

*BOROUGH OF FLORHAM PARK*

*COUNTY OF MORRIS*

*REPORT OF AUDIT*

*2015*

*NISIVOC CIA LLP*  
*CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF FLORHAM PARK

COUNTY OF MORRIS

REPORT OF AUDIT

2015

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Comments and Recommendations

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BOROUGH OF FLORHAM PARK

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2015



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 200 Valley Road, Suite 300  
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## Independent Auditors' Report

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

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

We have audited the financial statements – *regulatory basis* - of the various funds of the Borough of Florham Park, in the County of Morris (the "Borough") as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 Borough'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 Borough'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.

The Honorable Mayor and Members  
of the Borough Council  
Borough of Florham Park  
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the Borough on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on 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 the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly in accordance with accounting principles generally accepted in the United States of America the financial position of each fund of the Borough as of December 31, 2015 and 2014, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

***Basis for Qualified Opinion***

The Borough's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. The basis of accounting is not in conformity with U. S. generally accepted accounting principles but is in accordance with the accounting practices prescribed or permitted by the Division. As described in Note 1, based upon the underlying accounting records, we have not audited the general fixed assets account group.

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

In our opinion, except for the effects on the December 31, 2015 and 2014 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Florham Park as of December 31, 2015 and 2014, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

***Other Matters***

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The Honorable Mayor and Members  
of the Borough Committee  
Borough of Florham Park  
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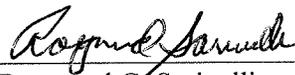
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2016 on our consideration of the Borough of Florham Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Florham Park's internal control over financial reporting and compliance.

June 30, 2016  
Mount Arlington, New Jersey

NISIVOCCIA LLP



Raymond G. Sarinelli  
Certified Public Accountant  
Registered Municipal Accountant No. 383

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
CURRENT FUND

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**

Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 5,412,599.87	\$ 4,790,780.92
Due from State of New Jersey:			
Senior Citizen and Veteran Deductions		3,655.29	
		5,416,255.16	4,790,780.92
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-7	315,367.45	314,031.80
Tax Title Liens Receivable	A-8	20,590.10	18,587.92
Due from General Capital Fund	C		25,000.00
Due from Animal Control Trust Fund	B	9,585.17	6,600.14
Due from Sewer Utility Operating Fund	E	1,059.00	
Revenue Accounts Receivable	A-9	10,708.70	15,601.42
		357,310.42	379,821.28
Deferred Charges:			
Special Emergency Authorization (NJSA 40A:4-53)			69,403.31
			69,403.31
Total Regular Fund		5,773,565.58	5,240,005.51
Federal and State Grant Fund:			
Cash and Cash Equivalents	A-6	186,885.91	371,022.71
Due from Current Fund	A		33,851.81
Grants Receivable	A-10	8,133.20	1,201.70
		195,019.11	406,076.22
Total Federal and State Grant Fund		195,019.11	406,076.22
TOTAL ASSETS		\$ 5,968,584.69	\$ 5,646,081.73

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(Continued)**

	Ref.	December 31,	
		2015	2014
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 236,728.30	\$ 149,999.15
Unencumbered	A-3;A-11	760,290.33	953,387.33
		997,018.63	1,103,386.48
Accounts Payable - Vendors		155,566.06	155,566.06
Due to Other Trust Funds	B	109,575.00	124,402.03
Due to Sewer Utility Operating Fund	E		60,000.00
Due to Federal and State Grant Fund	A		33,851.81
Due State of New Jersey:			
Marriage License Fees		425.00	425.00
State Training Fees		9,124.00	8,194.00
Senior Citizen and Veteran Deductions			86,545.40
County Added and Omitted Taxes Payable		47,833.58	26,335.23
Prepaid Taxes		162,318.60	160,144.04
Tax Overpayments		179,259.95	104,306.11
Emergency Note Payable	A-16		69,403.31
Reserve for:			
Insurance		16,713.03	16,713.03
Pending Tax Appeals		1,506,525.24	657,685.24
Contingencies		25,000.00	25,000.00
		3,209,359.09	2,631,957.74
Reserve for Receivables and Other Assets	A	357,310.42	379,821.28
Fund Balance	A-1	2,206,896.07	2,228,226.49
		5,773,565.58	5,240,005.51
Total Regular Fund			
Federal and State Grant Fund:			
Appropriated Reserves:			
Unencumbered	A-14	173,722.72	322,317.96
Encumbered			6,680.00
Unappropriated Reserves	A-15	21,296.39	77,078.26
		195,019.11	406,076.22
Total Federal and State Grant Fund			
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 5,968,584.69</b>	<b>\$ 5,646,081.73</b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS**  
**AND CHANGE IN FUND BALANCE - REGULATORY BASIS**

