



# BOROUGH *of* ROSELAND

ESSEX COUNTY - NEW JERSEY

BOROUGH OF ROSELAND

ESSEX COUNTY, NEW JERSEY

REPORT ON

EXAMINATION OF ACCOUNTS

DECEMBER 31, 2015

BOROUGH OF ROSELAND

- - -

PART I

ROSTER OF OFFICIALS, INDEPENDENT AUDITORS' REPORT, FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2015

**BOROUGH OF ROSELAND**  
**COUNTY OF ESSEX, NEW JERSEY**

**CONTENTS**

	<b><u>PAGE</u></b>
Roster of Officials .....	2
Independent Auditor's Report.....	3

**FINANCIAL STATEMENTS**

**CURRENT FUND**

**EXHIBIT**

A	Comparative Balance Sheets .....	6
A-1	Comparative Statement of Operations and Changes in Fund Balance .....	8
A-2	Statement of Revenues .....	9
A-2a	Statement of Revenues - Analysis of Realized Revenue - Taxes.....	10
A-2b	Statement of Revenues - Analysis of Realized Revenue - Other .....	11
A-2c	Statement of Revenues - Analysis of Nonbudget Revenue .....	12
A-3	Statement of Expenditures .....	13

**TRUST FUND**

B	Comparative Balance Sheets .....	17
---	----------------------------------	----

**GENERAL CAPITAL FUND**

C	Comparative Balance Sheets .....	18
C-1	Statement of Fund Balance .....	19

**WATER/SEWER UTILITY**

D	Comparative Balance Sheets .....	20
D-1	Comparative Statement of Operations and Changes in Fund Balance .....	21
D-2	Statement of Water Capital Fund Balance .....	22
D-3	Statement of Revenue - Operating Fund .....	23
D-4	Statement of Expenditures .....	24

**FINANCIAL STATEMENTS**  
**(Continued)**

**PAYROLL FUND**

<b><u>EXHIBIT</u></b>		<b><u>PAGE</u></b>
E	Comparative Balance Sheets .....	25
	<b><u>NOTES TO FINANCIAL STATEMENTS</u></b> .....	26

**SUPPLEMENTARY INFORMATION**

**CURRENT FUND**

A-4	Schedule of Cash .....	47
A-5	Schedule of Cash – Money Market .....	48
A-6	Petty Cash .....	48
A-7	Due from (to) State of New Jersey Per Chapter 129, P.L. 1976 .....	49
A-8	Taxes Receivable and Analysis of Property Tax Levy .....	50
A-9	Tax Title Liens .....	51
A-10	Other Accounts Receivable .....	51
A-11	Revenue Accounts Receivable .....	52
A-12	Interfunds Receivable (Payable) .....	53
A-13	Interfunds Receivable Federal/State Grant Fund .....	54
A-14	Federal and State Grants Receivable .....	55
A-15	2014 Appropriation Reserves .....	56
A-16	School Taxes Payable .....	58
A-17	Due to State of New Jersey .....	59
A-18	Accounts Payable .....	59
A-19	Tax Overpayments .....	60
A-20	County Taxes Payable .....	60
A-21	Due to Essex County .....	61
A-22	Prepaid Taxes .....	62
A-23	Reserve for Tax Appeals .....	62
A-24	Reserve for Grants Appropriated .....	63
A-25	Reserve for Unappropriated Reserves .....	64



**SUPPLEMENTARY INFORMATION**  
(Continued)

**TRUST FUND**

<b><u>EXHIBIT</u></b>		<b><u>PAGE</u></b>
B-1	Cash Receipts and Disbursements .....	65
B-2	Cash Receipts and Disbursements Developers Escrow Account.....	66
B-3	Cash Receipts and Disbursements Money Market Accounts .....	67
B-4	Open Space Fund .....	67
B-5	Interfund Accounts.....	68
B-6	Due to State of New Jersey .....	69
B-7	State Unemployment Compensation Insurance Fund .....	69
B-8	Due from Essex County Community Development Block Grant.....	70
B-9	Reserve for Animal Control Expenditures .....	70
B-10	Reserve for Recreation Expenditures .....	71
B-11	Reserve for Open Space Program .....	71
B-12	Developer's Escrow.....	72
B-13	Special Deposits .....	73
B-14	Reserve for Affordable Housing Expenditures .....	74
B-15	Reserve for Community Development Block Grant Expenditures .....	74

**GENERAL CAPITAL FUND**

C-2	Cash Receipts and Disbursements – Checking Account.....	75
C-3	Analysis of Capital Cash.....	76
C-4	Due to Current Fund .....	77
C-5	Due from Open Space Trust Fund .....	77
C-6	Due from State of New Jersey Transportation Trust Fund.....	78
C-7	Due from Insurance .....	79
C-8	Capital Improvement Fund .....	79
C-9	Deferred Charges to Future Taxation - Unfunded.....	80
C-10	Reserve for Insurance Receivable .....	80
C-11	Reserve for State Grant Receivable.....	81
C-12	Reserve to Pay Debt .....	81
C-13	Deferred Charges to Future Taxation – Unfunded .....	82
C-14	Improvement Authorizations.....	83
C-15	Bond Anticipation.....	84
C-16	General Serial Bonds .....	85
C-17	Bonds and Notes Authorized but Not Issued .....	86

**WATER/SEWER UTILITY**

D-5	Statement of Water Utility Cash .....	87
D-6	Cash Receipts and Disbursements .....	88
D-7	Analysis of Water/Sewer Capital Cash.....	89
D-8	Water/Sewer Rents Receivable.....	90
D-9	Inventory.....	91
D-10	Fixed Capital.....	91
D-11	Fixed Capital Authorized and Uncompleted .....	92
D-12	Appropriation Reserves .....	93
D-13	Due to Water Sewer Capital Fund.....	94
D-14	Due From Water Sewer Fund.....	94
D-15	Prepayment of Water/Sewer Rent.....	95
D-16	Water/Sewer Overpayments .....	95

**SUPPLEMENTARY INFORMATION**  
**(Continued)**

**WATER/SEWER UTILITY**

<b><u>EXHIBIT</u></b>		<b><u>PAGE</u></b>
D-17	Reserve for Amortization .....	96
D-18	Deferred Reserve for Amortization .....	96
D-19	Capital Improvement Fund .....	97
D-20	Improvement Authorizations .....	98
D-21	Bonds and Notes Authorized but not Issued .....	99

**PAYROLL FUND**

E-1	Cash Receipts and Disbursements .....	100
E-2	Analysis of Payroll Deductions .....	101

**PART II**

**REPORT ON INTERNAL CONTROL AND SINGLE AUDIT ATTACHMENTS**

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	102
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**GENERAL COMMENTS AND RECOMMENDATIONS**

**EXHIBIT**

General Comments .....	104
Recommendations .....	106

BOROUGH OF ROSELAND  
ROSTER OF OFFICIALS  
DECEMBER 31, 2014

MAYOR

John Duthie

BOROUGH COUNCIL

Thomas Tsilionis  
Peter Smith  
Richard Leonard  
Mark Vidovich  
Michele Tolli  
David B. Jacobs

BOROUGH ADMINISTRATOR

Maureen Chumacas

DIRECTOR OF FINANCE

Maureen Chumacas

BOROUGH CLERK

Jock H. Watkins

BOROUGH ATTORNEY

Ethan J. Sheffet

## **Independent Auditors' Report**

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

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

***Modified Opinion***

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

***Report on Summarized Comparative Information***

We have previously audited the Borough's 2014 financial statements, and our report dated June 15, 2015, expressed an adverse opinion on a GAAP basis and an unmodified opinion on those regulatory audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year end ended December 31, 2014, is consistent, in all material respects, with the audited financial statements from which it had been derived.

***Other Matters***

***Other Information***

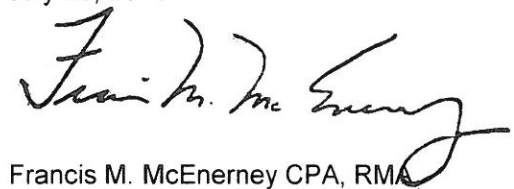
Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise Borough's basic financial statements. The accompanying supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2016 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Livingston, New Jersey  
July 29, 2016

A handwritten signature in black ink, appearing to read "Francis M. McEnerney". The signature is written in a cursive, flowing style with a large, stylized "F" and "M".

Francis M. McEnerney CPA, RMA  
Licensed Registered Municipal Accountant # 539

BOROUGH OF ROSELAND  
CURRENT FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014

A  
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Regular Fund</u>			
Cash:			
Checking Account	A-4	\$ 2,506,134.89	\$ 5,380,176.54
Money Market	A-5	3,183,717.91	72,173.17
Change Fund	Unch.	200.00	200.00
		<u>5,690,052.80</u>	<u>5,452,549.71</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-8	366,219.86	300,164.94
Tax Title Liens	A-9	60,562.66	43,712.32
Property Acquired for Taxes at Assessed Value	Unch.	250,000.00	250,000.00
Other Accounts Receivable	A-10	15,997.09	8,076.50
Revenue Accounts Receivable	A-11	10,249.94	11,353.68
Interfunds Receivable	A-12	9.66	362.88
		<u>703,039.21</u>	<u>613,670.32</u>
		<u>6,393,092.01</u>	<u>6,066,220.03</u>
<u>Federal and State Grant Fund</u>			
Interfunds Receivable	A-13	216,302.21	290,195.13
Federal and State Grants Receivable	A-14	43,787.00	203,539.28
		<u>260,089.21</u>	<u>493,734.41</u>
		<u>\$ 6,653,181.22</u>	<u>\$ 6,559,954.44</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014

A  
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Encumbered	A-3	\$ 913,240.38	\$ 759,084.97
Reserved	A-3	483,551.24	643,794.19
Due to State of New Jersey			
Ch. 129, P.L. 1976	A-7	888.35	
Interfunds Payable	A-12	216,302.21	290,195.13
Due to State of New Jersey			
Construction Training Fees	A-17	3,025.00	3,359.00
Marriage Licenses	A-17	150.00	175.00
Accounts Payable	A-18	224,037.89	139,570.92
Tax Overpayments	A-19	3,282.95	65,411.64
County Taxes Payable	A-20	41,700.33	65,499.51
Prepaid Taxes	A-22	107,207.29	108,373.44
Reserve for Tax Appeals	A-23	425,453.64	287,528.29
		<u>2,418,839.28</u>	<u>2,362,992.09</u>
Reserve for Receivables and Other Assets		703,039.21	613,670.32
Fund Balance	A-1	<u>3,271,213.52</u>	<u>3,089,557.62</u>
		<u>6,393,092.01</u>	<u>6,066,220.03</u>
<u>Federal and State Grant Fund</u>			
Due to State of New Jersey	A-17	40,953.96	40,953.96
Due to Essex County	A-21	2,467.42	2,467.42
Reserve for Grants Appropriated	A-24	202,778.26	419,280.21
Reserve for Unappropriated Reserves	A-25	13,889.57	31,032.82
		<u>260,089.21</u>	<u>493,734.41</u>
		<u>\$ 6,653,181.22</u>	<u>\$ 6,559,954.44</u>

See accompanying notes to financial statements.



BOROUGH OF ROSELAND  
CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS  
AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

A-1

<u>Revenue and Other Income</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Fund Balance Utilized	A-2	\$ 937,000.00	\$ 937,000.00
Miscellaneous Revenue Anticipated	A-2	1,956,024.80	2,568,225.11
Receipts from Delinquent Taxes	A-2a	302,664.94	293,246.99
Receipts from Current Taxes	A-2a	37,246,499.71	36,111,289.47
Nonbudget Revenue	A-2c	104,027.14	146,118.23
Other Credits to Income:			
Interfunds Returned	A-12	353.22	797.03
Grants Payable Canceled			1,200.00
Unexpended Balance Appropriation			
Reserves	A-15	666,874.97	681,381.93
Accounts Payable Canceled	A-18	8,290.92	37,541.52
Overpayments			
		<u>41,221,735.70</u>	<u>40,776,800.28</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations		10,446,035.53	10,444,337.80
Capital Improvements		200,000.00	200,000.00
Debt Service		909,067.64	909,001.95
Statutory Expenditures		1,124,189.00	1,097,695.00
Deferred Charges		-	
	A-3	<u>12,679,292.17</u>	<u>12,651,034.75</u>
Municipal Open Space Tax	A-12	337,382.34	335,180.83
County Taxes	A-20	9,545,952.56	9,157,607.80
Local School District Tax	A-16	7,923,738.00	7,705,962.00
Regional High School Tax	A-16	9,611,568.00	9,238,418.00
Other Charges to Income:			
Prior Revenue Refund	A-4	2,646.73	
Prior Year Senior Citizen Deduction			
Disallowed	A-7	<u>2,500.00</u>	<u>5,500.00</u>
		<u>40,103,079.80</u>	<u>39,093,703.38</u>
Excess in Revenue		<u>1,118,655.90</u>	<u>1,683,096.90</u>
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>3,089,557.62</u>	<u>2,343,460.72</u>
		4,208,213.52	4,026,557.62
Decreased by:			
Utilized As Anticipated Revenue	A-1	<u>937,000.00</u>	<u>937,000.00</u>
Balance, End of Year	A	<u>\$ 3,271,213.52</u>	<u>\$ 3,089,557.62</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

STATEMENT OF REVENUES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	\$ 937,000.00	\$ 937,000.00	\$
<u>Miscellaneous Revenues</u>				
Licenses:				
Alcoholic Beverages	A-11	3,694.00	3,690.00	(4.00)
Other	A-2b	16,025.00	17,550.00	1,525.00
Fees and Permits:				
Other	A-2b	81,497.00	93,951.89	12,454.89
Fines and Costs:				
Municipal Court	A-11	133,111.00	169,792.53	36,681.53
Interest and Costs on Taxes	A-2b	49,262.00	77,644.48	28,382.48
Interest on Investments and Deposits	A-11	9,452.00	19,014.45	9,562.45
Cablevision Franchise Fees (N.J.S.A. 48:5A-30)	A-11	98,856.00	108,028.40	
Cell Tower Lease	A-11	58,000.00	71,178.21	13,178.21
Lease Agreement - Arc of Essex	A-11	80,000.00	103,166.02	23,166.02
Energy Receipts Tax	A-11	837,731.00	837,731.00	
Uniform Construction Code Fees	A-11	282,479.00	167,345.00	(115,134.00)
Recycling Tonnage Grant - Unappropriated	A-24	18,424.04	18,424.04	
Municipal Alliance on Alcoholism and Drug Abuse	A-14	5,900.00	5,900.00	
Body Armor Replacement Fund Unappropriated	A-14	2,608.78	2,608.78	
State Forestry	A-14	10,000.00	10,000.00	
Utility Operating Surplus	A-11	250,000.00	250,000.00	
Total Miscellaneous Revenue	A-1	1,937,039.82	1,956,024.80	9,812.58
Receipts from Delinquent Taxes	A-1,2a	218,000.00	302,664.94	84,664.94
Amount to be Raised by Taxes for Support of Municipal Budget	A-2a	10,116,410.79	10,356,967.89	240,557.10
Budget Totals		13,208,450.61	13,552,657.63	
Nonbudget Revenue	A-2c		104,027.14	104,027.14
Total Revenue	A-3	\$ 13,208,450.61	\$ 13,656,684.77	\$ 104,027.14

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

STATEMENT OF REVENUES  
ANALYSIS OF REALIZED REVENUE - TAXES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

A-2a

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
2015 Collections	A-2	\$ 302,664.94	
 Delinquent Tax Collections	 A-1,2,8		 <u>\$ 302,664.94</u>
<u>Current Tax Collections</u>			
2015 Collections	A-8	\$ 37,089,014.62	
2014 Collections	A-8	108,373.44	
Due from State of New Jersey (Ch. 129, P.L. 1976)	A-8	49,111.65	
	A-1		\$ 37,246,499.71
 Allocated to:			
Municipal Open Space Tax	A-8	337,382.34	
County Taxes	A-20	9,545,952.56	
Local School District Tax	A-16	7,923,738.00	
Regional High School Tax	A-16	9,611,568.00	
			<u>27,418,640.90</u>
 Balance for Support of Municipal Budget Appropriations			 9,827,858.81
 Plus: Appropriations "Reserve for Uncollected Taxes	 A-3		 <u>529,109.08</u>
 Amount for Support of Municipal Budget Appropriation	 A-2		 <u>\$ 10,356,967.89</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

STATEMENT OF REVENUES  
ANALYSIS OF REALIZED REVENUE - OTHER  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

A-2b

Analysis of Licenses and Permits

	<u>Ref.</u>		
<u>Other Licenses</u>			
Borough Clerk	A-11	\$ 300.00	
Board Of Health	A-11	<u>17,250.00</u>	
	A-2		<u><u>\$ 17,550.00</u></u>
<u>Other Fees and Permits</u>			
Registrar of Vital Statistics	A-11	\$ 7,460.00	
Zoning Fees & Permits	A-11	11,823.30	
Tax Search Fees	A-11	20.00	
Administration Fees	A-11	17,342.19	
Recreation	A-11	3,893.64	
Department of Public Works	A-11	238.20	
Right of Way Fees	A-11	1,100.00	
Borough Clerk	A-11	11,600.56	
Fire Prevention Bureau	A-11	884.00	
Zoning CCO	A-11	39,550.00	
Collector-Treasurer	A-11	<u>40.00</u>	
	A-2		<u><u>\$ 93,951.89</u></u>
<u>Interests and Costs on Taxes</u>			
Interest on Delinquent Taxes	A-4	<u>\$ 77,644.48</u>	
	A-2		<u><u>\$ 77,644.48</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

STATEMENT OF REVENUES  
ANALYSIS OF NONBUDGET REVENUE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

A-2c

Ref.

