

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE**

**BOROUGH OF ROOSEVELT**

**33 North Rochdale Avenue  
Roosevelt, New Jersey 08555**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

**Presented by  
George Lang  
Chief Financial Officer  
Borough of Roosevelt**

**BOROUGH OF ROOSEVELT**  
**TABLE OF CONTENTS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Page</u>
 <b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal	1-7
Roster of Officials	8
Consultants and Advisors	9
 <b><u>FINANCIAL SECTION</u></b>	
Independent Auditors' Report	10-12
Independent Auditors' 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>	13-14
<u>Exhibit Number</u>	
 <b><u>GENERAL PURPOSE FINANCIAL STATEMENTS</u></b>	
A Combined Statement of Assets, Liabilities, Reserves and Fund Balance - All Funds and Accounts - Regulatory Basis	15-16
A-1 Combined Statement of Revenues, Expenses and Changes in Fund Balance - Regulatory Basis - Budget and Actual - Current and Water-Sewer Utility Operating Funds	17-19
A-2 Statement of Change in Fund Balance - General Capital Fund - Regulatory Basis	20
A-3 Statement of Change in Fund Balance – Water-Sewer Utility Capital Fund – Regulatory Basis	21
Notes to Financial Statements	22-63
 <b><u>COMBINING AND INDIVIDUAL FUND AND ACCOUNTS STATEMENTS</u></b>	
Current Fund:	
B Comparative Statement of Assets, Liabilities and Fund Balance - Regulatory Basis	64-65
B-1 Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	66-67
B-2 Statement of Revenues - Regulatory Basis	68
B-3 Statement of Expenditures - Regulatory Basis	69-73
B-4 Statement of Taxes Receivable and Analysis of Property Tax Levy	74-75
B-5 Statement of Deferred Charges	76

**BOROUGH OF ROOSEVELT**  
**TABLE OF CONTENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Page

FINANCIAL SECTION (CONTINUED)

Exhibit  
Number

COMBINING AND INDIVIDUAL FUND AND ACCOUNTS  
STATEMENTS (CONTINUED)

	Current Fund (Continued):	
B-6	Statement of 2015 Appropriation Reserves	77-78
B-7	Statement of Local District School Taxes Payable	79
B-8	Statement of Grants Receivable – Grant Fund	80
B-9	Statement of Appropriated Reserves – Grant Fund	81
	Trust and Agency Fund:	
C	Combining Balance Sheets - Regulatory Basis	82
C-1	Statement of Reserve for Animal Control Expenditures	83
C-2	Statement of Reserve for Trust Deposits	84
C-3	Statement of Payroll Deductions	85
	General Capital Fund:	
D	Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	86
D-1	Analysis of Cash and Cash Equivalents	87
D-2	Statement of Intergovernmental Accounts Receivable	88
D-3	Statement of Deferred Charges to Future Taxation, Unfunded	89
D-4	Statement of Improvement Authorizations	90
D-5	Statement of Capital Improvement Fund	91
D-6	Statement of Loans Payable – MCIA	92
D-7	Statement of Bonds and Notes Authorized but Not Issued	93
	Water-Sewer Utility Operating Fund:	
E	Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	94
E-1	Comparative Statement of Operations and Change in Operating Fund Balance - Regulatory Basis	95
E-2	Statement of Revenues - Regulatory Basis	96
E-3	Statement of Expenditures - Regulatory Basis	97
E-4	Statement of Consumer Accounts Receivable	98
E-5	Statement of 2015 Appropriation Reserves	99
E-6	Schedule of Accrued Interest on Loans	100

**BOROUGH OF ROOSEVELT**  
**TABLE OF CONTENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Page

FINANCIAL SECTION (CONTINUED)

Exhibit  
Number

COMBINING AND INDIVIDUAL FUND AND ACCOUNTS  
STATEMENTS (CONTINUED)

Water-Sewer Utility Capital Fund:		
F	Comparative Statement of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis	101-102
F-1	Analysis of Cash and Cash Equivalents	103
F-2	Statement of Fixed Capital	104
F-3	Statement of Fixed Capital Authorized and Uncompleted	105
F-4	Statement of Loans Payable – MCIA	106
F-5	Statement of Loans Payable - NJEIT	107-109
F-6	Statement of Farmer's Home Administration Loans	110
F-7	Statement of Bond Anticipation Note	111
F-8	Statement of Improvement Authorizations	112
F-9	Statement of Bonds and Notes Authorized But Not Issued	113
Capital Asset:		
G	Comparative Statement of Capital Assets	114

STATISTICAL SECTION

H-1	Current Fund Expenditures by Function	115
H-2	Current Fund Revenues by Function	116
H-3	Water-Sewer Utility Operating Fund Expenditures by Function	117
H-4	Property Tax Rates Per \$100 of Assessed Valuation	118
H-5	Municipal Property Tax Levies and Collections	119
H-6	Delinquent Taxes and Tax Title Liens	120
H-7	Assessed and Estimated Actual Value of Taxable Property	121
H-8	Schedule of Ten Largest Taxpayers	122
H-9	Computation of Legal Debt Margin	123
H-10	Ratio of Bonded Debt, Bond Anticipation Notes and Loans to Equalized Value and Net Debt Per Capita	124
H-11	Calculation of "Self-Liquidating Purpose" Per N.J.S. 40A:2-45 - Water-Sewer Utility Operating Fund	125
H-12	Demographic Statistics	126
H-13	Miscellaneous Statistics	127

**BOROUGH OF ROOSEVELT**  
**TABLE OF CONTENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Page</u>
<b><u>AUDITOR'S COMMENTS AND RECOMMENDATIONS</u></b>	
General Comments:	
Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4	128-129
Collection of Interest on Delinquent Taxes and Utility Charges	128-130
Delinquent Taxes and Tax Title Liens	130
Water-Sewer Utility Receivables	130
Cash Balances	131
Revenues	131
Expenditures	131
Payroll	131
Miscellaneous Comments	131
Surety Bond Coverage	131
Municipal Court	132
Minutes of Governing Body Meetings	132
Technical Directives – State of New Jersey	132
Interfund Receivable/Payable	132
Other Matters	132
Appreciation	132
Recommendations	133

## **INTRODUCTORY SECTION**



# Borough of Roosevelt

## *Jersey Homestead Historic District*

P.O. BOX 128 • 33 N. ROCHDALE AVENUE • ROOSEVELT, NEW JERSEY 08555

OFFICE: (609) 448-0539 • FAX: (609) 448-8716

August 21, 2017

TO: The Honorable Mayor and Council Members

RE: Comprehensive Annual Financial Report for the  
Year Ended December 31, 2016

The Comprehensive Annual Financial Report for the Borough of Roosevelt, County of Monmouth, State of New Jersey, is submitted herewith and includes financial statements and supplemental schedules. I believe that it is accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the Borough of Roosevelt as measured by the financial activity of its various funds and account groups; and that all disclosures necessary to enable the reader to gain maximum understanding of the Borough's financial affairs have been included.

The Comprehensive Annual Financial Report (CAFR) is presented in four (4) sections: Introductory, Financial, Statistical and Auditor's Comments and Recommendations. The Introductory Section includes this transmittal letter, the Borough's Organizational Chart and a Roster of Officials. The Financial Section includes the annual financial statements and individual fund financial schedules, as well as the Independent Auditors' Report. The Statistical Section includes selected financial, economic and demographic information, generally presented on a multi-year basis. Responsibility for completeness and clarity of the report, including disclosures, rests with the Chief Financial Officer and ultimately with the Mayor and Council. The fourth and final section is prepared by the Independent Auditor and contains their required annual comments and recommendations, if any, to the Mayor and Council. The Mayor and Council are required to adopt a plan of action on the implementation of any audit recommendations.

The financial statements have been audited by Gerard Stankiewicz, CPA, RMA of Samuel Klein and Company, Certified Public Accountants, whose opinion is expressed in the Financial Section. Please note that the Independent Auditors' Report on the regulatory basis is unqualified and states that the financial statements – regulatory basis, are presented fairly in conformity with the basis of accounting as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**PRESENT AND FUTURE CHALLENGES**

During the 2016 calendar year, the Borough of Roosevelt has made progress in a number of operational and financial areas; however, this administration is clearly aware of the issues and problems that continue to demand our attention and improvement. While we take pride in the accomplishments of the past year, we are mindful of the issues that continue to face us.

**CURRENT FUND**

In 2016, our Current Fund, which encompasses the general government functions of the Borough had revenues, exclusive of fund balance utilized of \$1,102,374.24, and expenditures of \$1,166,199.46 and a decrease of \$366,528.41 in fund balance at year-end. The decrease was caused by interfund advance charges to fund balance which when returned will create revenues. The Current Fund total revenues decreased approximately 3.70% or \$54,851.11, compared to 2015 caused primarily by decreases in other credits.

	<u>2016</u>	<u>2015</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local Sources:				
Fund Balance Utilized	\$ 391,000.00	\$ 322,500.00	\$ 68,500.00	21.24 %
Current Tax Revenue	755,772.78	749,830.74	5,942.04	0.79
Delinquent Tax Revenue	45,169.46	53,207.77	(8,038.31)	(15.11)
Miscellaneous Revenues Anticipated	15,085.00	10,136.50	4,948.50	48.82
Nonbudget Revenues	39,422.11	47,323.11	(7,901.00)	(16.70)
Other Credits to Income	<u>118,075.88</u>	<u>249,128.22</u>	<u>(131,052.34)</u>	<u>(52.60)</u>
 Total Revenues from Local Sources	 \$ 1,364,525.23	 \$ 1,432,126.34	 \$ (67,601.11)	 (4.72) %
State Aid	81,849.00	81,849.00	0.00	0.00
Grants	<u>17,000.00</u>	<u>4,250.00</u>	<u>12,750.00</u>	<u>300.00</u>
 Total Current Fund Revenues	 <u>\$ 1,463,374.23</u>	 <u>\$ 1,518,225.34</u>	 <u>\$ (54,851.11)</u>	 <u>(3.61) %</u>

1. Current and Delinquent Taxes – These are the collections on taxes levied on all property owners residing in the Borough.
2. State Aid and Grants – This represents funds received from the State of New Jersey or the Federal Government in the form of grants or direct aid.
3. Miscellaneous Revenues Anticipated – This represents all of the miscellaneous revenues of the Borough including fees, fines, licenses, interest and other direct charges, except those detailed separately above.
4. Nonbudget Revenue and Other Credits – These are items that are not budgeted as revenue items, however, are included in the overall revenue.



The increase in expenditures in 2016 compared to 2015 was \$78,733.96 or 7.24%. Below is a comparison of the Current Fund expenditures:

	<u>2016</u>	<u>2015</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Within "CAPS":				
General Government	\$ 326,187.00	\$ 298,085.00	\$ 28,102.00	9.43 %
Land Use	30,693.00	23,093.00	7,600.00	32.91
Insurance	41,356.00	40,500.00	856.00	2.11
Public Works	150,170.00	139,650.00	10,520.00	7.53
Health and Human Services	16,700.00	19,000.00	(2,300.00)	(12.11)
Parks and Recreation	28,442.00	26,392.00	2,050.00	7.77
Utilities	37,200.00	35,000.00	2,200.00	6.29
Other Common Functions	2,000.00	1,000.00	1,000.00	100.00
Public Safety	52,750.00	57,050.00	(4,300.00)	(7.54)
Sanitation	31,000.00	35,000.00	(4,000.00)	(11.43)
Deferred Charges and Statutory Expenditures	<u>60,445.00</u>	<u>52,965.00</u>	<u>7,480.00</u>	<u>14.12</u>
Total Expenditures within "CAPS"	<u>\$ 776,943.00</u>	<u>\$ 727,735.00</u>	<u>\$ 49,208.00</u>	<u>6.76 %</u>
Outside "CAPS":				
Insurance	\$ 144.00		\$ 144.00	#DIV/0! %
Public Safety	7,421.00	\$ 7,421.00	0.00	0.00
Sanitation	64,400.00	62,400.00	2,000.00	3.21
General Government	36,400.00	35,700.00	700.00	100.00
Grants	17,000.00	4,250.00	12,750.00	300.00
Capital Improvements	45,000.00	58,000.00	(13,000.00)	(22.41)
Deferred Charges and Statutory Expenditures	24,891.46	7,759.50	17,131.96	220.79
Debt Service	<u>14,000.00</u>	<u>14,200.00</u>	<u>(200.00)</u>	<u>(1.41)</u>
Total Expenditures outside "CAPS"	<u>\$ 209,256.46</u>	<u>\$ 189,730.50</u>	<u>\$ 19,525.96</u>	<u>10.29 %</u>
Reserve for Uncollected Taxes	<u>\$ 180,000.00</u>	<u>\$ 170,000.00</u>	<u>\$ 10,000.00</u>	<u>5.88</u>
	<u>\$ 1,166,199.46</u>	<u>\$ 1,087,465.50</u>	<u>\$ 78,733.96</u>	<u>7.24 %</u>

For the foreseeable future, our elected and appointed leaders will have to deal with the need to maintain stable tax rates, and deal with serious water-sewer infrastructure problems. The governing body and the administration will have to introduce new ideas and creative solutions to solve these problems.

The remainder of this transmittal letter will provide greater details relating to our progress during 2016 and some of our plans for the future.

**WATER-SEWER UTILITY FUND**

Our Water-Sewer Utility Operating Fund generated operating revenues exclusive of fund balance \$869,354.45 and incurred operating expenses of \$908,438.43. The increase in operating expenses from 2016 to 2015 was \$92,268.56 or 11.31%. Fund balance decreased \$39,083.98. The following schedule summarizes revenues and expenses for 2016 and 2015.

	2016	2015	Increase/(Decrease)	
			Amount	Percent
<u>Revenues</u>				
Fund Balance Utilized	\$ 61,059.09		\$ 61,059.09	#DIV/0!
Rents	743,887.34	\$ 746,261.82	(2,374.48)	(0.32) %
Cell Tower Fees	75,874.11	65,535.28	10,338.83	15.78
Interest on Delinquent Rents	10,215.77	12,460.21	(2,244.44)	(18.01)
Nonbudget Revenue	146.14	161.73	(15.59)	(9.64)
Other Credits to Income:				
Unexpended Balance of				
Appropriation Reserves	39,231.09	52,809.92	(13,578.83)	(25.71)
	<u>\$ 930,413.54</u>	<u>\$ 877,228.96</u>	<u>\$ 53,184.58</u>	<u>6.06 %</u>
<u>Expenditures</u>				
Operating	\$ 612,456.00	\$ 562,635.00	\$ 49,821.00	8.85 %
Capital Improvements	14,500.00		14,500.00	#DIV/0!
Debt Service	257,782.43	232,034.87	25,747.56	11.10
Deferred Charges and				
Statutory Expenditures	23,700.00	21,500.00	2,200.00	10.23
	<u>\$ 908,438.43</u>	<u>\$ 816,169.87</u>	<u>\$ 92,268.56</u>	<u>11.31 %</u>

**STATUTORY AUTHORITY**

The Borough is organized and administered in accordance with the provisions of New Jersey State Law and consists of an elected Mayor and a six (6) member Council responsible for providing all basic governmental services, except education, to its 882 local residents.

The Borough, pursuant to law, has the authority to levy taxes and issue debt.

In accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board, the Borough, for reporting entity determination purposes, is considered an independent government entity.

## **MAJOR ACTIVITIES AFFECTING BUDGET/FINANCIAL CONDITIONS**

The Borough Council is actively involved in all decisions of the operation of the Borough and has expressed a genuine concern for all residents. The Governing Body is consistently searching for new and innovative ways to provide cost efficient services to its residents.

The Borough maintains its own Water-Sewer Treatment Plant.

The Borough's Water-Sewer Utility Budget is always under review and evaluation of the user charges to support the budget is done frequently in order for the utility to remain solvent. Major repairs and upkeep are done after careful scrutiny and with great concern by the Borough's Governing Body.

The Borough also annually appropriates funds for road reconstruction; however, the funding mix usually includes NJDOT grants.

The Borough offers a recreation program for various activities. The Borough offers a summer camp program for children of the Borough. Starting in 2016 the program was expanded to after care.

The Borough provides for emergency response dispatching through Monmouth County 911.

The Borough of Roosevelt is unique in that it was designated as a historic district by the State of New Jersey since the forefathers of the town were part of a social experiment in the 1930's post-depression era. The Borough is trying to maintain the charming character of the community as the millennium began. The Borough is also known for many of its artistic residents.

The Borough is a participant in the State of New Jersey Environmental Infrastructure Trust (NJEIT), a low interest loan program which is utilized to do major repairs to the Borough water tower.

## **CASH MANAGEMENT**

Bank balances are insured up to \$250,000.00 in the aggregate by the Federal Deposit Insurance Corporation for each bank. In addition, the State of New Jersey Unit Deposit Protection Act insures the remaining balance of funds on deposit in registered depositories. At December 31, 2016, all cash funds on deposit were in registered depositories and were covered by these insurers.

The Borough invests all surplus funds for appropriate periods of time as determined by the Chief Financial Officer. During 2016, idle funds were invested in a money market fund. The Chief Financial Officer of the Borough monitors available cash balances for investment on an ongoing basis in order to maximize earnings on invested cash. The Borough has not entered into any compensating balance agreements.

## **ACCOUNTING AND BUDGET INFORMATION**

### **Accounting**

The Borough maintains a computerized accounting system to record all financial transactions.

In developing and evaluating the Borough's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits expected to be derived; and (2) the evaluation of costs and benefits requires estimates and judgment by management.

Management of the Borough is responsible for establishing and maintaining an adequate internal control structure.

### **Budget**

The local budget law for the State of New Jersey requires every local unit to adopt an Operating Budget in the form required by the Division of Local Government Services (the "Division"), Department of Community Affairs of the State of New Jersey. Certain items of revenue and appropriation are regulated by law and the proposed budget must be certified by the Director of the Division prior to final adoption. The Budget Law requires each local unit to appropriate sufficient funds for the payment of current debt service, and the Director is required to review the adequacy of such appropriations, unless a specific amount is required by law. The review function, focusing on anticipated revenues, serves to protect the solvency of all local units.

Section 5:30-4 of the New Jersey Administrative Code provides that every local unit that proposes to spend \$25,000.00 or more on capital equipment, construction or improvements must prepare a Capital Budget. If the Borough's population exceeds 10,000, the Capital Program shall include by title all projects anticipated for the budget year and the five succeeding years, with the estimated costs and the anticipated financing by sources and amounts.

A Capital Budget Section included with the Annual Budget does not in itself confer any authorization to raise or expend funds. Rather, it is a document used as part of the local unit's planning and management program. Specific authorization to expend funds for purposes described in the Capital Budget must be granted separately, through the adoption of a bond ordinance, by appropriating funds from the Capital Improvement Fund, or other lawful means.

The budget of the Borough is categorized into appropriations by function. Each appropriation represents a service program or division within the Borough. Funds are appropriated to each of the budget lines by the Mayor and Council in accordance with procedures prescribed by the State of New Jersey Local Budget Law.

Distinct appropriations are required for "salaries and wages" and for "other expenses". The Borough delineates each appropriation into sub accounts by budget codes.

The Chief Financial Officer monitors expenditures throughout the fiscal year to ensure that spending remains within the amounts of funds authorized. Budget modifications are processed in the last two months of the year to transfer funds from one area to another as needed.

### **DEBT ADMINISTRATION**

The authorized bonded indebtedness of municipalities in the State of New Jersey is limited by statute to an amount equal to 3½% of their equalized value. The equalized valuation basis of the Borough is set by statute as the average for the last three years of the equalized value of all taxable real property and improvements and certain railroad property within its boundaries as annually determined by the State Board of Taxation.

The Borough has gross debt authorized and outstanding of \$4,609,978.94 of which \$4,372,728.94 is attributed to the Water-Sewer Utility and \$237,250.00 is attributed to the General Capital Fund.

### **RISK MANAGEMENT**

The Borough, like many other municipalities in the early '80's, was faced with an insurance crisis. It was unable to obtain coverage at any price. The Borough banded together with other municipalities to form the Monmouth County Municipal Joint Insurance and the New Jersey Municipal Excess Liability Funds. These Funds procure insurance on a pooled basis, generally self-insuring the initial level of loss for workers' compensation, property, general liability and automobile. The Funds provide their members with risk management services, including the defense of and settlement of claims and establish reasonable and necessary loss reduction and prevention procedures to be followed by the members.

### **ACKNOWLEDGMENTS**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Administration Department and the Finance Department. I would also like to express my appreciation to Gerard Stankiewicz, CPA, RMA of Samuel Klein and Company for his help and assistance in preparation of the Borough's CAFR.

