

**COMPREHENSIVE ANNUAL FINANCIAL REPORT OF
BOROUGH OF ROOSEVELT
33 North Rochdale Avenue
Roosevelt, New Jersey 08555
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

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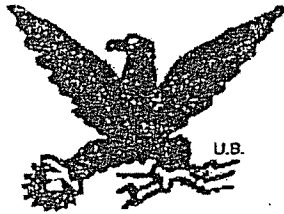
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Borough of Roosevelt

Jersey Homesteads Historic District

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

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

August 31, 2018

TO: The Honorable Mayor and Council Members

RE: Comprehensive Annual Financial Report for the
Year Ended December 31, 2017

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 2017 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 2017, our Current Fund, which encompasses the general government functions of the Borough had revenues, exclusive of fund balance utilized of \$1,308,744.08 expenditures of \$1,132,431.89 and an increase of \$165,261.69 in fund balance at year-end. The increase was caused by interfund advance charges to fund balance that created revenues. The Current Fund total revenues increased approximately \$190,369.85, or 13.01% compared to 2016 caused primarily by increases in other credits.

	<u>2017</u>	<u>2016</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Local Sources:				
Fund Balance Utilized	\$ 345,000.00	\$ 391,000.00	\$ (46,000.00)	(11.76) %
Current Tax Revenue	762,496.52	759,772.78	2,723.74	0.36
Delinquent Tax Revenue	48,904.30	45,169.46	3,734.84	8.27
Miscellaneous Revenues Anticipated		15,085.00	(15,085.00)	(100.00)
Nonbudget Revenues	43,869.53	35,422.11	8,447.42	23.85
Other Credits to Income	<u>367,087.08</u>	<u>118,075.88</u>	<u>249,011.20</u>	<u>210.89</u>
Total Revenues from Local Sources	\$ 1,567,357.43	\$ 1,364,525.23	\$ 202,832.20	14.86 %
State Aid	81,849.00	81,849.00	0.00	0.00
Grants	<u>4,537.65</u>	<u>17,000.00</u>	<u>(12,462.35)</u>	<u>(73.31)</u>
Total Current Fund Revenues	<u><u>\$ 1,653,744.08</u></u>	<u><u>\$ 1,463,374.23</u></u>	<u><u>\$ 190,369.85</u></u>	<u><u>13.01 %</u></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 decrease in expenditures in 2017 compared to 2016 was \$33,767.57 or 2.90%. Below is a comparison of the Current Fund expenditures:

	<u>2017</u>	<u>2016</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Within "CAPS":				
General Government	\$ 359,486.00	\$ 326,187.00	\$ 33,299.00	10.21 %
Land Use	30,700.00	30,693.00	7.00	0.02
Insurance	58,500.00	41,356.00	17,144.00	41.45
Public Works	123,250.00	150,170.00	(26,920.00)	(17.93)
Health and Human Services	16,200.00	16,700.00	(500.00)	(2.99)
Parks and Recreation	29,200.00	28,442.00	758.00	2.67
Utilities	29,500.00	37,200.00	(7,700.00)	(20.70)
Other Common Functions	1,500.00	2,000.00	(500.00)	(25.00)
Public Safety	38,600.00	52,750.00	(14,150.00)	(26.82)
Sanitation	32,000.00	31,000.00	1,000.00	3.23
Deferred Charges and Statutory Expenditures	<u>78,000.00</u>	<u>60,445.00</u>	<u>17,555.00</u>	<u>29.04</u>
Total Expenditures within "CAPS"	<u>\$ 796,936.00</u>	<u>\$ 776,943.00</u>	<u>\$ 19,993.00</u>	<u>2.57 %</u>
Outside "CAPS":				
Insurance		\$ 144.00	\$ (144.00)	(100.00) %
Public Safety	\$ 26,171.00	7,421.00	18,750.00	252.66
Sanitation	65,660.00	64,400.00	1,260.00	1.96
General Government		36,400.00	(36,400.00)	100.00
Grants	4,537.65	17,000.00	(12,462.35)	(73.31)
Capital Improvements	30,000.00	45,000.00	(15,000.00)	(33.33)
Deferred Charges and Statutory Expenditures	<u>15,377.24</u>	<u>24,891.46</u>	<u>(9,514.22)</u>	<u>(38.22)</u>
Debt Service	<u>13,750.00</u>	<u>14,000.00</u>	<u>(250.00)</u>	<u>(1.79)</u>
Total Expenditures outside "CAPS"	<u>\$ 155,495.89</u>	<u>\$ 209,256.46</u>	<u>\$ (53,760.57)</u>	<u>(25.69) %</u>
Reserve for Uncollected Taxes	<u>\$ 180,000.00</u>	<u>\$ 180,000.00</u>	<u>\$ 0.00</u>	<u>0.00</u>
	<u>\$ 1,132,431.89</u>	<u>\$ 1,166,199.46</u>	<u>\$ (33,767.57)</u>	<u>(2.90) %</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 2017 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 \$840,654.71 and incurred operating expenses of \$862,629.82. The decrease in operating expenses from 2017 to 2016 was \$45,808.61 or 5.04%. , Fund balance increased \$21,975.11. The following schedule summarizes revenues and expenses for 2017 and 2016.

<u>Revenues</u>	<u>2017</u>	<u>2016</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Fund Balance Utilized	\$ 21,975.11	61,059.09	\$ (39,083.98)	(64.01) %
Rents	713,820.20	\$ 743,887.34	(30,067.14)	(4.04)
Cell Tower Fees	79,612.29	75,874.11	3,738.18	4.93
Deficit General Budget	20,231.88			
Interest on Delinquent Rents	10,254.58	10,215.77	38.81	0.38
Nonbudget Revenue	111.57	146.14	(34.57)	(23.66)
Other Credits to Income:				
Unexpended Balance of				
Appropriation Reserves	<u>16,624.19</u>	<u>39,231.09</u>	<u>(22,606.90)</u>	<u>(57.62)</u>
	<u>\$ 862,629.82</u>	<u>\$ 930,413.54</u>	<u>\$ (88,015.60)</u>	<u>(9.46) %</u>
<u>Expenditures</u>				
Operating	\$ 566,349.33	\$ 612,456.00	\$ (46,106.67)	(7.53) %
Capital Improvements		14,500.00	(14,500.00)	(100.00)
Debt Service	273,709.49	257,782.43	15,927.06	6.18
Deferred Charges and				
Statutory Expenditures	<u>22,571.00</u>	<u>23,700.00</u>	<u>(1,129.00)</u>	<u>(4.76)</u>
	<u>\$ 862,629.82</u>	<u>\$ 908,438.43</u>	<u>\$ (45,808.61)</u>	<u>(5.04) %</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 and 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 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 recently after much study and thought entered into a contract with an outside service vendor to oversee the operation of the water and sewer utility. It is anticipated that there will be operational efficiencies and savings.

The Borough is a participant in the State of New Jersey Infrastructure Trust, NJI Bank, 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, 2017, 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 2017, 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 \$4,374,768.40 of which \$4,187,518.40 is attributed to the Water-Sewer Utility and \$187,250 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, 2017

Governing Body

Peggy Malkin, Mayor (*effective August 14, 2017*)

Council President (*through August 14, 2017*)

Jeff Ellentuck, Mayor (*through August 14, 2017*)

Michael Ticktin, Council Member (*through August 18, 2017*)

Michael Hamilton, Council Member

Jill Lipotti, Council Member (*through August 14, 2017*)

Stacey Bonna, Council Member (*through August 14, 2017*)

Joseph Trammel, Council Member

Cody Parker, Council Member (*effective December 11, 2017*)

Maureen Parrot, Council Member (*effective September 25, 2017*)

Robin Phillips, Council Member (*effective September 25, 2017*)

Nick Murray, Council Member (*September 25, 2017 through November 7, 2017*)

Deirdre Sheean, Council Member (*effective November 17, 2017*)

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

Michael Samuel – R3M, Borough Utility Engineer

Roberts Engineering Group, LLC, Borough Engineer

Richard Shaklee, Borough Attorney (*through September 25, 2017*)

Ira Karasick, Borough Attorney (*effective September 25, 2017 through December 31, 2017*)

Nicole Sonnenblick, Municipal Court Judge

Diane Canzanella, Municipal Court Administrator

Michele Donato, Planning Board Attorney

BOROUGH OF ROOSEVELT
CONSULTANTS AND ADVISORS

DECEMBER 31, 2017

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

Ira Karasick
460 Bloomfield Ave
Montclair, NJ 07042

BOND COUNSEL

Gluck Walrath LLP
11 Wharf Avenue
Red Bank, NJ 07701

OFFICIAL DEPOSITORY

1st Constitution Bank

FINANCIAL SECTION

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 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, 2017, 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, 2017, 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, 2017, 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, 2017 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 31, 2018, 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 31, 2018

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

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

**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, 2017, 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 31, 2018.

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)**

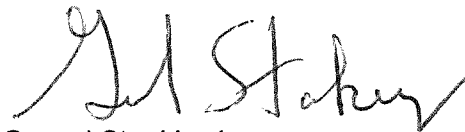
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination 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 31, 2018

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, 2017
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016)

	Governmental Funds		Trust and Agency	Water-Sewer Utility		Capital Assets Account Group	Totals Memorandum Only	
	Current	General Capital		Operating	Capital		2017	2016
ASSETS AND OTHER DEBITS								
Cash and Cash Equivalents	\$ 1,269,223.23	\$ 116,226.01	\$ 36,493.24	\$ 44,311.25	\$ 2,179.12		\$ 1,468,432.85	\$ 1,087,644.61
Intergovernmental Accounts Receivable					258,075.00		258,075.00	263,718.60
Receivables and Other Assets:								
Delinquent Property Taxes Receivable	66,543.49						66,543.49	39,809.83
Tax Title Liens								9,094.47
Foreclosed Property	181,700.00						181,700.00	181,700.00
Consumer Accounts Receivable				105,516.48			105,516.48	83,312.52
Interfunds Receivable	189,413.11	15,983.04	12,720.11	257,977.73			476,093.99	866,819.34
Revenue Accounts Receivable	300.00						300.00	1,135.04
Deferred Charges		187,250.00					187,250.00	237,250.00
Fixed Capital					7,438,533.31		7,438,533.31	7,438,533.31
Fixed Assets						\$ 2,451,472.98	2,451,472.98	2,451,472.98
Grant Fund:								
Grants Receivable	2,893.19						2,893.19	5,893.19
Interfunds Receivable	32,044.60						32,044.60	31,703.78
Total Assets and Other Debits	\$ 1,742,117.62	\$ 319,459.05	\$ 49,213.35	\$ 407,805.46	\$ 7,698,787.43	\$ 2,451,472.98	\$ 12,668,855.89	\$ 12,698,087.67

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, 2017
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2016)

	<u>Governmental Funds</u>		<u>Trust and Agency</u>	<u>Water-Sewer Utility</u>		<u>Capital Assets Account Group</u>	<u>Totals Memorandum Only</u>	
	<u>Current</u>	<u>General Capital</u>		<u>Operating</u>	<u>Capital</u>		<u>2017</u>	<u>2016</u>
LIABILITIES, RESERVES AND FUND BALANCE								
Liabilities and Reserves:								
Appropriation Reserves	\$ 171,751.57			44,934.44			\$ 216,686.01	\$ 181,328.41
Other Liabilities and Reserves	461,060.23	205,446.65	38,162.85	66,271.82	12,545.00		783,486.55	666,214.58
Bond Anticipation Notes					376,150.00		376,150.00	
Loans Payable					2,990,956.40		2,990,956.40	3,176,166.94
Improvement Authorizations		112,156.43			793,237.39		905,393.82	995,793.22
Interfunds Payable	32,044.60		11,050.50	191,082.72	273,960.77		508,138.59	898,523.12
Reserve for Amortization					3,251,014.91		3,251,014.91	3,065,804.37
Reserve for Receivables and Other Assets	437,956.60			105,516.48			543,473.08	761,327.90
Grant Fund:								
Reserve for Encumbrances	4,751.50						4,751.50	5,510.00
Appropriated Reserves	30,186.29						30,186.29	32,086.97
Total Liabilities and Reserves	\$ 1,137,750.79	\$ 317,603.08	\$ 49,213.35	\$ 407,805.46	\$ 7,697,864.47		\$ 9,610,237.15	\$ 9,782,755.51
Equity and Other Credits:								
Investment in Capital Assets						\$ 2,451,472.98	2,451,472.98	\$ 2,451,472.98
Fund Balance	\$ 604,366.83	\$ 1,855.97			\$ 922.96		\$ 607,145.76	\$ 463,859.18
Total Equity and Other Credits	\$ 604,366.83	\$ 1,855.97			\$ 922.96	\$ 2,451,472.98	\$ 3,058,618.74	\$ 2,915,332.16
Total Liabilities, Reserves and Fund Balance	\$ 1,742,117.62	\$ 319,459.05	\$ 49,213.35	\$ 407,805.46	\$ 7,698,787.43	\$ 2,451,472.98	\$ 12,668,855.89	\$ 12,698,087.67

