

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY**

**AUDIT REPORT FOR THE  
YEAR ENDED DECEMBER 31, 2015**



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COUNTY OF MONMOUTH, NEW JERSEY  
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**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH**

**PART I**

**INDEPENDENT AUDITOR'S REPORTS  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Rumson  
County of Monmouth  
Rumson, New Jersey 07760

### Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Rumson, County of Monmouth, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, 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.

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 discussed in Note 1 to the financial statements, the Borough of Rumson prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New 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 matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough of Rumson, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Fund, and represent 8.97% and 9.79% of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2015 and 2014.

### **Qualified Opinion on Regulatory Basis of Accounting**

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the Borough of Rumson, County of Monmouth, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance --regulatory basis of such funds for the years then ended, and the related statement of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 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.

## **Emphasis of Matter**

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the Borough of Rumson adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our opinion on regulatory basis of accounting is not modified with respect to this matter.

### **Other Matters**

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements 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. The schedule of expenditures of federal awards are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and are also not required parts 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 and 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 April 29, 2016, on our consideration of the Borough of Rumson'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 Rumson's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

Freehold, New Jersey  
April 29, 2016



**INDEPENDENT AUDITOR’S 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***

Honorable Mayor and Members  
of the Borough Council  
Borough of Rumson  
County of Monmouth  
Rumson, New Jersey 07760

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 Rumson (herein referred to as “the Municipality”), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated April 29, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the year ended December 31, 2015. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Municipality’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 Municipality’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipality’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Municipality'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 Municipality's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

Freehold, New Jersey  
April 29, 2016

**BASIC FINANCIAL STATEMENTS**

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**BOROUGH OF RUMSON  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

	REFERENCE	<u>2015</u>	<u>2014</u>
ASSETS			
Regular Fund:			
Cash	A-4	\$ 19,679,440.48	\$ 18,478,378.44
Change Fund	A	<u>300.00</u>	<u>300.00</u>
Total		<u>19,679,740.48</u>	<u>18,478,678.44</u>
Receivables & Other Assets With Full Reserves:			
Taxes Receivable	A-6	455,558.78	390,827.80
Sewer Fees Receivable	A-7	37,199.54	37,300.21
Revenue Accounts Receivable	A-8	<u>5,119.42</u>	<u>3,716.20</u>
Total Receivables & Other Assets With Full Reserves		<u>497,877.74</u>	<u>431,844.21</u>
Deferred Charges:			
Special Emergency - Authorization (N.J.S. 40A:4-55)	A-28	<u>-</u>	<u>995,556.00</u>
		<u>-</u>	<u>995,556.00</u>
Total Regular Funds		<u>20,177,618.22</u>	<u>19,906,078.65</u>
Grant Fund:			
Due From Current Fund	A-33	72,334.69	228,394.90
State Grants Receivable	A-34	<u>277,489.59</u>	<u>357,787.60</u>
Total State & Federal Grants		<u>349,824.28</u>	<u>586,182.50</u>
Total Assets		<u><u>\$ 20,527,442.50</u></u>	<u><u>\$ 20,492,261.15</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2015 AND 2014**

	REFERENCE	<u>2015</u>	<u>2014</u>
LIABILITIES RESERVES & FUND BALANCE			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 1,216,914.78	\$ 875,600.51
Encumbrances Payable	A-3	310,727.16	211,499.04
Accounts Payable	A-11	86,861.88	125,557.29
Due To State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-5	8,108.03	10,858.03
Marriage Licenses	A-12	175.00	150.00
U.C.C. Fees	A-13	5,442.00	6,319.33
Prepaid Taxes	A-14	346,285.22	441,342.65
Tax Overpayments Payable	A-15	1,944.52	25,136.23
Sewer Fee Overpayments	A-16	6,898.39	8,385.37
Drive-In Sanitation Overpayments	A-17	800.00	1,200.00
Third Party Liens Payable	A-18	28.62	28.62
County Taxes Payable	A-19	125,083.52	90,617.50
Local School District Tax Payable	A-20	4,740,386.79	4,005,212.76
Regional High School Tax Payable	A-21	5,412,495.11	3,787,060.11
Prior Year Construction Fee Payable	A-22	133.50	133.50
Due To:			
Grant Fund	A	72,334.69	228,394.90
Trust - Other	A-9	-	1,314.75
Capital Fund	A-32	1,007,683.06	-
Borough of Red Bank	A-31	0.02	-
Reserve for:			
Master Plan	A-23	82.82	82.82
Revaluation	A-24	16,477.91	16,477.91
Tax Sale Premiums	A-25	233,200.00	269,600.00
BAN Interest	A-27	34,299.43	-
Pay Special Emergency Notes	A-26	0.03	45,440.84
Tax Appeals	A-29	133,721.09	236,213.55
Special Emergency Note Payable	A-30	-	995,556.00
Subtotal Regular Fund		<u>13,760,083.57</u>	<u>11,382,181.71</u>
Reserve for Receivables & Other Assets	A	497,877.74	431,844.21
Fund Balance	A-1	<u>5,919,656.91</u>	<u>8,092,052.73</u>
Total Regular Fund		<u>20,177,618.22</u>	<u>19,906,078.65</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

	REFERENCE	<u>2015</u>	<u>2014</u>
State & Federal Grant Funds:			
Encumbrance Payable	A-35	26,969.55	182,227.45
Reserve for Federal & State Grants:			
Appropriated Reserves	A-35	311,019.93	336,217.52
Unappropriated Reserves	A-36	<u>11,834.80</u>	<u>67,737.53</u>
 Total State & Federal Grants		<u>349,824.28</u>	<u>586,182.50</u>
 Total Liabilities, Reserves & Fund Balance		<u>\$ 20,527,442.50</u>	<u>\$ 20,492,261.15</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 2,205,469.00	\$ 1,580,000.00
Miscellaneous Revenue Anticipated	4,373,236.78	5,817,791.94
Receipts From Delinquent Taxes	383,808.23	441,205.24
Receipts From Current Taxes	48,959,713.21	47,883,352.50
Non-Budget Revenue	266,096.85	84,429.68
Cancellation of:		
Unexpended Balances of Appropriation Reserves	804,585.45	835,514.62
Accounts Payable	22,459.85	30,919.07
	<hr/>	<hr/>
Total Revenues	<u>57,015,369.37</u>	<u>56,673,213.05</u>
<u>Expenditures</u>		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	5,113,939.00	5,034,618.00
Other Expenses	6,805,108.77	6,637,070.80
Capital Improvements	1,000,000.00	700,000.00
Municipal Debt Service	1,858,220.38	1,258,226.09
Deferred Charges and Statutory		
Expenditures	1,971,671.34	3,544,659.59
County Taxes	10,272,482.15	10,358,001.83
County Share of Added Taxes	125,083.52	90,617.50
Local School District Tax	15,731,447.03	14,649,559.00
Regional High School Tax	14,104,344.00	12,267,441.00
Prior Years' Revenue Refunded	-	3,615.22
Prior Year Senior Citizens Disallowed	-	2,532.19
	<hr/>	<hr/>
Total Expenditures	<u>56,982,296.19</u>	<u>54,546,341.22</u>
Excess/(Deficit) in Revenue	33,073.18	2,126,871.83
Fund Balance, January 1	<u>8,092,052.73</u>	<u>7,545,180.90</u>
	8,125,125.91	9,672,052.73
Decreased By:		
Utilization as Anticipated Revenue	<u>2,205,469.00</u>	<u>1,580,000.00</u>
Fund Balance, December 31	<u><u>\$ 5,919,656.91</u></u>	<u><u>\$ 8,092,052.73</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Anticipated <u>Budget</u>	Special <u>N.J.S. 40A:4-87</u>	Amount <u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 2,205,469.00	\$ -	\$ 2,205,469.00	\$ -
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	25,000.00	-	26,562.00	1,562.00
Fees and Permits:				
Other	150,000.00	-	150,013.57	13.57
Fines and Costs:				
Municipal Court	75,000.00	-	81,033.49	6,033.49
Interest and Cost on Taxes	110,000.00	-	129,645.31	19,645.31
Interest on Investments	150,000.00	-	193,538.38	43,538.38
Sewer Service Charges	1,100,000.00	-	1,168,000.76	68,000.76
Cellular Tower Fees	100,509.00	-	108,048.30	7,539.30
Cable Franchise Fees	122,324.44	-	122,324.44	-
Energy Receipts Taxes	660,673.00	-	660,673.00	-
Interlocal - Fair Haven	121,203.00	48,327.50	182,878.80	13,348.30
Interlocal - Little Silver	75,000.00	-	76,359.50	1,359.50
Uniform Construction Code Fees	300,000.00	-	402,063.15	102,063.15
Uniform Fire Safety Act	4,579.94	-	12,751.95	8,172.01
Trash Collection Charges	47,200.00	-	51,200.00	4,000.00
Recycling Fees	10,000.00	-	5,020.18	(4,979.82)
Reserve to Pay Bonds & Notes	36,547.45	-	36,547.45	-
FEMA	870,087.39	-	870,087.39	-
Clean Communities Program	-	18,091.01	18,091.01	-
Alcohol Education and Rehabilitation Fund	-	648.26	648.26	-
Police Body Armor Grant	1,849.62	-	1,849.62	-
Post Sandy Planning Assistance Grant	20,000.00	-	20,000.00	-
Recycling Tonnage Grant	55,900.22	-	55,900.22	-
Total Miscellaneous Revenues	4,035,874.06	67,066.77	4,373,236.78	270,295.95
Receipts From Delinquent Taxes	375,000.00	-	383,808.23	8,808.23
Amount To Be Raised By Taxes for Support of Municipal Budget	11,048,735.67	-	12,069,782.93	1,021,047.26
Budget Revenues	17,665,078.73	67,066.77	19,032,296.94	1,300,151.44
Non-Budget Revenue	-	-	266,096.85	266,096.85
	<u>\$ 17,665,078.73</u>	<u>\$ 67,066.77</u>	<u>\$ 19,298,393.79</u>	<u>\$ 1,566,248.29</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue From Collections	\$ 48,959,713.21
Allocated To School and County Taxes	<u>37,872,747.67</u>
Balance for Support of Municipal Budget Appropriations	11,086,965.54
Add: Appropriation "Reserve for Uncollected Taxes"	<u>982,817.39</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 12,069,782.93</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ <u>383,808.23</u>
	<u><u>\$ 383,808.23</u></u>

Fees & Permits:

Street Openings	\$ 30,513.00
Grading Plans	24,058.00
Fire Prevention	252.00
Police Department	2,652.82
Boat Launching Permits	44,642.75
Garage Sale Permits	800.00
Marriage Registrar Fees	75.00
Variances	10,380.00
Vital Statistics	2,190.00
200' List of Names	400.00
Zoning Books	75.00
Tree Removal Permit	5,890.00
Sewer Disconnect Fees	11,000.00
Zoning Permit Fees	9,625.00
Landscaper Permits	<u>7,460.00</u>
	<u><u>\$ 150,013.57</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Analysis of Realized Revenues (continued):

Analysis of Non-Budget Revenue

NSF Check Fees	\$ 380.00
Thrill Hill	22,430.00
Rumson Board of Education	6,538.40
Prior Year Budget Refund	4,247.62
Public Auction	102,599.13
Copy Fees	989.33
FEMA Receipts	95,352.46
Senior Citizen Administration Fee	640.00
Outside Work Admin Fee	26,170.00
DMV Inspection Fees	450.00
Other Miscellaneous Fees	<u>6,299.91</u>
	<u>\$ 266,096.85</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
General Appropriations						
Operations - Within "CAPS"						
GENERAL GOVERNMENT						
General Administration:						
Salaries and Wages	\$ 164,144.00	\$ 164,144.00	\$ 164,144.00	\$ -	\$ -	\$ -
Other Expenses	100,000.00	100,000.00	83,468.75	9,103.03	7,428.22	-
Mayor and Council:						
Newsletter	25,000.00	20,000.00	11,120.00	460.00	8,420.00	-
Municipal Clerk:						
Salaries and Wages	149,262.00	154,262.00	154,261.98	-	0.02	-
Other Expenses	10,000.00	10,000.00	5,815.00	-	4,185.00	-
Elections	2,500.00	2,500.00	1,359.75	800.00	340.25	-
Financial Administration (Treasury):						
Salaries and Wages	125,191.00	125,191.00	120,743.86	-	4,447.14	-
Other Expenses	20,000.00	20,000.00	15,900.73	119.94	3,979.33	-
Audit Services:						
Other Expenses	43,000.00	43,000.00	41,800.00	650.00	550.00	-
Revenue Administration (Tax Collection):						
Salaries and Wages	68,945.00	68,945.00	68,944.98	-	0.02	-
Other Expenses	15,000.00	15,000.00	10,108.81	1,150.00	3,741.19	-
Tax Assessment Administration:						
Salaries and Wages	46,802.00	44,302.00	44,259.00	-	43.00	-
Other Expenses	48,000.00	48,000.00	12,245.49	11,019.26	24,735.25	-