Respectfully submitted,

*George Lang*

George Lang  
Chief Financial Officer

**BOROUGH OF ROOSEVELT**  
**ROSTER OF OFFICIALS**  
**DECEMBER 31, 2016**

**Governing Body**

Jeff Ellentuck, Mayor

Michael Ticktin, Council President

Thomas Curry, Councilman

Jill Lipotti, Councilwoman

Peggy Malkin, Councilwoman

Stacey Bonna, Councilwoman

Joseph Trammel, Councilman

**Other Officials**

Kathleen Hart, Borough Clerk

George J. Lang, Chief Financial Officer

Ana Debevec, Treasurer

Salvatore P. Cannizzaro, Tax Collector and Water-Sewer Utility Collector

Donna Taylor, Tax Assessor

Roberts Engineering Group, LLC, Borough Engineer

R3M, Borough Utility Engineer

Richard Shaklee, Borough Attorney

Nicole Sonnenblick, Municipal Court Judge

Diane Canzanella, Municipal Court Administrator

Michele Donato, Planning Board Attorney

**BOROUGH OF ROOSEVELT**  
**CONSULTANTS AND ADVISORS**  
**DECEMBER 31, 2016**

**AUDIT FIRM**

Gerard Stankiewicz, CPA, RMA, PSA  
of the firm  
Samuel Klein and Company  
36 West Main Street  
Suite 303  
Freehold, New Jersey 07728

**ATTORNEY**

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McLaughlin, Stauffer, Shaklee, PC  
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Wall, NJ 07753

**BOND COUNSEL**

Gluck Walrath LLP  
11 Wharf Avenue  
Red Bank, NJ 07701

**OFFICIAL DEPOSITORY**

1<sup>st</sup> Constitution Bank

**FINANCIAL SECTION**



# SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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NEWARK, NJ 07102-9969  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303  
FREEHOLD, NJ 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

## INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and Members  
of the Borough Council  
Borough of Roosevelt  
County of Monmouth  
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

### Report on the Financial Statements

We have audited the financial statements – regulatory basis of the various funds and account groups of the Borough of Roosevelt, County of Monmouth, State of New Jersey as of December 31, 2016, and the related statement of operations and change in fund balance – regulatory basis for the year then ended, the related statement of revenues – regulatory basis, statement of expenditures – regulatory basis, and the related notes to the financial statements for the year then ended.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

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

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

As described in Note 1 of the financial statements – regulatory basis, the financial statements are prepared by the Borough on a basis of the financial reporting provisions of the regulatory basis of the accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of Jersey which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

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

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

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on the United States Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Roosevelt, County of Monmouth, State of New Jersey as of December 31, 2016, and change in financial position or cash flows thereof for the year then ended.

### Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects the financial statements – regulatory basis of the various funds and account groups of the Borough of Roosevelt, County of Monmouth, State of New Jersey, as of December 31, 2016, and the results of its operations and change in fund balance of such funds – regulatory basis for the year then ended, and the revenues – regulatory basis, expenditures – regulatory basis of the various funds and account groups for the year ended December 31, 2016 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### Other Matters

#### Report on Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements – regulatory basis referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing the reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 21, 2017, on our consideration of the Borough of Roosevelt's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Roosevelt's internal control over financial reporting and compliance.



Gerard Stankiewicz  
Certified Public Accountant  
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
August 21, 2017

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

The Honorable Mayor and Members  
of the Borough Council  
Borough of Roosevelt  
County of Monmouth  
State of New Jersey

To the Honorable Mayor and Members of the Borough Council:

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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Roosevelt (herein referred to as “the Borough”), as of and for the year ended December 31, 2016, 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 21, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements – regulatory basis, we considered the Borough’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the 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.

**INDEPENDENT AUDITORS 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 (CONTINUED)**

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Borough's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of non-compliance that we have reported to the management of the Borough in the "General Comments and Recommendations" section of this report.

This report is intended solely for the information of the governing body, management and the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not intended to be and should not be used by anyone other than these specified parties.



Gerard Stankiewicz  
Certified Public Accountant  
Registered Municipal Accountant #431



SAMUEL KLEIN AND COMPANY

Freehold, New Jersey  
August 21, 2017

**GENERAL-PURPOSE FINANCIAL STATEMENTS**

**BOROUGH OF ROOSEVELT**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**ALL FUNDS AND ACCOUNT GROUPS - REGULATORY BASIS**  
**DECEMBER 31, 2016**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)**

	Governmental Funds		Trust and Agency	Water-Sewer Utility		Capital Assets Account Group	Totals Memorandum Only	
	Current	General Capital		Operating	Capital		2016	2015
<b><u>ASSETS AND OTHER DEBITS</u></b>								
Cash and Cash Equivalents	\$ 921,642.19	\$ 89,456.81	\$ 54,842.47	\$ 19,525.20	\$ 2,177.94		\$ 1,087,644.61	\$ 1,430,055.25
Intergovernmental Accounts Receivable		5,643.60			258,075.00		263,718.60	84,489.01
Receivables and Other Assets:								
Delinquent Property Taxes Receivable	39,809.83						39,809.83	43,107.26
Tax Title Liens	9,094.47						9,094.47	5,873.74
Foreclosed Property	181,700.00						181,700.00	181,700.00
Consumer Accounts Receivable				83,312.52			83,312.52	89,280.65
Interfunds Receivable	446,276.04	9,345.00		411,198.30			866,819.34	532,709.50
Revenue Accounts Receivable	1,135.04						1,135.04	65.56
Deferred Charges		237,250.00					237,250.00	292,250.00
Fixed Capital					7,438,533.31		7,438,533.31	7,100,433.31
Fixed Assets						\$ 2,451,472.98	2,451,472.98	2,451,472.98
Grant Fund:								
Grants Receivable	5,893.19						5,893.19	
Interfunds Receivable	31,703.78						31,703.78	35,326.66
<b>Total Assets and Other Debits</b>	<b>\$ 1,637,254.54</b>	<b>\$ 341,695.41</b>	<b>\$ 54,842.47</b>	<b>\$ 514,036.02</b>	<b>\$ 7,698,786.25</b>	<b>\$ 2,451,472.98</b>	<b>\$ 12,698,087.67</b>	<b>\$ 12,246,763.92</b>

See Notes to Financial Statements.

**BOROUGH OF ROOSEVELT**  
**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE -**  
**ALL FUNDS AND ACCOUNT GROUPS - REGULATORY BASIS**  
**DECEMBER 31, 2016**  
**(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2015)**

	Governmental Funds		Trust and Agency	Water-Sewer Utility		Capital Assets Account Group	Totals Memorandum Only	
	Current	General Capital		Operating	Capital		2016	2015
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>								
Liabilities and Reserves:								
Appropriation Reserves	\$ 114,416.34			\$ 66,912.07			\$ 181,328.41	\$ 215,367.23
Other Liabilities and Reserves	336,416.93	\$ 210,098.65	\$ 54,842.47	57,306.53	\$ 7,550.00		666,214.58	678,193.20
Bond Anticipation Notes								541,513.00
Loans Payable					3,176,166.94		3,176,166.94	2,540,379.28
Improvement Authorizations		129,740.79			866,052.43		995,793.22	967,499.74
Interfunds Payable	31,703.78			284,529.79	582,289.55		898,523.12	568,036.16
Reserve for Amortization					3,065,804.37		3,065,804.37	2,885,904.03
Reserve for Receivables and Other Assets	678,015.38			83,312.52			761,327.90	493,600.07
Grant Fund:								
Reserve for Encumbrances	5,510.00						5,510.00	2,510.00
Appropriated Reserves	32,086.97						32,086.97	32,816.66
Total Liabilities and Reserves	\$ 1,198,149.40	\$ 339,839.44	\$ 54,842.47	\$ 492,060.91	\$ 7,697,863.29		\$ 9,782,755.51	\$ 8,925,819.37
Equity and Other Credits:								
Investment in Capital Assets						\$ 2,451,472.98	2,451,472.98	\$ 2,451,472.98
Fund Balance	\$ 439,105.14	\$ 1,855.97		21,975.11	\$ 922.96		\$ 463,859.18	\$ 869,471.57
Total Equity and Other Credits	\$ 439,105.14	\$ 1,855.97		21,975.11	\$ 922.96	\$ 2,451,472.98	\$ 2,915,332.16	\$ 3,320,944.55
Total Liabilities, Reserves and Fund Balance	\$ 1,637,254.54	\$ 341,695.41	\$ 54,842.47	\$ 514,036.02	\$ 7,698,786.25	\$ 2,451,472.98	\$ 12,698,087.67	\$ 12,246,763.92

See Notes to Financial Statements.



**BOROUGH OF ROOSEVELT**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**BUDGET AND ACTUAL - CURRENT AND WATER-SEWER UTILITY OPERATING FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	Current Fund			Water-Sewer Utility Operating Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Fund Balance Anticipated	\$ 391,000.00	\$ 391,000.00		61,059.09	61,059.09	
Water-Sewer Rents				\$ 746,261.82	\$ 743,887.34	\$ (2,374.48)
Miscellaneous Revenues	10,000.00	15,085.00	\$ 5,085.00	75,000.09	75,874.11	874.02
State Aid	81,849.00	81,849.00			10,215.77	10,215.77
Deficit (General Budget)				26,445.00		(26,445.00)
Grants	17,000.00	17,000.00				
	<u>\$ 499,849.00</u>	<u>\$ 504,934.00</u>	<u>\$ 5,085.00</u>	<u>\$ 908,766.00</u>	<u>\$ 891,036.31</u>	<u>\$ (17,729.69)</u>
Receipts from Delinquent Taxes	45,000.00	45,169.46	169.46			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	621,350.46	755,772.78	134,422.32			
Budget Totals	<u>\$ 1,166,199.46</u>	<u>\$ 1,305,876.24</u>	<u>\$ 139,676.78</u>	<u>\$ 908,766.00</u>	<u>\$ 891,036.31</u>	<u>\$ (17,729.69)</u>
Nonbudget Revenue		39,422.11	39,422.11		146.14	146.14
Taxes Allocated to School and County	1,825,686.99	1,825,686.99				
Other Credits to Income		118,075.88	118,075.88		39,231.09	39,231.09
Total Revenues	<u>\$ 2,991,886.45</u>	<u>\$ 3,289,061.22</u>	<u>\$ 297,174.77</u>	<u>\$ 908,766.00</u>	<u>\$ 930,413.54</u>	<u>\$ 21,647.54</u>

See Notes to Financial Statements.

**BOROUGH OF ROOSEVELT**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**BUDGET AND ACTUAL - CURRENT AND WATER-SEWER UTILITY OPERATING FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	Current Fund			Water-Sewer Utility Operating Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures:						
Current:						
Within "CAPS":						
General Government	\$ 326,187.00	\$ 326,187.00				
Land Use	30,693.00	30,693.00				
Insurance	41,356.00	41,356.00				
Public Safety	52,750.00	52,750.00				
Public Works	150,170.00	150,170.00				
Health and Human Services	16,700.00	16,700.00				
Parks and Recreation	28,442.00	28,442.00				
Utilities	37,200.00	37,200.00				
Other Common Functions	2,000.00	2,000.00				
Sanitation	31,000.00	31,000.00				
Deferred Charges and Statutory Expenditures	60,445.00	60,445.00				
Excluded from "CAPS":						
Public Safety	7,421.00	7,421.00				
Insurance	144.00	144.00				
Sanitation	64,400.00	64,400.00				
Grants	17,000.00	17,000.00				
General Government	36,400.00	36,400.00				
Operating				\$ 612,456.00	\$ 612,456.00	
Capital Improvements	45,000.00	45,000.00		14,500.00	14,500.00	
Debt Service	14,000.00	14,000.00		258,110.00	257,782.43	\$ 327.57
Deferred Charges and Statutory Expenditures	24,891.46	24,891.46		23,700.00	23,700.00	
Reserve for Uncollected Taxes	180,000.00	180,000.00				
Total Budget Expenditures	\$ 1,166,199.46	\$ 1,166,199.46		\$ 908,766.00	\$ 908,438.43	\$ 327.57

See Notes to Financial Statements.

**BOROUGH OF ROOSEVELT**  
**COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**BUDGET AND ACTUAL - CURRENT AND WATER-SEWER UTILITY OPERATING FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016**

	Current Fund			Water-Sewer Utility Operating Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (Continued):						
County Taxes including County Added and Omitted	\$ 248,235.99	\$ 248,235.99				
Local District School Taxes	1,577,451.00	1,577,451.00				
Interfund Advanced		272,703.18	\$ (272,703.18)			
	\$ 2,991,886.45	\$ 3,264,589.63	\$ (272,703.18)	\$ 908,766.00	\$ 908,438.43	\$ 327.57
Total Expenditures						
Excess/(Deficit) in Revenues Over/(Under) Expenditures		\$ 24,471.59	\$ 24,471.59	\$ 21,975.11	\$ 21,975.09	
Fund Balance, January 1, 2016		805,633.55	805,633.55		61,059.09	61,059.09
		\$ 830,105.14	\$ 830,105.14		61,059.09	61,059.09
Decreased By:						
Utilization as Anticipated Revenue		391,000.00	391,000.00		61,059.09	61,059.09
Fund Balance, December 31, 2016		\$ 439,105.14	\$ 439,105.14		\$ 21,975.11	\$ 21,975.09

**BOROUGH OF ROOSEVELT**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF CHANGE IN FUND BALANCE -**  
**REGULATORY BASIS**

BALANCE, DECEMBER 31, 2015

AND

BALANCE, DECEMBER 31, 2016

\$ 1,855.97

(There was no change during the year.)

See Notes to Financial Statements.

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF CHANGE IN FUND BALANCE -**  
**REGULATORY BASIS**

BALANCE, DECEMBER 31, 2015

AND

BALANCE, DECEMBER 31, 2016

\$ 922.96

(There was no change during the year.)

See Notes to Financial Statements.

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A. **Reporting Entity** - The Borough of Roosevelt is located approximately forty-five (45) miles southwest of the City of New York and fifty (50) miles northeast of the City of Philadelphia. The population, according to the 2010 census, is 882.

The Borough of Roosevelt operates under the Borough form of government. The governing body consists of a Mayor and six Council members. All action is passed by a majority or, when required, a two-thirds (2/3) vote of the Council. The Mayor votes only in the event of a tie. The Mayor has veto power over all ordinances passed by the Borough Council. This veto can be overridden by a two-thirds (2/3) vote of the Council.

- B. **Description of Funds** - The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes funds to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Roosevelt contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. These principles are regulatory basis, which differs from accounting principles generally accepted in the United States of America ("GAAP") for governmental entities. 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 of Roosevelt accounts for its financial transactions through the following separate funds which differs from the funds required by accounting principles generally accepted in the United States of America (GAAP).

**Current Fund** - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

**Trust Funds** - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. The Trust Other Fund, Animal Control Fund and Payroll Trust Fund are part of this Trust.

**General Capital Fund** - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. General bonds and notes payable are recorded in this fund and are offset by deferred charges to future taxation.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

B. **Description of Funds (Continued)**

**Utility Fund** - The Water-Sewer Utility maintains an Operating Fund and a Capital Fund which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

**Payroll Trust Fund** - Net salaries, certain payroll deductions and social security contributions of municipal and utility operations are deposited into bank accounts of the Payroll Fund. Other deductions are retained by the operating funds and paid directly there from. A Payroll Fund does not exist under GAAP.

**Capital Asset Accounts** - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

- C. **Basis of Accounting** - The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America (GAAP). The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

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

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

**Expenditures** - Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31<sup>st</sup> of each year, under the title of "Appropriation Reserves".



**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures (Continued)

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

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

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

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

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

Encumbrances - As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that 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 - Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

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

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

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

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

Inventories of Supplies - Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water-Sewer Utility is required, by regulation, to be prepared by Borough personnel for inclusion on the Water-Sewer Utility Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Capital Assets

General - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Capital Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from GAAP, the Borough of Roosevelt has developed a capital asset accounting and reporting system.

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

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

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Capital Assets (Continued)

General (Continued)

Acquisition of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital assets are 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-Sewer Utility, are recorded at cost upon purchase or project completion in the Fixed Capital account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified.

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

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

Memorandum Only – Total Columns - Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Other Accounting Standards

The Borough is currently reviewing the following for applicability and potential impact on the financial statements:

- *GASB Statement No. 74. Financial Reporting for Postemployment Benefit Other Than Pension Plans.* The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The Borough does not expect this Statement to have an impact on its financial statements.

- *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The Borough does not expect this Statement to have an impact its financial statements.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Other Accounting Standards (Continued)

- *GASB Statement No. 76. The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

Effective Date: The provisions in Statement 76 are effective for reporting periods beginning after June 15, 2015. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 77. Tax Abatement Disclosures.* Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The Borough does not expect this Statement to impact its financial statements.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Other Accounting Standards (Continued)

- *GASB Statement No. 78. Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans.* The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement,

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 79. Certain External Investment Pools and Pool Participants.* This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting period beginning after December 15, 2015. The Borough does not expect this Statement to impact its financial statements.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Other Accounting Standards (Continued)

- *GASB Statement No. 82. Pension Issues – an Amendment of GASB Statements No. 67, No. 68 and No. 73.* Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal yearend. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 83. Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 84. Fiduciary Activities.* This objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify component units and postemployment benefit arrangements that are fiduciary activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Borough does not expect this Statement to impact its financial statements.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Other Accounting Standards (Continued)

- *GASB Statement No. 85. Omnibus 2017.* This objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 27, 2017. The Borough does not expect this Statement to impact its financial statements.

- *GASB Statement No. 86. Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 27, 2017. The Borough does not expect this Statement to impact its financial statements.

E. Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2016 through August 21, 2017, the date that the financial statements are issued for possible disclosure and recognition in the financial statements, and no items have come to the attention of the Borough that would require disclosure.



**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

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

The State of New Jersey Cash Management 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 arbitrage 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 of Local Government Services, municipalities are allowed to deposit funds in the Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

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

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

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

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

As of December 31, 2016, the Borough had funds on deposit in interest bearing checking accounts. The amount of the Borough's cash and cash equivalents on deposits as of December 31, 2016 was \$1,111,295.52. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 3 as amended by GASB No. 40.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 2. CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

B. Investments

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

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

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

C. Risk Category

The deposits of the Borough are covered by the FDIC and where applicable by GUDPA and present minimal risk.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 3. **TAXES AND TAX TITLE LIENS RECEIVABLE**

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

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

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency as billed prior to the end of the fiscal year. The penalty so fixed shall not exceed 6% of the amount of the delinquency with respect to each most recent fiscal year only. The resolution also sets a grace period of ten days before interest is calculated.

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

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

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 3. TAXES AND TAX TITLE LIENS RECEIVABLE (CONTINUED)

Comparative Schedule of Tax Rates

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Tax Rate	\$ 2.868	\$ 2.919	\$ 2.996	\$ 2.913	\$ 2.841
Apportionment of Tax Rate:					
Municipal	0.728	0.728	0.749	0.748	0.748
County	0.292	0.312	0.306	0.313	0.313
Local School	1.848	1.879	1.941	1.852	1.780

Assessed Valuation

2016	\$ 85,344,749.00
2015	85,837,215.00
2014	81,996,061.00
2013	84,211,290.00
2012	84,443,098.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2016	\$ 2,444,490.38	\$ 2,401,459.77	98.24%
2015	2,508,575.69	2,460,128.19	98.07%
2014	2,457,517.51	2,392,927.73	97.37%
2013	2,453,383.85	2,364,694.04	96.39%
2012	2,399,625.97	2,318,058.00	96.60%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2016	\$ 9,094.47	\$ 39,809.83	\$ 48,904.30	2.00%
2015	5,873.74	43,107.26	48,981.00	2.12%
2014	None	55,520.54	55,520.54	2.26%
2013	None	80,868.39	80,868.39	3.30%
2012	None	81,567.97	81,567.97	3.40%

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2016	\$ 181,700.00
2015	181,700.00
2014	181,700.00
2013	181,700.00
2012	181,700.00

Note 5. WATER-SEWER UTILITY

The Borough operates its own water treatment plant and sewerage treatment plant. The water-sewer delinquent balances are subject to the same requirements of the tax sale provision of the New Jersey Statutes in effect for taxes. Customers are billed at a base rate for a minimum usage plus a factor for excess consumption on a bi-monthly basis for 2016.

Billings and Collections

<u>Year</u>	<u>Amount Levied</u>	<u>Collections*</u>
2016	\$ 737,919.21	\$ 743,887.34
2015	736,973.28	746,261.82
2014	735,597.83 **	732,603.16
2013	667,925.70	662,432.23
2012	623,737.65	608,002.73

\* May include amounts levied in prior years

\*\* Rate increase effective

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 6. **DEFERRED SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Roosevelt raises its share of Local District School Taxes on a school year basis.

	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>	Increase/ <u>(Decrease)</u>
Balance of Tax *	\$ 788,388.00	\$ 805,841.00	\$ (17,453.00)
Deferred Portion	<u>491,850.50</u>	<u>491,850.50</u>	<u>None</u>
Tax Payable	<u>\$ 296,537.50</u>	<u>\$ 313,990.50</u>	<u>\$ (17,453.00)</u>

\* Required for school operations for the six-month period following December 31<sup>st</sup>.