	Ref.	Year Ended December 31,	
		2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	1,874,000.00	\$ 1,874,000.00
Miscellaneous Revenue Anticipated		4,112,524.15	4,213,459.49
Receipts from:			
Delinquent Taxes		314,031.80	379,316.23
Current Taxes		45,699,949.94	44,279,550.49
Nonbudget Revenue		226,184.87	400,015.04
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		583,920.19	392,847.74
Cancellations:			
Tax Overpayments			16,877.93
Interfunds Returned		31,600.14	40,662.87
		<u>52,842,211.09</u>	<u>51,596,729.79</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		17,664,424.16	17,625,847.77
County Taxes		7,607,468.18	7,240,400.23
Local School District Taxes		17,298,458.00	16,903,143.00
Regional High School Taxes		7,856,547.00	7,563,166.00
Reserve for Tax Appeals		552,000.00	370,215.48
Interfunds Advanced		10,644.17	31,600.14
		<u>50,989,541.51</u>	<u>49,734,372.62</u>
Excess in Revenue		1,852,669.58	1,862,357.17
<u>Fund Balance</u>			
Balance January 1		<u>2,228,226.49</u>	<u>2,239,869.32</u>
		4,080,896.07	4,102,226.49
Decreased by:			
Utilized as Anticipated Revenue		<u>1,874,000.00</u>	<u>1,874,000.00</u>
Balance December 31	A	<u>\$ 2,206,896.07</u>	<u>\$ 2,228,226.49</u>

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 1,874,000.00		\$ 1,874,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	15,500.00		15,752.00	\$ 252.00
Other	69,000.00		54,450.00	14,550.00 *
Fees and Permits - Other	129,000.00		134,112.03	5,112.03
Fines and Costs - Municipal Court	200,000.00		174,439.73	25,560.27 *
Interest and Costs on Taxes	79,500.00		85,705.99	6,205.99
Interest on Investments and Deposits	14,000.00		21,461.56	7,461.56
Payments in Lieu of Taxes	369,290.00		389,764.38	20,474.38
Park Avenue Club	28,750.00		33,062.50	4,312.50
Energy Receipts Tax	1,028,158.00		1,028,158.00	
Uniform Construction Code Fees	635,812.14		935,759.00	299,946.86
Recycling Tonnage Grant	26,326.81		26,326.81	
Drunk Driving Enforcement Fund	3,734.86	\$ 4,592.70	8,327.56	
Morris County Historic Preservation	5,560.00	4,440.00	10,000.00	
Clean Communities Program	18,708.79	22,737.90	41,446.69	
Click It or Ticket	4,000.00		4,000.00	
Department of Justice	3,387.29		3,387.29	
Body Armor Replacement Fund	3,199.24		3,199.24	
Alcohol Education and Rehabilitation Fund	1,536.08		1,536.08	
DWI Labor Day Crackdown	4,400.00		4,400.00	
Uniform Fire Safety Act	86,500.00		108,831.64	22,331.64
Hotel Occupancy Tax	246,400.00		271,403.65	25,003.65
Reserve for Debt Service	102,000.00		102,000.00	
Sewer Utility Operating Surplus	635,000.00		635,000.00	
Outside Detail - Administrative Fees	20,000.00		20,000.00	
	3,729,763.21	31,770.60	4,112,524.15	350,990.34
Receipt from Delinquent Taxes	281,000.00		314,031.80	33,031.80
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	12,134,156.22		13,322,502.18	1,188,345.96
Minimum Library Tax	995,974.58		995,974.58	
Subtotal Amount to be Raised	13,130,130.80		14,318,476.76	1,188,345.96
Budget Totals	19,014,894.01	31,770.60	20,619,032.71	\$ 1,572,368.10
Nonbudget Revenue			226,184.87	
	<u>\$ 19,014,894.01</u>	<u>\$ 31,770.60</u>	<u>\$ 20,845,217.58</u>	

