



ROSELAND
NEW JERSEY

BOROUGH OF ROSELAND

ESSEX COUNTY, NEW JERSEY

REPORT ON

EXAMINATION OF ACCOUNTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

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

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
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>	4

PART I – REGULATORY BASIS FINANCIAL STATEMENTS

CURRENT AND FEDERAL AND STATE GRANT FUND

EXHIBIT

A	Comparative Balance Sheets	6
A-1	Comparative Statements 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 Statements 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

PART I - FINANCIAL STATEMENTS
(Continued)

GOVERNMENTAL FIXED ASSETS

<u>EXHIBIT</u>		<u>PAGE</u>
E	Comparative Balance Sheets	25
	<u>NOTES TO FINANCIAL STATEMENTS</u>	26-54

PART II - SUPPLEMENTARY INFORMATION

CURRENT AND FEDERAL AND STATE GRANT FUND

A-4	Schedule of Cash	55
A-5	Schedule of Investments	56
A-6	Petty Cash	56
A-7	Due from (to) State of New Jersey Per Chapter 129, P.L. 1976	57
A-8	Taxes Receivable and Analysis of Property Tax Levy	58
A-9	Tax Title Liens	59
A-10	Other Accounts Receivable	59
A-11	Revenue Accounts Receivable	60
A-12	Interfunds Receivable (Payable)	61
A-13	Interfunds Receivable Federal/State Grant Fund	62
A-14	Federal and State Grants Receivable	63
A-15	2020 Appropriation Reserves	64
A-16	Deferred Charges Special Emergency Appropriation	66
A-17	Due to State of New Jersey	67
A-18	Accounts Payable	67
A-19	Tax Overpayments	68
A-20	County Taxes Payable	68
A-21	School Taxes Payable	69
A-22	Prepaid Taxes	70
A-23	Reserve for Tax Appeals	70
A-24	Due to Essex County	71
A-25	Reserve for Grant Appropriated	72
A-26	Reserve for Unappropriated Reserves	73

PART II - SUPPLEMENTARY INFORMATION
(Continued)

TRUST FUND

<u>EXHIBIT</u>		<u>PAGE</u>
B-1	Cash Receipts and Disbursements.....	74
B-2	Cash Receipts and Disbursements Developers Escrow Account	75
B-3	Cash Receipts and Disbursements Money Market Accounts.....	76
B-4	Open Space Fund	76
B-5	Interfund Accounts	77
B-6	Due to State of New Jersey	78
B-7	State Unemployment Compensation Insurance Fund	78
B-8	Due from Essex County Community Development Block Grant	79
B-9	Reserve for Animal Control Expenditures.....	79
B-10	Reserve for Recreation Expenditures.....	80
B-11	Reserve for Open Space Program.....	80
B-12	Developer's Escrow	81
B-13	Special Deposits	82
B-14	Reserve for Affordable Housing Expenditures.....	83
B-15	Reserve for Community Development Block Grant Expenditures.....	83
B-16	Reserve for COAH Intervenor Expenditures.....	84

GENERAL CAPITAL FUND

C-2	Cash Receipts and Disbursements – Checking Account	85
C-3	Analysis of Capital Cash	86
C-4	Serial Bonds Payable.....	87
C-5	Due to Current Fund	88
C-6	Due from Essex County Improvement Authority.....	89
C-7	Due from State of New Jersey Transportation Trust Fund	90
C-8	Capital Improvement Fund.....	91
C-9	Deferred Charges to Future Taxation - Funded.....	92
C-10	Reserve to Pay Debt.....	93
C-11	Reserve for ECIA-Fire Equipment Lease Program.....	93
C-12	Deferred Charges to Future Taxation – Unfunded	94
C-13	Improvement Authorizations	95
C-14	Bond Anticipation Notes.....	96
C-15	Bonds and Notes Authorized but Not Issued.....	98

WATER/SEWER UTILITY

D-5	Statement of Water/Sewer Utility Cash.....	99
D-6	Cash Receipts and Disbursements.....	100
D-7	Analysis of Water/Sewer Capital Cash	101
D-8	Water/Sewer Rents Receivable	102
D-9	Inventory	103
D-10	Fixed Capital	103
D-11	Fixed Capital Authorized and Uncompleted	104
D-12	2020 Appropriation Reserves	105
D-13	Reserve for Litigation	106
D-14	Prepayment of Water/Sewer Rents	107
D-15	Water/Sewer Overpayments	107
D-16	Reserve for Amortization	108

PART II - SUPPLEMENTARY INFORMATION
(Continued)

WATER/SEWER UTILITY

<u>EXHIBIT</u>		<u>PAGE</u>
D-17	Deferred Reserve for Amortization	108
D-18	Capital Improvement Fund.....	109
D-19	Accrued Interest on Notes	109
D-20	Improvement Authorizations	110
D-21	Bond Anticipation Notes.....	111
D-22	Bond and Notes Authorized but Not Issued.....	112

PART III – ROSTER OF OFFICIALS AND LETTERS OF COMMENTS AND RECOMMENDATIONS

EXHIBIT

Roster of Officials	113
General Comments	114
Recommendations	117

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

**PART I
REPORT ON AUDIT OF REGULATORY BASIS
FINANCIAL STATEMENTS**

YEARS ENDED DECEMBER 31, 2021 AND 2020



Independent Auditors' Report

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

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Borough of Roseland, Essex County, New Jersey (the "Borough") which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance for the years then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Borough as of December 31, 2021 and 2020, and the regulatory basis revenues, expenditures, and changes in fund balances for the years then ended, the statement of changes in fund balance, the statements of revenue and statements of expenditures for the year ended December 31, 2021 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Department of Community Affairs, Division of Local Government, State of New Jersey ("Division") described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2021 and 2020, or its revenues, expenditures and changes in fund balance thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), the requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements management is required to evaluate whether there are conditions of events considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report Supplementary Information Required by the Division in Accordance with the Regulatory Basis of Accounting

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The information included in Part II – Supplementary Information Required by the Division and Part III – Supplementary Information – Roster of Officials and General Comments, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2022 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's 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

Cranford, New Jersey
August 30, 2022

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the regulatory basis financial statements of the Borough of Roseland, Essex County, New Jersey (the "Borough") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements and, have issued our report thereon dated August 30, 2022, in which we expressed an adverse opinion on the conformity of the statements with accounting principles generally accepted in the United States of America due to the differences between those principles and the financial reporting provisions of the Division.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 Borough'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Cranford, New Jersey
August 30, 2022

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520

BOROUGH OF ROSELAND
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

A
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Regular Fund</u>			
Cash and Cash Equivalents			
Checking Account	A-4	\$ 7,301,140.58	\$ 6,960,998.87
Investments	A-5	833,086.63	827,612.04
Change Fund	Unch.	200.00	200.00
		<u>8,134,427.21</u>	<u>7,788,810.91</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-8	459,109.64	191,245.29
Tax Title Liens	A-9	202,533.78	176,426.98
Property Acquired for Taxes at Assessed Value	Unch.	1,800.00	1,800.00
Other Accounts Receivable	A-10	23,060.64	7,326.14
Revenue Accounts Receivable	A-11	3,274.92	2,561.56
Interfunds Receivable	A-12	3,562.06	8,710.80
		<u>693,341.04</u>	<u>388,070.77</u>
Deferred Charges			
Emergency Appropriation	A-16a	42,700.00	
Special Emergency Appropriation	A-16	74,982.00	99,976.00
		<u>117,682.00</u>	<u>99,976.00</u>
		<u>8,945,450.25</u>	<u>8,276,857.68</u>
<u>Federal and State Grant Fund</u>			
Interfunds Receivable	A-13	91,793.19	
Federal and State Grants Receivable	A-14	206,867.41	324,563.79
		<u>298,660.60</u>	<u>324,563.79</u>
		<u>\$ 9,244,110.85</u>	<u>\$ 8,601,421.47</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Encumbered	A-3	\$ 888,674.12	\$ 713,589.57
Reserved	A-3	1,364,788.62	1,143,579.42
Interfunds Payable	A-12	91,793.19	-
Due to State of New Jersey			
Construction Training Fees	A-17	5,395.00	8,140.00
Marriage Licenses	A-17	300.00	750.00
Accounts Payable	A-18	141,736.50	291,736.50
Tax Overpayments	A-19	5,008.95	4,345.62
County Taxes Payable	A-20	10,972.02	10,649.46
Prepaid Taxes	A-22	646,425.58	312,282.31
Reserve for Tax Appeals	A-23	1,827,208.15	1,327,208.15
Reserve for American Rescue Plan	A-24a	305,370.51	
		<u>5,287,672.64</u>	<u>3,812,281.03</u>
Reserve for Receivables and Other Assets		693,341.04	388,070.77
Fund Balance	A-1	<u>2,964,436.57</u>	<u>4,076,505.88</u>
		<u>8,945,450.25</u>	<u>8,276,857.68</u>
<u>Federal and State Grant Fund</u>			
Interfunds Payable			8,703.15
Due to Essex County	A-24	2,467.42	2,467.42
Reserve for Grants Appropriated	A-25	284,957.63	302,838.72
Reserve for Unappropriated Reserves	A-26	11,235.55	10,554.50
		<u>298,660.60</u>	<u>324,563.79</u>
		<u>\$ 9,244,110.85</u>	<u>\$ 8,601,421.47</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, 2021 AND 2020

A-1

<u>Revenue and Other Income</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Fund Balance Utilized	A-2	\$ 2,439,210.00	\$ 1,704,210.00
Miscellaneous Revenue Anticipated	A-2	1,992,607.80	3,742,686.83
Receipts from Delinquent Taxes	A-2a	189,951.39	250,021.43
Receipts from Current Taxes	A-2a	37,503,022.53	37,893,086.94
Nonbudget Revenue	A-2c	139,682.46	254,463.14
Other Credits to Income:			
Interfunds Returned	A-12	6,193.92	158.89
Unexpended Balance Appropriation			
Reserves Lapsed	A-15	1,213,394.37	652,679.38
		<u>43,484,062.47</u>	<u>44,497,306.61</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations	A-3	12,023,777.55	12,398,065.81
Capital Improvements	A-3	200,000.00	200,000.00
Debt Service	A-3	1,046,267.93	1,692,864.80
Statutory Expenditures	A-3	1,511,974.04	1,349,577.46
Deferred Charges	A-3	24,994.00	26,206.43
		<u>14,807,013.52</u>	<u>15,666,714.50</u>
Municipal Open Space Tax	A-12	329,511.06	332,685.09
County Taxes	A-20	8,384,574.53	8,574,487.42
Local School District Tax	A-21	9,354,601.00	9,130,738.00
Regional High School Tax	A-21	9,319,955.00	9,549,745.00
Other Charges to Income:			
Added Assessment Due to Library	A-4, A-8	797.13	736.92
Prior Year Tax Overpayment	A-19	653.04	
Refund of Prior Year Revenue	A-4	24.00	
Pilot Payment Due Essex County	A-4	810.90	
Prior Year Senior Deductions Disallowed	A-7	1,250.00	115.75
Interfund Advances			8,710.80
Added Assessment Due to Open Space	A-4, A-8	431.60	
		<u>42,199,621.78</u>	<u>43,263,933.48</u>
Excess in Revenue		1,284,440.69	1,233,373.13
Adjustment to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Years:			
Emergency Authorization		<u>42,700.00</u>	<u>-</u>
Statutory Excess in Revenue to Fund Balance		1,327,140.69	1,233,373.13
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>4,076,505.88</u>	<u>4,547,342.75</u>
		5,403,646.57	5,780,715.88
Decreased by:			
Utilized As Anticipated Revenue	A-2	<u>2,439,210.00</u>	<u>1,704,210.00</u>
Balance, End of Year	A	<u>\$ 2,964,436.57</u>	<u>\$ 4,076,505.88</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	<u>\$ 2,439,210.00</u>	<u>\$ 2,439,210.00</u>	<u>\$</u>
<u>Miscellaneous Revenues</u>				
Licenses:				
Alcoholic Beverages	A-11	5,188.00	5,438.00	250.00
Other	A-2b	14,927.00	15,089.00	162.00
Fees and Permits:				
Other	A-2b	91,146.00	103,621.42	12,475.42
Fines and Costs:				
Municipal Court	A-11	45,380.00	35,435.98	(9,944.02)
Interest and Costs on Taxes	A-2b	99,573.00	58,712.41	(40,860.59)
Interest on Investments and Deposits	A-11	70,676.00	29,616.37	(41,059.63)
Cablevision Franchise Fees (N.J.S.A. 48:5A-30)	A-11	116,649.00	113,314.45	(3,334.55)
Cell Tower Lease	A-11	80,357.00	81,696.08	1,339.08
Lease Agreement - Arc of Essex	A-11	130,339.00	135,139.92	4,800.92
Energy Receipts Tax	A-11	837,731.00	837,731.00	
Uniform Construction Code Fees	A-11	185,165.00	230,732.00	45,567.00
General Capital Surplus	A-11	250,000.00	250,000.00	
Recycling Tonnage Grant -	A-14	13,609.23	13,609.23	
Body Armor Replacement Fund	A-14	1,850.42	1,850.42	
Municipal Alliance on Alcoholism and Drug Abuse	A-14	2,580.00	2,580.00	
Clean Communities-	A-14	10,554.50	10,554.50	
DDEF Grant	A-14	12,112.00	12,112.00	
Bullet Proof Vest Program	A-14	2,800.00	2,800.00	
Body Worn Camera	A-14	42,798.00	42,798.00	
Roseland Urban Renewal LLC Pilot	A-11	<u>6,440.00</u>	<u>9,777.02</u>	<u>3,337.02</u>
Total Miscellaneous Revenue	A-1	<u>2,019,875.15</u>	<u>1,992,607.80</u>	<u>(27,267.35)</u>
Receipts from Delinquent Taxes	A-1,2a	<u>229,000.00</u>	<u>189,951.39</u>	<u>(39,048.61)</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2a	<u>10,554,401.36</u>	<u>10,590,983.86</u>	<u>36,582.50</u>
Budget Totals		15,242,486.51	15,212,753.05	(29,733.46)
Nonbudget Revenue	A-2c		<u>139,682.46</u>	<u>139,682.46</u>
Total Revenue	A-3	<u>\$ 15,242,486.51</u>	<u>\$ 15,352,435.51</u>	<u>\$ 109,949.00</u>

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, 2021

A-2a

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
2021 Collections	A-8	\$ 189,951.39	
Delinquent Tax Collections	A-1, A-2, A-8		<u>\$ 189,951.39</u>
<u>Current Tax Collections</u>			
2021 Collections	A-8	\$ 37,152,150.84	
2020 Collections	A-8	312,282.31	
Overpayments Applied	A-8	4,089.38	
Due from State of New Jersey (Ch. 129, P.L. 1976)	A-8	<u>34,500.00</u>	
	A-1		\$ 37,503,022.53
Allocated to:			
Municipal Open Space Tax	A-8	329,511.06	
County Taxes	A-20	8,384,574.53	
Local School District Tax	A-21	9,354,601.00	
Regional High School Tax	A-21	<u>9,319,955.00</u>	
			<u>27,388,641.59</u>
Balance for Support of Municipal Budget Appropriations			10,114,380.94
Plus: Appropriations "Reserve for Uncollected Taxes	A-3		<u>476,602.92</u>
Amount for Support of Municipal Budget Appropriation	A-2		<u>\$ 10,590,983.86</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, 2021

A-2b

Analysis of Licenses and Permits

	<u>Ref.</u>		
<u>Other Licenses</u>			
Borough Clerk	A-11	\$ 620.00	
Board Of Health	A-11	14,469.00	
		<hr/>	
	A-2		<u>\$ 15,089.00</u>
<u>Other Fees and Permits</u>			
Registrar of Vital Statistics	A-11	\$ 9,845.00	
Zoning Fees & Permits	A-11	29,965.70	
Tax Assessor Fees	A-11	460.00	
Administration Fees	A-11	15,886.56	
Recreation	A-11	1,530.00	
Department of Public Works	A-11	843.30	
Borough Clerk	A-11	832.86	
Fire Prevention Bureau	A-11	868.00	
Non UCC Fees	A-11	42,900.00	
Collector-Treasurer	A-11	490.00	
		<hr/>	
	A-2		<u>\$ 103,621.42</u>
<u>Interests and Costs on Taxes</u>			
Interest on Delinquent Taxes	A-4	\$ 58,712.41	
		<hr/>	
	A-2		<u>\$ 58,712.41</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, 2021

A-2c

Ref.

Miscellaneous Revenue Not Anticipated

Collections:

Prior Year FEMA Reimbursement	\$ 76,478.62
Prior Year Refunds	3,558.00
State Fire Bureau Reimbursements	13,021.13
Motor Vehicle Inspections	1,226.00
Sale of Borough Assets	25,836.24
Cancellation Grant Fund	218.69
Police Revenue	1,875.81
Collector/Treasurer	17,325.56
Clerk's Office	142.41

A-1, A-2

\$ 139,682.46

Ref.