Miscellaneous Revenue Not Anticipated

Collections:

Prior Year Refunds	\$ 27,280.72
Prior Year FEMA Reimbursement	30,437.83
State Fire Bureau Reimbursements	14,841.45
Motor Vehicle Inspections	17,835.00
Accounts Payable	33.50
FEMA: Hurricane Sandy	662.54
Police Revenue	2,640.00
Collector/Treasurer	3,784.85
Clerk's Office	296.43
Cancell Grants	5,043.75
Public Works Office	1,171.01
Other	0.06

A-1,2,4

\$ 104,027.14

Ref.

Cash Receipts	A-4	\$ 98,983.33
Grants	A-24	5,043.75
Overpayments	A-19	0.06
	A-2	<u>\$ 104,027.14</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

A-3  
Sheet 1

APPROPRIATIONS WITHIN "CAPS"	Appropriations		Expended		Cancel
	Budget	Modified Budget	Paid or Charged	Reserved	
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 148,000.00	\$ 148,000.00	\$ 146,103.92	\$ 1,896.08	\$
Other Expenses	39,152.00	35,152.00	29,389.62	5,762.38	
Mayor and Council:					
Salaries and Wages	22,779.00	22,779.00	22,779.00		
Office of Borough Clerk:					
Salaries and Wages	115,380.00	64,175.00	62,391.68	1,783.32	
Other Expenses	15,179.00	28,538.90	14,361.45	14,177.45	
Financial Administration:					
Salaries and Wages	16,003.00	16,003.00	16,003.00		
Fixed Asset Accounting System - Other Expenses	5,078.00	5,078.00	4,177.00	901.00	
Audit Services:					
Other Expenses	37,000.00	34,400.00		34,400.00	
Computer Data Process:					
Salaries and Wages	13,104.00				
Other Expenses	55,050.00	50,050.00	37,255.32	12,794.68	
Collection of Taxes:					
Salaries and Wages	42,720.00	42,720.00	42,720.00		
Other Expenses	7,395.00	6,284.00	4,773.92	1,510.08	
Assessment of Taxes:					
Salaries and Wages	32,253.00	32,253.00	31,619.90	633.10	
Other Expenses	44,700.00	44,700.00	14,910.49	29,789.51	
Legal Services and Costs:					
Salaries and Wages	62,424.00	62,424.00	61,200.10	1,223.90	
Other Expenses	237,300.00	487,300.00	113,348.59	373,951.41	
Engineering Services and Costs:					
Other Expenses	20,000.00	20,000.00	13,661.75	6,338.25	
Historic Preservation Commission:					
Other Expenses	1,200.00	1,200.00		1,200.00	
<u>LAND USE ADMINISTRATION</u>					
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	9,611.00	9,611.00	9,578.11	32.89	
Other Expenses	48,125.00	48,125.00	18,877.03	29,247.97	
Board of Adjustment:					
Salaries and Wages	22,235.00	22,235.00	21,797.10	437.90	
Other Expenses	9,500.00	9,500.00	2,801.37	6,698.63	
Affordable Housing:					
Salaries and Wages					
Other Expenses	25,000.00	23,000.00	7,076.27	15,923.73	
<u>INSURANCE</u>					
Insurance (N.J.S.A. 40A:4-45.3)					
General Liability	275,660.00	255,241.00	255,240.25	0.75	
Worker's Compensation Insurance	262,055.00	262,055.00	262,055.00		
Employee Group Health	1,958,225.00	1,958,225.00	1,839,760.63	118,464.37	
Health Waiver	28,000.00	28,000.00	28,000.00		
Unemployment Compensation Insurance	2,600.00	2,600.00	1,510.07	1,089.93	

BOROUGH OF ROSELAND  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

A-3  
Sheet 2

	Appropriations		Expended		
	Budget	Modified Budget	Paid or Charged	Reserved	Cancel
APPROPRIATIONS WITHIN "CAPS"					
PUBLIC SAFETY					
Police:					
Salaries and Wages	\$ 2,895,233.00	\$ 2,910,233.00	\$ 2,895,772.89	\$ 14,460.11	\$
Other Expenses	149,117.00	144,995.00	82,816.27	62,178.73	
Police Dispatch/911:					
Salaries and Wages					
Other Expenses	10,800.00	8,799.00	8,342.81	456.19	
Emergency Management Services:					
Salaries and Wages	6,086.00	6,086.00	5,965.96	120.04	
Other Expenses	7,144.00	7,144.00	2,626.26	4,517.74	
Aid to Volunteer Fire Companies	50,000.00	50,000.00	50,000.00		
First Aid Organization - Contribution	50,000.00	50,000.00	50,000.00		
Fire Dept:					
Salaries and Wages					
Other Expenses	69,925.00	69,925.00	43,929.88	25,995.12	
Fire Prevention:					
Salaries and Wages	22,874.52	22,874.52	22,140.00	734.52	
Other Expenses	4,800.00	4,800.00	1,433.16	3,366.84	
Municipal Prosecutor:					
Salaries and Wages	18,935.28	18,935.28	18,564.00	371.28	
Other Expenses	2,000.00	2,000.00	828.32	1,171.68	
PUBLIC WORKS FUNCTIONS					
Road Repairs and Maintenance:					
Salaries and Wages	259,125.00	229,125.00	228,226.71	898.29	
Other Expenses	11,890.00	15,090.49	9,609.11	5,481.38	
Storm Clearance:					
Salaries and Wages	30,000.00	30,000.00	18,906.80	11,093.20	
Other Expenses	24,300.00	24,300.00	21,922.19	2,377.81	
Shade Tree Commission:					
Salaries and Wages	2,800.00	2,800.00	2,519.37	280.63	
Other Expenses	30,600.00	30,600.00	20,473.78	10,126.22	
Solid Waste Collection:					
Other Expenses	587,300.00	535,925.00	343,778.65	192,146.35	
Public Building and Grounds:					
Salaries and Wages	336,485.00	301,485.00	296,120.81	5,364.19	
Other Expenses	141,350.00	138,182.51	77,791.67	60,390.84	
Vehicle Maintenance:					
Salaries and Wages	48,945.00	48,945.00	44,478.17	4,466.83	
Other Expenses	40,950.00	46,589.00	40,388.57	6,200.43	
Condominium Service Act:					
Other Expenses	44,000.00	44,000.00		44,000.00	
HEALTH AND WELFARE					
Board of Health:					
Salaries and Wages					
Other Expenses	4,269.00	4,269.00	20.00	4,249.00	
Dog Regulation:					
Other Expenses	4,000.00				
Environmental Commission:					
Salaries and Wages					
Other Expenses	1,000.00	1,000.00	350.00	650.00	
Contributions to Social Services:					
Other Expenses	2,050.00	2,050.00		2,050.00	
Municipal Youth Guidance:					
Other Expenses	1,242.00	1,242.00	200.00	1,042.00	

BOROUGH OF ROSELAND  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

A-3  
Sheet 3

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancel</u>
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>RECREATION AND EDUCATION</u>					
Public Recreation Program:					
Salaries and Wages	\$ 133,946.00	\$ 133,946.00	\$ 132,260.38	\$ 1,685.62	\$
Other Expenses	27,425.00	27,425.00	16,791.74	10,633.26	
Camp Wyanokie					
Other Miscellaneous Expenses	1,903.00	1,903.00	1,903.00		
<u>OTHER COMMON OPERATING FUNCTIONS</u>					
Prior Years Bills:					
General Government					
Phone Bill					
Beautification Committee:					
Other Expenses	8,700.00	8,700.00	3,582.54	5,117.46	
City Notification/Cable TV:					
Other Expenses	28,750.00	18,750.00	14,983.00	3,767.00	
Senior Citizens' Transportation:					
Other Expenses	25,553.00	22,225.10	21,700.00	525.10	
Senior Citizens' Advisory Committee:					
Other Expenses	1,470.00	1,470.00	847.39	622.61	
Tax Appeals					
Other Expenses	200,000.00	200,000.00	200,000.00		
<u>MUNICIPAL COURT</u>					
Municipal Court:					
Salaries and Wages	138,010.00	138,510.00	138,510.00		
Other Expenses	10,600.00	10,600.00	6,623.70	3,976.30	
Public Defender:					
Salaries and Wages	4,328.00	4,328.00	3,099.75	1,228.25	
Other Expenses	500.00	500.00		500.00	
<u>SANITATION</u>					
Garbage and Trash Removal:					
Other Expenses - Contractual					
<u>UNIFORM CONSTRUCTION CODE - APPROPRIATIONS</u>					
<u>OFFSET BY DEDICATED REVENUES N.J.A.C. (5:23-4.17)</u>					
Construction Code Officials:					
Salaries and Wages	29,145.00	29,145.00	26,823.60	2,321.40	
Other Expenses	21,260.00	7,993.00	4,917.11	3,075.89	
<u>UNCLASSIFIED</u>					
Utilities:					
Electricity	130,000.00	130,000.00	79,267.96	50,732.04	
Street Lighting	160,000.00	160,000.00	114,089.69	45,910.31	
Telephone and Telegraph	67,300.00	65,300.00	64,426.01	873.99	
Heating	73,000.00	73,000.00	28,158.81	44,841.19	
Fuel Oil	1,500.00	1,500.00		1,500.00	
Gasoline	112,000.00	112,000.00	48,922.73	63,077.27	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Deferred Charges:					
Prior Year Bills					
Contribution to:					
Public Employees' Retirement System	246,135.00	246,135.00	215,864.00	30,271.00	
Social Security Program (OAS)	175,220.00	145,220.00	143,332.80	1,887.20	
Police and Firemen's Retirement System of NJ	698,834.00	698,834.00	698,834.00		
DCRP	4,000.00	4,000.00	2,201.66	1,798.34	
Total General Appropriations within "CAPS"	<u>10,712,527.80</u>	<u>10,712,527.80</u>	<u>9,315,736.82</u>	<u>1,396,790.98</u>	



BOROUGH OF ROSELAND  
CURRENT FUND

STATEMENT OF EXPENDITURES  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

A-3  
Sheet 4

	<u>Appropriations</u>		<u>Expended</u>		<u>Cancel</u>
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
APPROPRIATIONS EXCLUDED FROM "CAPS"					
<u>OTHER OPERATIONS</u>					
Roseland Free Public Library	\$ 605,131.51	\$ 605,131.51	\$ 605,131.51	\$	\$
 <u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
Tax Assessor					
Public Health Services	74,559.40	74,559.40	74,559.36	0.04	
Animal Control Services	12,080.00	12,080.00	12,079.40	0.60	
Computer System Service					
Building Inspection Service	127,293.00	127,293.00	127,293.00		
 <u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Clean Communities Program					
Municipal Alliance on Alcoholism and Drug Abuse					
Body Armor Grant	2,608.78	2,608.78	2,608.78		
Recycling Tonnage Grant	18,424.04	18,424.04	18,424.04		
Municipal Alliance on Alcoholism and Drug Abuse(Chapter 159)	7,600.00	7,600.00	7,600.00		
Clean Communities Program(Chapter 159)					
Bullet Proof Vest Program					
Community Forestry Shade Tree	10,000.00	10,000.00	10,000.00		
Recreation Open Space Grant Chapter 159					
Sustainable Jersey					
DOT Old Eagle Rock Avenue					
Over the Limit Under Arrest					
Hazardous Mitigation Chapter 159					
 <u>CAPITAL IMPROVEMENTS</u>					
Capital Improvement Fund	200,000.00	200,000.00	200,000.00		
 <u>DEBT SERVICE</u>					
Payment of Bond Principal	555,000.00	555,000.00	555,000.00		
Interest on Bonds	171,050.00	171,050.00	171,050.00		
Payment of Note Principal	166,247.00	166,247.00	166,247.00		
Interest on Note Principal	16,820.00	16,820.00	16,770.64		49.36
 <u>DEFERRED CHARGES</u>					
Emergency Authorizations					
Special Emergency Authorizations					
 Total Appropriations Excluded from "CAPS"	<u>1,966,813.73</u>	<u>1,966,813.73</u>	<u>1,966,763.73</u>	<u>0.64</u>	<u>49.36</u>
 Sub - Total	<u>12,679,341.53</u>	<u>12,679,341.53</u>	<u>11,282,500.55</u>	<u>1,396,791.62</u>	<u>49.36</u>
 Reserve for Uncollected Taxes	<u>529,109.08</u>	<u>529,109.08</u>	<u>529,109.08</u>		
 Total General Appropriations	<u>\$ 13,208,450.61</u>	<u>\$ 13,208,450.61</u>	<u>\$11,811,609.63</u>	<u>\$ 1,396,791.62</u>	<u>\$ 49.36</u>
 <u>Ref.</u>	<u>A-2, Below</u>	<u>Below</u>	<u>Below</u>	<u>A</u>	<u>Below</u>
 <u>Ref.</u>					
Adopted Budget Appropriation	A-2	\$ 13,208,450.61	\$	\$	
Reserve for Uncollected Taxes	A-2a	(529,109.08)	529,109.08		
Cash Disbursements	A-4		10,842,064.73		
Capital Improvement Fund	A-12		200,000.00		
Reserve for Tax Appeal	A-23		200,000.00		
Encumbered	A			913,240.38	
Reserved	A			483,551.24	
Canceled	Above	(49.36)			
Reserve for Grants	A-24		36,932.82		
	A-1	<u>12,679,292.17</u>	<u>11,811,609.63</u>	<u>1,396,791.62</u>	

BOROUGH OF ROSELAND  
TRUST FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Affordable Housing Trust Fund</u>			
Cash	B-1	\$ 56,705.22	\$ 52,912.32
<u>Animal Control Trust Fund</u>			
Cash	B-1	12,283.04	11,753.04
<u>Open Space Trust Fund</u>			
Cash	B-4	2,824,158.33	2,591,321.84
<u>General Trust Fund</u>			
Cash:			
Checking Accounts	B-1	441,078.32	417,172.64
Developer's Escrow	B-2	629,466.23	791,733.11
Money Market Accounts	B-3	119,119.40	85,046.28
Due From CDBG	B-8	35,292.69	75,506.59
		<u>1,224,956.64</u>	<u>1,369,458.62</u>
		<u>\$ 4,118,103.23</u>	<u>\$ 4,025,445.82</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Affordable Housing Trust Fund</u>			
Reserve for Expenditures	B-14	56,705.22	52,912.32
		<u>56,705.22</u>	<u>52,912.32</u>
<u>Open Space Trust Fund</u>			
Reserve for Expenditures	B-11	2,824,158.33	2,591,321.84
		<u>2,824,158.33</u>	<u>2,591,321.84</u>
<u>Animal Control Trust Fund</u>			
Due to State of New Jersey	B-6	1.20	
Reserve for Expenditures	B-9	12,281.84	11,753.04
		<u>12,283.04</u>	<u>11,753.04</u>
<u>General Trust Fund</u>			
Interfunds	B-5	9.67	362.89
Reserve for:			
State Unemployment Compensation			
Insurance Fund	B-7	17,821.98	18,566.14
Developer's Escrow	B-12	629,456.56	791,718.68
Recreation Fund Expenditures	B-10	145,287.48	127,916.44
Community Development Block Grant	B-15	35,586.05	75,799.95
Special Deposits	B-13	396,794.90	355,094.52
		<u>1,224,956.64</u>	<u>1,369,458.62</u>
		<u>\$ 4,118,103.23</u>	<u>\$ 4,025,445.82</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Cash:			
Checking Accounts	C-2, C-3	\$ 2,363,618.56	\$ 1,597,936.66
Due from Insurance	C-7		216,459.17
Due from State of New Jersey			
Transportation Trust Fund	C-6	288,250.00	288,250.00
Deferred Charged to Future Taxation			
Funded	C-9	4,440,000.00	4,995,000.00
Unfunded	C-13	11,138,275.00	11,530,673.67
		<u>\$ 18,230,143.56</u>	<u>\$ 18,628,319.50</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Capital Improvement Fund	C-8	\$ 687,943.22	\$ 523,994.59
Reserve for State Grant Receivable	C-11	288,250.00	288,250.00
Reserve for Insurance Receivable	C-10		216,459.17
Reserve for Regional Contribution Agreements	Unch.	25,500.00	25,500.00
Improvement Authorizations:			
Funded	C-14	237,118.00	582,210.71
Unfunded	C-14	4,882,283.00	8,719,755.85
Bond Anticipation Notes	C-15	7,625,039.00	3,234,106.00
Serial Bonds	C-16	4,440,000.00	4,995,000.00
Fund Balance	C-1	44,010.34	43,043.18
		<u>\$ 18,230,143.56</u>	<u>\$ 18,628,319.50</u>
Bond and Notes Authorized but Not Issued	C-17	<u>\$ 3,513,236.00</u>	<u>\$ 8,296,567.67</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2015

C-1

	<u>Ref.</u>		
Balance, December 31, 2014	C		\$ 43,043.18
Increased by:			
Cancellation of Improvement Authorizations	C-14	<u>\$ 967.16</u>	
			<u>967.16</u>
			44,010.34
Balance, December 31, 2015	C		<u><u>\$ 44,010.34</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014