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(Continued)**

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 45,699,949.94
Allocated to County, Local School District, Regional High School and Local Open Space Taxes	<u>32,762,473.18</u>
Balance for Support of Municipal Budget	12,937,476.76
 Add: Appropriation "Reserve for Uncollected Taxes"	 <u>1,381,000.00</u>
 Realized for Support of Municipal Budget	 <u><u>\$ 14,318,476.76</u></u>

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Copies	\$ 202.11	
Cablevision Franchise Fees	173,273.40	
Bid Specifications	660.00	
State of New Jersey:		
Senior Citizens' and Veterans' Deductions Administrative Reimbursement	542.40	
State of New Jersey Inspection Fees	3,440.00	
Marriage Fees	234.00	
Other Miscellaneous Revenue	<u>33,765.17</u>	
		\$ 212,117.08
Statutory Excess in Animal Control Trust Fund		9,585.17
Tax Collector Miscellaneous		<u>4,482.62</u>
		<u><u>\$ 226,184.87</u></u>

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriation</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<b>GENERAL GOVERNMENT:</b>					
General Administration:					
Salaries and Wages	\$ 111,775.00	\$ 76,775.00	\$ 73,764.08	\$ 3,010.92	
Other Expenses	14,500.00	14,500.00	9,348.96	5,151.04	
Mayor and Council:					
Other Expenses	19,200.00	19,200.00	12,047.82	7,152.18	
Municipal Clerk:					
Salaries and Wages	150,095.00	140,095.00	127,386.47	12,708.53	
Other Expenses	67,575.00	67,575.00	46,798.97	20,776.03	
Financial Administration:					
Salaries and Wages	65,150.00	65,150.00	65,141.44	8.56	
Other Expenses	39,950.00	39,950.00	39,950.00		
Annual Audit	20,765.00	20,765.00	20,765.00		
Revenue Administration (Tax Collection):					
Salaries and Wages	39,560.00	39,560.00	39,559.96	0.04	
Other Expenses	9,747.50	9,747.50	7,711.83	2,035.67	
Information Technology					
Other Expenses	14,000.00	14,000.00	7,144.38	6,855.62	
Tax Assessment Administration:					
Salaries and Wages	56,115.00	56,615.00	56,210.30	404.70	
Other Expenses	97,480.00	96,980.00	81,128.37	15,851.63	
Legal Services and Costs:					
Other Expenses	163,500.00	163,500.00	152,184.18	11,315.82	
Engineering Services and Costs:					
Salaries and Wages	112,420.00	112,420.00	111,579.42	840.58	
Other Expenses	72,800.00	72,800.00	72,731.48	68.52	
Historic Commission:					
Other Expenses	5,200.00	5,200.00	5,084.53	115.47	

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**  
(Continued)

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
GENERAL GOVERNMENT (Cont'd):					
Planning Board:					
Salaries and Wages	\$ 22,240.00	\$ 23,290.00	\$ 23,267.92	\$ 22.08	
Other Expenses	73,990.00	73,210.00	7,425.14	65,784.86	
Board of Adjustment:					
Salaries and Wages	8,650.00	8,650.00	8,650.00		
Other Expenses	22,510.00	22,240.00	4,814.90	17,425.10	
Municipal Court:					
Salaries and Wages	104,120.00	104,120.00	84,560.00	19,560.00	
Other Expenses	8,570.00	8,570.00	3,230.70	5,339.30	
Public Defender:					
Salaries and Wages	5,000.00	5,000.00	4,999.92	0.08	
PUBLIC SAFETY:					
Police:					
Salaries and Wages	4,048,665.00	4,113,665.00	4,108,241.63	5,423.37	
Other Expenses	290,150.00	290,150.00	285,521.11	4,628.89	
Police Vehicles:					
Other Expenses	77,000.00	77,000.00	75,783.16	1,216.84	
Municipal Prosecutor:					
Salaries and Wages	25,000.00	25,000.00	25,000.00		
Emergency Management Services:					
Other Expenses	14,475.00	14,475.00	9,565.72	4,909.28	
Fire:					
Salaries and Wages	34,215.00	34,215.00	34,215.00		
Other Expenses	118,850.00	118,850.00	117,203.24	1,646.76	
First Aid Organization Contribution:					
Other Expenses	15,000.00	15,000.00	15,000.00		