Cash Receipts	A-4 \$ 135,905.77
Cancelled Appropriated Grant Balance	A-25 218.69
Due from Animal Control Trust Fund	A-12 3,558.00
	<u>\$ 139,682.46</u>

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

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	\$ 194,258.00	\$ 191,425.50	\$ 180,798.72	\$ 10,626.78	
Other Expenses	45,920.00	45,920.00	37,153.32	8,766.68	
Mayor and Council:					
Salaries and Wages	22,779.00	22,779.00	22,779.00		
Office of Borough Clerk:					
Salaries and Wages	101,161.00	101,161.00	91,316.78	9,844.22	
Other Expenses	40,706.00	30,706.00	14,409.28	16,296.72	
Financial Administration:					
Salaries and Wages	29,440.00	30,065.00	30,063.63	1.37	
Fixed Asset Accounting System - Other Expenses	6,035.00	6,035.00	5,010.00	1,025.00	
Audit Services:					
Other Expenses	30,300.00	30,300.00		30,300.00	
Computer Data Process:					
Other Expenses	59,820.00	59,820.00	53,068.29	6,751.71	
Collection of Taxes:					
Salaries and Wages	50,048.00	51,976.00	51,975.18	0.82	
Other Expenses	7,115.00	7,115.00	6,447.87	667.13	
Assessment of Taxes:					
Salaries and Wages	36,247.00	37,642.00	37,640.82	1.18	
Other Expenses	62,550.00	28,055.00	8,034.10	20,020.90	
Legal Services and Costs:					
Other Expenses	372,257.00	372,257.00	154,961.33	217,295.67	
Engineering Services and Costs:					
Other Expenses	60,800.00	70,800.00	59,378.03	11,421.97	
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	9,592.00	9,592.00	7,739.41	1,852.59	
Other Expenses	39,660.00	39,660.00	12,987.23	26,672.77	
Board of Adjustment:					
Salaries and Wages	9,023.00	9,023.00	4,688.62	4,334.38	
Other Expenses	10,800.00	10,800.00	633.97	10,166.03	
Affordable Housing:					
Salaries and Wages	6,500.00	6,500.00	1,053.04	5,446.96	
Other Expenses	5,575.00	5,575.00	3,765.23	1,809.77	
Property Maintenance		-			
Salaries and Wages	6,500.00	6,500.00	1,346.90	5,153.10	
Other Expenses	1,800.00	1,800.00		1,800.00	
Zoning					
Salaries and Wages	30,000.00	30,000.00	12,914.43	17,085.57	
<u>INSURANCE</u>					
Insurance (N.J.S.A. 40A:4-45.3)		-			
General Liability	294,487.00	294,487.00	294,487.00		
Worker's Compensation Insurance	281,907.00	281,907.00	281,907.00		
Employee Group Health	1,873,881.00	1,873,881.00	1,530,799.85	343,081.15	
Health Waiver	12,000.00	12,000.00	7,833.49	4,166.51	
Unemployment Compensation Insurance	2,652.00	2,652.00	1,559.45	1,092.55	

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

A-3
Sheet 2

	Appropriations		Expended		
	Budget	Modified Budget	Paid or Charged	Reserved	Cancel
APPROPRIATIONS WITHIN "CAPS"					
<u>PUBLIC SAFETY</u>					
Police:					
Salaries and Wages	\$ 3,207,962.00	\$ 3,142,962.00	\$ 2,804,986.05	\$ 337,975.95	
Other Expenses	104,880.00	184,880.00	94,877.45	90,002.55	
Police Dispatch/911:					
Other Expenses	6,843.50	6,843.50	6,423.50	420.00	
Emergency Management Services:					
Salaries and Wages	6,870.00	7,149.50	7,149.50		
Other Expenses	9,750.00	9,750.00	2,773.95	6,976.05	
Aid to Volunteer Fire Companies	-	50,000.00	50,000.00		
First Aid Organization - Contribution	50,000.00	50,000.00	49,995.60	4.40	
Fire Dept:					
Salaries and Wages	51,200.00	1,200.00		1,200.00	
Other Expenses	69,650.00	69,650.00	7,741.03	61,908.97	
Fire Prevention:					
Salaries and Wages	24,964.00	24,964.00	24,492.44	471.56	
Other Expenses	4,100.00	4,100.00	1,695.00	2,405.00	
Municipal Prosecutor:					
Salaries and Wages	18,000.00	18,870.00	18,869.29	0.71	
Other Expenses	2,100.00	2,100.00	1,590.55	509.45	
<u>PUBLIC WORKS FUNCTIONS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	319,807.00	296,932.00	180,141.19	116,790.81	
Other Expenses	65,876.00	113,576.00	55,782.30	57,793.70	
Solid Waste Collection:					
Other Expenses	730,300.00	730,300.00	573,269.54	157,030.46	
Public Building and Grounds:					
Salaries and Wages	455,101.00	455,101.00	349,050.22	106,050.78	
Other Expenses	249,892.00	229,892.00	146,268.66	83,623.34	
Vehicle Maintenance:					
Salaries and Wages	67,260.00	67,260.00	62,560.41	4,699.59	
Other Expenses	62,350.00	62,350.00	20,539.52	41,810.48	
Condominium Service Act:					
Other Expenses	44,000.00	44,000.00		44,000.00	
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Other Expenses	2,935.00	2,935.00	61.50	2,873.50	
Dog Regulation:					
Other Expenses	3,000.00	3,000.00		3,000.00	
Environmental Commission:					
Other Expenses	1,000.00	1,000.00	188.58	811.42	
Municipal Youth Guidance:					
Other Expenses	1,500.00	1,500.00	247.30	1,252.70	
Senior Citizens Services and Programs					
Other Expenses	12,000.00	12,000.00	6,187.86	5,812.14	

**BOROUGH OF ROSELAND
CURRENT FUND**

**STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021**

A-3
Sheet 3

	Appropriations		Expended		
	Budget	Modified Budget	Paid or Charged	Reserved	Cancel
APPROPRIATIONS WITHIN "CAPS"					
<u>RECREATION AND EDUCATION</u>					
Public Recreation Program:					
Salaries and Wages	\$ 160,300.00	\$ 169,200.00	\$ 168,496.20	\$ 703.80	
Other Expenses	27,745.00	23,745.00	20,164.76	3,580.24	
Camp Wyanokie					
Other Miscellaneous Expenses	1,983.00	1,983.00	1,983.00		
Maintenance of Parks:					
Other Expenses	42,000.00	56,000.00	39,135.71	16,864.29	
<u>OTHER COMMON OPERATING FUNCTIONS</u>					
Prior Years Bills:	32.82	32.82	32.82		
Celebration of Public Events					
Other Expenses	22,300.00	34,800.00	29,611.98	5,188.02	
Beautification Committee:					
Other Expenses	8,030.00	8,030.00	5,701.03	2,328.97	
City Notification/Cable TV:					
Other Expenses	40,545.00	40,545.00	29,706.31	10,838.69	
Senior Citizens' Advisory Committee:					
Other Expenses	970.00	970.00		970.00	
Tax Appeals					
Other Expenses	500,000.00	500,000.00	500,000.00		
Accumulated Leave Compensation					
Other Expenses	15,000.00	15,000.00	15,000.00		
<u>MUNICIPAL COURT</u>					
Municipal Court:					
Salaries and Wages	153,714.00	157,065.00	157,064.53	0.47	
Other Expenses	10,100.00	9,854.00	4,049.69	5,804.31	
Public Defender:					
Salaries and Wages	4,865.00	5,055.00	5,051.47	3.53	
Other Expenses	400.00	210.00		210.00	
<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	92,795.00	92,795.00	81,344.52	11,450.48	
Other Expenses	42,451.00	42,451.00	4,869.07	37,581.93	
<u>UNCLASSIFIED</u>					
Utilities:					
Electricity and Natural Gas	374,500.00	374,500.00	238,881.91	135,618.09	
Telephone and Telegraph	73,660.00	94,260.00	87,514.90	6,745.10	
Petroleum Products	78,320.00	78,320.00	47,419.88	30,900.12	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>					
Contribution to:					
Public Employees' Retirement System	289,771.04	289,771.04	265,304.04	24,467.00	
Social Security Program (OASI)	176,577.00	176,577.00	148,520.43	28,056.57	
Police and Firemen's Retirement System of NJ	1,041,626.00	1,041,626.00	1,041,626.00		
DCRP	4,000.00	4,000.00	356.96	3,643.04	
Total General Appropriations within "CAPS"	12,438,038.36	12,480,738.36	10,271,478.62	2,209,259.74	

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

A-3
Sheet 4

	Appropriations		Expended		
	Budget	Modified Budget	Paid or Charged	Reserved	Cancel
APPROPRIATIONS EXCLUDED FROM "CAPS"					
<u>OTHER OPERATIONS</u>					
Roseland Free Public Library	\$ 598,645.88	\$ 598,645.88	\$ 598,645.88		
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
Public Health Services	83,966.00	83,966.00	83,966.00		
Animal Control Services	15,569.30	15,569.30	15,569.30		
Senior Citizens Transportation	25,215.90	25,215.90	25,215.90		
Building Inspection Service	180,612.00	180,612.00	136,409.00	\$ 44,203.00	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Clean Communities Program	10,554.50	10,554.50	10,554.50		
Body Worn Cameras	42,798.00	42,798.00	42,798.00		
Municipal Alliance on Alcoholism and Drug Abuse	2,580.00	2,580.00	2,580.00		
Body Armor Grant	1,850.42	1,850.42	1,850.42		
Recycling Tonnage Grant	13,609.23	13,609.23	13,609.23		
Bullet Proof Vest Program	5,600.00	5,600.00	5,600.00		
DDEF	12,112.00	12,112.00	12,112.00		
<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	55,500.00	55,500.00	55,500.00		
Payment of Note Principal	374,337.00	374,337.00	374,337.00		
Interest on Note Principal	63,001.00	63,001.00	61,430.93		\$ 1,570.07
Loan Repayment	61,900.00	61,900.00	61,900.00		
<u>DEFERRED CHARGES</u>					
Special Emergency Authorizations	24,994.00	24,994.00	24,994.00		
Total Appropriations Excluded from "CAPS"	<u>2,327,845.23</u>	<u>2,327,845.23</u>	<u>2,282,072.16</u>	<u>44,203.00</u>	<u>1,570.07</u>
Sub - Total	14,765,883.59	14,808,583.59	12,553,550.78	2,253,462.74	1,570.07
Reserve for Uncollected Taxes	<u>476,602.92</u>	<u>476,602.92</u>	<u>476,602.92</u>	-	
Total General Appropriations	<u>\$ 15,242,486.51</u>	<u>\$ 15,285,186.51</u>	<u>\$ 13,030,153.70</u>	<u>\$ 2,253,462.74</u>	<u>\$ 1,570.07</u>
<u>Ref.</u>	A-2, Below	Below	Below	A	Below
<u>Ref.</u>					
Adopted Budget Appropriation	Above	\$ 15,242,486.51			
Reserve for Uncollected Taxes	A-2a	(476,602.92)	\$ 476,602.92		
Emergency Authorization	A-16a	42,700.00			
Cash Disbursements	A-4		11,735,763.88		
Capital Improvement Fund	A-12		200,000.00		
Reserve for Tax Appeal	A-23		500,000.00		
Due From Trust Fund	A-12		3,688.75		
Due to Grant Fund	A-13		2,800.00		
Deferred Charge	A-16		24,994.00		
Encumbered	A			\$ 888,674.12	
Reserved	A			1,364,788.62	
Canceled	Above	(1,570.07)			\$ 1,570.07
Reserve for Grants	A-25		86,304.15		
	A-1	<u>\$ 14,807,013.52</u>	<u>\$ 13,030,153.70</u>	<u>\$ 2,253,462.74</u>	<u>\$ 1,570.07</u>

BOROUGH OF ROSELAND
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Affordable Housing Trust Fund</u>			
Cash and Cash Equivalents	B-1	\$ 215,795.61	\$ 271,590.71
<u>Open Space Trust Fund</u>			
Cash and Cash Equivalents	B-4	2,377,033.74	2,421,377.09
<u>Payroll Trust Fund</u>			
Cash and Cash Equivalents	B	64,820.53	12,718.30
<u>Animal Control Trust Fund</u>			
Cash and Cash Equivalents	B-1	8,912.20	7,793.58
<u>General Trust Fund</u>			
Cash and Cash Equivalents:			
Checking Accounts	B-1	766,615.46	779,665.08
Developer's Escrow	B-2	195,446.44	189,013.93
Money Market Accounts	B-3	32,214.84	28,427.52
Due From CDBG	B-8	78,500.00	25,000.00
		1,072,776.74	1,022,106.53
		<u>\$ 3,739,338.82</u>	<u>\$ 3,735,586.21</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Affordable Housing Trust Fund</u>			
Reserve for Expenditures	B-14	\$ 215,795.61	\$ 271,590.71
		215,795.61	271,590.71
<u>Open Space Trust Fund</u>			
Reserve for Expenditures	B-11	2,377,033.74	2,421,377.09
<u>Payroll Trust Fund</u>			
Reserve for Expenditures	B	64,820.53	12,718.30
<u>Animal Control Trust Fund</u>			
Due to Current Fund	B-5	3,558.00	1,045.18
Due to State of New Jersey	B-6	4.80	7.80
Reserve for Expenditures	B-9	5,349.40	6,740.60
		8,912.20	7,793.58
<u>General Trust Fund</u>			
Interfunds	B-5	4.06	7.65
Reserve for:			
State Unemployment Compensation			
Insurance Fund	B-7	46,304.33	46,875.38
Developer's Escrow	B-12	195,472.38	189,036.38
Recreation Fund Expenditures	B-10	146,225.69	123,028.11
COAH Intervenor	B-16	1,081.66	1,081.66
Community Development Block Grant	B-15	77,466.36	23,966.36
Special Deposits	B-13	606,222.26	638,110.99
		1,072,776.74	1,022,106.53
		<u>\$ 3,739,338.82</u>	<u>\$ 3,735,586.21</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	C-2	\$ 2,108,755.66	\$ 1,830,398.29
Due from Essex County Improvement Authority	C-6	167,000.00	218,000.00
Due from State of New Jersey Transportation Trust Fund	C-7	630,324.72	436,441.17
Deferred Charges to Future Taxation			
Funded	C-9	1,110,000.00	1,665,000.00
Unfunded	C-12	8,340,316.00	6,677,504.89
		<u>\$ 12,356,396.38</u>	<u>\$ 10,827,344.35</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Capital Improvement Fund	C-8	\$ 619,390.23	\$ 607,683.37
Reserve for Regional Contribution Agreements	Unch.	25,500.00	25,500.00
Reserve to Pay Debt	C-10	197,238.07	-
Capital Lease Payable	C-11	167,000.00	218,000.00
Improvement Authorizations:			
Funded	C-13	910,826.46	1,023,478.23
Unfunded	C-13	3,980,308.11	2,328,950.49
Bond Anticipation Notes	C-14	5,223,808.00	4,701,420.00
Serial Bonds	C-4	1,110,000.00	1,665,000.00
Fund Balance	C-1	122,325.51	257,312.26
		<u>\$ 12,356,396.38</u>	<u>\$ 10,827,344.35</u>
 Bond and Notes Authorized but Not Issued	 C-15	 <u>\$ 3,116,508.00</u>	 <u>\$ 1,976,084.89</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

C-1

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ 257,312.26
Increased by:			
Cancel Improvement Authorization	C-13	\$ 1,511.00	
Premium on Note Sale	C-2	<u>113,502.25</u>	
			<u>115,013.25</u>
			372,325.51
Decreased by:			
Anticipated Revenue - Current Fund	C-5		<u>250,000.00</u>
Balance, December 31, 2021	C		<u><u>\$ 122,325.51</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

D

<u>ASSETS</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Operating Fund</u>			
Cash and Cash Equivalents			
Checking Account	D-5	\$ 245,875.85	\$ 233,674.80
Investments	D-6	1,779,133.71	1,774,230.51
		<u>2,025,009.56</u>	<u>2,007,905.31</u>
Receivables and Inventory with Full Reserves:			
Water/Sewer Rents Receivable	D-8	264,901.95	166,073.05
Inventory	D-9	99,654.05	74,957.25
		<u>364,556.00</u>	<u>241,030.30</u>
Total Operating Fund		<u>2,389,565.56</u>	<u>2,248,935.61</u>
<u>Capital Fund</u>			
Cash - Checking Account:	D-5	723,577.27	698,725.91
Fixed Capital	D-10	10,460,809.18	10,367,809.18
Fixed Capital Authorized and Uncompleted	D-11	3,441,600.00	3,336,600.00
Total Capital Fund		<u>14,625,986.45</u>	<u>14,403,135.09</u>
		<u>\$ 17,015,552.01</u>	<u>\$ 16,652,070.70</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves			
Encumbered	D-4, D-12	\$ 412,085.55	\$ 612,459.23
Reserved	D-4, D-12	175,025.07	497,738.64
Accrued Interest on Notes	D-19	40,330.66	33,601.83
Reserve For Litigation	D-13	510,086.42	
Water/Sewer Rent Prepayments	D-14	4,297.94	2,052.57
Water/Sewer Rent Overpayments	D-15	24,384.92	32,475.71
		<u>1,166,210.56</u>	<u>1,178,327.98</u>
Reserve For Receivables and Inventory		364,556.00	241,030.30
Fund Balance	D-1	858,799.00	829,577.33
Total Operating Fund		<u>2,389,565.56</u>	<u>2,248,935.61</u>
<u>Capital Fund:</u>			
Reserve for Amortization	D-16	9,923,699.28	9,613,979.28
Deferred Reserve for Amortization			93,000.00
Capital Improvement Fund	D-18	120,981.62	75,857.80
Improvement Authorizations			
Funded			45,123.82
Unfunded	D-20	1,311,745.44	2,165,894.08
Bond Anticipation Notes	D-21	3,166,760.00	2,306,480.00
Fund Balance	D-2	102,800.11	102,800.11
Total Capital Fund		<u>14,625,986.45</u>	<u>14,403,135.09</u>
		<u>\$ 17,015,552.01</u>	<u>\$ 16,652,070.70</u>
Bonds and Notes Authorized but Not Issued	D-22	<u>\$ 811,949.90</u>	<u>\$ 1,690,949.90</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, 2021 AND 2020

D-1

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 528,832.00	\$ 723,324.00
Water/Sewer Rents	D-3	2,819,444.70	2,694,521.15
Miscellaneous Revenue	D-3	29,508.64	59,063.26
Accounts Payable Canceled			10,263.95
Unexpended Balance of			
Appropriation Reserves	D-12	462,100.33	718,260.29
		<u>3,839,885.67</u>	<u>4,205,432.65</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		460,762.00	460,762.00
Other Expenses		1,627,597.00	1,713,840.75
Debt Service		262,720.00	271,878.25
Statutory Expenditures		30,753.00	30,753.00
Share of Joint Service Sewer		900,000.00	900,000.00
	D-4	<u>3,281,832.00</u>	<u>3,377,234.00</u>
Statutory Excess in Revenue to Fund Balance		558,053.67	828,198.65
Fund Balance, December 31, 2020	D	<u>829,577.33</u>	<u>1,509,702.68</u>
		1,387,631.00	2,337,901.33
Decreased by:			
Utilized as Anticipated Revenue	Above	528,832.00	723,324.00
Anticipated as Revenue in Current Fund		<u>-</u>	<u>785,000.00</u>
Fund Balance, December 31, 2021	D	<u>\$ 858,799.00</u>	<u>\$ 829,577.33</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, 2021