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Records Retention and Disposal:						
Other Expenses	2,500.00	2,500.00	-	-	2,500.00	-
Legal Services (Legal Department):						
Other Expenses	180,000.00	180,000.00	163,477.56	16,522.44	-	-
Engineering Services:						
Other Expenses	125,000.00	125,000.00	86,844.26	9,406.74	28,749.00	-
LAND USE ADMINISTRATION						
Planning Board:						
Salaries and Wages	15,129.00	15,129.00	14,374.88	-	754.12	-
Other Expenses	6,000.00	6,000.00	5,563.89	378.00	58.11	-
Zoning Board of Adjustment:						
Salaries and Wages	15,129.00	15,129.00	14,374.88	-	754.12	-
Other Expenses	7,700.00	7,700.00	6,584.91	153.68	961.41	-
Zoning Enforcement Officer:						
Salaries and Wages	44,818.00	44,818.00	44,818.00	-	-	-
CODE ENFORCEMENT AND ADMINISTRATION						
Uniform Construction Code Enforcement Functions:						
Salaries and Wages	32,000.00	32,000.00	9,197.00	-	22,803.00	-
Plumbing Inspector:						
Salaries and Wages	20,164.00	20,164.00	19,330.72	-	833.28	-
Electrical Inspection:						
Salaries and Wages	37,341.00	37,341.00	30,804.06	-	6,536.94	-

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Fire Protection Official:						
Salaries and Wages	10,404.00	10,404.00	10,403.92	-	0.08	-
Fire Sub-Code Official:						
Salaries and Wages	5,722.00	5,722.00	5,722.00	-	-	-
Construction Code Official:						
Salaries and Wages	193,652.00	193,652.00	169,977.94	-	23,674.06	-
Other Expenses	50,000.00	50,000.00	38,288.71	11,579.02	132.27	-
Uniform Fire Safety:						
Other Expenses	4,579.94	4,579.94	1,491.59	-	3,088.35	-
PUBLIC SAFETY						
Police Department:						
Salaries and Wages	2,041,785.00	2,041,785.00	1,919,386.11	-	122,398.89	-
Other Expenses	140,000.00	140,000.00	84,718.00	22,770.21	32,511.79	-
Purchase of Police Vehicles	70,000.00	70,000.00	-	195.00	69,805.00	-
Police Dispatch/911:						
Salaries and Wages	237,656.00	237,656.00	192,659.88	-	44,996.12	-
Annual Charge - 911 System	6,000.00	6,000.00	5,416.73	-	583.27	-
Aid To Volunteer Fire Companies:						
Other Expenses	16,236.00	16,236.00	16,236.00	-	-	-
Aid To First Aid Organization:						
Salaries and Wages	5,275.00	5,275.00	5,275.00	-	-	-
Other Expenses	30,000.00	30,000.00	24,868.31	250.00	4,881.69	-
Aid	8,118.00	8,118.00	8,118.00	-	-	-

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended				Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved		
Fire Department:							
Salaries and Wages	9,957.00	9,957.00	9,957.00	-	-	-	-
Other Expenses	20,000.00	20,000.00	9,612.59	4,060.80	6,326.61	-	-
Municipal Prosecutor's Office:							
Salaries and Wages	14,340.00	14,340.00	12,240.00	-	2,100.00	-	-
PUBLIC WORKS							
Streets and Road Maintenance:							
Salaries and Wages	1,060,000.00	1,060,000.00	1,048,326.41	-	11,673.59	-	-
Other Expenses	130,000.00	130,000.00	84,924.03	37,096.96	7,979.01	-	-
Sewer System:							
Salaries and Wages	165,083.00	165,083.00	150,364.91	-	14,718.09	-	-
Other Expenses	80,000.00	80,000.00	34,303.00	14,651.64	31,045.36	-	-
Shade Tree Commission:							
Other Expenses	20,000.00	23,500.00	22,066.83	1.00	1,432.17	-	-
Storm Drain Cleaning	1,000.00	1,000.00	-	-	1,000.00	-	-
Stormwater Management	1,000.00	1,000.00	-	-	1,000.00	-	-
Solid Waste Collection:							
Salaries and Wages	186,241.00	178,003.00	141,781.17	-	36,221.83	-	-
Other Expenses	1,125.00	1,125.00	561.60	-	563.40	-	-
Contractual	200,000.00	200,000.00	183,166.62	13,083.33	3,750.05	-	-
Recycling:							
Salaries and Wages	82,286.00	82,286.00	78,080.90	-	4,205.10	-	-
Other Expenses	555.00	555.00	543.60	-	11.40	-	-

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Buildings and Grounds:						
Salaries and Wages	50,844.00	50,844.00	49,561.33	-	1,282.67	-
Other Expenses	56,000.00	56,000.00	38,910.24	1,563.87	15,525.89	-
Property Lease	6,000.00	6,000.00	5,461.83	-	538.17	-
Vehicle Maintenance (Including Police Vehicles):						
Other Expenses	122,500.00	122,500.00	67,328.74	19,587.21	35,584.05	-
HEALTH AND HUMAN SERVICES						
Public Health Services (Board of Health):						
Salaries and Wages	7,064.00	7,064.00	7,064.00	-	-	-
Contracted Services	50,017.00	51,017.00	51,017.00	-	-	-
Other Expenses	1,200.00	1,200.00	803.00	-	397.00	-
Animal Control Services:						
Salaries and Wages	4,617.00	4,617.00	4,617.00	-	-	-
PARK AND RECREATION						
Recreation Services and Programs:						
Salaries and Wages	90,126.00	96,364.00	94,538.78	-	1,825.22	-
Other Expenses	20,000.00	20,000.00	20,000.00	-	-	-
Senior Citizen Transportation:						
Other Expenses	1,050.00	1,050.00	12.00	-	1,038.00	-

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Municipal Court:						
Salaries and Wages	76,392.00	76,392.00	58,636.10	-	17,755.90	-
Other Expenses	7,028.00	7,028.00	4,523.40	1,544.00	960.60	-
Public Defender:						
Salaries and Wages	2,589.00	2,589.00	2,588.88	-	0.12	-
Board of Health:						
Hepatitis B Vaccine Costs	500.00	500.00	-	-	500.00	-
Visiting Nurse Services - Contractual	1,000.00	1,000.00	750.00	250.00	-	-
INSURANCE						
General Liability	395,015.22	395,015.22	349,214.98	-	45,800.24	-
Employee Group Health	1,649,249.00	1,649,249.00	1,434,307.47	30,679.21	184,262.32	-
Waiver of Insurance	35,000.00	35,000.00	31,461.50	-	3,538.50	-
Homeland Security (NJS A 40A:4-45.3(pp))						
Office of Emergency Management:						
Other Expenses	15,000.00	15,000.00	3,092.90	-	11,907.10	-

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
<b>UTILITY EXPENSES AND BULK PURCHASES</b>						
Electricity	150,000.00	150,000.00	117,316.20	(256.33)	32,940.13	-
Street Lighting	65,000.00	65,000.00	53,282.09	102.15	11,615.76	-
Telephone (excluding telephone acquisition)	20,000.00	20,000.00	14,268.26	139.36	5,592.38	-
Water	35,000.00	43,000.00	40,533.89	-	2,466.11	-
Fire Hydrants	110,000.00	110,000.00	100,412.00	9,380.80	207.20	-
Gas (natural or propane)	25,000.00	25,000.00	14,505.62	-	10,494.38	-
Gasoline	196,416.00	188,416.00	87,066.91	3,095.42	98,253.67	-
Landfill/Solid Waste Disposal Costs	500,000.00	500,000.00	349,928.04	63,400.98	86,670.98	-
Accumulated Sick Leave	8,300.00	8,300.00	8,300.00	-	-	-
<b>Total Operations - Within "CAPS"</b>	<b>9,795,547.16</b>	<b>9,795,547.16</b>	<b>8,397,535.52</b>	<b>282,937.72</b>	<b>1,115,073.92</b>	<b>-</b>
<b>Contingent</b>	<b>5,000.00</b>	<b>5,000.00</b>	<b>1,638.21</b>	<b>315.00</b>	<b>3,046.79</b>	<b>-</b>
<b>Total Operations Including Contingent - Within "CAPS"</b>	<b>9,800,547.16</b>	<b>9,800,547.16</b>	<b>8,399,173.73</b>	<b>283,252.72</b>	<b>1,118,120.71</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	4,962,958.00	4,963,458.00	4,646,434.69	-	317,023.31	-
Other Expenses (Including Contingent)	4,837,589.16	4,837,089.16	3,752,739.04	283,252.72	801,097.40	-
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
<b>STATUTORY EXPENDITURES</b>						
Contribution To:						
Public Employees' Retirement System	302,983.00	302,983.00	302,983.00	-	-	-
Social Security System (O.A.S.I.)	262,650.00	262,650.00	243,714.93	-	18,935.07	-
Police and Firemen's Retirement System	404,564.00	404,564.00	404,564.00	-	-	-
Public Employees' Retirement System (Retro)	5,457.99	5,457.99	5,457.99	-	-	-
Police and Firemen's Retirement System (Retro)	460.35	460.35	299.14	-	161.21	-
	976,115.34	976,115.34	957,019.06	-	19,096.28	-
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"						
	10,776,662.50	10,776,662.50	9,356,192.79	283,252.72	1,137,216.99	-
Total General Appropriations for Municipal Purposes - Within "CAPS"						
Expenditures - Excluded From "CAPS":						
Aid To Oceanic Library (N.J.S.A. 40:54-35)	75,000.00	75,000.00	75,000.00	-	-	-
Sewer Authority - Share of Cost	1,626,273.00	1,626,273.00	1,617,754.00	-	8,519.00	-
LOSAP	40,000.00	40,000.00	-	26,000.00	14,000.00	-
Employee Group Health	38,851.00	38,851.00	38,851.00	-	-	-
Reserve for Tax Appeals	14,000.00	14,000.00	14,000.00	-	-	-

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Fair Haven Shared Service Agreement:						
Construction Office:						
Salaries and Wages	23,549.00	60,477.00	58,176.46	-	2,300.54	-
Other Expenses	-	11,399.50	2,403.60	714.00	8,281.90	-
Fair Haven Shared Service Agreement:						
Parks & Grounds:						
Other Expenses	44,000.00	44,000.00	23,121.17	460.99	20,417.84	-
Fair Haven Shared Service Agreement:						
Municipal Court						
Salaries and Wages	29,739.00	29,739.00	23,802.04	-	5,936.96	-
Other Expenses	2,272.00	2,272.00	-	-	2,272.00	-
Little Silver Shared Service Agreement:						
Construction Office:						
Salaries and Wages	60,265.00	60,265.00	60,265.00	-	-	-
Other Expenses	14,735.00	14,735.00	1,466.00	299.45	12,969.55	-

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET</b>						
<b>BY REVENUES</b>						
Matching for Grants	5,000.00	5,000.00	-	-	5,000.00	-
Recycling Tonnage Grant	55,900.22	55,900.22	55,900.22	-	-	-
Clean Communities Program	-	18,091.01	18,091.01	-	-	-
Police Body Armor Grant	1,849.62	1,849.62	1,849.62	-	-	-
Alcohol Education Rehab	-	648.26	648.26	-	-	-
Post Sandy Planning Assistance Grant	20,000.00	20,000.00	20,000.00	-	-	-
<b>Total Operations - Excluded From "CAPS"</b>	<b>2,051,433.84</b>	<b>2,118,500.61</b>	<b>2,011,328.38</b>	<b>27,474.44</b>	<b>79,697.79</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	113,553.00	150,481.00	142,243.50	-	8,237.50	-
Other Expenses	1,937,880.84	1,968,019.61	1,869,084.88	27,474.44	71,460.29	-
<b>Capital Improvements - Excluded From "CAPS"</b>						
Capital Improvement Fund	1,000,000.00	1,000,000.00	1,000,000.00	-	-	-
<b>Total Capital Improvements - Excluded From "CAPS"</b>	<b>1,000,000.00</b>	<b>1,000,000.00</b>	<b>1,000,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Municipal Debt Service - Excluded From "CAPS"						
Payment of Bond Principal	775,000.00	775,000.00	775,000.00	-	-	-
Payment of Bond Anticipation Notes and Capital Notes	672,728.00	672,728.00	672,728.00	-	-	-
Interest on Bonds	331,000.00	331,000.00	330,701.26	-	-	298.74
Interest on Notes	28,875.00	28,875.00	28,785.60	-	-	89.40
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	51,006.00	51,006.00	51,005.52	-	-	0.48
Total Municipal Debt Service - Excluded From "CAPS"	1,858,609.00	1,858,609.00	1,858,220.38	-	-	388.62
Deferred Charges - Municipal - Excluded From "CAPS"						
Special Emergency Authorizations:						
Emergency Authorization - Sandy 5 Years	995,556.00	995,556.00	995,556.00	-	-	-
Total Deferred Charges - Municipal - Excluded From "CAPS"	995,556.00	995,556.00	995,556.00	-	-	-
Total General Appropriations - Excluded From "CAPS"	5,905,598.84	5,972,665.61	5,865,104.76	27,474.44	79,697.79	388.62
Subtotal General Appropriations	16,682,261.34	16,749,328.11	15,221,297.55	310,727.16	1,216,914.78	388.62
Reserve for Uncollected Taxes	982,817.39	982,817.39	982,817.39	-	-	-
Total General Appropriations	\$ 17,665,078.73	\$ 17,732,145.50	\$ 16,204,114.94	\$ 310,727.16	\$ 1,216,914.78	\$ 388.62