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**  
(Continued)

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
PUBLIC SAFETY (Cont'd):					
Fire Safety:					
Salaries and Wages	\$ 97,510.00	\$ 99,610.00	\$ 99,610.00		
Other Expenses	15,390.00	15,390.00	14,916.52	\$ 473.48	
Contribution to Volunteer Fire Department:					
Other Expenses	23,500.00	23,500.00	23,500.00		
PUBLIC WORKS:					
Road Repairs and Maintenance:					
Salaries and Wages	569,250.00	574,250.00	563,894.51	10,355.49	
Other Expenses	241,550.00	241,550.00	206,301.01	35,248.99	
DPW and Other Public Works:					
Salaries and Wages	151,535.00	151,535.00	151,222.33	312.67	
DPW Solid Waste Collection:					
Other Expenses	63,000.00	63,000.00	63,000.00		
DPW Buildings and Grounds:					
Salaries and Wages	647,435.00	652,435.00	647,114.66	5,320.34	
Other Expenses	96,600.00	86,600.00	71,841.80	14,758.20	
DPW Vehicle Maintenance:					
Salaries and Wages	164,255.00	164,255.00	163,317.98	937.02	
Other Expenses	92,100.00	92,100.00	77,332.72	14,767.28	
Insect Control:					
Other Expenses	1,000.00	1,000.00		1,000.00	
HEALTH AND HUMAN SERVICES:					
Board of Health:					
Salaries and Wages	59,385.00	59,385.00	59,382.90	2.10	
Other Expenses	144,594.95	144,594.95	140,268.94	4,326.01	
Environmental Commission:					
Other Expenses	14,000.00	14,000.00	1,660.57	12,339.43	

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(Continued)**

	<u>Appropriation</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
HEALTH AND HUMAN SERVICES (Cont'd):					
Social Services:					
Other Expenses	\$ 14,500.00	\$ 14,500.00	\$ 14,500.00		
RECREATION AND EDUCATION:					
Recreation:					
Salaries and Wages	95,435.00	95,435.00	90,014.78	\$ 5,420.22	
Other Expenses	81,775.00	81,775.00	39,369.24	42,405.76	
Public Events:					
Other Expenses	5,000.00	5,000.00	4,000.00	1,000.00	
Condo Services:					
Other Expenses	55,000.00	55,000.00	53,942.74	1,057.26	
INSURANCES:					
Workers' Compensation Insurance	145,274.75	145,274.75	145,231.96	42.79	
Liability Insurance	116,075.00	116,075.00	114,524.74	1,550.26	
Group Insurance for Employees	2,045,486.29	2,045,486.29	1,867,392.39	178,093.90	
UNIFORM CONSTRUCTION CODE:					
Construction Official:					
Salaries and Wages	374,440.00	374,440.00	345,190.84	29,249.16	
Other Expenses	141,250.00	141,250.00	122,404.61	18,845.39	
UTILITIES:					
Bulk Utilities	668,600.00	666,500.00	525,270.15	141,229.85	
Total Operations Within "CAPS"	<u>12,052,208.49</u>	<u>12,072,208.49</u>	<u>11,341,221.02</u>	<u>730,987.47</u>	
Contingent	<u>10,000.00</u>	<u>10,000.00</u>		<u>10,000.00</u>	
Total Operations including Contingent within "CAPS"	<u>12,062,208.49</u>	<u>12,082,208.49</u>	<u>11,341,221.02</u>	<u>740,987.47</u>	