Note 7. **FUND BALANCES APPROPRIATED**

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budget.

<u>Year</u>	Balance <u>December 31</u>	Utilized in Budget <u>of Succeeding Year</u>	Percentage of Fund <u>Balance Used</u>
<u>Current Fund</u>			
2016	\$ 439,105.14	\$ 345,000.00	78.57%
2015	805,633.55	391,000.00	48.53%
2014	801,740.85	322,500.00	40.22%
2013	690,598.27	259,873.15	37.63%
2012	707,788.52	199,618.00	28.20%
<u>Water-Sewer Utility Operating Fund</u>			
2016	\$ 21,975.11	\$ 21,975.11	100.00%
2015	61,059.09	61,059.09	100.00%
2014	None	None	None
2013	None	None	None
2012	None	None	None

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. **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 with the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or required by the issuance of bonds.

**Summary of Municipal Debt (Excluding Current and Operating Debt)**

	<u>Year 2016</u>	<u>Year 2015</u>	<u>Year 2014</u>
<b><u>Issued</u></b>			
General:			
Notes	\$ None	\$ None	\$ None
Loans	125,000.00	135,000.00	145,000.00
Water-Sewer Utility:			
Notes	None	541,513.00	None
Loans	<u>3,176,166.94</u>	<u>2,540,379.28</u>	<u>2,678,829.41</u>
Debt Issued	<u>\$ 3,301,166.94</u>	<u>\$ 3,216,892.28</u>	<u>\$ 2,823,829.41</u>
<b><u>Authorized but Not Issued</u></b>			
General:			
Bonds and Notes	\$ 112,250.00	\$ 157,250.00	\$ 217,250.00
Water-Sewer Utility:			
Bonds and Notes	<u>1,196,562.00</u>	<u>1,132,637.00</u>	<u>1,674,150.00</u>
Total Authorized but Not Issued	<u>\$ 1,308,812.00</u>	<u>\$ 1,289,887.00</u>	<u>\$ 1,891,400.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 4,609,978.94</u>	<u>\$ 4,506,779.28</u>	<u>\$ 4,715,229.41</u>

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

Summary of Statutory Debt Condition, Annual Debt Statement

The summarized statement of debt condition that follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory debt of .345%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 476,000.00	\$ 476,000.00	\$ None
Water-Sewer Utility Debt	4,372,728.94	4,317,609.34	55,119.60
General Capital Debt	<u>237,250.00</u>	<u>None</u>	<u>237,250.00</u>
	<u>\$ 5,085,978.94</u>	<u>\$ 4,793,609.34</u>	<u>\$ 292,369.60</u>

Equalized Valuation basis per N.J.S. 40A:2-2 As Amended is \$84,726,319.00. The Annual Debt Statement as amended has been filed.

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

3½% of Equalized Valuation Basis (Municipal)	\$ 2,965,421.17
Net Debt	<u>292,369.60</u>
Remaining Borrowing Power	<u>\$ 2,673,051.57</u>

School Debt Deductions

School debt is deductible up to the extent of 3.0% of the Average Equalized Assessed Valuations of real property for the Local School District.



**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

Calculation of "Self-Liquidating Purpose", Water-Sewer Utility, Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 891,182.45
Deductions:		
Operating and Maintenance Cost	\$ 636,156.00	
Debt Service	<u>257,782.43</u>	<u>893,938.43</u>
Excess/(Deficit) in Revenue		<u>\$ (2,755.98)</u>

There being a (deficit) in revenue for the Water-Sewer Utility, the fund was not self-liquidating and therefore, only a portion related debt \$4,372,728.94 less the deficit capitalized at 5% per statute ( $\$2,755.98 \times 20 = \$55,119.60$ ) \$4,317,609.34 is deductible for purposes of the annual debt statement and resultant net debt calculation.

General Capital Fund

On December 4, 2012 the Borough permanently financed the remaining balance of Bond Anticipation Notes of \$165,000.00 and provided for related debt issuance costs through the Monmouth County Improvement Authority ("MCIA"), with the proceeds from the issuance of a \$165,000.00 loan plus a premium of \$12,872.75.

The repayment of bonds issued by the MCIA on December 4, 2012 will occur through December 1, 2027 at principal amounts of ranging from \$10,000.00 to \$15,000.00 at interest rates ranging from 2.0% to 4.0%.

Redemption:

The MCIA ("Issuer") Series 2012 Bonds are subject to optional redemption at the discretion of the Issuer. Bonds maturing on or after December 1, 2022 will be subject to redemption at 100% of par on or after December 1, 2021 in accordance with the terms of the issuer's bond agreement. An early redemption and/or refunding would not affect the Borough's obligation to repay the principal portion of the loan in accordance with the original terms.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

General Capital Fund (Continued)

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

<u>Calender Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 10,000.00	\$ 3,750.00	\$ 13,750.00
2018	10,000.00	3,450.00	13,450.00
2019	10,000.00	3,150.00	13,150.00
2020	10,000.00	2,850.00	12,850.00
2021	10,000.00	2,450.00	12,450.00
	<u>50,000.00</u>	<u>15,650.00</u>	<u>65,650.00</u>
2022	10,000.00	2,050.00	12,050.00
2023	10,000.00	1,650.00	11,650.00
2024	10,000.00	1,250.00	11,250.00
2025	15,000.00	1,050.00	16,050.00
2026	15,000.00	600.00	15,600.00
	<u>60,000.00</u>	<u>6,600.00</u>	<u>66,600.00</u>
2027	15,000.00	300.00	15,300.00
	<u>\$ 125,000.00</u>	<u>\$ 22,550.00</u>	<u>\$ 147,550.00</u>

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

Water-Sewer Utility Capital Fund

The long-term debt of the Borough consists of the Farmer's Home Administration ("FHA") Loan.

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

<u>Calendar Year</u>	<u>1992 Loan Principal and Interest</u>
2017	\$ 18,000.00
2018	18,000.00
2019	18,000.00
2020	18,000.00
2021	18,000.00
-	<u>90,000.00</u>
2022	<u>9,000.00</u>
Total	\$ - <u><u>\$ 99,000.00</u></u>
Detail:	
Principal	\$ 84,361.51
Interest	<u>14,638.49</u>
	<u><u>\$ 99,000.00</u></u>

Interest Rate:	5%
Due Dates:	March and September
Maturity:	March 31, 2022
Purpose:	Improvements to the Water System

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

Water-Sewer Utility Capital Fund (Continued)

Loans Payable

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

<u>Calender Year</u>	<u>MCIA Refunding Loan - 2011</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 75,000.00	\$ 62,400.00	\$ 137,400.00
2018	75,000.00	58,650.00	133,650.00
2019	80,000.00	54,900.00	134,900.00
2020	85,000.00	50,900.00	135,900.00
2021	90,000.00	46,650.00	136,650.00
	<u>405,000.00</u>	<u>273,500.00</u>	<u>678,500.00</u>
2022	95,000.00	42,150.00	137,150.00
2023	95,000.00	38,350.00	133,350.00
2024	100,000.00	34,550.00	134,550.00
2025	105,000.00	31,550.00	136,550.00
2026	105,000.00	28,400.00	133,400.00
	<u>500,000.00</u>	<u>175,000.00</u>	<u>675,000.00</u>
2027	110,000.00	25,250.00	135,250.00
2028	115,000.00	21,950.00	136,950.00
2029	115,000.00	18,500.00	133,500.00
2030	125,000.00	12,750.00	137,750.00
2031	130,000.00	6,500.00	136,500.00
	<u>595,000.00</u>	<u>84,950.00</u>	<u>679,950.00</u>
Total	<u>\$ 1,500,000.00</u>	<u>\$ 533,450.00</u>	<u>\$ 2,033,450.00</u>

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

Water-Sewer Utility Capital Fund (Continued)

Loans Payable (Continued)

Schedule of Annual Debt Service for Principal and Interest for Debt Issued and Outstanding (Continued)

<u>Calender Year</u>	<u>MCIA Loan - 2012</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 35,000.00	\$ 13,400.00	\$ 48,400.00
2018	35,000.00	12,350.00	47,350.00
2019	35,000.00	11,300.00	46,300.00
2020	35,000.00	10,250.00	45,250.00
2021	40,000.00	8,850.00	48,850.00
	<u>180,000.00</u>	<u>56,150.00</u>	<u>236,150.00</u>
2022	40,000.00	7,250.00	47,250.00
2023	40,000.00	5,650.00	45,650.00
2024	45,000.00	4,050.00	49,050.00
2025	45,000.00	3,150.00	48,150.00
2026	45,000.00	1,800.00	46,800.00
	<u>215,000.00</u>	<u>21,900.00</u>	<u>236,900.00</u>
2027	45,000.00	900.00	45,900.00
Total	<u>\$ 440,000.00</u>	<u>\$ 78,950.00</u>	<u>\$ 518,950.00</u>

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

Water-Sewer Utility Capital Fund (Continued)

Loans Payable (Continued)

Schedule of Annual Debt Service for Principal and Interest for Debt Issued and Outstanding (Continued)

<u>Calender Year</u>	<u>Combined MCIA Loans</u>		<u>MCIA Grand Total</u>
	<u>2011</u>	<u>2012</u>	
2017	\$ 137,400.00	\$ 48,400.00	\$ 185,800.00
2018	133,650.00	47,350.00	181,000.00
2019	134,900.00	46,300.00	181,200.00
2020	135,900.00	45,250.00	181,150.00
2021	136,650.00	48,850.00	185,500.00
	<u>678,500.00</u>	<u>236,150.00</u>	<u>914,650.00</u>
2022	137,150.00	47,250.00	184,400.00
2023	133,350.00	45,650.00	179,000.00
2024	134,550.00	49,050.00	183,600.00
2025	136,550.00	48,150.00	184,700.00
2026	133,400.00	46,800.00	180,200.00
	<u>675,000.00</u>	<u>236,900.00</u>	<u>911,900.00</u>
2027	135,250.00	45,900.00	181,150.00
2028	136,950.00	-	136,950.00
2029	133,500.00	-	133,500.00
2030	137,750.00	-	137,750.00
2031	136,500.00	-	136,500.00
	<u>679,950.00</u>	<u>45,900.00</u>	<u>725,850.00</u>
Total	<u>\$ 2,033,450.00</u>	<u>\$ 518,950.00</u>	<u>\$ 2,552,400.00</u>

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

Water-Sewer Utility Capital Fund – Loans Payable (Continued)

MCIA Refunding Loan – 2011

On December 29, 2011 the Borough refinanced the remaining balance of the USDA 1992 Loan \$1,983,362.01 through the Monmouth County Improvement Authority ("MCIA"), with the proceeds from the issuance of a \$1,825,000.00 loan plus a premium of \$191,019.25. The refinancing was approved by the Local Finance Board and resulted in a net present value savings of \$616,240.61, or 31.44%.

The repayment of bonds issued by the MCIA on December 29, 2011 will occur through December 1, 2031 at principal amounts of ranging from \$75,000.00 to \$130,000.00 and interest rates ranging from 3.0% to 5.0%. The USDA 1992 Loan was paid off on January 14, 2012 in accordance with the requirements.

Redemption

The MCIA Series 2011 Bonds ("Issuer") are subject to optional redemption at the discretion of the Issuer. Bonds maturing on or after December 1, 2021 will be subject to redemption at 100% of par on or after December 1, 2020 in accordance with the terms of the issuer's bond agreement. An early redemption and/or refunding would not affect the Borough's obligation to repay the principal portion of the bond in accordance with the original terms.

MCIA Loan – 2012

On December 4, 2012 the Borough permanently financed the remaining balance Bond Anticipation Notes of \$572,400.00 and provided for related debt issuance costs through the Monmouth County Improvement Authority ("MCIA"), with the proceeds from the issuance of a \$570,000.00 loan plus a premium of \$47,601.50.

The repayment of bonds issued by the MCIA on December 4, 2012 will occur through December 1, 2027 at principal amounts ranging from \$35,000.00 to \$45,000.00 and interest rates ranging from 3.0% to 4.0%.

Redemption

The MCIA Series 2012 Bonds ("Issuer") are subject to optional redemption at the discretion of the Issuer. Bonds maturing on or after December 1, 2022 will be subject to redemption at 100% of par on or after December 1, 2021 in accordance with the terms of the issuer's bond agreement. An early redemption and/or refunding would not affect the Borough's obligation to repay the principal portion of the bond in accordance with the original terms.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

State of New Jersey Environmental Infrastructure Trust Loans (NJEIT)

State Portion

\$135,000.00 NJEIT - 2010 Winter Program - Annual maturities of \$5,000.00 to \$10,000.00 through August 1, 2029 at interest rates ranging from 3.0% to 5.0%.	\$ 105,000.00 *
 \$195,000.00 NJEIT - 2016 Spring Program - Annual maturities of \$5,000.00 to \$10,000.00 through August 1, 2029 at interest rates ranging from 2.0% to 5.0%.	<u>195,000.00 **</u>
	<u>\$ 300,000.00</u>

Federal Portion

\$405,000.00 NJEIT - 2010 Winter Program - Annual maturities of \$20,593.21 through August 1, 2029. There is no interest being charged on this loan. The loan is not subject to early redemption or refunding.	\$ 267,711.93
 \$604,588.00 NJEIT - 2016 Spring Program - Annual maturities of \$20,593.21 through August 1, 2035. There is no interest being charged on this loan. The loan is not subject to early redemption or refunding.	<u>584,093.50</u>
	<u>\$ 851,805.43</u>
	<u>\$ 1,151,805.43</u>



**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

State of New Jersey Environmental Infrastructure Trust Loans (NJEIT) (Continued)

Redemption:

- \* The Series 2010 Winter Program Bonds of the NJEIT ("Issuer") are subject to optional redemption at the discretion of the Issuer. Bonds maturing on or after September 1, 2019 will be subject to redemption at 100% of par on or after September 1, 2018 in accordance with the terms of the issuer's bond agreement. The Series 2010 Bonds of the Issuer are also subject refunding; however, only on a parity basis subject to the terms of issuer's bond agreement. An early redemption and/or refunding would not affect the Borough's obligation to repay the principal portion of the loan in accordance with the original terms.
  
- \*\* The Series 2016 Spring Program Bonds of the NJEIT ("Issuer") are subject to optional redemption at the discretion of the Issuer. Bonds maturing on or after September 1, 2025 will be subject to redemption at 100% of par on or after September 1, 2024 in accordance with the terms of the issuer's bond agreement. The Series 2011 Bonds of the Issuer are also subject refunding; however, only on a parity basis subject to the terms of issuer's bond agreement. An early redemption and/or refunding would not affect the Borough's obligation to repay the principal portion of the loan in accordance with the original terms.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

State of New Jersey Environmental Infrastructure Trust Loans (NJEIT) (Continued)

	2010 Winter Program			
	Principal		Interest	Total
	Federal	State	State	
2017	\$ 20,593.21	\$ 5,000.00	\$ 4,250.00	\$ 29,843.21
2018	20,593.21	5,000.00	4,000.00	29,593.21
2019	20,593.21	5,000.00	3,750.00	29,343.21
2020	20,593.21	5,000.00	3,550.00	29,143.21
2021	20,593.21	5,000.00	3,300.00	28,893.21
	102,966.05	25,000.00	18,850.00	146,816.05
2022	20,593.21	10,000.00	3,150.00	33,743.21
2023	20,593.21	10,000.00	2,750.00	33,343.21
2024	20,593.21	10,000.00	2,350.00	32,943.21
2025	20,593.21	10,000.00	1,950.00	32,543.21
2026	20,593.21	10,000.00	1,550.00	32,143.21
	102,966.05	50,000.00	11,750.00	164,716.05
2027	20,593.21	10,000.00	1,200.00	31,793.21
2028	20,593.21	10,000.00	800.00	31,393.21
2029	20,593.41	10,000.00	400.00	30,993.41
	61,779.83	30,000.00	2,400.00	94,179.83
	\$ 267,711.93	\$ 105,000.00	\$ 33,000.00	\$ 405,711.93

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

State of New Jersey Environmental Infrastructure Trust Loans (NJEIT) (Continued)

	2016 Spring Program			
	Principal		Interest	Total
	Federal	State	State	
2017	\$ 30,741.75	\$ 5,000.00	\$ 7,062.50	\$ 42,804.25
2018	30,741.75	5,000.00	6,812.50	42,554.25
2019	30,741.75	10,000.00	6,562.50	47,304.25
2020	30,741.75	10,000.00	6,062.50	46,804.25
2021	30,741.75	10,000.00	5,562.50	46,304.25
	153,708.75	40,000.00	32,062.50	225,771.25
2022	30,741.75	10,000.00	5,062.50	45,804.25
2023	30,741.75	10,000.00	4,562.50	45,304.25
2024	30,741.75	10,000.00	4,062.50	44,804.25
2025	30,741.75	10,000.00	3,662.50	44,404.25
2026	30,741.75	10,000.00	3,262.50	44,004.25
	153,708.75	50,000.00	20,612.50	224,321.25
2027	30,741.75	10,000.00	2,862.50	43,604.25
2028	30,741.75	10,000.00	2,462.50	43,204.25
2029	30,741.75	10,000.00	2,262.50	43,004.25
2030	30,741.75	10,000.00	2,062.50	42,804.25
2031	30,741.75	10,000.00	1,862.50	42,604.25
	153,708.75	50,000.00	11,512.50	215,221.25
2032	30,741.75	10,000.00	1,650.00	42,391.75
2033	30,741.75	15,000.00	1,350.00	47,091.75
2034	30,741.75	15,000.00	900.00	46,641.75
2035	30,742.00	15,000.00	450.00	46,192.00
	122,967.25	55,000.00	4,350.00	182,317.25
	\$ 584,093.50	\$ 195,000.00	\$ 68,537.50	\$ 847,631.00

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

State of New Jersey Environmental Infrastructure Trust Loans (NJEIT) (Continued)

	Total NJEIT Programs			
	Principal		Interest	Total
	Federal	State	State	
2017	\$ 51,334.96	\$ 10,000.00	\$ 11,312.50	\$ 72,647.46
2018	51,334.96	10,000.00	10,812.50	72,147.46
2019	51,334.96	15,000.00	10,312.50	76,647.46
2020	51,334.96	15,000.00	9,612.50	75,947.46
2021	51,334.96	15,000.00	8,862.50	75,197.46
	256,674.80	65,000.00	50,912.50	372,587.30
2022	51,334.96	20,000.00	8,212.50	79,547.46
2023	51,334.96	20,000.00	7,312.50	78,647.46
2024	51,334.96	20,000.00	6,412.50	77,747.46
2025	51,334.96	20,000.00	5,612.50	76,947.46
2026	51,334.96	20,000.00	4,812.50	76,147.46
	256,674.80	100,000.00	32,362.50	389,037.30
2027	51,334.96	20,000.00	4,062.50	75,397.46
2028	51,334.96	20,000.00	3,262.50	74,597.46
2029	51,335.16	20,000.00	2,662.50	73,997.66
2030	30,741.75	10,000.00	2,062.50	42,804.25
2031	30,741.75	10,000.00	1,862.50	42,604.25
	215,488.58	80,000.00	13,912.50	309,401.08
2032	30,741.75	10,000.00	1,650.00	42,391.75
2033	30,741.75	15,000.00	1,350.00	47,091.75
2034	30,741.75	15,000.00	900.00	46,641.75
2035	30,742.00	15,000.00	450.00	46,192.00
	122,967.25	55,000.00	4,350.00	182,317.25
	\$ 851,805.43	\$ 300,000.00	\$ 101,537.50	\$ 1,253,342.93

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. MUNICIPAL DEBT (CONTINUED)

Combined Schedule of Water-Sewer Utility Capital Fund Indebtedness

Calendar Year	FHA Loan	MCIA Loan	NJEIT Loan	Total
2017	\$ 18,000.00	\$ 185,800.00	\$ 72,647.46	\$ 276,447.46
2018	18,000.00	181,000.00	72,147.46	271,147.46
2019	18,000.00	181,200.00	76,647.46	275,847.46
2020	18,000.00	181,150.00	75,947.46	275,097.46
2021	18,000.00	185,500.00	75,197.46	278,697.46
	<u>90,000.00</u>	<u>914,650.00</u>	<u>372,587.30</u>	<u>1,377,237.30</u>
2022	9,000.00	184,400.00	79,547.46	272,947.46
2023	-	179,000.00	78,647.46	257,647.46
2024	-	183,600.00	77,747.46	261,347.46
2025	-	184,700.00	76,947.46	261,647.46
2026	-	180,200.00	76,147.46	256,347.46
	<u>9,000.00</u>	<u>911,900.00</u>	<u>389,037.30</u>	<u>1,309,937.30</u>
2027	-	181,150.00	75,397.46	256,547.46
2028	-	136,950.00	74,597.46	211,547.46
2029	-	133,500.00	73,997.66	207,497.66
2030	-	137,750.00	42,804.25	180,554.25
2031	-	136,500.00	42,604.25	179,104.25
	<u>-</u>	<u>725,850.00</u>	<u>309,401.08</u>	<u>1,035,251.08</u>
2032	-	-	42,391.75	42,391.75
2033	-	-	47,091.75	47,091.75
2034	-	-	46,641.75	46,641.75
2035	-	-	46,192.00	46,192.00
2036	-	-	182,317.25	182,317.25
	<u>-</u>	<u>-</u>	<u>364,634.50</u>	<u>364,634.50</u>
<b>Total</b>	<u><u>\$ 99,000.00</u></u>	<u><u>\$ 2,552,400.00</u></u>	<u><u>\$ 1,435,660.18</u></u>	<u><u>\$ 4,087,060.18</u></u>

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 8. **MUNICIPAL DEBT (CONTINUED)**

**Bond Anticipation Notes**

There were no Bonds Anticipation Notes issued in either fund.