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended			Cancelled
	Original Budget	Budget After Modification	Expended	Encumbered	Reserved	
Adopted Budget	\$ 17,665,078.73					
Added by N.J.S. 40A:4-87	<u>67,066.77</u>					
	\$ <u>17,732,145.50</u>					
 <u>Analysis of Paid or Charged</u>						
Due to General Capital - Interfund			\$ 1,000,000.00			
Reserve for Uncollected Taxes			982,817.39			
Deferred Charges			995,556.00			
Reserve for Grant Expenditures - Appropriated			96,489.11			
Cash Disbursements			<u>13,129,252.44</u>			
			<u>\$ 16,204,114.94</u>			

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**TRUST FUND**  
**COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND**  
**FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Animal Control Fund:			
Cash	B-2	\$ 15,978.99	\$ 16,300.71
Total Animal Control Fund		<u>15,978.99</u>	<u>16,300.71</u>
Trust - Other Funds			
Cash - Treasurer	B-2	2,942,771.49	2,625,565.81
Due From Current Fund	B-8	<u>-</u>	<u>1,314.75</u>
Total Trust Other Fund		<u>2,942,771.49</u>	<u>2,626,880.56</u>
Recreation Commission:			
Cash - Treasurer	B-2	<u>379,159.72</u>	<u>314,142.60</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Investments	B-9	<u>328,892.11</u>	<u>320,950.38</u>
Total Assets		<u>\$ 3,666,802.31</u>	<u>\$ 3,278,274.25</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-3	\$ 15,978.99	\$ 16,297.11
Due to State of New Jersey	B-4	<u>-</u>	<u>3.60</u>
Total		<u>15,978.99</u>	<u>16,300.71</u>
Trust - Other Funds:			
Reserve for:			
Various Trust Funds	B-5	2,937,176.63	2,621,285.70
Special Assessment	B-6	2,613.00	2,613.00
Payroll Deductions Payable	B-7	<u>2,981.86</u>	<u>2,981.86</u>
Total		<u>2,942,771.49</u>	<u>2,626,880.56</u>
Recreation Commission:			
Fund Balance	B-1	<u>379,159.72</u>	<u>314,142.60</u>
Length of Service Award Program Fund ("LOSAP") - Unaudited:			
Miscellaneous Reserves	B-11	<u>328,892.11</u>	<u>320,950.38</u>
Total		<u>\$ 3,666,802.31</u>	<u>\$ 3,278,274.25</u>

The accompanying Notes to Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND - RECREATION COMMISSION  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 314,142.60
Increased By:	
Cash Receipts	<u>453,194.68</u>
	767,337.28
Decreased By:	
Operating Expenses	<u>388,177.56</u>
Balance, December 31, 2015	<u><u>\$ 379,159.72</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	<u>2015</u>	<u>2014</u>
Cash	C-2 , C-3	\$ 1,624,309.32	\$ 3,742,891.03
Deferred Charges to Future Taxation:			
Funded	C-5	10,370,905.15	11,186,679.93
Unfunded	C-6	5,189,864.83	5,329,497.83
Due From FEMA Pumping Station	C-15	210,000.00	-
Due From Current Fund	C-16	1,007,683.06	-
		<u>\$ 18,402,762.36</u>	<u>\$ 20,259,068.79</u>
LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-7	\$ 9,890,000.00	\$ 10,665,000.00
Bond Anticipation Notes	C-8	4,002,267.00	4,674,995.00
Green Acres Loan Payable	C-9	480,905.15	521,679.93
Due to State of New Jersey	C-4	133.00	133.00
Improvement Authorizations:			
Funded	C-10	8,259.78	153,653.21
Unfunded	C-10	1,095,555.22	2,381,259.77
Encumbrances Payable	C-10	516,814.60	125,370.51
Retained Percentage Due to Contractors	C-11	84.00	84.00
Capital Improvement Fund	C-12	2,299,096.43	1,603,903.13
Reserve for Pay Bonds	C-13	83,204.39	36,547.45
Fund Balance	C-1	26,442.79	96,442.79
		<u>\$ 18,402,762.36</u>	<u>\$ 20,259,068.79</u>

There were Bonds & Notes Authorized but not issued on December 31, 2015 of \$1,187,597.83 and on December 31, 2014 was \$654,502.83.

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2015 AND 2014**

Balance, December 31, 2014	\$ 96,442.79
Decreased By:	
Improvement Authorizations Funded	<u>70,000.00</u>
Balance, December 31, 2015	<u><u>\$ 26,442.79</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
PUBLIC ASSISTANCE FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES AND  
FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

	REFERENCE	<u>2015</u>	<u>2014</u>
ASSETS			
Cash	D-1	<u>\$ -</u>	<u>\$ 839.35</u>
Total Assets		<u><u>\$ -</u></u>	<u><u>\$ 839.35</u></u>
LIABILITIES RESERVES & FUND BALANCE			
Reserve for Public Assistance Expenditures	D-2	<u>\$ -</u>	<u>\$ 839.35</u>
Total Reserves		<u><u>\$ -</u></u>	<u><u>\$ 839.35</u></u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2015 AND 2014**

Assets	<u>2015</u>	<u>2014</u>
Land	\$ 4,948,200.00	\$ 4,948,200.00
Buildings	1,885,215.00	1,885,215.00
Equipment	6,331,236.84	6,342,802.91
Improvements	<u>4,400,750.75</u>	<u>4,400,750.75</u>
Total Assets	<u>\$ 17,565,402.59</u>	<u>\$ 17,576,968.66</u>
Fund Balance		
Investment in Fixed Assets	<u>\$ 17,565,402.59</u>	<u>\$ 17,576,968.66</u>
Total Fund Balance	<u>\$ 17,565,402.59</u>	<u>\$ 17,576,968.66</u>

The accompanying Notes to the Financial Statements are an integral part of this Statement.

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**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

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## BOROUGH OF RUMSON

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 1. Summary of Significant Accounting Policies

##### Description of Financial Reporting Entity

The Borough of Rumson, County of Monmouth, New Jersey ("Borough") is governed by the Borough form of government, with a mayor and a 6-member Borough Council. The financial statements of the Borough include every board, body, officer or commission maintained wholly or in part by funds appropriated by the Borough, as required by the provision of N.J.S. 40A:5-5. The financial statements, however, do not include the operation of School Boards, Volunteer Fire Departments/Fire Districts and First Aid Squads which are subject to separate audit. Included within the financial statements are taxes levied, collected and turned over to School Boards and appropriations for contributions to Volunteer Fire Departments and First Aid Squads. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

##### Component Units

The Borough of Rumson had no component units as defined by Governmental Accounting Standards Board Statement No. 14, as amended by GASB 39 and 61.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Borough of Rumson 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. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the Borough of Rumson accounts for its financial transactions through the use of separate funds, which are described as follows:

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

**Trust Fund** – The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

**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.

**Public Assistance Fund** – The Public Assistance Fund accounts for resources restricted in use for the general welfare of citizens living within the Borough.

## BOROUGH OF RUMSON

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

**General Fixed Asset Account Group** – The Fixed Asset Account Group accounts for all assets used in government operations.

**Budgets and Budgetary Accounting** - The Borough of Rumson must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10<sup>th</sup> of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Borough's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**Cash, Cash Equivalents and Investments** - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

*N.J.S.A.17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

## BOROUGH OF RUMSON

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

#### **Note 1. Summary of Significant Accounting Policies (continued):**

The cash management plan adopted by the Borough of Rumson requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**Inventories and Supplies** - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets of assets, liabilities, reserves and fund balance.

**General Fixed Assets** - Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Borough has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Borough is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Borough's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Foreclosed Property** - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Borough to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the general fixed assets account group. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 1. Summary of Significant Accounting Policies (continued):**

**Deferred Charges** – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Fund Balance** – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

**Revenues** – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Borough’s budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Borough’s Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

**Property Tax Revenues** – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Borough’s annual budget, but also the amounts required in support of the budgets of the County of Monmouth, Borough of Rumson School District and the Rumson-Fair Haven Regional High School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Borough of Rumson School District and its share of the Rumson-Fair Haven Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district and the Borough’s share of the regional school district for the period from July 1 to June 30, increased by the amount deferred at December 31, 2014 and decreased by the amount deferred at December 31, 2015.

**County Taxes** – The municipality is responsible for levying, collecting and remitting County taxes for the County of Monmouth. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**Reserve for Uncollected Taxes** – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Borough’s annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

## BOROUGH OF RUMSON

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 1. Summary of Significant Accounting Policies (continued):

**Expenditures** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

**Appropriation Reserves** – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

**Long-Term Debt** - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences and Post-employment Benefits** – Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis.

**Subsequent Events** - The Borough of Rumson has evaluated subsequent events occurring after December 31, 2015 through the date of April 29, 2016, which is the date the financial statements were available to be issued.

#### Impact of Recently Issued Accounting Principles

##### Adopted Accounting Pronouncements

For the year ended December 31, 2015, the Borough implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No. 27). The implementation of the Statements requires the Borough to disclose its portion of the collective net pension’s asset and liability of the New Jersey Public Employees’ Retirement System (PERS) and the New Jersey Police and Firemen’s Retirement System (PFRS).

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 2. Cash and Cash Equivalents**

The Borough is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2015 and reported at fair value are as follows:

<b>Type</b>	<b>Carrying Value</b>
<b>Deposits</b>	
Demand Deposits	<u>\$ 24,641,960.00</u>
Total Deposits	<u><u>\$ 24,641,960.00</u></u>
<b>The Borough's Cash and Cash Equivalents are Reported as Follows:</b>	
Current Fund	\$ 19,679,740.48
Trust Other Fund	2,942,771.49
Trust - Recreation	379,159.72
Animal Control Fund	15,978.99
Capital Fund	<u>1,624,309.32</u>
Total Cash and Cash Equivalents	<u><u>\$ 24,641,960.00</u></u>

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Borough's deposits might not be recovered. Although the Borough does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the Borough in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the Borough relative to the happening of a future condition. Such funds are shown as uninsured and uncollateralized in the schedule that follows.

As of December 31, 2015, the Borough's bank balance of \$25,310,315.04 was insured or collateralized as follows:

Insured	\$ 500,000.00
Uninsured and uncollateralized	3,415,061.96
Collateralized in the District's Name Under GUDPA	<u>21,395,253.08</u>
Total	<u><u>\$25,310,315.04</u></u>

## BOROUGH OF RUMSON

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 3: Investments

##### Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Borough, and are held by either the counterparty's trust department or agent but no in the Borough name. As of December 31, 2015 the Borough's balance of investments was \$328,892.11, which consisted of mutual funds for the Borough's Length of Service Awards Program in the amount of \$328,892.11, which are not exposed to custodial credit risk because the investments securities are registered in the Borough's name.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. N.J.S.A. 40A:5-15.1 limits investments that the Borough may purchase. The Borough does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Borough does not place a limit on the amount that may be invested in any one issuer. Of the total December 31, 2015 balance of \$328,892.11, \$328,892.11 is recorded in the Trust Fund – LOSAP.

#### Note 4. Property Taxes

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

##### Comparison of Tax Rate Information

	2015	2014	2013
Total Tax Rate	\$ 1.453	\$ 1.457	\$ 1.608
Apportionment of Tax Rate:			
Municipal	0.329	0.322	0.359
County	0.306	0.315	0.346
Local School	0.446	0.446	0.496
Regional School	0.372	0.374	0.407

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 4. Property Taxes (continued):**

**Net Valuation Taxable**

2015	<u>\$ 3,359,860,332.00</u>		
2014		<u>\$ 3,285,349,130.00</u>	
2013			<u>\$ 2,913,694,130.00</u>

**Comparison of Tax Levies and Collection Currently**

Year	Tax Levy	Cash Collections	Percentage of Collection
2015	\$ 49,410,732.43	\$ 48,959,713.21	99.09%
2014	48,286,800.54	47,883,352.50	99.16%
2013	47,461,054.97	46,822,089.35	98.65%

**Delinquent Taxes and Tax Title Liens**

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2015	\$ -	\$ 455,558.78	\$ 455,558.78	0.92%
2014	-	390,827.80	390,827.80	0.81%
2013	-	459,898.71	459,898.71	0.97%

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 5. 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, for the current and previous two years was as follows:

Year	Amount
2015	\$ -
2014	-
2013	5,800

**Note 6. Fund Balances Appropriated**

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

Year	Balance December 31,	Utilized In Budget of Succeeding Year	Percentage of Fund Balance Used
<b>Current Fund</b>			
2015	\$ 5,919,656.91	***	***
2014	8,092,052.73	2,205,469.00	27.25%
2013	7,545,180.90	1,580,000.00	20.94%
2012	6,009,882.07	1,422,600.00	23.67%
2011	5,466,514.18	1,597,600.00	29.23%

\*\*\*2016 Budget not adopted as of this date.

**Note 7. Interfund Receivables and Payables**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2015:

Fund	Interfunds Receivable	Interfunds Payable
Current Fund	\$ -	\$ 1,080,017.75
State & Federal Grant Fund	72,334.69	-
General Capital Fund	1,007,683.06	-
	<hr/>	<hr/>
Total	\$ 1,080,017.75	\$ 1,080,017.75

The purpose of these interfunds were for short-term borrowing.

## BOROUGH OF RUMSON

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2015

#### Note 8. Pension Obligations

##### A. Public Employees' Retirement System (PERS)

**Plan Description** - 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 the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.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 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 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 1/5 5th 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 before age 62 with 25 or more years of service credit 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.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. 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 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such 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

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$307,415.00 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

**Net Pension Liability and Pension Expense** - At December 31, 2015, the Borough's proportionate share of the PERS net pension liability is valued to be \$8,026,748.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough's proportion of the net pension liability was based on the Borough's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The Borough's proportion measured as of June 30, 2015, was .03576%, which was a decrease of .00042% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 & December 31, 2014		
	12/31/2015	12/31/2014
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	8,026,748.00	6,774,574.00
Borough's Portion of the Plan's Total Net Pension Liability	0.03576%	0.03618%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$485,696.00.