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(Continued)**

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Detail:					
Salaries and Wages	\$ 6,942,250.00	\$ 6,975,900.00	\$ 6,882,324.14	\$ 93,575.86	
Other Expenses	5,119,958.49	5,106,308.49	4,458,896.88	647,411.61	
Deferred Charges & Statutory Expenditures - Municipal Within "CAPS":					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	309,151.00	309,151.00	309,151.00		
Social Security System (O.A.S.I.)	328,616.05	308,616.05	302,997.87	5,618.18	
Police and Firemen's Retirement System of NJ	800,231.00	800,231.00	800,231.00		
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	1,437,998.05	1,417,998.05	1,412,379.87	5,618.18	
Total General Appropriations for Municipal Purposes Within "CAPS"	13,500,206.54	13,500,206.54	12,753,600.89	746,605.65	
Operations Excluded from "CAPS":					
Maintenance of Free Public Library	1,143,844.00	1,143,844.00	1,132,909.32	10,934.68	
LOSAP - Other Expenses	33,500.00	33,500.00	30,750.00	2,750.00	
Reserve for Tax Appeals	148,420.00	148,420.00	148,420.00		
Public and Private Programs Offset by Revenue:					
Recycling Tonnage Grant	26,326.81	26,326.81	26,326.81		
Drunk Driving Enforcement Fun (NJSA40A:4-87 \$4,592.70)	3,734.86	8,327.56	8,327.56		
Body Armor Replacement Fund	3,199.24	3,199.24	3,199.24		
Alcohol Education, Rehabilitation and Enforcement Fund	1,536.08	1,536.08	1,536.08		
Clean Communities Grant (NJSA40A:4-87 \$22,737.90)	18,708.79	41,446.69	41,446.69		
Click It or Ticket	4,000.00	4,000.00	4,000.00		
DWI Labor Day Crackdown	4,400.00	4,400.00	4,400.00		
U.S. Department of Justice	3,387.29	3,387.29	3,387.29		
Morris County Historic Preservation Grant (NJSA40A:4-87 \$4,440.00)	5,560.00	10,000.00	10,000.00		
Total Operations Excluded from "CAPS"	1,396,617.07	1,428,387.67	1,414,702.99	13,684.68	

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**  
(Continued)

	Appropriation		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Detail:					
Salaries and Wages					
Other Expenses	\$ 1,396,617.07	\$ 1,428,387.67	\$ 1,414,702.99	\$ 13,684.68	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	40,000.00	40,000.00	40,000.00		
Total Capital Improvements - Excluded from "CAPS"	40,000.00	40,000.00	40,000.00		
Municipal Debt Service - Excluded from "CAPS":					
Payment of Bond Principal	1,069,597.00	1,069,597.00	1,069,597.00		
Payment of Bond Anticipation Notes and Capital Notes	1,063,000.00	1,063,000.00	1,063,000.00		
Interest on Bonds	87,000.00	87,000.00	86,629.55		\$ 370.45
Interest on Notes	148,975.00	148,975.00	148,975.00		
Special Emergency Note Interest	870.00	870.00			870.00
Total Municipal Debt Service - Excluded from "CAPS"	2,369,442.00	2,369,442.00	2,368,201.55		1,240.45

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(Continued)**

	<u>Appropriation</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges - Excluded from "CAPS":					
Special Emergency Authorization - 5 Years	\$ 69,403.31	\$ 69,403.31	\$ 69,403.31		
Deferred Charges to Future Taxation Unfunded:					
Ordinance 07-23	250,000.00	250,000.00	250,000.00		
Ordinance 07-17	7,551.09	7,551.09	7,551.09		
Ordinance 11-13	550.00	550.00	550.00		
Ordinance 12-07	124.00	124.00	124.00		
<b>Total Deferred Charges - Excluded from "CAPS"</b>	<b>327,628.40</b>	<b>327,628.40</b>	<b>327,628.40</b>		
<b>Total General Appropriations - Excluded from "CAPS"</b>	<b>4,133,687.47</b>	<b>4,165,458.07</b>	<b>4,150,532.94</b>	<b>\$ 13,684.68</b>	<b>\$ 1,240.45</b>
Subtotal General Appropriations	17,633,894.01	17,665,664.61	16,904,133.83	760,290.33	1,240.45
Reserve for Uncollected Taxes	1,381,000.00	1,381,000.00	1,381,000.00		
<b>Total General Appropriations</b>	<b>\$19,014,894.01</b>	<b>\$19,046,664.61</b>	<b>\$18,285,133.83</b>	<b>\$ 760,290.33</b>	<b>\$ 1,240.45</b>