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, 2017

	Current Fund			Water-Sewer Utility Operating Fund		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Fund Balance Anticipated	\$ 345,000.00	345,000.00		21,975.11	21,975.11	
Water-Sewer Rents				\$ 743,887.34	713,820.20	\$ (30,067.14)
Miscellaneous Revenues	10,000.00		\$ (10,000.00)	86,089.88	89,866.87	3,776.99
State Aid	81,849.00	81,849.00				
Deficit (General Budget)				46,000.00	20,231.88	(25,768.12)
Grants	4,537.65	4,537.65				
	<u>\$ 441,386.65</u>	<u>\$ 431,386.65</u>	<u>\$ (10,000.00)</u>	<u>\$ 897,952.33</u>	<u>\$ 845,894.06</u>	<u>\$ (52,058.27)</u>
Receipts from Delinquent Taxes	43,000.00	48,904.30	5,904.30			
Amount to be Raised by Taxes for Support of Municipal Budget:						
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	648,045.24	762,496.52	114,451.28			
Budget Totals	<u>\$ 1,132,431.89</u>	<u>\$ 1,242,787.47</u>	<u>\$ 110,355.58</u>	<u>\$ 897,952.33</u>	<u>\$ 845,894.06</u>	<u>\$ (52,058.27)</u>
Nonbudget Revenue		43,869.53	43,869.53		111.57	111.57
Taxes Allocated to School and County		1,839,881.43	1,839,881.43			
Other Credits to Income		367,087.08	367,087.08		16,624.19	16,624.19
Total Revenues	<u>\$ 1,132,431.89</u>	<u>\$ 3,493,625.51</u>	<u>\$ 2,361,193.62</u>	<u>\$ 897,952.33</u>	<u>\$ 862,629.82</u>	<u>\$ (35,322.51)</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, 2017

	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	\$ 359,486.00	359,486.00				
Land Use	30,700.00	30,700.00				
Insurance	58,500.00	58,500.00				
Public Safety	38,600.00	38,600.00				
Public Works	123,250.00	123,250.00				
Health and Human Services	16,200.00	16,200.00				
Parks and Recreation	29,200.00	29,200.00				
Utilities	29,500.00	29,500.00				
Other Common Functions	1,500.00	1,500.00				
Sanitation	32,000.00	32,000.00				
Deferred Charges and Statutory Expenditures	78,000.00	78,000.00				
Excluded from "CAPS":						
Public Safety	26,171.00	26,171.00				
Sanitation	65,660.00	65,660.00				
Grants	4,537.65	4,537.65				
Operating				\$ 601,349.33	566,349.33	\$ 35,000.00
Capital Improvements	30,000.00	30,000.00				
Debt Service	13,750.00	13,750.00		274,032.00	273,709.49	322.51
Deferred Charges and Statutory Expenditures	15,377.24	15,377.24		22,571.00	22,571.00	
Reserve for Uncollected Taxes	180,000.00	180,000.00				
Total Budget Expenditures	\$ 1,132,431.89	\$ 1,132,431.89		\$ 897,952.33	\$ 862,629.82	\$ 35,322.51

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, 2017

	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		\$ 253,481.43	\$ (253,481.43)			
Local District School Taxes		1,586,400.00	(1,586,400.00)			
Interfund Advanced		11,050.50	(11,050.50)			
Total Expenditures	\$ 1,132,431.89	\$ 2,983,363.82	\$ (1,850,931.93)	\$ 897,952.33	\$ 862,629.82	\$ 35,322.51
Excess/(Deficit) in Revenues Over/(Under) Expenditures		\$ 510,261.69	\$ 510,261.69			
Fund Balance, January 1, 2017		439,105.14	439,105.14		\$ 21,975.11	\$ 21,975.11
		\$ 949,366.83	\$ 949,366.83		21,975.11	21,975.11
Decreased By:						
Utilization as Anticipated Revenue		345,000.00	345,000.00		21,975.11	21,975.11
Fund Balance, December 31, 2017		\$ 604,366.83	\$ 604,366.83			

See Notes to Financial Statements.

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

BALANCE, DECEMBER 31, 2016

AND

BALANCE, DECEMBER 31, 2017

\$ 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, 2016

AND

BALANCE, DECEMBER 31, 2017

\$ 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, 2017

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

- A. **Reporting Entity** - The Borough of Roosevelt is located in Western Monmouth County 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, 2017

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 31st of each year, under the title of "Appropriation Reserves".

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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, 2017

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, 2017

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, 2017

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. 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.

- *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.

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Other Accounting Standards (Continued)

- *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.

- *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.

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Other Accounting Standards (Continued)

- *GASB Statement No. 87.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

- *GASB Statement No. 88. Certain Disclosures Related to Debt, including Borrowings and Direct Placements.* The primary objective of this Statement is to improve the information and is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Other Accounting Standards (Continued)

- *GASB Statement No. 89. Accounting for Interest Cost Incurred Before the End of a Construction Period.* The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

Effective Date: The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

E. Subsequent Events

Management has reviewed and evaluated all events and transactions from December 31, 2017 through August 31, 2018, 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, 2017

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, 2017, 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, 2017 was \$1,441,723.24. 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, 2017

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, 2017

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, 2017

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

Comparative Schedule of Tax Rates

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	\$ 2.906	\$ 2.868	\$ 2.919	\$ 2.996	\$ 2.913
Apportionment of Tax Rate:					
Municipal	0.756	0.728	0.728	0.749	0.748
County	0.300	0.292	0.312	0.306	0.313
Local School	1.850	1.848	1.879	1.941	1.852

Assessed Valuation

2017	\$ 85,665,800.00
2016	85,344,749.00
2015	85,837,215.00
2014	81,996,061.00
2013	84,211,290.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2017	\$ 2,488,921.44	\$ 2,422,377.95	97.33%
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%

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>
2017	\$ None	\$ 66,543.29	\$ 66,543.29	2.68%
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%

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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>
2017	\$ 181,700.00
2016	181,700.00
2015	181,700.00
2014	181,700.00
2013	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 2017.

Billings and Collections

<u>Year</u>	<u>Amount Levied</u>	<u>Collections*</u>
2017	\$ 736,024.16	\$ 713,820.20
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

* May include amounts levied in prior years

** Rate increase effective

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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>2017</u>	Increase/ (Decrease)
Balance of Tax *	\$ 792,856.00	\$ 788,388.00	\$ 4,468.00
Deferred Portion	<u>491,850.50</u>	<u>491,850.50</u>	<u>None</u>
Tax Payable	<u>\$ 301,005.50</u>	<u>\$ 296,537.50</u>	<u>\$ 4,468.00</u>

* Required for school operations for the six-month period following December 31st.

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>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<u>Current Fund</u>			
2017	\$ 604,366.83	\$ 323,900.00	53.59%
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%
<u>Water-Sewer Utility Operating Fund</u>			
2017	\$ None	\$ None	None
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

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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 2017</u>	<u>Year 2016</u>	<u>Year 2015</u>
<u>Issued</u>			
General:			
Notes	\$ None	\$ None	\$ None
Loans	115,000.00	125,000.00	135,000.00
Water-Sewer Utility:			
Notes	376,150.00	None	541,513.00
Loans	<u>2,990,956.40</u>	<u>3,176,166.94</u>	<u>2,540,379.28</u>
Debt Issued	\$ <u>3,482,106.40</u>	\$ <u>3,301,166.94</u>	\$ <u>3,216,892.28</u>
<u>Authorized but Not Issued</u>			
General:			
Bonds and Notes	\$ 72,250.00	\$ 112,250.00	\$ 157,250.00
Water-Sewer Utility:			
Bonds and Notes	<u>820,412.00</u>	<u>1,196,562.00</u>	<u>1,132,637.00</u>
Total Authorized but Not Issued	\$ <u>892,662.00</u>	\$ <u>1,308,812.00</u>	\$ <u>1,289,887.00</u>
Net Bonds and Notes Issued and Authorized but Not Issued	\$ <u><u>4,374,768.40</u></u>	\$ <u><u>4,609,978.94</u></u>	\$ <u><u>4,506,779.28</u></u>

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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 1.09%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 431,000.00	\$ 431,000.00	\$ None
Water-Sewer Utility Debt	4,187,518.40	3,450,397.00	737,121.40
General Capital Debt	<u>187,250.00</u>	<u>None</u>	<u>187,250.00</u>
	<u>\$ 4,805,768.40</u>	<u>\$ 3,881,397.00</u>	<u>\$ 924,371.40</u>

Equalized Valuation basis per N.J.S. 40A:2-2 As Amended is \$85,138,404.33. 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)	\$ 2,979,844.15
Net Debt	<u>924,371.40</u>
Remaining Borrowing Power	<u>\$ 2,055,472.75</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, 2017

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		\$	825,773.75
Deductions:			
Operating and Maintenance Cost	\$		588,920.33
Debt Service			<u>273,709.49</u>
			<u>862,629.82</u>
 Excess/(Deficit) in Revenue		 \$	 <u><u>(36,856.07)</u></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 \$36,856.07 less the deficit capitalized at 5% per statute ($\$36,856.07 \times 20 = \$737,121.40$). \$34,506.97 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, 2017

Note 8. MUNICIPAL DEBT (CONTINUED)

General Capital Fund (Continued)

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

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2022	10,000.00	2,050.00	12,050.00
	<u>50,000.00</u>	<u>13,950.00</u>	<u>63,950.00</u>
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
2027	15,000.00	300.00	15,300.00
	<u>65,000.00</u>	<u>4,850.00</u>	<u>69,850.00</u>
	<u>\$ 115,000.00</u>	<u>\$ 18,800.00</u>	<u>\$ 133,800.00</u>

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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>Calender Year</u>	<u>1992 Loan Principal and Interest</u>
2018	\$ 18,000.00
2019	18,000.00
2020	18,000.00
2021	18,000.00
2022	9,000.00
Total	\$ 81,000.00
Detail:	
Principal	\$ 70,485.93
Interest	10,514.07
	<u>\$ 81,000.00</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, 2017

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>	
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
2022	95,000.00	42,150.00	137,150.00
	<u>425,000.00</u>	<u>253,250.00</u>	<u>678,250.00</u>
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
2027	110,000.00	25,250.00	135,250.00
	<u>515,000.00</u>	<u>158,100.00</u>	<u>673,100.00</u>
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>485,000.00</u>	<u>59,700.00</u>	<u>544,700.00</u>
Total	<u>\$ 1,425,000.00</u>	<u>\$ 471,050.00</u>	<u>\$ 1,896,050.00</u>

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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
2022	40,000.00	7,250.00	47,250.00
	<u>185,000.00</u>	<u>50,000.00</u>	<u>235,000.00</u>
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
2027	45,000.00	900.00	45,900.00
	<u>220,000.00</u>	<u>15,550.00</u>	<u>235,550.00</u>
Total	<u>\$ 405,000.00</u>	<u>\$ 65,550.00</u>	<u>\$ 470,550.00</u>

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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>Calendar Year</u>	<u>2011</u>	<u>2012</u>	<u>Grand Total</u>
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
2022	137,150.00	47,250.00	184,400.00
	<u>678,250.00</u>	<u>235,000.00</u>	<u>913,250.00</u>
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
2027	135,250.00	45,900.00	181,150.00
	<u>673,100.00</u>	<u>235,550.00</u>	<u>908,650.00</u>
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>544,700.00</u>	<u>-</u>	<u>544,700.00</u>
Total	<u>\$ 1,896,050.00</u>	<u>\$ 470,550.00</u>	<u>\$ 2,366,600.00</u>

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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 at interest rates ranging from 2.0% 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, 2017

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% \$ 100,000.00 *

\$195,000.00 NJEIT -
 2016 Spring Program - Annual maturities of
 \$5,000.00 to \$15,000.00 through August 1, 2029
 at interest rates ranging from 2.0% to 5.0% 190,000.00 **

\$ 290,000.00

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. \$ 247,118.72

\$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. 553,351.75

\$ 800,470.47

\$ 1,090,470.47

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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, 2017

Note 8. MUNICIPAL DEBT (CONTINUED)