D

<u>ASSETS</u>	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Operating Fund</u>			
Cash:			
Checking Account	D-5	\$ 3,544,253.94	\$ 2,486,812.28
Investments	D-6	51,094.01	51,041.99
		<u>3,595,347.95</u>	<u>2,537,854.27</u>
Receivables and Inventory with Full Reserves:			
Water/Sewer Rents Receivable	D-8	273,362.58	185,602.93
Inventory	D-9	59,328.65	59,328.65
Due From Water Sewer Capital	D-20		
		<u>332,691.23</u>	<u>244,931.58</u>
Total Operating Fund		<u>3,928,039.18</u>	<u>2,782,785.85</u>
<u>Capital Fund</u>			
Cash - Checking Account:	D-5	316,834.69	314,984.43
Fixed Capital	D-10	8,982,967.13	8,982,967.13
Fixed Capital Authorized and Uncompleted	D-11	1,424,842.05	1,444,879.15
Total Capital Fund		<u>10,724,643.87</u>	<u>10,742,830.71</u>
		<u>\$ 14,652,683.05</u>	<u>\$ 13,525,616.56</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves			
Encumbered	D-4, 12	\$ 303,023.07	\$ 56,125.54
Reserved	D-4, 12	556,993.30	560,915.96
Water/Sewer Rent Overpayments	D-16	18,382.74	4,656.21
		<u>878,399.11</u>	<u>621,697.71</u>
Reserve For Receivables and Inventory		332,691.23	244,931.58
Fund Balance	D-1	<u>2,716,948.84</u>	<u>1,916,156.56</u>
Total Operating Fund		<u>3,928,039.18</u>	<u>2,782,785.85</u>
<u>Capital Fund:</u>			
Reserve for Amortization	D-17	8,721,146.28	8,719,296.02
Deferred Reserve for Amortization	D-18	661,113.00	661,113.00
Capital Improvement Fund	D-19	23,857.80	23,857.80
Improvement Authorizations			
Funded	D-20	142,792.68	142,792.68
Unfunded	D-20	1,025,550.00	1,045,587.10
Fund Balance	D-2	150,184.11	150,184.11
Total Capital Fund		<u>10,724,643.87</u>	<u>10,742,830.71</u>
		<u>\$ 14,652,683.05</u>	<u>\$ 13,525,616.56</u>
Bonds and Notes Authorized but Not Issued	D-21	<u>\$ 1,025,550.00</u>	<u>\$ 1,047,437.36</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

D-1

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 171,536.26	\$ 232,802.00
Water/Sewer Rents	D-3	\$ 3,488,729.02	\$3,082,791.82
Miscellaneous Revenue	D-3	42,648.60	759,724.02
Interfund Liquidated			
Accounts Payable Canceled	D-13		
Other Credits to Income:			96.66
Unexpended Balance of			
Appropriation Reserves	D-12	<u>480,950.92</u>	<u>636,663.56</u>
		<u>4,183,864.80</u>	<u>4,712,078.06</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		446,540.00	446,540.00
Other Expenses		1,578,211.00	1,274,521.00
Debt Service			366,806.00
Deferred Charges		1,850.26	
Statutory Expenditures		34,935.00	34,935.00
Share of Joint Service Sewer		<u>900,000.00</u>	<u>900,000.00</u>
	D-4	<u>2,961,536.26</u>	<u>3,022,802.00</u>
Excess in Revenue		1,222,328.54	1,689,276.06
Fund Balance, December 31, 2014	D	<u>1,916,156.56</u>	<u>709,682.50</u>
		3,138,485.10	2,398,958.56
Decreased by:			
Utilized as Anticipated Revenue	Above	171,536.26	232,802.00
Anticipated as Revenue in Current Fund	D-5	<u>250,000.00</u>	<u>250,000.00</u>
Fund Balance, December 31, 2015	D	<u>\$ 2,716,948.84</u>	<u>\$1,916,156.56</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

STATEMENT OF WATER CAPITAL FUND BALANCE  
REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2013

D-2

	<u>Ref.</u>	
Balance, December 31, 2014	D	<u>\$ 150,184.11</u>
Balance, December 31, 2015	D	<u><u>\$ 150,184.11</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

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

D-3

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus	D-1	\$ 171,536.26	\$ 171,536.26	\$
Rents	D-1, 8	2,760,000.00	3,488,729.02	728,729.02
Miscellaneous	D-1, Below	<u>30,000.00</u>	<u>42,648.60</u>	<u>12,648.60</u>
Total Budget Revenue	D-4	<u>\$ 2,961,536.26</u>	<u>\$ 3,702,913.88</u>	<u>\$ 741,377.62</u>
<u>Miscellaneous Revenue</u>				
Interest Income:				
Checking Account	D-5	\$ 13,147.95		
Investments	D-6	<u>52.02</u>		
			\$ 13,199.97	
Other Revenue:				
Interest on Delinquent Rents		24,077.56		
Meter Fee		1,000.00		
Sewer Connection Fee		2,321.07		
Water Construction Fee		50.00		
Connection Fee		<u>2,000.00</u>		
	D-5		<u>29,448.63</u>	
	Above		<u>\$ 42,648.60</u>	

See accompanying notes to financial statements.





BOROUGH OF ROSELAND  
PAYROLL FUND

COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

E

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>			
Cash	E-1	<u>\$ 85,557.85</u>	<u>\$ 82,051.29</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Accounts Payable	E-2	\$ 1,757.40	\$ 1,749.13
Payroll Deductions Payable	E-2	<u>83,800.45</u>	<u>80,302.16</u>
		<u>\$ 85,557.85</u>	<u>\$ 82,051.29</u>

See accompanying notes to financial statements.

**BOROUGH OF ROSELAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 – REPORTING ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

The Borough of Roseland (the "Borough") is organized as a Mayor-Council municipality under the provisions of N.J.S.A. 40:69A-81 et seq. The Borough is "governed by an elected Council and Mayor, and by such other officers and employees as may be duly appointed. The Council shall consist of six members elected at large by voters of the municipality and shall serve for three years beginning on the first day of January next year following their election and that the mayor shall be elected to a four year term. Each member of the Council carries a legislative vote. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and sewer, and general administrative services.

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

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

GASB has issued Statement No. 14 as amended by GASB Statement No. 61 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by the provisions of N.J.S.A. 40A:5-5. The financial statements of the Borough, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

Basis of Accounting

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

The Borough has the following funds and account groups:

Current Fund – This fund is used to account for resources and expenditures for governmental operations of a general nature, including Federal and State grants which are reflected in a segregated section of the Current Fund.

## BOROUGH OF ROSELAND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

#### NOTE 1 – REPORTING ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Trust Funds – Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds. These include the Animal Control Trust Fund, Open Space Trust Fund, Affordable Housing Trust Fund and the General Trust Fund. The Animal Control Fund is used to account for fees collected from dog licenses and expenditures which are regulated by N.J.S.A. 4:19-15.11. The Affordable Housing Trust Fund is used to account for funds collected in connection with the Borough's affordable housing program in accordance with P.L. 2009, c.46 (C 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1. The General Trust Fund encompasses accounts of activity for Federal Community Development Block Grants, Recreation Commission, Developer's Escrow and Other Special Deposits.

Open Space Trust Fund – This fund is used to account for the receipts and disbursement of funds used for acquisition of land for recreation and conservation purposes, development of land acquired for recreation and conservation purposes; maintenance of land acquired for recreation and conservation purposes; acquisition of farmland for farmland preservation purposes; historic preservation of historic properties, structures, facilities, sites, areas, or objects, and the acquisition of such properties, structures, facilities, sites, areas or objects for historic preservation purposes or payment of debt service on indebtedness issued or incurred by municipality as set for purposes stated above.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund, as well as the long-term debt accounts.

Water and Sewer Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Borough's Water and Sewer Utility activities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities for the Water and Sewer Utility, as well as the related long-term debt accounts, is accounted for in the capital section of the fund.

Payroll Fund – This fund is used to account for the net salaries, payroll deductions and social security contributions of municipal and utility operations, which are deposited into various bank accounts of the Payroll Fund. A Payroll Fund does not exist under GAAP.

#### Accounting Principles

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local government units. The more significant differences are as follows:

Miscellaneous Revenues – Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues – Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

## BOROUGH OF ROSELAND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

#### NOTE 1 – REPORTING ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Tax Revenues – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. Taxes are payable in four quarterly installments on August 1, November 1, February 1 and May 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500.00. The Borough also imposes a 6% year end penalty for a delinquency over \$10,000.00 as of December 31. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on May 1 in the year following the calendar year levy when the same became in arrears, the collector of the municipality shall (subject to the provisions of the New Jersey Statutes) enforce the lien by placing the property on a tax sale. The Borough institutes annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of the property. In accordance with the accounting principles prescribed by the Division, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Budget and Budgetary Accounting – An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division per N.J.S.A. 40A:4 et seq. The Borough is not required to adopt budgets for the following funds:

- General Capital Funds
- Trust Funds

The governing body shall introduce and approve the annual budget not later than February 10, of the year. The budget shall be adopted not later than April 20, and prior to adoption must be certified by the Division. The Director of the Division, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

Expenditures – Are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves, unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

Encumbrances – Contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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



## BOROUGH OF ROSELAND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

#### NOTE 1 – REPORTING ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Property Acquired for Taxes – Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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. GAAP does not require the establishment of an offsetting reserve.

#### Capital Fixed Assets

General – Capital fixed assets used in governmental operations are accounted for in the Capital Fixed Assets. Public domain (infrastructure) general capital fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are to be valued at cost. Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities – Capital acquisitions, including utility infrastructure costs of the Water and Sewer Utility are recorded at cost upon purchase or project completion in the Fixed Asset Account of the Utility. The Fixed Asset account is adjusted for dispositions or abandonments. Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital. Fixed Capital of the Utilities are offset by accumulations in the Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer's contributions or liquidations of bonded debt and other liabilities incurred upon fixed asset acquisition.

The Borough has not maintained a capital fixed assets account group.

Inventories– An annual inventory of materials and supplies for the Water and Sewer Utility is required, by regulation, to be prepared by Borough personnel for inclusion on the Water Sewer Utility Operating Funds balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. The costs of inventories of supplies for other funds are recorded as expenditures at the time individual items are purchased and are not inventoried nor included on their respective balance sheets.

Cash and Investments – Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of, or guaranteed by, the Federal Government and bonds or other obligations of Federal or local its having a maturity date not more than twelve months from the date of purchase. GAAP requires that investments be reported at fair value.

Tax Appeal and Other Contingent Losses – Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

**BOROUGH OF ROSELAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 – REPORTING ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basic Financial Statements

Use of Estimates – The preparation of financial statements in conformity with the accounting principles and practices prescribed by the Division requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data – Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion could make certain statements unduly complex and difficult to understand.

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

**NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS**

Deposits:

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

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

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

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The Market Value of the collateral must equal five percent of the average daily balance of public funds; or

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

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. At December 31, 2015, the book value of the Borough's deposits was \$16,175,791.83 and bank balances of the Borough's cash and deposits amounted to \$16,048,464.54. The Borough's deposits which are displayed on the combined balance sheet as "cash" are categorized as:

Category 1 – Insured or collateralized with securities held by the Borough's or its agent in the Borough's name.

**BOROUGH OF ROSELAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 2 –CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

Category 2 – Collateralized with securities held by the pledging financial institutions trust department or agent in the Borough's name.

Category 3 – Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Borough's name.

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Government Money Market Mutual Funds
- c. Any obligations that a federal agency or a federal instrumentality has issued, with security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest
- d. Bonds or other obligations of the Borough or bonds or other obligations of school districts, which are a part of the Borough or school districts located within the Borough.
- e. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local Government investment pools.
- g. Agreements for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e).

**NOTE 3 – TAXES RECEIVABLE AND TAX TITLE LIENS**

Taxes receivable and tax title liens are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

For the year ended December 31, 2015, the Borough collected \$302,664.94 from delinquent taxes and tax title liens, which represented 100% of the delinquent balances at December 31, 2015.

Schedule of Comparative Tax Rates:

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tax Rate	<u>\$ 2.223</u>	<u>\$ 2.161</u>	<u>\$ 2.042</u>	<u>\$ 2.037</u>	<u>\$ 1.873</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.564	\$ 0.551	\$ 0.546	\$ 0.528	\$ 0.507
Minimum Library Tax	0.036	0.036	0.036	0.038	0.033
Local Open Space	0.020	0.020	0.020	0.020	0.040
County	0.547	0.527	0.439	0.493	0.416
County Open Space	0.016	0.016	0.014	0.017	0.015
Local School	0.470	0.460	0.455	0.444	0.414
Regional School	<u>0.570</u>	<u>0.551</u>	<u>0.532</u>	<u>0.497</u>	<u>0.448</u>



# BOROUGH OF ROSELAND

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

### NOTE 3 – TAXES RECEIVABLE AND TAX TITLE LIENS (continued)

#### Schedule of Assessed Valuations:

2015	\$ 1,686,911,700.00
2014	1,675,905,152.00
2013	1,688,487,552.00
2012	1,714,631,808.00
2011	1,806,065,920.00

#### Schedule of Real Property Classification

Classification	2011	2012	2013	2014	2015
Vacant Land	20,823,300.00	14,864,900.00	14,671,400.00	14,517,100.00	7,853,100.00
Residential	700,391,252.00	699,247,852.00	697,657,652.00	694,812,952.00	695,744,200.00
Condominiums	283,882,800.00	283,882,800.00	256,532,800.00	256,532,800.00	286,532,800.00
Farm	6,400.00	6,400.00	6,400.00	6,400.00	6,400.00
Commercial	659,768,900.00	575,901,000.00	575,700,600.00	563,386,400.00	572,151,900.00
Industrial	85,545,200.00	85,210,500.00	88,204,600.00	91,276,600.00	91,276,600.00
Apartment	53,906,200.00	53,906,200.00	53,906,200.00	53,906,200.00	61,850,000.00
Utilities	1,741,868.00	1,612,156.00	1,807,900.00	1,466,700.00	1,466,700.00
	1,806,065,920.00	1,714,631,808.00	1,688,487,552.00	1,675,905,152.00	1,686,911,700.00

#### \*Schedule of Ratio of Assessed Valuation to True Value

<u>Year</u>	<u>Net Valuation</u>	<u>Ratio</u>	<u>Equalized Net Valuation</u>
2015	\$ 1,685,445,000.00	93.93%	\$ 1,795,829,523.00
2014	1,686,679,652.00	94.00%	1,796,147,995.00
2013	1,713,019,652.00	94.77%	1,809,166,922.00
2012	1,804,324,052.00	91.78%	1,967,664,784.00
2011	1,815,553,246.00	100.52%	1,808,074,354.00

#### \*Table of Equalized Valuations

#### Schedule of Tax Levies and Collections:

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2015	\$ 37,664,835.73	\$ 37,246,499.71	98.88
2014	36,213,662.83	36,111,289.47	98.99
2013	34,467,965.86	34,258,536.99	99.09
2012	34,934,768.63	34,670,900.73	99.24
2011	33,837,995.83	33,649,830.75	99.44

# BOROUGH OF ROSELAND

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

### NOTE 3 – TAXES RECEIVABLE AND TAX TITLE LIENS (continued)

#### Schedule of Taxes and Tax Title Liens:

<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
\$ 60,562.66	\$ 366,219.86	\$ 426,782.52	1.13
43,712.32	300,164.94	343,877.26	0.95
27,331.94	278,231.61	315,078.93	0.91
1,281.81	223,758.25	225,040.06	0.64
1,072.00	164,138.15	165,210.15	0.49

#### Schedule of Property Acquired by Tax Title Lien Liquidation:

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

2015	\$ 250,000.00
2014	250,000.00
2013	250,000.00
2012	250,000.00
2011	250,000.00

#### Schedule of Largest Tax Payers

<u>Owner</u>	<u>Location</u>	<u>Assessed Value</u>	<u>Taxes</u>
Prudential Financial Inc-NJ	80 Livingston Avenue	67,100,400	\$1,491,641.89
ADP Inc	1 ADP Boulevard	61,626,400	1,369,954.87
56 Livingston Owner	56 Livingston Avenue	57,127,200	1,272,873.43
Prudential Financial Inc- NJ	55 Livingston Avenue	48,850,000	1,085,935.50
Segal Development Co	8 Eisenhower Parkway	47,000,000	1,044,810.00
Mack Cali Realty Corp	4 Becker Farm Road	38,406,100	853,767.60
Mack Cali Realty Corp	101 Eisenhower Parkway	31,189,200	693,335.92
Mack Cali Realty Corp	105 Eisenhower Parkway	28,952,000	643,602.96
Mack Cali Realty Corp	103 Eisenhower Parkway	20,535,800	456,510.83
Mack Cali Realty Corp	85 Livingston Avenue	15,811,811	351,480.75

#### Schedule of Water/Sewer Consumer Accounts Receivable:

The Borough combined their Water and Sewer Utility Funds into one combined fund for the calendar year 2015. The combined fund is used for the billing and collection of rents. The Borough's billings are done on a quarterly basis. The billing and collections for the previous five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2015	\$ 3,570,775.11	\$ 3,485,195.31
2014	2,760,000.00	3,082,791.82
2013	2,945,223.96	2,770,895.47
2012	2,918,324.61	2,895,423.69
2011	2,815,718.58	2,784,662.50

\* Includes prior year collections

**BOROUGH OF ROSELAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 4 –MUNICIPAL DEBT**

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

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>2015</u>	<u>2014</u>
<u>Bonds and Notes Issued:</u>		
General Capital:		
Serial Bonds	\$ 4,440,000.00	\$ 4,995,000.00
Bond Anticipation Notes	7,625,039.00	3,234,106.00
Water/Sewer Utility:		
Bond Anticipation Notes	<u>12,065,039.00</u>	<u>8,229,106.00</u>
<u>Bonds and Notes Authorized but Not Issued:</u>		
General Capital	3,513,236.00	8,296,567.67
Water/Sewer Utility	<u>1,025,550.00</u>	<u>1,047,434.36</u>
Total Authorized but Not Issued	<u>4,538,786.00</u>	<u>9,344,002.03</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 16,603,825.00</u>	<u>\$ 17,573,108.03</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 .867% at December 31, 2015.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water/Sewer Utility Debt	\$ 1,025,550.00	\$ 1,025,550.00	\$
Other Bonds and Notes	<u>15,578,275.00</u>	<u></u>	<u>15,578,275.00</u>
	<u>\$ 16,603,825.00</u>	<u>\$ 1,025,550.00</u>	<u>\$ 15,578,275.00</u>

Net Debt, \$15,578,275.00 divided by Equalized Valuation Basis per N.J.S.A. 40:A2-2 as amended, \$1,800,877,506.33 equals .865%.