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40%
Inflation rate	Based on Age 3.04%

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. 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 Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 8. Pension Obligations (continued):**

**A. Public Employees' Retirement System (PERS) (continued):**

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 average of the last five years of contributions made in relation to the last five years of 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 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Borough's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Borough's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u>	<u>Discount</u>	<u>Increase</u>
	<u>(3.90%)</u>	<u>(4.90%)</u>	<u>(5.90%)</u>
District's proportionate share of the net pension liability	\$ 9,976,265.64	\$ 8,026,748.00	\$ 6,392,286.49

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

**B. Police and Firemen's Retirement System (PFRS)**

**Plan Description** – The State of New Jersey, Police and Firemen's Retirement System (PFRS) 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 PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

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

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 8. Pension Obligations (continued):**

**B. Police and Firemen's Retirement System (PFRS) (continued):**

The following represents the membership tiers for PFRS:

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

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

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. 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 provided an option for local employers of PFRS 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. Borough contributions to PFRS amounted to \$453,182.00 for 2015.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

**Special Funding Situation** – Under *N.J.S.A. 43:16A-15*, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 8. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS) (continued):**

**Net Pension Liability and Pension Expense** - At December 31, 2015, the Borough’s proportionate share of the PFRS net pension liability is valued to be \$9,286,368.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The Borough’s proportion of the net pension liability was based on the Borough’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2015. The Borough’s proportion measured as of June 30, 2015, was .05575%, which was an increase of .00308% from its proportion measured as of June 30, 2014.

<u>Collective Balances at December 31, 2015 &amp; December 31, 2014</u>		
	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial Valuation Date	July 1, 2015	July 1, 2014
Net Pension Liability	9,286,368.00	6,625,758.00
District's Portion of the Plan's Total Net Pension Liability	0.05575%	0.05267%

For the year ended December 31, 2015, the Borough had an allocated pension expense of \$819,511.00.

Additionally, the State’s proportionate share of the net pension liability attributable to the Borough is \$814,383.00 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State’s proportion of the net pension liability associated with the Borough 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 members, actuarially determined. The State’s proportion measured as of June 30, 2015 was .05575%, which was an increase of .00308% from its proportion measured as of June 30, 2014, which is the same proportion as the Borough’s.

Borough's Proportionate Share of the Net Pension Liability	\$ 9,286,368.00
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>814,383.00</u>
Total Net Pension Liability	<u><u>\$ 10,100,751.00</u></u>

For the year ended December 31, 2015, the Borough’s total allocated pension expense was \$921,094.00.

**Actuarial Assumptions** – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 8. Pension Obligations (continued):**

**B. Police and Firemen's Retirement System (PFRS) (continued):**

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**Long-Term Expected Rate of Return** - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 8. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS) (continued):**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals 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 and the nonemployer contributing entity will be made on the average of the last five years of 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 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

**Sensitivity of the Borough’s proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Borough’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Borough’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 8. Pension Obligations (continued):**

**B. Police and Firemen’s Retirement System (PFRS) (continued):**

	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Borough's proportionate share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability associated with the Borough	\$ 13,315,996.55	\$ 10,100,751.00	\$ 7,479,005.53

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial statements.

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the Borough.

**Note 9. Post-Employment Retirement Benefits**

The Borough contributes to the State Health Benefits Program (“SHBP”), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. On February 24, 1981, the Borough authorized participation in the SHBP’s post-retirement benefit program through resolution number 78-2-24-81. Eligibility to participate in the SHBP’s post-retirement benefit program begins after 25 years of credited service with the Borough. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly-available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 9. Post-Employment Retirement Benefits (continued):**

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. Plan members or beneficiaries receiving benefits do not make any contributions.

The Borough's contributions to SHBP for the years ended December 31, 2015, 2014, and 2013 were \$1,606,827.45, \$1,489,421.32, and \$1,342,954.00, respectively, which equaled the required contributions for each year. There were approximately 37, 37, and 37 retired participants eligible at December 31, 2015, 2014, and 2013, respectively.

**Note 10. Capital Debt**

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on.

Summary of Debt

<b>Issued</b>	<b>Year 2015</b>	<b>Year 2014</b>	<b>Year 2013</b>
Bonds, Notes & Loans	\$ 14,373,172.15	\$ 15,861,674.93	\$ 15,145,176.29
Less:			
Reserve to Pay Bonds	(83,204.39)	(36,547.45)	-
Authorized but Not Issued	1,187,597.83	654,502.83	2,562,500.00
Total Net Debt	<u>\$ 15,477,565.59</u>	<u>\$ 16,479,630.31</u>	<u>\$ 17,707,676.29</u>

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 10. Capital Debt (continued):**

**Summary of Statutory Debt Condition – Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of 0.464%:

	<b>Gross Debt</b>	<b>Deductions</b>	<b>Net Debt</b>
School Purpose Debt	\$ 7,719,849.91	\$ 7,719,849.91	\$ -
General	15,560,769.98	(83,204.39)	15,477,565.59
	<hr/>	<hr/>	<hr/>
Total	\$ 23,280,619.89	\$ 7,636,645.52	\$ 15,477,565.59
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Net Debt \$15,477,565.59 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$3,331,213,833.67 equals 0.464%.

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

3½ % of Equalized Valuation Basis (Municipal)	\$ 116,592,484.18
Net Debt	<u>(15,477,565.59)</u>
Remaining Borrowing Power	<u>\$ 101,114,918.59</u>

**A. Serial Bonds Payable**

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Bonded Debt Issued and Outstanding:

	<u>General Capital</u>		
<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2016	775,000.00	304,513.75	1,079,513.75
2017	825,000.00	278,376.25	1,103,376.25
2018	845,000.00	250,738.75	1,095,738.75
2019	920,000.00	225,388.75	1,145,388.75
2020	455,000.00	193,488.75	648,488.75
2021-2025	2,435,000.00	735,743.75	3,170,743.75
2026-2030	2,635,000.00	339,255.00	2,974,255.00
2031-2032	1,000,000.00	40,860.00	1,040,860.00
	<hr/>	<hr/>	<hr/>
Total	\$ 9,890,000.00	\$ 2,368,365.00	\$ 12,258,365.00
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**B. Loans Payable**

Schedule of Annual Debt Service for Principal and Interest for the next five (5) years and increments thereafter for Loan Debt Issued and Outstanding:

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 10. Capital Debt (continued):**

<u>Green Acres Loan</u>			
Year	Principal	Interest	Total
2016	41,594.36	9,411.16	51,005.52
2017	42,430.40	8,575.12	51,005.52
2018	43,283.26	7,722.26	51,005.52
2019	44,153.25	6,852.27	51,005.52
2020	45,040.73	5,964.80	51,005.53
2021-2025	239,152.89	15,874.73	255,027.62
2026	25,250.26	252.50	25,502.76
Total	\$ 480,905.15	\$ 54,652.84	\$ 535,557.99

**C. Bond Anticipation Notes**

The Borough had \$4,002,267.00 Bond Anticipation Notes outstanding at December 31, 2015. Notes mature August 27, 2016 @ 0.50%.

**D. Bonds and Notes Authorized But Not Issued**

At December 31, 2015, the Rumson, Borough of had \$1,187,597.83 authorized but not issued bonds and notes.

During the fiscal year ended December 31, 2015 the following changes occurred in capital debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
<b>General Capital Fund:</b>					
General Serial Bonds	10,665,000.00	-	(775,000.00)	9,890,000.00	775,000.00
Green Trust Loans Payable	521,679.93	-	(40,774.78)	480,905.15	41,594.36
Bond Anticipation Notes	4,674,995.00	4,502,267.55	(5,174,995.55)	4,002,267.00	4,002,267.00
Authorized but Not Issued	654,502.83	533,095.00	-	1,187,597.83	-
Total General Capital	16,516,177.76	5,035,362.55	(5,990,770.33)	15,560,769.98	4,818,861.36

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 11. Deferred School District Taxes**

Regulations provide for 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 has elected to defer school taxes as follows:

	Local District		Regional High School	
	2015	2014	2015	2014
Balance of Tax	\$ 4,740,386.76	\$ 5,840,386.76	\$ 5,412,495.11	\$ 5,412,495.11
Deferred	1,100,000.00	1,835,174.00	-	1,625,435.00
Tax Payable	\$ 3,640,386.76	\$ 4,005,212.76	\$ 5,412,495.11	\$ 3,787,060.11

**Note 12. Risk Management**

The Borough is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Borough to purchase commercial insurance for the risks of loss to which it is exposed. Settlements in each of the past three years have not exceeded the insurance coverage. During 2015, The Borough of Rumson was provided insurance as part of the Municipal Excess Liability Joint Insurance Fund. The Governmental Crime Policy is as follows:

Employee Theft - Per Loss Coverage	\$ 1,000,000.00
Forgery or Alteration	1,000,000.00
Inside the Premises - Theft of Money and Securities	1,000,000.00
Inside the Premises - Robbery or Safe Burglary of Other Property	1,000,000.00
Computer Fraud	1,000,000.00
Public Employee Dishonesty	1,000,000.00

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

**BOROUGH OF RUMSON**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 13. Deferred Compensation Salary Account**

The Borough has instituted a Deferred Compensation Plan (“Plan”) pursuant to Section 457 of the Internal Revenue Code and P.L. 1977, C.381; P.L. 1978, C.39; P.L. 1980, C.78; and P.L. 1997, C.116 of the Statutes of New Jersey.

The Plan is an arrangement whereby a public employer may establish a Plan and permit its employees to voluntarily authorize a portion of their current salary to be withheld and invested in one or more of the types of investments permitted under the governing regulations.

The Borough has engaged a private contractor to administer the Plan.

**Note 14. New Jersey Unemployment Compensation Insurance**

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, reimbursements to the State for benefits paid and the ending balance of the Borough’s trust fund for the current and previous two years:

<b><u>Fiscal</u> <u>Year</u></b>	<b><u>Borough</u> <u>Contributions</u></b>	<b><u>Amount</u> <u>Reimbursed</u></b>	<b><u>Ending</u> <u>Balance</u></b>
2015	\$ 12,570.25	\$ 27,809.62	71,046.30
2014	8,098.33	12,530.21	86,285.67
2013	18,178.17	20,740.11	90,717.55

**Note 15. Litigation**

The Borough is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Borough, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

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**SUPPLEMENTARY EXHIBITS**

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**CURRENT FUND**

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**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 18,478,378.44
Increased By Receipts:		
Miscellaneous Revenue Not Anticipated	\$ 266,096.85	
State of New Jersey - Senior Citizens' and Veterans' Deductions	32,000.00	
Taxes Receivable	48,926,189.74	
Sewer Fees Receivable	1,166,513.78	
Revenue Accounts Receivable	3,108,746.91	
Due From:		
Trust - Other Fund	190,489.25	
Due To State of New Jersey:		
Marriage Licenses	650.00	
U.C.C. Fees	28,057.85	
Borough of Red Bank	49,659.17	
Due To Capital Fund	7,683.06	
Prepaid Taxes	341,422.24	
Reserve for:		
Third Party Liens Payable	176,447.87	
Tax Sale Premiums	219,100.00	
BAN Interest	34,299.43	
Grants Receivable	100,298.01	
Reserve For Grant Expenditures - Unappropriated	20,586.38	
	<u>54,668,240.54</u>	
		<u>73,146,618.98</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Decreased By Disbursements:		
2015 Budget Appropriations	13,129,252.44	
2014 Appropriation Reserves	259,130.66	
Accounts Payable	39,619.00	
Due From Trust - Other Fund	191,804.00	
Tax Overpayments	122,930.49	
Due To Borough of Red Bank	49,659.15	
Due To State of New Jersey:		
Marriage Licenses	625.00	
U.C.C. Fees	28,935.18	
Third Party Liens Payable	176,447.87	
County Taxes	10,363,099.65	
Local District School Taxes	14,996,273.00	
Regional District School Taxes	12,478,909.00	
Reserve For:		
Tax Sale Premiums	255,500.00	
Tax Appeals	102,492.46	
Special Emergency Note Payable	995,556.00	
Grant Expenditures - Appropriated	276,944.60	
		53,467,178.50
Balance, December 31, 2015		\$ 19,679,440.48

**BOROUGH OF RUMSON  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF DUE TO STATE OF NEW JERSEY -  
 SENIOR CITIZENS' AND VETERANS' DEDUCTIONS  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 10,858.03
Increased By:		
Cash Receipts	\$ 32,000.00	32,000.00
		42,858.03
Decreased By:		
Senior Citizens' Deductions Per Tax Billing	1,750.00	
Veterans' Deductions Per Tax Billing	33,000.00	34,750.00
Balance, December 31, 2015		\$ 8,108.03

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Year	Balance December 31, 2014	2015 Levy	Added Taxes	Collections		Senior Citizens' and Veterans' Deductions Allowed/ (Disallowed)	Cancellations	Balance December 31, 2015
				2014	2015			
2013	\$ 0.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.04	\$ -
2014	390,827.76	-	-	-	383,808.23	(250.00)	7,269.53	-
2015	-	49,410,732.43	14,727.87	441,342.65	48,483,370.56	35,000.00	10,188.31	455,558.78
	\$ 390,827.80	\$ 49,410,732.43	\$ 14,727.87	\$ 441,342.65	\$ 48,867,178.79	\$ 34,750.00	\$ 17,457.88	\$ 455,558.78