D-2

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	D	<u>\$ 102,800.11</u>

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

D-3

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Operating Surplus	D-1	\$ 528,832.00	\$ 528,832.00	
Rents	D-1, 8,14	2,694,000.00	2,819,444.70	\$ 125,444.70
Miscellaneous	D-1, Below	<u>59,000.00</u>	<u>29,508.64</u>	<u>(29,491.36)</u>
Total Budget Revenue	D-4	<u>\$ 3,281,832.00</u>	<u>\$ 3,377,785.34</u>	<u>\$ 95,953.34</u>
<u>Miscellaneous Revenue</u>				
Interest Income:				
Checking Account	D-5	\$ 3,936.96		
Investments	D-6	<u>4,903.20</u>		
			\$ 8,840.16	
Other Revenue:				
Interest on Delinquent Rents		9,109.34		
Meter Fee		836.00		
Sewer Connection Fee		4,642.14		
Water Connection Fee		4,400.00		
Hydrant Fee		<u>1,681.00</u>		
	D-5		<u>20,668.48</u>	
	Above		<u>\$ 29,508.64</u>	

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

D-4

	<u>Appropriation</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>
<u>Operating</u>					
Salaries and Wages	\$ 460,762.00	\$ 460,762.00	\$ 410,987.41		\$ 49,774.59
Other Expenses	1,627,597.00	1,627,597.00	1,093,413.54	\$ 412,085.55	122,097.91
Roseland's Share of Joint Service User's Fees:					
Share of Joint User Fees - Caldwell	900,000.00	900,000.00	900,000.00		
	<u>2,988,359.00</u>	<u>2,988,359.00</u>	<u>2,404,400.95</u>	<u>412,085.55</u>	<u>171,872.50</u>
 <u>Debt Service:</u>					
Payment of Bond Anticipation Notes and Capital Notes	216,720.00	216,720.00	216,720.00		
Interest on Notes	46,000.00	46,000.00	46,000.00		
	<u>262,720.00</u>	<u>262,720.00</u>	<u>262,720.00</u>		
 <u>Statutory Expenditures</u>					
Contribution to:					
Social Security System (OASI)	30,233.00	30,233.00	27,415.00		2,818.00
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	520.00	520.00	185.43		334.57
	<u>30,753.00</u>	<u>30,753.00</u>	<u>27,600.43</u>		<u>3,152.57</u>
	<u>\$ 3,281,832.00</u>	<u>\$ 3,281,832.00</u>	<u>\$ 2,694,721.38</u>	<u>\$ 412,085.55</u>	<u>\$ 175,025.07</u>
 <u>Ref</u>			<u>Below</u>	<u>D</u>	<u>D</u>
	<u>Ref</u>				
Adopted Budget	D-3	\$ 3,281,832.00			
Cash Disbursed	D-5		\$ 2,393,541.67		
Reserve for Litigation	D-13		255,179.71		
Accrued Interest on Notes	D-19		46,000.00		
	D-1	<u>\$ 3,281,832.00</u>	<u>\$ 2,694,721.38</u>		

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
GOVERNMENTAL FIXED ASSETS

COMPARATIVE BALANCE SHEET
REGULATORY BASIS
DECEMBER 31, 2021 AND 2020

E

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Land	\$ 17,000.00	\$ 17,000.00
Land Improvements	7,318,274.02	7,296,854.02
Equipment and Vehicles	<u>6,126,523.55</u>	<u>6,047,894.50</u>
	<u>\$ 13,461,797.57</u>	<u>\$ 13,361,748.52</u>
<u>RESERVE</u>		
Investment in Governmental Fixed Assets	<u>\$ 13,461,797.57</u>	<u>\$ 13,361,748.52</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – 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).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus and Basis of Presentation

The accounting policies of the Borough conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) which is another 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.

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, 2021 AND 2020

NOTE 2 – 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, Payroll 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 Department, 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.

Basis of Accounting

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

The more significant differences are as follows:

Property 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 conducts 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.

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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.

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.

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Governmental 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.

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, Cash Equivalents and Investments – Cash and cash equivalents 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 government units, 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.

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

Long-term Debt - The Borough's long-term debt is stated at face value. The debt is not traded and it is not practicable to determine its fair value without incurring excessive cost. Additional information pertinent to the Borough's long-term debt is provided in Note 6 to the financial statements.

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Pension Liability and Pension Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense - the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of these amounts. The audited financial information related to pensions is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2022-12 on June 16, 2022. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allow the Division discretion to permit the most recent available audited GASB 68 financial information to be incorporated into the audited financial statements and only requires one year to be disclosed. Refer to Note 7 for these disclosures. The latest available reports as of the issuance date of this report was June 30, 2021 for the Public Employees' Retirement System and June 30, 2020 for the Police and Fireman's Retirement System.

Other Post-Employment Benefits Other Than Pensions - The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals and expenses, but do require the disclosure of the amounts. The Borough participates in a special funding situation with the State of New Jersey multiple-employer plan. As it relates to the State of New Jersey multiple-employer plan, the audited financial information related to OPEBs is released annually by the State's Division of Pensions and Benefits and is required to be included as note disclosures in the financial statements. Due to delays in the availability of the information needed for disclosure, the Division issued Local Finance Notice 2022-12 on June 16, 2022. To ensure the timely filing of county and municipal audits, Local Finance Board regulations allows the Division discretion to permit the most recent available audited GASB 75 financial information related to the State Plan to be incorporated into the audited financial statements and only requires one year to be disclosed. However, it did result in additional note disclosures as required by the GASB. See Note 9 for these disclosures.

NOTE 3 –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.

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

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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 \$750,000.00 in the aggregate by the FDIC and \$13,643,551.28 was covered by GUDPA as of December 31, 2021. At December 31, 2021, the book value of the Borough's deposits was \$16,652,608.52 and bank balances of the Borough's cash and deposits amounted to \$17,339,223.00. At December 31, 2021, the Borough had \$2,945,471.72 deposited in the New Jersey Cash Management Fund, which is not insured or collateralized.

Bank balances are insured up to \$250,000.00 in the aggregate by the FDIC for each bank and \$15,551,470.56 was covered by GUDPA and \$32,643.69 was uninsured and not collateralized as of December 31, 2020. At December 31, 2020, the book value of the Borough's deposits was \$16,036,426.63 and bank balances of the Borough's cash and deposits amounted to \$16,031,470.56. At December 31, 2020, the Borough had \$2,944,268.48 deposited in the New Jersey Cash Management Fund, which is not insured or collateralized.

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 or its agent in the Borough's name.

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).

The Borough does not have any investments as of December 31, 2021 and 2020, as they are classified as cash and cash equivalents.

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 4 – TAXES RECEIVABLE AND TAX TITLE LIENS RECEIVABLE

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.

Schedule of Comparative Tax Rates:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Tax Rate	<u>\$ 2.303</u>	<u>\$ 2.295</u>	<u>\$ 2.274</u>
Apportionment of Tax Rate:			
Municipal	\$ 0.661	\$ 0.655	\$ 0.650
County	0.508	0.515	0.526
Local School	0.568	0.550	0.531
Regional School	<u>0.566</u>	<u>0.575</u>	<u>0.567</u>

Schedule of Assessed Valuations:

<u>Year</u>	<u>Amount</u>
2021	\$ 1,647,555,300.00
2020	1,661,366,715.00
2019	1,673,161,300.00

Schedule of Tax Levies and Collections:

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	Percentage of <u>Collections</u>
2021	\$ 37,992,887.48	\$ 37,498,933.15	98.70%
2020	38,175,531.37	37,893,086.94	99.26%
2019	38,047,687.72	37,770,487.22	99.27%

Schedule of Taxes and Tax Title Liens:

<u>Year</u>	Amount of <u>Tax Title Liens</u>	Amount of <u>Delinquent Taxes</u>	Total <u>Delinquent</u>	Percentage of <u>Tax Levy</u>
2021	\$ 202,533.78	\$ 459,109.64	\$ 661,643.42	1.74%
2020	176,426.98	191,245.29	367,672.27	0.96%
2019	150,410.85	249,905.68	400,316.53	1.05%

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 – TAXES RECEIVABLE AND TAX TITLE LIENS RECEIVABLE (continued)

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:

<u>Year</u>	<u>Amount</u>
2021	\$ 1,800.00
2020	1,800.00
2019	1,800.00

Schedule of Water/Sewer Consumer Accounts Receivable:

The Borough combined their Water and Sewer Utility Funds into one combined fund in 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 three years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2021	\$ 2,918,273.60	\$ 2,819,444.70
2020	2,684,787.30	2,694,521.15
2019	2,607,178.58	2,570,339.89

* Includes prior year collections

NOTE 5 – FUND BALANCES APPROPRIATED

<u>Year</u>	<u>Current Fund</u>		<u>Water Sewer Utility Operating Fund</u>	
	<u>Balance Dec. 31st</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Balance Dec. 31st</u>	<u>Utilized in Budget of Succeeding Year</u>
2021	\$ 2,964,436.57	\$ 2,439,210.00	\$ 858,799.00	\$ 545,610.54
2020	4,076,505.88	2,439,210.00	829,577.33	528,832.00
2019	4,547,342.75	1,704,210.00	1,509,702.68	723,324.00

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 6 – 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>Year 2021</u>	<u>Year 2020</u>
<u>Issued</u>		
General:		
Bonds, Notes and Loans	\$ 6,333,808.00	\$ 6,366,420.00
Water/Sewer Utility:		
Bonds, Notes and Loans	3,166,760.00	2,306,480.00
	<u>9,500,568.00</u>	<u>8,672,900.00</u>
Less:		
Reserve to Pay Debt Service:		
General	197,238.07	-
	<u>197,238.07</u>	<u>-</u>
Net Debt Issued	<u>9,303,329.93</u>	<u>8,672,900.00</u>
<u>Authorized but Not Issued</u>		
General:		
Bonds and Notes	3,116,508.00	1,976,084.89
Water/Sewer Utility:		
Bonds and Notes	811,949.90	1,690,949.90
Total Authorized but Not Issued	<u>3,928,457.90</u>	<u>3,667,034.79</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 13,231,787.83</u>	<u>\$ 12,339,934.79</u>

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 6 – MUNICIPAL DEBT (continued)

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 .451% at December 31, 2021.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 3,170,000.00	\$ 3,170,000.00	
Regional School Debt	1,070,953.41	1,070,953.41	
Water/Sewer Utility			
Debt	3,978,709.90	3,978,709.90	
General Debt	<u>9,450,316.00</u>	<u>1,307,238.07</u>	\$ 8,143,077.93
	<u>\$ 17,669,979.31</u>	<u>\$ 9,526,901.38</u>	<u>\$ 8,143,077.93</u>

Net Debt, \$8,143,077.93 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,807,461,646.00 equals .451%.

The Borough's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2021 was as follows:

3 ½% of Equalized Valuation Basis	\$ 63,261,157.61
Net Debt	<u>8,143,077.93</u>
Remaining Borrowing Power	<u>\$ 55,118,079.68</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		\$ 3,377,785.34
Deductions:		
Operating and Maintenance Costs	\$ 3,019,112.00	
Debt Service per Water/Sewer Utility	<u>262,720.00</u>	
		<u>3,281,832.00</u>
Excess in Revenue		<u>\$ 95,953.34</u>

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

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

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 6 – MUNICIPAL DEBT (continued)

As of December 31, 2021, the Borough long-term debt is as follows:

	2021	2020
\$5,570,000, 2015 Refunding Bonds due in annual installments of \$555,000 through November 2023, interest at 3.00%	\$ 1,110,000.00	\$ 1,665,000.00
	<u>\$ 1,110,000.00</u>	<u>\$ 1,665,000.00</u>

Changes in Municipal Debt

	Balance, December 31, 2020	Additions	Reductions	Balance, December 31, 2021
Serial Bonds:				
General Capital Fund	\$ 1,665,000.00	\$ -	\$ 555,000.00	\$ 1,110,000.00
Total Bonds Payable	<u>1,665,000.00</u>		<u>555,000.00</u>	<u>1,110,000.00</u>
Bond Anticipation Notes:				
General Capital Fund	4,701,420.00	5,223,808.00	4,701,420.00	5,223,808.00
Water Capital Fund	2,306,480.00	3,166,760.00	2,306,480.00	3,166,760.00
Total Bond Anticipation Notes Payable	<u>7,007,900.00</u>	<u>8,390,568.00</u>	<u>7,007,900.00</u>	<u>8,390,568.00</u>
Total Debt	<u>\$ 8,672,900.00</u>	<u>\$ 8,390,568.00</u>	<u>\$ 7,562,900.00</u>	<u>\$ 9,500,568.00</u>
	Balance, December 31, 2019	Additions	Reductions	Balance, December 31, 2020
Serial Bonds:				
General Capital Fund	\$ 2,220,000.00	\$ -	\$ 555,000.00	\$ 1,665,000.00
Total Bonds Payable	<u>2,220,000.00</u>		<u>555,000.00</u>	<u>1,665,000.00</u>
Bond Anticipation Notes:				
Water Capital Fund	5,745,597.00	4,701,420.00	5,745,597.00	4,701,420.00
Total Bond Anticipation Notes Payable	<u>2,112,200.00</u>	<u>2,306,480.00</u>	<u>2,112,200.00</u>	<u>2,306,480.00</u>
	<u>7,857,797.00</u>	<u>7,007,900.00</u>	<u>7,857,797.00</u>	<u>7,007,900.00</u>
Total Debt	<u>\$ 10,077,797.00</u>	<u>\$ 7,007,900.00</u>	<u>\$ 8,412,797.00</u>	<u>\$ 8,672,900.00</u>

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 6 – MUNICIPAL DEBT (continued)

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

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

Year	Cash Basis		
	General		Total
	Principal	Interest	
2022	\$ 555,000.00	\$ 33,300.00	\$ 588,300.00
2023	555,000.00	16,650.00	571,650.00
	\$ 1,110,000.00	\$ 49,950.00	\$ 1,159,950.00

Bonds and Notes Authorized by Not Issued

	Balance Dec. 31, 2021	Balance Dec. 31, 2020
General Capital Fund:		
General Improvements	<u>\$ 3,116,508.00</u>	<u>\$ 1,976,084.89</u>
Water/Sewer Utility Capital Fund:		
General Improvements	<u>\$ 811,949.90</u>	<u>\$ 1,690,949.90</u>

Capital Leases Payable

The Borough has entered into a capital lease agreement with the Essex County Improvement Authority for equipment purchases related to the Fire Department. The capital lease is for a term of five years. The following is a schedule of the remaining future lease payments as of December 31, 2021:

Year	Principal	Interest Rate	Interest	Total Annual Debt Service
2022	\$ 53,000.00	5.000%	\$ 8,350.00	\$ 61,350.00
2023	56,000.00	5.000%	5,700.00	61,700.00
2024	58,000.00	5.000%	2,900.00	60,900.00
	<u>\$ 167,000.00</u>		<u>\$ 16,950.00</u>	<u>\$ 183,950.00</u>

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 7 – PENSION PLANS

Public Employees' Retirement System

The Public Employees' Retirement System (PERS) 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, 2020:

	<u>2021</u>
Inactive plan members or beneficiaries currently receiving benefits	184,775
Inactive plan members entitled to but not yet receiving benefits	877
Active plan members	<u>246,776</u>
Total	<u><u>432,428</u></u>

Contributing Employers – 1,691

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.

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, 2021, the Borough's total payroll for all employees was \$4,711,669.40. Total PERS covered payroll was \$1,746,343.00. 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. State legislation has modified the amount that is contributed by the State. The State's pension contributions are based on an amortization of the unfunded accrued liability. Funding or noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 7 – PENSION PLANS (continued)

For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

Employers' contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. Township contributions are due and payable on April 1st in the second fiscal period subsequent to plan year for which the contributions requirements were calculated.

In accordance with Chapter 98, P.L. 2017, PERS receives 21.02% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Borough payments to PERS for the year ending December 31, 2021 consisted of the following:

	<u>2021</u>
Total Regular Billing	\$ 288,501

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

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

The following represents the membership tiers for PERS:

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

A service retirement benefit of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, to tier 3 and 4 members with 25 years or more of service credit before age 62 and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier.

Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. 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.

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 7 – PENSION PLANS (continued)

At June 30, 2021, the PERS reported a net pension liability of \$11,972,782,878 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 \$2,918,350 or 0.0246347027% which was an increase of 0.0009984210% from its proportion measured as of June 30, 2020.

The pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

At December 31, 2021, 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 expected and actual experience	\$ 46,026.00	\$ 20,892.00
Changes in assumptions	15,199.00	1,038,951.00
Net difference between projected and actual earnings on pension plan investments		768,770.00
Changes in proportion and differences between Borough contributions and proportionate share of contributions	202,215.00	167,471.00
Borough contributions subsequent to the measurement date	<u>288,501.00</u>	
	<u>\$ 551,941.00</u>	<u>\$ 1,996,084.00</u>

\$288,501 shown as deferred outflows of resources related to PERS resulting from Borough contributions subsequent to the measurement date should have been recognized as a reduction of net pension liability in the year ended December 31, 2021. 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:

Year ended December 31,	Amount
2022	\$ (729,320)
2023	(506,275)
2024	(292,581)
2025	(208,711)
2026	<u>4,243</u>
Total	<u>\$ (1,732,644)</u>

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 7 – PENSION PLANS (continued)

Actuarial Assumptions- The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	June 30, 2021
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases*:	
Through 2026	2.00% to 6.00% based on years of service
Thereafter	3.00% to 7.00% based on years of service

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020. The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Assets	3.00%	7.40%
Real Estate	8.00%	9.15%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 7 – PENSION PLANS (continued)

Discount Rate – The discount rate used to measure the total pension liability as of June 30, 2021 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate – the following presents the collective net pension liability of PERS calculated using the discount rates as disclosed below 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 point higher than the current rate:

	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
PERS	\$ 3,242,955.00	\$ 2,918,350.00	\$ 2,022,311.00

Plan Fiduciary Net Position – The plan fiduciary net position for PERS, including the State of New Jersey, at June 30, 2021 was \$35,707,804,302.00. The portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group at June 30, 2020 was \$28,386,785,177.00.