**BOROUGH OF ROSELAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 4 –MUNICIPAL DEBT (continued)**

The Borough's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2015 was as follows:

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 63,184,618.72
Net Debt	<u>15,578,275.00</u>
Remaining Borrowing Power	<u>\$ 47,606,343.72</u>

School Debt Deductions

School debt is deductible up to the extent of 2.5% of the Average Equalized Assessed Valuations of real property for the Local School District and entirely for the Regional High School.

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

Surplus and Cash Receipts from Fees, Rent or Other Charges for Year and Fund Balance Anticipated	\$ 3,678,612.53
Deductions:	
Operating and Maintenance Costs	<u>\$ 2,961,536.26</u>
	<u>\$ 2,961,536.26</u>
Excess in Revenue	<u>\$ 717,076.27</u>

There being an excess in revenue, all Water/Sewer Debt is deductible for Debt Statement Purposes.

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

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

Schedule of Annual Debt Service for Principle and Interest of Bonded Issued and Outstanding

<u>Year</u>	<u>Total</u>	<u>Cash Basis</u>	
		<u>General</u>	<u>Capital</u>
		<u>Principal</u>	<u>Interest</u>
2015	\$726,050.00	\$555,000.00	\$171,050.00
2016	\$709,400.00	\$555,000.00	\$154,400.00
2017	\$692,750.00	\$555,000.00	\$137,750.00
2018	\$676,100.00	\$555,000.00	\$121,100.00
2019	\$659,450.00	\$555,000.00	\$104,450.00
2020	\$637,250.00	\$555,000.00	\$ 82,250.00
2021	\$610,500.00	\$555,000.00	\$ 55,500.00
2022	\$588,300.00	\$555,000.00	\$ 33,300.00
2023	\$571,650.00	\$555,000.00	\$ 16,650.00

**BOROUGH OF ROSELAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 5 –FEDERAL AND STATE AWARDS**

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

The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the operating agency. As of December 31, 2015, there were no significant amounts of grant expenditure that have not been audited by the various grantor agencies and the Borough believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on any of the individual governmental funds on the overall financial position of the Borough.

**NOTE 6 –FUND BALANCES APPROPRIATED**

Fund balances at December 31<sup>st</sup> that were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

Schedule of Fund Balances Appropriated:

	<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized Budgets of Succeeding Year</u>
Current Fund:	2015	\$ 3,271,213.52	\$ 937,000.00
	2014	3,089,557.62	937,000.00
	2013	2,343,460.72	937,000.00
	2012	1,694,536.66	937,000.00
Water/Sewer Utility Operating Fund:	2015	\$ 2,716,948.84	\$ 1,750,000.00 (4)
	2014	1,916,156.56	421,536.26 (3)
	2013	709,682.50	482,802.00 (2)
	2012	439,459.11	250,000.00 (1)

(1) Includes \$250,000 as Anticipated Revenue in the Current Fund

(2) Includes \$250,000 as Anticipated Revenue in the Current Fund

(3) Includes \$250,000 as Anticipated Revenue in the Current Fund

(4) Includes \$1,750,000 as Anticipated Revenue in the Current Fund

## BOROUGH OF ROSELAND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

#### NOTE 7 – DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. As of December 31, 2015 there were no deferred charges shown on the balance sheets.

#### NOTE 8 –ACCUMULATED VACATION AND SICK PAY

The Borough has an Accrued Sick Policy Plan, whereby eligible employees, upon retirement, will receive no more than sixty (60) days of accumulated sick time. Certain employee's use of unused sick leave as retirement leave is capped at \$25,000.00, \$15,000.00 or may be limited by the provisions of N.J.S.A. 11A:6-19.1. Patrol officers hired on or after January 1, 2007 will receive no more than thirty (30) days of accumulated sick time and may take the time as retirement pay or cash out accrued time up to \$25,000.00. Superior Officers who retire with twenty-five (25) years of service in the New Jersey pension system and with at least ten (10) years of service to the

Borough may use a maximum of 60 days of accrued sick time (30 days if hired after 2007) as retirement leave and are also granted sixty (60) days of terminal leave.

The Borough has an Accrued Vacation Policy Plan, whereby eligible employees shall not be entitled to carry over unused vacation days into the following year. Employees who do not take their vacation days shall be entitled to receive compensation for up to 10 unused vacation days at the rate of pay the employees is earning.

Provisions for the above are not reflected on the Financial Statements of the Borough. It is estimated that the current cost of such unpaid compensation, which is unaudited, approximate \$850,573.00 at December 31, 2015. In accordance with New Jersey principles, these amounts, which are considered material to the financial statements, are not reported either as an expenditure or liability.

#### NOTE 9 –PENSION PLANS

##### Public Employee Retirement System

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

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

Inactive plan members or beneficiaries currently receiving benefits	166,637
Inactive plan members entitled to but not yet receiving benefits	703
Active plan members	<u>259,161</u>
Total	<u>426,501</u>

Contributing Employers – 1,710

*Significant Legislation* – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2015, the State was required to make a minimum contribution representing 4/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2013 actuarial valuation.



## BOROUGH OF ROSELAND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

#### NOTE 9 –PENSION PLANS (continued)

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

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

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

For the year ended December 31, 2015 the Borough's total payroll for all employees was \$5,262,189. Total PERS covered payroll was \$1,763,852. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Borough to active employees covered by the Plan.

*Specific Contribution Requirements and benefit provisions* – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014 and increased to 6.92 for State fiscal year 2015, commencing July 1, 2015. The phase-in of the additional incremental member contribution rate will take place in July of each subsequent State fiscal year. Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Borough contributions are due and payable on April 1<sup>st</sup> in the second fiscal period subsequent to plan year for which the contributions requirements were calculated. Borough payments to PERS for the years ending December 31, 2014 and 2015 consisted of the following:

	<u>2015</u>	<u>2014</u>
Total Regular Billing	\$214,941	\$217,147

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

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

The following represents the membership tiers for PERS:

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

A service retirement benefit of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members before age 62 and tier 5 members with 30 or more years of service

# BOROUGH OF ROSELAND

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

### NOTE 9 –PENSION PLANS (continued)

credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

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

At June 30, 2015, the PERS reported a net pension liability of \$22,447,996,119 for its Non-State Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Employer Member Group that is attributable to the Borough was \$5,612,209 or 0.0250009362%. At June 30, 2014, the PERS reported a net pension liability of \$18,722,735,003 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey's the net pension liability for the Non-State Employer Member Group that is attributable to the Borough was \$4,931,656 or 0.0263404657%.

For the year ended December 31, 2015, the Borough recognized PERS expense of \$214,941. At December 31, 2015 the Borough would have reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources, if GASB #68 was recognized:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expensed and actual experience	\$ 133,888	\$
Changes in assumptions	602,706	
Net difference between projected and actual earnings on pension plan investments		90,234
Changes in proportion and differences between Borough contributions and proportionate share of contributions		416,386
Borough contributions subsequent to the measurement date	214,941	

\$214,941 shown as deferred outflows of resources related to PERS resulting from Borough contributions subsequent to the measurement date (December 31, 2015) should have been recognized as a reduction of net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS should have been recognized in pension expense as follows, if GASB #68 was recognized:

<u>Year ended December 31,</u>	<u>Amount</u>
2016	\$ 25,884
2017	25,884
2018	25,884
2019	99,359
2020	<u>52,963</u>
Thereafter	
Total	\$ 229,974



# BOROUGH OF ROSELAND

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

### NOTE 9 –PENSION PLANS (continued)

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

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

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

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

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

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

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

	<u>At 1% Decrease</u>	<u>At Current Discount Rate</u>	<u>At 1% Increase</u>
Borough's proportionate share	\$6,975,289	\$5,612,209	\$4,469,412

*Plan Fiduciary Net Position* – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2015 was \$28,553,566,906. Information regarding the portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group was not available.

## BOROUGH OF ROSELAND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

#### NOTE 9 –PENSION PLANS (continued)

##### **Police and Firemen's Retirement System**

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

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

Inactive plan members or beneficiaries currently receiving benefits	44,252
Inactive plan members entitled to but not yet receiving benefits	51
Active plan members	<u>40,359</u>
Total	<u>84,662</u>

Contributing Employers – 585

*Significant Legislation* – For State of New Jersey contributions to PFRS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2015, the State was required to make a minimum contribution representing 4/7<sup>th</sup> of the actuarially determined contribution amount based on the July 1, 2013 actuarial valuation.

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

For the year ended December 31, 2015 the Borough's total payroll for all employees was \$5,262,189. Total PFRS covered payroll was \$2,581,187. Due to payroll system limitations, covered payroll refers to pensionable compensation, rather than total compensation, paid by the Borough to active employees covered by the Plan.

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

Borough payments to PFRS made in the years ending December 31, 2014 and 2015 consisted of the following:

	<u>2015</u>	<u>2014</u>
Total PFRS Payment - Regular	<u>\$626,049</u>	<u>\$621,535</u>

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

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

**BOROUGH OF ROSELAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 9 –PENSION PLANS (continued)**

The following represents the membership tiers for PFRS:

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

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

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

At June 30, 2015, the PFRS reported a net pension liability of \$18,117,234,618 for its Non-State, Non-Special Funding Situation Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$12,770,616 or 0.0766704008%. At June 30, 2014, the PFRS reported a net pension liability of \$13,933,627,128 for its Non-State, Non-Special Funding Situation Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$10,179,207, or 0.0809217591%.

For the year ended December 31, 2015, the Borough recognized PFRS expense of \$626,049. At December 31, 2015 the Borough would have reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources, if GASB #68 was recognized:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expended and actual experience	\$	\$ 110,151
Changes in assumptions	2,357,773	
Net difference between projected and actual earnings on pension plan investments		222,261
Changes in proportion and differences between Borough contributions and proportionate share of contributions		561,727
Borough contributions subsequent to the measurement date	626,049	

# BOROUGH OF ROSELAND

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

### NOTE 9 –PENSION PLANS (continued)

\$626,049 shown as deferred outflows of resources related to PFRS resulting from Borough contributions subsequent to the measurement date (December 31, 2015) should have been recognized as a reduction of net pension liability in the year ended December 31, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS should have been recognized in pension expense as follows, if GASB #68 was recognized:

<u>Year ended December 31,</u>	<u>Amount</u>
2016	\$ 255,730
2017	255,730
2018	255,730
2019	515,419
2020	181,020
Thereafter	
Total	\$1,463,629

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

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

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

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

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



## BOROUGH OF ROSELAND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

#### NOTE 9 –PENSION PLANS (continued)

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

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

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
PFRS	\$16,835,726	\$12,770,616	\$9,455,882

*Plan Fiduciary Net Position* – The plan fiduciary net position for PFRS at June 30, 2015 was \$25,106,858,921.

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

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

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

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

#### NOTE 10 - HEALTH BENEFITS

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

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

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

The contribution is phased in at 25% per year:

- a) For employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement ("CNA") that is in effect, contributions are effective on the date of hire
- b) When a CNA that was in effect on June 28, 2011 expires or is in almost any way modified;

## **BOROUGH OF ROSELAND**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015**

#### **NOTE 10 - HEALTH BENEFITS (continued)**

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

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

#### **NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS**

##### Plan Description

The Borough 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. The SHBP was established in 1961 under N.J.S.A. 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. The 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. Local employers must adopt a resolution to participate in the SHBP. In 1982, the Borough of Roseland authorized participation in the SHBP's post-retirement benefit program through resolution number adopted March 23, 1982. The Borough agrees to pay the premium or periodic charges for the benefits provided to all eligible retired employees and their dependents covered under the program, but not including survivors, if such employees retired from the State or locally administered retirement system, effective after the date, the employer adopted the State Health Benefits Program on a benefit based on 25 years or more of service credited in such retirement system, except employees who elected deferred retirement, but in certain including the employees who retired on disability pensions based on fewer years of service credited in such retirement system and also to reimburse such retired employees for their premium charges under Part B of the Federal Medicare Program covering the retired employees and their spouses in accordance with the regulations of the State Health Benefits Commission. In 2011, the Borough of Roseland adopted Chapter 48, requiring certain employees to have 25 years in the Pension and 17 years with the Borough to be eligible for post-retirement benefits and in 2012 the Borough of Roseland amended Chapter 48 to eliminate Medicare reimbursements. Employees are grandfathered in to the benefits at the time they meet the requirements of the Resolution adopted by the Governing Body.

The State Health Benefits Commission is the executive body established by 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, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/gasb-43-sept2009.pdf](http://www.state.nj.us/treasury/pensions/gasb-43-sept2009.pdf).

##### 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 Borough on a monthly basis. The Borough adopted Chapter 88, public laws of 1974 and adheres to the rules and regulations promulgated by the State Health Benefits Commission. These rules apply to all eligible present and future pensioners of the employer and their dependents and continues as long as the State is paying the cost of its eligible pensioners and their dependents in accordance with the provisions of Chapter 75, public laws of 1972, provide for local employer reimbursement of Federal Medicare premiums for eligible pensioners and/or their spouses, as well as the payment of health insurance premiums required by the program, on a basis comparable

## BOROUGH OF ROSELAND

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

#### NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (continued)

to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with the provisions of Chapter 75, Public Laws of 1972 and require the local employer to pay the full cost of such premiums and Medicare charges. All funds are budgeted in the year they are incurred.

Chapter 78 of the Laws of 2011, requires all public employees that retire after June 28, 2011, who does not have 20 years or more of service in the retirement system as of June 28, 2011 and retire after 25 years of service, to make a standard contribution, paid to their employer as a deduction from their retirement benefit.

The Borough's contributions to SHBP for the years ended December 31, 2015, 2014, and 2013, were \$800,682.93, \$772,701.94, and \$710,567.78, respectively, which equaled the required contributions for each year. There were approximately 39, 36 and 36 retired participants eligible at December 31, 2015, 2014, and 2013, respectively.

#### NOTE 12 – RISK MANAGEMENT

The Borough is a member of the Statewide Excess Liability Insurance for various insurance coverage excluding health benefits where they are part of the State of New Jersey Health Insurance Plan.

##### Interfund Receivables and Payables

The following are reflected as interfund receivables and payables on the various balance sheets:

Current	\$ 9.66	\$ 216,302.21
Federal and State Grant	216,302.21	
Trust Funds		9.66
General Capital		
	<u>\$ 216,311.87</u>	<u>\$ 216,311.87</u>

#### NOTE 13 - SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2015 through the date of July 29, 2016, which is the date the financial statements were available to be issued. Based on this evaluation, the Borough has determined that the following subsequent event has occurred which require disclosure in the financial statements.

A note sale was held on May 11, 2016 in the sum of \$6,364,539.00 consisting of \$2,970,039.00 in general improvement notes and \$3,394,500.00 of open space notes.

BOROUGH OF ROSELAND  
CURRENT FUND

SCHEDULE OF CASH  
YEAR ENDED DECEMBER 31, 2015

A-4

	<u>Ref.</u>	<u>Current Fund</u>
Balance, December 31, 2014	A	\$ 5,380,176.54
Increased by Receipts:		
Interest and Costs on Taxes	A-2b	\$ 77,644.48
Nonbudget Revenue	A-2c	98,983.33
Petty Cash	A-6	300.00
Due from State of New Jersey per Ch. 129, P.L. 1976	A-7	47,750.00
Taxes Receivable	A-8	37,391,679.56
Revenue Accounts Receivable	A-11	1,829,754.25
Interfunds Receivable	A-12	172,140.14
Due to State of New Jersey	A-17	9,895.00
Tax Overpayments	A-19	21,892.65
Prepaid Taxes	A-22	123,819.87
		<u>39,773,859.28</u>
		45,154,035.82
Decreased by Disbursements:		
Budget Appropriations	A-3	10,842,064.73
Transfer to Investments	A-5	3,100,000.00
Petty Cash	A-6	300.00
2014 Appropriation Reserves	A-15	643,246.30
Interfunds Payable	A-12	781,372.92
Due to State of New Jersey	A-17	10,254.00
Revenue Refund	A-1	2,646.73
Reserve for Tax Appeals	A-23	62,074.65
Tax Overpayments	A-19	100,883.86
County Taxes Payable	A-20	9,569,751.74
School Taxes Payable	A-16	17,535,306.00
		<u>42,647,900.93</u>
Balance, December 31, 2015	A	<u>\$ 2,506,134.89</u>

See accompanying notes to financial statements.