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

	2010 Winter Program			
	Principal		Interest	Total
	Federal	State	State	
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
2022	20,593.21	10,000.00	3,150.00	33,743.21
	102,966.05	30,000.00	17,750.00	150,716.05
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
2027	20,593.21	10,000.00	1,200.00	31,793.21
	102,966.05	50,000.00	9,800.00	162,766.05
2028	20,593.21	10,000.00	800.00	31,393.21
2029	20,593.41	10,000.00	400.00	30,993.41
	41,186.62	20,000.00	1,200.00	62,386.62
	\$ 247,118.72	\$ 100,000.00	\$ 28,750.00	\$ 375,868.72

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 8. MUNICIPAL DEBT (CONTINUED)

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

2016 Spring Program				
	Principal		Interest	Total
	Federal	State	State	
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
2022	30,741.75	10,000.00	5,062.50	45,804.25
	153,708.75	45,000.00	30,062.50	228,771.25
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
2027	30,741.75	10,000.00	2,862.50	43,604.25
	153,708.75	50,000.00	18,412.50	222,121.25
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
2032	30,741.75	10,000.00	1,650.00	42,391.75
	153,708.75	50,000.00	10,300.00	214,008.75
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
	92,225.50	45,000.00	2,700.00	139,925.50
	\$ 553,351.75	\$ 190,000.00	\$ 61,475.00	\$ 804,826.75

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 8. MUNICIPAL DEBT (CONTINUED)

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

	Total NJEIT Programs			
	Principal		Interest	Total
	Federal	State	State	
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
2022	51,334.96	20,000.00	8,212.50	79,547.46
	256,674.80	75,000.00	47,812.50	379,487.30
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
2027	51,334.96	20,000.00	4,062.50	75,397.46
	256,674.80	100,000.00	28,212.50	384,887.30
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
2032	30,741.75	10,000.00	1,650.00	42,391.75
	194,895.37	70,000.00	11,500.00	276,395.37
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
	92,225.50	45,000.00	2,700.00	139,925.50
	\$ 800,470.47	\$ 290,000.00	\$ 90,225.00	\$ 1,180,695.47

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

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

Combined Schedule of Water-Sewer Utility Capital Fund Indebtedness

<u>Calendar Year</u>	<u>FHA Loan</u>	<u>MCIA Loan</u>	<u>NJEIT Loan</u>	<u>Total</u>
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
2022	9,000.00	184,400.00	79,547.46	272,947.46
	<u>81,000.00</u>	<u>913,250.00</u>	<u>379,487.30</u>	<u>1,373,737.30</u>
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
2027	-	181,150.00	75,397.46	256,547.46
	<u>-</u>	<u>908,650.00</u>	<u>384,887.30</u>	<u>1,293,537.30</u>
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
2032	-	-	42,391.75	42,391.75
	<u>-</u>	<u>544,700.00</u>	<u>276,395.37</u>	<u>821,095.37</u>
2033	-	-	47,091.75	47,091.75
2034	-	-	46,641.75	46,641.75
2035	-	-	46,192.00	46,192.00
	<u>-</u>	<u>-</u>	<u>139,925.50</u>	<u>139,925.50</u>
Total	<u>\$ 81,000.00</u>	<u>\$ 2,366,600.00</u>	<u>\$ 1,180,695.47</u>	<u>\$ 3,628,295.47</u>

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 8. MUNICIPAL DEBT (CONTINUED)

Bond Anticipation Notes

	<u>Interest Rate</u>	<u>Original Issue Date</u>	<u>Amount</u>	<u>Payment Required First</u>	<u>Final</u>
General Capital Fund	1.70%	12/29/2017	\$ 376,150.00	2020	2031
			<u>\$ 376,150.00</u>		

Bonds and Notes Authorized but not Issued

At December 31, 2017, the Borough had notes authorized but not issued as follows:

<u>Fund</u>	<u>Amount</u>
General Capital	\$ 72,250.00
Water-Sewer Utility Capital	<u>820,412.00</u>
	<u>\$ 892,662.00</u>

Subsequent Event

General Capital Fund – the Borough adopted a Bond Ordinance (#18-05) for \$520,000.00 which authorized debt of \$310,000.00, and included a NJDOT grant of \$210,000.00 for repair the Homestead Lane and Cedar Court.

Water-Sewer Capital Fund – the Borough adopted a Bond Ordinance (#18-06) that authorized debt of \$715,000.00 for repairs the water mains along Homestead Lane, Elm Court and Cedar Court. The project will be financed by the NJI-Bank which offers favorable financing rates; however, the amount could be reduced by grant proceeds.

Note 9. PENSION PLAN

Description of Systems

Substantially all of the Borough's full-time employees participate in the contributory defined benefit public employee retirement system which had been established by State statute: the Public Employees' Retirement System (PERS).

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 9. PENSION PLAN (CONTINUED)

Description of Systems (Continued)

Public Employees' Retirement System

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR), which can be found at <http://www.nj.gov/treasury/pensions/financial-reports.shtml>.

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

Tier	Definition
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 1/55th 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 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to 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, 2017

Note 9. PENSION PLAN (CONTINUED)

Contributions Required to be Made

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Employee contributions for 2017 were seven and 20/100th present (7.20%) and effective July 1, 2017, employee contributions were increased to seven and 34/100th percent (7.34%) of the employee's base wages. Employer's contributions are actuarially determined annually by the Division of Pension.

The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The Borough's contributions to the plan for the past three (3) years are as follows:

	<u>PERS</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Covered Payroll	\$ 170,056	\$ 167,640	\$ 142,960
Actuarial Contribution Requirements	16,602	13,655	20,809
Total Contributions Employer Share	16,602	13,655	20,809
Percent of Covered Employee - Payroll	9.76	8.15 %	14.56 %
Employee's Share	12,363	11,953	10,010
Percent of Covered Payroll	7.27 %	7.13 %	7.00 %

All contributions were equal to the required contributions for each of the three (3) years, respectively.

Due to the employee contribution percent changing July 1st of every year; the percent of covered payroll is an average of the first two quarters and the last two quarters of the year.

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 9. PENSION PLAN (CONTINUED)

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, 2018 would be needed in the amount of \$22,416.00 since the obligation relates to the period December 31, 2017 and prior. The accrual (under GAAP) would affect the fund balance at yearend.

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, 2017 and June 30, 2016 Independent Auditor's Report dated April 27, 2018 and April 6, 2017, respectively.

The Borough's reported liability of \$563,269.00 and \$553,480.000 for its proportionate share of the net pension liability at December 31, 2017 and December 31, 2016, respectively. The net pension liability was measured as of June 30, 2017 and June 30, 2016 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, (Measurement Date)	
	2017	2016
Local Group Share	\$ 23,278,401,588	\$ 29,617,131,759
Borough Proportionate Percentage	0.0024197069 %	0.0018687829 %
Difference - Increase	0.0005509240 %	

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 9. PENSION PLAN (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2017, the Borough's recognizable pension income of negative \$5,119.00. At December 31, 2017, 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	\$ 113,479	\$ 113,063
Net difference between expected and actual experience	13,263	
Net difference between projected and actual investment earnings on pension plan investment	3,835	
Changes in proportion	133,903	198,329
Borough Contribution: Subsequent to Yearend	<u>22,416</u>	
Total	<u>\$ 286,896</u>	<u>\$ 311,392</u>

The \$22,416.00 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, 2017, 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, 2017. 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>
2018	\$ 13,260
2019	20,010
2020	12,125
2021	(16,126)
2022	(11,754)

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 9. PENSION PLAN (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Additional Information:

Collective (local employers) balances at June 30, 2017 and June 30, 2016 are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Collective deferred outflows of resources	\$ 6,424,455,842	\$ 8,685,338,380
Collective deferred inflows of resources	\$ 5,700,625,981	\$ 870,133,595
Collective net pension liability	\$ 23,278,401,588	\$ 29,617,131,759
Borough's proportion (of Local Group)	0.0024197069 %	0.0018687824 %

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation	2.25 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	7.00 Percent

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 9. PENSION PLAN (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, 2016 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 (7.00% at June 30, 2017) 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.

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 9. PENSION PLAN (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00 %	5.51 %
Cash Equivalents	5.50	1.00
U.S. Treasuries	3.00	1.87
Investment Grade Credit	10.00	3.78
Public High Yield	2.50	6.82
Global Diversified Credit	5.00	7.10
Credit oriented Hedge Funds	1.00	6.60
Debt related Private Equity	2.00	10.63
Debt related Real Estate	1.00	6.61
Private Real Asset	2.50	11.83
Equity related Real Estate	6.25	9.23
U.S. Equity	30.00	8.19
Non-U.S. Developed Markets Equity	11.50	9.00
Emerging Market Equities	6.50	11.64
Buyouts/Venture Capital	8.25	13.08
	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.58% as of June 30, 2017 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 made based on the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040.

BOROUGH OF ROOSEVELT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Note 9. PENSION PLAN (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of (*measurement dates*) June 30, 2017 and June 30, 2016, 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, 2017		
		At Current		
		1% Decrease	Discount Rate	1% Increase
		<u>4.00%</u>	<u>5.00%</u>	<u>6.00%</u>
Borough's proportionate share of the pension liability	\$	698,774	\$ 563,269	\$ 450,377
		December 31, 2016		
		At Current		
		1% Decrease	Discount Rate	1% Increase
		<u>2.98%</u>	<u>3.98%</u>	<u>4.98%</u>
Borough's proportionate share of the pension liability	\$	678,225	\$ 553,480	\$ 449,769

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.

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, 2017

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, 2017 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Current	\$ 189,412.61	\$ 32,044.60
Grant	32,044.60	
Trust	12,720.11	11,050.50
General Capital	15,983.04	
Water-Sewer Utility Operating	257,977.73	191,082.22
Water-Sewer Utility Capital	<u> </u>	<u>273,960.77</u>
	<u>\$ 508,138.09</u>	<u>\$ 508,138.09</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, 2017, 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, 2017

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, 2017.

D. State Tax Appeals

There was one state tax appeal pending at December 31, 2017. 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, 2017 AND 2016

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>1,269,223.23</u>	\$ <u>921,642.19</u>
	\$ <u>1,269,223.23</u>	\$ <u>921,642.19</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes	\$ 66,543.49	\$ 39,809.83
Tax Title Liens		9,094.47
Foreclosed Property	181,700.00	181,700.00
Revenue Accounts Receivable	300.00	1,135.04
Interfunds Receivable:		
Due From Water-Sewer Operating Fund	178,362.61	284,529.79
Due from Payroll Fund	<u>11,050.50</u>	<u> </u>
	\$ <u>437,956.60</u>	\$ <u>678,015.38</u>
Total Current Fund	\$ <u>1,707,179.83</u>	\$ <u>1,599,657.57</u>
Grant Fund:		
Due from Current Fund	\$ 32,044.60	\$ 31,703.78
Grants Receivable	<u>2,893.19</u>	<u>5,893.19</u>
Total Grant Fund	\$ <u>34,937.79</u>	\$ <u>37,596.97</u>
Total Assets	\$ <u><u>1,742,117.62</u></u>	\$ <u><u>1,637,254.54</u></u>

BOROUGH OF ROOSEVELT
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE -
REGULATORY BASIS
AS OF DECEMBER 31, 2017 AND 2016

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Current Fund:		
Liabilities:		
Appropriation Reserves	\$ 171,751.57	\$ 114,416.34
Reserve for Encumbrances	11,397.08	19,360.01
Prepaid Taxes	121,878.23	6,296.77
Accounts Payable	20,340.00	8,021.00
Due to State of New Jersey - Chapter 20 P.L. 1971	1,374.89	1,124.89
Various	25.00	
Local District School Tax Payable	301,005.50	296,532.50
Interfunds Payable -		
Due to Grant Fund	32,044.60	31,703.78
Due County for Added and Omitted Taxes	39.53	81.76
Reserve for:		
Cable Television, Appropriated	<u>5,000.00</u>	<u>5,000.00</u>
 Total Liabilities	 <u>\$ 664,856.40</u>	 <u>\$ 482,537.05</u>
 Reserve for Receivables and Other Assets	 <u>\$ 437,956.60</u>	 <u>\$ 678,015.38</u>
 Fund Balance	 <u>\$ 604,366.83</u>	 <u>\$ 439,105.14</u>
 Total Current Fund	 <u>\$ 1,707,179.83</u>	 <u>\$ 1,599,657.57</u>
Grant Fund:		
Appropriated Reserves	\$ 29,592.03	\$ 32,086.97
Unappropriated Reserves	594.26	
Reserve for Encumbrances	<u>4,751.50</u>	<u>5,510.00</u>
 Total Grant Fund	 <u>\$ 34,937.79</u>	 <u>\$ 37,596.97</u>
 Total Liabilities, Reserves and Fund Balance	 <u><u>\$ 1,742,117.62</u></u>	 <u><u>\$ 1,637,254.54</u></u>