Additional Information – Collective balances at June 30, 2021 are as follows:

Collective deferred outflows of resources	\$ 1,164,738,169.00
Collective deferred inflows of resources	8,339,123,762.00
Collective net pension liability - Local group	11,972,782,878.00
Borough's Proportion	0.0246347027%

Collective pension expense for the Local Group for the measurement period ended June 30, 2021 was \$(1,599,674,464.00). The average of the expected remaining service lives of all plan members is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates – Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis with the first contribution 15 months after the associated valuation date.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Receivable Contributions – The Fiduciary Net Position (FNP), includes Local Employers' contributions receivable as reported in the financial statements provided by the Division of Pensions and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2021 are \$1,207,896,120.00.

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 7 – PENSION PLANS (continued)

Police and Firemen's Retirement System

The Police and Firemen's Retirement System (PFRS) 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, 2020:

	<u>2020</u>
Inactive plan members or beneficiaries currently receiving benefits	45,537
Inactive plan members entitled to but not yet receiving benefits	65
Active plan members	<u>42,520</u>
Total	<u><u>88,122</u></u>

Contributing Employers – 582

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.

In accordance with Chapter 98, P.L. 2017, PFRS receives 1.2% of the proceeds of the Lottery Enterprise for a period of 30 years. Revenues received from lottery proceeds are assumed to be contributed to the System on a monthly basis.

Pursuant to the provision of Chapter 78, P.L., cost of living adjustment (COLA) increases were suspended for all current and future retirees of PFRS.

For the years ended December 31, 2020, the Borough's total payroll for all employees was \$4,617,571. Total PFRS covered payroll was \$2,625,863. Covered payroll refers to pensionable compensation rather than total compensation paid by the Borough to active employees covered by the Plan.

Borough payments to PFRS made in the year ending December 31, 2020 consisted of the following:

	<u>2020</u>
Total Regular Billing	\$ 956,242

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, 2021 AND 2020

NOTE 7 – PENSION PLANS (continued)

The following represents the membership tiers for PFRS:

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

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

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

At June 30, 2020, the PFRS reported a net pension liability of \$14,926,648,722 for its Non-State, Non-Special Funding Situation Employer Member Group. The Borough's proportionate share of the net pension liability for the Non-State Non-Special Funding Situation Employer Member Group was \$11,059,998 or 0.0855949649% which was an increase of 0.0038427287% from its proportion measured as of June 30, 2019. The pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020.

At December 31, 2020, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS were from the following sources (if GASB 68 were recognized):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 111,504	\$ 39,693
Changes in assumptions	27,832	2,965,119
Net difference between projected and actual earnings on pension plan investments	648,499	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	730,964	31,077
Borough contributions subsequent to the measurement date	956,242	
	<u>\$ 2,475,041</u>	<u>\$ 3,035,889</u>

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 7 – PENSION PLANS (continued)

\$956,242 shown as deferred outflows of resources related to PFRS resulting from Borough contributions subsequent to the measurement date. Other amounts reports as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows if GASB 68 were recognized:

<u>Year ended</u> <u>December 31,</u>	<u>Amount</u>
2021	\$ (699,278)
2022	(567,659)
2023	(208,774)
2024	(22,064)
2025	<u>(19,315)</u>
Total	<u>\$ (1,517,090)</u>

Actuarial Assumptions- The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>June 30, 2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases*:	
Through 2026	2.00% to 6.00% based on years of service
Thereafter	3.00% to 7.00% based on years of service

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 7 – PENSION PLANS (continued)

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, 2020 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk mitigation strategies	3.00%	3.40%
Cash equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment grade credit	8.00%	2.67%
High yield	2.00%	5.95%
Private credit	8.00%	7.59%
Real assets	3.00%	9.73%
Real estate	8.00%	9.56%
U.S. equity	27.00%	7.71%
Non-U.S. developed markets equity	13.50%	8.57%
Emerging markets equity	5.50%	10.23%
Private equity	13.00%	11.42%
	<u>100.00%</u>	

Discount Rate- The discount rate used to measure the total pension liability as of June 30, 2020 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments was applied to projected benefit payments after that date in determining the total pension liability.

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

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
PFRS	<u>\$ 14,707,521</u>	<u>\$ 11,059,998</u>	<u>\$ 8,030,452</u>

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 – PENSION PLANS (continued)

Plan Fiduciary Net Position – The plan fiduciary net position for PFRS at June 30, 2020 was \$27,412,127,845.

Additional Information – Collective balances at June 30, 2020 are as follows:

Collective deferred outflows of resources	\$ 1,601,195,680
Collective deferred inflows of resources	4,191,274,402
Collective net pension liability - Local group	14,926,648,722
Borough's Proportion	0.0855949649%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 was \$949,220,570. The average of the expected remaining service lives of all plan members is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014, respectively.

State Contribution Payable Dates – Chapter 83, P.L. 2016 requires the State to make pension contributions on a quarterly basis: at least 25% by September 30, at least 50% by December 31, at least 75% by March 31, and at least 100% by June 30. As such, contributions are assumed to be made on a quarterly basis.

Local employer's contributions are expected to be paid on April 1st, 21 months after the associated valuation date.

Receivable Contributions – The Fiduciary Net Position (FNP), includes Local employers' contributions receivable as reported in the financial statements provided by the Division of Pension and Benefits. In determining the discount rate, the FNP at the beginning of each year does not reflect receivable contributions as those amounts are not available at the beginning of the year to pay benefits. The receivable contributions for the year ended June 30, 2020 was \$1,194,176,430. Local contributions, expected to be paid the April 1st following the valuation, are discounted by the interest rate used at the valuation date.

Special Funding Situation – Under N.J.S.A 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation and the state is treated as a non-employer entity. The non-employer contributing entities' total proportionate share of the collective net position liability that is associated with the Borough as of June 30, 2020 for police and fire was 0.0855949649%. The non-employer contributions for the year ended June 30, 2020 was \$132,081. The State's proportionate share of the net pension liability attributable to the Borough as of June 30, 2020 was \$1,716,461.

Defined Contribution Retirement Plan

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

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

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 – PENSION PLANS (continued)

Defined Contribution Retirement Plan (continued)

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 \$5,000.00 annually. At June 30, 2020, the membership in the DCRP, based on the information within the Division’s database, was 60,336.

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

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.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 7.50% for PERS, 10% for PFRS and 5.5% for DCRP of employees’ base wages.

NOTE 8 – RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough of Roseland is a member of Intergovernmental Insurance Fund (the “Fund”). The Fund provides its members with workers’ compensation, employers’ liability, liability other than motor vehicles, property damages other than motor vehicles, motor vehicle and environmental insurance coverage.

The Fund is a risk-sharing public entity risk pool that is both an insured and self-administered group of municipalities established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum.

As a member of the Fund, the Borough could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund’s liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey, Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body.

Financial statements for this fund are available at the Office of the Executive Director:

Polaris Galaxy Insurance, LLC
777 Terrace Avenue, Suite 309
Hasbrouck Heights, NJ 07960

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 9 – STATE OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB) - OTHER THAN PENSIONS

The Borough participates in the State Health Benefit Local Government Retired Employees Plan (Plan), a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan administered by the State of New Jersey Division of Pension and Benefits. The Plan covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan provides medical and prescription drug coverage to retirees and their covered dependents. Rules governing the operation and administration of the program are found in Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999. Additional information about the Plan is available from the State of New Jersey, Division of Pensions and Benefits Comprehensive Annual Financial Report, which can be found at <https://www.state.nj.us/treasury/pensions.financial-reports.shtml>.

Benefits Provided – The Plan provides medical and prescription coverage to retirees and their dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiation.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.

Contributions – Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who has less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided that they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Plan Membership and Contributing Employers - Plan membership and contributing employers/nonemployers consisted of the following at June 30, 2020:

	<u>June 30, 2020</u>
Inactive plan members or beneficiaries currently receiving benefits	24,294
Active plan members	<u>72,485</u>
Total	<u><u>96,779</u></u>

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 9 – STATE OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB) - OTHER THAN PENSIONS (continued)

Nonspecial Funding Situation - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was \$12,484,309,814 at June 30, 2020. The Borough's nonspecial funding situation proportion of the Total OPEB Liability was \$17,740,047 (0.098849%) for the years ended June 30, 2020.

Components of the Net OPEB Liability – The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

	June 30, 2020
Total OPEB Liability	\$ 18,111,475,228
Plan Fiduciary Net Position	<u>164,862,282</u>
Net OPEB Liability	<u>\$ 17,946,612,946</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.91%

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to 2020 in the measurement:

	June 30, 2020
Inflation	2.50%
Salary Increases*:	
PERS	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
PFRS	
Rate for all future years	3.25% - 15.25%

* Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Preretirement and postretirement mortality rates were based on the Pub-2010 Safety Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2019 scale.

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2019 and July 1, 2014 to June 30, 2018 respectively.

100% of active members are considered to participate in the Plan upon retirement.

Healthcare Trend Assumptions - For pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.00% and decreases to a 4.5% long-term rate after seven years.

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 9 – STATE OTHER POST-EMPLOYMENT (RETIREMENT) BENEFITS (OPEB) - OTHER THAN PENSIONS (continued)

Discount Rate - The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the State's Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	At Discount Rate	1% Increase
Total Net OPEB Liability - 2020	<u>\$ 20,972,484</u>	<u>\$ 17,740,047</u>	<u>\$ 15,181,279</u>

Sensitivity of the State's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total Net OPEB Liability - 2020	<u>\$ 14,679,907</u>	<u>\$ 17,740,047</u>	<u>\$ 21,747,342</u>

Special Funding Situation - The State of New Jersey's Total OPEB Liability for special funding situation was \$5,462,303,132 at June 30, 2020.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net OPEB liability that is associated with the local participating employer. The participating employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the OPEB expense allocated to the State of New Jersey under the special funding situation.

The amount of the State's proportionate share of the net OPEB liability for special funding situation attributable to employees and retirees of the Borough of Roseland was \$224,828 (1 member) at June 30, 2020, or 0.004116%. The OPEB expense attributed to the Borough was \$(11,192) at June 30, 2020.

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2021 and 2020, interfund receivables and payables that resulted from various interfund transactions were as follows:

Fund	2021		2020	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund	\$ 3,562.06	\$ 91,793.19	\$ 9,755.98	
Federal and State Grant Fund	91,793.19			\$ 8,703.15
General Trust Fund		4.06		1,052.83
Animal Trust Fund		3,558.00		
	<u>\$ 95,355.25</u>	<u>\$ 95,355.25</u>	<u>\$ 9,755.98</u>	<u>\$ 9,755.98</u>

NOTE 11 – DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021, the Borough has total deferred charges in the current fund in the amount of \$117,682.00. The Borough recorded \$124,970.00 for the purpose of performing a revaluation of the Borough's properties in 2019. The Borough is raising \$24,994.00 in the 2022 budget for this deferred charge. A deferred charge in the amount of \$42,700.00 was also recorded for drainage and flooding issues identified within the Borough in 2021 and will be raised in the 2022 budget.

NOTE 12 – CONTINGENT LIABILITIES

The Borough is involved in several claims and lawsuits incidental to its operation, which are generally defended through the Borough's insurance carriers. One claim may not be covered by insurance. Certain claims are in their discovery stage and the potential financial exposure to the Borough, if any, cannot currently be ascertained.

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, 2021 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.

Various tax appeals on assessed valuations have been filed against the Borough and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Tax Assessor will aggressively defend the Borough's assessments. The Borough has established a reserve, which it feels is sufficient, for this contingency in the amount of \$1,827,208.15.

NOTE 13 – ECONOMIC DEPENDENCY

The Borough receives a substantial amount of support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

NOTE 14 – 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.

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

NOTE 14 – ACCUMULATED VACATION AND SICK PAY (CONT'D.)

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, is estimated at \$520,915.00 and \$557,229.00 at December 31, 2021 and 2020, respectively. 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 15 – DEFERRED COMPENSATION PLANS

The Borough offers its employees deferred compensation plans (the “plan”) created in accordance with Section 457 of the Internal Revenue Code. The plan, which is administered by Mass Mutual, is available to all Borough employees and permit participants to defer a portion of their salary. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency or upon death to their beneficiaries.

NOTE 16 – FIXED ASSETS

The following is a summary of changes in the General Fixed Assets account group for the years ended December 31, 2021 and 2020:

General Fixed Assets

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2021</u>
Land and Improvements	\$ 17,000.00			\$ 17,000.00
Buildings	7,296,854.02	\$ 21,420.00		7,318,274.02
Machinery and Equipment	6,047,894.50	78,629.05		6,126,523.55
	<u>\$ 13,361,748.52</u>	<u>\$ 100,049.05</u>	<u>\$ -</u>	<u>\$ 13,461,797.57</u>
	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance December 31, <u>2020</u>
Land and Improvements	\$ 17,000.00			\$ 17,000.00
Buildings	7,264,979.02	\$ 31,875.00		7,296,854.02
Machinery and Equipment	5,634,277.12	508,617.38	\$ 95,000.00	6,047,894.50
	<u>\$ 12,916,256.14</u>	<u>\$ 540,492.38</u>	<u>\$ 95,000.00</u>	<u>\$ 13,361,748.52</u>

BOROUGH OF ROSELAND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 17 - SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2021 through the date of August 30, 2022, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that no subsequent events have occurred which require disclosure in the financial statements.

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

**PART II
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF ROSELAND
CURRENT FUND

SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2021

A-4

	<u>Ref.</u>	<u>Current Fund</u>	
Balance, December 31, 2020	A		\$ 6,960,998.87
Increased by Receipts:			
Interest and Costs on Taxes	A-2b	\$ 58,712.41	
Nonbudget Revenue	A-2c	135,905.77	
Petty Cash	A-6	300.00	
Due from State of New Jersey per Ch. 129, P.L. 1976	A-7	33,250.00	
Taxes Receivable	A-8	37,342,102.23	
Revenue Accounts Receivable	A-11	1,592,072.80	
Interfunds Receivable	A-12	262,155.91	
Due to State of New Jersey	A-17	15,968.00	
Tax Overpayments	A-19	42,657.87	
Prepaid Taxes	A-22	646,425.58	
Reserve for American Rescue Plan	A-24a	305,370.51	
			<u>40,434,921.08</u>
			47,395,919.95
Decreased by Disbursements:			
Budget Appropriations	A-3	11,735,763.88	
Petty Cash	A-6	300.00	
2020 Appropriation Reserves	A-15	643,774.62	
Interfunds Payable	A-12	446,348.07	
Due to State of New Jersey	A-17	19,163.00	
Pilot Due Essex County	A-1	810.90	
Refund of Prior Year Revenue	A-1	24.00	
Added Assessment Due to Library	A-1	797.13	
Added Assessment Due to Open Space	A-1	431.60	
Accounts Payable	A-18	150,000.00	
Tax Overpayments	A-19	38,558.20	
County Taxes Payable	A-20	8,384,251.97	
School Taxes Payable	A-21	18,674,556.00	
			<u>40,094,779.37</u>
Balance, December 31, 2021	A		<u><u>\$ 7,301,140.58</u></u>

BOROUGH OF ROSELAND
CURRENT FUND

SCHEDULE OF INVESTMENTS
YEAR ENDED DECEMBER 31, 2021

A-5

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 827,612.04
Increased by:		
Interest Earned	A-11	<u>5,474.59</u>
Balance, December 31, 2021	A	<u><u>\$ 833,086.63</u></u>

PETTY CASH
FOR THE YEAR ENDED DECEMBER 31, 2021

A-6

	<u>Ref.</u>	
Balance, December 31, 2020		\$ -
Increased by:		
Fund Established	A-4	<u>300.00</u>
Decreased by:		
Fund Returned	A-4	<u>300.00</u>
Balance, December 31, 2021		<u><u>\$</u></u>

BOROUGH OF ROSELAND
CURRENT FUND

DUE FROM (TO) STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
YEAR ENDED DECEMBER 31, 2021

A-7

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$ -
Increased by:			
Deductions per Tax Billings:			
Senior Citizens		\$ 4,750.00	
Veterans		<u>29,750.00</u>	
	A-8		<u>34,500.00</u>
			<u>34,500.00</u>
Decreased by:			
Deductions Disallowed by Tax			
Collector:			
2020 Senior Citizens Deductions			
Disallowed	A-1	1,250.00	
2021 Collections	A-4	<u>33,250.00</u>	
			<u>34,500.00</u>
Balance, December 31, 2021			<u><u>\$ -</u></u>

BOROUGH OF ROSELAND
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2021

A-8

Year	Balance Dec. 31, 2020	2021 Levy	Added Taxes	Collected		Due From State of New Jersey	Overpayments Applied	Transferred to Tax Title Liens	Canceled	Balance Dec. 31, 2021
				2020	2021					
2020	\$ 191,245.29		\$ 1,250.00		\$ 189,951.39				\$ 2,543.90	
2021		\$ 37,992,887.48		\$ 312,282.31	37,152,150.84	\$ 34,500.00	\$ 4,089.38	\$ 26,106.80	4,648.51	\$ 459,109.64
	<u>\$ 191,245.29</u>	<u>\$ 37,992,887.48</u>	<u>\$ 1,250.00</u>	<u>\$ 312,282.31</u>	<u>\$ 37,342,102.23</u>	<u>\$ 34,500.00</u>	<u>\$ 4,089.38</u>	<u>\$ 26,106.80</u>	<u>\$ 7,192.41</u>	<u>\$ 459,109.64</u>
<u>Ref.</u>	A	Below	A-7	A-2a, A-22	A-2a, A-4	A-2a, A-7	A-2a, A-19	A-9	Reserve	A