BOROUGH OF ROSELAND  
CURRENT FUND

SCHEDULE OF CASH - MONEY MARKET  
YEAR ENDED DECEMBER 31, 2015

A-5

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$ 72,173.17
Increased by:			
Transfer from Checking	A-4	\$ 3,100,000.00	
Interest Earned	A-11	<u>11,544.74</u>	
			<u>3,111,544.74</u>
			<u>3,183,717.91</u>
Balance, December 31, 2015	A		<u><u>\$ 3,183,717.91</u></u>

PETTY CASH  
FOR THE YEAR ENDED DECEMBER 31, 2015

A-6

	<u>Ref.</u>		
Increased by:			
Fund Established	A-4		\$ 300.00
Decreased by:			
Fund Returned	A-4		<u>300.00</u>
Balance, December 31, 2015			<u><u>\$</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

DUE FROM (TO) STATE OF NEW JERSEY  
PER CHAPTER 129, P.L. 1976  
YEAR ENDED DECEMBER 31, 2015

A-7

	<u>Ref.</u>		
Balance, December 31, 2014	A		
Increased by:			
Deductions per Tax Billings:			
Senior Citizens		\$ 7,500.00	
Veterans		42,500.00	
		<u>50,000.00</u>	
Plus: Deductions Allowed			
by Tax Collector			
2015 Veterans		250.00	
Less: Deductions Disallowed			
by Tax Collector			
2015 Senior Citizens		1,138.35	
	A-8		<u>49,111.65</u>
			49,111.65
Decreased by:			
Deductions Disallowed by Tax			
Collector:			
2014 Senior Citizens Deductions			
Disallowed	A-1	2,500.00	
2015 Collections	A-4	47,750.00	
		<u>50,250.00</u>	
Less: Deductions Allowed			
by Tax Collector			
2014 Veteran	A-19	<u>250.00</u>	
			<u>50,000.00</u>
Balance, December 31, 2015 (Due to)	A		<u>\$ (888.35)</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

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

A-8

Year	Balance Dec. 31, 2014	2015 Levy	Added Taxes	Collected		Due From State of New Jersey	Transferred to Tax Title Liens	Canceled	Balance Dec. 31, 2015
				2014	2015				
2014	\$ 300,164.94	\$	\$ 2,500.00		\$ 302,664.94	\$	\$	\$	
2015		37,664,835.73		108,373.44	37,089,014.62	49,111.65	16,850.34	35,265.82	366,219.86
	<u>\$ 300,164.94</u>	<u>\$ 37,664,835.73</u>	<u>\$ 2,500.00</u>	<u>\$ 108,373.44</u>	<u>\$ 37,391,679.56</u>	<u>\$ 49,111.65</u>	<u>\$ 16,850.34</u>	<u>\$ 35,265.82</u>	<u>\$ 366,219.86</u>
Ref.	A	Below	Reserve	A-2a, 22	A-2a, A-4	A-2a, A-7	A-9	Reserve	A

Analysis of 2015 Property Tax Levy

	Ref.
Tax Yield:	
General Purpose Tax (Abstract)	\$ 37,493,351.36
Added Taxes	164,787.77
Rounding	6,696.60
	<u>\$ 37,664,835.73</u>
Tax Levy:	
County Tax	A-20
County Open Space	A-20
County Added Tax	A-20
	<u>41,700.33</u>
	\$ 9,545,952.56
Local School District Tax (Abstract)	A-16
Regional High School District Tax (Abstract)	A-16
	<u>9,611,568.00</u>
	17,535,306.00
Local Tax for Municipal Purposes	
Local Taxes	A-2
Minimum Library Tax	A-2
Open Space Tax	A-2a, A-12
Add Additional Tax Levied	
Rounding	6,696.60
	<u>10,583,577.17</u>
	<u>\$ 37,664,835.73</u>
	Above

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

TAX TITLE LIENS  
YEAR ENDED DECEMBER 31, 2015

A-9

	<u>Ref.</u>		
Balance, December 31, 2014	A	\$	43,712.32
Increased by:			
Transfers from Taxes Receivable	A-8	\$	<u>16,850.34</u>
			<u>16,850.34</u>
Balance, December 31, 2015	A	\$	<u><u>60,562.66</u></u>

OTHER ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2015

A-10

	<u>Ref.</u>		
Balance, December 31, 2014	A	\$	8,076.50
Increased by:			
6% Interest Penalty on Delinquent Taxes	Reserve		<u>15,997.09</u>
			24,073.59
Decreased by:			
Adjustments	Reserve		<u>8,076.50</u>
Balance, December 31, 2015	A	\$	<u><u>15,997.09</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2015

A-11

	Ref.	Balance Dec. 31, 2014	Accrued	Realized	Balance Dec. 31, 2015
<u>Budget Revenue</u>					
Clerk:					
Alcoholic Beverage License	A-2	\$	\$ 3,690.00	\$ 3,690.00	\$
Other Licenses	A-2b		300.00	300.00	
Other Fees and Permits	A-2b		11,600.56	11,600.56	
Health Officer:					
Health Licenses	A-2b		17,250.00	17,250.00	
Registrar:					
Other Fees and Permits	A-2b		7,460.00	7,460.00	
Collector-Treasurer:					
Tax Search	A-2b		20.00	20.00	
Other Fees and Permits	A-2b		40.00	40.00	
Administration Fees	A-2b		17,342.19	17,342.19	
Right of Way Fees	A-2b		1,100.00	1,100.00	
Public Works	A-2b		238.20	238.20	
Zoning Board	A-2b		11,823.30	11,823.30	
Recreation:					
Other Fees and Permits	A-2b		3,893.64	3,893.64	
Construction Code Official:					
Building Permits	A-2		167,345.00	167,345.00	
Other Fees and Permits	A-2b		39,550.00	39,550.00	
Fire Prevention Bureau	A-2b		884.00	884.00	
Municipal Court:					
Fines and Costs	A-2	11,353.68	168,688.79	169,792.53	10,249.94
State of New Jersey:					
Energy Receipts Tax	A-2		837,731.00	837,731.00	
Cablevision Franchise Fee	A-2		108,028.40	108,028.40	
Interest on Investments	A-2		19,014.45	19,014.45	
Lease Agreement	A-2		103,166.02	103,166.02	
Cell Tower Lease	A-2		71,178.21	71,178.21	
Utility Operating Surplus	A-2		250,000.00	250,000.00	
		<u>\$ 11,353.68</u>	<u>\$ 1,840,343.76</u>	<u>\$ 1,841,447.50</u>	<u>\$ 10,249.94</u>
	Ref.	A	Reserve	Below	A
Cash Collections:					
Checking Account	A-4			\$ 1,829,754.25	
Investments	A-5			11,544.74	
Due from General Trust Fund	A-12			148.51	
	Above			<u>\$ 1,841,447.50</u>	

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

INTERFUNDS RECEIVABLE (PAYABLE)  
YEAR ENDED DECEMBER 31, 2015

A-12

	<u>Ref.</u>	<u>Total</u>	<u>General Trust Fund</u>	<u>General Capital Fund</u>	<u>Federal and State Grant Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2014						
	From (To)	\$ 362.88 (290,195.13)	\$ 362.88	\$	\$ (290,195.13)	\$
Increased by:						
Cash Disbursement:						
Checking	A-4	781,372.92				
Grants Payable Canceled	A-24	5,043.75		200,000.00	243,990.58	337,382.34
Anticipated Revenue	A-11	148.51	148.51		5,043.75	
		<u>781,521.43</u>	<u>148.51</u>	<u>200,000.00</u>	<u>249,034.33</u>	<u>337,382.34</u>
		491,689.18	511.39	200,000.00	(41,160.80)	337,382.34
Decreased by:						
Cash Receipts						
Checking	A-4	172,140.14	501.73		171,638.41	
Appropriations	A-3	203,503.00		200,000.00	3,503.00	
Open Space Tax	A-1	337,382.34				337,382.34
		<u>713,025.48</u>	<u>501.73</u>	<u>200,000.00</u>	<u>175,141.41</u>	<u>337,382.34</u>
Balance, December 31, 2015						
	From	\$ 9.66	\$ 9.66	\$	\$	\$
	(To)	<u>\$ (216,302.21)</u>	<u>\$</u>	<u>\$</u>	<u>\$ (216,302.21)</u>	<u>\$</u>
<u>Net Credit to Operations</u>	<u>Ref.</u>					
Balance, December 31, 2014	Above	\$ 362.88				
Balance, December 31, 2015	Above	<u>9.66</u>				
Net Credit	A-1	<u>\$ 353.22</u>				

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

INTERFUNDS RECEIVABLE  
FEDERAL/STATE GRANT FUND  
YEAR ENDED DECEMBER 31, 2015

A-13

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>
Balance, December 31, 2014	A	\$ 290,195.13	\$ 290,195.13
Increased by:			
Cash Receipts in Current Fund:			
Grant Receivables	A-14	157,748.84	157,748.84
Grant Match	A-24	3,503.00	3,503.00
Unappropriated Reserves	A-25	13,889.57	13,889.57
		<u>175,141.41</u>	<u>175,141.41</u>
		465,336.54	465,336.54
Decreased by:			
Grants Payable Cancelled	A-24	5,043.75	5,043.75
Expenditures Paid in Current Fund	A-24	<u>243,990.58</u>	<u>243,990.58</u>
		<u>249,034.33</u>	<u>249,034.33</u>
Balance, December 31, 2015	A	<u>\$ 216,302.21</u>	<u>\$ 216,302.21</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2015

A-14

	Balance Dec. 31, 2014	Anticipated Revenue	Realized	Canceled	Balance Dec. 31, 2015
Body Armor Replacement Fund	\$ 3,240.00	\$ 2,608.78	\$ 2,608.78	\$	\$ 3,240.00
Bulletproof Vest Program					
Clean Communities Program					
State Forestry Grant	20,000.00	10,000.00	10,000.00		20,000.00
Hazardous Mitigation Grant	15,500.00				15,500.00
Municipal Alliance on Alcoholism and Drug Abuse	9,910.44	5,900.00	3,360.00	7,403.44	5,047.00
PSE&G Susquehanna	4,388.84		4,388.84		0.00
2015 Essex County Open Space	150,000.00		150,000.00		
Recycling Tonnage Grant		18,424.04	18,424.04		
Green Communities Grant	500.00			500	
	<u>\$ 203,539.28</u>	<u>\$ 36,932.82</u>	<u>\$ 188,781.66</u>	<u>\$ 7,903.44</u>	<u>\$ 43,787.00</u>
Ref.	A	A-2	Below	A-25	A
Ref.					
Due from Current Fund			\$ 157,748.84		
Unappropriated Revenue Applied			31,032.82		
			<u>\$ 188,781.66</u>		



BOROUGH OF ROSELAND  
CURRENT FUND

2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

A-15  
Sheet 1

	Balance Dec. 31, 2014	Balance After Transfer	Paid or Charged	Balance Lapsed
<u>Salaries and Wages</u>				
Administrative and Executive	\$ 5,153.08	\$ 5,153.08	\$	5,153.08
Mayor and Council				
Office of Borough Clerk	3,274.61	3,274.61	585.00	2,689.61
Financial Administration	598.31	598.31		598.31
Computerized Data Process	104.00	104.00		104.00
Collection of Taxes	1,610.84	1,610.84		1,610.84
Assessment of Taxes	0.10	0.10		0.10
Legal Services and Costs	2,353.75	2,353.75		2,353.75
Planning Board	86.98	3,375.12	330.12	3,045.00
Board of Adjustment	2.90	2.90		2.90
Construction Code Official	9,077.21	9,077.21	977.67	8,099.54
Police	77,784.87	77,784.87	62,612.47	15,172.40
Emergency Management	256.12	256.12		256.12
Fire Prevention Bureau	363.26	1,057.70	1,057.70	
Road Repairs and Maintenance	24,613.57	24,613.57	2,267.75	22,345.82
Storm Clearance	8,273.49	8,273.49		8,273.49
Shade Tree Commission	416.08	416.08	42.57	373.51
Building and Grounds	34,797.58	31,509.44	2,367.63	29,141.81
Vehicle Maintenance	593.02	593.02		593.02
Board of Health				
Environmental Commission				
Public Recreation Program	2,668.03	2,668.03	1,080.60	1,587.43
Municipal Court	994.24	994.24	407.40	586.84
Public Defender	348.52	348.52		348.52
<u>Other Expenses</u>				
Administrative and Executive	3,800.40	3,105.96	1,929.08	1,176.88
Office of Borough Clerk	6,521.04	6,521.04	5,782.67	738.37
Financial Administration	912.00	912.00	524.00	388.00
Audit Services	33,500.00	33,500.00	33,500.00	
Computer Data Service	28,625.15	28,625.15	27,758.24	866.91
Collection of Taxes	1,994.04	1,994.04		1,994.04
Assessment of Taxes	11,923.93	11,923.93	606.10	11,317.83
Legal Services and Costs	100,529.03	100,529.03	59,311.71	41,217.32
Engineering Services and Costs	21,632.50	21,632.50	7,474.94	14,157.56
Historic Preservation Commission	965.26	965.26		965.26
Planning Board	38,777.34	38,777.34	8,745.48	30,031.86
Board of Adjustment	3,851.97	3,851.97	739.77	3,112.20
Affordable Housing	19,186.16	19,186.16	410.80	18,775.36
Construction Code	5,347.26	5,347.26	2,119.24	3,228.02
Insurance - General				
Insurance-Workmans Comp	0.15	0.15		0.15
Insurance - Employee Group	51,660.52	51,660.52	15,879.08	35,781.44
Health Benefit Waiver	2,832.95	2,832.95		2,832.95
Unemployment Compensation	1,147.49	1,147.49	71.22	1,076.27
Police	29,801.69	29,801.69	7,949.88	21,851.81
Police Dispatch/911	3,212.00	3,212.00	464.00	2,748.00
Emergency Management Services	4,931.69	4,931.69	2,385.51	2,546.18
Fire	20,335.95	20,335.95	16,741.44	3,594.51
Fire Prevention Bureau	1,916.39	1,916.39	1,018.44	897.95
Prosecutor	1,157.00	1,157.00	543.00	614.00

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

2014 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2015

A-15  
Sheet 2

	Balance Dec. 31, 2014	Balance After Transfer	Paid or Charged	Balance Lapsed
Road Repairs and Maintenance	\$ 1,951.67	\$ 1,951.67	\$ 637.87	\$ 1,313.80
Storm Clearance	10,056.14	10,056.14	4,718.53	5,337.61
Shade Tree Commission	8576.67	8576.67	4,250.22	4,326.45
Solid Waste Collection	277,036.98	277,036.98	153,578.99	123,457.99
Public Building and Grounds	56,276.67	56,276.67	45,348.61	10,928.06
Vehicle Maintenance	12,638.59	12,638.59	4,832.16	7,806.43
Condominium Service Act	44,000.00	44,000.00	28,356.93	15,643.07
Board of Health	3,861.00	3,861.00	681.33	3,179.67
Municipal Youth Guidance	1,030.49	1,030.49		1,030.49
Environmental Commission	625.00	625.00	125.00	500.00
Contribution to:				
Social Service Agencies	2,050.00	2,050.00		2,050.00
Public Recreation Program:				
Other Miscellaneous Expenses	10,702.03	10,702.03	2,104.89	8,597.14
Camp Wyanokie				
Roseland Free Public Library	94,134.71	94,134.71	94,134.71	
Prior Year Bills	4,898.00	4,898.00	4,596.70	301.30
Beautification Committee	5,504.54	5,504.54	256.01	5,248.53
Citizen Notifications	4,651.26	4,651.26	2,072.50	2,578.76
Senior Citizens' Transportation				
Senior Citizens' Advisory Committee	1,470.00	1,470.00	1,086.97	383.03
Utilities:				
Fuel Oil	1,500.00	1,500.00		1,500.00
Gasoline	40,611.34	40,611.34	5,340.37	35,270.97
Electricity	66,894.41	66,894.41	19,762.56	47,131.85
Telephone and Telegraph	4,041.26	4,041.26	3,813.50	227.76
Heating	43,451.02	43,451.02	11,163.04	32,287.98
Street Lighting	96,601.35	96,601.35	79,973.33	16,628.02
DCRP	1,817.15	1,817.15	9.00	1,808.15
Social Security	37,205.43	37,205.43	1,326.20	35,879.23
Interlocal Agreement: Computer System Services				
Interlocal Agreement: Building Ins	1.00	1.00		1.00
Interlocal Agreement: Health Services				
Municipal Court	2,859.98	2,859.98	2,151.26	708.72
Public Defender	500.00	500.00		500.00
	<u>\$ 1,402,879.16</u>	<u>\$ 1,402,879.16</u>	<u>\$ 736,004.19</u>	<u>\$ 666,874.97</u>

Ref                      A                                      Below                                      A-1

	Ref	
Cash Disbursements	A-4	\$ 643,246.30
Transferred to Accounts Payable	A-18	92,757.89
	Above	<u>\$ 736,004.19</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

SCHOOL TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2015

A-16

	<u>Ref.</u>	<u>Total</u>	<u>Local School District</u>	<u>Regional High School District</u>
Increased by:				
2015 Levy	A-1,2a,8	\$ 17,535,306.00	\$ 7,923,738.00	\$ 9,611,568.00
Decreased by:				
Payments	A-4	<u>17,535,306.00</u>	<u>7,923,738.00</u>	<u>9,611,568.00</u>
Balance, December 31, 2015		<u>\$</u>	<u>\$</u>	<u>\$</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

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

A-17

		<u>Current Fund</u>					<u>Federal and State Grant Fund</u>
	<u>Ref.</u>	<u>Total</u>	<u>Marriage Lic Fees</u>	<u>Burial Permits</u>	<u>State Training Fees</u>		
Balance, December 31, 2014	A	\$ 3,534.00	\$ 175.00	\$	\$ 3,359.00	\$	40,953.96
Increased by:							
Collections	A-4	<u>9,895.00</u>	<u>750.00</u>	<u>5.00</u>	<u>9,140.00</u>		
		13,429.00	925.00		12,499.00		40,953.96
Decreased by:							
Payments	A-4	<u>10,254.00</u>	<u>775.00</u>	<u>5.00</u>	<u>9,474.00</u>		
Balance, December 31, 2015	A	<u>\$ 3,175.00</u>	<u>\$ 150.00</u>	<u>\$</u>	<u>\$ 3,025.00</u>	<u>\$</u>	<u>40,953.96</u>