BOROUGH OF ROOSEVELT
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenues and Other Income Realized:		
Fund Balance Utilized	\$ 345,000.00	\$ 391,000.00
Miscellaneous Revenues Anticipated		15,085.00
State Aid	81,849.00	81,849.00
Grants	4,537.65	17,000.00
Receipts from Delinquent Taxes	48,904.30	45,169.46
Receipts from Current Taxes	762,496.52	759,772.78
Nonbudget Revenue	43,869.53	35,422.11
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	73,405.53	91,630.78
Current Appropriations Cancelled	25,768.12	26,445.10
Prior Year Interfunds Liquidated	267,913.43	
Allocated to School and County Taxes	<u>1,839,881.43</u>	<u>1,825,686.99</u>
 Total Income	 <u>\$ 3,493,625.51</u>	 <u>\$ 3,289,061.22</u>
 Expenditures:		
Budget Appropriations:		
Within "CAPS":		
General Government	\$ 359,486.00	\$ 326,187.00
Land Use	30,700.00	30,693.00
Insurance	58,500.00	41,356.00
Public Safety	38,600.00	52,750.00
Public Works	123,250.00	150,170.00
Health and Human Services	16,200.00	16,700.00
Parks and Recreation	29,200.00	28,442.00
Utilities	29,500.00	37,200.00
Other Common Functions	1,500.00	2,000.00
Sanitation	32,000.00	31,000.00
Deferred Charges and Statutory Expenditures	78,000.00	60,445.00

BOROUGH OF ROOSEVELT
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Expenditures (Continued):		
Budget Appropriations (Continued):		
Excluded from "CAPS":		
Insurance		\$ 144.00
Public Safety	\$ 26,171.00	7,421.00
Sanitation	65,660.00	64,400.00
General Government		36,400.00
Grant Programs	4,537.65	17,000.00
Capital Improvements	30,000.00	45,000.00
Debt Service	13,750.00	14,000.00
Deferred Charges and Statutory Expenditures	15,377.24	24,891.46
Reserve for Uncollected Taxes	180,000.00	180,000.00
Local District School Taxes	1,586,400.00	1,577,451.00
County Taxes	253,441.90	248,154.23
County Taxes - Added and Omitted	39.53	81.76
Interfund Advanced	<u>11,050.50</u>	<u>272,703.18</u>
 Total Expenditures	 \$ <u>2,983,363.82</u>	 \$ <u>3,264,589.63</u>
 Excess in Revenue over Expenditures	 \$ 510,261.69	 \$ 24,471.59
 Fund Balance, January 1	 <u>439,105.14</u>	 <u>805,633.55</u>
	\$ 949,366.83	\$ 830,105.14
Decreased By:		
Utilized As Anticipated Revenue	<u>345,000.00</u>	<u>391,000.00</u>
 Fund Balance, December 31	 <u><u>\$ 604,366.83</u></u>	 <u><u>\$ 439,105.14</u></u>

BOROUGH OF ROOSEVELT
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	Budget as <u>Modified</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ <u>345,000.00</u>	\$ <u>345,000.00</u>	_____
State Aid Without Offsetting Appropriations:			
Consolidated Municipal Property Tax Relief Aid	\$ 2,736.00	\$ 2,736.00	
Energy Receipts Tax	<u>79,113.00</u>	<u>79,113.00</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	
Recycling Tonnage Grant	<u>537.65</u>	<u>537.65</u>	_____
	\$ <u>4,537.65</u>	\$ <u>4,537.65</u>	_____
Other Special Items:			
Recreation Fees	\$ <u>10,000.00</u>	_____	\$ <u>(10,000.00)</u>
Receipts from Delinquent Taxes	\$ <u>43,000.00</u>	\$ <u>48,904.30</u>	\$ <u>5,904.30</u>
Amount to be Raised by Taxation for Support of Municipal Budget:			
Local Tax for Municipal Purposes	\$ <u>648,045.24</u>	\$ <u>762,496.52</u>	\$ <u>114,451.28</u>
Budget Totals	\$ 1,132,431.89	\$ 1,242,787.47	\$ 110,355.58
Nonbudget Revenue	_____	43,869.53	43,869.53
	\$ <u>1,132,431.89</u>	\$ <u>1,286,657.00</u>	\$ <u>154,225.11</u>

BOROUGH OF ROOSEVELT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>GENERAL GOVERNMENT FUNCTIONS</u>						
General Administration:						
Salaries and Wages	\$ 58,956.00	\$ 58,956.00	\$ 58,694.88		\$ 261.12	
Data Processing	17,000.00	18,500.00	16,652.45		1,847.55	
Other Expenses	18,000.00	18,000.00	15,513.21	\$ 300.14	2,186.65	
Mayor and Council:						
Other Expenses	1,800.00	1,800.00	832.96		967.04	
Municipal Clerk:						
Salaries and Wages	62,150.00	62,150.00	57,599.72		4,550.28	
Other Expenses	39,600.00	39,600.00	35,799.77	35.80	3,764.43	
Financial Administration:						
Salaries and Wages	21,873.00	21,873.00	20,698.04		1,174.96	
Other Expenses	4,650.00	4,650.00	1,849.14	70.76	2,730.10	
Audit Services:						
Other Expenses	11,100.00	11,100.00	11,000.00		100.00	
Revenue Administration:						
Salaries and Wages	8,140.00	8,140.00	8,140.00			
Other Expenses	7,750.00	7,750.00	4,369.11	88.78	3,292.11	
Tax Assessment Administration:						
Salaries and Wages	9,167.00	9,167.00	8,987.00		180.00	
Other Expenses	3,600.00	6,100.00	5,786.22		313.78	
Legal Services and Costs:						
Other Expenses	75,700.00	75,700.00	42,906.46	2,500.00	30,293.54	
Engineering Services and Costs:						
Other Expenses	16,000.00	16,000.00	13,253.75		2,746.25	
<u>LAND USE ADMINISTRATION</u>						
Planning Board:						
Salaries and Wages	4,100.00	4,100.00	1,544.00		2,556.00	
Other Expenses	13,500.00	13,500.00	3,378.27		10,121.73	
Zoning Officer:						
Salaries and Wages	8,900.00	8,900.00	6,110.00		2,790.00	
Other Expenses	800.00	800.00	96.67		703.33	
Code Enforcement:						
Salaries and Wages	1,000.00	1,000.00	500.00		500.00	
Housing Inspection:						
Salaries and Wages	2,400.00	2,400.00	1,500.00		900.00	

BOROUGH OF ROOSEVELT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
<u>INSURANCE</u>						
Purchase of Insurance:						
Liability	\$ 13,000.00	\$ 13,000.00	\$ 10,972.26		\$ 2,027.74	
Worker Compensation	16,000.00	16,000.00	15,384.88		615.12	
Employee Group Plans	28,000.00	28,000.00	5,490.56		22,509.44	
Unemployment Compensation Insurance	1,500.00	1,500.00	1,129.89		370.11	
<u>PUBLIC SAFETY FUNCTIONS</u>						
Office of Emergency Management:						
Other Expenses	500.00	500.00			500.00	
Aid to Volunteer First Aid:						
Other Expenses	20,000.00	20,000.00	20,000.00			
Fire Department:						
Other Expenses	2,000.00	2,000.00	928.12		1,071.88	
School Crossing Guards:						
Salaries and Wages	10,000.00	10,000.00	9,311.86		688.14	
Municipal Court:						
Other Expenses	6,000.00	6,000.00	6,000.00			
Public Defender:						
Other Expenses	100.00	100.00			100.00	
<u>PUBLIC WORKS FUNCTIONS</u>						
Streets and Road Maintenance:						
Salaries and Wages	7,000.00	7,000.00	3,490.75		3,509.25	
Other Expenses	35,750.00	31,750.00	16,270.66	\$ 5,795.79	9,683.55	
Solid Waste Collection:						
Other Expenses	24,500.00	24,500.00	24,154.25		345.75	
Public Buildings and Grounds:						
Other Expenses	58,600.00	58,600.00	41,835.09	78.84	16,686.07	
Vehicle Maintenance:						
Other Expenses	1,400.00	1,400.00	887.60		512.40	
<u>HEALTH AND HUMAN SERVICES FUNCTIONS</u>						
Public Health Services:						
Other Expenses	9,000.00	9,000.00	6,045.00	2,015.00	940.00	
Environmental Commission:						
Salaries and Wages	2,200.00	2,200.00	1,815.45		384.55	
Other Expenses	4,000.00	4,000.00	1,138.04		2,861.96	
Animal Control:						
Other Expenses	1,000.00	1,000.00	918.00		82.00	

BOROUGH OF ROOSEVELT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	<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	\$ 12,000.00	\$ 12,000.00	\$ 9,783.37		\$ 2,216.63	
Other Expenses	17,200.00	17,200.00	3,761.17	\$ 28.66	13,410.17	
<u>OTHER COMMON OPERATING FUNCTIONS</u>						
Celebration of Public Events:						
Other Expenses	1,500.00	1,500.00	1,500.00			
<u>UTILITY EXPENSE AND BULK PURCHASES</u>						
Electricity	6,000.00	6,000.00	5,069.13		930.87	
Street Lighting	10,500.00	10,500.00	8,838.93		1,661.07	
Telephone	6,000.00	6,000.00	4,736.84	446.31	816.85	
Gas (Natural and Propane)	6,000.00	6,000.00	5,074.85		925.15	
Gasoline	1,000.00	1,000.00	656.55	37.00	306.45	
<u>LANDFILL/SOLID WASTE DISPOSAL COSTS</u>						
Landfill Tipping Fees:						
Other Expenses	<u>32,000.00</u>	<u>32,000.00</u>	<u>26,501.55</u>		<u>5,498.45</u>	
Total Operations within "CAPS"	718,936.00	718,936.00	546,906.45	11,397.08	160,632.47	
Total Operations Including Contingent - within "CAPS"	<u>\$ 718,936.00</u>	<u>\$ 718,936.00</u>	<u>\$ 546,906.45</u>	<u>\$ 11,397.08</u>	<u>\$ 160,632.47</u>	
Detail:						
Salaries and Wages	\$ 207,886.00	\$ 207,886.00	\$ 188,175.07		\$ 19,710.93	
Other Expenses (Including Contingent)	511,050.00	511,050.00	358,731.38	\$ 11,397.08	140,921.54	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</u>						
Deferred Charges:						
Anticipated Deficit Water-Sewer Utility	\$ 46,000.00	\$ 46,000.00	\$ 20,231.88			\$ 25,768.12
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System:						
Other Expenses	11,000.00	11,000.00	7,131.00		\$ 3,869.00	
Social Security System (O.A.S.I.)	17,000.00	17,000.00	14,118.22		2,881.78	
Defined Contribution Benefit Plan	<u>4,000.00</u>	<u>4,000.00</u>			<u>4,000.00</u>	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	<u>\$ 78,000.00</u>	<u>\$ 78,000.00</u>	<u>\$ 41,481.10</u>		<u>\$ 10,750.78</u>	<u>25,768.12</u>

BOROUGH OF ROOSEVELT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	<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"	\$ 796,936.00	\$ 796,936.00	\$ 588,387.55	\$ 11,397.08	\$ 171,383.25	\$ 25,768.12
<u>OPERATIONS - EXCLUDED FROM "CAPS"</u>						
Other Operations - Excluded from "CAPS":						
Recycling Tax	\$ 1,400.00	\$ 1,400.00	\$ 1,032.48		\$ 367.52	
Total Other Operations - Excluded from "CAPS"	<u>1,400.00</u>	<u>1,400.00</u>	<u>1,032.48</u>		<u>367.52</u>	
Shared Service Agreements:						
Solid Waste Collection(Borough of Hightstown)						
Other Expenses	64,260.00	64,260.00	64,260.00			
911 Communication Center (County of Monmouth)						
Other Expenses	7,421.00	7,421.00	7,420.20		0.80	
Fire Protection Services(Millstone Fire District No. 1)						
Other Expenses	<u>18,750.00</u>	<u>18,750.00</u>	<u>18,750.00</u>			
Total Shared Service Agreements	<u>90,431.00</u>	<u>90,431.00</u>	<u>90,430.20</u>		<u>0.80</u>	
Public and Private Programs Offset by Revenues:						
Clean Communities Program	4,000.00	4,000.00	4,000.00			
Recycling Tonnage Grant	<u>537.65</u>	<u>537.65</u>	<u>537.65</u>			
Total Public and Private Programs Offset by Revenues	<u>4,537.65</u>	<u>4,537.65</u>	<u>4,537.65</u>			
Total Operations - Excluded from "CAPS"	<u>\$ 96,368.65</u>	<u>\$ 96,368.65</u>	<u>\$ 96,000.33</u>		<u>\$ 368.32</u>	
Detail:						
Other Expenses	\$ 96,368.65	\$ 96,368.65	\$ 96,000.33		\$ 368.32	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>						
Capital Improvement Fund	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00			
Total Capital Improvements Excluded from "CAPS"	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>			