Analysis of 2021 Property Tax Levy

<u>Tax Yield:</u>		<u>Ref.</u>	
General Purpose Tax (Abstract)			\$ 37,932,070.93
Added Taxes			49,688.07
Rounding			<u>11,128.48</u>
	Above		<u>\$ 37,992,887.48</u>
<u>Tax Levy:</u>			
County Tax	A-20	\$ 8,110,178.58	
County Open Space	A-20	263,423.93	
County Added Tax	A-20	<u>10,972.02</u>	
	A-2a		\$ 8,384,574.53
Local School District Tax (Abstract)	A-21	9,354,601.00	
Regional High School District Tax (Abstract)	A-21	<u>9,319,955.00</u>	
	A-2a		18,674,556.00
Local Tax for Municipal Purposes			
Local Taxes	A-2	9,955,755.48	
Minimum Library Tax	A-2	598,645.88	
Addedded Assessment Due to Library	A-2	797.13	
Open Space Tax	A-2a, A-12	329,511.06	
Added Assessment Due Open Space	A-1	431.60	
Add Additional Tax Levied		37,487.32	
Rounding		<u>11,128.48</u>	
			<u>10,933,756.95</u>
	Above		<u>\$ 37,992,887.48</u>

BOROUGH OF ROSELAND
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2021

A-9

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 176,426.98
Increased by:		
Transfers from Taxes Receivable	A-8	<u>26,106.80</u>
Balance, December 31, 2021	A	<u>\$ 202,533.78</u>

OTHER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

A-10

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 7,326.14
Increased by:		
6% Interest Penalty on Delinquent Taxes	Reserve	<u>23,060.64</u>
		30,386.78
Decreased by:		
Adjustments	Reserve	<u>7,326.14</u>
Balance, December 31, 2021	A	<u>\$ 23,060.64</u>

BOROUGH OF ROSELAND
CURRENT FUND

A-11

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

	Ref.	Balance Dec. 31, 2020	Accrued	Realized	Balance Dec. 31, 2021
<u>Budget Revenue</u>					
Clerk:					
Alcoholic Beverage License	A-2		\$ 5,438.00	\$ 5,438.00	
Other Licenses	A-2b		620.00	620.00	
Other Fees and Permits	A-2b		832.86	832.86	
Health Officer:					
Health Licenses	A-2b		14,469.00	14,469.00	
Registrar:					
Other Fees and Permits	A-2b		9,845.00	9,845.00	
Collector-Treasurer:					
Tax Search	A-2b		460.00	460.00	
Other Fees and Permits	A-2b		490.00	490.00	
Administration Fees	A-2b		15,886.56	15,886.56	
Public Works	A-2b		843.30	843.30	
Zoning Board	A-2b		29,965.70	29,965.70	
Recreation:					
Other Fees and Permits	A-2b		1,530.00	1,530.00	
Construction Code Official:					
Building Permits	A-2		230,732.00	230,732.00	
Other Fees and Permits	A-2b		42,900.00	42,900.00	
Fire Prevention Bureau	A-2b		868.00	868.00	
Municipal Court:					
Fines and Costs	A-2	\$ 2,561.56	36,149.34	35,435.98	\$ 3,274.92
State of New Jersey:					
Energy Receipts Tax	A-2		837,731.00	837,731.00	
Cablevision Franchise Fee	A-2		113,314.45	113,314.45	
Interest on Investments	A-2		29,616.37	29,616.37	
Lease Agreement	A-2		135,139.92	135,139.92	
Cell Tower Lease	A-2		81,696.08	81,696.08	
General Capital Surplus	A-2		250,000.00	250,000.00	
Pilot	A-2		9,777.02	9,777.02	
		<u>\$ 2,561.56</u>	<u>\$ 1,848,304.60</u>	<u>\$ 1,847,591.24</u>	<u>\$ 3,274.92</u>
	Ref.	A	Reserve	Below	A
Cash Collections:					
Checking Account	A-4			\$ 1,592,072.80	
Investments	A-5			5,474.59	
Due from General Capital Fund	A-12			250,000.00	
Due from General Trust Fund	A-12			43.85	
				<u>\$ 1,847,591.24</u>	
	Above				

BOROUGH OF ROSELAND
CURRENT FUND

INTERFUNDS RECEIVABLE (PAYABLE)
YEAR ENDED DECEMBER 31, 2021

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>Animal Control Fund</u>	<u>Payroll Fund</u>	<u>Open Space Trust Fund</u>
Balance, December 31, 2020	From	A	\$ 9,755.98	\$ 7.65	\$	\$ 8,703.15	\$ 1,045.18	\$	\$
	(To)	A	-	-					
Increased by:									
Cash Disbursements		A-4	446,348.07	3,687.60	13,962.39	99,187.02			329,511.06
Grant Appropriated Reserve Cancelled		A-25	218.69			218.69			
Non Budget Revenue		A-2c	3,558.00				3,558.00		
Anticipated Revenue		A-11	250,043.85	43.85	250,000.00				
			<u>700,168.61</u>	<u>3,731.45</u>	<u>263,962.39</u>	<u>99,405.71</u>	<u>3,558.00</u>	<u>-</u>	<u>329,511.06</u>
			<u>709,924.59</u>	<u>3,739.10</u>	<u>263,962.39</u>	<u>108,108.86</u>	<u>4,603.18</u>	<u>-</u>	<u>329,511.06</u>
Decreased by:									
Cash Receipts		A-4	262,155.91	46.29	63,962.39	197,102.05	1,045.18		
Appropriations		A-3	206,488.75	3,688.75	200,000.00	2,800.00			
Open Space Tax		A-1	329,511.06						329,511.06
			<u>798,155.72</u>	<u>3,735.04</u>	<u>263,962.39</u>	<u>199,902.05</u>	<u>1,045.18</u>	<u>-</u>	<u>329,511.06</u>
Balance, December 31, 2021	From	A	\$ 3,562.06	\$ 4.06			\$ 3,558.00		
	(To)	A	\$ (91,793.19)		\$ -	\$ (91,793.19)		\$ -	\$ -
<u>Net Credit to Operations</u>		<u>Ref.</u>							
Balance, December 31, 2020	Above		\$ 9,755.98						
Balance, December 31, 2021	Above		<u>3,562.06</u>						
Net Credit		A-1	<u>\$ 6,193.92</u>						

BOROUGH OF ROSELAND
FEDERAL AND STATE GRANT FUND

INTERFUNDS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>A-13</u> Current Fund
Balance, December 31, 2020	A	\$ (8,703.15)
Increased by:		
Cash Receipts in Current Fund:		
Grant Receivables	A-14	185,866.50
Grant Match	A-25	2,800.00
Unappropriated Reserves	A-26	11,235.55
		<u>199,902.05</u>
		<u>191,198.90</u>
Decreased by:		
Grants Payable Canceled	A-25	218.69
Expenditures Paid in Current Fund	A-25	99,187.02
		<u>99,405.71</u>
Balance, December 31, 2021	A	<u><u>\$ 91,793.19</u></u>

BOROUGH OF ROSELAND
FEDERAL AND STATE FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

A-14

	<u>Balance Dec. 31, 2020</u>	<u>Anticipated Revenue</u>	<u>Realized</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2021</u>
Body Armor Replacement Fund		\$ 1,850.42	\$ 1,850.42		
Bulletproof Vest Program	\$ 7,869.33	2,800.00			\$ 10,669.33
Clean Communities Program		10,554.50	10,554.50		
National Crime Statistics	20,000.00		20,000.00		
Municipal Alliance on Alcoholism and Drug Abuse	7,101.07	2,580.00	2,813.54	\$ 3,467.53	3,400.00
DDEF Grant		12,112.00	8,000.00	4,112.00	
Body Worn Cameras		42,798.00			42,798.00
Recycling Tonnage Grant		13,609.23	13,609.23		
Essex County Open Space	150,000.00				150,000.00
Chapter 159 CARES Act	139,593.39		139,593.31		0.08
	<u>\$ 324,563.79</u>	<u>\$ 86,304.15</u>	<u>\$ 196,421.00</u>	<u>\$ 7,579.53</u>	<u>\$ 206,867.41</u>
<u>Ref.</u>	A	A-2	Below	A-25	A
	<u>Ref.</u>				
Due from Current Fund	A-13		\$ 185,866.50		
Unappropriated Reserve Applied	A-26		<u>10,554.50</u>		
	Above		<u>\$ 196,421.00</u>		

BOROUGH OF ROSELAND
CURRENT FUND

2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

A-15
Sheet #1

	Balance Dec. 31, 2020	Balance After Transfer	Paid or Charged	Balance Lapsed
<u>Salaries and Wages</u>				
Administrative and Executive	\$ 32,466.51	\$ 11,236.51	\$ 10,834.23	\$ 402.28
Office of Borough Clerk	10,591.59	9,131.59	1,401.21	7,730.38
Financial Administration	1,135.86	1,135.86		1,135.86
Collection of Taxes	1,593.05	1,593.05		1,593.05
Assessment of Taxes	0.99	0.99		0.99
Planning Board	3,863.93	3,003.93	220.40	2,783.53
Board of Adjustment	593.06	593.06	163.87	429.19
Affordable Housing	538.46	538.46		538.46
Construction Code Official	2,444.51	2,444.51	2,195.64	248.87
Health Waiver	3,999.84	3,999.84	166.67	3,833.17
Police	205,676.34	205,676.34	119,331.29	86,345.05
Fire Prevention Bureau	961.14	1,412.14	1,412.04	0.10
Road Repairs and Maintenance	29,810.85	11,534.85	6,026.25	5,508.60
Building and Grounds	22,211.73	22,211.73	11,091.12	11,120.61
Vehicle Maintenance	6,721.83	6,721.83	2,027.92	4,693.91
Public Recreation Program	9,273.53	9,273.53	576.00	8,697.53
Declared Emergency COVID	59,255.11	59,255.11	2,523.28	56,731.83
Municipal Court	3,960.84	3,960.84	2,602.22	1,358.62
Public Defender	0.04	0.04		0.04
<u>Other Expenses</u>				
Administrative and Executive	4,494.23	4,559.23	2,807.08	1,752.15
Office of Borough Clerk	6,626.59	14,926.09	11,226.48	3,699.61
Financial Administration	950.00	950.00		950.00
Audit Services	29,421.00	29,421.00	29,421.00	
Computer Data Service	5,973.72	5,973.72	1,463.26	4,510.46
Collection of Taxes	1,061.48	1,061.48		1,061.48
Assessment of Taxes	36,844.30	36,844.30	530.00	36,314.30
Legal Services and Costs	80,095.01	87,095.01	38,848.03	48,246.98
Engineering Services and Costs	38,143.00	50,185.75	38,872.18	11,313.57
Historic Preservation Commission				
Planning Board	13,570.24	14,430.24	12,831.79	1,598.45
Board of Adjustment	11,504.22	11,504.22	7,615.39	3,888.83
Affordable Housing	5,260.15	5,260.15	1,217.05	4,043.10
Construction Code	46,622.72	46,622.72	13,799.87	32,822.85
Insurance-Workmans Comp	168.95	168.95		168.95
Insurance - Employee Group	362,789.31	362,789.31	3,296.40	359,492.91
Unemployment Compensation	1,005.12	1,005.12	188.97	816.15
Police	20,724.85	20,724.85	13,045.21	7,679.64
Police Dispatch/911	805.60	805.60	420.00	385.60
Emergency Management Services	9,477.87	9,477.87	6,150.00	3,327.87
Fire	43,605.20	43,605.20	30,723.51	12,881.69
Fire Prevention Bureau	2,174.92	1,723.92		1,723.92
Prosecutor	473.03	536.03	535.95	0.08

BOROUGH OF ROSELAND
CURRENT FUND

2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

A-15
Sheet #2

	Balance Dec. 31, 2020	Balance After Transfer	Paid or Charged	Balance Lapsed
Road Repairs and Maintenance	\$ 38,001.75	\$ 38,001.75	\$ 11,166.11	\$ 26,835.64
Solid Waste Collection	61,993.51	77,231.73	64,856.83	12,374.90
Public Building and Grounds	98,173.78	94,329.31	55,324.89	39,004.42
Vehicle Maintenance	32,569.95	32,569.95	8,801.13	23,768.82
Condominium Service Act	44,000.00	44,000.00	21,561.64	22,438.36
Board of Health	2,791.00	2,791.00		2,791.00
Environmental Commission	1,000.00	1,000.00	284.36	715.64
Senior Citizens Services and Programs	12,000.00	12,000.00		12,000.00
Public Recreation Program	8,448.31	8,448.31	6,665.51	1,782.80
Maintenance of Parks	15,381.93	15,381.93	5,964.92	9,417.01
Celebration of Public Events	21,587.16	21,587.16		21,587.16
Beautification Committee	3,843.30	3,843.30	358.43	3,484.87
Citizen Notifications	15,011.95	15,011.95	3,747.00	11,264.95
Senior Citizens' Advisory Committee	970.00	970.00		970.00
Declaired Emergency COVID	78,994.75	78,994.75	665.36	78,329.39
Utilities:				
Electricity and Natural Gas	134,883.66	134,883.66	50,395.18	84,488.48
Telephone and Telegraph	6,522.46	11,287.46	6,966.80	4,320.66
Patroleum Products	51,370.57	48,770.57	2,218.88	46,551.69
Public Employees Retirement	21,245.00	21,245.00		21,245.00
Social Security	9,017.06	9,017.06	6,347.96	2,669.10
DCRP	3,304.46	3,304.46	12.76	3,291.70
Interlocal Agreement:Building Insp	46,878.00	46,878.00		46,878.00
Interlocal Agreement: Animal Control	0.03	0.03		0.03
Interlocal Agreement Senior Citizen Transportation	24,721.47	24,721.47	24,721.47	
Municipal Court	7,161.17	7,098.17	151.08	6,947.09
Public Defender	407.00	407.00		407.00
	<u>\$ 1,857,168.99</u>	<u>\$ 1,857,168.99</u>	<u>\$ 643,774.62</u>	<u>\$ 1,213,394.37</u>
Ref	Below		A-4	A-1
Appropriation Reserves	A \$ 1,143,579.42			
Encumbered	A <u>713,589.57</u>			
	<u>\$ 1,857,168.99</u>			

BOROUGH OF ROSELAND
CURRENT FUND

DEFERRED CHARGES -
SPECIAL EMERGENCY APPROPRIATIONS
YEAR ENDED DECEMBER 31, 2021

A-16

	Ref.	
Balance, December 31, 2020	A	\$ 99,976.00
Decreased by:		
Budget Appropriation	A-3	<u>24,994.00</u>
Balance, December 31, 2021	A	<u><u>\$ 74,982.00</u></u>

A-16a

DEFERRED CHARGES -
EMERGENCY APPROPRIATION
YEAR ENDED DECEMBER 31, 2021

	Ref.	
Balance, December 31, 2020	A	\$ -
Increased by:		
Emergency Appropriation	A-3	<u>42,700.00</u>
Balance, December 31, 2021	A	<u><u>\$ 42,700.00</u></u>

BOROUGH OF ROSELAND
CURRENT FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2021

A-17

	<u>Ref.</u>	<u>Current Fund</u>		
		<u>Total</u>	<u>Marriage Lic Fees</u>	<u>State Training Fees</u>
Balance, December 31, 2020	A	\$ 8,890.00	\$ 750.00	\$ 8,140.00
Increased by:				
Collections	A-4	\$ 15,968.00	825.00	15,143.00
		24,858.00	1,575.00	23,283.00
Decreased by:				
Payments	A-4	19,163.00	1,275.00	17,888.00
Balance, December 31, 2021	A	<u>\$ 5,695.00</u>	<u>\$ 300.00</u>	<u>\$ 5,395.00</u>

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2021

A-18

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 291,736.50
Decreased by:		
Cash Disbursements	A-4	150,000.00
Balance, December 31, 2021	A	<u>\$ 141,736.50</u>

BOROUGH OF ROSELAND
CURRENT FUND

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2021

A-19

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$ 4,345.62
Increased by:			
Collections	A-4	\$ 42,657.87	
Operations/Prior Year Collection	A-1	653.04	
		<u> </u>	<u>43,310.91</u>
			47,656.53
Decreased by:			
Refunded	A-4	38,558.20	
Applied to Current Year Taxes	A-8	4,089.38	
		<u> </u>	<u>42,647.58</u>
Balance, December 31, 2021	A		<u><u>\$ 5,008.95</u></u>

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2021

A-20

	<u>Ref.</u>		
Balance, December 31, 2020	A		\$ 10,649.46
Increased by:			
2021 Levy:			
General County	A-8	\$ 8,110,178.58	
Open Space Preservation	A-8	263,423.93	
Added Assessments	A-8	10,972.02	
	A-1,2a	<u> </u>	<u>8,384,574.53</u>
			8,395,223.99
Decreased by:			
Payments	A-4		<u>8,384,251.97</u>
Balance, December 31, 2021	A		<u><u>\$ 10,972.02</u></u>

BOROUGH OF ROSELAND
CURRENT FUND

SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2021

A-21

	<u>Ref.</u>	<u>Total</u>	<u>Local School District</u>	<u>Regional High School District</u>
Increased by:				
2021 Levy	A-1, A-2a, A-8	\$ 18,674,556.00	\$ 9,354,601.00	\$ 9,319,955.00
Decreased by:				
Payments	A-4	<u>18,674,556.00</u>	<u>9,354,601.00</u>	<u>9,319,955.00</u>
Balance, December 31, 2021		<u>\$</u>	<u>\$</u>	<u>\$</u>

BOROUGH OF ROSELAND
CURRENT FUND

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2021

A-22

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 312,282.31
Increased by:		
Cash Collections	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 100px; text-align: right;">646,425.58</div> </div>
		958,707.89
Decreased by:		
Applied to Taxes Receivable	A-8	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 100px; text-align: right;">312,282.31</div> </div>
Balance, December 31, 2021	A	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 100px; text-align: right;">\$ 646,425.58</div> </div>

RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2021

A-23

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 1,327,208.15
Increased by:		
Transferred from Appropriation	A-3	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 1px solid black; width: 100px; text-align: right;">500,000.00</div> </div>
Balance, December 31, 2021	A	<div style="display: flex; justify-content: flex-end;"> <div style="border-bottom: 3px double black; width: 100px; text-align: right;">\$ 1,827,208.15</div> </div>

BOROUGH OF ROSELAND
FEDERAL AND STATE GRANT FUND

DUE TO ESSEX COUNTY
YEAR ENDED DECEMBER 31, 2021

A-24

	<u>Ref.</u>	
Balance, December 31, 2021 and 2020	A	\$ <u>2,467.42</u>

RESERVE FOR AMERICAN RESCUE PLAN
YEAR ENDING DECEMBER 31, 2021

A-24a

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ -
Increased by:		
Cash Received	A-3	<u>305,370.51</u>
Balance, December 31, 2021	A	<u>\$ 305,370.51</u>

BOROUGH OF ROSELAND
FEDERAL AND STATE GRANT FUND

RESERVE FOR GRANT APPROPRIATED
YEAR ENDED DECEMBER 31, 2021

A-25

<u>Grant Title</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Budget</u>	<u>Expended</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2021</u>
Alcohol Education and Rehabilitation Aid	\$ 5.72				\$ 5.72
Body Armor Replacement Fund - 2018	2,695.42	\$ 1,850.42			4,545.84
Clean Communities Program:					
Prior Year	40,953.96				40,953.96
2014	365.00		\$ 365.00		
2015	1,000.00				1,000.00
2016	4,232.35		4,232.35		
2017	10,959.92		1,352.65		9,607.27
2018	10,488.47		2,107.35		8,381.12
2019	11,705.19				11,705.19
2020		10,554.50			10,554.50
Drunk Driving Enforcement Fund	3,409.01	12,112.00	10,135.78	\$ (4,112.00)	1,273.23
Environmental Sustainable Jersey	171.26				171.26
2019 Essex County Open Space	143,755.50		19,902.50		123,853.00
Essex County Census Grant	0.70				0.70
Municipal Alliance on Alcoholism and Drug Abuse -FY 2018	441.22			(441.22)	0.00
Municipal Alliance on Alcoholism and Drug Abuse -FY 2019	3,890.00			(3,890.00)	
Municipal Alliance on Alcoholism and Drug Abuse -FY 2020	2,418.75		1,773.75		645.00
Municipal Alliance on Alcoholism and Drug Abuse -FY 2021		2,580.00	200.00	645.00	3,025.00
Bullet Proof Vest	12,885.81	5,600.00	6,576.84		11,908.97
Recycling Tonnage Grant	4,046.05	13,609.23	4,678.05		12,977.23
Body Worn Cameras		42,798.00	2,262.40		40,535.60
2019 Williams Tranco Pipe Line	45,600.35		45,600.35		
Williams Transco Pipe Line	3,382.34				3,382.34
Livingston Elks Recreation	431.70				431.70
	<u>\$ 302,838.72</u>	<u>\$ 89,104.15</u>	<u>\$ 99,187.02</u>	<u>\$ (7,798.22)</u>	<u>\$ 284,957.63</u>

<u>Ref</u>	A	Below	A-13	Below	A
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Ref.