ACCOUNTS PAYABLE  
YEAR ENDED DECEMBER 31, 2015

A-18

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$ 139,570.92
Increased by:		
Transferred from Appropriation Reserves	A-15	<u>92,757.89</u>
		232,328.81
Decreased by:		
Canceled	A-1	<u>8,290.92</u>
		8,290.92
Balance, December 31, 2015	A	<u>\$ 224,037.89</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

TAX OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2015

A-19

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$ 65,411.64
Increased by:			
Collections	A-4	\$ 21,892.65	
Prepayments	A-22	20,000.00	
	A-7	250.00	
			42,142.65
			107,554.29
Decreased by:			
Refunded	A-4	\$ 100,883.86	
Applied to Prepaid Taxes	A-22	3,387.42	
Canceled	A-2c	0.06	
			104,271.34
Balance, December 31, 2015	A		<u>\$ 3,282.95</u>

COUNTY TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2015

A-20

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$ 65,499.51
Increased by:			
2015 Levy:			
General County	A-8	\$ 9,226,911.63	
Open Space Preservation	A-8	277,340.60	
Added Assessments	A-8	41,700.33	
	A-1,2a		9,545,952.56
			9,611,452.07
Decreased by:			
Payments	A-4		9,569,751.74
Balance, December 31, 2015	A		<u>\$ 41,700.33</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

DUE TO ESSEX COUNTY  
FEDERAL AND STATE GRANT FUND  
YEAR ENDED DECEMBER 31, 2015

A-21

	<u>Ref.</u>	
Balance, December 31, 2014	A	<u>\$ 2,467.42</u>
Balance, December 31, 2015	A	<u><u>\$ 2,467.42</u></u>

BOROUGH OF ROSELAND  
CURRENT FUND

PREPAID TAXES  
YEAR ENDED DECEMBER 31, 2015

A-22

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$ 108,373.44
Increased by:			
Cash Collections	A-4	\$ 123,819.87	
Overpayment	A-19	<u>3,387.42</u>	
			<u>127,207.29</u>
			235,580.73
Decreased by:			
Overpayment	A-19	20,000.00	
Applied to Taxes Receivable	A-8	<u>108,373.44</u>	
			<u>128,373.44</u>
Balance, December 31, 2015	A		<u><u>\$ 107,207.29</u></u>

RESERVE FOR TAX APPEALS  
YEAR ENDED DECEMBER 31, 2015

A-23

	<u>Ref.</u>		
Balance, December 31, 2014	A		\$ 287,528.29
Increased by:			
Transferred from Budget Appropriation	A-3	\$ 200,000.00	
			<u>200,000.00</u>
			487,528.29
Decreased by:			
Cash Disbursed	A-4		<u>62,074.65</u>
Balance, December 31, 2015	A		<u><u>\$ 425,453.64</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
CURRENT FUND

RESERVE FOR GRANT APPROPRIATED  
YEAR ENDED DECEMBER 31, 2015

A-24

<u>Grant Title</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Budget</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance Dec. 31, 2015</u>
Alcohol Education and Rehabilitation Aid	\$ 5.72	\$	\$	\$	\$ 5.72
Body Armor Replacement Fund - 2013	1,593.07		1,593.07		
Body Armor Replacement Fund - 2015		2,608.78	1,992.33		616.45
Clean Communities Program:					
2009	3,435.81				3,435.81
2010	5,263.09				5,263.09
2012	5,746.47				5,746.47
2014	7,687.68				7,687.68
2015	19,182.76				19,182.76
Drunk Driving Enforcement Fund	628.28				628.28
Bullet Proof Vest Program	3,240.00				3,240.00
Environmental Sustainable Jersey	171.26				171.26
2015 Essex County Open Space	148,542.44		143,642.44		4,900.00
Green Community Grant	1,500.00			1,500.00	
and Drug Abuse - 2014	6,163.44			6,163.44	
Municipal Alliance on Alcoholism and Drug Abuse - 2015	7,600.00		4,360.00	3,240.00	
Municipal Alliance on Alcoholism and Drug Abuse -2016		7,600.00	1,949.18		5,650.82
Hazardous Mitigation Grant	15,500.00	1,803.00			17,303.00
PSE&G Susquehanna	147.96				147.96
Recreation Open Space	40.00			40.00	
Recycling Tonnage Grant	47,985.48	18,424.04	22,806.86		43,602.66
Shade Tree	2,003.75			2,003.75	
State Forestry Grant		10,000.00	10,000.00		
Sustainable Jersey					
Williams Transco Pipe Line	128,100.00		57,646.70		70,453.30
Storm Water Regulation Program	14,743.00				14,743.00
	<u>\$ 419,280.21</u>	<u>\$ 40,435.82</u>	<u>\$ 243,990.58</u>	<u>\$ 12,947.19</u>	<u>\$ 202,778.26</u>
<u>Ref</u>	A	Below	A-13	Below	A
			<u>Ref.</u>		
Cancelled Against Receivable Due to Current Fund			A-14 A-13	\$ 7,903.44 5,043.75	
				<u>\$ 12,947.19</u>	
Budget Appropriation	A-3	\$ 36,932.82			
Local Match	A-13	3,503.00			
		<u>\$ 40,435.82</u>			

See accompanying notes to financial statements.



BOROUGH OF ROSELAND  
CURRENT FUND

RESERVE FOR UNAPPROPRIATED RESERVES  
YEAR ENDED DECEMBER 31, 2015

A-25

	<u>Ref.</u>	
Balance, December 31, 2014	A	\$ 31,032.82
Increased by:		
Due from Current Fund	A-13	<u>13,889.57</u>
		44,922.39
Decreased by:		
Realized Revenue	A-14	<u>31,032.82</u>
Balance, December 31, 2015	A	<u>\$ 13,889.57</u>
<u>Analysis of Balance</u>		
Shate Tree		
Recycling Tonnage Grant		11,284.72
Body Armor Grant		<u>2,604.85</u>
		<u>\$ 13,889.57</u>

See accompanying notes to financial statements.

TOWNSHIP OF ROSELAND  
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS  
YEAR ENDED DECEMBER 31, 2015

B-1

Ref.	Animal Control Fund	Affordable Housing Trust Fund	General Trust Fund
B	\$ 11,753.04	\$ 52,912.32	\$ 417,172.64
Balance, December 31, 2014			
Increased by Receipts:			
Transferred from Money Market Account	\$	\$	\$ 6,250.00
Due to State of New Jersey:			
Dog License Fees	463.20		
2015 Dog License Fees	2,760.80		
2015 Cat License Fees	244.00		
Late Fees	245.00		
Recreation Fund Collections			116,358.01
Special Deposits			212,510.95
Coah Fees		6,556.62	
COAH Interest		49.27	
Contra			
	3,713.00	6,605.89	335,118.96
	15,466.04	59,518.21	752,291.60
Decreased by Disbursements:			
Interfunds			348.46
Due to State of New Jersey:			
Dog License Fees	462.00		837.24
State Unemployment Insurance Fund			98,986.97
Expenditures under N.J.S.A. 40A:4-39	2,721.00		170,826.71
Recreation Fund Expenditures			
Special Deposits			
Coah Fees		2,812.99	40,213.90
Reserve for Community Development			
Contra			
	3,183.00	2,812.99	311,213.28
Balance, December 31, 2015	\$ 12,283.04	\$ 56,705.22	\$ 441,078.32

BOROUGH OF ROSELAND  
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS  
DEVELOPER'S ESCROW ACCOUNT  
YEAR ENDED DECEMBER 31, 2015

B-2

	<u>Ref.</u>	<u>General Trust Fund</u>	
Balance, December 31, 2014	B		\$ 791,733.11
Increased by Receipts:			
Accrued Interest	B-5	\$ 148.51	
Reserve for Developer's Escrow	B-12	<u>81,407.68</u>	
			<u>81,556.19</u>
			873,289.30
Decreased by Disbursements:			
Reserve for Developer's Escrow	B-12	<u>243,669.80</u>	
			<u>243,823.07</u>
Balance, December 31, 2015	B		<u><u>\$ 629,466.23</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS  
MONEY MARKET ACCOUNTS  
YEAR ENDED DECEMBER 31, 2015

B-3

	<u>Ref.</u>	<u>General Trust Fund</u>	
Balance, December 31, 2014	B		\$ 85,046.28
Increased by Receipts:			
Interest Earned:			
Unemployment Insurance	B-7	\$ 93.08	
Community Development	B-8	40,213.90	
Special Deposits	B-13	<u>16.14</u>	
			<u>40,323.12</u>
Decreased by:			
Transfer to Checking	B-1		<u>6,250.00</u>
Balance, December 31, 2015	B		<u><u>\$ 119,119.40</u></u>

OPEN SPACE FUND  
YEAR ENDED DECEMBER 31, 2015

B-4

	<u>Ref.</u>		
Balance, December 31, 2014	B		\$ 2,591,321.84
Increased by:			
Due from Current Fund	B-5	\$ 337,382.34	
Interest Earned	B-11	<u>11,187.37</u>	
			<u>348,569.71</u>
			2,939,891.55
Decrease by:			
Payments	B-11	<u>115,733.22</u>	
			<u>115,733.22</u>
Balance, December 31, 2015	B		<u><u>\$ 2,824,158.33</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
TRUST FUND

INTERFUND ACCOUNTS

YEAR ENDED DECEMBER 31, 2015

B-5

	<u>Ref.</u>	<u>General Trust Fund</u>		<u>Open Space Trust Fund</u>		<u>Open Space Trust Fund</u>		<u>Affordable Housing Current Fund</u>	
		<u>Total</u>	<u>Current Fund</u>	<u>Grant Fund</u>		<u>Current Fund</u>		<u>Current Fund</u>	
Balance, December 31, 2014:	B	\$ (362.89)	\$ (362.89)	\$		\$		\$	
(Due To)									
Increased by:									
Cash Disbursements									
Trust Fund	B-1	348.46	348.46						
Developer's Escrow Account	B-2	153.27	153.27						
Open Space Program - Tax Levy	B-11	501.73	501.73			337,382.34	337,382.34		
		138.84	138.84			337,382.34			
Decreased by:									
Investment Account	B-4	337,382.34				337,382.34			
Developer's Escrow Account	B-2	148.51	148.51						
		148.51	148.51			337,382.34			
Balance, December 31, 2015:	B	\$ (9.67)	\$ (9.67)	\$		\$		\$	
(To)									

BOROUGH OF ROSELAND  
TRUST FUND

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

B-6

Dog  
License  
Fees

	<u>Ref.</u>	
Balance, December 31, 2014		\$
Increased by:		
Collections:		
2015 Dog License Fees	B-1	<u>463.20</u>
Decreased by:		
Payments	B-1	<u>462.00</u>
Balance, December 31, 2015	B	<u>\$ 1.20</u>

STATE UNEMPLOYMENT COMPENSATION INSURANCE FUND  
YEAR ENDED DECEMBER 31, 2015

B-7

	<u>Ref.</u>	
Balance, December 31, 2014	B	\$ 18,566.14
Increased by:		
Interest on:		
Money Market Account	B-3	<u>93.08</u>
		<u>93.08</u>
		18,659.22
Decreased by:		
Cash Disbursements	B-1	<u>837.24</u>
Balance, December 31, 2015	B	<u>\$ 17,821.98</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
TRUST FUND

DUE FROM ESSEX COUNTY  
COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED DECEMBER 31, 2015

B-8

	<u>Ref.</u>		
Balance, December 31, 2014	B	\$	75,506.59
Decreased by:			
Receipts	B-3		<u>40,213.90</u>
Balance, December 31, 2015	B	\$	<u><u>35,292.69</u></u>

RESERVE FOR ANIMAL CONTROL EXPENDITURES  
YEAR ENDED DECEMBER 31, 2015

B-9

	<u>Ref.</u>		
Balance, December 31, 2014	B	\$	11,753.04
Increased by:			
Dog License Fees	B-1	\$	2,760.80
Cat License Fees	B-1		244.00
Late Fees	B-1		<u>245.00</u>
			<u>3,249.80</u>
			15,002.84
Decreased by:			
Expenditures Under N.J.S.A.			
40A: 4-39	B-1		<u>2,721.00</u>
Balance, December 31, 2015	B	\$	<u><u>12,281.84</u></u>

BOROUGH OF ROSELAND  
TRUST FUND

RESERVE FOR RECREATION EXPENDITURES  
YEAR ENDED DECEMBER 31, 2015

B-10

	<u>Ref.</u>		
Balance, December 31, 2014	B	\$	127,916.44
Increased by:			
Collections	B-1		116,358.01
			<u>244,274.45</u>
Decreased by:			
Payments	B-1		98,986.97
			<u>98,986.97</u>
Balance, December 31, 2015	B	\$	<u><u>145,287.48</u></u>

RESERVE FOR OPEN SPACE PROGRAM  
YEAR ENDED DECEMBER 31, 2015

B-11

	<u>Ref.</u>		
Balance, December 31, 2014	B	\$	2,591,321.84
Increased by:			
Interest Earned	B-4	\$	11,187.37
2015 Tax Levy	B-5		337,382.34
			<u>348,569.71</u>
			2,939,891.55
Decrease by:			
Payments	B-4		115,733.22
			<u>115,733.22</u>
Balance, December 31, 2015	B	\$	<u><u>2,824,158.33</u></u>

See accompanying notes to financial statements.



BOROUGH OF ROSELAND  
TRUST FUND

DEVELOPER'S ESCROW  
YEAR ENDED DECEMBER 31, 2015

B-12

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Maintenance and Performance				
Bonds	\$ 544,368.99	\$ 702.33	\$ 151,451.25	\$ 393,620.07
Inspection Fees	154,138.60	54.50	32,183.12	122,009.98
Site Plan Fees	93,193.59	71,650.85	55,449.12	109,395.32
Subdivision Fees		9,000.00	4,586.31	4,413.69
Other	17.50			17.50
	<u>\$ 791,718.68</u>	<u>\$ 81,407.68</u>	<u>\$ 243,669.80</u>	<u>\$ 629,456.56</u>
<u>Ref.</u>	B	B-2	B-2	B

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
TRUST FUND

SPECIAL DEPOSITS  
YEAR ENDED DECEMBER 31, 2015

B-13

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Police Side Jobs	\$ 24,801.73	\$ 89,500.00	\$ 86,004.11	\$ 28,297.62
Premium Tax Sale	90,500.00	88,100.00	21,000.00	157,600.00
Youth Week/Municipal Youth Council	6,042.76	300.00		6,342.76
Celebration of Public Events	18,187.47			18,187.47
Emergency Management	2,181.14			2,181.14
Police Donations	25,069.08	4,845.00	17,380.14	12,533.94
Bucco Settlements	30,500.00			30,500.00
Donations to Environmental Comm	62.41			62.41
Senior Advisory Board	402.75			402.75
Accumulated Absences	1,648.05			1,648.05
Parking Offense Adjudication Act	3,854.58	156.00		4,010.58
Public Defender		1,180.00	1,162.85	17.15
Snow Removal	85,317.45		330.25	84,987.20
Lien Redemption	14,280.38	28,429.95	42,699.36	10.97
Forfeited Property	664.65			664.65
Hydrant Deposit	50.00			50.00
Security Deposit	13,333.34			13,333.34
9/11 Scholarship Fund	12,236.73	16.14	2,250.00	10,002.87
Tsunami Relief Fund	962.00			962.00
Sidewalk Contribution	25,000.00			25,000.00
	<u>\$ 355,094.52</u>	<u>\$ 212,527.09</u>	<u>\$ 170,826.71</u>	<u>\$ 396,794.90</u>
<u>Ref.</u>	B	Below	Below	B
	<u>Ref.</u>			
Checking Account - Regular Account	B-1	\$ 212,510.95	\$ 170,826.71	
Money Market Account	B-3	16.14		
	Above	<u>\$ 212,527.09</u>	<u>\$ 170,826.71</u>	

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
TRUST FUND

RESERVE FOR AFFORDABLE HOUSING EXPENDITURES  
YEAR ENDED DECEMBER 31, 2015

B-14

	<u>Ref.</u>		
Balance, December 31, 2014	B		\$ 52,912.32
Increased by:			
COAH Developer Fee:			
Residential	B-1	\$ 6,556.62	
Interest	B-1	<u>49.27</u>	
			<u>6,605.89</u>
			59,518.21
Decreased by:			
Payment made in Current Fund	B-1		<u>2,812.99</u>
Balance, December 31, 2015	B		<u><u>\$ 56,705.22</u></u>

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

B-15

	<u>Ref.</u>		
Balance, December 31, 2014	B		\$ 75,799.95
Decreased by:			
Payments	B-1		<u>40,213.90</u>
Balance, December 31, 2015	B		<u><u>\$ 35,586.05</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNT      C-2  
YEAR ENDED DECEMBER 31, 2015

	<u>Ref.</u>		
Balance, December 31, 2014	C		\$ 1,597,936.66
Increased by Receipts:			
Deferred Charges - Unfunded	C-13	\$ 35,692.50	
Insurance Receivable	C-7	216,459.17	
Due From Current Fund	C-4	200,000.00	
Bond Anticipation Notes	C-15	<u>7,625,039.00</u>	
			<u>8,077,190.67</u>
			9,675,127.33
Decreased by Disbursements:			
Improvement Authorizations	C-14	4,243,649.77	
Bond Anticipation Notes	C-15	<u>3,067,859.00</u>	
			<u>7,311,508.77</u>
Balance, December 31, 2015	C		<u><u>\$ 2,363,618.56</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH  
YEAR ENDED DECEMBER 31, 2015