Ref

A

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**  
**(Continued)**

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After</u>	<u>Paid or</u>
		<u>Modification</u>	<u>Charged</u>
Adopted Budget		\$ 19,014,894.01	
Added by NJSA 40A:4-87		31,770.60	
		<u>\$ 19,046,664.61</u>	
Reserve for Uncollected Taxes			\$ 1,381,000.00
Reserve for Encumbrances	A		236,728.30
Due Federal and State Grant Fund			102,623.67
Reserve for Pending Tax Appeals			148,420.00
Deferred Charges - Special Emergency Appropriation			69,403.31
Cash Disbursed			<u>18,477,836.38</u>
			20,416,011.66
Less: Appropriation Refunds Received			<u>2,130,877.83</u>
			<u>\$ 18,285,133.83</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
TRUST FUNDS

**BOROUGH OF FLORHAM PARK**  
**TRUST FUNDS**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Ref.	December 31,	
		2015	2014
<b><u>ASSETS</u></b>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 41,713.77	\$ 36,783.74
		<u>41,713.77</u>	<u>36,783.74</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	4,014,352.05	2,832,291.74
Due Current Fund	A	109,575.00	124,402.03
		<u>4,123,927.05</u>	<u>2,956,693.77</u>
<b>TOTAL ASSETS</b>		<u>\$ 4,165,640.82</u>	<u>\$ 2,993,477.51</u>
<b><u>LIABILITIES AND RESERVES</u></b>			
Animal Control Fund:			
Due Current Fund	A	\$ 9,585.17	\$ 6,600.14
Due State of New Jersey		21.60	21.60
Reserve for Animal Control Expenditures	B-6	32,107.00	30,162.00
		<u>41,713.77</u>	<u>36,783.74</u>
Other Trust Funds:			
Due Pool Utility Operating Fund			5,375.00
Reserve for:			
Escrow Deposits		874,971.30	1,274,151.31
Environmental Donations		9,729.00	9,729.00
Unemployment Insurance Fund		425,786.42	418,369.99
Police Forfeited Assets		2,172.74	2,077.41
Housing Trust		1,504,136.21	284,702.52
Tax Sale Premiums		85,100.00	70,600.00
Recycling		15,543.84	8,380.49
Fire Penalties		39,246.00	35,330.00
Accumulated Absences		193,195.97	193,218.33
Snow Removal		415,781.41	159,104.57
Parking Offenses Adjudication Act		973.00	859.00
Recreation		395,928.67	367,359.16
Recreation - Swim Team		27,951.52	26,476.87
Police Donations		4,450.00	11,791.15
Public Defender		4,214.08	1,722.08
Off Duty Police Officer		68,955.58	51,765.58
Various Miscellaneous Trust Funds		55,791.31	35,681.31
		<u>4,123,927.05</u>	<u>2,956,693.77</u>
<b>TOTAL LIABILITIES AND RESERVES</b>		<u>\$ 4,165,640.82</u>	<u>\$ 2,993,477.51</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**ASSESSMENT TRUST FUND**  
**STATEMENT OF FUND BALANCE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**ASSESSMENT TRUST FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