**Bonds and Notes Authorized but not Issued**

At December 31, 2016, the Borough had notes authorized but not issued as follows:

<u>Fund</u>	<u>Amount</u>
General Capital	\$ 112,250.00
Water-Sewer Utility Capital	<u>1,196,562.00</u>
	<u>\$ 1,308,812.00</u>

Note 9. **PENSION PLAN**

**Description of Systems**

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Pension Fund (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered cost sharing multiple-employer plans.

The PERS and PFRS issue a publicly available financial report that includes financial statements and required supplementary information and separate actuarial valuations. Those reports are available by visiting their website at [www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2014.pdf](http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2014.pdf).

**Public Employees' Retirement System**

The Public Employees' Retirement System (PERS) was established January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full-time employees and all that qualify of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after eight to ten years of service and twenty-five years for health care coverage. The following represents the membership tiers for PERS:

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 9. PENSION PLAN (CONTINUED)

Description of Systems (Continued)

Public Employees' Retirement System (Continued)

<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 2, 2008
3	Members who were eligible to enroll 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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 or more years of service credit before age 62 and tier 5 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 age at which a member can receive full early retirement benefits in accordance with their 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.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 9. PENSION PLAN (CONTINUED)

Contributions Required to be Made

Employee contributions for 2016 were 7.06% through June 30, 2016 and 7.20% thereafter for PERS. Employer's contributions are actuarially determined annually by the Division of Pensions. The Borough's contributions to the plan for the past three (3) years are as follows:

	<u>PERS</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Covered Payroll	\$ 167,640	\$ 142,960	\$ 123,077
Actuarial Contribution Requirements	12,961	37,299	30,228
Total Contributions Employer Share	12,961	37,299	30,228
Percent of Covered Employee - Payroll	7.87 %	12.82 %	11.45 %
Employee's Share	11,953	10,010	8,421
Percent of Covered Payroll	7.13 %	7.00 %	6.84 %

Pension (PERS) Accrual

The Borough is required to report on its financial statements on an "Other Comprehensive Basis of Accounting" (OCBOA) Regulatory Basis, which does not require an accrual for its obligations inclusive of pension. If the Borough were required to reflect the obligation under Generally Accepted Accounting Principles (GAAP) then an accrual for the PERS obligation due April 1, 2017 would be needed in the amount of \$15,813 since the obligation relates to the period December 31, 2016 and prior. The accrual (under GAAP) would affect the fund balance at yearend.



**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 9. PENSION PLAN (CONTINUED)

***Government-Wide Financial Statements GASB#68***

Public Employees Retirement System (PERS)

The information for PERS was abstracted from State of New Jersey Public Employees' Retirement System Schedules of Employer Allocations and Schedules of Pension Amounts by Employer as of June 30, 2016 and June 30, 2015 Independent Auditor's Report dated April 6, 2017 and April 14, 2016, respectively.

The Borough's reported liability of \$553,480.000 and \$356,638.00 for its proportionate share of the net pension liability at December 31, 2016 (*measurement date of June 30, 2016*) and December 31, 2015 (*measurement date of June 30, 2015*), respectively. The net pension liability was measured as of June 30, 2016 and June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

	June 30, ( <i>Measurement Date</i> )	
	<u>2016</u>	<u>2015</u>
Local Group Share		
Borough Proportionate Percentage	0.0018687829 %	0.0015882600 %
Difference - Increase	0.0002805229 %	

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 9. PENSION PLAN (CONTINUED)

***Government-Wide Financial Statements GASB#68 (Continued)***

**Public Employees Retirement System (PERS) (Continued)**

For the year ended December 31, 2016, the Borough's recognizable pension income of \$14,823.00. At December 31, 2016, the Borough reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 114,651	
Net difference between expected and actual experience	10,293	
Net difference between projected and actual investment earnings on pension plan investment	21,105	
Changes in proportion	45,712	\$ 275,997
Borough Contribution:		
Subsequent to Yearend	16,602	
Total	\$ 208,363	\$ 275,997

The \$208,363.00 reported as deferred outflows of resources related to pensions resulting from entities contributions subsequent to the measurement date (i.e. for the Borough year ending December 31, 2016, the plan measurement date is June 30, 2016) will be recognized as a reduction of the net pension liability in the Borough year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense based on local share is as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
2017	\$ 32,882
2018	32,882
2019	38,094
2020	32,009
2021	10,186

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 9. PENSION PLAN (CONTINUED)

***Government-Wide Financial Statements GASB#68 (Continued)***

Public Employees Retirement System (PERS) (Continued)

Additional Information:

Collective (local employers) balances at June 30, 2016 and June 30, 2015 are as follows:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Collective deferred outflows of resources	\$ 8,685,338,380	\$ 3,578,755,666
Collective deferred inflows of resources	\$ 870,133,595	\$ 993,410,455
Collective net pension liability	\$ 29,617,131,759	\$ 22,447,996,119
Borough's proportion (of Local Group)	0.0018687824 %	0.0015882600 %

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which rolled forward to June 30, 2016. The total pension liability for the December 31, 2016 measurement date was determined by an actuarial valuation as of June 30, 2016. This actuarial valuation used the following assumptions:

Inflation	3.08 Percent
Salary Increases:	
Through 2026	1.65 - 4.15 Percent (based on age)
Thereafter	2.65 – 5.15 Percent (based on age)
Investment Rate of Return	7.65 Percent

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 9. PENSION PLAN (CONTINUED)

***Government-Wide Financial Statements GASB#68 (Continued)***

Public Employees Retirement System (PERS) (Continued)

Mortality Rates

Pre-retirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments 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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table:

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 9. PENSION PLAN (CONTINUED)

***Government-Wide Financial Statements GASB #68 (Continued)***

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00 %	0.87 %
U.S. Treasuries	1.50	1.74
Investment Grade Credit	8.00	1.79
Mortgages	2.00	1.67
High Yield Bonds	2.00	4.56
Inflation-Indexed Bonds	1.50	3.44
Broad U.S. Equities	26.00	8.53
Developed Foreign Equities	13.25	6.83
Emerging Market Equities	6.50	9.95
Private Equity	9.00	12.40
Hedge Funds / Absolute Return	12.50	4.68
Real Estate (Property)	2.00	6.91
Commodities	0.50	5.45
Global Debt ex U.S.	5.00	-0.25
REIT	5.25	5.63
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 3.98% as of June 30, 2016. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% as of June 30, 2016 based on 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. 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 the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 9. PENSION PLAN (CONTINUED)

***Government-Wide Financial Statements GASB #68 (Continued)***

Public Employees Retirement System (PERS) (Continued)

Sensitivity of The Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2016 and June 30, 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

		December 31, 2016		
		1% Decrease	At Current	1% Increase
		<u>2.98%</u>	Discount Rate	<u>4.98%</u>
		<u>3.98%</u>		
Borough's proportionate share of the pension liability	\$	678,225	\$	553,480
			\$	449,769
		December 31, 2015		
		1% Decrease	At Current	1% Increase
		<u>3.90%</u>	Discount Rate	<u>5.90%</u>
		<u>4.90%</u>		
Borough's proportionate share of the pension liability	\$	443,126	\$	356,538
			\$	283,932

Pension Plan Fiduciary Net Position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS) or by visiting their website at [www.state.nj.us/treasury/pensions/pers1](http://www.state.nj.us/treasury/pensions/pers1).

Note 10. POST EMPLOYMENT HEALTH BENEFITS

The Borough presently does not provide for Post Employment Health Benefits upon retirement.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 11. DEFERRED COMPENSATION PLAN

The Borough of Roosevelt offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq., and the Internal Revenue Code, Section 457. The Plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The "Small Business Job Protective Act of 1996" modified several provisions of Section 457 of the Internal Revenue Code. The most significant change in the law related to the ownership of the fund.

All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the employees. The Deferred Compensation Plan is administered by the Equitable Life Assurance Company.

Note 12. INTERFUNDS RECEIVABLE/PAYABLE

Interfund receivable and payable balances at December 31, 2016 were as follows:

	<u>Due From</u>	<u>Due To</u>
Current Fund	\$ 446,276.04	\$ 31,703.78
Grant Fund	31,703.78	
General Capital Fund	9,345.00	
Water-Sewer Utility Operating Fund	411,198.30	284,529.79
Water-Sewer Utility Capital Fund	<u>                    </u>	<u>582,289.55</u>
	<u>\$ 898,523.12</u>	<u>\$ 898,523.12</u>

Note 13. RISK MANAGEMENT

The Borough together with other governmental units are members of the Monmouth County Municipal Joint Insurance Fund (the "Fund"). The Fund, which is organized and operated pursuant to the regulatory authority of the Departments of Insurance and Community Affairs, State of New Jersey, provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained cost effective reinsurance and excess liability coverages for participant local units.

For the year ending December 31, 2016, the Fund provided coverage for Property, Boiler and Machinery, Automobile, General Liability, Workmen's Compensation and Public Employee Blanket Bond.

**BOROUGH OF ROOSEVELT**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2016**

Note 13. RISK MANAGEMENT (CONTINUED)

The Borough has contracted with a private insurance carrier related to public officials' surety bond coverage and public officials' liability insurance. The coverage is subject to certain policy limits and deductible amounts. The coverage is designed to minimize the impact of any potential losses to the Borough for matters which may have been caused or related to the Borough or its employees. The Borough's employees are covered through the State of New Jersey Health Benefits Program.

Note 14. CONTINGENT LIABILITIES

A. Litigation

There are no matters of litigation that would, in the result of an adverse opinion, have a material impact on the financial condition of the Borough.

B. Grants

The Borough of Roosevelt participates in federally and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The Borough is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

C. Compensated Absences

The Borough allows employees to carryover unused vacation days at the end of the year. The amount of liability is minimal. Unused sick time does not accumulate and therefore no liability exists as of December 31, 2016.

D. State Tax Appeals

There was one state tax appeal pending at December 31, 2016. The outcome as of the date of this report has not been determined; however, in the event of an adverse ruling it is not expected to have a negative impact on the financial condition of the Borough.



**COMBINING AND INDIVIDUAL FUND AND**  
**ACCOUNTS STATEMENTS**

**CURRENT FUND**

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ <u>921,642.19</u>	\$ <u>1,340,563.41</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	\$ 39,809.83	\$ 43,107.26
Tax Title Liens	9,094.47	5,873.74
Foreclosed Property	181,700.00	181,700.00
Revenue Accounts Receivable	1,135.04	65.56
Interfunds Receivable:		
Due From Water-Sewer Operating Fund	284,529.79	173,572.86
Due From Water-Sewer Capital Fund	<u>161,746.25</u>	<u>                    </u>
	\$ <u>678,015.38</u>	\$ <u>404,319.42</u>
Total Current Fund	\$ <u>1,599,657.57</u>	\$ <u>1,744,882.83</u>
Grant Fund:		
Due from Current Fund	\$ 31,703.78	\$ 35,326.66
Grants Receivable	<u>5,893.19</u>	<u>                    </u>
Total Grant Fund	\$ <u>37,596.97</u>	\$ <u>35,326.66</u>
Total Assets	\$ <u><u>1,637,254.54</u></u>	\$ <u><u>1,780,209.49</u></u>

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -**  
**REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 114,416.34	\$ 149,738.83
Reserve for Encumbrances	19,360.01	18,346.37
Prepaid Taxes	6,296.77	6,938.45
Tax Overpayments		250.00
Accounts Payable	8,021.00	3,900.00
Due to State of New Jersey - Chapter 20 P.L. 1971	1,124.89	1,124.89
Local District School Tax Payable	296,532.50	313,990.50
Interfunds Payable - Due to Grant Fund	31,703.78	35,326.66
Due County for Added and Omitted Taxes	81.76	314.16
Reserve for: Cable Television, Appropriated	<u>5,000.00</u>	<u>5,000.00</u>
 Total Liabilities	 <u>\$ 482,537.05</u>	 <u>\$ 534,929.86</u>
 Reserve for Receivables and Other Assets	 <u>\$ 678,015.38</u>	 <u>\$ 404,319.42</u>
 Fund Balance	 <u>\$ 439,105.14</u>	 <u>\$ 805,633.55</u>
 Total Current Fund	 <u>\$ 1,599,657.57</u>	 <u>\$ 1,744,882.83</u>
Grant Fund:		
Appropriated Reserves	\$ 32,086.97	\$ 32,816.66
Reserve for Encumbrances	<u>5,510.00</u>	<u>2,510.00</u>
 Total Grant Fund	 <u>\$ 37,596.97</u>	 <u>\$ 35,326.66</u>
 Total Liabilities, Reserves and Fund Balance	 <u><u>\$ 1,637,254.54</u></u>	 <u><u>\$ 1,780,209.49</u></u>

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 391,000.00	\$ 322,500.00
Miscellaneous Revenues Anticipated	15,085.00	10,136.50
State Aid	81,849.00	81,849.00
Grants	17,000.00	4,250.00
Receipts from Delinquent Taxes	45,169.46	53,207.77
Receipts from Current Taxes	755,772.78	749,830.74
Nonbudget Revenue	39,422.11	47,323.11
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	91,630.78	131,626.03
Current Appropriations Cancelled	26,445.10	17,179.00
Prior Year Interfunds Liquidated		91,056.33
2014 Appropriation Reserves:		
Water-Sewer Utility Operating		9,266.86
Allocated to School and County Taxes	<u>1,825,686.99</u>	<u>1,880,297.45</u>
 Total Income	 <u>\$ 3,289,061.22</u>	 <u>\$ 3,398,522.79</u>
 Expenditures:		
Budget Appropriations:		
Within "CAPS":		
General Government	\$ 326,187.00	\$ 298,085.00
Land Use	30,693.00	23,093.00
Insurance	41,356.00	40,500.00
Public Safety	52,750.00	57,050.00
Public Works	150,170.00	139,650.00
Health and Human Services	16,700.00	19,000.00
Parks and Recreation	28,442.00	26,392.00
Utilities	37,200.00	35,000.00
Other Common Functions	2,000.00	1,000.00
Sanitation	31,000.00	35,000.00
Deferred Charges and Statutory Expenditures	60,445.00	52,965.00

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Expenditures (Continued):		
Budget Appropriations (Continued):		
Excluded from "CAPS":		
Insurance	\$ 144.00	
Public Safety	7,421.00	\$ 7,421.00
Sanitation	64,400.00	62,400.00
General Government	36,400.00	35,700.00
Grant Programs	17,000.00	4,250.00
Capital Improvements	45,000.00	58,000.00
Debt Service	14,000.00	14,200.00
Deferred Charges and Statutory Expenditures	24,891.46	7,759.50
Reserve for Uncollected Taxes	180,000.00	170,000.00
Local District School Taxes	1,577,451.00	1,612,369.00
County Taxes	248,154.23	267,614.29
County Taxes - Added and Omitted	81.76	314.16
Interfund Advanced	<u>272,703.18</u>	<u>104,367.14</u>
 Total Expenditures	 \$ <u>3,264,589.63</u>	 \$ <u>3,072,130.09</u>
 Excess in Revenue over Expenditures	 \$ 24,471.59	 \$ 326,392.70
 Fund Balance, January 1	 <u>805,633.55</u>	 <u>801,740.85</u>
	\$ 830,105.14	\$ 1,128,133.55
Decreased By:		
Utilized As Anticipated Revenue	<u>391,000.00</u>	<u>322,500.00</u>
 Fund Balance, December 31	 <u><u>\$ 439,105.14</u></u>	 <u><u>\$ 805,633.55</u></u>

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

	Budget as <u>Modified</u>	Realized	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 391,000.00	\$ 391,000.00	_____
Miscellaneous Revenue Anticipated:			
State Aid Without Offsetting Appropriations:			
Consolidated Municipal Property Tax Relief Aid	\$ 3,150.00	\$ 3,150.00	
Energy Receipts Tax	<u>78,699.00</u>	<u>78,699.00</u>	_____
	\$ <u>81,849.00</u>	\$ <u>81,849.00</u>	_____
Public and Private Programs Offset With Appropriations:			
Clean Communities Program	\$ 4,000.00	\$ 4,000.00	
Sustainable New Jersey Small Grant	2,000.00	2,000.00	
Green Communities Grant	3,000.00	3,000.00	
Recreational Trails Grant	<u>8,000.00</u>	<u>8,000.00</u>	_____
	\$ <u>17,000.00</u>	\$ <u>17,000.00</u>	_____
Other Special Items:			
Recreation Fees	\$ <u>10,000.00</u>	\$ <u>15,085.00</u>	\$ <u>5,085.00</u>
Total Miscellaneous Revenue Anticipated	\$ <u>108,849.00</u>	<u>113,934.00</u>	<u>5,085.00</u>
Receipts from Delinquent Taxes	\$ <u>45,000.00</u>	\$ <u>45,169.46</u>	\$ <u>169.46</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ <u>621,350.46</u>	\$ <u>755,772.78</u>	\$ <u>134,422.32</u>
Budget Totals	\$ 1,166,199.46	\$ 1,305,876.24	\$ 139,676.78
Nonbudget Revenue	_____	<u>39,422.11</u>	<u>39,422.11</u>
	\$ <u>1,166,199.46</u>	\$ <u>1,345,298.35</u>	\$ <u>179,098.89</u>

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<b><u>GENERAL GOVERNMENT FUNCTIONS</u></b>						
General Administration:						
Salaries and Wages	\$ 58,956.00	\$ 58,956.00	\$ 57,800.00		\$ 1,156.00	
Data Processing	12,000.00	13,100.00	10,986.09		2,113.91	
Other Expenses	14,800.00	16,400.00	15,104.82	\$ 465.73	829.45	
Mayor and Council:						
Other Expenses	1,500.00	1,500.00	1,428.38		71.62	
Municipal Clerk:						
Salaries and Wages	42,601.00	42,601.00	40,713.16		1,887.84	
Other Expenses	12,400.00	10,400.00	8,424.03	848.82	1,127.15	
Financial Administration:						
Salaries and Wages	21,873.00	21,873.00	20,657.96		1,215.04	
Other Expenses	4,650.00	4,650.00	2,214.95	2,285.48	149.57	
Audit Services:						
Other Expenses	11,100.00	11,100.00	10,750.00		350.00	
Revenue Administration:						
Salaries and Wages	8,140.00	8,140.00	8,140.00			
Other Expenses	7,750.00	6,200.00	2,947.76	3,050.00	202.24	
Tax Assessment Administration:						
Salaries and Wages	9,167.00	9,167.00	8,987.00		180.00	
Other Expenses	3,600.00	2,100.00	1,267.22		832.78	
Legal Services and Costs:						
Other Expenses	95,000.00	95,000.00	87,697.11	570.00	6,732.89	
Engineering Services and Costs:						
Other Expenses	22,000.00	25,000.00	20,986.77	2,500.00	1,513.23	
<b><u>LAND USE ADMINISTRATION</u></b>						
Planning Board:						
Salaries and Wages	4,100.00	4,100.00	1,187.50		2,912.50	
Other Expenses	8,833.00	13,833.00	8,587.12		5,245.88	
Zoning Officer:						
Salaries and Wages	8,400.00	8,400.00	5,287.84		3,112.16	
Other Expenses	800.00	800.00	72.06		727.94	
Code Enforcement:						
Salaries and Wages	1,112.00	1,112.00	500.00		612.00	
Housing Inspection:						
Salaries and Wages	2,448.00	2,448.00	1,900.00		548.00	