C-3

General Improvement Authorizations Ordinance:	Balance Dec. 31, 2014	Receipts Other	Disbursements		Transfers		Balance Dec. 31, 2015
			Improvement Authorizations	Other	From	To	
15-89	\$ 43,500.00						\$ 43,500.00
12-03/5-04	375,085.93	805,000.00	100,186.82	805,000.00			274,899.11
15-04	967.16						967.16
2-11	1,511.00						1,511.00
4-11	(718.28)	91,235.50	120.24	91,235.50			(838.52)
10-11	(54,498.67)	1,207,300.00	14,632.91	1,135,500.00			2,668.42
3-12	22,010.30	120,000.00	134.55	120,000.00			21,875.75
9-12	43,290.34						43,290.34
10-12	(18,335.35)	528,005.00	5,997.83	503,705.00			(33.18)
11-12	33,234.39						33,234.39
12-12	11,213.33						11,213.33
15-12	18,928.16	227,168.50	214.93	227,168.50			18,713.23
16-12	858.16						858.16
17-12	53,846.09						53,846.09
2-13	79,007.57	95,000.00	75,970.22	95,000.00			3,037.35
5-13	25,957.68	90,250.00	3,021.34	90,250.00			22,936.34
7-13	152.81						152.81
9-13	168,134.12	179,580.00	234,309.77				113,404.35
10-13	735.30						735.30
6-14/8-15	27,376.00		11,481.03			40,000.00	55,894.97
7-14	144,374.84	3,705,000.00	3,239,660.33				609,714.51
8-14	(23,633.28)	38,000.00	14,156.38				210.34
12-14	17,225.00	610,651.67	433,556.67				194,320.00
13-14	35,176.29	174,500.00	107,036.99				102,639.30
10-15		5,500.00	2,454.56			6,000.00	9,045.44
11-15			715.20			2,000.00	1,284.80
Other Accounts							
Capital Improvement Fund	523,994.59	200,000.00			48,000.00		675,994.59
Reserve to Pay Debt							
Reserve - Regional Contribution							
Agreement	25,500.00						25,500.00
Fund Balance	43,043.18						43,043.18
	<u>\$ 1,597,936.66</u>	<u>\$ 8,077,190.67</u>	<u>\$ 4,243,649.77</u>	<u>\$ 3,067,859.00</u>	<u>\$ 48,000.00</u>	<u>\$ 48,000.00</u>	<u>\$ 2,363,618.56</u>
Ref.	C	Below	C-2	C-2			C
Cash - Checking							
Cash - Investment							
	C-2	\$ 8,077,190.67					
		<u>\$ 8,077,190.67</u>					

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

DUE TO CURRENT FUND  
YEAR ENDED DECEMBER 31, 2015

C-4

	<u>Ref.</u>		
Balance, December 31, 2014	C		\$
Increased by:			
Capital Improvement Fund	C-8	<u>200,000.00</u>	<u>200,000.00</u>
			200,000.00
Decreased by:			
Cash Receipts:			
Cash Settlement	C-2	<u>200,000.00</u>	<u>200,000.00</u>
Balance, December 31, 2015	C		<u><u>\$</u></u>

DUE TO OPEN SPACE TRUST FUND  
YEAR ENDED DECEMBER 31, 2015

C-5

Balance, December 31, 2014 and December 31, 2015	<u><u>\$</u></u>
--	------------------

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY TRANSPORTATION TRUST FUND  
YEAR ENDED DECEMBER 31, 2015

C-6

	<u>Ref.</u>	
Balance, December 31, 2014 and December 31, 2015	C	<u>\$ 288,250.00</u>
<u>Analysis of Balance</u>		
Transportation Trust Fund:		
Monroe Avenue		232,000.00
Cedar and Beech Tree		<u>56,250.00</u>
Balance, December 31, 2015	C	<u>\$ 288,250.00</u>

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

DUE FROM INSURANCE  
YEAR ENDED DECEMBER 31, 2015

C-7

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$ 216,459.17
Decreased by:		
Collections	C-2	<u>216,459.17</u>
Balance, December 31, 2015		<u><u>\$</u></u>

CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2015

C-8

	<u>Ref.</u>		
Balance, December 31, 2014	C		\$ 523,994.59
Increased by:			
2015 Budget Appropriation	C-4	\$ 200,000.00	
Cancellation of Ordinance	C-14	<u>11,948.63</u>	
			<u>211,948.63</u>
			735,943.22
Decreased by:			
Appropriation to Finance Improvement			
Authorizations	C-14		<u>48,000.00</u>
Balance, December 31, 2015	C		<u><u>\$ 687,943.22</u></u>



BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

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

	<u>Ref.</u>	<u>C-9</u>
Balance, December 31, 2014	C	\$ 4,995,000.00
Decreased by:		
2015 Current Fund Appropriation:		
Payment of Bond Principal	C-16	<u>555,000.00</u>
Balance, December 31, 2015	C	<u>\$ 4,440,000.00</u>

RESERVE FOR INSURANCE RECEIVABLE  
YEAR ENDED DECEMBER 31, 2015

	<u>Ref.</u>	<u>C-10</u>
Balance, December 31, 2014	C	\$ 216,459.17
Decreased by:		
Applied to Deferred Charges - Unfunded	C-13	<u>216,459.17</u>
Balance, December 31, 2015		<u>\$</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

RESERVE FOR STATE GRANT RECEIVABLE  
YEAR ENDED DECEMBER 31, 2015

C-11

	<u>Ref.</u>	
Balance, December 31, 2014	C	\$ 288,250.00
Balance, December 31, 2015	C	<u>\$ 288,250.00</u>

RESERVE TO PAY DEBT  
YEAR ENDED DECEMBER 31, 2015

Reserved  
C-12

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

**BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND**

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

C-13

<u>Improvement</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>2015 Decreased</u>	<u>Notes Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>	<u>Analysis of Balance Dec. 31, 2015</u>		
						<u>Bond Anticipation Notes</u>	<u>Expenditures</u>	<u>Unexpended Improvement Authorizations</u>
Improvement Municipal Building	2,215,982.50	\$	\$	\$ 150,982.50	\$ 2,065,000.00	\$ 805,000.00	\$	\$ 1,260,000.00
Improvements to Oak Drive and Evelyn Road	215,730.00		106,000.00	15,264.50	94,465.50	91,235.50		3,230.00
Various Improvements	2,347,592.00				2,347,592.00	1,207,300.00		1,140,292.00
Improvements to Davenport Ave Williamsburg Drive	125,000.00				125,000.00	120,000.00		5,000.00
Fire Pumper Truck	551,000.00		20,000.00		531,000.00	528,005.00		2,995.00
Narrow Band Communication System	380,000.00				380,000.00	227,168.50		152,831.50
Improvements to First Aid Squad	95,000.00				95,000.00	95,000.00		
Turn Out Gear	90,250.00				90,250.00	90,250.00		
2014 Road Program	197,660.00				197,660.00	179,580.00		18,080.00
Improvements to Monroe Avenue	232,000.00				232,000.00			232,000.00
Acquisition of Fernwood Property	3,705,000.00				3,705,000.00	3,705,000.00		
Acquisition of Rail Road Property	513,000.00				513,000.00	38,000.00		475,000.00
Construction of Salt Shed	665,000.00		157,151.67		507,848.33	453,500.00		54,348.33
Reconstruction of Borough Hall due to Fire	197,459.17		95,000.00		102,459.17	79,500.00		22,959.17
Roof Replacement Fire Dept.		114,000.00			114,000.00	5,500.00		108,500.00
Acquisition of Pick Up Truck		38,000.00			38,000.00			38,000.00
Reference	<u>\$ 11,530,673.67</u>	<u>\$ 152,000.00</u>	<u>\$ 378,151.67</u>	<u>\$ 166,247.00</u>	<u>\$ 11,138,275.00</u>	<u>\$ 7,625,039.00</u>	<u>\$</u>	<u>\$ 3,513,236.00</u>
	<u>C</u>	<u>C-14</u>	<u>Below</u>	<u>C-15</u>	<u>C</u>	<u>C-16</u>	<u>Below</u>	
Applied from:		Ref.						
Cash Receipts								
Reserve for State Grants Receivable		C-2	\$ 35,692.50					
Budget Appropriation - Unfunded Improvement Authorization		C-11						
		C-14	<u>126,000.00</u>					
			<u>\$ 378,151.67</u>					

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2015

C-14

Ordinance Number	Improvement Description	Balance Dec. 31, 2014		2015 Authorizations		Expended	Canceled	Balance Dec. 31, 2015	
		Funded	Unfunded	Funded	Unfunded			Funded	Unfunded
15-89	General Improvements								
12-03, 5-04	Regional Contribution Agreement - City of Newark	\$ 43,500.00	\$ 1,635,085.93	\$	\$	100,186.82	\$	\$ 43,500.00	\$ 1,534,899.11
15-04	Streetscape	967.16					967.16		
2-11	Improvements to Free Public Library	1,511.00						1,511.00	
4-11	Improvements to Oak Drive and Evelyn Road		108,511.72			120.24	106,000.00		2,391.48
10-11/5-12	Various Improvements		1,157,593.33			14,632.91			1,142,960.42
3-12	Improvements to Davenport Avenue and Williamsburg Drive		27,010.30			134.55			26,875.75
9-12	Stream Embankment Stability	43,290.34						43,290.34	
10-12	Fire Pumper		28,959.65			5,997.83	20,000.00		2,961.82
11-12	School Path Bridge	33,234.39						33,234.39	
12-12	HVAC Fire Department	11,213.33					11,213.33		
15-12	Narrow Band Communication System		171,759.66			214.93			171,544.73
16-12	Digital in Car Video System	858.16						858.16	
17-12	Refunding Tax Appeal Bond	53846.09	0.00			75,970.22		53,846.09	
2-13	Improvements to First Aid Squad Building		79,007.57			3,021.34			3,037.35
5-13	Turn Out Gear		25,957.68						22,936.34
7-13	Live Scan Technology	152.81						152.81	
9-13	2014 Road Program	168,750.00	197,044.12			234,309.77			131,484.35
10-13	Computers and Related Supplies	735.30					735.3		
6-14/8-15	Improvements to Monroe Avenue	27,376.00	232,000.00	40,000.00		11,481.03		55,894.97	232,000.00
7-14	Acquisition of Fernwood Avenue	144,374.84	3,705,000.00			3,239,660.33			609,714.51
8-14	Acquisition of Rail Road Property		489,366.72			14,156.38			475,210.34
12-14	Construction of Salt Shed	17,225.00	665,000.00			433,556.67			248,668.33
13-14	Reconstruction of Borough Hall due to Fire	35,176.29	197,459.17			107,036.99			125,588.47
10-15	Replacement of Roof Fire Dept.			120,000.00		2,454.56		3,545.44	114,000.00
11-15	Acquisition of Pick Up Truck			40,000.00		715.20		1,284.80	38,000.00
		\$ 582,210.71	\$ 8,719,755.85	\$ 200,000.00		\$ 4,243,649.77	\$ 138,915.79	\$ 237,118.00	\$ 4,882,283.00
		Ref	C	C	Below	Below	Below	C	C
	Improvements Authorization	Ref							
	Capital Improvement Fund			\$	\$	\$ 4,243,649.77	\$ 11,948.63		
	Capital Surplus						967.16		
	Deferred Charges to Future Taxation - Unfunded Debt Authorized						126,000.00		
				\$ 200,000.00	Above	\$ 4,243,649.77	\$ 138,915.79		

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES  
YEAR ENDED DECEMBER 31, 2015

C-15

Ordinance Number	Improvement Authorization	Original Issue	Issue	Maturity	Interest Rate	Balance Dec. 31, 2014	Increase	Decrease	Balance Dec. 31, 2015
4-11	Improvement Municipal Building	8/18/11	7/27/15	5/16/16	0.54%	\$ 150,982.50	\$ 27,445.50	\$ 150,982.50	\$ 27,445.50
	Improvements to Oak Drive and Evelyn Road	12/20/12	7/27/15	5/16/16	0.54%	106,500.00	100,920.00	106,500.00	100,920.00
10-11, 5-12	Various Improvements	12/20/12	7/27/15	5/16/16	0.54%	575,500.00	538,370.00	575,500.00	538,370.00
12-03, 5-04	Improvement Municipal Building	7/31/13	7/27/15	5/16/16	0.54%	805,000.00	805,000.00	805,000.00	805,000.00
10-11, 5-12	Various Improvements	7/31/13	7/27/15	5/16/16	0.54%	560,000.00	560,000.00	560,000.00	560,000.00
3-12	Improvements to Davenport Road	7/31/13	7/27/15	5/16/16	0.54%	120,000.00	120,000.00	120,000.00	120,000.00
10-12	Fire Pumper	7/31/13	7/27/15	5/16/16	0.54%	503,705.00	503,705.00	503,705.00	503,705.00
15-12	Narrow Band Communication	7/31/13	7/27/15	5/16/16	0.54%	227,168.50	227,168.50	227,168.50	227,168.50
2-13	Improvements to First Aid Squad	7/31/13	7/27/15	5/16/16	0.54%	95,000.00	95,000.00	95,000.00	95,000.00
6-13	Turn Out Gear	7/31/13	7/27/15	5/16/16	0.54%	90,250.00	90,250.00	90,250.00	90,250.00
7-2014	Acquisition Fenwood Property	5/13/15	5/13/15	5/12/16	0.52%		3,705,000.00		3,705,000.00
10-11, 5-12	Various Improvements	12/15/15	12/15/15	5/16/16	0.75%		71,800.00		71,800.00
10-12	Fire Pumper	12/15/15	12/15/15	5/16/16	0.75%		24,300.00		24,300.00
9-13	Various Road Improvements	12/15/15	12/15/15	5/16/16	0.75%		179,580.00		179,580.00
08-14	Acquisition of Rail Road Property	12/15/15	12/15/15	5/16/16	0.75%		38,000.00		38,000.00
12-14	Construction Salt Shed	12/15/15	12/15/15	5/16/16	0.75%		453,500.00		453,500.00
13-14	Restoration of Boro Hall				0.75%		79,500.00		79,500.00
10-15	Replacement of Roof at Fire Dept.	12/15/15	12/15/15	5/16/16	0.75%		5,500.00		5,500.00
						<u>\$ 3,234,106.00</u>	<u>\$ 7,625,039.00</u>	<u>\$ 3,234,106.00</u>	<u>\$ 7,625,039.00</u>
						Ref.	C	C-2	C
								Below	
						Cash Disbursed			
						Paid by Budget Appropriation			
									Ref
									C-2
									C-13
								\$ 3,067,859.00	
								166,247.00	
								<u>\$ 3,234,106.00</u>	

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

GENERAL SERIAL BONDS  
YEAR ENDED DECEMBER 31, 2015

C-16

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Bonds Redeemed</u>	<u>Balance Dec. 31, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Tax Appeals	8/15/2014	\$ 5,570,000.00	11/15/16-23	555,000.00	3.00%	\$ 4,995,000.00	\$ 555,000.00	\$ 4,440,000.00
					<u>Reference</u>	C	C-9	C

BOROUGH OF ROSELAND  
GENERAL CAPITAL FUND

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

C-17

<u>Ordinance No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2015</u>
12-03, 5-04	Improvement Municipal Building	\$ 1,260,000.00	\$		\$ 1,260,000.00
4-11	Improvements to Oak Drive and Evelyn Road	109,230.00		106,000.00	3,230.00
10-11, 5-12	Various Improvements	1,212,092.00		71,800.00	1,140,292.00
3-12	Improvements to Davenport Road and Williamsburg Drive	5,000.00			5,000.00
10-12	Fire Pumper Truck	47,295.00		44,300.00	2,995.00
15-12	Narrow Band Communication System	152,831.50			152,831.50
9-13	2014 Road Improvement	197,660.00		179,580.00	18,080.00
6-14	Improvements to Monroe Avenue	232,000.00			232,000.00
7-14	Acquisition of Fernwood Property	3,705,000.00		3,705,000.00	
8-14	Acquisition of Rail Road Property	513,000.00		38,000.00	475,000.00
12-2014	Construction of Salt Shed	665,000.00		610,651.67	54,348.33
13-2014	Restoration of Boro Hall due to Fire Damage	197,459.17		174,500.00	22,959.17
10-2015	Replacement of Roof at Fire Dept.		114,000.00		108,500.00
11-2015	Acquisition of Pick Up Truck		38,000.00	5,500.00	38,000.00
		<u>\$ 8,296,567.67</u>	<u>\$ 152,000.00</u>	<u>\$ 4,935,331.67</u>	<u>\$ 3,513,236.00</u>

Ref.