Cancelled Against Receivable	A-14	\$ 7,579.53
Due to Current Fund	A-13	218.69

Ref.

\$ 7,798.22

Budget Appropriation	A-3	\$ 86,304.15
Local Match	A-13	2,800.00
		<u>\$ 89,104.15</u>

BOROUGH OF ROSELAND
FEDERAL AND STATE GRANT FUND

RESERVE FOR UNAPPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2021

A-26

	<u>Ref.</u>	
Balance, December 31, 2020	A	\$ 10,554.50
Increased by:		
Due from Current Fund	A-13	11,235.55
		<u>21,790.05</u>
Decreased by:		
Realized Revenue	A-14	10,554.50
		<u>10,554.50</u>
Balance, December 31, 2021	A	<u>\$ 11,235.55</u>
<u>Analysis of Balance</u>		
Clean Communities		<u>\$ 11,235.55</u>

BOROUGH OF ROSELAND
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2021

B-1

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Affordable Housing Trust Fund</u>	<u>General Trust Fund</u>
Balance, December 31, 2020	B	\$ 7,793.58	\$ 271,590.71	\$ 779,665.08
Increased by Receipts:				
Dog License Fees	B-6	\$ 496.20		
2021 Dog License Fees	B-9	2,794.80		
2021 Cat License Fees	B-9	182.00		
Late Fees	B-9	415.00		
Recreation Fund Collections	B-10			\$ 145,210.00
Special Deposits	B-13			143,443.00
Coah Fees	B-14		\$ 8,263.07	
COAH Interest	B-14		941.83	
		<u>3,888.00</u>	<u>9,204.90</u>	<u>288,653.00</u>
		<u>11,681.58</u>	<u>280,795.61</u>	<u>1,068,318.08</u>
Decreased by Disbursements:				
Interfunds	B-5	1,045.18		
Dog License Fees	B-6	499.20		
State Unemployment Insurance Fund	B-7			668.85
Expenditures under N.J.S.A. 40A:4-39	B-9	1,225.00		
Recreation Fund Expenditures	B-10			122,012.42
Special Deposits	B-13			175,332.60
Coah Fees	B-14		65,000.00	
Reserve for Community Development	B-15			3,688.75
		<u>2,769.38</u>	<u>65,000.00</u>	<u>301,702.62</u>
Balance, December 31, 2021	B	<u>\$ 8,912.20</u>	<u>\$ 215,795.61</u>	<u>\$ 766,615.46</u>

BOROUGH OF ROSELAND
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
DEVELOPER'S ESCROW ACCOUNT
YEAR ENDED DECEMBER 31, 2021

B-2

	<u>Ref.</u>	<u>General Trust Fund</u>	
Balance, December 31, 2020	B		\$ 189,013.93
Increased by Receipts:			
Accrued Interest	B-5	\$ 42.80	
Reserve for Developer's Escrow	B-12	<u>101,798.18</u>	
			<u>101,840.98</u>
			290,854.91
Decreased by Disbursements:			
Due to Current Fund	B-5	46.29	
Reserve for Developer's Escrow	B-12	<u>95,362.18</u>	
			<u>95,408.47</u>
Balance, December 31, 2021	B		<u><u>\$ 195,446.44</u></u>

BOROUGH OF ROSELAND
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
MONEY MARKET ACCOUNTS
YEAR ENDED DECEMBER 31, 2021

B-3

	<u>Ref.</u>	<u>General Trust Fund</u>	
Balance, December 31, 2020	B	\$ 28,427.52	
Increased by Receipts:			
Interest Earned:			
Unemployment Insurance	B-7	\$ 97.80	
Community Development	B-5, B-15	3,688.65	
Special Deposits	B-13	<u>0.87</u>	
Transfer from Checking	B-1		<u>3,787.32</u>
Balance, December 31, 2021	B	<u>\$ 32,214.84</u>	

OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2021

B-4

	<u>Ref.</u>		
Balance, December 31, 2020	B	\$ 2,421,377.09	
Increased by:			
Due from Current Fund	B-5	\$ 329,942.66	
Interest Earned	B-11	<u>2,498.99</u>	
			<u>332,441.65</u>
			2,753,818.74
Decreased by:			
Payments	B-11		<u>376,785.00</u>
Balance, December 31, 2021	B	<u>\$ 2,377,033.74</u>	

BOROUGH OF ROSELAND
TRUST FUND

INTERFUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2021

B-5

	Ref.	General Trust Fund		Open Space Trust Fund	Animal Control Fund
		<u>Total</u>	<u>Current Fund</u>	<u>Current Fund</u>	<u>Current Fund</u>
Balance, December 31, 2020: (Due To)	B	\$ (1,052.83)	\$ (7.65)	\$ -	\$ (1,045.18)
Increased by:					
Cash Disbursements					
Trust Fund	B-1	1,045.18			1,045.18
Developer's Escrow Account	B-2	46.29	46.29		
Investment Account	B-3	3,688.75	3,688.75		
Open Space Program - Tax Levy	B-11	329,942.66		329,942.66	
		<u>334,722.88</u>	<u>3,735.04</u>	<u>329,942.66</u>	<u>1,045.18</u>
		<u>333,670.05</u>	<u>3,727.39</u>	<u>329,942.66</u>	<u>-</u>
Decreased by:					
Tax Levy	B-4	329,942.66		329,942.66	
Statutory Excess Fees	B-9	3,558.00			3,558.00
Developer's Escrow Account	B-2	42.80	42.80		
Community Development	B-3	3,688.65	3,688.65		
		<u>337,232.11</u>	<u>3,731.45</u>	<u>329,942.66</u>	<u>3,558.00</u>
Balance, December 31, 2021: (Due To)	B	<u>\$ (3,562.06)</u>	<u>\$ (4.06)</u>	<u>\$ -</u>	<u>\$ (3,558.00)</u>

BOROUGH OF ROSELAND
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2021

B-6

	<u>Ref.</u>	<u>Dog License Fees</u>
Balance, December 31, 2020	B	\$ 7.80
Increased by:		
Collections:		
2021 Dog License Fees	B-1	496.20
		<u>504.00</u>
Decreased by:		
Payments	B-1	499.20
		<u>499.20</u>
Balance, December 31, 2021	B	<u>\$ 4.80</u>

RESERVE FOR STATE UNEMPLOYMENT COMPENSATION INSURANCE FUND
YEAR ENDED DECEMBER 31, 2021

B-7

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ 46,875.38
Increased by:		
Interest on Money Market Account	B-3	97.80
		<u>97.80</u>
Decreased by:		
Cash Disbursements	B-1	668.85
		<u>668.85</u>
Balance, December 31, 2021	B	<u>\$ 46,304.33</u>

BOROUGH OF ROSELAND
TRUST FUND

DUE FROM ESSEX COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2021

B-8

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ 25,000.00
Increased by:		
Grant Award	B-15	<u>53,500.00</u>
Balance, December 31, 2021	B	<u>\$ 78,500.00</u>

RESERVE FOR ANIMAL CONTROL EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

B-9

	<u>Ref.</u>	
Balance, December 31, 2020	B	\$ 6,740.60
Increased by:		
Dog License Fees	B-1	\$ 2,794.80
Cat License Fees	B-1	182.00
Late Fees	B-1	<u>415.00</u>
		<u>3,391.80</u>
		10,132.40
Decreased by:		
Expenditures Under N.J.S.A.		
40A: 4-39	B-1	1,225.00
Statutory Excess Due to Current Fund	B-5	<u>3,558.00</u>
		<u>4,783.00</u>
Balance, December 31, 2021	B	<u>\$ 5,349.40</u>

License Fees Collected

<u>Year</u>	Amount
2019	\$ 2,730.00
2020	<u>2,619.40</u>
	<u>\$ 5,349.40</u>

Note: R.S. 4:19-15.11

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

BOROUGH OF ROSELAND
TRUST FUND

RESERVE FOR RECREATION FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

B-10

	<u>Ref.</u>		
Balance, December 31, 2020	B	\$	123,028.11
Increased by:			
Collections	B-1		145,210.00
			<u>268,238.11</u>
Decreased by:			
Payments	B-1		122,012.42
			<u>122,012.42</u>
Balance, December 31, 2021	B	\$	<u><u>146,225.69</u></u>

RESERVE FOR OPEN SPACE PROGRAM
YEAR ENDED DECEMBER 31, 2021

B-11

	<u>Ref.</u>		
Balance, December 31, 2020	B	\$	2,421,377.09
Increased by:			
Interest Earned	B-4	\$	2,498.99
2021 Tax Levy	B-5		<u>329,942.66</u>
			<u>332,441.65</u>
			2,753,818.74
Decreased by:			
Payments	B-4		376,785.00
			<u>376,785.00</u>
Balance, December 31, 2021	B	\$	<u><u>2,377,033.74</u></u>

BOROUGH OF ROSELAND
TRUST FUND

DEVELOPER'S ESCROW
YEAR ENDED DECEMBER 31, 2021

B-12

<u>Account</u>	Balance <u>Dec. 31, 2020</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>Dec. 31, 2021</u>
Maintenance and Performance				
Bonds	\$ 22,517.36	\$ 3.41	\$ 1,500.00	\$ 21,020.77
Inspection Fees	47,922.91	16,358.12	12,376.25	51,904.78
Site Plan Fees	70,495.32	66,272.91	60,160.93	76,607.30
Subdivision Fees	14,237.02	16,754.96	17,176.74	13,815.24
Variance	6,845.09	2,400.59	4,148.26	5,097.42
Other	27,018.68	8.19		27,026.87
	<u>\$ 189,036.38</u>	<u>\$ 101,798.18</u>	<u>\$ 95,362.18</u>	<u>\$ 195,472.38</u>
<u>Ref.</u>	B	B-2	B-2	B

BOROUGH OF ROSELAND
TRUST FUND

SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2021

B-13

	Balance <u>Dec. 31, 2020</u>	<u>Increase</u>	<u>Decrease</u>	Balance <u>Dec. 31, 2021</u>
Police Side Jobs	\$ 56,604.54	\$ 112,900.00	\$ 97,767.30	\$ 71,737.24
Premium Tax Sale	48,000.00			48,000.00
Uniform Allowance	2,750.00	250.00	2,750.00	250.00
Youth Week/Municipal Youth Council	25.52			25.52
Community Calendar		5,950.00	5,920.00	30.00
Summer Concert Series	16,545.98	2,300.00	12,034.12	6,811.86
Roseland Food Bank Relief Fund	4,109.86	1,352.00	4,023.62	1,438.24
Emergency Management	202.00	150.00		352.00
Police Donations	4,034.57	675.00	626.96	4,082.61
Bucco Settlements	30,500.00		30,500.00	
Community Center Donations		4,830.00	2,393.50	2,436.50
Donations to Environmental Comm	62.41			62.41
Senior Advisory Board	402.75			402.75
Accumulated Absences	376,820.18	15,000.00		391,820.18
Parking Offense Adjudication Act	2,153.30	36.00		2,189.30
Strom Recovery	78,279.44		17,717.10	60,562.34
Lien Redemption	53.94			53.94
Security Deposit	13,333.34			13,333.34
9/11 Scholarship Fund	4,233.16	0.87	1,600.00	2,634.03
	<u>\$ 638,110.99</u>	<u>\$ 143,443.87</u>	<u>\$ 175,332.60</u>	<u>\$ 606,222.26</u>

<u>Ref.</u>	B	Below	B-3	B
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	<u>Ref.</u>	
Checking Account - Regular Account	B-1	\$ 143,443.00
Money Market Account	B-3	0.87
	Above	<u>\$ 143,443.87</u>

BOROUGH OF ROSELAND
TRUST FUND

RESERVE FOR AFFORDABLE HOUSING EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

B-14

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$ 271,590.71
Increased by:			
COAH Developer Fee:			
Residential	B-1	\$ 8,263.07	
Interest	B-1	<u>941.83</u>	
			<u>9,204.90</u>
			280,795.61
Decreased by:			
Payment	B-1		<u>65,000.00</u>
Balance, December 31, 2021	B		<u><u>\$ 215,795.61</u></u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

B-15

	<u>Ref.</u>		
Balance, December 31, 2020	B		\$ 23,966.36
Increased by:			
Due from Current Fund	B-5	\$ 3,688.75	
Grant Award	B-8	<u>53,500.00</u>	
			<u>57,188.75</u>
			81,155.11
Decreased by:			
Payments	B-1		<u>3,688.75</u>
Balance, December 31, 2021	B		<u><u>\$ 77,466.36</u></u>

BOROUGH OF ROSELAND
TRUST FUND

RESERVE FOR INTERVENOR EXPENDITURES
YEAR ENDED DECEMBER 31, 2021

B-16

Ref.

Balance, December 31, 2021 and 2020

B

\$ 1,081.66

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNT
YEAR ENDED DECEMBER 31, 2021

C-2

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ 1,830,398.29
Increased by Receipts:			
Premium Note Sale	C-1	\$ 113,502.25	
Due From Current Fund	C-5	13,962.39	
Bond Anticipation Notes	C-14	<u>5,223,808.00</u>	
			<u>5,351,272.64</u>
			7,181,670.93
Decreased by Disbursements:			
Due to Current Fund	C-5	50,000.00	
Improvement Authorizations	C-13	1,044,707.27	
Bond Anticipation Notes	C-14	<u>3,978,208.00</u>	
			<u>5,072,915.27</u>
Balance, December 31, 2021	C		<u><u>\$ 2,108,755.66</u></u>

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2021

C-3

	Balance Dec. 31, 2020	Receipts Other	Disbursements		Transfers		Balance Dec. 31, 2021
			Improvement Authorizations	Other	From	To	
<u>General Improvement Authorizations</u>							
Ordinance:							
15-89	\$ 43,500.00						\$ 43,500.00
12-03/5-04	36,762.66	\$ 338,572.00	\$ 5,954.75	\$ 332,972.00	\$ 36,407.91		
2-11	1,511.00				1,511.00		
10-11	366.54	169,853.00		169,853.00	366.54		
9-12	43,290.34						43,290.34
10-12		234,779.00		234,779.00			
11-12	33,234.39						33,234.39
5-13	2,401.95						2,401.95
6-14/8-15	(0.00)						
7-14	20,071.99	1,046,625.00		1,046,625.00			20,071.99
8-14	10,881.53	398,457.00		398,457.00	10,881.53		
12-14	2,954.96	407,283.00		407,283.00	2,954.96		
10-15	107.87	76,086.00		76,086.00	107.87		
15-16	2,309.07	207,000.00	1,308.50			\$ 34,000.00	242,000.57
17-16	(43,001.16)						(43,001.16)
5-17	19,148.86				19,148.86		
6-17	111,262.15	182,757.00	250.00	182,757.00	111,012.15		
8-17	1,451.14	784,995.00	250.00	784,995.00	1,201.14		
13-17	27,287.95						27,287.95
7-18	53,648.95						53,648.95
8-18	34,305.97	169,101.00		169,101.00	34,305.97		
09-19	109,026.85	430,000.00	517,762.04				21,264.81
14-19	66,079.84						66,079.84
17-19	124,562.03		68,368.07				56,193.96
18-19	181,055.48	175,300.00	125,591.01	175,300.00			55,464.47
22-19	2,522.06				2,522.06		
27-19	31,342.76						31,342.76
11-20	65,953.32		31,121.48				34,831.84
14-20	11,629.69						11,629.69
20-20	286,875.64	603,000.00	271,527.64				618,348.00
27-20	74,800.00		22,488.10				52,311.90
28-20	21,000.00		85.68				20,914.32
24-21						10,560.00	10,560.00
25-21						272,500.00	272,500.00
26-21						67,000.00	67,000.00
28-21						33,750.00	33,750.00
<u>Other Accounts</u>							
Due to/from Current Fund				50,000.00	200,000.00	250,000.00	
Due From State of NJ DOT	(436,441.17)	13,962.39			225,000.00	17,154.06	(630,324.72)
Capital Improvement Fund	607,683.37				192,810.00	204,516.86	619,390.23
Premium on Sale of Notes		113,502.25			113,502.25		
Reserve for Regional Contribution Agreement	25,500.00					197,238.07	197,238.07
Fund Balance	257,312.26				250,000.00	115,013.25	122,325.51
	<u>\$ 1,830,398.29</u>	<u>\$ 5,351,272.64</u>	<u>\$ 1,044,707.27</u>	<u>\$ 4,028,208.00</u>	<u>\$ 1,201,732.24</u>	<u>\$ 1,201,732.24</u>	<u>\$ 2,108,755.66</u>

Ref.