BOROUGH OF ROOSEVELT
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	<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>3,750.00</u>	<u>3,750.00</u>	<u>3,750.00</u>			
Total Municipal Debt Service Excluded from "CAPS"	<u>13,750.00</u>	<u>13,750.00</u>	<u>13,750.00</u>			
Deferred Charges - Municipal - Excluded From "CAPS"						
Deferred Charges to Future Taxation - Unfunded - Ord. 264 South Valley Road Improvements	<u>15,377.24</u>	<u>15,377.24</u>	<u>15,377.24</u>			
Total Def. Charges - Municipal - Excluded From "CAPS"	<u>15,377.24</u>	<u>15,377.24</u>	<u>15,377.24</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	\$ <u>155,495.89</u>	\$ <u>155,495.89</u>	\$ <u>155,127.57</u>		\$ <u>368.32</u>	
Total General Appropriations - Excluded from "CAPS"	\$ <u>155,495.89</u>	\$ <u>155,495.89</u>	\$ <u>155,127.57</u>		\$ <u>368.32</u>	
Subtotal General Appropriations	\$ 952,431.89	\$ 952,431.89	\$ 743,515.12	\$ 11,397.08	\$ 171,751.57	\$ 25,768.12
<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>\$ 1,132,431.89</u>	<u>\$ 1,132,431.89</u>	<u>\$ 923,515.12</u>	<u>\$ 11,397.08</u>	<u>\$ 171,751.57</u>	<u>\$ 25,768.12</u>

Cash Disbursed	\$ 738,977.27
RUT	180,000.00
Grant	<u>4,537.85</u>
	<u>\$ 923,515.12</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, 2016			Levy	Taxes			
2016	\$ 39,809.83				\$ 39,809.83			
2017		\$ 2,488,921.44		\$ 6,296.77	2,411,831.18	\$ 4,250.00		\$ 66,543.49
	\$ 39,809.83	\$ 2,488,921.44		\$ 6,296.77	\$ 2,451,641.01	\$ 4,250.00		\$ 66,543.49

Detail OF Amount to be Raised by Taxation - Municipal Purposes:

Cash Received	\$ 2,411,831.18
Senior Citizen and Veterans Deductions	4,250.00
Prepaid Taxes	6,296.77
	<u>\$ 2,422,377.95</u>
Less Allocated to:	
Local School district	1,586,400.00
County	253,481.43
	<u>180,000.00</u>
Add: Reserve for Uncollected Taxes	
Amount to be Raised by Taxation	<u>\$ 762,496.52</u>
Delinquent Tax Revenue:	
2017 Collections	\$ 39,809.83
Tax Title Liens	9,094.47
	<u>\$ 48,904.30</u>

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

ANALYSIS OF 2017 PROPERTY TAX LEVY

Tax Yield

General Purpose Taxes		\$ 2,488,532.71
Added Taxes (54:4-63.1et. Seq.)		<u>388.73</u>
		<u>\$ 2,488,921.44</u>

Tax Levy

Local District School Taxes		\$ 1,586,400.00
County Taxes:		
County Taxes	\$ 220,579.73	
County Library Tax	15,454.77	
County Health Tax	4,450.07	
County Open Space Tax	12,957.33	
County Added and Omitted Taxes	<u>39.53</u>	
Total County Taxes		<u>253,481.43</u>
		\$ 1,839,881.43
Local Tax for Municipal Purpose	\$ 648,045.24	
Add: Additional Tax Levy	<u>994.77</u>	<u>649,040.01</u>
Total Tax Levy		<u>\$ 2,488,921.44</u>

BOROUGH OF ROOSEVELT
CURRENT FUND
STATEMENT OF TAX TITLE LIENS RECEIVABLE

<u>BALANCE, DECEMBER 31, 2016</u>	\$	9,094.47
<u>DECREASED BY</u> Collections		<u>9,094.47</u>

BOROUGH OF ROOSEVELT
CURRENT FUND
STATEMENT OF 2016 APPROPRIATION RESERVES

	<u>Balance</u> <u>December 31, 2016</u>				
	<u>Appropriation</u> <u>Reserves</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Salaries and Wages:					
Operations - Within "CAPS":					
General Administration	\$ 1,156.00		\$ 1,156.00		\$ 1,156.00
Municipal Clerk	1,887.84		1,887.84	\$ 1,076.17	811.67
Financial Administration	1,215.04		1,215.04		1,215.04
Tax Assessment Administration	180.00		180.00		180.00
Planning Board	2,912.50		2,912.50		2,912.50
Zoning Officer	3,112.16		3,112.16		3,112.16
School Crossing Guards	1,029.89		1,029.89		1,029.89
Streets and Road Maintenance	9,775.76		9,775.76		9,775.76
Environmental Commission	406.60		406.60		406.60
Recreation Services and Programs	219.98		219.98		219.98
Code Enforcement	612.00		612.00		612.00
Housing Inspection	548.00		548.00		548.00
	<u>23,055.77</u>		<u>23,055.77</u>	<u>1,076.17</u>	<u>21,979.60</u>
Total Salaries and Wages	\$ 23,055.77		\$ 23,055.77	\$ 1,076.17	\$ 21,979.60
Other Expenses:					
Operations - Within "CAPS":					
General Administration:					
Data Processing	\$ 2,113.91		\$ 2,113.91	\$ 149.00	\$ 1,964.91
Other Expenses	829.45	\$ 465.73	1,295.18	610.72	684.46
Mayor and Council	71.62		271.62	255.72	15.90
Municipal Clerk	1,127.15	848.82	1,975.97	1,288.45	687.52
Financial Administration	149.57	2,285.48	2,435.05	2,287.48	147.57
Audit Services	350.00		350.00		350.00
Revenue Administration	202.24	3,050.00	3,252.24	3,050.00	202.24
Tax Assessment Administration	832.78		617.78	97.50	520.28
Legal Services and Costs	6,732.89	570.00	7,302.89	4,407.12	2,895.77
Engineering Services and Costs	1,513.23	2,500.00	4,013.23	1,898.00	2,115.23
Planning Board	5,245.88		5,245.88	3,240.88	2,005.00
Zoning Officer	727.94		727.94		727.94
Purchase of Insurance:					
Liability	291.64		291.64		291.64
Worker Compensation	178.18		178.18		178.18
Employee Group Plans	3,427.52	1,872.36	5,299.88	1,872.36	3,427.52
Unemployment Compensation Insurance	438.07		438.07	227.42	210.65

BOROUGH OF ROOSEVELT
CURRENT FUND
STATEMENT OF 2016 APPROPRIATION RESERVES

	Balance December 31, 2016				
	<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	\$ 484.83		\$ 484.83		\$ 484.83
Fire Department	8,366.70	\$ 1,567.50	9,934.20	\$ 7,542.27	2,391.93
Public Defender	100.00		100.00		100.00
Streets and Road Maintenance	3,327.46	1,406.88	4,734.34	2,109.20	2,625.14
Solid Waste Collection	500.00		500.00		500.00
Public Buildings and Grounds	1,838.02	1,750.69	3,588.71	1,744.45	1,844.26
Vehicle Maintenance	507.05	65.00	572.05		572.05
Public Health Services	2,955.00		2,955.00	2,015.00	940.00
Environmental Commission	3,217.42	274.38	3,491.80	24.38	3,467.42
Animal Control	1,198.00		1,198.00		1,198.00
Recreation Services and Programs	1,776.00	310.17	2,086.17	310.17	1,776.00
Electricity	1,371.56	475.00	1,846.56	590.89	1,255.67
Street Lighting	2,945.41	800.00	3,745.41	811.26	2,934.15
Telephone	1,730.55	460.00	2,190.55	417.45	1,773.10
Gas (Natural and Propane)	4,246.29	650.00	4,896.29	921.53	3,974.76
Gasoline	1,961.18	8.00	1,969.18	8.00	1,961.18
Landfill Tipping Fees	3,783.06		3,783.06	1,845.83	1,937.23
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	12,319.00		12,319.00	12,319.00	
Social Security System (O.A.S.I.)	77.26		77.26	72.33	4.93
Defined Contribution Benefit Plan	5,000.00		5,000.00		5,000.00
Operations - Excluded from "CAPS":					
Recycling Tax	333.44		333.44	74.73	258.71
Shared Services:					
Borough Clerk Services (Borough of Hightstown)	9,089.47		9,104.47	9,103.51	0.96
911 Communications Center(County of Monmouth)	0.80		0.80		0.80
 Total Other Expenses	<u>\$ 91,360.57</u>	<u>\$ 19,360.01</u>	<u>\$ 110,720.58</u>	<u>\$ 59,294.65</u>	<u>\$ 51,425.93</u>
 Grand Total	<u>\$ 114,416.34</u>	<u>\$ 19,360.01</u>	<u>\$ 133,776.35</u>	<u>\$ 60,370.82</u>	<u>\$ 73,405.53</u>

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

<u>BALANCE, DECEMBER 31, 2016</u>		
School Tax Payable	\$ 296,532.50	
School Tax Deferred	<u>491,850.50</u>	\$ 788,383.00
 <u>INCREASED BY</u>		
Levy - School Year July 1, 2017 to June 30, 2018		<u>1,586,400.00</u>
		\$ 2,374,783.00
 <u>DECREASED BY</u>		
Payments		<u>1,581,927.00</u>
 <u>BALANCE, DECEMBER 31, 2017</u>		 <u>\$ 792,856.00</u>
 <u>ANALYSIS OF BALANCE</u>		
School Tax Payable	\$ 301,005.50	
School Tax Deferred	<u>491,850.50</u>	
	 <u>\$ 792,856.00</u>	
 <u>2017 LIABILITY FOR LOCAL SCHOOL TAX</u>		
Tax Paid		\$ 1,581,927.00
Less: Tax Payable, December 31, 2016		<u>296,532.50</u>
		\$ 1,285,394.50
 Add: Tax Payable, December 31, 2017		 <u>301,005.50</u>
 <u>AMOUNT CHARGED TO OPERATIONS</u>		 <u>\$ 1,586,400.00</u>

BOROUGH OF ROOSEVELT
GRANT FUND
STATEMENT OF GRANTS RECEIVABLE

<u>Grant</u>	Balance December 31, <u>2016</u>	2017 Revenue Realized <u>As Adopted</u>	Decreased by Cash <u>Receipt</u>	Balance December 31, <u>2017</u>
Federal:				
Green Communities Grant	\$ 3,000.00		\$ 3,000.00	\$
Recreational Trails Grant	2,893.19			2,893.19
State:				
Clean Communities Program		\$ 4,000.00	\$ 4,000.00	
Recycling Tonnage Grant		537.65	537.65	
	<u>\$ 5,893.19</u>	<u>\$ 4,537.65</u>	<u>\$ 7,537.65</u>	<u>\$ 2,893.19</u>

BOROUGH OF ROOSEVELT
GRANT FUND
STATEMENT OF APPROPRIATED RESERVES

<u>Grant</u>	<u>Balance</u> December 31, <u>2016</u>	<u>2017</u> <u>Budget</u> <u>Appropriation</u> <u>As Adopted</u>	<u>Refunds</u>	<u>Decreased by</u> <u>Disbursed</u>	<u>Reserve for</u> <u>Encumbrances</u>	<u>Balance</u> December 31, <u>2017</u>
State:						
NJ DEP:						
Recycling Tonnage Grant	\$ 8,811.81	\$ 537.65				\$ 9,349.46
Clean Communities Program	19,885.44	4,000.00		\$ 4,352.94	\$ 2,241.50	17,291.00
Sustainable New Jersey Small Grant	491.68			480.79		10.89
Green Communities Grant						
Recreational Trails Grant	2,044.73		\$ 226.12	183.48		2,087.37
Fund for Roosevelt	336.50					336.50
Municipal Alcohol Education and Rehabilitation Fund	266.81					266.81
JIF Safety Grant	250.00					250.00
	<u>\$ 32,086.97</u>	<u>\$ 4,537.65</u>	<u>\$ 226.12</u>	<u>\$ 5,017.21</u>	<u>2,241.50</u>	<u>\$ 29,592.03</u>