C

C

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

STATEMENT OF WATER UTILITY CASH  
YEAR ENDED DECEMBER 31, 2015

D-5

	Ref.	Operating Fund	Capital Fund
Balance, December 31, 2014	D	\$ 2,486,812.28	\$ 314,984.43
Increased by Receipts:			
Premium on Bond Anticipation Notes			
Interest Earned	D-3	\$ 13,147.95	\$
Miscellaneous Revenue	D-3	29,448.63	
Water/Sewer Rents Receivable	D-8	3,470,021.42	
Water/Sewer Overpayments	D-16	32,434.13	
Due from Water/Sewer Operating	D-14		1,850.26
		<u>3,545,052.13</u>	<u>1,850.26</u>
		6,031,864.41	316,834.69
Decreased by Disbursements:			
Budget Appropriations	D-4	2,099,669.63	
2014 Appropriation Reserves	D-12	136,090.58	
Anticipated Revenue Current Fund	D-1	250,000.00	
Due to Water Sewer Capital Fund	D-13	<u>1,850.26</u>	
		<u>2,487,610.47</u>	
Balance, December 31, 2015	D	<u>\$ 3,544,253.94</u>	<u>\$ 316,834.69</u>



BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS  
MONEY MARKET  
YEAR ENDED DECEMBER 31, 2015

D-6

	<u>Ref.</u>	
Balance, December 31, 2014	D	\$ 51,041.99
Increased by:		
Interest Earned	D-3	<u>52.02</u>
Balance, December 31, 2015	D	<u><u>\$ 51,094.01</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

ANALYSIS OF WATER/SEWER CAPITAL CASH  
YEAR ENDED DECEMBER 31, 2015

D-7

	Balance Dec. 31, 2014	Receipts	Balance Dec. 31, 2015
<u>Improvement Authorizations</u>			
Ordinance Number:			
9-97/8-98/8-99/13-08	\$ (1,850.26)	\$ 1,850.26	\$ 0.00
01-11	39,864.32		39,864.32
11-11	102,928.36		102,928.36
<u>Other Accounts</u>			
Fund Balance	150,184.21		150,184.21
Capital Improvement Fund	23,857.80		23,857.80
	<u>\$ 314,984.43</u>	<u>\$ 1,850.26</u>	<u>\$ 316,834.69</u>

Ref.

D

D-5

D

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

WATER/SEWER RENTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2015

D-8

	<u>Ref.</u>	
Balance, December 31, 2014	D	\$ 185,602.93
Increased by:		
Water/Sewer Rents Levied - Net	Reserve	<u>3,576,488.67</u>
		3,762,091.60
Decreased by:		
Collections	D-5	\$ 3,470,021.42
Overpayment Applied	D-16	<u>18,707.60</u>
	D-3	<u>3,488,729.02</u>
Balance, December 31, 2015	D	<u><u>\$ 273,362.58</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

INVENTORY  
YEAR ENDED DECEMBER 31, 2015

D-9

	<u>Ref.</u>	<u>Operating Fund</u>
Balance, December 31, 2014	D	<u>\$ 59,328.65</u>
Balance, December 31, 2015	D	<u><u>\$ 59,328.65</u></u>

FIXED CAPITAL  
YEAR ENDED DECEMBER 31, 2015

D-10

	<u>Ref.</u>	
Balance, December 31, 2014	D	<u>\$ 8,982,967.13</u>
Balance, December 31, 2015	D	<u><u>\$ 8,982,967.13</u></u>

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED  
YEAR ENDED DECEMBER 31, 2015

D-11

Improvement Description	Number	Ordinance			Balance Dec. 31, 2014	Decrease	Balance Dec. 31, 2015
		Date	Amount				
Inflow and Infiltration Study - Sections 1, 2 and 3 and the making of Any Improvements Indicated by Such Study to be Necessary or Desirable	9-97/8-98/ 8-99/13-08/6-10	2/11/1997	\$ 1,020,960.00	\$	275,479.15	\$ 20,037.10	\$ 255,442.05
Gas Alarm Detector Pump Stations	1-11	2/15/2015	40,000.00		40,000.00		40,000.00
Various Improvements	11-11	9/20/2015	1,129,400.00		1,129,400.00		1,129,400.00
				\$	1,444,879.15	\$ 20,037.10	\$ 1,424,842.05
				Ref	D	D-	D

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

APPROPRIATION RESERVES  
DECEMBER 31, 2015

D-12

	<u>Encumbered</u> <u>Dec. 31, 2014</u>	<u>Reserved</u> <u>Dec. 31, 2014</u>	<u>Charged</u>	<u>Lapsed</u>
<u>Operating</u>				
Salaries and Wages	\$	\$ 5,864.81	\$ 2,992.96	\$ 2,871.85
Other Expenses	56,125.54	418,716.10	184,849.89	289,991.75
User's Fee Operations		133,608.17	(51,973.13)	185,581.30
<u>Statutory Expenditures</u>				
Contribution to:				
Social Security System (OASI)		2,402.04	217.85	2,184.19
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)		324.84	3.01	321.83
	<u>\$ 56,125.54</u>	<u>\$ 560,915.96</u>	<u>\$ 136,090.58</u>	<u>\$ 480,950.92</u>
<u>Ref.</u>	D	D	Below	D-1
		<u>Ref.</u>		
Cash Disbursements		D-5	\$ 136,090.58	
Transfer to Accounts Payable		D-13		
			<u>\$ 136,090.58</u>	

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

DUE TO WATER SEWER CAPITAL FUND

D-13

YEAR ENDED DECEMBER 31, 2015

	<u>Ref.</u>	
Increased by:		
Budget Appropriation	D-4	\$ 1,850.26
Decreased by:		
Cash Disbursed	D-5	<u>1,850.26</u>
Balance, December 31, 2015	D	<u><u>\$</u></u>

DUE FROM WATER SEWER FUND  
YEAR ENDED DECEMBER 31, 2015

D-14

	<u>Ref.</u>	
Balance, December 31, 2014	D	\$
Increased by:		
Cash Receipt	D-5	<u>1,850.26</u>
		1,850.26
Decreased by:		
Unfunded Improvement Authorization	D-17	<u>1,850.26</u>
Balance, December 31, 2015		<u><u>\$</u></u>

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

PREPAYMENT OF WATER/SEWER RENT  
YEAR ENDED DECEMBER 31, 2015

D-15

	<u>Ref.</u>	
Balance, December 31, 2014	D	\$
Increased by:		
Cash Receipts	D-5	<u>                    </u>
Decreased by:		
Prepayments Applied	D-8	<u>                    </u>
Balance, December 31, 2015	D	<u><u>\$</u></u>

WATER/SEWER OVERPAYMENTS  
YEAR ENDED DECEMBER 31, 2015

D-16

	<u>Ref.</u>	
Balance, December 31, 2014	D	\$ 4,656.21
Increased by:		
Cash Receipts	D-5	<u>32,434.13</u>
		37,090.34
Decreased by:		
Overpayments Applied	D-8	<u>18,707.60</u>
Balance, December 31, 2015	D	<u><u>\$ 18,382.74</u></u>



BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2015

D-17

<u>Ref.</u>		
D	Balance, December 31, 2014	\$ 8,719,296.02
	Increased by:	
	Budget Appropriations:	
D-14	Budget Appropriation	<u>1,850.26</u>
D	Balance, December 31, 2015	<u>\$ 8,721,146.28</u>

DEFERRED RESERVE FOR AMORTIZATION  
YEAR ENDED DECEMBER 31, 2015

D-18

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Inflow and Infiltration Study - Sections 1, 2 and 3	9-97/8-98/ 8-99/13-08	2/11/1997	\$ 316,097.00	\$	\$	\$ 316,097.00
Replace Water Mains	09-04	6/22/2004	201,166.00			201,166.00
Gas Alarm System	1-11	2/15/2015	40,000.00			40,000.00
Various Improvements	11-11	9/20/2015	103,850.00			103,850.00
			<u>\$ 661,113.00</u>	<u>\$</u>	<u>\$</u>	<u>\$ 661,113.00</u>
<u>Ref.</u>			D	D-19	Below	D

See Independent Auditors' Report

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2015

D-19

	<u>Ref.</u>	
Balance, December 31, 2014	D	\$ 23,857.80
		<hr/>
Balance, December 31, 2015	D	<u><u>\$ 23,857.80</u></u>

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS  
YEAR ENDED DECEMBER 31, 2015

D-20

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Amount</u>	<u>Balance</u> <u>Dec. 31, 2014</u>		<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2015</u>	
				<u>Funded</u>	<u>Unfunded</u>		<u>Funded</u>	<u>Unfunded</u>
Inflow and Infiltration Study - Sections 1, 2 and 3 Improvements to Sewer System	9-97/8-98/ 8-99/13-08/6-10	2/11/1997	\$ 1,020,960.00	\$	\$ 20,037.10	20,037.10	\$	\$
Gas Alarm Detector System Pump Stations	1-11	2/15/2015	40,000.00	39,864.32			39,864.32	
Various Improvements	11-11	9/20/2015	1,129,400.00	102,928.36	1,025,550.00		102,928.36	1,025,550.00
				<u>\$ 142,792.68</u>	<u>\$ 1,045,587.10</u>	<u>\$ 20,037.10</u>	<u>\$ 142,792.68</u>	<u>\$ 1,025,550.00</u>
	<u>Ref.</u>			D	D	D-11	D	D

BOROUGH OF ROSELAND  
WATER/SEWER UTILITY

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

D-21

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Debt Authorized</u>	<u>Balance Dec. 31, 2014</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2015</u>
Inflow and Infiltration Study - Sections 1, 2 and 3	9-97/8-98 8-99/1-07 13-08/6-10 11-11	2/11/1997  9/20/2015	\$ 969,912.00	\$ 21,887.36	\$ 21,887.36	\$
Various Improvements			1,025,550.00	1,025,550.00		1,025,550.00
				<u>\$ 1,047,437.36</u>	<u>\$ 21,887.36</u>	<u>\$ 1,025,550.00</u>
	<u>Ref.</u>			D		D

BOROUGH OF ROSELAND  
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS  
YEAR ENDED DECEMBER 31, 2015

E-1

	<u>Ref.</u>		
Balance December 31, 2014	E		\$ 82,051.29
Increased by:			
Employer Contributions	E-2	\$ 232,924.54	
Gross Payroll	E-2	<u>5,213,722.75</u>	
			<u>5,446,647.29</u>
			5,528,698.58
Decreased by:			
Payroll Deductions Payable	E-2	<u>5,443,140.73</u>	
			<u>5,443,140.73</u>
Balance December 31, 2015	E		<u><u>\$ 85,557.85</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND  
PAYROLL FUND

E-2

ANALYSIS OF PAYROLL DEDUCTIONS  
YEAR ENDED DECEMBER 31, 2015

	Balance Dec. 31, 2014	Payroll Deductions	Other Receipts	Disbursements	Transfers	Balance Dec. 31, 2015
	\$	\$	\$	\$	\$	\$
Net Salaries and Wages		\$ 3,205,006.68	\$ 11,681.58	\$ 3,216,688.26		
Deductions:						
Federal Income Tax		635,221.98		635,221.98		
New Jersey Gross Income Tax		184,542.72		184,542.72		
Social Security	(0.01)	136,861.89	136,861.89	273,723.78		(0.01)
Medicare		67,614.23	67,614.23	135,228.46		
State Unemployment Insurance	13,155.51	15,967.38	2,055.38	12,943.93		18,234.34
Mass Mutual		95,237.12		95,237.12		
AFLAC		11,050.50		11,050.50		
Fidelity Advisor Plan		2,675.00		2,675.00		
Aflac Cancer Protection		5,652.00		5,652.00		(0.03)
DCRP	77.09	7,107.26	3,876.75	10,982.18		78.92
Employee Health Cong	63,673.10	230,794.56	527.40	235,987.77		59,007.29
Teamsters Dues		3,456.00		3,456.00		
Income Withholding Support		23,075.06		23,075.06		
Garnishment	(82.37)	31,578.90		31,578.90		(82.37)
PBA Dues		3,078.50		3,078.50		
FOP #184		9,120.00		9,120.00		
OPEIU Dues		2,686.18		2,686.18		
Back Dues PBA		690.00		690.00		
FOP/PBA		2,414.00		2,414.00		
PERS Pension	1,008.53	123,712.48		123,677.95		1,043.06
PERS Back Pension		9,071.46		9,071.46		
PERS Loans	1.21	38,381.85		38,381.71		1.35
PERS Arrears						
PERS Insurance	83.61	9,126.98		8,995.79		214.80
P&F Pension	349.16	263,072.25		258,118.70		5,302.71
P&F Back Pension	349.90	4,485.50		4,835.40		
P&F Loans	0.40	92,042.27		92,042.31		0.36
P&F Arrears	0.03					0.03
Workman's Comp	1,686.00		9,995.58	11,681.58		
Misc.	1,749.13		311.73	303.46		1,757.40
	82,051.29	2,008,716.07	221,242.96	2,226,452.47		85,557.85
	\$	\$ 5,213,722.75	\$ 232,924.54	\$ 5,443,140.73	\$	\$ 85,557.85
Total						
	Ref.	E-1	E-1	E-1		E, Below
			Analysis of Balance			
			Payroll Deductions Payable		E	\$ 83,800.45
			Accounts Payable		E	1,757.40
						\$ 85,557.85

BOROUGH OF ROSELAND

PART II

DECEMBER 31, 2015

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds of the Borough of Roseland, Essex County, New Jersey (the "Borough"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated July 29, 2016.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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



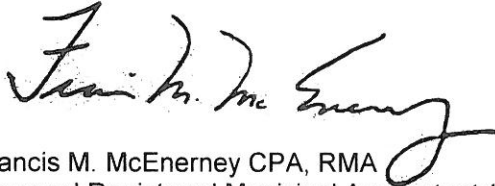
**The Honorable Mayor and Members  
of the Borough Council  
Borough of Roseland**  
Page 2

**Purpose of this Report**

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

*PKF O'Connor Davies, LLP*

Livingston, New Jersey  
July 29, 2016

A handwritten signature in black ink, appearing to read "Francis M. McEnerney". The signature is fluid and cursive, with a large, stylized "F" and "M".

Francis M. McEnerney CPA, RMA  
Licensed Registered Municipal Accountant # 539

BOROUGH OF ROSELAND  
GENERAL COMMENTS  
DECEMBER 31, 2015

Scope of Audit

The audit of the financial statements of the Borough of Roseland, County of Essex, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, and the activities of the Borough and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED  
FOR N.J.S.A. 40A: 11-4

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

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

The bidding threshold for the period January 1, 2015 through June 30, 2015 was \$36,000.00 and \$40,000.00 from July 1<sup>st</sup> to December 31, 2105 in accordance with the provisions of N.J.S.A. 40A:11-3a.

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

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

Bonded Officials

The following officials were bonded during the year ended December 31, 2015 through policies issued by the New Jersey Intergovernmental Insurance Fund:

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Maureen Chumacas	Chief Financial Officer.	\$1,000,000
Maureen Chumacas	Tax Collector	1,000,000
William T. Connell	Municipal Court Judge	1,000,000

All employees, other than the Tax Collector and Municipal Court personnel, were covered by a Public Employee Dishonesty Blanket Bond in the amount of \$250,000 issued by the New Jersey Intergovernmental Insurance Fund.

### Collection of Interest on Delinquent Taxes and Assessments

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

The governing body adopted the following resolution authorizing interest to be charged on delinquent taxes:

"Not to exceed 8% per annum on the first \$1,500 of the delinquency and 18% on any amount in excess of \$1,500."

"The Borough Council by resolution instructed the Tax Collector to permit a ten (10) day grace period in the collection of taxes before a charge of interest is made."

"Be it further resolved that an additional 6% penalty be charged for delinquencies in excess of \$10,000 remaining unpaid at the end of the calendar year in accordance with the amended provisions of N.J.S.A. 54:4-67."

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

### Delinquent Taxes and Tax Title Liens

The delinquent taxes at December 31, 2015 consist of unpaid taxes for the year 2015. It is quite evident, that a determined effort has been made to enforce the payment of delinquent taxes.

### Administrative Procedures

#### Pension Eligibility

The State of New Jersey enacted legislation under Ch. 92 P.L. 2007 and codified under N.J.S.A. 43:15A-7.2 and 43:15c-2b(4). The law established that individuals performing professional services 1) under a contract awarded pursuant to N.J.S.A. 40A:11.5 and 1 or 2) under an independent contract as determined in accordance with rules an policy of the IRS are ineligible for membership in the State's Pension System (PERS). There was no "grandfathering" provisions under N.J.S.A. 43:15A-7.2. The municipalities were required to remove them from the pension rolls.

It appears that three individuals, two who are enrolled in PERS (Board of Adjustment Attorney and Planning Board Attorney) and one who is enrolled in the Defined Contribution Retirement Program (Borough Attorney), do not meet the requirements under the statutes. It is noted that the Borough Attorney is appointed each year by resolution. The Borough has submitted documentation to the State Division of Pensions and is awaiting an opinion for both positions.

It is also noted that the Board of Adjustment Attorney is receiving health benefits although not working the prescribed required hours. The Borough as noted above has requested an opinion from the Stat of New Jersey Division of Pensions.

BOROUGH OF ROSELAND  
COMMENTS AND RECOMMENDATIONS  
YEAR ENDED DECEMBER 31, 2015

**BOROUGH OF ROSELAND  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2015**

Administrative

Purchasing

**Finding:**

The Borough has run its recreation programs through an organization called West Essex Youth Sports Alliance. Payments made to the vendor exceed the quote threshold of \$5,400 and quotes were not solicited. It was also noted that the vendor did not carry liability insurance. The Borough has discontinued using the vendor in May 2015.

Capital Fixed Assets

**Findings:**

A fixed asset accounting system was not maintained. A detailed listing of Borough land, building/site improvements, and equipment vehicles should be established and updated on an annual basis.

**Recommendations:**

It is recommended that:

- 1) A fixed asset accounting system be established and maintained on a current basis.

Financial Reporting

Construction Code

**Findings:**

It was noted that the plumbing fee loaded into the Borough's software program was not in agreement with the Borough's ordinance.

**Recommendations:**

It is recommended that:

- 1) The correct fee be uploaded into the Borough's software program.