**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<b><u>INSURANCE</u></b>						
Purchase of Insurance:						
Liability	\$ 13,000.00	\$ 13,000.00	\$ 12,708.36		\$ 291.64	
Worker Compensation	16,000.00	16,000.00	15,821.82		178.18	
Employee Group Plans	13,856.00	10,856.00	5,556.12	\$ 1,872.36	3,427.52	
Unemployment Compensation Insurance	1,500.00	1,500.00	1,061.93		438.07	
<b><u>PUBLIC SAFETY FUNCTIONS</u></b>						
Office of Emergency Management:						
Other Expenses	500.00	500.00	15.17		484.83	
Aid to Volunteer First Aid:						
Other Expenses	16,650.00	16,650.00	16,650.00			
Fire Department:						
Other Expenses	20,500.00	20,500.00	10,565.80	1,567.50	8,366.70	
School Crossing Guards:						
Salaries and Wages	10,000.00	9,000.00	7,970.11		1,029.89	
Municipal Court:						
Other Expenses	6,000.00	6,000.00	6,000.00			
Public Defender:						
Other Expenses	100.00	100.00			100.00	
<b><u>PUBLIC WORKS FUNCTIONS</u></b>						
Streets and Road Maintenance:						
Salaries and Wages	20,000.00	20,000.00	10,224.24		9,775.76	
Other Expenses	40,000.00	38,500.00	33,765.66	1,406.88	3,327.46	
Solid Waste Collection:						
Other Expenses	23,870.00	23,870.00	23,370.00		500.00	
Public Buildings and Grounds:						
Other Expenses	63,100.00	67,100.00	63,511.29	1,750.69	1,838.02	
Vehicle Maintenance:						
Other Expenses	1,400.00	700.00	127.95	65.00	507.05	
<b><u>HEALTH AND HUMAN SERVICES FUNCTIONS</u></b>						
Public Health Services:						
Other Expenses	9,000.00	9,000.00	6,045.00		2,955.00	
Environmental Commission:						
Salaries and Wages	2,200.00	2,200.00	1,793.40		406.60	
Other Expenses	4,000.00	4,000.00	508.20	274.38	3,217.42	
Animal Control:						
Other Expenses	1,500.00	1,500.00	302.00		1,198.00	

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>PARK AND RECREATION FUNCTIONS</u>						
Recreation Services and Programs:						
Salaries and Wages	\$ 20,092.00	\$ 20,442.00	\$ 20,222.02		\$ 219.98	
Other Expenses	10,000.00	8,000.00	5,913.83	\$ 310.17	1,776.00	
<u>OTHER COMMON OPERATING FUNCTIONS</u>						
Celebration of Public Events:						
Other Expenses	2,000.00	2,000.00	2,000.00			
<u>UTILITY EXPENSE AND BULK PURCHASES</u>						
Electricity	4,500.00	6,700.00	4,853.44	475.00	1,371.56	
Street Lighting	12,000.00	12,000.00	8,254.59	800.00	2,945.41	
Telephone	7,000.00	7,000.00	4,809.45	460.00	1,730.55	
Gas (Natural and Propane)	9,000.00	9,000.00	4,103.71	650.00	4,246.29	
Gasoline	2,500.00	2,500.00	530.82	8.00	1,961.18	
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u>						
Landfill Tipping Fees:						
Other Expenses	35,000.00	31,000.00	27,216.94		3,783.06	
 Total Operations within "CAPS"	 716,498.00	 716,498.00	 609,541.62	 19,360.01	 87,596.37	
 Total Operations Including Contingent - within "CAPS"	 \$ 716,498.00	 \$ 716,498.00	 \$ 609,541.62	 \$ 19,360.01	 \$ 87,596.37	
 Detail:						
Salaries and Wages	\$ 209,089.00	\$ 208,439.00	\$ 185,383.23		\$ 23,055.77	
Other Expenses (Including Contingent)	507,409.00	508,059.00	424,158.39	\$ 19,360.01	64,540.60	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>						
Deferred Charges:						
Anticipated Deficit Water-Sewer Utility	\$ 26,445.00	\$ 26,445.00				\$ 26,445.00
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System:						
Other Expenses	15,000.00	15,000.00	\$ 2,681.00		\$ 12,319.00	
Social Security System (O.A.S.I.)	14,000.00	14,000.00	13,922.74		77.26	
Defined Contribution Benefit Plan	5,000.00	5,000.00			5,000.00	
 Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	 \$ 60,445.00	 \$ 60,445.00	 \$ 16,603.74		 \$ 17,396.26	 \$ 26,445.00

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Total General Appropriations for Municipal Purposes within "CAPS"	\$ 776,943.00	\$ 776,943.00	\$ 626,145.36	\$ 19,360.01	\$ 104,992.63	\$ 26,445.00
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Other Operations - Excluded from "CAPS":						
Employee Group Health Insurance (P.L. 2007, C.62)						
Other Expenses	\$ 144.00	144.00	144.00			
Recycling Tax	1,400.00	\$ 1,400.00	\$ 1,066.56		\$ 333.44	
Total Other Operations - Excluded from "CAPS"	<u>1,544.00</u>	<u>1,544.00</u>	<u>1,210.56</u>		<u>333.44</u>	
Shared Service Agreements:						
Solid Waste Collection( Borough of Hightstown)						
Other Expenses	63,000.00	63,000.00	63,000.00			
911 Communication Center (County of Monmouth)						
Other Expenses	7,421.00	7,421.00	7,420.20		0.80	
Borough Clerk Services( Borough of Hightstown)						
Other Expenses	36,400.00	36,400.00	27,310.53		9,089.47	
Total Shared Service Agreements	<u>106,821.00</u>	<u>106,821.00</u>	<u>97,730.73</u>		<u>9,090.27</u>	
Public and Private Programs Offset by Revenues:						
Clean Communities Program	4,000.00	4,000.00	4,000.00			
Sustainable New Jersey Small Grant	2,000.00	2,000.00	2,000.00			
Green Communities Grant	3,000.00	3,000.00	3,000.00			
Recreational Trails Grant	8,000.00	8,000.00	8,000.00			
Total Public and Private Programs Offset by Revenues	<u>17,000.00</u>	<u>17,000.00</u>	<u>17,000.00</u>			
Total Operations - Excluded from "CAPS"	\$ <u>125,365.00</u>	\$ <u>125,365.00</u>	\$ <u>115,941.29</u>		\$ <u>9,423.71</u>	
Detail:						
Other Expenses	\$ 125,365.00	\$ 125,365.00	\$ 115,941.29		\$ 9,423.71	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund						
EMS/Fire Feasibility	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00			
	15,000.00	15,000.00	15,000.00	\$	\$	
Total Capital Improvements Excluded from "CAPS"	\$ <u>45,000.00</u>	\$ <u>45,000.00</u>	\$ <u>45,000.00</u>	\$	\$	

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00			
Interest on Bonds	<u>4,000.00</u>	<u>4,000.00</u>	<u>4,000.00</u>			
Total Municipal Debt Service Excluded from "CAPS"	<u>14,000.00</u>	<u>14,000.00</u>	<u>14,000.00</u>			
Deferred Charges - Municipal - Excluded From "CAPS"						
Deferred Charges to Future Taxation - Unfunded - Ord. 260 Nurko Road Improvements	<u>24,891.46</u>	<u>24,891.46</u>	<u>24,891.36</u>			\$ 0.10
Total Def. Charges - Municipal - Excluded From "CAPS"	<u>24,891.46</u>	<u>24,891.46</u>	<u>24,891.36</u>			<u>0.10</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>209,256.46</u>	<u>209,256.46</u>	<u>199,832.65</u>		\$ 9,423.71	<u>0.10</u>
Total General Appropriations - Excluded from "CAPS"	\$ <u>209,256.46</u>	\$ <u>209,256.46</u>	\$ <u>199,832.65</u>		\$ <u>9,423.71</u>	<u>0.10</u>
Subtotal General Appropriations	\$ 986,199.46	\$ 986,199.46	\$ 825,978.01	\$ 19,360.01	\$ 114,416.34	\$ 26,445.10
<u>RESERVE FOR UNCOLLECTED TAXES</u>	<u>180,000.00</u>	<u>180,000.00</u>	<u>180,000.00</u>			
Total General Appropriations	\$ <u><u>1,166,199.46</u></u>	\$ <u><u>1,166,199.46</u></u>	\$ <u><u>1,005,978.01</u></u>	\$ <u><u>19,360.01</u></u>	\$ <u><u>114,416.34</u></u>	\$ <u><u>26,445.10</u></u>

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance	Tax	Added	Collections		State Share	Transfer	Balance
	December 31, 2015			Levy	Taxes			
2015	\$ 43,107.26		\$ 2,062.20		\$ 45,169.46			
2016		\$ 2,444,490.36		\$ 6,938.45	2,390,271.32	\$ 4,250.00	\$ 3,220.76	\$ 39,809.83
	<u>\$ 43,107.26</u>	<u>\$ 2,444,490.36</u>	<u>\$ 2,062.20</u>	<u>\$ 6,938.45</u>	<u>\$ 2,435,440.78</u>	<u>\$ 4,250.00</u>	<u>\$ 3,220.76</u>	<u>\$ 39,809.83</u>

Detail:

Cash Received	\$ 2,390,271.32
Senior Citizen and Veterans Deductions	4,250.00
Prepaid Taxes	<u>6,938.45</u>
	<u>\$ 2,401,459.77</u>

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

ANALYSIS OF 2016 PROPERTY TAX LEVY

Tax Yield

General Purpose Taxes		\$ 2,443,687.32
Added Taxes (54:4-63.1et. Seq.)		<u>803.04</u>
		<u>\$ 2,444,490.36</u>

Tax Levy

Local District School Taxes		\$ 1,577,451.00
County Taxes:		
County Taxes	\$ 216,489.54	
County Library Tax	14,863.99	
County Health Tax	4,363.25	
County Open Space Tax	12,437.45	
County Added and Omitted Taxes	<u>81.76</u>	
Total County Taxes		<u>248,235.99</u>
		\$ 1,825,686.99
Local Tax for Municipal Purpose	\$ 621,350.46	
Less: Tax Levy Deficit	<u>(2,547.09)</u>	<u>618,803.37</u>
Total Tax Levy		<u>\$ 2,444,490.36</u>

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF TAX TITLE LIENS RECEIVABLE**

<u>BALANCE, DECEMBER 31, 2015</u>	\$ 5,873.74
<u>INCREASED BY</u>	
Transferred from Taxes Receivable	3,220.76
<u>DECREASED BY</u>	
Adjustment	<u>0.03</u>
<u>BALANCE, DECEMBER 31, 2016</u>	\$ <u><u>9,094.47</u></u>

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF 2015 APPROPRIATION RESERVES**

	Balance December 31, 2015		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>			
<b>Salaries and Wages:</b>					
Operations - Within "CAPS":					
General Administration	\$ 32.67		\$ 32.67		\$ 32.67
Municipal Clerk	10,511.09		4,511.09	\$ 440.10	4,070.99
Financial Administration	1,215.00		1,215.00		1,215.00
Tax Assessment Administration	180.00		180.00		180.00
Planning Board	2,594.90		2,594.90		2,594.90
Zoning Officer	123.00		123.00		123.00
School Crossing Guards	3,929.66		1,929.66		1,929.66
Streets and Road Maintenance	121.27		2,121.27	126.00	1,995.27
Environmental Commission	1,296.25		1,296.25	1,278.90	17.35
Recreation Services and Programs	30.62		30.62		30.62
Code Enforcement	12.00		12.00		12.00
Housing Inspection	948.00		948.00		948.00
<b>Total Salaries and Wages</b>	<b>\$ 20,994.46</b>		<b>\$ 14,994.46</b>	<b>\$ 1,845.00</b>	<b>\$ 13,149.46</b>
<b>Other Expenses:</b>					
Operations - Within "CAPS":					
General Administration:					
Data Processing	\$ 731.00		\$ 731.00	\$ 200.00	\$ 531.00
Other Expenses	233.12	\$ 728.17	1,461.29	1,340.25	121.04
Mayor and Council	28.60	19.48	48.08		48.08
Municipal Clerk	1,742.06	2,003.87	10,245.93	8,066.61	2,179.32
Financial Administration	1,699.89	133.25	1,833.14	148.25	1,684.89
Audit Services	350.00		350.00		350.00
Revenue Administration	6,299.40		3,799.40	20.50	3,778.90
Tax Assessment Administration	1,217.60		1,217.60	565.00	652.60
Legal Services and Costs	13,962.42		13,962.42	6,861.59	7,100.83
Engineering Services and Costs	3,570.75		3,570.75	505.00	3,065.75
Planning Board	6,560.24	5.29	6,565.53	302.59	6,262.94
Zoning Officer	750.00		750.00		750.00
Purchase of Insurance:					
Liability	1,197.60		1,197.60		1,197.60
Worker Compensation	1,279.70		1,279.70		1,279.70
Employee Group Plans	6,125.09		6,125.09	1,802.82	4,322.27
Unemployment Compensation Insurance	469.77		469.77	227.25	242.52



**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF 2015 APPROPRIATION RESERVES**

	Balance December 31, 2015				
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrances</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Other Expenses(Continued):					
Operations - Within "CAPS": (Continued)					
Office of Emergency Management	\$ 523.03		\$ 523.03		\$ 523.03
Fire Department	781.77	\$ 2,602.83	4,884.60	\$ 4,327.83	556.77
Public Defender	100.00		100.00		100.00
Streets and Road Maintenance	4,277.89		4,277.89	450.19	3,827.70
Solid Waste Collection	200.00		200.00		200.00
Public Buildings and Grounds	1,403.06	7,575.48	8,978.54	7,959.42	1,019.12
Vehicle Maintenance	1,232.89		1,232.89		1,232.89
Public Health Services	2,955.00		2,955.00	1,860.00	1,095.00
Environmental Commission	146.58	4,900.00	5,046.58		5,046.58
Animal Control	289.00		289.00		289.00
Recreation Services and Programs	4,004.04	83.00	4,087.04	83.00	4,004.04
Electricity	1,111.97		1,111.97	258.93	853.04
Street Lighting	3,766.22		3,766.22	735.59	3,030.63
Telephone	1,562.73		1,562.73	412.03	1,150.70
Gas (Natural and Propane)	4,279.90		4,279.90	513.24	3,766.66
Gasoline	1,509.24		1,509.24	60.38	1,448.86
Landfill Tipping Fees	10,954.48		10,954.48	2,468.21	8,486.27
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	4,121.00		4,121.00	4,121.00	
Social Security System (O.A.S.I.)	3,000.77		3,000.77	141.14	2,859.63
Defined Contribution Benefit Plan	5,000.00		5,000.00		5,000.00
Operations - Excluded from "CAPS":					
Recycling Tax	325.16		325.16		325.16
Shared Services:					
Borough Clerk Services (Borough of Hightstown)	9,121.10		9,121.10	9,023.10	98.00
911 Communications Center(County of Monmouth)	0.80		0.80		0.80
Capital Improvements - Excluded from "CAPS":					
Municipal Building Improvements	<u>21,860.50</u>	<u>295.00</u>	<u>22,155.50</u>	<u>22,155.50</u>	
 Total Other Expenses	 <u>\$ 128,744.37</u>	 <u>\$ 18,346.37</u>	 <u>\$ 153,090.74</u>	 <u>\$ 74,609.42</u>	 <u>\$ 78,481.32</u>
 Grand Total	 <u>\$ 149,738.83</u>	 <u>\$ 18,346.37</u>	 <u>\$ 168,085.20</u>	 <u>\$ 76,454.42</u>	 <u>\$ 91,630.78</u>

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND**  
**STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

<u>BALANCE, DECEMBER 31, 2015</u>		
School Tax Payable	\$ 313,990.50	
School Tax Deferred	<u>491,850.50</u>	\$ 805,841.00
 <u>INCREASED BY</u>		
Levy - School Year July 1, 2016 to June 30, 2017		<u>1,577,451.00</u>
		\$ 2,383,292.00
 <u>DECREASED BY</u>		
Payments		<u>1,594,909.00</u>
 <u>BALANCE, DECEMBER 31, 2016</u>		 <u><u>\$ 788,383.00</u></u>
 <u>ANALYSIS OF BALANCE</u>		
School Tax Payable	\$ 296,532.50	
School Tax Deferred	<u>491,850.50</u>	
	 <u>\$ 788,383.00</u>	
 <u>2016 LIABILITY FOR LOCAL SCHOOL TAX</u>		
Tax Paid		\$ 1,594,909.00
Less: Tax Payable, December 31, 2015		<u>313,990.50</u>
		\$ 1,280,918.50
 Add: Tax Payable, December 31, 2016		 <u>296,532.50</u>
 <u>AMOUNT CHARGED TO OPERATIONS</u>		 <u><u>\$ 1,577,451.00</u></u>

**BOROUGH OF ROOSEVELT**  
**GRANT FUND**  
**STATEMENT OF GRANTS RECEIVABLE**

<u>Grant</u>	<u>2016 Revenue Realized</u>	<u>Decreased by Cash Receipt</u>	<u>Balance December 31, 2016</u>
	<u>As Adopted</u>		
Federal:			
Green Communities Grant	\$ 3,000.00		\$ 3,000.00
Recreational Trails Grant	8,000.00	\$ 5,106.81	2,893.19
State:			
Clean Communities Program	4,000.00	4,000.00	
Other:			
Sustainable NJ - Small Grant	<u>2,000.00</u>	<u>2,000.00</u>	<u>                    </u>
	<u>\$ 17,000.00</u>	<u>\$ 11,106.81</u>	<u>5,893.19</u>

**BOROUGH OF ROOSEVELT**  
**GRANT FUND**  
**STATEMENT OF APPROPRIATED RESERVES**

<u>Grant</u>	Balance December 31, <u>2015</u>	2016 Budget Appropriation <u>As Adopted</u>	<u>Decreased by</u>  <u>Disbursed</u>	Balance December 31, <u>2016</u>
State:				
NJ DEP:				
Recycling Tonnage Grant	\$ 10,116.81		\$ 1,305.00	\$ 8,811.81
Clean Communities Program	21,740.67	\$ 4,000.00	5,855.23	19,885.44
Sustainable New Jersey Small Grant	105.87	2,000.00	1,614.19	491.68
Green Communities Grant		3,000.00	3,000.00	
Recreational Trails Grant		8,000.00	5,955.27	2,044.73
Fund for Roosevelt	336.50			336.50
Municipal Alcohol Education and Rehabilitation Fund	266.81			266.81
JIF Safety Grant	<u>250.00</u>			<u>250.00</u>
	<u>\$ 32,816.66</u>	<u>\$ 17,000.00</u>	<u>\$ 17,729.69</u>	<u>\$ 32,086.97</u>

**TRUST AND AGENCY FUND**

**BOROUGH OF ROOSEVELT**  
**TRUST AND AGENCY FUND**  
**COMBINING BALANCE SHEETS - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

	<u>Expendable Trust</u>				<u>Agency</u>		<u>Totals</u>	
	<u>Animal Control</u>		<u>Trust Other</u>		<u>Payroll</u>		<u>2016</u>	<u>2015</u>
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>		
<b><u>ASSETS</u></b>								
Cash and Cash Equivalents	\$ 396.80	\$ 438.80	\$ 52,313.55	\$ 64,483.55	\$ 2,132.12	2,133.47	\$ 54,842.47	\$ 67,055.82
Receivables and Other Assets:								
Interfund Receivable - Due from Water-Sewer Operating Fund				12,500.00				12,500.00
<b>Total Assets and Other Debits</b>	<b>\$ <u>396.80</u></b>	<b>\$ <u>438.80</u></b>	<b>\$ <u>52,313.55</u></b>	<b>\$ <u>76,983.55</u></b>	<b>\$ <u>2,132.12</u></b>	<b><u>2,133.47</u></b>	<b>\$ <u>54,842.47</u></b>	<b>\$ <u>79,555.82</u></b>
<b><u>LIABILITIES AND RESERVES</u></b>								
Liabilities and Reserves:								
Due to State of New Jersey	\$ 8.40	\$ 8.40					\$ 8.40	\$ 8.40
Payroll Deductions Payable					\$ 2,132.12	2,133.47	2,132.12	2,133.47
Reserves	<u>388.40</u>	<u>430.40</u>	<u>\$ 52,313.55</u>	<u>\$ 76,983.55</u>			<u>52,701.95</u>	<u>77,413.95</u>
<b>Total Liabilities and Reserves</b>	<b>\$ <u>396.80</u></b>	<b>\$ <u>438.80</u></b>	<b>\$ <u>52,313.55</u></b>	<b>\$ <u>76,983.55</u></b>	<b>\$ <u>2,132.12</u></b>	<b><u>2,133.47</u></b>	<b>\$ <u>54,842.47</u></b>	<b>\$ <u>79,555.82</u></b>

**BOROUGH OF ROOSEVELT**  
**TRUST FUND**  
**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

<u>BALANCE, DECEMBER 31, 2015</u>		\$	430.40
 <u>INCREASED BY</u>			
Dog License Fees	\$	490.00	
Late Fees/Miscellaneous		68.00	558.00
			\$ 988.40
 <u>DECREASED BY</u>			
Expenditures			600.00
 <u>BALANCE, DECEMBER 31, 2016</u>		 \$	 <u><u>388.40</u></u>

BOROUGH LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2014	397.00
2015	360.00
	 \$ <u><u>757.00</u></u>

AUDITOR'S NOTE:

R.S. 4:19-15.11

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

**BOROUGH OF ROOSEVELT**  
**TRUST OTHER FUND**  
**STATEMENT OF RESERVE FOR TRUST DEPOSITS**

	Balance December 31, <u>2015</u>	Increased By Receipts	Decreased By Disbursed	Balance December 31, <u>2016</u>
Parking Offense	\$ 11.00			\$ 11.00
Historical Commission Donations	315.00			315.00
Recreation Donations	250.00			250.00
Fire Department Donations	100.00			100.00
Escrow Funds	18,650.55	\$ 3,106.45	\$ 3,106.45	18,650.55
Third Party Lien Redemption		176,637.91	176,637.91	
Tax Sale Premiums	57,500.00		25,000.00	32,500.00
Public Defender - Millstone Township	157.00	300.00	200.00	257.00
Woodland Trail Memorial Fund		230.00		230.00
	<u>\$ 76,983.55</u>	<u>\$ 180,274.36</u>	<u>\$ 204,944.36</u>	<u>\$ 52,313.55</u>



**BOROUGH OF ROOSEVELT**  
**TRUST OTHER FUND**  
**STATEMENT OF PAYROLL DEDUCTIONS**

	Balance December 31, <u>2015</u>	Increased by Payroll <u>Deductions</u>	Decreased by Cash <u>Disbursed</u>	Balance December 31, <u>2016</u>
Federal Withholding Tax		\$ 26,975.00	\$ 26,975.00	
Public Employees Retirement System:				
Regular	\$ 986.32	11,952.76	11,933.19	\$ 1,005.89
Contributory Insurance	69.84	838.26	838.20	69.90
Social Security and Medicare Taxes		48,038.45	48,038.45	
State Income Tax	798.64	8,892.79	8,921.36	770.07
New Jersey Unemployment/Family Leave	187.60	1,929.01	1,911.82	204.79
New Jersey Disability Tax	91.07	561.71	571.31	81.47
Health Insurance Deductions		9,459.48	9,459.48	
Deferred Compensation		1,200.00	1,200.00	
	<u>\$ 2,133.47</u>	<u>\$ 109,847.46</u>	<u>\$ 109,848.81</u>	<u>\$ 2,132.12</u>
Payroll Deductions		\$ 84,913.72		
Social Security:				
Current Fund		14,035.55		
Water-Sewer Utility Operating Fund		9,955.11		
Unemployment Taxes:				
Current Fund		592.70		
Water-Sewer Utility Operating Fund		<u>350.38</u>		
		<u>\$ 109,847.46</u>		

**GENERAL CAPITAL FUND**

**BOROUGH OF ROOSEVELT**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

<u>ASSETS</u>	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
Cash and Cash Equivalents	\$ <u>89,456.81</u>	\$ <u>17,897.51</u>
Intergovernmental Accounts Receivable: New Jersey Department of Transportation Grants Receivable	\$ <u>5,643.60</u>	\$ <u>84,489.01</u>
Interfunds Receivable: Due from Water-Sewer Utility Capital Fund	\$ <u>9,345.00</u>	<u>                    </u>
Deferred Charges to Future Taxation - Funded	\$ 125,000.00	\$ 135,000.00
Unfunded	<u>112,250.00</u>	<u>157,250.00</u>
	\$ <u>237,250.00</u>	\$ <u>292,250.00</u>
Total Assets	\$ <u><u>341,695.41</u></u>	\$ <u><u>394,636.52</u></u>
 <u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>  		
Other Liabilities and Reserves: Bonds Payable	\$ 125,000.00	\$ 135,000.00
Capital Improvement Fund	66,603.15	36,603.15
Reserve for Ambulance Purchase		10,100.00
Reserve for Building Improvements	<u>18,495.50</u>	<u>                    </u>
	\$ <u>210,098.65</u>	\$ <u>181,703.15</u>
Improvement Authorizations: Funded	\$ 28,195.77	\$ 62,688.94
Unfunded	<u>101,545.02</u>	<u>148,388.46</u>
	\$ <u>129,740.79</u>	\$ <u>211,077.40</u>
Fund Balance	\$ <u>1,855.97</u>	\$ <u>1,855.97</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>341,695.41</u></u>	\$ <u><u>394,636.52</u></u>

There were \$112,250.00 Bonds and Notes Authorized but not Issued at December 31, 2016.

**BOROUGH OF ROOSEVELT  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<u>Balance December 31, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Transfers</u>		<u>Balance December 31, 2016</u>
				<u>From</u>	<u>To</u>	
Fund Balance	\$ 1,855.97					\$ 1,855.97
Capital Improvement Fund	36,603.15	\$ 30,000.00				66,603.15
Due from NJ DOT	(84,489.01)	48,712.54			\$ 30,132.87	(5,643.60)
Due from Water-Sewer Utility Capital Fund			\$ 9,345.00			(9,345.00)
Reserve for Ambulance Purchase	10,100.00		10,100.00			
Reserve for Building Improvements		18,495.50				18,495.50
Improvement Authorizations:						
Ordinance						
<u>Number</u>	<u>Improvement Description</u>					
228	Reconstruct Manholes	11,842.68				11,842.68
231	Reconstruction of Pine Drive Storm Sewers	8,409.82				8,409.82
234	Soil Removal	7,943.27				7,943.27
260	Road Improvements to Nurko Road	5,241.51	24,891.36	\$ 30,132.87		
264	Road Improvements to South Valley Road	(8,861.54)			872.10	(9,733.64)
15-006	Road Improvements to Windsor Road	<u>29,251.66</u>				<u>(971.34)</u>
		<u>\$ 17,897.51</u>	<u>\$ 122,099.40</u>	<u>\$ 50,540.10</u>	<u>\$ 30,132.87</u> <u>\$ 30,132.87</u>	<u>\$ 89,456.81</u>

**BOROUGH OF ROOSEVELT**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE**

	New Jersey Department of Transportation - <u>Ordinance #260</u>	New Jersey Department of Transportation - <u>Ordinance #264</u>	<u>Total</u>
<u>BALANCE, DECEMBER 31, 2015</u>	\$ 30,132.87	\$ 54,356.14	\$ 84,489.01
<u>DECREASED BY</u>			
Cash Received		48,712.54	48,712.54
Improvement Authorization Canceled	<u>30,132.87</u>	<u>                    </u>	<u>30,132.87</u>
<u>BALANCE, DECEMBER 31, 2016</u>	<u><u>                    </u></u>	<u><u>\$ 5,643.60</u></u>	<u><u>\$ 5,643.60</u></u>

**BOROUGH OF ROOSEVELT**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance December 31, 2015</u>	<u>Decreased by Canceled</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2016</u>	<u>Analysis of Balance</u>	
						<u>Expenditures</u>	<u>Unexpended Balance of Improvement Authorizations</u>
231	Reconstruction of Pine Drive Storm Sewers	\$ 62,250.00			\$ 62,250.00		\$ 62,250.00
260	Road Improvements to Nurko Road	45,000.00	\$ 20,108.64	\$ 24,891.36			
264	Road Improvements to South Valley Road	40,000.00			40,000.00	\$ 9,733.64	30,266.36
2015-006	Road Improvements to Windsor Road	10,000.00			10,000.00	971.34	9,028.66
		<u>\$ 157,250.00</u>	<u>\$ 20,108.64</u>	<u>\$ 24,891.36</u>	<u>\$ 112,250.00</u>	<u>\$ 10,704.98</u>	<u>\$ 101,545.02</u>

**BOROUGH OF ROOSEVELT  
GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Title	Ordinance		Balance December 31, 2015		Cancellation	Paid or Charged	Balance December 31, 2016	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
228	Reconstruct Manholes	8/27/2007	\$ 12,000.00	\$ 11,842.68				\$ 11,842.68	
231	Reconstruction of Pine Drive Storm Sewers	2/25/2008	175,000.00	8,409.82	\$ 62,250.00			8,409.82	\$ 62,250.00
234	Soil Removal	8/11/2008	18,000.00	7,943.27				7,943.27	
260	Improvements to Nurko Road	11/25/2013	250,000.00	5,241.51	45,000.00	\$ 50,241.51			
264	Improvements to South Valley Road	6/23/2014	280,000.00		31,138.46		\$ 872.10		30,266.36
15-006	Improvements to Windsor Road	8/10/2015	40,000.00	<u>29,251.66</u>	<u>10,000.00</u>		<u>30,223.00</u>		<u>9,028.66</u>
				<u>\$ 62,688.94</u>	<u>\$ 148,388.46</u>	<u>\$ 50,241.51</u>	<u>\$ 31,095.10</u>	<u>\$ 28,195.77</u>	<u>\$ 101,545.02</u>
	Unfunded NJDOT Grant Receivable					\$ 20,108.64			
						<u>30,132.87</u>			
						<u>\$ 50,241.51</u>			

**BOROUGH OF ROOSEVELT**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF CAPITAL IMPROVEMENT FUND**

<u>BALANCE, DECEMBER 31, 2015</u>	\$	36,603.15
<u>INCREASED BY</u>		
2016 Budget Appropriation		<u>30,000.00</u>
<u>BALANCE, DECEMBER 31, 2016</u>	\$	<u><u>66,603.15</u></u>



**BOROUGH OF ROOSEVELT**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF BONDS PAYABLE**

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
Monmouth County Improvement Authority Pooled Loan Revenue (Refunding) Bonds Serial Bonds	12/4/2012	\$ 165,000.00	12/1/2017	10,000.00	3.00%	\$ 135,000.00	\$ 10,000.00	\$ 125,000.00
			12/1/2018	10,000.00	3.00%			
			12/1/2019	10,000.00	3.00%			
			12/1/2020	10,000.00	4.00%			
			12/1/2021	10,000.00	4.00%			
			12/1/2022	10,000.00	4.00%			
			12/1/2023	10,000.00	4.00%			
			12/1/2024	10,000.00	2.00%			
			12/1/2025	15,000.00	3.00%			
			12/1/2026	15,000.00	2.00%			
	12/1/2027	15,000.00	2.00%					
					<u>\$ 135,000.00</u>	<u>10,000.00</u>	<u>\$ 125,000.00</u>	

**BOROUGH OF ROOSEVELT**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Description</u>	Balance December 31, <u>2015</u>	Budget <u>Appropriation</u>	<u>Cancelled</u>	Balance December 31, <u>2016</u>
231	Reconstruction of Pine Drive Storm Sewers	\$ 62,250.00			\$ 62,250.00
264	Improvements to South Valley Road	40,000.00			40,000.00
260	Road Improvements to Nurko Road	45,000.00	\$ 24,891.36	\$ 20,108.64	
2015-006	Road Improvements to Windsor Road	<u>10,000.00</u>			<u>10,000.00</u>
		<u>\$ 157,250.00</u>	<u>\$ 24,891.36</u>	<u>\$ 20,108.64</u>	<u>\$ 112,250.00</u>

**WATER-SEWER UTILITY OPERATING FUND**

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>19,525.20</u>	\$ <u>3,870.07</u>
Interfunds Receivable:		
Due from Water-Sewer Utility Capital Fund	\$ <u>411,198.30</u>	\$ <u>346,636.64</u>
Receivables and Other Assets:		
Consumer Accounts Receivable	\$ <u>83,312.52</u>	\$ <u>89,280.65</u>
Total Assets	\$ <u><u>514,036.02</u></u>	\$ <u><u>439,787.36</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Liabilities:		
Appropriation Reserves	\$ <u>66,912.07</u>	\$ <u>65,628.40</u>
Other Liabilities and Reserves:		
Reserve for Encumbrances	\$ 42,265.89	\$ 22,979.60
Prepaid Rents	2,577.44	4,461.45
Accrued Interest on Bonds and Loans	<u>12,463.20</u>	<u>10,305.31</u>
	\$ <u>57,306.53</u>	\$ <u>37,746.36</u>
Interfunds Payable:		
Due to Current Fund	\$ 284,529.79	\$ 173,572.86
Due to Other Trust	<u>                    </u>	<u>12,500.00</u>
	\$ <u>284,529.79</u>	\$ <u>186,072.86</u>
Reserve for Receivables and Inventory	\$ <u>83,312.52</u>	\$ <u>89,280.65</u>
Fund Balance	\$ <u>21,975.11</u>	\$ <u>61,059.09</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>514,036.02</u></u>	\$ <u><u>439,787.36</u></u>

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN**  
**OPERATING FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 61,059.09	
Rents	743,887.34	\$ 746,261.82
Cell Tower Fees	75,874.11	65,535.28
Interest on Delinquent Rents	10,215.77	12,460.21
Nonbudget Revenue	146.14	161.73
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	<u>39,231.09</u>	<u>52,809.92</u>
Total Income	<u>\$ 930,413.54</u>	<u>\$ 877,228.96</u>
Expenditures:		
Operating	\$ 612,456.00	\$ 562,635.00
Capital Improvements	14,500.00	
Debt Service	257,782.43	232,034.87
Deferred Charges and Statutory Expenditures	<u>23,700.00</u>	<u>21,500.00</u>
Total Expenditures	<u>\$ 908,438.43</u>	<u>\$ 816,169.87</u>
Excess in Revenue	21,975.11	61,059.09
Statutory Excess to Fund Balance	21,975.11	61,059.09
Fund Balance, January 1	<u>61,059.09</u>	<u>61,059.09</u>
	\$ 83,034.20	61,059.09
Decreased by:		
Water-Sewer Utility Operating Budget	<u>61,059.09</u>	<u>61,059.09</u>
Fund Balance, December 31	<u>\$ 21,975.11</u>	<u>61,059.09</u>

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 61,059.09	\$ 61,059.09	
Rents	746,261.82	743,887.34	\$ (2,374.48)
Cell Tower Fees	65,000.00	75,874.11	10,874.11
Interest on Delinquent Rents	10,000.09	10,215.77	215.68
Deficit (General Budget)	<u>26,445.00</u>	<u>                    </u>	<u>(26,445.00)</u>
	\$ 908,766.00	\$ 891,036.31	\$ (17,729.69)
Nonbudget Revenue	<u>                    </u>	<u>146.14</u>	<u>146.14</u>
	<u>\$ 908,766.00</u>	<u>\$ 891,182.45</u>	<u>\$ (17,583.55)</u>

**ANALYSIS OF NONBUDGET REVENUE**

Interest on Investments:	
Received from Water-Sewer Utility	
Capital Fund	\$ 6.86
Received by Water-Sewer Utility	
Operating Fund	<u>139.28</u>
	<u>\$ 146.14</u>

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<b>OPERATING</b>						
Salaries and Wages	\$ 145,871.00	\$ 145,871.00	\$ 133,500.98		\$ 12,370.02	
Other Expenses	<u>479,085.00</u>	<u>466,585.00</u>	<u>372,246.99</u>	\$ 42,265.89	<u>52,072.12</u>	
Total Operating	<u>\$ 624,956.00</u>	<u>\$ 612,456.00</u>	<u>\$ 505,747.97</u>	<u>\$ 42,265.89</u>	<u>\$ 64,442.14</u>	
<b>CAPITAL IMPROVEMENTS</b>						
Capital Improvement Fund	\$ <u>7,000.00</u>	\$ <u>14,500.00</u>	\$ <u>14,500.00</u>			
Total Capital Improvements	<u>\$ 7,000.00</u>	<u>\$ 14,500.00</u>	<u>\$ 14,500.00</u>			
<b>DEBT SERVICE</b>						
Payment of Bond Principal	\$ 100,000.00	\$ 105,000.00	\$ 105,000.00			
Interest on Bonds	79,811.00	79,811.00	79,810.42			\$ 0.58
Principal and Interest on 1982 Farmers Home Administration Loan	18,000.00	18,000.00	17,683.93			316.07
NJEIT 2010 Loan	29,994.00	29,994.00	29,987.15			6.85
NJEIT 2016 Loan	<u>25,305.00</u>	<u>25,305.00</u>	<u>25,300.93</u>			<u>4.07</u>
Total Debt Service	<u>\$ 253,110.00</u>	<u>\$ 258,110.00</u>	<u>\$ 257,782.43</u>			<u>\$ 327.57</u>
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 11,000.00	\$ 11,000.00	\$ 10,974.00		\$ 26.00	
Social Security System (O.A.S.I.)	12,000.00	12,000.00	9,766.14		2,233.86	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	<u>700.00</u>	<u>700.00</u>	<u>489.99</u>		<u>210.01</u>	
Total Deferred Charges and Statutory Expenditures	<u>\$ 23,700.00</u>	<u>\$ 23,700.00</u>	<u>\$ 21,230.13</u>		<u>\$ 2,469.87</u>	
Total Water-Sewer Utility Appropriations	<u>\$ 908,766.00</u>	<u>\$ 908,766.00</u>	<u>\$ 799,260.53</u>	<u>\$ 42,265.89</u>	<u>\$ 66,912.01</u>	<u>\$ 327.57</u>

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE**

<u>BALANCE, DECEMBER 31, 2015</u>		\$ 89,280.65
<u>INCREASED BY</u>		
Water-Sewer Rents Levied		737,919.21
		827,199.86
<u>DECREASED BY</u>		
Collections	\$ 739,425.89	
Prepaid Rents Applied	4,461.45	
		743,887.34
<u>BALANCE, DECEMBER 31, 2016</u>		\$ 83,312.52



**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY OPERATING FUND**  
**STATEMENT OF 2015 APPROPRIATION RESERVES**

	Balance December 31, 2015				
	<u>Appropriation</u> <u>Reserves</u>	<u>Reserve for</u> <u>Encumbrance</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:					
Salaries and Wages	\$ 5,800.75		\$ 5,800.75	\$ 2,470.26	\$ 3,330.49
Other Expenses	57,818.48	\$ 22,979.60	80,798.08	46,653.40	34,144.68
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution:					
Public Employees' Retirement System	1,456.00		1,456.00		1,456.00
Social Security System (O.A.S.I.)	357.82		357.82	188.97	168.85
Unemployment Compensation Insurance	195.35		195.35	64.28	131.07
	<u>\$ 65,628.40</u>	<u>\$ 22,979.60</u>	<u>\$ 88,608.00</u>	<u>\$ 49,376.91</u>	<u>\$ 39,231.09</u>

**BOROUGH OF ROOSEVELT  
WATER-SEWER UTILITY OPERATING FUND  
SCHEDULE OF ACCRUED INTEREST ON BONDS AND LOANS**

BALANCE, DECEMBER 31, 2015 \$ 10,305.31

INCREASED BY:

Budget Appropriations:			
Interest on Bonds	\$ 79,810.42		
Interest on NJEIT Loan	9,200.37		
Interest on USDA Loan	<u>4,971.30</u>		
			<u>93,982.09</u>

104,287.40

DECREASED BY:

Cash Disbursed			<u>91,824.20</u>
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BALANCE, DECEMBER 31, 2016 \$ 12,463.20

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2016

	Outstanding December 31, 2016	Interest Rate	From	To	Period	Amount
Loan - NJEIT	\$ 405,000.00	various	08/01/16	12/31/16	5 months	\$ 4,713.54
Loan - USDA	84,361.51	5.00%	10/01/16	12/31/16	3 months	1,432.99
Bonds	1,940,000.00	various	12/01/16	12/31/16	1 month	<u>6,316.67</u>
						<u>\$ 12,463.20</u>

**WATER-SEWER UTILITY CAPITAL FUND**

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ <u>2,177.94</u>	\$ <u>668.44</u>
Fixed Capital	\$ 5,234,793.06	\$ 5,234,793.06
Fixed Capital Authorized and Uncompleted	2,203,740.25	1,865,640.25
NJEIT Loans Receivable	<u>258,075.00</u>	<u>                    </u>
	\$ <u>7,696,608.31</u>	\$ <u>7,100,433.31</u>
 Total Assets	 \$ <u><u>7,698,786.25</u></u>	 \$ <u><u>7,101,101.75</u></u>
 <b><u>LIABILITIES, RESERVES AND</u></b> <b><u>FUND BALANCE</u></b>		
Bond Anticipation Notes	<u>                    </u>	\$ <u>541,513.00</u>
Loans Payable:		
Farmer's Home Administration Loan	\$ 84,361.51	97,074.14
NJEIT Loan	1,151,805.43	398,305.14
MCIA Loan	<u>1,940,000.00</u>	<u>2,045,000.00</u>
	\$ <u>3,176,166.94</u>	\$ <u>2,540,379.28</u>
Other Liabilities and Reserves:		
Reserve for Encumbrances		\$ 20,173.50
Capital Improvement Fund	\$ <u>7,550.00</u>	<u>9,150.00</u>
	\$ <u>7,550.00</u>	\$ <u>29,323.50</u>
Interfunds Payable:		
Due to Water-Sewer Utility Operating Fund	\$ 411,198.30	\$ 346,636.64
Due to Current Fund	161,746.25	
Due to General Capital Fund	<u>9,345.00</u>	<u>                    </u>
	\$ <u>582,289.55</u>	\$ <u>346,636.64</u>

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2016 AND 2015**

	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
<b><u>LIABILITIES, RESERVES AND</u></b>		
<b><u>FUND BALANCE (CONTINUED)</u></b>		
Improvement Authorizations:		
Funded	\$ 3,640.25	\$ 3,640.25
Unfunded	<u>862,412.18</u>	<u>752,782.09</u>
	<u>\$ 866,052.43</u>	<u>\$ 756,422.34</u>
Reserve for Amortization	\$ 3,046,854.37	\$ 2,883,054.03
Deferred Reserve for Amortization	<u>18,950.00</u>	<u>2,850.00</u>
	<u>\$ 3,065,804.37</u>	<u>\$ 2,885,904.03</u>
Fund Balance	<u>\$ 922.96</u>	<u>\$ 922.96</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 7,698,786.25</u>	<u>\$ 7,101,101.75</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2016 of \$1,196,562.00

**BOROUGH OF ROOSEVELT  
WATER-SEWER UTILITY CAPITAL FUND  
ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Balance December 31, 2015	Disbursements			Transfer		Balance December 31, 2016	
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 922.96						\$ 922.96	
Capital Improvement Fund	9,150.00	\$ 14,500.00			\$ 16,100.00		7,550.00	
Due to Water-Sewer Utility Operating Fund	346,636.64					\$ 64,561.66	411,198.30	
Due to Current Fund			\$ 12,000.00			173,746.25	161,746.25	
Reserve for Encumbrances	20,173.50				20,173.50			
Due to General Capital Fund						9,345.00	9,345.00	
<u>Ordinance Number</u>	<u>Improvement Authorizations</u>							
221	Maple Ct./N. Rochdale Improvements	3,640.25					3,640.25	
247/256	Acquisition and Installation of an Automatic Bar Screen and Inter Weir Replacement	(19,104.29)					(19,104.29)	
257/261	Various Water-Sewer Improvement	(334,663.62)			24,589.00		(359,252.62)	
265	Improvements to Lake Drive Pump Station	(26,087.00)					(26,087.00)	
2016-03	Rehabilitation of Elevated Water Tower		990.50		175,725.25	10,000.00	(166,715.75)	
2016-18	Various Water Sewer Improvements				27,165.16	6,100.00	(21,065.16)	
		<u>\$ (254.52)</u>	<u>\$ 14,500.00</u>	<u>\$ 990.50</u>	<u>\$ 12,000.00</u>	<u>\$ 263,752.91</u>	<u>\$ 263,752.91</u>	<u>\$ 1,254.98</u>

Bracketed amount ( ) denotes deficit.