TRUST AND AGENCY FUND

**BOROUGH OF ROOSEVELT
TRUST AND AGENCY FUND
COMBINING BALANCE SHEETS - REGULATORY BASIS
AS OF DECEMBER 31, 2017 AND 2016**

	<u>Expendable Trust</u>				<u>Agency</u>		<u>Totals</u>	
	<u>Animal Control</u>		<u>Trust Other</u>		<u>Payroll</u>		<u>2017</u>	<u>2016</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>		
<u>ASSETS</u>								
Cash and Cash Equivalents	\$ 880.80	\$ 396.80	\$ 34,797.84	\$ 52,313.55	\$ 814.60	\$ 2,132.12	\$ 36,493.24	\$ 54,842.47
Receivables and Other Assets:								
Interfund Receivable - Due from Water-Sewer Operating Fund					12,720.11		12,720.11	
Total Assets and Other Debits	<u>\$ 880.80</u>	<u>\$ 396.80</u>	<u>\$ 34,797.84</u>	<u>\$ 52,313.55</u>	<u>\$ 13,534.71</u>	<u>\$ 2,132.12</u>	<u>\$ 49,213.35</u>	<u>\$ 54,842.47</u>
<u>LIABILITIES AND RESERVES</u>								
Liabilities and Reserves:								
Interfund Payable -								
Due to Current Fund					\$ 11,050.50		\$ 11,050.50	
Due to State of New Jersey		\$ 8.40						\$ 8.40
Payroll Deductions Payable					2,484.21	\$ 2,132.12	2,484.21	2,132.12
Reserves	<u>\$ 880.80</u>	<u>388.40</u>	<u>\$ 34,797.84</u>	<u>\$ 52,313.55</u>			<u>35,678.64</u>	<u>52,701.95</u>
Total Liabilities and Reserves	<u>\$ 880.80</u>	<u>\$ 396.80</u>	<u>\$ 34,797.84</u>	<u>\$ 52,313.55</u>	<u>\$ 13,534.71</u>	<u>2,132.12</u>	<u>\$ 49,213.35</u>	<u>\$ 54,842.47</u>

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

<u>BALANCE, DECEMBER 31, 2016</u>		\$	388.40
<u>INCREASED BY</u>			
Dog License Fees	\$	448.00	
Due to State of New Jersey		8.40	
Late Fees/Miscellaneous		<u>36.00</u>	<u>492.40</u>
			\$ 880.80
<u>DECREASED BY</u>			
Expenditures			<u>0.00</u>
<u>BALANCE, DECEMBER 31, 2017</u>		\$	<u><u>880.80</u></u>

BOROUGH LICENSE FEES COLLECTED

<u>Year</u>	<u>Amount</u>
2015	360.00
2016	<u>558.00</u>
	<u>\$ 918.00</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>2016</u>	Increased By Receipts	Decreased By Disbursed	Balance December 31, <u>2017</u>
Parking Offense	\$ 11.00			\$ 11.00
Historical Commission Donations	315.00			315.00
Recreation Donations	250.00	\$ 100.00		350.00
Fire Department Donations	100.00			100.00
Escrow Funds	18,650.55			18,650.55
Tax Sale Premiums	32,500.00	32,000.00	\$ 50,000.00	14,500.00
Public Defender - Millstone Township	257.00	450.00	550.00	157.00
Woodland Trail Memorial Fund	<u>230.00</u>	<u>800.00</u>	<u>315.71</u>	<u>714.29</u>
	<u>\$ 52,313.55</u>	<u>\$ 33,350.00</u>	<u>\$ 50,865.71</u>	<u>\$ 34,797.84</u>

BOROUGH OF ROOSEVELT
TRUST OTHER FUND
STATEMENT OF PAYROLL DEDUCTIONS

	Balance December 31, <u>2016</u>	Increased by Payroll Deductions	Decreased by Cash Disbursed	Balance December 31, <u>2017</u>
Federal Withholding Tax		\$ 30,163.00	\$ 30,163.00	
Public Employees Retirement System:				
Regular	1,005.89	12,363.14	12,327.58	\$ 1,041.45
Contributory Insurance	69.90	850.42	849.20	71.12
Social Security and Medicare Taxes		53,371.63	53,371.68	(0.05)
State Income Tax	770.07	9,873.05	9,665.76	977.36
New Jersey Unemployment/Family Leave	204.79	1,325.23	1,328.05	201.97
New Jersey Disability Tax	81.47	607.60	596.71	92.36
Employer Share Unemployment/Family Leave/Disability		2,047.66	2,047.66	
Health Insurance Deductions		10,101.36	10,101.36	
Deferred Compensation		1,200.00	1,100.00	100.00
	<u>2,132.12</u>	<u>\$ 121,903.09</u>	<u>\$ 121,551.00</u>	<u>\$ 2,484.21</u>
Payroll Deductions		\$ 93,169.37		
Social Security:				
Current Fund		14,190.55		
Water-Sewer Utility Operating Fund		12,495.51		
Unemployment Taxes:				
Current Fund		1,260.71		
Water-Sewer Utility Operating Fund		<u>786.95</u>		
		<u>\$ 121,903.09</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, 2017 AND 2016

<u>ASSETS</u>	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
Cash and Cash Equivalents	\$ <u>116,226.01</u>	\$ <u>89,456.81</u>
Intergovernmental Accounts Receivable New Jersey Department of Transportation Grants Receivable		\$ 5,643.60
Interfunds Receivable: Due from Water-Sewer Utility Capital Fund	\$ 15,983.04	\$ 9,345.00
Deferred Charges to Future Taxation - Funded	\$ 115,000.00	\$ 125,000.00
Unfunded	<u>72,250.00</u>	<u>112,250.00</u>
	\$ <u>187,250.00</u>	\$ <u>237,250.00</u>
Total Assets	\$ <u><u>319,459.05</u></u>	\$ <u><u>341,695.41</u></u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Other Liabilities and Reserves: Bonds Payable	\$ 115,000.00	\$ 125,000.00
Capital Improvement Fund	66,603.15	66,603.15
Reserve for Building Improvements	18,495.50	18,495.50
Reserve for Encumbrances	<u>5,348.00</u>	<u> </u>
	\$ <u>205,446.65</u>	\$ <u>210,098.65</u>
Improvement Authorizations: Funded	\$ 40,877.77	\$ 28,195.77
Unfunded	<u>71,278.66</u>	<u>101,545.02</u>
	\$ <u>112,156.43</u>	\$ <u>129,740.79</u>
Fund Balance	\$ <u>1,855.97</u>	\$ <u>1,855.97</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>319,459.05</u></u>	\$ <u><u>341,695.41</u></u>

There were \$72,250.00 Bonds and Notes Authorized but not Issued at December 31, 2017.

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

	Balance December 31, <u>2016</u>	Cash <u>Receipts</u>	Cash <u>Disbursed</u>	<u>Transfers</u>		Balance December 31, <u>2017</u>
				<u>From</u>	<u>To</u>	
Fund Balance	\$ 1,855.97					\$ 1,855.97
Capital Improvement Fund	66,603.15	\$ 30,000.00		\$ 30,000.00		66,603.15
Due from NJ DOT	(5,643.60)				\$ 5,643.60	
Due from Water-Sewer Utility Capital Fund	(9,345.00)		\$ 6,638.04			(15,983.04)
Reserve for Encumbrances					5,348.00	5,348.00
Reserve for Building Improvements	18,495.50					18,495.50
Improvement Authorizations:						
<u>Ordinance</u>						
<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
264	Road Improvements to South Valley Road	(9,733.64)	15,377.24	5,643.60		
15-006	Road Improvements to Windsor Road	(971.34)				(971.34)
17-002	Municipal Building Improvements			5,348.00	30,000.00	
		<u>11,970.00</u>				<u>12,682.00</u>
		<u>\$ 89,456.81</u>	<u>\$ 45,377.24</u>	<u>\$ 18,608.04</u>	<u>\$ 40,991.60</u>	<u>\$ 40,991.60</u>
						<u>\$ 116,226.01</u>

BOROUGH OF ROOSEVELT
GENERAL CAPITAL FUND
STATEMENT OF INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

	New Jersey Department of Transportation - <u>Ordinance #264</u>
<u>BALANCE, DECEMBER 31, 2016</u>	\$ 5,643.60
<u>DECREASED BY</u>	
Improvement Authorization Canceled	<u>5,643.60</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, 2016</u>	<u>Decreased by Canceled</u>	<u>Decreased by Budget Appropriation</u>	<u>Balance December 31, 2017</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
264	Road Improvements to South Valley Road	40,000.00	\$ 24,622.76	\$ 15,377.24			
2015-006	Road Improvements to Windsor Road	<u>10,000.00</u>			<u>10,000.00</u>	\$ <u>971.34</u>	<u>9,028.66</u>
		<u>\$ 112,250.00</u>	<u>\$ 24,622.76</u>	<u>\$ 15,377.24</u>	<u>\$ 72,250.00</u>	<u>\$ 971.34</u>	<u>\$ 71,278.66</u>

BOROUGH OF ROOSEVELT
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Title	Ordinance		Balance December 31, 2016		2017 Authorizations Capital Improvement Fund	Cancellation	Paid or Charged	Balance December 31, 2017	
		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 Dr. 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	
264	Improvements to South Valley Road	6/23/2014	280,000.00		30,266.36		\$ 30,266.36			
15-006	Improvements to Windsor Road	8/10/2015	40,000.00		9,028.66					9,028.66
17-002	Municipal Building Improvements	5/8/2017	30,000.00			\$ 30,000.00		\$ 17,318.00	12,682.00	
				\$ 28,195.77	\$ 101,545.02	\$ 30,000.00	\$ 30,266.36	\$ 17,318.00	\$ 40,877.77	\$ 71,278.66
	Unfunded NJDOT Grant Receivable						\$ 24,622.76			
							5,643.60			
							\$ 30,266.36			
	Disbursed						\$ 11,970.00			
	Encumbered						5,348.00			
							\$ 17,318.00			

BOROUGH OF ROOSEVELT
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND

<u>BALANCE, DECEMBER 31, 2016</u>	\$ 66,603.15
<u>INCREASED BY</u> 2017 Budget Appropriation	<u>30,000.00</u>
	\$ 96,603.15
<u>DECREASED BY</u> Appropriated to Finance Improvement Authorizations	<u>30,000.00</u>
<u>BALANCE, DECEMBER 31, 2017</u>	<u>\$ 66,603.15</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, 2016</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
Monmouth County Improvement Authority Pooled Loan Revenue (Refunding) Bonds Serial Bonds	12/4/2012	\$ 165,000.00	12/1/2018	\$ 10,000.00	3.00%	\$ 125,000.00	\$ 10,000.00	\$ 115,000.00
			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>\$ 125,000.00</u>	<u>10,000.00</u>	<u>\$ 115,000.00</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>2016</u>	Budget <u>Appropriation</u>	<u>Cancelled</u>	Balance December 31, <u>2017</u>
231	Reconstruction of Pine Drive Storm Sewers	\$ 62,250.00			\$ 62,250.00
264	Improvements to South Valley Road	40,000.00	\$ 15,377.24	\$ 24,622.76	
2015-006	Road Improvements to Windsor Road	<u>10,000.00</u>	<u> </u>	<u> </u>	<u>10,000.00</u>
		<u>\$ 112,250.00</u>	<u>\$ 15,377.24</u>	<u>\$ 24,622.76</u>	<u>\$ 72,250.00</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, 2017 AND 2016

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>44,311.25</u>	\$ <u>19,525.20</u>
Interfunds Receivable:		
Due from Water-Sewer Utility Capital Fund	\$ <u>257,977.73</u>	\$ <u>411,198.30</u>
Receivables and Other Assets:		
Consumer Accounts Receivable	\$ <u>105,516.48</u>	\$ <u>83,312.52</u>
Total Assets	\$ <u><u>407,805.46</u></u>	\$ <u><u>514,036.02</u></u>

BOROUGH OF ROOSEVELT
WATER-SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2017 AND 2016