**Analysis of 2015 Property Tax Levy**

Tax Yield:	
General Purpose Tax	\$ 48,796,399.82
Added Taxes (54-4-63 et seq.)	<u>614,332.61</u>
	<u>\$ 49,410,732.43</u>
Tax Levy:	
Regional High School Taxes	\$ 12,478,909.00
Local District School Taxes	14,996,273.00
County Taxes	\$ 9,163,279.11
County Library Taxes	603,994.58
County Open Space Taxes	505,208.46
Added/Omitted County Taxes	<u>125,083.52</u>
	10,397,565.67
Local Taxes for Municipal Purposes	11,048,735.67
Add: Additional Taxes Levied	<u>489,249.09</u>
	11,537,984.76
	<u>\$ 49,410,732.43</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF SEWER FEES RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 37,300.21
Increased By:		
Billings - Net		<u>1,167,900.09</u>
		1,205,200.30
Decreased By:		
Cash Receipts	\$ 1,166,513.78	
Overpayments Applied	<u>1,486.98</u>	
		<u>1,168,000.76</u>
Balance, December 31, 2015		<u><u>\$ 37,199.54</u></u>

**BOROUGH OF RUMSON**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Accrued <u>2015</u>	Cash <u>Receipts</u>	Balance December 31, <u>2015</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 26,562.00	\$ 26,562.00	\$ -
Fees and Permits:				
Other	-	150,013.57	150,013.57	-
Fines and Costs:				
Municipal Court	3,716.20	82,436.71	81,033.49	5,119.42
Interest and Cost on Taxes	-	129,645.31	129,645.31	-
Interest on Investments	-	193,538.38	193,538.38	-
Cellular Tower Fees	-	108,048.30	108,048.30	-
Cable Franchise Fees	-	122,324.44	122,324.44	-
Energy Receipts Taxes	-	660,673.00	660,673.00	-
Interlocal - Fair Haven	-	182,878.80	182,878.80	-
Interlocal - Little Silver	-	76,359.50	76,359.50	-
Uniform Construction Code Fees	-	402,063.15	402,063.15	-
Uniform Fire Safety Act	-	12,751.95	12,751.95	-
Trash Collection Charges	-	51,200.00	51,200.00	-
Recycling Fees	-	5,020.18	5,020.18	-
FEMA	-	870,087.39	870,087.39	-
Reserve to Pay Bonds & Notes	-	36,547.45	36,547.45	-
	<u>\$ 3,716.20</u>	<u>\$ 3,110,150.13</u>	<u>\$ 3,108,746.91</u>	<u>\$ 5,119.42</u>

**BOROUGH OF RUMSON  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF DUE TO TRUST - OTHER FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	1,314.75
Increased By:		
Cash Receipts		190,489.25
		191,804.00
Decreased By:		
Cash Disbursements		191,804.00
Balance, December 31, 2015	\$	-

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>December 31, 2014</u>		<u>Budget after</u>	<u>Paid or</u>	<u>Balance</u>
	<u>Reserved</u>	<u>Encumbrances</u>	<u>Modification</u>	<u>Charged</u>	<u>Lapsed</u>
<b>GENERAL GOVERNMENT</b>					
General Administration:					
Other Expenses	\$ 17,441.10	\$ 5,402.02	\$ 22,843.12	\$ 6,048.66	\$ 16,794.46
Mayor and Council:					
Newsletter	8,810.00	2,594.32	11,404.32	-	11,404.32
Municipal Clerk:					
Other Expenses	1,987.00	500.00	2,487.00	-	2,487.00
Elections	58.02	400.00	458.02	400.00	58.02
Financial Administration (Treasury):					
Other Expenses	4,647.95	471.70	5,119.65	190.60	4,929.05
Audit Services:					
Other Services	-	3,000.00	3,000.00	-	3,000.00
Revenue Administration (Tax Collection):					
Other Expenses	3,421.60	500.00	3,921.60	417.25	3,504.35
Tax Assessment Administration:					
Other Expenses	21,395.64	3,420.00	24,815.64	2,390.00	22,425.64
Legal Services (Legal Department):					
Other Expenses	48,868.01	26,298.72	75,166.73	47,023.01	28,143.72
Engineering Services:					
Other Expenses	6,975.38	11,000.00	17,975.38	16,481.21	1,494.17
Records Retention and Disposal					
Other Expenses	2,500.00	-	2,500.00	-	2,500.00
<b>LAND USE ADMINISTRATION</b>					
Planning Board:					
Salaries and Wages	348.12	-	348.12	-	348.12
Other Expenses	1,865.70	3.81	1,869.51	39.25	1,830.26
Zoning Board of Adjustment:					
Salaries and Wages	348.12	-	348.12	-	348.12
Other Expenses	952.70	54.99	1,007.69	590.46	417.23
<b>CODE ENFORCEMENT AND ADMINISTRATION</b>					
Uniform Construction Code Enforcement Functions:					
Salaries and Wages	22,748.20	-	22,748.20	-	22,748.20
Electrical Inspection:					
Salaries and Wages	0.14	-	0.14	-	0.14
Uniform Fire Safety:					
Other Expenses	3,710.18	-	3,710.18	-	3,710.18
Construction Code Official:					
Salaries and Wages	13,775.86	-	13,775.86	-	13,775.86
Other Expenses	6,979.97	1,380.41	8,360.38	1,425.16	6,935.22
<b>PUBLIC SAFETY</b>					
Police Department:					
Salaries and Wages	87,237.90	-	87,237.90	2,210.34	85,027.56
Other Expenses	2,784.88	22,880.29	25,665.17	23,449.52	2,215.65
Purchase of Police Vehicles	4,693.48	-	4,693.48	-	4,693.48
Police Dispatch/911:					
Salaries and Wages	13,950.99	-	13,950.99	6,151.91	7,799.08
Annual Charge - 911 System	636.90	-	636.90	-	636.90
Aid To First Aid Organization:					

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>December 31, 2014</u>		<u>Budget after Modification</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbrances</u>			
Other Expenses	11,286.54	595.00	11,881.54	595.00	11,286.54
Fire Department:					
Other Expenses	6,273.96	1,113.00	7,386.96	1,113.00	6,273.96
Municipal Prosecutor's Office:					
Salaries and Wages	3,530.00	-	3,530.00	-	3,530.00
<b>PUBLIC WORKS</b>					
Streets and Road Maintenance:					
Salaries and Wages	59,193.56	-	53,193.56	3,576.38	49,617.18
Other Expenses	12,708.12	4,984.68	17,692.80	5,242.62	12,450.18
Sewer System:					
Salaries and Wages	14,640.64	-	14,640.64	706.73	13,933.91
Other Expenses	2,641.93	6,329.95	8,971.88	6,463.64	2,508.24
Shade Tree Commission:					
Other Expenses	84.70	11,000.00	17,584.70	13,418.75	4,165.95
Storm Drain Cleaning	1,000.00	-	1,000.00	-	1,000.00
Stormwater Management	-	1,000.00	1,000.00	1,000.00	-
Solid Waste Collection:					
Salaries and Wages	9,760.97	-	9,760.97	561.76	9,199.21
Other Expenses	116.60	559.60	676.20	591.30	84.90
Recycling:					
Salaries and Wages	3,906.17	-	3,906.17	824.36	3,081.81
Other Expenses	476.68	103.60	580.28	116.55	463.73
Buildings and Grounds:					
Salaries and Wages	1,476.86	-	1,476.86	-	1,476.86
Other Expenses	135.70	15,162.09	21,297.79	17,298.74	3,999.05
Property Lease	642.61	-	642.61	-	642.61
Vehicle Maintenance (Including Police Vehicles):					
Other Expenses	2,811.29	12,058.48	14,869.77	12,274.92	2,594.85
<b>HEALTH AND HUMAN SERVICES</b>					
Public Health Services (Board of Health)					
Contracted Services	43.00	-	43.00	-	43.00
Other Expenses	50.00	-	50.00	-	50.00
<b>PARK AND RECREATION</b>					
Recreation Services and Programs:					
Salaries and Wages	1,901.75	-	1,901.75	-	1,901.75
Senior Citizen Transportation:					
Other Expenses	234.00	3,042.00	3,276.00	3,120.00	156.00
Maintenance of Parks:					
Other Expenses	5,242.03	939.91	6,181.94	1,008.10	5,173.84
Municipal Court:					
Salaries and Wages	8,197.57	-	8,197.57	63.38	8,134.19
Other Expenses	5,842.97	-	5,842.97	-	5,842.97

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF 2014 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	December 31, 2014		Budget after <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
	<u>Reserved</u>	<u>Encumbrances</u>			
Board of Health:					
Hepatitis B Vaccine Costs	360.00	-	360.00	-	360.00
VNA Contract	-	250.00	250.00	250.00	-
 INSURANCE					
General Liability	34,732.72	-	34,732.72	20,778.08	13,954.64
Employee Group Health	147,957.00	314.60	148,271.60	-	148,271.60
Waiver Insurance	3,163.28	-	3,163.28	-	3,163.28
 Homeland Security (NJSA 40A:4-45.3(pp))					
Office of Emergency Management:					
Other Expenses	6,440.92	3,908.12	10,349.04	3,908.12	6,440.92
 UTILITY EXPENSES AND BULK PURCHASES					
Electricity	45,523.04	(45.64)	45,477.40	12,541.05	32,936.35
Street Lighting	1,362.05	781.83	2,143.88	3.63	2,140.25
Telephone (excluding telephone acquisition)	3,551.65	54.91	3,606.56	-	3,606.56
Water	4,919.75	-	4,919.75	13.66	4,906.09
Fire Hydrants	74.40	-	74.40	-	74.40
Gas (natural or propane)	7,568.17	1,068.55	8,636.72	1,068.55	7,568.17
Gasoline	36,674.12	2,957.49	39,631.61	2,957.49	36,674.12
Landfill/Solid Waste Disposal Costs	108,183.91	37,714.61	139,398.52	38,150.92	101,247.60
Contingent	3,061.63	950.00	4,011.63	750.00	3,261.63
 STATUTORY EXPENDITURES					
Contribution To:					
Social Security System (O.A.S.I.)	14,241.59	-	14,241.59	-	14,241.59
 LOSAP	11,250.00	28,750.00	40,000.00	27,300.00	12,700.00
 Parks & Grounds					
Other Expenses	13,200.79	-	13,200.79	-	13,200.79
 PUBLIC AND PRIVATE PROGRAMS					
OFFSET BY REVENUES					
Matching for Grants	5,000.00	-	5,000.00	-	5,000.00
	<u>\$ 875,600.51</u>	<u>\$ 211,499.04</u>	<u>\$ 1,087,099.55</u>	<u>\$ 282,514.10</u>	<u>\$ 804,585.45</u>

Cash Disbursements	\$ 259,130.66
Accounts Payable	<u>23,383.44</u>
	<u>\$ 282,514.10</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF ACCOUNTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 125,557.29
Increased By:		
Appropriation Reserves		<u>23,383.44</u>
		148,940.73
Decreased By:		
Accounts Payable Cancelled	\$ 22,459.85	
Cash Disbursements	<u>39,619.00</u>	
		<u>62,078.85</u>
Balance, December 31, 2015		<u><u>\$ 86,861.88</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 150.00
Increased By:	
Cash Receipts	<u>650.00</u>
	800.00
Decreased By:	
Cash Disbursements	<u>625.00</u>
Balance, December 31, 2015	<u><u>\$ 175.00</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY - U.C.C. FEES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 6,319.33
Increased By:	
Cash Receipts	<u>28,057.85</u>
	34,377.18
Decreased By:	
Cash Disbursements	<u>28,935.18</u>
Balance, December 31, 2015	<u><u>\$ 5,442.00</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 441,342.65
Increased By:		
Cash Receipts:		
Collection of 2015 Taxes	\$341,422.24	
Apply Tax Overpayments	<u>4,862.98</u>	
		<u>346,285.22</u>
		787,627.87
Decreased By:		
Amount Applied To Taxes Receivable		<u>441,342.65</u>
Balance, December 31, 2015		<u><u>\$ 346,285.22</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF TAX OVERPAYMENTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 25,136.23
Increased By:	
Overpayment Created	<u>99,738.78</u>
	124,875.01
Decreased By:	
Cash Disbursements	<u>122,930.49</u>
Balance, December 31, 2015	<u><u>\$ 1,944.52</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF SEWER FEE OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 8,385.37
Decreased By:	
Overpayments Applied	<u>1,486.98</u>
Balance, December 31, 2015	<u><u>\$ 6,898.39</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DRIVE-IN SANITATION OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 1,200.00
Decreased By:	
Cash Disbursements	<u>400.00</u>
Balance, December 31, 2015	<u><u>\$ 800.00</u></u>

**BOROUGH OF RUMSON  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF THIRD PARTY LIENS PAYABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	28.62
Increased By:		
Cash Receipts		176,447.87
		176,476.49
Decreased By:		
Cash Disbursements		176,447.87
Balance, December 31, 2015	\$	28.62