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF FIXED CAPITAL**

BALANCE, DECEMBER 31, 2015 \$ 5,234,793.06  
AND DECEMBER 31, 2016

(There were no change during the year)

Detail:

Improvements to the Water-Sewer Treatment Plant	\$ 775,000.00
Capital Outlay - 1990	52,466.86
Capital Outlay - 1989 - Appropriation Reserves	41,394.85
Capital Outlay - 1991	21,252.65
Capital Outlay - 1990 - Appropriation Reserves	10,791.33
Capital Outlay - 1992	102,443.93
Capital Outlay - 1991 - Appropriation Reserves	93,051.58
Installation of Fire Suppression System in Chemical Building	55,000.00
Sludge Removal - Imhoff	45,000.00
Expansion of Water-Sewer Treatment Plant and Rehabilitation of Sanitary Sewers	2,000,000.00
Capital Outlay - 1992 - Appropriation Reserves	84,479.07
Capital Outlay - 1993 - Appropriation Reserves	46,901.43
Capital Outlay - 1994	26,827.67
Capital Outlay - 1994 - Appropriation Reserves	2,840.95
Capital Outlay - 1995	34,463.77
Capital Outlay - 1995 - Appropriation Reserves	5,536.23
Capital Outlay - 1996	37,397.00
Capital Outlay - 1996 Appropriation Reserves	720.00
Capital Outlay - 1997	35,641.90
Improvements to the Water System - 1980	515,164.32
Other Adjustments	32,616.38
Capital Outlay - 1998	31,497.00
Capital Outlay - 1999	32,655.39
Capital Outlay - 2000	12,714.00
Capital Outlay - 2001	4,545.00
Rehabilitation to Well #3	50,000.00
Capital Outlay - 2003	14,032.00
Installation of Water Meters	125,000.00
Water-Sewer Improvements - Ord. 195	100,000.00
Water-Sewer Improvements - Ord. 219	85,000.00
Water-Sewer Improvements - Ord. 225	154,000.00
Maple Ct/North Rochdale Improvements	41,359.75
Upgrades to Water Treatment Plant and Rehabilitation of Water Storage Tank	565,000.00
	<u>\$ 5,234,793.06</u>

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date Authorized</u>	Balance December 31, <u>2015</u>	2016 <u>Authorizations</u>	Balance December 31, <u>2016</u>
221	Maple Ct. / N. Rochdale Improvements	07/10/06	\$ 3,640.25		\$ 3,640.25
247/256	Acquisition and Installation of an Automatic Bar Screen and Inlet Weir Replacement	05/23/11 03/27/13	210,000.00		210,000.00
257/261	Various Water-Sewer Improvements	03/27/13 12/09/13	1,620,000.00		1,620,000.00
265	Improvements to Lake Drive Pump Station	06/23/14	32,000.00		32,000.00
2016-03	Rehabilitation of Elevated Water Tower	02/22/16		\$ 210,000.00	210,000.00
2016-18	Various Water Sewer Improvements	09/12/16		<u>128,100.00</u>	<u>128,100.00</u>
			<u>\$ 1,865,640.25</u>	<u>\$ 338,100.00</u>	<u>\$ 2,203,740.25</u>



**BOROUGH OF ROOSEVELT  
WATER-SEWER UTILITY CAPITAL FUND  
STATEMENT OF LOANS PAYABLE - MONMOUTH COUNTY IMPROVEMENT AUTHORITY**

<u>Purpose</u>	<u>Date of Original Issue</u>	<u>Amount of Original Issue</u>	<u>Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>						
Monmouth County Improvement Authority Pooled Loan Revenue (Refunding) Bonds Serial Bonds	12/29/2011	\$ 1,125,000.00	12/1/2017	\$ 75,000.00	5.00%	\$ 1,570,000.00	\$ 70,000.00	\$ 1,500,000.00						
			12/1/2018	75,000.00	5.00%									
			12/1/2019	80,000.00	5.00%									
			12/1/2020	85,000.00	5.00%									
			12/1/2021	90,000.00	5.00%									
			12/1/2022	95,000.00	4.00%									
			12/1/2023	95,000.00	4.00%									
			12/1/2024	100,000.00	3.00%									
			12/1/2025	105,000.00	3.00%									
Term Bonds	12/29/2011	700,000.00	12/1/2026	105,000.00	3.00%									
			12/1/2027	110,000.00	3.00%									
			12/1/2028	115,000.00	3.00%									
			12/1/2029	115,000.00	5.00%									
			12/1/2030	125,000.00	5.00%									
			12/1/2031	130,000.00	5.00%									
Monmouth County Improvement Authority	12/4/2012	570,000.00	12/1/2017	35,000.00	3.00%	475,000.00	35,000.00	440,000.00						
			12/1/2018	35,000.00	3.00%									
			12/1/2019	35,000.00	3.00%									
			12/1/2020	35,000.00	4.00%									
			12/1/2021	40,000.00	4.00%									
			12/1/2022	40,000.00	4.00%									
			12/1/2023	40,000.00	4.00%									
			12/1/2024	45,000.00	2.00%									
			12/1/2025	45,000.00	3.00%									
			12/1/2026	45,000.00	2.00%									
			12/1/2027	45,000.00	2.00%									
									<u>\$ 2,045,000.00</u>	<u>\$ 105,000.00</u>	<u>\$ 1,940,000.00</u>			

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF LOANS PAYABLE**  
**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

Purpose	Date Of Issue	Amount of Original Issue	Maturities of Loan Outstanding December 31, 2016		Interest Rate	Balance December 31, 2015	Increased By	Decreased By	Balance December 31, 2016
			Date	Amount					
<b><u>NJEIT - STATE</u></b>									
2010 Winter Program:	03/01/10	\$ 135,000.00	08/01/17	\$ 5,000.00	5.00 %	\$ 110,000.00		\$ 5,000.00	\$ 105,000.00
Water-Sewer System Improvements - State Portion Ord #10-237			08/01/18	5,000.00	5.00				
			08/01/19	5,000.00	4.00				
			08/01/20	5,000.00	5.00				
			08/01/21	5,000.00	3.00				
			08/01/22	10,000.00	4.00				
			08/01/23	10,000.00	4.00				
			08/01/24	10,000.00	4.00				
			08/01/25	10,000.00	4.00				
			08/01/26	10,000.00	3.50				
			08/01/27	10,000.00	4.00				
			08/01/28	10,000.00	4.00				
			08/01/29	10,000.00	4.00				
2016 Spring Program: A-1 Series:	05/26/16	\$ 195,000.00	08/01/17	5,000.00	5.000 %		\$ 195,000.00		\$ 195,000.00
Water-Sewer System Improvements - State Portion Ord #257/261			08/01/18	5,000.00	5.000				
			08/01/19	10,000.00	5.000				
			08/01/20	10,000.00	5.000				
			08/01/21	10,000.00	5.000				
			08/01/22	10,000.00	5.000				
			08/01/23	10,000.00	5.000				
			08/01/24	10,000.00	4.000				
			08/01/25	10,000.00	4.000				
			08/01/26	10,000.00	4.000				
			08/01/27	10,000.00	4.000				
			08/01/28	10,000.00	2.000				
			08/01/29	10,000.00	2.000				
			08/01/30	10,000.00	2.000				
			08/01/31	10,000.00	2.125				
			08/01/32	10,000.00	3.000				
			08/01/33	15,000.00	3.000				
			08/01/34	15,000.00	3.000				
			08/01/35	15,000.00	3.000				
Total NJEIT - State						\$ 110,000.00	\$ 195,000.00	\$ 5,000.00	\$ 300,000.00

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF LOANS PAYABLE**  
**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

<u>Purpose</u>	<u>Date Of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loan Outstanding December 31, 2016</u>		<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Increased By</u>	<u>Decreased By</u>	<u>Balance December 31, 2016</u>
			<u>Date</u>	<u>Amount</u>					
<b><u>NJEIT - FEDERAL</u></b>									
Water-Sewer System Improvements - Federal Portion Ord #10-237	03/01/10	\$ 405,000.00	02/01/17	\$ 6,864.40	0.00 %	\$ 288,305.14		\$ 20,593.21	\$ 267,711.93
			08/01/17	13,728.81					
			02/01/18	6,864.40					
			08/01/18	13,728.81					
			02/01/19	6,864.40					
			08/01/19	13,728.81					
			02/01/20	6,864.40					
			08/01/20	13,728.81					
			02/01/21	6,864.40					
			08/01/21	13,728.81					
			02/01/22	6,864.40					
			08/01/22	13,728.81					
			02/01/23	6,864.40					
			08/01/23	13,728.81					
			02/01/24	6,864.40					
			08/01/24	13,728.81					
			02/01/25	6,864.40					
			08/01/25	13,728.81					
			02/01/26	6,864.40					
			08/01/26	13,728.81					
02/01/27	6,864.40								
08/01/27	13,728.81								
02/01/28	6,864.40								
08/01/28	13,728.81								
02/01/29	6,864.40								
08/01/29	13,729.01								
Water-Sewer System Improvements - Federal Portion Ord #257/261	05/26/16	\$ 604,588.00	02/01/17	\$ 10,247.25	0.00 %		\$ 604,588.00	\$ 20,494.50	\$ 584,093.50
			08/01/17	20,494.50					
			02/01/18	10,247.25					
			08/01/18	20,494.50					
			02/01/19	10,247.25					
			08/01/19	20,494.50					

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF LOANS PAYABLE**  
**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST**

<u>Purpose</u>	<u>Date Of Issue</u>	<u>Amount of Original Issue</u>	<u>Maturities of Loan Outstanding December 31, 2016</u>		<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	<u>Increased By</u>	<u>Decreased By</u>	<u>Balance December 31, 2016</u>	
			<u>Date</u>	<u>Amount</u>						
Water-Sewer System Improvements - Federal Portion Ord #257/261 (Continued)			02/01/20	\$ 10,247.25	0.00 %					
			08/01/20	20,494.50						
			02/01/21	10,247.25						
			08/01/21	20,494.50						
			02/01/22	10,247.25						
			08/01/22	20,494.50						
			02/01/23	10,247.25						
			08/01/23	20,494.50						
			02/01/24	10,247.25						
			08/01/24	20,494.50						
			02/01/25	10,247.25						
			08/01/25	20,494.50						
			02/01/26	10,247.25						
			08/01/26	20,494.50						
			02/01/27	10,247.25						
			08/01/27	20,494.50						
			02/01/28	10,247.25						
			08/01/28	20,494.50						
			02/01/29	10,247.25						
			08/01/29	20,494.50						
			02/01/30	10,247.25						
			08/01/30	20,494.50						
			02/01/31	10,247.25						
			08/01/31	20,494.50						
			02/01/32	10,247.25						
			08/01/32	20,494.50						
			02/01/33	10,247.25						
			08/01/33	20,494.50						
			02/01/34	10,247.25						
			08/01/34	20,494.50						
			02/01/35	10,247.25						
			08/01/35	20,494.75						
										-
							<u>\$ 288,305.14</u>	<u>\$ 604,588.00</u>	<u>\$ 41,087.71</u>	<u>\$ 851,805.43</u>
							<u>\$ 398,305.14</u>	<u>\$ 799,588.00</u>	<u>\$ 46,087.71</u>	<u>\$ 1,151,805.43</u>
Total NJEIT - Federal										

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF FARMER'S HOME ADMINISTRATION LOANS**

	<u>Interest Rate</u>	<u>Due Date</u>	<u>Annual Principal and Interest Due</u>	<u>Final Maturity</u>	<u>Balance December 31, 2015</u>	<u>Decreased</u>	<u>Balance December 31, 2016</u>
1982 Farmer's Home Administration Loan	5.00%	3/31 and 9/30	\$ 18,000.00	2022	\$ <u>97,074.14</u>	\$ <u>12,712.63</u>	\$ <u>84,361.51</u>
					\$ <u><u>97,074.14</u></u>	\$ <u><u>12,712.63</u></u>	\$ <u><u>84,361.51</u></u>

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance Number</u>	<u>Description</u>	<u>Date of</u>			<u>Interest Rate</u>	<u>Balance December 31, 2015</u>	
		<u>Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>		<u>Increased</u>	<u>Decreased</u>
257/261	Various Water-Sewer Improvements	Various	Various	2016	0.00%	\$ <u>541,513.00</u>	<u>541,513.00</u>
						\$ <u>541,513.00</u>	<u>541,513.00</u>

**BOROUGH OF ROOSEVELT  
WATER-SEWER UTILITY CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ordinance Number	Title	Ordinance Date	Ordinance Amount	Balance December 31, 2015		Capital Improvement Fund	2016 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance December 31, 2016	
				Funded	Unfunded				Funded	Unfunded
221	Maple Court / N. Rochdale Improvements	7/10/2006	\$ 45,000.00	\$ 3,640.25					\$ 3,640.25	
247/256	Acquisition and Installation of an Automatic Bar Screen and Inlet Weir Replacement	5/23/2011 3/27/2013	185,000.00 25,000.00		\$ 4,645.71					\$ 4,645.71
257/261	Various Water-Sewer Improvements	3/27/2013 12/9/2013	215,000.00 1,405,000.00		743,823.38			\$ 24,589.00		719,234.38
265	Improvements to Lake Drive Pump Station	6/23/2014	32,000.00		4,313.00					4,313.00
2016-03	Rehabilitation of Elevated Water Tower	2/22/2016	210,000.00			\$ 10,000.00	\$ 200,000.00	176,715.75		33,284.25
2016-18	Various Water Sewer Improvements	9/12/2016	128,100.00			6,100.00	122,000.00	27,165.16		100,934.84
				\$ 3,640.25	\$ 752,782.09	\$ 16,100.00	\$ 322,000.00	\$ 228,469.91	\$ 3,640.25	\$ 862,412.18

Detail:

Disbursed	\$ 990.50
Due to Current Fund	153,572.75
Due to General Capital Fund	9,345.00
Due to Water-Sewer Utility Operating Fund	64,561.66
	<u>\$ 228,469.91</u>

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Description</u>	Balance December 31, <u>2015</u>	2016 <u>Authorization</u>	Loans <u>Issued</u>	Balance December 31, <u>2016</u>
247/256	Acquisition and Installation of an Automatic Bar Screen and Inlet Weir Replacement	\$ 23,750.00			\$ 23,750.00
257/261	Various Water-Sewer Improvements	1,078,487.00		\$ 258,075.00	820,412.00
265	Improvements to Lake Drive Pump Station	30,400.00			30,400.00
2016-03	Rehabilitation of Elevated Water Tower		\$ 200,000.00		200,000.00
2016-18	Various Water Sewer Improvements		<u>122,000.00</u>		<u>122,000.00</u>
		<u>\$ 1,132,637.00</u>	<u>\$ 322,000.00</u>	<u>\$ 258,075.00</u>	<u>\$ 1,196,562.00</u>



**CAPITAL ASSET**

**BOROUGH OF ROOSEVELT**  
**CAPITAL ASSET ACCOUNT**  
**COMPARATIVE STATEMENT OF CAPITAL ASSETS**  
**AS OF DECEMBER 31, 2016 AND 2015**

	Balance December 31, <u>2016</u>	Balance December 31, <u>2015</u>
Capital Assets:		
Land and Buildings	\$ 2,357,400.00	\$ 2,357,400.00
Machinery and Equipment	<u>94,072.98</u>	<u>94,072.98</u>
	<u>\$ 2,451,472.98</u>	<u>\$ 2,451,472.98</u>
 Investment in Capital Assets	 <u>\$ 2,451,472.98</u>	 <u>\$ 2,451,472.98</u>

**STATISTICAL SECTION**  
**(UNAUDITED)**

**BOROUGH OF ROOSEVELT  
CURRENT FUND EXPENDITURES BY FUNCTION  
FOR THE LAST TEN (10) FISCAL YEARS  
(UNAUDITED)**

Function	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government	\$ 362,587.00	\$ 333,785.00	\$ 272,921.00	\$ 271,919.00	\$ 268,518.00	\$ 314,118.00	\$ 309,472.00	\$ 443,959.00	\$ 353,002.00	\$ 364,890.00
Land Use	30,693.00	23,093.00	37,993.00	34,789.00	35,233.00	57,343.00	60,810.00	61,100.00	43,700.00	81,600.00
Insurance	41,500.00	40,500.00	46,500.00	50,300.00	48,800.00	50,100.00	47,400.00	43,900.00	39,400.00	42,900.00
Public Works	150,170.00	139,650.00	99,050.00	85,900.00	155,250.00	72,250.00	76,833.00	129,042.00	115,550.00	117,750.00
Health and Human Services	16,700.00	19,000.00	15,900.00	18,500.00	18,500.00	18,000.00	15,500.00	16,600.00	15,309.00	11,685.00
Parks and Recreation	28,442.00	26,392.00	26,792.00	19,792.00	19,792.00	19,792.00	19,000.00	19,600.00	17,200.00	20,300.00
Utilities	37,200.00	35,000.00	33,500.00	30,500.00	30,200.00	28,500.00	27,500.00	27,500.00	27,500.00	26,300.00
Other Common Functions	2,000.00	1,000.00	1,000.00	1,000.00	5,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Public Safety	60,171.00	64,471.00	61,297.00	50,400.00	44,400.00	42,400.00	33,300.00	34,850.00	34,650.00	35,350.00
Sanitation	95,400.00	97,400.00	115,400.00	93,400.00	36,400.00	39,400.00	42,000.00	40,600.00	40,600.00	40,500.00
Uniform Construction Code					3,560.00	3,460.00	3,000.00			
Deferred Charges and Statutory Expenditures		60,724.50	144,842.71	115,131.29	123,460.00	26,768.00	32,240.00	30,167.00	143,830.00	33,360.00
Interlocal Service Agreement	85,336.46				61,379.00	59,917.00	65,218.00		7,000.00	13,000.00
Grant Programs	17,000.00	4,250.00	11,300.00	4,301.45	11,441.68	4,732.52	4,050.27	4,534.52	4,542.20	4,333.86
Debt Service	14,000.00	14,200.00	14,400.29	14,370.00	9,640.00	7,700.00	4,200.00	8,830.00	2,601.00	
Capital Improvements	45,000.00	58,000.00	40,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	30,000.00
Reserve for Uncollected Taxes	180,000.00	170,000.00	160,000.00	160,000.00	150,000.00	150,000.00	140,000.00	130,000.00	130,000.00	130,000.00
<b>Total Current Fund Expenditures</b>	<b>\$ 1,166,199.46</b>	<b>\$ 1,087,465.50</b>	<b>\$ 1,080,896.00</b>	<b>\$ 970,302.74</b>	<b>\$ 1,041,573.68</b>	<b>\$ 915,480.52</b>	<b>\$ 901,523.27</b>	<b>\$ 1,011,682.52</b>	<b>\$ 995,884.20</b>	<b>\$ 952,968.86</b>