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
<u>LIABILITIES, RESERVES AND</u>		
<u>FUND BALANCE</u>		
Liabilities:		
Appropriation Reserves	\$ <u>44,934.44</u>	\$ <u>66,912.07</u>
Other Liabilities and Reserves:		
Reserve for Encumbrances	\$ 53,339.73	\$ 42,265.89
Prepaid Rents	1,380.50	2,577.44
Accrued Interest on Bonds and Loans	<u>11,551.59</u>	<u>12,463.20</u>
	66,271.82	57,306.53
Interfund Payable:		
Due to Current Fund	178,362.61	284,529.79
Due to Payroll Trust	<u>12,720.11</u>	<u> </u>
	\$ <u>191,082.72</u>	\$ <u>284,529.79</u>
Reserve for Receivables and Inventory	\$ <u>105,516.48</u>	\$ <u>83,312.52</u>
Fund Balance	<u> </u>	\$ <u>21,975.11</u>
Total Liabilities, Reserves and Fund Balance	\$ <u><u>407,805.46</u></u>	\$ <u><u>514,036.02</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 21,975.11	\$ 61,059.09
Rents	713,820.20	743,887.34
Cell Tower Fees	79,612.29	75,874.11
Interest on Delinquent Rents	10,254.58	10,215.77
Deficit (General Budget)	20,231.88	
Nonbudget Revenue	111.57	146.14
Other Credits to Income		
Unexpended Balance of Appropriation Reserves	<u>16,624.19</u>	<u>39,231.09</u>
Total Income	<u>\$ 862,629.82</u>	<u>\$ 930,413.54</u>
Expenditures:		
Operating	\$ 566,349.33	\$ 612,456.00
Capital Improvements		14,500.00
Debt Service	273,709.49	257,782.43
Deferred Charges and Statutory Expenditures	<u>22,571.00</u>	<u>23,700.00</u>
Total Expenditures	<u>\$ 862,629.82</u>	<u>\$ 908,438.43</u>
Excess/(Deficit) in Revenue		21,975.11
Statutory Excess to Fund Balance		21,975.11
Fund Balance, January 1	<u>21,975.11</u>	<u>61,059.09</u>
	\$ 21,975.11	83,034.20
Decreased by:		
Water-Sewer Utility Operating Budget	<u>21,975.11</u>	<u>61,059.09</u>
Fund Balance, December 31	<u><u> </u></u>	<u><u>\$ 21,975.11</u></u>

BOROUGH OF ROOSEVELT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	<u>Anticipated</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Fund Balance Anticipated	\$ 21,975.11	\$ 21,975.11	
Rents	743,887.34	713,820.20	\$ (30,067.14)
Cell Tower Fees	75,874.11	79,612.29	3,738.18
Interest on Delinquent Rents	10,215.77	10,254.58	38.81
Deficit (General Budget)	<u>46,000.00</u>	<u>20,231.88</u>	<u>(25,768.12)</u>
	\$ 897,952.33	\$ 845,894.06	\$ (52,058.27)
Nonbudget Revenue	<u> </u>	<u>111.57</u>	<u>111.57</u>
	<u>\$ 897,952.33</u>	<u>\$ 846,005.63</u>	<u>\$ (51,946.70)</u>

ANALYSIS OF NONBUDGET REVENUE

Interest on Investments:

Received from Water-Sewer Utility

Capital Fund

\$ 1.18

Received by Water-Sewer Utility

Operating Fund

110.39\$ 111.57

BOROUGH OF ROOSEVELT
WATER-SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2017

	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING						
Salaries and Wages	\$ 158,232.00	\$ 167,232.00	\$ 163,846.01		\$ 3,385.99	
Other Expenses	<u>443,317.33</u>	<u>434,117.33</u>	<u>304,584.09</u>	\$ 53,339.73	<u>41,193.51</u>	\$ 35,000.00
Total Operating	\$ <u>601,549.33</u>	\$ <u>601,349.33</u>	\$ <u>468,430.10</u>	\$ <u>53,339.73</u>	\$ <u>44,579.50</u>	\$ <u>35,000.00</u>
DEBT SERVICE						
Payment of Bond Principal	\$ 110,000.00	\$ 110,000.00	\$ 110,000.00			
Interest on Bonds	75,400.00	75,400.00	75,399.97			\$ 0.03
Principal and Interest on 1982 Farmers Home Administration Loan	18,000.00	18,000.00	17,696.72			303.28
NJEIT 2010 Loan	27,930.00	27,930.00	27,919.52			10.48
NJEIT 2016 Loan	<u>42,702.00</u>	<u>42,702.00</u>	<u>42,693.28</u>			\$ 8.72
Total Debt Service	\$ <u>274,032.00</u>	\$ <u>274,032.00</u>	\$ <u>273,709.49</u>			\$ <u>322.51</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	\$ 9,471.00	\$ 9,471.00	\$ 9,471.00			
Social Security System (O.A.S.I.)	12,200.00	12,400.00	12,056.98		\$ 343.02	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	<u>700.00</u>	<u>700.00</u>	<u>688.08</u>		<u>11.92</u>	
Total Deferred Charges and Statutory Expenditures	\$ <u>22,371.00</u>	\$ <u>22,571.00</u>	\$ <u>22,216.06</u>		\$ <u>354.94</u>	
Total Water-Sewer Utility Appropriations	\$ <u>897,952.33</u>	\$ <u>897,952.33</u>	\$ <u>764,355.65</u>	\$ <u>53,339.73</u>	\$ <u>44,934.44</u>	\$ <u>35,322.51</u>

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

<u>BALANCE, DECEMBER 31, 2016</u>		\$	83,312.52
 <u>INCREASED BY</u>			
Water-Sewer Rents Levied			<u>736,024.16</u>
			819,336.68
 <u>DECREASED BY</u>			
Collections	\$	711,242.76	
Prepaid Rents Applied		<u>2,577.44</u>	
			<u>713,820.20</u>
 <u>BALANCE, DECEMBER 31, 2017</u>		 \$	 <u><u>105,516.48</u></u>

**BOROUGH OF ROOSEVELT
 WATER-SEWER UTILITY OPERATING FUND
 STATEMENT OF 2016 APPROPRIATION RESERVES**

	Balance December 31, 2016		Balance After Transfers	Paid or Charged	Balance Lapsed
	<u>Appropriation Reserves</u>	<u>Reserve for Encumbrance</u>			
Operating:					
Salaries and Wages	\$ 12,370.02		\$ 12,370.02	\$ 5,601.64	\$ 6,768.38
Other Expenses	52,072.18	\$ 42,265.89	94,338.07	86,414.73	7,923.34
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution:					
Public Employees' Retirement System	26.00		26.00		26.00
Social Security System (O.A.S.I.)	2,233.86		2,233.86	438.53	1,795.33
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	<u>210.01</u>		<u>210.01</u>	<u>98.87</u>	<u>111.14</u>
	<u>\$ 66,912.07</u>	<u>\$ 42,265.89</u>	<u>\$ 109,177.96</u>	<u>\$ 92,553.77</u>	<u>\$ 16,624.19</u>

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

BALANCE, DECEMBER 31, 2016 \$ 12,463.20

INCREASED BY:

Budget Appropriations:

Interest on Bonds	\$	75,399.97
Interest on NJEIT Loan		9,277.84
Interest on USDA Loan		<u>3,821.14</u>

88,498.95

100,962.15

DECREASED BY:

Cash Disbursed

89,410.56

BALANCE, DECEMBER 31, 2017 \$ 11,551.59

ANALYSIS OF ACCRUED INTEREST - DECEMBER 31, 2017

	Outstanding December 31, <u>2017</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
Loan - NJEIT	\$ 290,000.00	various	08/01/17	12/31/17	5 months	\$ 4,505.21
Loan - USDA	70,485.93	5.00%	10/01/17	12/31/17	3 months	1,129.71
Bonds	1,830,000.00	various	12/01/17	12/31/17	1 month	<u>5,916.67</u>
						<u>\$ 11,551.59</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, 2017 AND 2016

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ <u>2,179.12</u>	\$ <u>2,177.94</u>
Fixed Capital	5,234,793.06	5,234,793.06
Fixed Capital Authorized and Uncompleted	2,203,740.25	2,203,740.25
NJEIT Loans Receivable	<u>258,075.00</u>	<u>258,075.00</u>
	<u>7,696,608.31</u>	<u>7,696,608.31</u>
 Total Assets	 \$ <u><u>7,698,787.43</u></u>	 \$ <u><u>7,698,786.25</u></u>
 <u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE</u>		
Bond Anticipation Notes	\$ <u>376,150.00</u>	<u> </u>
Loans Payable:		
Farmer's Home Administration Loan	\$ 70,485.93	\$ 84,361.51
NJEIT Loan	1,090,470.47	1,151,805.43
MCIA Loan	<u>1,830,000.00</u>	<u>1,940,000.00</u>
	<u>2,990,956.40</u>	<u>3,176,166.94</u>
Other Liabilities and Reserves:		
Reserve for Encumbrances	4,995.00	
Capital Improvement Fund	<u>7,550.00</u>	<u>7,550.00</u>
	<u>12,545.00</u>	<u>7,550.00</u>

BOROUGH OF ROOSEVELT
WATER-SEWER UTILITY CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
AS OF DECEMBER 31, 2017 AND 2016

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</u>
<u>LIABILITIES, RESERVES AND</u> <u>FUND BALANCE (CONTINUED)</u>		
Interfunds Payable:		
Due to Water-Sewer Utility Operating Fund	\$ 257,977.73	\$ 411,198.30
Due to Current Fund		161,746.25
Due to General Capital Fund	<u>15,983.04</u>	<u>9,345.00</u>
	<u>\$ 273,960.77</u>	<u>\$ 582,289.55</u>
Improvement Authorizations:		
Funded	\$ 3,640.25	\$ 3,640.25
Unfunded	<u>789,597.14</u>	<u>862,412.18</u>
	<u>793,237.39</u>	<u>866,052.43</u>
Reserve for Amortization	3,232,064.91	3,046,854.37
Deferred Reserve for Amortization	<u>18,950.00</u>	<u>18,950.00</u>
	<u>3,251,014.91</u>	<u>3,065,804.37</u>
Fund Balance	<u>922.96</u>	<u>922.96</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 7,698,787.43</u>	<u>\$ 7,698,786.25</u>

There were Bonds and Notes Authorized but not Issued at December 31, 2017 of \$820,412.00

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

		Balance December 31, <u>2016</u>	Receipts <u>Miscellaneous</u>	Disbursements <u>Miscellaneous</u>	Transfer		Balance December 31, <u>2017</u>
					From	To	
Fund Balance		\$ 922.96					\$ 922.96
Capital Improvement Fund		7,550.00					7,550.00
Due to Water-Sewer Utility Operating Fund		411,198.30	\$ 1.18	\$ 221,041.79		\$ 67,820.04	257,977.73
Due to Current Fund		161,746.25		161,746.25			
Reserve for Encumbrances						4,995.00	4,995.00
Due to General Capital Fund		9,345.00	6,638.04				15,983.04
<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)	23,750.00				4,645.71
257/261	Various Water-Sewer Improvement	(359,252.62)					(359,252.62)
265	Improvements to Lake Drive Pump Station	(26,087.00)	30,400.00		\$ 95.00		4,218.00
2016-03	Rehabilitation of Elevated Water Tower	(166,715.75)	200,000.00		624.00		32,660.25
2016-18	Various Water Sewer Improvements	(21,065.16)	122,000.00		72,096.04		28,838.80
		<u>\$ 1,254.98</u>	<u>\$ 382,789.22</u>	<u>\$ 382,788.04</u>	<u>\$ 72,815.04</u>	<u>\$ 72,815.04</u>	<u>\$ 1,256.16</u>

Bracketed amount () denotes deficit.