**BOROUGH OF RUMSON  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF COUNTY TAXES PAYABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 90,617.50
Increased By:		
2015 Tax Levy :		
County Taxes	\$ 9,163,279.11	
County Library Taxes	603,994.58	
County Open Space Taxes	505,208.46	
Due To County for Added/Omitted Taxes	<u>125,083.52</u>	
		<u>10,397,565.67</u>
		10,488,183.17
Decreased By:		
Cash Disbursements		<u>10,363,099.65</u>
Balance, December 31, 2015		<u><u>\$ 125,083.52</u></u>

**BOROUGH OF RUMSON  
 COUNTY OF MONMOUTH, NEW JERSEY  
 CURRENT FUND  
 SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		
School Tax Payable	\$ 4,005,212.76	
School Tax Deferred	<u>1,835,174.03</u>	
		\$ 5,840,386.79
Increased By:		
Levy - School Year July 1, 2015 to June 30, 2016		<u>14,996,273.00</u>
		20,836,659.79
Decreased By:		
Cash Disbursed		<u>14,996,273.00</u>
Balance, December 31, 2015		
School Tax Payable	4,740,386.79	
School Tax Deferred	<u>1,100,000.00</u>	
		<u>\$ 5,840,386.79</u>
 <u>2015 Liability for Local District High School Tax</u>		
Tax Payable, December 31, 2015	\$ 4,740,386.79	
Tax Paid	<u>14,996,273.00</u>	
		\$ 19,736,659.79
Less:		
Tax Payable, December 31, 2014		<u>4,005,212.76</u>
Amount Charged To 2015 Operations		<u>\$ 15,731,447.03</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		
School Tax Payable	\$ 3,787,060.11	
School Tax Deferred	<u>1,625,435.00</u>	
		\$ 5,412,495.11
Increased By:		
Levy - School Year July 1, 2015 to June 30, 2016		<u>12,478,909.00</u>
		17,891,404.11
Decreased By:		
Cash Disbursed		<u>12,478,909.00</u>
Balance, December 31, 2015		
School Tax Payable	\$ 5,412,495.11	
		<u>\$ 5,412,495.11</u>
 <u>2015 Liability for Regional District High School Tax</u>		
Tax Payable, December 31, 2015	5,412,495.11	
Tax Paid	<u>12,478,909.00</u>	
		17,891,404.11
Less:		
Tax Payable, December 31, 2014		<u>3,787,060.11</u>
Amount Charged To 2015 Operations		<u>\$ 14,104,344.00</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF PRIOR YEAR CONSTRUCTION FEES PAYABLE  
YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 133.50

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR MASTER PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 82.82

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR REVALUATION  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 16,477.91

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 269,600.00
Increased By:	
Cash Receipts	<u>219,100.00</u>
	488,700.00
Decreased By:	
Cash Disbursements	<u>255,500.00</u>
Balance, December 31, 2015	<u><u>\$ 233,200.00</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR TO PAY SPECIAL EMERGENCY NOTES - SANDY  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 45,440.84
Decreased By:	
Realize in 2015 Revenue	<u>45,440.81</u>
Balance, December 31, 2015	<u><u>\$ 0.03</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR BAN INTEREST  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Cash Receipts	<u>34,299.43</u>
Balance, December 31, 2015	<u><u>\$ 34,299.43</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES - SPECIAL EMERGENCY (NJS 40A:4-53 & N.J.S. 40A-55.1)  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Date</u>	<u>Purpose</u>	Amount Authorized	Balance <u>December 31, 2014</u>	Raised 2015 <u>Budget</u>	Balance <u>December 31, 2015</u>
12/18/12	Superstorm Sandy	\$ 5,000,000.00	\$ 995,556.00	\$ 995,556.00	\$ -
			<u>\$ 995,556.00</u>	<u>\$ 995,556.00</u>	<u>\$ -</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF RESERVE FOR TAX APPEALS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 236,213.55
Decreased By:	
Cash Disbursements	<u>102,492.46</u>
Balance, December 31, 2015	<u><u>\$ 133,721.09</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Purpose</u>	Original Amount Issued	Date of Original Issue	Date Issue	Date of Maturity	Interest Rate	Balance December 31, 2014	Disbursements	Balance December 31, 2015
Superstorm Sandy	\$ 5,000,000.00	12/18/12	12/24/14	12/23/15	0.55%	\$ 995,556.00	\$ 995,556.00	\$ -
						\$ 995,556.00	\$ 995,556.00	\$ -

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO BOROUGH OF RED BANK  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Cash Receipts	<u>49,659.17</u>
	49,659.17
Decreased By:	
Cash Disbursements	<u>49,659.15</u>
Balance, December 31, 2015	<u><u>\$ 0.02</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
CURRENT FUND  
SCHEDULE OF DUE TO CAPITAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Capital Improvement Fund - Contribution From Current Fund Budget	1,000,000.00
Cash Receipts	<u>7,683.06</u>
Balance, December 31, 2015	<u><u>\$ 1,007,683.06</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF DUE FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 228,394.90
Increased By:		
Cash Receipts:		
Grants Receivable	\$ 100,298.01	
Grants - Unappropriated	<u>20,586.38</u>	
		<u>120,884.39</u>
		349,279.29
Decreased By:		
Cash Disbursements:		
Grants - Appropriated	276,944.60	
Grants - Cancelled	<u>-</u>	
		<u>276,944.60</u>
Balance, December 31, 2015		<u><u>\$ 72,334.69</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF STATE GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Increased By Revenue Anticipated <u>2015</u>	Cash <u>Received</u>	Transferred from <u>Unappropriated</u>	Balance December 31, <u>2015</u>
State of New Jersey:					
Supplemental Safe Neighborhood Program	\$ 28.00	\$ -	\$ -	\$ -	\$ 28.00
Police Body Armor Grant	-	1,849.62	-	1,849.62	-
Clean Communities Program	-	18,091.01	-	18,091.01	-
Recycling Tonnage Grant	-	55,900.22	-	55,900.22	-
Alcohol Education & Rehabilitation	-	648.26	-	648.26	-
NJ Department of Transportation - Blackpoint	160,000.00	-	-	-	160,000.00
Federal:					
Assistance to Firefighters Grant	1,426.00	-	-	-	1,426.00
Sandy Planning Asst	196,333.60	20,000.00	100,298.01	-	116,035.59
	<u>\$ 357,787.60</u>	<u>\$ 96,489.11</u>	<u>\$ 100,298.01</u>	<u>\$ 76,489.11</u>	<u>\$ 277,489.59</u>

**BOROUGH OF RUMSON**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**GRANT FUND**  
**SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - APPROPRIATED**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Budget <u>Appropriation</u>	Paid or <u>Charged</u>	<u>Encumbered</u>	Balance December 31, <u>2015</u>
State of New Jersey:					
Clean Communities Program	\$ 17,798.19	\$ 18,341.01	\$ 10,042.44	\$ -	\$ 26,096.76
N.J. Transportation Trust Fund Grant	57,503.32	-	-	-	57,503.32
Emergency Road Repair Aid Grant	8,123.26	-	-	-	8,123.26
Recycling Tonnage Grant	53,245.46	55,900.22	89,801.61	1,400.00	17,944.07
D.W.I. Grant	593.24	-	-	-	593.24
Municipal Court Alcohol Education & Rehab	8,232.78	648.26	325.00	-	8,556.04
Drunk Driving Enforcement Fund	3,616.59	-	367.65	-	3,248.94
Body Armor Fund	-	1,849.62	-	-	1,849.62
Pothole Program	1,779.33	-	-	-	1,779.33
Emergency Operations Planning	610.72	-	-	-	610.72
Handicapped Recreation Opportunities	16.00	-	-	-	16.00
Stormwater Grant	7,962.63	-	-	-	7,962.63
N.J. State Police 2004 Exercise Pass Grant	310.00	-	-	-	310.00
NJ DOT Blackpoint Horseshoe	160,000.00	-	-	-	160,000.00
Federal:					
Assistance to Firefighters Grant	16,426.00	-	-	-	16,426.00
Sandy Planning Assistant Grant	-	201,977.45	176,407.90	25,569.55	-
	<u>\$ 336,217.52</u>	<u>\$ 278,716.56</u>	<u>\$ 276,944.60</u>	<u>\$ 26,969.55</u>	<u>\$ 311,019.93</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GRANT FUND  
SCHEDULE OF RESERVE FOR GRANT EXPENDITURES - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	Cash <u>Receipts</u>	Grants <u>Appropriated</u>	Balance December 31, <u>2015</u>
State of New Jersey:				
Recycling Tonnage Grant	\$ 55,900.22	\$ -	\$ 55,900.22	\$ -
Body Armor Fund	1,849.62	1,847.11	1,849.62	1,847.11
OEM Joint Grant w/Sea Bright	9,987.69	-	-	9,987.69
Clean Communities Program	-	18,091.01	18,091.01	-
Municipal Court Alcohol Education and Rehabilitation	-	648.26	648.26	-
	<u>\$ 67,737.53</u>	<u>\$ 20,586.38</u>	<u>\$ 76,489.11</u>	<u>\$ 11,834.80</u>

**TRUST FUNDS**

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**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Animal Control</u>	<u>Trust - Other</u>	<u>Recreation Commission</u>
Balance, December 31, 2014	<u>\$ 16,300.71</u>	<u>\$ 2,625,565.81</u>	<u>\$ 314,142.60</u>
Increased By Receipts:			
Recreation Fees	-	-	453,194.68
Dog License Fees	11,898.60	-	-
Due From Current Fund	-	1,314.75	-
Other Reserves	-	1,228,905.58	-
Dog License Registration Fees	<u>1,235.40</u>	<u>-</u>	<u>-</u>
	<u>13,134.00</u>	<u>1,230,220.33</u>	<u>453,194.68</u>
	<u>29,434.71</u>	<u>3,855,786.14</u>	<u>767,337.28</u>
Decreased By Disbursements:			
Recreation Expenses	-	-	388,177.56
Animal Control Expenditures	12,219.12	-	-
Other Reserves	-	913,014.65	-
Dog License Registration Fees	<u>1,236.60</u>	<u>-</u>	<u>-</u>
	<u>13,455.72</u>	<u>913,014.65</u>	<u>388,177.56</u>
Balance, December 31, 2015	<u><u>\$ 15,978.99</u></u>	<u><u>\$ 2,942,771.49</u></u>	<u><u>\$ 379,159.72</u></u>

**BOROUGH OF RUMSON  
 COUNTY OF MONMOUTH, NEW JERSEY  
 ANIMAL CONTROL FUND  
 SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 16,297.11
Increased By:		
Dog License Fees Collected	\$ 8,880.60	
Late Fees Collected	3,015.00	
Miscellaneous Fees Collected	3.00	
Cancellation	2.40	
		11,901.00
		28,198.11
Decreased By:		
Expenditures Under R.S.4:19-15.11	12,219.12	
		12,219.12
Balance, December 31, 2015		\$ 15,978.99

2013 Fees	\$ 8,812.80
2014 Fees	8,996.40
	\$ 17,809.20

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
ANIMAL CONTROL FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY - DOG LICENSES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 3.60
Increased By:		
Registration Fees Collected		<u>1,235.40</u>
		1,239.00
Decreased By:		
Cash Disbursements	\$ 1,236.60	
Cancellation	<u>2.40</u>	
		<u>1,239.00</u>
Balance, December 31, 2015		<u><u>\$ -</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF RESERVE FOR VARIOUS TRUST FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2015</u>
Payroll Deductions:				
Pension System	\$ 8,796.73	\$ 707,547.00	\$ 707,547.00	\$ 8,796.73
State Unemployment	86,285.67	12,570.25	27,809.62	71,046.30
	<u>95,082.40</u>	<u>720,117.25</u>	<u>735,356.62</u>	<u>79,843.03</u>
Forfeited Funds	433.22	3.48	-	436.70
Engineering and Escrow				
Deposit	494,932.17	55,954.98	83,746.28	467,140.87
P.O.A.A. Fees	1,562.89	236.00	-	1,798.89
Public Defender	3,853.00	400.00	-	4,253.00
Cash Bond	39,580.00	6,786.83	7,286.83	39,080.00
Outside Employment - Off Duty Police	40,753.40	-	4,473.00	36,280.40
Reserve for:				
Street Openings	22,500.00	15,000.00	11,500.00	26,000.00
Sick Leave	213,732.50	8,300.00	-	222,032.50
C.O.A.H.	1,673,680.29	405,752.45	58,546.95	2,020,885.79
D.A.R.E.	12,935.04	3,487.58	1,864.21	14,558.41
Fire Safety	1,000.00	-	-	1,000.00
Cafeteria	6,569.91	12,867.01	10,240.76	9,196.16
Miscellaneous - Other	14,670.88	-	-	14,670.88
	<u>2,526,203.30</u>	<u>508,788.33</u>	<u>177,658.03</u>	<u>2,857,333.60</u>
	<u>\$ 2,621,285.70</u>	<u>\$ 1,228,905.58</u>	<u>\$ 913,014.65</u>	<u>\$ 2,937,176.63</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUND  
SCHEDULE OF RESERVE FOR SPECIAL ASSESSMENT  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 2,613.00

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
TRUST - OTHER FUNDS  
SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 2,981.86

