the Town as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

Capital Assets (Continued)

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building	30
Equipment	7

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Fund Equity/Net Assets

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change. Under GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are required to be reported according to the following classifications:

Non-spendable fund balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted fund balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Town Council taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Town Council that are intended to be used for specific purposes that are neither considered restricted nor committed

Unassigned fund balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Town first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

Fund Equity/Net Assets (Continued)

Net assets in the government-wide financial statements are categorized as invested in capital assets, net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt represents net assets related to infrastructure and property, plant and equipment, net of accumulated depreciation, and net of related debt. Restricted net assets represent the assets restricted by third party or (statutory) limitations on their use.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

The Town is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year end.

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the Town Council.
- d) All budget changes must be approved by the Town Council.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The Town's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments

The Town’s investments were held as follows at September 30, 2011:

	Fair Value	Credit Risk	Maturities
Investment in Local Government Surplus Funds Trust Funds (Florida PRIME)	\$ 4,061	S&P AAAM	Weighted Average of the fund portfolio: 38 days
Investment in Fund B Surplus Funds Trust Fund	2,481	Not rated	Weighted Average life of the fund: 4.82 years
Total Investments	<u>\$ 6,542</u>		

Custodial risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The Town has no formal policy for custodial risk. The investments are not evidenced by securities that exist in physical or book entry form.

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The Town places no limit on the amount the Town may invest in any one issuer.

Interest rate risk – The Town does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

NOTE 5 – ACCOUNTS RECEIVABLE

Receivables at September 30, 2011 for the Town are as follows:

	General
Intergovernmental	\$ 2,454
Franchise fee	3,973
CST and Municipal Utility Services	1,568
	<u>\$ 7,995</u>

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 70,000	\$ -	\$ -	\$ 70,000
Total capital assets, not being depreciated	70,000	-	-	70,000
Capital assets, being depreciated				
Equipment	-	3,175	-	3,175
Building	298,321	-	-	298,321
Total capital assets, being depreciated	298,321	3,175	-	301,496
Less accumulated depreciation for:				
Equipment	-	454	-	454
Building	79,552	9,944	-	89,496
Total accumulated depreciation	79,552	10,398	-	89,950
Total capital assets, being depreciated, net	218,769	(7,223)	-	211,546
Governmental activities capital assets, net	<u>\$ 288,769</u>	<u>\$ (7,223)</u>	<u>\$ -</u>	<u>\$ 281,546</u>

Depreciation was charged to general government in the amount of \$9,944, and to physical environment in the amount of \$454.

NOTE 7 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Town has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage

**TOWN OF GLEN RIDGE
GLEN RIDGE, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amounts <u>Original & Final</u>	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Franchise fees	\$ 14,000	\$ 13,618	\$ (382)
Utilities and communication service tax	18,000	16,898	(1,102)
Licenses and permits	6,150	9,336	3,186
Intergovernmental revenue	37,200	35,763	(1,437)
Garbage/solid waste revenues	400	-	(400)
Investment income	300	227	(73)
Miscellaneous	20,000	19,765	(235)
Total revenues	<u>96,050</u>	<u>95,607</u>	<u>(443)</u>
EXPENDITURES			
Current:			
General government	50,620	43,277	7,343
Physical environment	40,430	14,112	26,318
Parks and recreation	5,000	653	4,347
Total expenditures	<u>96,050</u>	<u>58,042</u>	<u>38,008</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	37,565	<u>\$ 37,565</u>
Fund balance - beginning		<u>112,247</u>	
Fund balance - ending		<u>\$ 149,812</u>	

See notes to required supplementary information

**TOWN OF GLEN RIDGE
GLEN RIDGE, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The Town is required to establish a budgetary system and an approved Annual Budget for the General Fund. The Town's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Town Council. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2011. Actual general fund expenditures for the fiscal year ended September 30, 2011 were less than appropriations due primarily to anticipated costs which were not incurred in the current fiscal year.



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

To the Town Council
Town of Glen Ridge, Florida

We have audited the financial statements of the governmental activities and the major fund of Town of Glen Ridge, Florida (the "Town") as of and for the fiscal year ended September 30, 2011, which collectively comprise the Town's basic financial statements and have issued our report thereon dated April 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

This report is intended for the information of the management, Town Council of Town of Glen Ridge, Glen Ridge, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

April 5, 2012



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Town Council
Town of Glen Ridge, Florida

We have audited the accompanying basic financial statements of Town of Glen Ridge, Florida (the "Town") as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated April 5, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *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.

In addition, we have issued our Report on Internal Control over Financial Reporting and Compliance and Other Matters dated April 5, 2012. Disclosures in that report should be considered in conjunction with this management letter.

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the Town, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. This letter is intended for the information and use of the management, Town Council of Town of Glen Ridge, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Town of Glen Ridge, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements and the courtesies extended to us.

Grau & Associates

April 5, 2012

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2008-1: Segregation of Duties: This matter has been resolved and will not be repeated.

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2008, except as noted above.

2. A statement as to whether or not the local governmental entity complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

The Town complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

3. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2011.

4. Violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2011.

5. For matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors, the following may be reported based on professional judgment:

- a. Violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse.
- b. Deficiencies in internal control that are not significant deficiencies.

There were no such matters discovered by, or that came to the attention of, the auditor, that, in our judgment, are required to be reported, for the fiscal year ended September 30, 2011.

REPORT TO MANAGEMENT (Continued)

6. The name or official title and legal authority of the Town are disclosed in the notes to the financial statements.
7. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2011 financial audit report.
8. The Town has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
9. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.