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

<u>BALANCE, DECEMBER 31, 2016</u>	
<u>AND</u>	
<u>BALANCE, DECEMBER 31, 2017</u>	<u>\$ 5,234,793.06</u>

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>	<u>Balance December 31, 2016</u>	<u>Transferred to Fixed Capital</u>	<u>Balance December 31, 2017</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	07/13/09	210,000.00		210,000.00
257/261	Upgrades Water Treatment Plant and Rehab. Water Storage Tank	05/23/11 03/27/13	1,620,000.00		1,620,000.00
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> </u>	<u>128,100.00</u>
			<u>\$ 2,203,740.25</u>	<u> </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, 2016</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
Monmouth County Improvement Authority Pooled Loan Revenue (Refunding) Bonds Serial Bonds	12/29/2011	\$ 1,125,000.00	12/1/2018	\$ 75,000.00	5.00%	\$ 1,500,000.00	\$ 75,000.00	\$ 1,425,000.00
			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%			
			12/1/2026	105,000.00	3.00%			
			12/1/2027	110,000.00	3.00%			
Term Bonds	12/29/2011	700,000.00	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	12/1/2018	35,000.00	3.00%	440,000.00	35,000.00	405,000.00
			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>\$ 1,940,000.00</u>	<u>\$ 110,000.00</u>	<u>\$ 1,830,000.00</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, 2017		Interest Rate	Balance December 31, 2016	Decreased By	Balance December 31, 2017
			Date	Amount				
<u>NJEIT - STATE</u>								
2010 Winter Program: Water-Sewer System Improvements - State Portion Ord #10-237	03/01/10	\$ 135,000.00	08/01/18	\$ 5,000.00	5.000 %	\$ 105,000.00	\$ 5,000.00	\$ 100,000.00
			08/01/19	5,000.00	4.000			
			08/01/20	5,000.00	5.000			
			08/01/21	5,000.00	3.000			
			08/01/22	10,000.00	4.000			
			08/01/23	10,000.00	4.000			
			08/01/24	10,000.00	4.000			
			08/01/25	10,000.00	4.000			
			08/01/26	10,000.00	3.500			
			08/01/27	10,000.00	4.000			
			08/01/28	10,000.00	4.000			
			08/01/29	10,000.00	4.000			
2016 A-1 Series: Water-Sewer System Improvements - State Portion Ord #257/261	05/26/16	\$ 195,000.00	08/01/18	5,000.00	5.000 %	\$ 195,000.00	\$ 5,000.00	\$ 190,000.00
			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						\$ 300,000.00	\$ 10,000.00	\$ 290,000.00

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, 2017		Interest Rate	Balance December 31, 2016	Decreased By	Balance December 31, 2017
			Date	Amount				
<u>NJEIT - FEDERAL</u>								
Water-Sewer System Improvements - Federal Portion Ord #10-237	03/01/10	\$ 405,000.00	02/01/18	\$ 6,864.40	0.00 %	\$ 267,711.93	\$ 20,593.21	\$ 247,118.72
			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	02/01/18	10,247.25	0.00 %	\$ 584,093.50	\$ 30,741.75	\$ 553,351.75
			08/01/18	20,494.50				
			02/01/19	10,247.25				
			08/01/19	20,494.50				
			02/01/20	10,247.25				
			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				

**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, 2017		Interest Rate	Balance December 31, 2016	Decreased By	Balance December 31, 2017
			Date	Amount				
NJFIT - FEDERAL (CONTINUED) Water-Sewer System Improvements - Federal Portion Ord #257/261			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					
								-
Total NJFIT - Federal						\$ 851,805.43	\$ 51,334.96	\$ 800,470.47
						\$ 1,151,805.43	\$ 61,334.96	\$ 1,090,470.47

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, 2016</u>	<u>Decreased</u>	<u>Balance December 31, 2017</u>
1982 Farmer's Home Administration Loan	5.00%	3/31 and 9/30	\$ 18,000.00	2022	\$ <u>84,361.51</u>	\$ <u>13,875.58</u>	\$ <u>70,485.93</u>
					\$ <u><u>84,361.51</u></u>	\$ <u><u>13,875.58</u></u>	\$ <u><u>70,485.93</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 Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Increased</u>	<u>Balance December 31, 2017</u>
247/256	Acquisition and Installation of an Automatic Bar Screen and Inlet Weir Replacement	12/29/17	12/29/17	12/28/18	1.700%	\$ 23,750.00	\$ 23,750.00
265	Improvements to Lake Drive Pump Station	12/29/17	12/29/17	12/28/18	1.700%	30,400.00	30,400.00
2016-03	Rehabilitation of Elevated Water-Tower	12/29/17	12/29/17	12/28/18	1.700%	200,000.00	200,000.00
2016-18	Various Water Sewer Improvements	12/29/17	12/29/17	12/28/18	1.700%	<u>122,000.00</u>	<u>122,000.00</u>
						<u>\$ 376,150.00</u>	<u>\$ 376,150.00</u>

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

Ordinance Number	Title	Ordinance		Funded	Balance December 31, 2016		Paid or Charged	Balance December 31, 2017	
		Date	Amount		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		719,234.38				719,234.38
265	Improvements to Lake Drive Pump Station	6/23/2014	32,000.00		4,313.00	\$ 95.00			4,218.00
2016-03	Rehabilitation of Elevated Water Tower	2/22/2016	210,000.00		33,284.25	624.00			32,660.25
2016-08	Various Water Sewer Improvements	9/12/2016	128,100.00		100,934.84	72,096.04			28,838.80
				\$ 3,640.25	\$ 862,412.18	\$ 72,815.04	\$ 3,640.25	\$ 789,597.14	

Detail:

Reserve for Encumbrances	\$ 4,995.00
Due to Water-Sewer Utility Operating Fund	67,820.04
	<u>\$ 72,815.04</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>	<u>Balance December 31, 2016</u>	<u>Notes Issued</u>	<u>Balance December 31, 2017</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	820,412.00		\$ 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>1,196,562.00</u>	<u>\$ 376,150.00</u>	<u>\$ 820,412.00</u>

CAPITAL ASSET

BOROUGH OF ROOSEVELT
CAPITAL ASSET ACCOUNT
COMPARATIVE STATEMENT OF CAPITAL ASSETS
AS OF DECEMBER 31, 2017 AND 2016

	Balance December 31, <u>2017</u>	Balance December 31, <u>2016</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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government	\$ 359,486.00	\$ 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
Land Use	30,700.00	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
Insurance	58,500.00	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
Public Works	123,250.00	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
Health and Human Services	16,200.00	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
Parks and Recreation	29,200.00	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
Utilities	29,500.00	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
Other Common Functions	1,500.00	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
Public Safety	64,771.00	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
Sanitation	97,660.00	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
Uniform Construction Code						3,560.00	3,460.00	3,000.00		
Deferred Charges and Statutory Expenditures	93,377.24		60,724.50	144,842.71	115,131.29	123,460.00	26,768.00	32,240.00	30,167.00	143,830.00
Interlocal Service Agreement		85,336.46				61,379.00	59,917.00	65,218.00		7,000.00
Grant Programs	4,537.65	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
Debt Service	13,750.00	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	30,000.00	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
Reserve for Uncollected Taxes	180,000.00	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
Total Current Fund Expenditures	\$ 1,132,431.89	\$ 1,166,199.46	\$ 1,087,465.50	\$ 1,080,896.00	\$ 970,302.74	\$ 1,041,573.68	\$ 915,480.52	\$ 901,523.27	\$ 1,011,682.52	\$ 995,884.20

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

Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Local Sources:										
Fund Balance Utilized	\$ 345,000.00	\$ 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
Current Tax Revenue	762,496.52	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
Delinquent Tax Revenue	48,904.30	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
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
Non-Budget Revenues	43,869.53	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
Other Credits to Income	367,087.08	118,075.88	249,128.22	192,127.65	189,630.13	204,173.73	81,584.12	80,708.10	34,522.69	
Interlocal Service Agreement										4,608.20
State Aid	81,849.00	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
Grants	4,537.65	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
Total Current Fund Revenues	\$ 1,653,744.08	\$ 1,463,374.23	\$ 1,518,225.34	\$ 1,452,186.73	\$ 1,350,884.70	\$ 1,369,072.36	\$ 1,171,794.91	\$ 1,120,989.74	\$ 1,148,840.08	\$ 1,132,947.27

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

Function	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating	\$ 601,349.33	\$ 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
Capital Improvements		14,500.00			12,000.00					
Debt Service	273,709.49	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
Deferred Charges and Statutory Expenditures	<u>22,571.00</u>	<u>23,700.00</u>	<u>21,500.00</u>	<u>55,765.00</u>	<u>37,157.22</u>	<u>22,793.00</u>	<u>22,707.00</u>	<u>20,429.00</u>	<u>19,049.00</u>	<u>37,285.31</u>
	<u>\$ 897,629.82</u>	<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>

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>
2017	\$ 0.756	\$ 1.850	\$ 0.300	\$ 2.906
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

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>
2017	\$ 2,488,921.44	\$ 2,422,377.95	97.33%
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%

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>
2017	\$ None	\$ 66,543.29	\$ 66,543.29	2.67%
2016	9,094.47	39,809.83	48,904.30	2.00%
2015	5,873.74	43,107.26	48,981.00	1.95%
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%

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

<u>Year Ended</u> <u>December 31,</u>	<u>Net</u> <u>Assessed</u> <u>Valuations</u>	<u>Estimated</u> <u>Full Cash</u> <u>Valuations</u>	<u>Percentage of</u> <u>Net Assessed</u> <u>to Estimated</u> <u>Full Cash</u> <u>Valuations</u>
2017	\$ 85,781,888	\$ 86,995,208	98.61%
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%

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, 2017
(UNAUDITED)

<u>Taxpayer</u>	<u>Assessed Value - 2017</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, 2017
(UNAUDITED)

<u>Year</u>	<u>Equalized Valuation Basis</u> ⁽¹⁾
2017	\$ 86,995,028.00
2016	85,912,641.00
2015	<u>82,507,544.00</u>
	<u>\$ 255,415,213.00</u>
Average Equalized Valuation of Taxable Property	<u>\$ 85,138,404.33</u>
Municipal Borrowing Margin - 3½% of \$85,138,404.33	\$ 2,979,844.15
Gross Debt	\$ 4,805,768.40
Deductions	<u>3,881,397.00</u>
Net Municipal Debt as of December 31, 2017	<u>924,371.40</u>
Municipal Borrowing Margin Available	<u>\$ 2,055,472.75</u>
<u>MUNICIPAL OVERLAPPING DEBT TOTAL</u>	
Borough Net Debt	\$ 924,371.40
Overlapping Debt Apportioned to Borough:	
County of Monmouth:	
.072782% of \$462,342,600.35 ⁽²⁾	<u>336,504.05</u>
	<u>\$ 1,260,875.45</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 2017, 2016 and 2015.

(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>
2017	882	\$ 86,995,028.00	\$ 4,374,768.40	\$ 3,450,397.00	\$ 924,371.40	1.06%	\$ 1,048.04
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	-	-

(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, 2017
(UNAUDITED)

Cash Receipts from Fees, Rents or Other Charges for Year		\$ 825,773.75
Deductions:		
Operating and Maintenance Cost	\$ 588,920.33	
Debt Service	<u>273,709.49</u>	
Total Deductions		<u>862,629.82</u>
(Deficit) in Revenue		<u>\$ (36,856.07)</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)
2017	4.3%	\$ 33,863.00	882
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

Source: (1) New Jersey Department of Labor, Bureau of Labor Force Statistics.
(2) Based on Census of 2010 for year 2012-2017 and census of 2000 for Years 2008-2011.
(3) County of Monmouth

BOROUGH OF ROOSEVELT
MISCELLANEOUS STATISTICS
DECEMBER 31, 2017

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		2
Recreation		1
Water-Sewer	<u>1</u>	<u>2</u>
	<u>2</u>	<u>7 *</u>
 Volunteer Firemen		<u>6</u>
 Volunteer First Aid		<u>9</u>

Source: Borough Records.

AUDITOR'S COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS
DECEMBER 31, 2017

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:

Sludge Removal	Sodium Hypochlorite Solution
Recycling	Sodium Aluminate
Maintenance Agreement	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, 2017

Collection of Interest on Delinquent Taxes and Utility Charges

The governing body, on January 3, 2017, 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.

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%).

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2017

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

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 2017 is being properly carried in the Tax Collector's records. An abstract taken from these records as at December 31, 2017 covering all unpaid charges on that date was verified with the accounting control figures shown in this report.

There was no tax sale in 2017.

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.

Cash Balances

The cash balances in all funds were verified by independent certifications obtained from the depositories as at December 31, 2017. Supplemental bank reconciliations as of August 31, 2018 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.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2017

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 2017 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, 2017 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.

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.

Technical Directives – State of New Jersey

- The general ledger for 2017 was maintained in accordance with acceptable accounting control standards.
- A complete encumbrance system for budgetary purposes was maintained during 2017.
- A fixed assets detail was maintained in 2017.

GENERAL COMMENTS (CONTINUED)
DECEMBER 31, 2017

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.

Following up on Prior Year Recommendation

Recommendation:

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.

Condition:

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.

Status:

Corrective Action Plan adopted in 2017 and all support staff and governing body members are aware.


RECOMMENDATIONS
DECEMBER 31, 2017

None.

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,

A handwritten signature in black ink, appearing to read "G. Stankiewicz". The signature is written in a cursive style with a large initial "G" and a long, sweeping underline.

Gerard Stankiewicz
Certified Public Accountant
Registered Municipal Accountant #431

For The Firm
SAMUEL KLEIN AND COMPANY