**BOROUGH OF ROOSEVELT**  
**CURRENT FUND REVENUES BY FUNCTION**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

Function	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Local Sources:										
Fund Balance Utilized	\$ 391,000.00	\$ 322,500.00	\$ 259,873.15	\$ 199,618.00	\$ 174,742.00	\$ 138,100.00	\$ 120,999.18	\$ 225,000.00	\$ 275,000.00	\$ 245,000.00
Current Tax Revenue	755,772.78	749,830.74	710,478.82	702,009.25	701,598.58	700,064.81	704,930.53	673,527.30	589,044.08	469,779.55
Delinquent Tax Revenue	45,169.46	53,207.77	81,118.39	81,567.97	80,862.46	62,607.04	67,140.59	49,134.13	84,423.42	48,655.92
Miscellaneous Revenues Anticipated	15,085.00	10,136.50	62,326.85	4,872.29	1,100.00	1,605.00	1,660.00	26,114.00	1,550.00	1,645.00
Non-Budget Revenues	39,422.11	47,323.11	53,112.87	87,036.73	113,304.91	101,252.42	58,570.25	31,887.94	36,872.99	44,758.90
Other Credits to Income	118,075.88	249,128.22	192,127.65	189,630.13	204,173.73	81,584.12	80,708.10	34,522.69		135,426.00
Interlocal Service Agreement									4,608.20	3,514.50
State Aid	81,849.00	81,849.00	81,849.00	81,848.88	81,849.00	81,849.00	82,930.82	104,119.50	136,906.38	123,313.08
Grants	17,000.00	4,250.00	11,300.00	4,301.45	11,441.68	4,732.52	4,050.27	4,534.52	4,542.20	4,333.86
<b>Total Current Fund Revenues</b>	<b>\$ 1,463,374.23</b>	<b>\$ 1,518,225.34</b>	<b>\$ 1,452,186.73</b>	<b>\$ 1,350,884.70</b>	<b>\$ 1,369,072.36</b>	<b>\$ 1,171,794.91</b>	<b>\$ 1,120,989.74</b>	<b>\$ 1,148,840.08</b>	<b>\$ 1,132,947.27</b>	<b>\$ 1,076,426.81</b>

**BOROUGH OF ROOSEVELT**  
**WATER-SEWER UTILITY OPERATING FUND EXPENDITURES BY FUNCTION**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Operating	\$ 612,456.00	\$ 562,635.00	\$ 527,810.00	\$ 494,959.94	\$ 455,939.33	\$ 437,540.00	\$ 433,937.00	\$ 426,337.00	\$ 404,100.69	\$ 394,624.00
Capital Improvements	14,500.00			12,000.00						7,400.00
Debt Service	257,782.43	232,034.87	230,547.38	229,353.03	307,785.00	248,653.00	238,953.05	215,280.63	208,514.00	197,914.00
Deferred Charges and Statutory Expenditures	23,700.00	21,500.00	55,765.00	37,157.22	22,793.00	22,707.00	20,429.00	19,049.00	37,285.31	44,662.00
	<u>\$ 908,438.43</u>	<u>\$ 816,169.87</u>	<u>\$ 814,122.38</u>	<u>\$ 773,470.19</u>	<u>\$ 786,517.33</u>	<u>\$ 708,900.00</u>	<u>\$ 693,319.05</u>	<u>\$ 660,666.63</u>	<u>\$ 649,900.00</u>	<u>\$ 644,600.00</u>

**BOROUGH OF ROOSEVELT**  
**PROPERTY TAX RATES**  
**PER \$100 OF ASSESSED VALUATION**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Assessment Year</u>	<u>Borough</u>	<u>Local School District</u>	<u>County</u>	<u>Total</u>
2016	\$ 0.728	\$ 1.848	\$ 0.292	\$ 2.868
2015	0.728	1.879	0.312	2.919
2014	0.749	1.941	0.306	2.996
2013	0.748	1.852	0.313	2.913
2012	0.748	1.780	0.313	2.841
2011	0.747	1.750	0.320	2.817
2010	0.748	1.714	0.308	2.770
2009	0.634	1.425	0.268	2.327
2008	* 0.530	1.371	0.242	2.143
2007	0.442	1.325	0.256	2.023

Source: Tax Collector.

\* Revaluation Effective

**BOROUGH OF ROOSEVELT**  
**MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Year Ended</u> <u>December 31,</u>	<u>Total</u> <u>Tax Levy</u>	<u>Current Tax</u> <u>Collections</u>	<u>Tax Levy</u> <u>Collected</u>
2016	\$ 2,444,490.38	\$ 2,401,459.77	98.24%
2015	2,508,575.69	2,460,128.19	98.07%
2014	2,457,517.51	2,392,927.73	97.37%
2013	2,453,383.85	2,364,694.04	96.39%
2012	2,399,625.97	2,318,058.00	96.60%
2011	2,372,099.72	2,292,739.51	96.65%
2010	2,338,055.07	2,269,420.62	97.06%
2009	2,234,179.82	2,167,288.73	97.01%
2008	2,065,395.22	2,013,071.59	97.47%
2007	1,940,971.15	1,856,797.73	95.66%



**BOROUGH OF ROOSEVELT**  
**DELINQUENT TAXES AND TAX TITLE LIENS**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Year Ended</u> <u>December 31,</u>	<u>Amount of</u> <u>Tax Title Liens</u>	<u>Amount of</u> <u>Delinquent</u> <u>Taxes</u>	<u>Total</u> <u>Delinquent</u>	<u>Percentage</u> <u>of Tax Levy</u>
2016	\$ 9,094.47	\$ 39,809.83	\$ 48,904.30	2.00%
2015	5,873.74	43,107.26	48,981.00	1.96%
2014	None	55,520.54	55,520.54	2.26%
2013	None	80,868.39	80,868.39	3.30%
2012	None	81,567.97	81,567.97	3.40%
2011	6,499.81	74,362.85	80,862.66	3.41%
2010	None	63,374.22	63,374.22	2.71%
2009	None	66,891.09	66,891.09	2.99%
2008	None	49,134.13	49,134.13	2.38%
2007	None	84,173.42	84,173.42	4.34%

**BOROUGH OF ROOSEVELT**  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Year Ended December 31,</u>	<u>Net Assessed Valuations</u>	<u>Estimated Full Cash Valuations</u>	<u>Percentage of Net Assessed to Estimated Full Cash Valuations</u>
2016	\$ 85,362,800	\$ 85,912,641	99.36%
2015	85,725,600	85,507,544	100.26%
2014	81,873,900	85,758,772	95.47%
2013	84,087,500	81,480,136	103.20%
2012	84,280,100	84,797,364	99.39%
2011	84,103,400	88,548,357	94.98%
2010	84,156,300	94,029,385	89.50%
2009	95,806,200	94,149,175	101.76%
2008 *	96,270,800	98,225,487	98.01%
2007	95,836,500	89,291,438	107.33%

Source: Table of Equalized Valuations, State of New Jersey, Division of Taxation.

\* Revaluation Effective

**BOROUGH OF ROOSEVELT**  
**SCHEDULE OF TEN LARGEST TAXPAYERS**  
**YEAR ENDED DECEMBER 31, 2016**  
**(UNAUDITED)**

<u>Taxpayer</u>	<u>Assessed Value - 2016</u>	<u>As a Percent of Net Assessed Valuation Taxable</u>
Gade, Sreenivasa and Kanigiri	\$ 1,747,300	2.05%
Roosevelt Sr Ct H S C/O LSM of NJ	1,367,100	1.60%
Battel, Elsbeth G	1,072,300	1.26%
Wojnicki, John	880,000	1.03%
Ticktin, Joshua M	579,400	0.68%
Dexheimer, W. Kim	560,700	0.66%
Stinson, Arthur	524,800	0.61%
Ticktin, Michael & Marilyn	508,800	0.60%
Marko, Neil & Joy & E Marder	484,300	0.57%
Petrillo, John	<u>482,300</u>	<u>0.57%</u>
	<u>\$ 8,207,000</u>	<u>9.61%</u>

**BOROUGH OF ROOSEVELT**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**(UNAUDITED)**

<u>Year</u>	<u>Equalized Valuation Basis <sup>(1)</sup></u>
2016	\$ 85,912,641.00
2015	82,507,544.00
2014	<u>85,758,772.00</u>
	<u>\$ 254,178,957.00</u>
Average Equalized Valuation of Taxable Property	<u>\$ 84,726,319.00</u>
Municipal Borrowing Margin - 3½% of \$84,726,319.00	\$ 2,965,421.17
Gross Debt	\$ 5,085,978.94
Deductions	<u>4,793,609.34</u>
Net Municipal Debt as of December 31, 2016	<u>292,369.60</u>
Municipal Borrowing Margin Available	<u>\$ 2,673,051.57</u>
 <b><u>MUNICIPAL OVERLAPPING DEBT TOTAL</u></b>  	
Borough Net Debt	\$ 292,369.60
Overlapping Debt Apportioned to Borough:	
County of Monmouth:	
.071526% of \$456,319,190.08 <sup>(2)</sup>	<u>326,388.16</u>
	<u>\$ 618,757.76</u>

Source: (1) Equalized Valuation Basis were provided by the Annual Report of the State of New Jersey, Department of the Treasury, Division of Taxation for 2016, 2015 and 2014.

(2) County of Monmouth Chief Financial Officer.

**BOROUGH OF ROOSEVELT**  
**RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES AND LOANS TO**  
**EQUALIZED VALUE AND NET DEBT PER CAPITA**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Year Ended</u> <u>December 31,</u>	<u>Borough</u> <u>Population (1)</u>	<u>Equalized</u> <u>Valuation (2)</u>	<u>Net</u> <u>Debt</u> <u>Issued (3)</u>	<u>Less</u> <u>Self-</u> <u>Liquidating</u> <u>Debt</u>	<u>Net</u> <u>Debt</u>	<u>Ratio of</u> <u>Net</u> <u>Debt to</u> <u>Assessed</u> <u>Value</u>	<u>Net</u> <u>Debt Per</u> <u>Capita</u>
2016	882	\$ 85,912,641.00	\$ 4,609,978.94	\$ 4,317,609.34	\$ 292,369.60	0.34%	\$ 331.48
2015	882	82,507,544.00	4,506,779.28	4,214,529.28	292,250.00	0.35%	331.35
2014	882	85,758,772.00	4,715,229.41	4,352,979.41	362,250.00	0.42%	410.71
2013	882	81,480,136.00	4,787,679.34	4,325,393.74	462,285.60	0.56%	524.13
2012	882	84,797,364.00	3,404,736.03	2,444,106.03	960,630.00	1.13%	1,089.15
2011	882	88,548,537.00	3,841,793.33	3,520,293.33	321,500.00	0.36%	364.51
2010	882	94,029,385.00	3,923,602.09	3,688,102.09	235,500.00	0.25%	267.01
2009	937	94,149,175.00	3,763,075.67	3,478,403.87	284,671.80	0.30%	303.81
2008	937	98,225,487.00	2,963,887.25	2,726,387.25	237,500.00	-	-
2007	933	89,291,438.00	2,851,176.21	2,779,926.21	71,250.00	-	-

(1) U.S. Bureau of the Census, Population Division for 2010.

(2) Per the State of New Jersey.

(3) Includes Water-Sewer Utility Debt only.

**BOROUGH OF ROOSEVELT**  
**CALCULATION OF "SELF-LIQUIDATING PURPOSE" PER N.J.S. 40A:2-45**  
**WATER-SEWER UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
**(UNAUDITED)**

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 891,182.45
Deductions:		
Operating and Maintenance Cost	\$ 636,156.00	
Debt Service	<u>257,782.43</u>	
Total Deductions		<u>893,938.43</u>
Excess/(Deficit) in Revenue		<u>\$ (2,755.98)</u>

**BOROUGH OF ROOSEVELT**  
**DEMOGRAPHIC STATISTICS**  
**FOR THE LAST TEN (10) FISCAL YEARS**  
**(UNAUDITED)**

<u>Year Ended</u> <u>December 31,</u>	<u>Unemployment</u> <u>Rate</u> (1)	<u>Per Capita</u> <u>Income</u> (2)	<u>Borough</u> <u>Population</u> (3)
2016	5.6%	\$ 33,863.00	882
2015	5.4%	33,863.00	882
2014	5.7%	33,863.00	882
2013	7.6%	33,863.00	882
2012	8.3%	33,863.00	882
2011	8.0%	24,892.00	882
2010	7.9%	24,892.00	882
2009	7.8%	24,892.00	907
2008	4.7%	24,892.00	907
2007	3.7%	24,892.00	913

Source: (1) New Jersey Department of Labor, Bureau of Labor Force Statistics.  
(2) Based on Census of 2010 for year 2012-2016 and census of 2000 for Years 2007-2011.  
(3) County of Monmouth

**BOROUGH OF ROOSEVELT**  
**MISCELLANEOUS STATISTICS**  
**DECEMBER 31, 2016**

Date Established - 1937

Incorporated - 1942

Area

1.69 sq. miles

	<u>Full Time</u>	<u>Part Time</u>
Employees:		
Administrative	1	1
Public Works		1
Finance		3
Recreation		1
Water-Sewer	<u>1</u>	<u>2</u>
	<u>2</u>	<u>8 *</u>
Volunteer Firemen		<u>6</u>
Volunteer First Aid		<u>9</u>

Source: Borough Records.



**AUDITOR'S COMMENTS AND RECOMMENDATIONS**

**GENERAL COMMENTS**  
**DECEMBER 31, 2016**

Contracts and Agreements Required To Be Advertised For N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost 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 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 of \$17,500.00 in the absence of a Qualified Purchasing Agent ("QPA"), except by contract or agreement."

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500.00 within the fiscal year. Where questions arise as to whether any contract or agreement might result in violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the year as follows:

Rehabilitation of Elevated Water Tower	Sodium Hypochlorite Solution
Towing Services	Sodium Aluminate
Chlorine Gas	Sulfur Dioxide Gas

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$17,500.00 "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.

The Borough utilizes several vendors to perform various repair services on Borough owned equipment. One vendor in total exceeded the amount in which services/products should be bind in accordance with the Local Public Contracts Law ("*Bid Threshold*") of \$17,500.00. The expenditures were mostly from repairs and were the result of accumulation of several individual purchases; none of which were in excess of the bid threshold. When the trend over several years of expenditures in a particular category exceeds the bid threshold, then consideration should be given to preparing for specifications for the purpose of bidding in accordance with the Local Public Contracts Law.

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2016**

Contracts and Agreements Required To Be Advertised For N.J.S. 40A:11-4 (Continued)

During the year utility engineering services were incurred related to a study and analysis of the condition of the water-sewer system. The services were incurred without a written "*certification of availability of funds*" from the Borough Chief Financial Officer as required.

The liability for this service was settled subsequent to yearend by a charge as applicable to an ordinance (Improvement Authorization) and to the 2017 water-sewer operating budget.

It is suggested in the future a resolution accompanied by a written "*certification of availability of funds*" for all authorizations for services performed or acquisition of good and services greater than \$17,500.00. A lower threshold should be considered by the Borough due to the small size of the community.

Collection of Interest on Delinquent Taxes and Utility Charges

The governing body, on January 5, 2016, adopted the following resolution authorizing interest to be charged on delinquent taxes, water-sewer charges and assessments:

WHEREAS, the Mayor and Council of the Borough of Roosevelt are empowered, pursuant to N.J.S.A. 54:4-67, to fix the rate of interest to be charged for nonpayment of taxes and other municipal charges; and

WHEREAS, the Mayor and Council of the Borough of Roosevelt find the assessment of interest against delinquent municipal taxes and other charges will encourage prompt payment of the same by property owners, resulting in more efficient collection of revenues by the Borough of Roosevelt; and

WHEREAS, the Mayor and Council of the Borough of Roosevelt find that it is in the best interest of the citizens of the Borough of Roosevelt to assess such interest.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Roosevelt, in the County of Monmouth and State of New Jersey, that the Tax Collector is hereby authorized to charge the maximum legal rate of interest allowed pursuant to N.J.S.A. 54:4-67 for delinquencies as defined therein, as may be amended and supplemented from time to time, which rates presently are as follows:

Eight percent (8%) interest on delinquencies up to one thousand five hundred dollars (\$1,500.00);

Eighteen percent (18%) interest on delinquencies equal to or greater than one thousand five hundred dollars and one cent (\$1,500.01);

provided that no interest shall be charged on payment if any installment is made ten (10) calendar days following the date upon when the installment becomes payable.

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2016**

Collection of Interest on Delinquent Taxes and Utility Charges (Continued)

BE IT FURTHER RESOLVED that where any delinquency as defined in N.J.S.A. 54:4-67, is in excess of ten thousand dollars (\$10,000.00), the Borough of Roosevelt Tax Collector is hereby authorized to impose the penalty thereon at a minimum legal rate of interest allowed pursuant to N.J.S.A. 54:4, as may be amended and supplemented from time to time, which penalty is presently six percent (6%).

BE IT FURTHER RESOLVED that the Borough of Roosevelt Water-Sewer Collector is hereby authorized to charge the maximum rate of interest allowed by law for the water-sewer delinquencies, as may be amended and supplemented from time to time, which rates are presently as follows:

0.0067% per month interest on delinquencies up to one thousand five hundred dollars and one cent (\$1,500.01);

0.0150% per month on delinquencies equal to or greater than one thousand five hundred dollars and one cent (\$1,500.01);

provided that no interest be charged if payment of any installments were made within ten (10) calendar days following the date upon when payable.

It appears from an examination of the Tax Collector and the Water-Sewer Collector records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

The detail of all unpaid taxes for 2016 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2016 covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

There was no tax sale in 2016.

There were tax title liens receivable as of December 31, 2016 in the amount of \$9,094.47.

Water-Sewer Utility Receivables

The details of the Consumer Accounts Receivable Account as reflected on the Balance Sheet (Exhibit E-1) have been proven to the detail on file in the Water-Sewer Utility Collector's office.

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2016**

**Cash Balances**

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2016. Supplemental bank reconciliations as of June 30, 2017 have also been prepared.

Cash counts were made on various dates in all departments of the Borough and bank balances were independently reconciled from the books and records to such schedules of receipts and disbursements provided for audit.

**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.

**Expenditures**

The vouchers for all funds were examined to the extent deemed necessary to determine that they carried the properly executed certifications as required by statute. Our examination of expenditures revealed for the most part, compliance with procedures and requirements have been adhered to.

**Payroll**

An examination was made of the employees' compensation records for the year 2016 to determine that salaries were paid in conformity with the amounts of salaries and wages authorized by ordinance. Overtime and part-time wages were checked and found to be properly authorized.

**Miscellaneous Comments**

The confirmation sent to the Local Board of Education verified that the school taxes payable at December 31, 2016 was correct.

**Surety Bond Coverage**

It appears as though the surety bond coverage for the Tax Collector, Water-Sewer Collector and Chief Financial Officer, Treasurer and Municipal Court are adequate.

**GENERAL COMMENTS (CONTINUED)**  
**DECEMBER 31, 2016**

Municipal Court

The Borough of Roosevelt has an Interlocal Services Agreement with the Township of Millstone to provide Municipal Court administration services. The Township of Millstone Court personnel handle all operations of the Borough of Roosevelt Municipal Court. A separate report has been issued on the Borough of Roosevelt's portion of their operation.

Minutes of Governing Body Meetings

During 2016 the minutes of the governing body for several meetings were not prepared. Resolution and ordinance books were maintained in the normal course of Borough business. We have been advised that subsequent to the yearend, the minutes were in the process of being prepared for governing body approval.

Technical Directives – State of New Jersey

- The general ledger for 2016 was maintained in accordance with acceptable accounting control standards.
- A complete encumbrance system for budgetary purposes was maintained during 2016.
- A fixed assets detail was maintained in 2016.

Interfund Receivable/Payable

There are interfunds that relate to the water-sewer utility capital fund that were caused by expenditures paid on behalf of the fund by other funds which are pending receipt of the permanent or temporary financing. The other interfund represents amounts due to the Grant Fund which does not have a checking account. The interfunds are expected to be liquidated once the financing is closed.

Other Matters

The contents of this audit report have been discussed at an exit conference, with the appropriate Borough Officials, in accordance with the auditing standards general accepted in the United States of America for governmental audits.

Appreciation

I desire to express my appreciation for the cooperation received from the Borough officials and employees and the courtesies extended during the course of the audit.

**RECOMMENDATIONS**  
**DECEMBER 31, 2016**

2016-1: Purchasing – that a written certification of availability funds accompany all authorizations for services or acquisition of goods that are in excess of the Local Public Contract Law bid threshold or due to the size of the community a lower amount as determined by the Governing Body.

The problems and weaknesses noted in my audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments, please do not hesitate to contact me.

Very truly yours,



Gerard Stankiewicz  
Certified Public Accountant  
Registered Municipal Accountant #431

For The Firm  
SAMUEL KLEIN AND COMPANY