**BOROUGH OF RUMSON  
 COUNTY OF MONMOUTH, NEW JERSEY  
 TRUST - OTHER  
 SCHEDULE OF DUE FROM CURRENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	1,314.75
Decreased By:		
Appropriation Reserves		1,314.75
		<hr style="border: 1px solid black;"/>
Balance, December 31, 2015	\$	<u><u>-</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (Unaudited)  
SCHEDULE OF INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 320,950.38
Increased By:		
Borough Contributions		25,300.00
		346,250.38
Decreased By:		
Accounting Charges	\$ 975.00	
Depreciation	2,385.09	
Withdrawals	13,998.18	
		17,358.27
Balance, December 31, 2015		\$ 328,892.11

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (Unaudited)  
SCHEDULE OF DUE FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Appropriation Reserves	<u>25,300.00</u>
	25,300.00
Decreased By:	
Cash Receipts	<u>25,300.00</u>
	-
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF RUMSON**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**LENGTH OF SERVICE AWARDS PROGRAM FUND ("LOSAP") (Unaudited)**  
**SCHEDULE OF MISCELLANEOUS RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 320,950.38
Increased By:		
Borough Contributions		<u>25,300.00</u>
		346,250.38
Decreased By:		
Accounting Charges	\$ 975.00	
Depreciation	2,385.09	
Withdrawals	<u>13,998.18</u>	
		<u>17,358.27</u>
Balance, December 31, 2015		<u><u>\$ 328,892.11</u></u>

**GENERAL CAPITAL FUND**

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**BOROUGH OF RUMSON  
 COUNTY OF MONMOUTH, NEW JERSEY  
 GENERAL CAPITAL FUND  
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 3,742,891.03
Increased By:		
Reserve To Pay Bonds	\$ 82,619.63	82,619.63
		3,825,510.66
Decreased By:		
Improvement Authorizations	2,164,653.89	
Reserve To Pay Bonds	36,547.45	2,201,201.34
Balance, December 31, 2015		\$ 1,624,309.32

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, <u>2015</u>
Due To State of New Jersey	\$ 133.00
Encumbrances Payable	516,814.60
Capital Improvement Fund	2,299,096.43
Retained Percentage Due To Contractors	84.00
Due To Current Fund	(1,007,683.06)
Reserve to Pay Bonds	83,204.39
Fund Balance	26,442.79

<u>Ordinance Number/Date</u>	<u>Improvement Description</u>	
04/04/02 & 07/21/05	Various Improvements	2,540.00
04/15/04	Various Improvements	1,119.26
08/03/06	First Aid Equipment	2,698.25
08/17/06	Office of Emergency Management	1,461.35
03/18/08	Various Improvements	440.92
11-006	Various Improvements	14,679.02
12-002 & 14-009	Road Resurfacing	245,356.58
12-011	Various Improvements	47,764.23
13-004	Various Improvements	(957,043.76)
15-003	Various Improvements	300,000.00
15-004	Various Improvements	47,201.32
		\$ 1,624,309.32

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 133.00

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 11,186,679.93
Decreased By:		
2014 Current Budget Appropriation:		
General Serial Bonds	\$ 775,000.00	
Green Acre Loans Payable	<u>40,774.78</u>	
		<u>815,774.78</u>
Balance, December 31, 2015		<u><u>\$ 10,370,905.15</u></u>

**BOROUGH OF RUMSON**  
**COUNTY OF MONMOUTH, NEW JERSEY**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

Date of Ordinance	Improvement Description	Balance December 31, 2014	Increased by 2015 Authorizations	Decreased by		Balance December 31, 2015	Analysis of Balance, December 31, 2015	
				Notes Paid by Budget Appropriation	Insurance Proceeds		Financed by Bond Anticipation Notes	Expenditures
07/19/07	Acquisition of Land	\$ 368,928.47	\$ -	\$ 368,928.47	\$ 368,928.47	\$ -	\$ -	\$ -
03/18/08	Various Improvements	574,622.00	-	23,610.00	23,610.00	551,012.00	-	-
06/05/08	Various Improvements	55,933.58	-	720.00	720.00	55,213.58	-	-
10/13/09	Various Improvements	211,040.95	-	154,022.08	154,022.08	57,018.87	-	-
05/16/11	Various Improvements	899,470.00	-	36,250.00	36,250.00	863,220.00	-	-
12-002 & 14-009	Road Resurfacing	1,691,000.00	-	52,650.00	52,650.00	1,638,350.00	-	-
12-011	Various Improvements	446,500.00	-	14,543.50	14,543.50	431,956.50	-	-
13-004	Sanitary Sewer Repairs and Replacement as a result of Hurricane Sandy	654,502.83	358,095.00	-	-	1,012,597.83	659,093.18	353,504.65
13-004	Building Repairs as a result of Hurricane Sandy	-	175,000.00	-	-	175,000.00	112,709.76	62,290.24
13-004	Acquisition of various vehicles and equipment for Department of Public Works	380,000.00	-	22,003.95	22,003.95	357,996.05	-	-
13-004	Acquisition of various equipment and furniture for Borough Hall	47,500.00	-	-	-	47,500.00	-	-
		<u>\$ 5,329,497.83</u>	<u>\$ 533,095.00</u>	<u>\$ 672,728.00</u>	<u>\$ 672,728.00</u>	<u>\$ 5,189,864.83</u>	<u>\$ 4,002,267.00</u>	<u>\$ 415,794.89</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Purpose	Original Issue		Maturities of Bonds Outstanding December 31, 2015		Interest Rate	Balance December 31, 2014	Paid By Budget Appropriation	Balance December 31, 2015
	Date	Amount	Date	Amount				
General Improvement Bonds	07/17/07	\$ 9,338,000.00	07/15/16	\$ 275,000.00	4.25%	\$ 825,000.00	\$ 275,000.00	\$ 550,000.00
			07/15/17	275,000.00	4.25%			
Refunding Bonds	05/16/12	2,795,000.00	09/01/16	445,000.00	3.00%	2,370,000.00	450,000.00	1,920,000.00
			09/01/17	495,000.00	3.00%			
			09/01/18	490,000.00	3.00%			
			09/01/19	490,000.00	3.00%			
Refunding Bonds	03/13/13	7,575,000.00	07/15/16	55,000.00	2.00%	7,470,000.00	50,000.00	7,420,000.00
			07/15/17	55,000.00	2.00%			
			07/15/18	355,000.00	3.00%			
			07/15/19	430,000.00	4.00%			
			07/15/20	455,000.00	2.00%			
			07/15/21	445,000.00	4.00%			
			07/15/22	475,000.00	4.00%			
			07/15/23	475,000.00	4.00%			
			07/15/24	500,000.00	4.00%			
			07/15/25	540,000.00	2.25%			
			07/15/26	540,000.00	3.00%			
			07/15/27	535,000.00	2.375%			
		07/15/28	530,000.00	2.50%				
		07/15/29	520,000.00	2.60%				
		07/15/30	510,000.00	2.65%				
		07/15/31	505,000.00	2.70%				
		07/15/32	495,000.00	2.750%				
						\$ 10,665,000.00	\$ 775,000.00	\$ 9,890,000.00

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Date of Ordinance</u>	<u>Improvement Description</u>	<u>Original Issue Date</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2014</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2015</u>
07/19/07	Acquisition of Land	09/29/08	09/04/14	08/27/14	0.50%	\$ 368,928.47	\$ 358,078.47	\$ 727,006.94	\$ -
03/18/08	Various Road Improvements	06/16/10	09/04/14	08/27/14	0.50%	574,622.00	551,012.00	574,622.00	551,012.00
06/08/08	Various Road Improvements	06/14/11	09/04/14	08/27/14	0.50%	55,933.58	55,213.58	55,933.58	55,213.58
10/13/09	New Borough Hall	06/16/10	09/04/14	08/27/14	0.50%	211,040.95	198,940.95	352,963.03	57,018.87
05/15/11	Various Improvements	06/14/11	09/04/14	08/27/14	0.50%	899,470.00	863,220.00	899,470.00	863,220.00
04/02/12	Road Resurfacing and Curbing	09/14/12	09/04/14	08/27/14	0.50%	1,691,000.00	1,638,350.00	1,691,000.00	1,638,350.00
10/01/12	Various Improvements	08/28/14	08/28/14	08/27/14	0.50%	446,500.00	431,956.50	446,500.00	431,956.50
02/26/13	Various Improvements	08/28/14	08/28/14	08/27/14	0.50%	427,500.00	405,496.05	427,500.00	405,496.05
						<u>\$ 4,674,995.00</u>	<u>\$ 4,502,267.55</u>	<u>\$ 5,174,995.55</u>	<u>\$ 4,002,267.00</u>
							<u>\$ 4,502,267.55</u>	<u>\$ 4,502,267.55</u>	
							<u>-</u>	<u>672,728.00</u>	
							<u>\$ 4,502,267.55</u>	<u>\$ 5,174,995.55</u>	

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF GREEN ACRES LOAN PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 521,679.93
Decreased By:	
Budget Appropriation	<u>40,774.78</u>
Balance, December 31, 2015	<u><u>\$ 480,905.15</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount		Balance, December 31, 2014		2015 Authorizations	Transferred From Encumbrance Payable	Paid or Charged	Encumbered	Balance, December 31, 2015	
			Funded	Unfunded	Funded	Unfunded					Funded	Unfunded
1993	Road Resurfacing	05/27/93	\$ 360,000.00	\$ -	\$ -	\$ -	-	\$ 8,118.70	-	\$ 8,118.70	\$ -	\$ -
1997	Road Resurfacing	12/04/97	360,000.00	-	-	-	16,784.72	-	-	16,784.72	-	-
2001	Various Improvements	04/05/01	614,500.00	-	-	-	18,440.00	-	-	18,440.00	-	-
2002	Various Improvements	04/04/02 & 07/21/05	628,600.00	2,540.00	-	-	9,000.00	-	-	9,000.00	2,540.00	-
2004	Various Improvements	04/15/04	775,000.00	1,119.26	-	-	-	-	-	-	1,119.26	-
2005	Various Improvements	05/05/05	1,040,000.00	88,225.00	-	-	-	88,225.00	-	-	-	-
2006	Acquisition of First Aid Equipment	08/03/06	20,000.00	2,698.25	-	-	-	-	-	-	2,698.25	-
2006	Various Improvements	05/25/06	1,143,000.00	50,924.34	-	-	-	50,924.34	-	-	-	-
2006	Office of Emergency Management Equipment	08/17/06	150,000.00	1,461.35	-	-	-	-	-	-	1,461.35	-
07-005	Various Improvements	03/24/09	7,937,000.00	440.92	-	-	-	-	-	-	440.92	-
07-011	Acquisition of Fire Department Gear & Equipment	08/30/07	47,114.00	-	-	-	1.17	-	1.17	-	-	-
11-006	Public Building Improvements	05/16/11	500,000.00	-	21,224.02	-	-	-	3,045.00	3,500.00	-	14,679.02
12-003	Various Equipment	03/13/12	154,500.00	-	-	-	5,769.71	-	5,769.71	-	-	-
12-002 & 14-009	Road Resurfacing	04/02/12	1,780,000.00	913.04	1,691,000.00	-	21,173.37	1,106,471.92	361,257.91	-	-	245,356.58
12-011	Emergency Services Equipment	10/01/12	100,000.00	-	51,642.53	-	3,744.87	16,703.17	-	-	-	38,684.23
12-011	Park Improvements	10/01/12	50,000.00	-	19,080.00	-	11,020.00	11,020.00	-	10,000.00	-	9,080.00
13-004	Sanitary Sewer Repairs and Replacement as a result of Hurricane Sandy	02/26/13	750,000.00	-	164,574.65	-	27,842.97	319,438.00	59,474.97	-	-	353,504.65
13-004	Building Repairs as a result of Hurricane Sandy	02/26/13	300,000.00	5,331.05	268,157.85	-	-	386,198.66	-	-	-	62,290.24
13-004	Acquisition of various vehicles and equipment for Department of Public Works	02/26/13	400,000.00	-	143,495.88	-	3,475.00	146,970.32	30,238.30	-	-	9,762.26
13-004	Acquisition of various equipment and furniture for Borough Hall	02/26/13	50,000.00	-	22,084.84	-	-	7,087.92	-	-	-	14,996.92
15-003	Acquisition of various equipment	04/14/15	300,000.00	-	-	300,000.00	-	-	-	-	-	300,000.00
15-004	Acquisition of various equipment for emergency services & Department of Public Works	04/14/15	70,000.00	-	-	70,000.00	-	22,798.68	-	-	-	47,201.32
			\$ 153,653.21	\$ 2,381,259.77	\$ 1,125,000.00	\$ 125,370.51	\$ 2,164,653.89	\$ 516,814.60	\$ 8,259.78	\$ 1,095,555.22		

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF RETAINED PERCENTAGE DUE TO CONTRACTORS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 & 2014

\$ 84.00

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 1,603,903.13
Increased By:	
Cash Receipts:	
Contribution from Current Fund Budget	1,000,000.00
FEMA	<u>7,098.30</u>
	2,611,001.43
Decreased By:	
BAN's Authorized But Not Issued	11,905.00
Improvement Authorizations Funded	<u>300,000.00</u>
Balance, December 31, 2015	<u><u>\$ 2,299,096.43</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF RESERVE FOR DEBIT SERVICE  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 36,547.45
Increased By:		
Cash Receipts	\$ 82,619.63	
FEMA Receipts	584.76	
	83,204.39	83,204.39
Decreased By:		
Transfer to Current Fund		119,751.84
		36,547.45
Balance, December 31, 2015		\$ 83,204.39