C

Below

C-2

C-2

C

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2021

C-4

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2021</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Bonds Redeemed</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Tax Appeals	8/15/2015	\$ 5,570,000.00	11/15/22-23	\$ 555,000.00	3.00%	<u>\$ 1,665,000.00</u>	<u>\$ 555,000.00</u>	<u>\$ 1,110,000.00</u>
					<u>Reference</u>	C	C-9	C

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

DUE TO CURRENT FUND
YEAR ENDED DECEMBER 31, 2021

C-5

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ -
Increased by:			
DOT Receivable	C-7	\$ 13,962.39	
Cash Disbursements	C-2	50,000.00	
Capital Improvement Fund	C-8	<u>200,000.00</u>	
			<u>263,962.39</u>
			263,962.39
Decreased by:			
Cash Reciepts	C-2	13,962.39	
Anticipated Revenue - Fund Balance	C-1	<u>250,000.00</u>	
			<u>263,962.39</u>
Balance, December 31, 2021			<u><u>\$ -</u></u>

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

DUE FROM ESSEX COUNTY IMPROVEMENT AUTHORITY
YEAR ENDED DECEMBER 31, 2021

C-6

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$ 218,000.00
Decreased by:		
Paid through Budget Appropriation	C-11	<u>51,000.00</u>
Balance, December 31, 2021	C	<u><u>\$ 167,000.00</u></u>

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY TRANSPORTATION TRUST FUND
YEAR ENDED DECEMBER 31, 2021

C-7

	<u>Ref.</u>		
Balance, December 31, 2020	C	\$	436,441.17
Increased by:			
Grant Award	C-13		225,000.00
			<u>661,441.17</u>
Decreased by:			
Collections	C-5	\$	13,962.39
Cancellations	C-13		<u>17,154.06</u>
			<u>31,116.45</u>
Balance, December 31, 2021	C	\$	<u><u>630,324.72</u></u>
<u>Analysis of Balance</u>			
Transportation Trust Fund:			
Roosevelt Street		\$	98,320.75
Conver Avenue			47,003.97
Second Avenue			260,000.00
Steel Court			<u>225,000.00</u>
Balance, December 31, 2021		\$	<u><u>630,324.72</u></u>

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021

C-8

	<u>Ref.</u>		
Balance, December 31, 2020	C		\$ 607,683.37
Increased by:			
2021 Budget Appropriation	C-5	\$ 200,000.00	
Cancellation of Ordinance	C-13	<u>4,516.86</u>	
			<u>204,516.86</u>
			812,200.23
Decreased by:			
Appropriation to Finance Improvement			
Authorizations	C-13		<u>192,810.00</u>
Balance, December 31, 2021	C		<u><u>\$ 619,390.23</u></u>

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2021

C-9

	<u>Ref.</u>	
Balance, December 31, 2020	C	\$ 1,665,000.00
Decreased by:		
2021 Current Fund Appropriation:		
Payment of Bond Principal	C-4	<u>555,000.00</u>
Balance, December 31, 2021	C	<u><u>\$ 1,110,000.00</u></u>

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

RESERVE TO PAY DEBT
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>C-10</u>
Balance, December 31, 2020	C	\$ -
Increase by:		
Canceled Improvement Authorizations	C-13	<u>197,238.07</u>
Balance, December 31, 2021	C	<u><u>\$ 197,238.07</u></u>

CAPITAL LEASE PAYABLE
YEAR ENDED DECEMBER 31, 2021

	<u>Ref.</u>	<u>C-11</u>
Balance, December 31, 2020	C	\$ 218,000.00
Decreased by:		
Paid Through Budget Appropriation	C-6	<u>51,000.00</u>
Balance, December 31, 2021	C	<u><u>\$ 167,000.00</u></u>

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2021

C-12

<u>Improvement</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Authorizations</u>	<u>2021 Canceled</u>	<u>Notes Paid By Budget Appropriation/ Open Spact Trust Fund</u>	<u>Balance Dec. 31, 2021</u>	<u>Analysis of Balance Dec. 31, 2021</u>		<u>Unexpended Improvement Authorizations</u>
						<u>Bond Anticipation Notes</u>	<u>Expended</u>	
Improvement Municipal Building	\$ 526,066.00		\$ 24,400.00	\$ 163,094.00	\$ 338,572.00	\$ 338,572.00		
Various Improvements	289,194.00			119,341.00	169,853.00	169,853.00		
Fire Pumper Truck	261,290.00			26,511.00	234,779.00	234,779.00		
Acquisition of Fernwood Property	1,395,500.00			348,875.00	1,046,625.00	1,046,625.00		
Acquisition of Rail Road Property	458,254.00		54,550.00	5,247.00	398,457.00	398,457.00		
Construction of Salt Shed	418,912.00			11,629.00	407,283.00	407,283.00		
Roof Replacement Fire Dept	79,224.00			3,138.00	76,086.00	76,086.00		
Recreation Facility	62,700.00	\$ 300,000.00			362,700.00	207,000.00		\$ 155,700.00
Becker Farm Road	43,210.00				43,210.00		\$ 43,001.16	208.84
2017 Road Program	196,579.00		7,400.00	6,422.00	182,757.00	182,757.00		
Fire Truck and Related Equipment	853,016.89		39,016.89	29,005.00	784,995.00	784,995.00		
2018 Road Improvements	190,051.00		11,000.00	9,950.00	169,101.00	169,101.00		
Harrison Avenue Playground	500,000.00				500,000.00	430,000.00		70,000.00
Various Roads	275,500.00				275,500.00	175,300.00		100,200.00
Public Works Equipment	236,588.00				236,588.00			236,588.00
2020 Road Improvements	767,420.00				767,420.00	603,000.00		164,420.00
28-2020 Various Building Improvements	124,000.00				124,000.00			124,000.00
24-2021 Improvements to Tedesco Park		200,640.00			200,640.00			200,640.00
25-2021 2021 Various Roads		677,500.00			677,500.00			677,500.00
26-2021 DPW Vehicles and Equipment		703,000.00			703,000.00			703,000.00
28-2021 Fire Engine		641,250.00			641,250.00			641,250.00
	<u>\$ 6,677,504.89</u>	<u>\$ 2,522,390.00</u>	<u>\$ 136,366.89</u>	<u>\$ 723,212.00</u>	<u>\$ 8,340,316.00</u>	<u>\$ 5,223,808.00</u>	<u>\$ 43,001.16</u>	<u>\$ 3,073,506.84</u>
Reference	C	C-13	C-15	C-14	C	C-14		

	<u>Ref.</u>	
Improvement Authorizations - Unfunded	C-13	\$ 3,980,308.11
Less: Unexpended Proceeds of Bond Anticipation Notes Issued		
	Ord. 7-14	20,071.99
	15-16	207,000.00
	9-19	21,264.81
	Ord. 18-19	55,464.47
	Ord. 20-20	603,000.00
	Above	<u>\$ 3,073,506.84</u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2021

C-13

Ordinance Number	Improvement Description	Balance Dec. 31, 2020		2021 Authorizations	Expended	Canceled	Balance Dec. 31, 2021	
		Funded	Unfunded				Funded	Unfunded
	<u>General Improvements</u>							
15-89	Regional Contribution Agreement - City of Newark	\$ 43,500.00					\$ 43,500.00	
12-03, 5-04	Improvements - Municipal Building		\$ 66,762.66		\$ 5,954.75	\$ 60,807.91		
2-11	Improvements to Free Public Library	1,511.00	-			1,511.00		
10-11/5-12	Various Improvements		366.54			366.54		
9-12	Stream Embankment Stability	43,290.34	-				43,290.34	
11-12	School Path Bridge	33,234.39	-				33,234.39	
5-13	Turn Out Gear		2,401.95				2,401.95	
7-14	Acquisition of Fernwood Avenue		20,071.99					\$ 20,071.99
8-14	Acquisition of Rail Road Property		65,431.53			65,431.53		
12-14	Construction of Salt Shed		2,954.96			2,954.96		
10-15	Replacement of Roof Fire Dept		107.87			107.87		
15-16	Recreational Facility	2,309.07	62,700.00	\$ 334,000.00	1,308.50		35,000.57	362,700.00
17-16	Becker Farm Road		208.84					208.84
5-17	Improvements to Locust Avenue	19,148.86				19,148.86		
6-17/18-17	2017 Road Projects		118,662.15		250.00	118,412.15		
8-17	Fire Truck and Related Equipment		40,468.03		250.00	40,218.03		
13-17	Overhead Doors	27,287.95					27,287.95	
07-18	Roosevelt Street	53,648.95					53,648.95	
08-18	2018 Road Project		45,305.97			45,305.97		
09-19	Harrison Avenue Park	109,026.85	500,000.00		517,762.04			91,264.81
14-19	Various Equipment Admin	66,079.84					66,079.84	
17-19	Conover Avenue	124,562.03			68,368.07		56,193.96	
18-19	Various Roads	5,755.48	275,500.00		125,591.01			155,664.47
22-19	Police Plate Readers	2,522.06				2,522.06		
27-19	Police Equipment	31,342.76					31,342.76	
11-20	Computers	65,953.32			31,121.48		34,831.84	
14-20	Public Works Equipment	11,629.69	236,588.00				11,629.69	236,588.00
20-20	2020 Road Projects	286,875.64	767,420.00		271,527.64		15,348.00	767,420.00
27-20	Equipment	74,800.00			22,488.10		52,311.90	
28-20	Various Building Improvements	21,000.00	124,000.00		85.68		20,914.32	124,000.00
24-21	Improvements to Tedesco Park			211,200.00			10,560.00	200,640.00
25-21	2021 Various Road Improvements			950,000.00			272,500.00	677,500.00
26-21	DPW Vehicles and Equipment			770,000.00			67,000.00	703,000.00
28-21	Acquisition Fire Truck			675,000.00			33,750.00	641,250.00
		<u>\$ 1,023,478.23</u>	<u>\$ 2,328,950.49</u>	<u>\$ 2,940,200.00</u>	<u>\$ 1,044,707.27</u>	<u>\$ 356,786.88</u>	<u>\$ 910,826.46</u>	<u>\$ 3,980,308.11</u>
<u>Ref</u>		C	C	Below	Below	Below	C	C
			<u>Ref</u>					
	Improvements Authorization		C-2		\$ 1,044,707.27			
	Reserve to Pay Debt		C-11			\$ 197,238.07		
	Grant Receivable		C-7	\$ 225,000.00		17,154.06		
	Capital Improvement Fund		C-8	192,810.00		4,516.86		
	Capital Surplus		C-1			1,511.00		
	Deferred Charges to Future Taxation - Unfunded Debt Authorized		C-15	2,522,390.00		136,366.89		
			Above	<u>\$ 2,940,200.00</u>	<u>\$ 1,044,707.27</u>	<u>\$ 356,786.88</u>		

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2021

C-14
Sheet #1

<u>Ordinance Number</u>	<u>Improvement Authorization</u>	<u>Original Issue</u>	<u>Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2021</u>
12-03, 5-04	Improvement Municipal Building	7/31/13	4/29/21	4/29/22	2.00%	\$ 466,066.00	\$ 302,972.00	\$ 466,066.00	\$ 302,972.00
10-11, 5-12	Various Improvements	7/31/13	4/29/21	4/29/22	2.00%	289,194.00	169,853.00	289,194.00	169,853.00
10-12	Fire Pumper	7/31/13	4/29/21	4/29/22	2.00%	261,290.00	234,779.00	261,290.00	234,779.00
7-14	Acquisition Ferwood Property	5/13/15	4/29/21	4/29/22	2.00%	1,395,500.00	1,046,625.00	1,395,500.00	1,046,625.00
12-14	Construction Salt Shed	12/15/15	4/29/21	4/29/22	2.00%	418,912.00	407,283.00	418,912.00	407,283.00
8-14	Acquisition of Rail Road Property	12/15/16	4/29/21	4/29/22	2.00%	403,704.00	398,457.00	403,704.00	398,457.00
10-15	Replacement Roof Fire Dept	12/15/16	4/29/21	4/29/22	2.00%	79,224.00	76,086.00	79,224.00	76,086.00
6-17	Reconstruction of Roads	5/7/18	4/29/21	4/29/22	2.00%	115,579.00	109,157.00	115,579.00	109,157.00
8-17	Fire Truck and Equipment.	5/7/18	4/29/21	4/29/22	2.00%	506,897.00	488,792.00	506,897.00	488,792.00
8-17	Fire Truck and Equipment	12/13/18	4/29/21	4/29/22	2.00%	305,103.00	294,203.00	305,103.00	294,203.00
8-18	2018 Road Project	12/13/18	4/29/21	4/29/22	2.00%	179,051.00	169,101.00	179,051.00	169,101.00
12-03, 5-04	Improvements to Municipal Building	12/16/20	4/29/21	4/29/22	2.00%	30,000.00	30,000.00	30,000.00	30,000.00
6-17	Reconstruction of Roads	12/16/20	4/29/21	4/29/22	2.00%	73,600.00	73,600.00	73,600.00	73,600.00
8-17	Fire Truck and Equipment	12/16/20	4/29/21	4/29/22	2.00%	2,000.00	2,000.00	2,000.00	2,000.00
18-19	Various Roads	12/16/20	4/29/21	4/29/22	2.00%	175,300.00	175,300.00	175,300.00	175,300.00

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2021

C-14
Sheet #2

<u>Ordinance Number</u>	<u>Improvement Authorization</u>	<u>Original Issue</u>	<u>Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2021</u>
09-19	Harrison Avenue Park	4/29/21	4/29/21	4/29/22	2.00%		\$ 430,000.00		\$ 430,000.00
20-20	2020 Various Roads	4/29/21	4/29/21	4/29/22	2.00%		101,000.00		101,000.00
12-03, 5-04	Improvements to Municipal Building	9/2/21	9/2/21	4/29/22	0.28%		5,600.00		5,600.00
15-16/18-21	Improvements Parks and Recreation Facilities	9/2/21	9/2/21	4/29/22	0.28%		207,000.00		207,000.00
20-20	2020 Various Roads	9/2/21	9/2/21	4/29/22	0.28%		502,000.00		502,000.00
						<u>\$ 4,701,420.00</u>	<u>\$ 5,223,808.00</u>	<u>\$ 4,701,420.00</u>	<u>\$ 5,223,808.00</u>
					<u>Ref.</u>	<u>C</u>	<u>C-2</u>	<u>Below</u>	<u>C</u>
						<u>Ref</u>			
					Renewals	C-2		\$ 3,978,208.00	
					Paid by Budget Appropriation	C-12		<u>723,212.00</u>	
								<u>\$ 4,701,420.00</u>	

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2021

					<u>C-15</u>
<u>Ordinance No.</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
12-03, 5-04	Improvement Municipal Building	\$ 30,000.00		\$ 30,000.00	
8-14	Acquisition of Rail Raod Property	54,550.00		54,550.00	
15-16/18-21	Improvements to Borough Parks and Recreational Facilities	62,700.00	\$ 300,000.00	207,000.00	\$ 155,700.00
17-16	Becker Farm Road	43,210.00			43,210.00
6-17	2017 Road Project	7,400.00		7,400.00	
8-17	Fire Truck and Related Equipment	39,016.89		39,016.89	
8-2018	2018 Road Project	11,000.00		11,000.00	
9-2019	Harrison Playground	500,000.00		430,000.00	70,000.00
18-2019	Various Roads	100,200.00			100,200.00
14-2020	Public Works Equipment	236,588.00			236,588.00
20-2020	2020 Road Projects	767,420.00		603,000.00	164,420.00
28-2020	Various Building Improvements	124,000.00			124,000.00
24-2021	Improvements to Tedesco Park		200,640.00		200,640.00
25-2021	2021 Various Road Improvements		677,500.00		677,500.00
26-2021	DPW Vehicles and Equipment		703,000.00		703,000.00
28-2021	Acquisition of Fire Truck	<u> </u>	<u>641,250.00</u>	<u> </u>	<u>641,250.00</u>
		<u>\$ 1,976,084.89</u>	<u>\$ 2,522,390.00</u>	<u>\$ 1,381,966.89</u>	<u>\$ 3,116,508.00</u>
	<u>Ref.</u>	C	C-13	Below	C
			<u>Ref.</u>		
	New Bond Anticipation Notes		C-14	\$ 1,245,600.00	
	Canceled		C-12	<u>136,366.89</u>	
				<u>\$ 1,381,966.89</u>	

See Independent Auditors' Report

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

STATEMENT OF WATER UTILITY CASH
YEAR ENDED DECEMBER 31, 2021

D-5

	Ref.	Operating Fund	Capital Fund
Balance, December 31, 2020	D	\$ 233,674.80	\$ 698,725.91
Increased by Receipts:			
Interest Earned	D-3	\$ 3,936.96	
Miscellaneous Revenue	D-3	20,668.48	
Water/Sewer Rents Receivable	D-8	2,793,709.49	
Water/Sewer Prepaid Rents	D-14	4,297.94	
Water/Sewer Overpayments	D-15	15,737.85	
Bond Anticipation Notes Issued	D-21		<u>\$ 3,166,760.00</u>
		<u>2,838,350.72</u>	<u>3,166,760.00</u>
		3,072,025.52	3,865,485.91
Decreased by Disbursements:			
Budget Appropriations	D-4	2,393,541.67	
2020 Appropriation Reserves	D-12	393,190.83	
Accrued Interest on Notes	D-19	39,271.17	
Water/Sewer Overpayment	D-15	146.00	
Improvement Authorizations	D-20		1,052,148.64
Bond Anticipation Notes Redeemed	D-21		<u>2,089,760.00</u>
		<u>2,826,149.67</u>	<u>3,141,908.64</u>
Balance, December 31, 2021	D	<u>\$ 245,875.85</u>	<u>\$ 723,577.27</u>