**RUMSON, BOROUGH OF  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2015**

<u>Improvement Description</u>	<u>Date of Ordinance</u>	Balance		Balance
		December 31, <u>2014</u>	<u>Increased</u>	December 31, <u>2015</u>
Various Improvements	02/26/13	\$654,502.83	\$ -	\$ 654,502.83
Various Improvements	03/24/15	-	505,000.00	505,000.00
Various Improvements	08/11/15	-	28,095.00	28,095.00
		<u>\$654,502.83</u>	<u>\$ 533,095.00</u>	<u>\$ 1,187,597.83</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF FEDERAL GRANTS RECEIVABLE - FEMA PUMP STATION GENERATORS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
FEMA Award	<u>210,000.00</u>
Balance, December 31, 2015	<u><u>\$ 210,000.00</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL CAPITAL FUND  
SCHEDULE OF DUE FROM CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased By:	
Current Fund Budget - CIF	1,000,000.00
FEMA Receipts	<u>7,683.06</u>
Balance, December 31, 2015	<u><u>\$1,007,683.06</u></u>

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**PUBLIC ASSISTANCE FUND**

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**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 839.35
Decreased By:	
Transfer to Current Fund	<u>839.35</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 839.35
Decreased By:	
Transfer to Current Fund	<u>839.35</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH RECONCILIATION PER N.J.S. 40A:5-5  
December 31, 2014 to December 31, 2015**

	P.A.T.F. Account I (75%)	P.A.T.F. Account II (100%)	Fund Total
Balance, December 31, 2014	\$ 839.35	\$ -	\$ 839.35
Decreased By:			
Transfer to Current Fund	<u>839.35</u>	<u>-</u>	<u>839.35</u>
Balance Per Books, December 31, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Balance Per Two River Community Bank Statement, December 31, 2015: A/C No. 1218506485	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**GENERAL FIXED ASSET ACCOUNT GROUP**

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**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
GENERAL FIXED ASSETS ACCOUNT GROUP  
SCHEDULE OF GENERAL FIXED ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance December 31, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2015</u>
Land	\$ 4,948,200.00	\$ -	\$ -	\$ 4,948,200.00
Buildings	1,885,215.00	-	-	1,885,215.00
Equipment	6,342,802.91	347,094.00	358,660.07	6,331,236.84
Improvements	4,400,750.75	-	-	4,400,750.75
	<u>\$ 17,576,968.66</u>	<u>\$ 347,094.00</u>	<u>\$ 358,660.07</u>	<u>\$ 17,565,402.59</u>

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**SINGLE AUDIT SECTION**

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE AND NJ OMB CIRCULAR 15-08**

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

**Report on Compliance for Each Major Federal Program**

We have audited Borough of Rumson’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey Grants Compliance Supplement* that could have a direct and material effect on each of the Borough of Rumson’s major federal programs for the year ended December 31, 2015. The Borough of Rumson’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the Borough of Rumson’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB’s Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and New Jersey OMB’s Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough of Rumson’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Borough of Rumson’s compliance with those requirements.

### ***Opinion on Each Major Federal Program***

In our opinion, the Borough of Rumson complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance or New Jersey OMB Circular 15-08.

### **Report on Internal Control over Compliance**

Management of the Borough of Rumson is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Rumson's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance or New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Rumson's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and New Jersey OMB Circular 15-08**

We have audited the financial statements of the Borough of Rumson as of and for the year ended December 31, 2015, and have issued our report thereon dated April 29, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and New Jersey OMB Circular 15-08 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

Robert W. Allison  
Certified Public Accountant  
Registered Municipal Accountant  
RMA #483

Freehold, New Jersey  
April 29, 2016

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

Department/Program Title	Federal CFDA Number	State Pass-Through Number	Grant Awards	Grant Period		Balance December 31, 2014	Cash Received	Expenditures	Encumbrances	Balance December 31, 2015	Memo Only	
				To	From						Cash Receipts	Accumulated Expenditures
<b>CURRENT FUND:</b> Federal Emergency Management Agency (FEMA) Department of Homeland Security (DHS) Public Assistance Grants Superstorm Sandy	97.036	066-1200-100-A92	\$ 4,860,066.13	2012	OPEN	\$ -	\$ 973,122.91	\$ 973,122.91	\$ -	\$ -	\$ 4,172,786.39	\$ 4,172,786.39
<b>GRANT FUND:</b> Office of Community Planning and Development Department of Housing and Urban Development (HUD) Superstorm Sandy CDBG Superstorm Sandy	14.269	022-8022-100-001	475,977.45	2013	OPEN	196,333.60	100,298.01	176,407.90	25,569.55	298,013.04	100,298.01	475,977.45
Federal Emergency Management Agency (FEMA) Department of Homeland Security (DHS) Emergency Management Performance Grants EMPG - Non - Terrorism	97.042	066-1200-100-726	-	2009	OPEN	(16,426.00)	-	-	-	(16,426.00)	-	-
<b>Total Federal Financial Awards</b>						\$ 179,907.60	\$ 1,073,420.92	\$ 1,149,530.81	\$ 25,569.55	\$ 281,587.04	\$ 100,298.01	\$ 4,648,763.84

**BOROUGH OF RUMSON**  
**NOTES TO SCHEDULES OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 1. General**

The accompanying schedule of expenditures of federal awards present the activity of all federal awards of the Rumson, Borough of. The Borough is defined in Note 1 of the Borough's financial statements.

**Note 2. Basis of Accounting**

The accompanying schedule of expenditures of federal awards are presented using the modified accrual basis of accounting as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is described in the Notes to the Financial Statements, Note 1.

**Note 3. Relationship to Financial Statements – Statutory Basis**

With the exception of FEMA expenditures, as described in Note 6, the amounts reported in the accompanying schedule agree with amounts reported in the Borough's 2015 financial statements. Expenditures from awards are reported in the Borough's financial statements as follows:

	<b>Federal</b>
Grant Fund	<u>\$ 201,977.45</u>
Total	<u><u>\$ 201,977.45</u></u>

**Note 4. Relationship to Federal Financial Report**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal financial report.

**Note 5. Major Programs**

Major programs are identified in the Schedule of Findings and Questioned Costs section.

**BOROUGH OF RUMSON**

**NOTES TO SCHEDULES OF EXPENDITURES  
OF FEDERAL AWARDS (CONTINUED):  
FOR THE YEAR ENDED DECEMBER 31, 2015**

**Note 6. FEMA – Superstorm Sandy**

In accordance with the Federal Emergency Management Agency, expenditures from Superstorm Sandy are recorded only when FEMA funds have been released to Municipality. The monies being released are for reimbursements of expenditures that had been previously recorded in the municipality's financial statements. A reconciliation of the financial statements to the amount reported on the Schedule of Expenditures of Federal Awards follows:

	Current <u>Fund</u>
Expenditures - Prior Years	\$ 973,122.91
Expenditures - 2015	<u>-</u>
Total FEMA Reported on Schedule of Expenditures of Federal Awards	<u>\$ 973,122.91</u>

**BOROUGH OF RUMSON  
COUNTY OF MONMOUTH, NEW JERSEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended December 31, 2015**

**Part 1 - Summary of Auditor's Results**

Financial Statement Section

A) Type of auditor's report issued: \_\_\_\_\_ Qualified - Regulatory Basis \_\_\_\_\_

B) Internal control over financial reporting:

    1) Material weakness(es) identified? \_\_\_\_\_ Yes        X   No

    2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   No

C) Noncompliance material to financial statements noted? \_\_\_\_\_ Yes        X   No

Federal Awards Section

D) Internal control over compliance:

    1) Material weakness(es) identified? \_\_\_\_\_ Yes        X   No

    2) Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   No

E) Type of auditor's report issued on compliance for major programs? \_\_\_\_\_ Unmodified \_\_\_\_\_

F) Any audit findings disclosed that are required to be reported in accordance with NJ - OMB Circular 15-08? \_\_\_\_\_ Yes        X   No

G) Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.063	Public Assistance Grants
	Superstorm Sandy

H) Dollar threshold used to distinguish between Type A and Type B programs? \_\_\_\_\_ \$300,000.00 \_\_\_\_\_

I) Auditee qualified as low-risk auditee? \_\_\_\_\_   X   Yes      \_\_\_\_\_ No

**BOROUGH OF RUMSON**  
**SCHEDULE OF FINDINGS & QUESTIONED COSTS**  
**Year ended December 31, 2015**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

No Current Year Findings

**Section III – Schedule of Federal Award Findings & Questioned Costs**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of Federal programs, as required to be reported by e-CFR 200 (Uniform Guidance) and NJ-OMB Circular 15-08.

No Current Year Findings

**BOROUGH OF RUMSON**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT**  
**Year ended December 31, 2015**

This section identifies the status of prior-year findings related to the financial statements and federal awards that are required to be reported in accordance with e-CFR 200 (Uniform Guidance) and NJ-OMB Circular 15-08, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

No Prior Year Findings

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**COMMENTS AND RECOMMENDATIONS**

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The Honorable Mayor and Members of the  
Borough Council  
Borough of Rumson  
Rumson, New Jersey 07760

We have audited the financial statements – statutory basis of the Borough of Rumson in the County of Monmouth for the year ended December 31, 2015.

**Scope of Audit**

The audit covered the financial transactions of the Treasurer and Tax Collector, the activities of the Mayor and Council and the records of the various outside departments.

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various Borough Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the Borough records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

**GENERAL COMMENTS**

**Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)**

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 for the period of January 1, 2015 to June 30, 2015 and \$40,000 for the period of July 1, 2015 to December 31, 2015, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year.

Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

### **Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):**

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

Purchases were made through the State Division of Purchases and Property and were approved by resolution of the Borough Council.

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.

The compliance review of expenditures did not reveal any individual payments or contracts in excess of the statutory limit "for the performance of any work, or the furnishing of any materials, supplies or labor, or the hiring of teams or vehicles," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

### **Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 for the period of January 1, 2015 to June 30, 2015 and in excess of \$6,000 for the period of July 1, 2015 to December 31, 2015, thereafter "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.A.40A:11-6.1*).

### **Collection of Interest on Delinquent Taxes and Assessments**

*N.J.S.54:4-67*, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

**“BE IT RESOLVED** that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One

### **Collection of Interest on Delinquent Taxes and Assessments (continued):**

Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

The Borough also charges an additional 6% penalty on delinquencies in excess of \$10,000 at the end of the calendar year.

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

### **Tax Collector's Annual Report**

*N.J.S.54:4-91* requires that on or before May 1<sup>st</sup> of each year, the Tax Collector shall file with the Treasurer and the governing body a statement of receipts during the preceding year as well as added assessments, taxes canceled and taxes unpaid as of December 31, all for the preceding tax year. This report was filed in 2015 with the governing body.

### **Delinquent Taxes and Tax Title Liens**

The delinquent taxes at December 31, 2015 included real estate taxes for 2015.

The last tax sale was held on December 16, 2015 and was complete.

Inspection of 2015 tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<b>YEAR</b>	<b>NUMBER OF LIENS</b>
2015	0
2014	0
2013	0

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get properties back on a taxpaying basis.

### **Deductions From Taxes**

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

## **Examination of Bills**

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate.

## **Deposit of Funds Paid to Local Unit**

*N.J.S.40A:5-15* States:

“All moneys, including moneys collected by taxation, received from any source by or on behalf of any local unit or any board or department thereof shall within 48 hours after the receipt thereof, either;

- a. be paid to the officer charged with the custody of the general funds of the local unit, who shall deposit all such funds within 48 hours after the receipt thereof to the credit of the local unit in its designated legal depository, or;
- b. be deposited to the credit of the local unit in its designated legal depository.”

## **Payroll Fund**

The examination of the payroll fund included testing the detail computation of various deductions or other credits from the payroll of Borough employees, also, the examination ascertained that the accumulated withholdings were distributed to the proper agencies.

## **Municipal Court**

A separate report for the Municipal Court transactions was filed in accordance with the requirements of the Local Finance Board.

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the Borough, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

A test sample was selected of twenty (25) traffic and criminal cases processed through the system. The purpose of the test was to determine that traffic fines were levied in accordance with State Statutes, that payments were deposited intact and on a timely basis, that dispositions were entered in traffic and criminal dockets, closure procedures for delinquent traffic tickets were enforced and that proper procedures were in effect for defendants paying on a the partial payment system. This test disclosed no discrepancies regarding fines being properly levied, entering of dispositions and closure procedures.

The computer software does not allow for a posting distribution in the cash receipts journal when a transaction involves both a check and cash payment being made by the defendant. The computer system requires this particular type of transaction be posted as either entirely cash or check. As a result of this limitation no test can be conducted to determine if the receipt detail batch totals from the journal agree with the detail of cash and checks deposited for that particular day.

A review of the partial payment system indicated that collection procedures are being enforced to collect delinquent balances.

### **Follow-up on Prior Year Findings**

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. No prior year findings were noted.

## OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

<b>NAME</b>	<b>POSITION</b>
John E. Ekdahl	Mayor
Joseph K. Hemphill	Council President
Laura Atwell	Councilwoman
Shaun Broderick	Councilman
Benjamin W. Day, Jr.	Councilman
Mark E. Rubin	Councilman
John J. Conklin, III	Councilman
Helen Graves	Chief Financial Officer / Tax Collector
Thomas Rogers	Borough Clerk / Business Administrator
Carol Anne Dice	Court Administrator

## **Acknowledgment**

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

Robert W. Allison  
Registered Municipal Accountant  
No. CR483

Freehold, New Jersey  
April 29, 2016