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENTS
YEAR ENDED DECEMBER 31, 2021

D-6

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 1,774,230.51
Increased by:		
Interest Earned	D-3	<u>4,903.20</u>
Balance, December 31, 2021	D	<u><u>\$ 1,779,133.71</u></u>

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

ANALYSIS OF WATER/SEWER CAPITAL CASH
YEAR ENDED DECEMBER 31, 2021

D-7

	Balance Dec. 31, 2020	Receipts	Disbursements	Transfers		Balance Dec. 31, 2021
				From	To	
<u>Improvement Authorizations</u>						
Ordinance Number:						
01-11	\$ 39,864.32			\$ 39,864.32		
11-11/15-18	369,850.35	\$ 1,010,160.00	\$ 998,048.65			\$ 381,961.70
9-18	5,259.50			5,259.50		
7-19	15,663.46	919,100.00	925,414.46			9,349.00
13-20/3-21	89,430.37	1,237,500.00	1,218,445.53			108,484.84
<u>Other Accounts</u>						
Fund Balance	102,800.11					102,800.11
Capital Improvement Fund	75,857.80				\$ 45,123.82	120,981.62
	<u>\$ 698,725.91</u>	<u>\$ 3,166,760.00</u>	<u>\$ 3,141,908.64</u>	<u>\$ 45,123.82</u>	<u>\$ 45,123.82</u>	<u>\$ 723,577.27</u>
<u>Ref.</u>	D	D-5	D-5	Contra	Contra	D

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BOROUGH OF ROSELAND
WATER/SEWER UTILITY

WATER/SEWER RENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2021

D-8

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 166,073.05
Increased by:		
Water/Sewer Rents Levied - Net	Reserve	2,918,273.60
		<u>3,084,346.65</u>
Decreased by:		
Collections	D-5	\$ 2,793,709.49
Overpayment Applied	D-15	23,682.64
Prepayment Applied	D-14	<u>2,052.57</u>
	D-3	<u>2,819,444.70</u>
Balance, December 31, 2021	D	<u>\$ 264,901.95</u>

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

INVENTORY
YEAR ENDED DECEMBER 31, 2021

D-9

	<u>Ref.</u>	<u>Operating Fund</u>
Balance, December 31, 2020	D	\$ 74,957.25
Increased by:		
Net Change in Inventory	Reserve	<u>24,696.80</u>
Balance, December 31, 2021	D	<u>\$ 99,654.05</u>

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2021

D-10

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 10,367,809.18
Increased by:		
Transferred from Fixed Capital Authorized but Uncompleted	D-11	<u>93,000.00</u>
Balance, December 31, 2021	D	<u>\$ 10,460,809.18</u>

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2021

D-11

<u>Improvement Description</u>	<u>Number</u>	<u>Ordinance Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2020</u>	<u>2021 Authorization</u>	<u>Transfer to Fixed Capital</u>	<u>Balance Dec. 31, 2021</u>
Gas Alarm Detector Pump Stations	1-11	2/15/2016	\$ 40,000.00	\$ 40,000.00		\$ 40,000.00	
Various Improvements	11-11/15-18/10-17	11/13/2018	1,000,000.00	1,000,000.00			\$ 1,000,000.00
Utility Truck	9-2018	7/24/2018	53,000.00	53,000.00		53,000.00	
Various Improvemtns	7-19	4/23/2019	1,038,600.00	1,038,600.00			1,038,600.00
Varoius Improvements	13-20	6/17/2020	1,205,000.00	1,205,000.00			1,205,000.00
Various Improvements	3-21	2/16/2021	198,000.00		\$ 198,000.00		198,000.00
				<u>\$ 3,336,600.00</u>	<u>\$ 198,000.00</u>	<u>\$ 93,000.00</u>	<u>\$ 3,441,600.00</u>
	<u>Ref.</u>			D	D-20, D-22	D-10	D

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

APPROPRIATION RESERVES
DECEMBER 31, 2021

D-12

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Balance After</u> <u>Transfer</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Operating</u>				
Salaries and Wages	\$ 98,163.57	\$ 98,163.57	\$ 16,202.12	\$ 81,961.45
Other Expenses	752,908.67	752,908.67	375,581.42	377,327.25
User's Fee Operations	254,906.71	254,906.71	254,906.71	
<u>Statutory Expenditures</u>				
Contribution to:				
Social Security System (OASI)	3,887.31	3,887.31	1,388.29	2,499.02
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	331.61	331.61	19.00	312.61
	<u>\$ 1,110,197.87</u>	<u>\$ 1,110,197.87</u>	<u>\$ 648,097.54</u>	<u>\$ 462,100.33</u>
<u>Ref.</u>	Below	Below	Below	D-1
		<u>Ref.</u>		
Appropriation Reserves	D \$ 612,459.23			
Encumbrances	D <u>497,738.64</u>			
	<u>\$ 1,110,197.87</u>			
Cash Disbursements		D-5	\$ 393,190.83	
Transfer to Reserve for Litigation		D-13	<u>254,906.71</u>	
			<u>\$ 648,097.54</u>	

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

RESERVE FOR LITIGATION
YEAR ENDED DECEMBER 31, 2021

D-13

Balance, December 31, 2020	<u>Ref.</u> D	\$ -
Increased by:		
Budget Appropriations	Below	<u>510,086.42</u>
Balance, December 31, 2021	D	<u>\$ 510,086.42</u>
<u>Analysis of Balance</u>		
Budget Appropriation	D-4	\$ 255,179.71
Transfer Appropriation Reserves	D-12	<u>254,906.71</u>
		<u>\$ 510,086.42</u>

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

PREPAYMENT OF WATER/SEWER RENT
YEAR ENDED DECEMBER 31, 2021

D-14

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 2,052.57
Increased by:		
Cash Receipts	D-5	4,297.94
		<u>6,350.51</u>
Decreased by:		
Pre Payments Applied	D-8	2,052.57
		<u>2,052.57</u>
Balance, December 31, 2021	D	<u>\$ 4,297.94</u>

WATER/SEWER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2021

D-15

	<u>Ref.</u>		
Balance, December 31, 2020	D		\$ 32,475.71
Increased by:			
Cash Receipts	D-5		15,737.85
			<u>48,213.56</u>
Decreased by:			
Cash Disbursed	D-5	\$ 146.00	
Overpayments Applied	D-8	<u>23,682.64</u>	
			<u>23,828.64</u>
Balance, December 31, 2021	D		<u>\$ 24,384.92</u>

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2021

D-16

	<u>Ref.</u>		
Balance, December 31, 2020	D		\$ 9,613,979.28
Increased by:			
Budget Appropriations:			
Payment of Bond Anticipation Notes	D-4, D-21	\$ 216,720.00	
Transfer from Deferred Reserve for Amortization	D-17	<u>93,000.00</u>	
			<u>309,720.00</u>
Balance, December 31, 2021	D		<u>\$ 9,923,699.28</u>

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2021

D-17

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Balance Dec. 31, 2020</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2021</u>
Gas Alarm System	1-11	2/15/2016	\$ 40,000.00	\$ 40,000.00	\$ -
Utility Truck	9-18	7/24/2018	53,000.00	53,000.00	-
			<u>\$ 93,000.00</u>	<u>\$ 93,000.00</u>	<u>\$ -</u>
			D	D-16	D

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021

D-18

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 75,857.80
Increased by:		
Canceled Improvement Authorization	D-20	<u>45,123.82</u>
Balance, December 31, 2021	D	<u><u>\$ 120,981.62</u></u>

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2021

D-19

	<u>Ref.</u>	
Balance, December 31, 2020	D	\$ 33,601.83
Increased by:		
Budget Appropriation	D-4	<u>46,000.00</u>
		79,601.83
Decreased by:		
Payments	D-5	<u>39,271.17</u>
Balance, December 31, 2021	D	<u><u>\$ 40,330.66</u></u>

Notes Outstanding December 31, 2021	Interest Rate	From	To	Period	Amount
\$ 2,089,760.00	2.00%	4/29/2021	12/31/2021	8 months	\$ 27,863.47
1,077,000.00	0.28%	9/2/2021	12/31/2021	4 months	<u>1,507.80</u>
<u>\$ 3,166,760.00</u>					<u>29,371.27</u>
To be Utilized in Subsequent Years' Budgets					<u>10,959.39</u>
					<u><u>\$ 40,330.66</u></u>

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2021

D-20

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Amount</u>	Balance Dec. 31, 2020		<u>Authorized</u>	<u>Expended</u>	<u>Canceled</u>	Balance Dec. 31, 2021	
				<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
Gas Alarm Detector System Pump Stations	1-11	2/15/2016	\$ 40,000.00	\$ 39,864.32				\$ 39,864.32		
Various Improvements	11-11/10-17/15-18	9/20/2016/ 11/13/2018	2,129,400.00	-	\$ 918,800.25		\$ 9,888.65			\$ 908,911.60
Utility Truck	9-18	9/1/2018	53,000.00	5,259.50	-			5,259.50		-
Various Improvements	7-19	7/1/2019	1,038,600.00		135,163.46		6,314.46			128,849.00
Various Improvements	13-20/3-21	6/17/2020/ 2/16/2021	1,403,000.00		- 1,111,930.37	\$ 198,000.00	1,035,945.53			- 273,984.84
				<u>\$ 45,123.82</u>	<u>\$ 2,165,894.08</u>	<u>\$ 198,000.00</u>	<u>\$ 1,052,148.64</u>	<u>\$ 45,123.82</u>	<u>\$ -</u>	<u>\$ 1,311,745.44</u>
		<u>Ref.</u>		D	D	D-11	D-5	D-18	D	D

See Independent Auditors' Report

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2021

D-21

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Notes Issued</u>	<u>Notes Paid</u>	<u>Balance Dec. 31, 2021</u>
Various Improvements	11-11/10-17 15-18	12/14/2018	4/29/2021	4/29/2022	2.00%	\$ 278,280.00	\$ 61,560.00	\$ 278,280.00	\$ 61,560.00
Various Improvements	11-11/10-17 15-18	8/15/2019	4/29/2021	4/29/2022	2.00%	926,600.00	926,600.00	926,600.00	926,600.00
Various Improvements	7-19	8/15/2019	4/29/2021	4/29/2022	2.00%	690,600.00	690,600.00	690,600.00	690,600.00
Various Improvements	7-19	12/16/2020	4/29/2021	4/29/2022	2.00%	228,500.00	228,500.00	228,500.00	228,500.00
Various Improvements	13-20/3-21	12/16/2020	4/29/2021	4/29/2022	2.00%	182,500.00	182,500.00	182,500.00	182,500.00
Various Improvements	11-11/10-17 15-18	9/2/2021	9/2/2021	4/29/2022	0.28%		22,000.00		22,000.00
Various Improvements	13-20/3-21	9/2/2021	9/2/2021	4/29/2022	0.28%		1,055,000.00		1,055,000.00
						-			
						<u>\$ 2,306,480.00</u>	<u>\$ 3,166,760.00</u>	<u>\$ 2,306,480.00</u>	<u>\$ 3,166,760.00</u>
						<u>Ref.</u>	D	Below	Below
						<u>Ref.</u>			
						Renewals			
						New Money			
						Paid by Budget Appropriation			
						D-5	\$ 2,089,760.00	\$ 2,089,760.00	
						D-22	1,077,000.00		
						D-16		216,720.00	
						Above, D-5	<u>\$ 3,166,760.00</u>	<u>\$ 2,306,480.00</u>	

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

BOND AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2021

D-22

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Debt Authorized</u>	<u>Balance Dec. 31, 2020</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2021</u>
Various Improvements	11-11	9/20/2016	\$ 1,025,550.00	\$ 475,549.90			\$ 475,549.90
Various Improvements	11-11/15-18	11/13/2018	1,000,000.00	73,400.00		\$ 22,000.00	51,400.00
Various Improvements	7-19	7/1/2019	1,038,600.00	119,500.00			119,500.00
Various Improvements	13-20/3-21	2/16/2021/ 6/17/2020	1,205,000.00	<u>1,022,500.00</u>	<u>\$ 198,000.00</u>	<u>1,055,000.00</u>	<u>165,500.00</u>
				<u>\$ 1,690,949.90</u>	<u>\$ 198,000.00</u>	<u>\$ 1,077,000.00</u>	<u>\$ 811,949.90</u>
			<u>Ref.</u>	D	D-11	D-21	D

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

**PART III
ROSTER OF OFFICIALS
LETTER OF COMMENTS AND RECOMMENDATIONS**

YEAR ENDED DECEMBER 31, 2021

BOROUGH OF ROSELAND

OFFICIALS IN OFFICE

DECEMBER 31, 2021

MAYOR

James R. Spango

BOROUGH COUNCIL

Eileen Fishman, Council President

Christopher J. Bardi

Roger Freda

Jean Perrotti

Michele Tolli

Marcelino Trillo

BOROUGH ADMINISTRATOR

Maureen Chumacas

DIRECTOR OF FINANCE

Maureen Chumacas

BOROUGH CLERK

Jock H. Watkins

BOROUGH ATTORNEY

Joni Noble McDonnell

BOROUGH OF ROSELAND GENERAL COMMENTS

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

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

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

The bidding threshold for the period under audit is \$44,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3c based on the appointment of a qualified purchasing agent.

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

N.J.S.A. 40A:11-6.1 states, "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds fifteen percent of the bid threshold or \$6,600.00, at least two quotations as to the cost or price, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder."

Reference is made to the Local Public Contract Guidelines and Local Public Contract Regulations promulgated by the New Jersey Division of Local Government Services in the Department of Community Affairs.

Our examination of expenditures revealed that no payments were made in excess of \$44,000.00 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Other Municipal Charges

N.J.S.A. 54:4-47, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body adopted the following resolution in January 2021 authorizing interest to be charged on delinquent taxes, assessments and utility bills:

WHEREAS, R.S. 54:4-66 regulates the due dates for the payment of taxes and assessments, and

WHEREAS, Chapter 105, P.L. 1965, amending R.S. 54:4-67 authorizes the municipalities to provide a grace period not exceeding ten (10) days.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Roseland that the Collector is hereby authorized to allow a period of ten (10) days grace from the installment due date before charging interest; after ten (10) days, interest reverts back to the due date, and

BE IT FURTHER RESOLVED that the rate of interest to be charged for the payment of taxes or assessments or sewer and water utility bills, when they become delinquent, shall be at the rate of eight percent (8%) per annum on the first \$1,500.00 of the delinquency, and eighteen percent (18%) per annum in the excess of \$1,500.00 and an additional penalty of six percent (6%) on any delinquency in excess of \$10,000.00 for the prior year.

Tests of the Tax Collector's records indicate that interest was collected in accordance with the provisions of the foregoing ordinance.

Delinquent Taxes and Tax Title Liens

The Borough held a tax sale during 2021. Amounts not included in this sale were for amounts in litigation.

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

<u>Year</u>	<u>Number of Liens</u>
2021	6
2020	8
2019	7

Revenues

Receipts from licenses, fees, fines and costs, etc., for all departments, including the Municipal Court, were checked to the records maintained to the extent deemed necessary. No exceptions were noted.

Purchase Order System and Encumbrance System

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

Cybersecurity

As part of its overall risk management, the Borough reviews security measures in place relating to its Information Technology (IT), including the use of specialized assessments. With the ever increasing challenges relating to cybersecurity, each organization determines what particular assessment or combination of assessments best fits its information security strategy. We suggest management continue to assess risks related to cybersecurity along with utilization of specialized assessments, which would also include a periodic reporting mechanism to those charged with governance.

New Jersey Comptroller's Report on Sick and Vacation Leave Policies

On July 7, 2022, the Office of the New Jersey Comptroller ("Comptroller") issued a report regarding its review of "Sick and Vacation Leave Policies in New Jersey Municipalities". In the report, the Comptroller reviewed the sick and vacation leave policies of 60 municipalities against laws enacted by the New Jersey State Legislature in 2007 and 2010. The results of the report found that some policies of 57 of the 60 municipalities reviewed were non-compliant with the applicable laws. The impact of the 2007 and 2010 laws regarding leave policies and how they are incorporated and implemented into collective bargaining agreements, individual contracts and municipal codes can be complicated and difficult to understand and implement. The Borough of Roseland was not included as part of the Comptroller's review. However, given the instances of non-compliance noted in the Comptroller's report over the 60 municipalities reviewed, we believe that it would be prudent for the Borough to review its current policies and practices with its municipal labor attorney to ensure compliance with the applicable New Jersey State Statutes.

Corrective Action Plan

In accordance with regulations promulgated by the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. No recommendations were noted in prior year's audit, therefore, the borough was not required to prepare and submit one to the Division of Local Government Services.

Status of Prior Years' Audits Recommendations

There were no recommendations noted in prior year's audit.

Miscellaneous

A separate report summarizing collections of Dog License Fees and remittances of State Registration Fees was also prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies were filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

A separate report on the operations of the Uniform Construction Code office was also prepared and filed with the New Jersey Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on the basis of a statistical sampling of claims approved and paid. Not attempt was made in this connection to establish proof of prices or receipts of materials, these elements being left necessarily to internal review in connection with approval of claims.

The propriety of deductions from employees' individual gross salaries for pensions, withholding tax, social security and other purposes was not verified as part of this examination. Remittance to authorized agencies of the amounts deducted were ascertained.

A copy of this report was filed with the State of New Jersey, Director of the Division of Local Government Services, Department of Community Affairs.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

The foregoing comments are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

RECOMMENDATIONS

None

We shall be pleased to confer with the Mayor and Borough Council on questions that might arise with respect to any matters in this report.

We would like to express our appreciation for the assistance and effort rendered by the Borough officials and employees during the course of the examination.

Respectfully submitted,

PKF O'Connor Davies, LLP

Cranford, New Jersey
August 30, 2022

David J. Gannon

David J. Gannon, CPA
Registered Municipal Accountant, No. 520