**ASSESSMENT TRUST FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
GENERAL CAPITAL FUND

**BOROUGH OF FLORHAM PARK**  
**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Ref.	December 31,	
		2015	2014
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	C-2	\$ 2,440,355.06	\$ 2,311,244.58
Grants Receivable:			
New Jersey Department of Transportation		42,500.00	
Deferred Charges to Future Taxation:			
Funded		13,940,289.00	3,092,886.00
Unfunded	C-4	1,593,636.80	14,220,066.89
<b>TOTAL ASSETS</b>		<b><u>\$ 18,016,780.86</u></b>	<b><u>\$ 19,624,197.47</u></b>
 <b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Serial Bonds Payable	C-8	13,940,289.00	3,092,886.00
Bond Anticipation Notes	C-7		12,066,000.00
Due to Current Fund	A		25,000.00
Due to Water Utility Operating Fund	D		50,000.00
Improvement Authorizations:			
Funded	C-5	714,538.02	20,721.99
Unfunded	C-5	1,408,395.85	3,676,749.34
Capital Improvement Fund	C-6	212,260.90	252,260.90
Reserve for:			
Little Red School House		26,060.00	26,050.00
Payment of Debt Service		363,904.02	221,302.33
Salt Shed Replacement		68,999.78	99,413.00
Fund Balance	C-1	1,282,333.29	93,813.91
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b><u>\$ 18,016,780.86</u></b>	<b><u>\$ 19,624,197.47</u></b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>		
Balance December 31, 2014	C		\$ 93,813.91
Increased by:			
Premium on Sale of Bonds		\$ 1,167,797.39	
Improvement Authorizations Canceled		<u>20,721.99</u>	
			<u>1,188,519.38</u>
Balance December 31, 2015	C		<u><u>\$ 1,282,333.29</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
WATER UTILITY FUND

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Ref.	December 31,	
		2015	2014
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	D-4	\$ 1,048,151.20	\$ 1,036,776.84
Change Fund		50.00	50.00
		<u>1,048,201.20</u>	<u>1,036,826.84</u>
Due from General Capital Fund	C		50,000.00
Receivables with Full Reserves:			
Consumer Accounts Receivable	D-6	<u>15,762.82</u>	<u>53,430.11</u>
Total Receivables with Full Reserves		<u>15,762.82</u>	<u>53,430.11</u>
Total Operating Fund		<u>1,063,964.02</u>	<u>1,140,256.95</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	191,755.43	402,772.43
Fixed Capital	D-7	4,645,246.00	4,645,246.00
Fixed Capital Authorized and Uncompleted	D-8	9,129,500.00	9,129,500.00
Due from Water Utility Operating Fund	D		50,000.00
Total Capital Fund		<u>13,966,501.43</u>	<u>14,227,518.43</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 15,030,465.45</u></u>	<u><u>\$ 15,367,775.38</u></u>

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(Continued)**

		December 31,	
	Ref.	2015	2014
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 244,437.10	\$ 240,607.03
Encumbered	D-3;D-9	98,875.28	50,236.35
		343,312.38	290,843.38
Due to Water Utility Capital Fund	D		50,000.00
Water Rent Overpayments		9,156.31	3,686.51
Accrued Interest on Bonds		943.51	1,198.54
		353,412.20	345,728.43
Reserve for:			
Receivables	D	15,762.82	53,430.11
Fund Balance	D-1	694,789.00	741,098.41
		1,063,964.02	1,140,256.95
Capital Fund:			
Serial Bonds Payable	D-15	61,711.00	82,114.00
Bond Anticipation Notes	D-14		294,000.00
Improvement Authorizations:			
Funded	D-10	70,500.15	70,500.15
Unfunded	D-10	7,754,235.33	7,771,252.33
Capital Improvement Fund	D-11	270,053.00	220,053.00
Reserve for Payment of Debt Service		5,367.03	5,367.03
Reserve for Amortization	D-12	4,571,898.00	4,551,495.00
Deferred Reserve for Amortization	D-13	1,047,137.00	1,047,137.00
Fund Balance	D-1A	185,599.92	185,599.92
		13,966,501.43	14,227,518.43
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<b>\$ 15,030,465.45</b>	<b>\$ 15,367,775.38</b>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS**  
**AND CHANGE IN FUND BALANCE - REGULATORY BASIS**

	Ref.	Year Ended December 31,	
		2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 400,000.00	\$ 300,000.00
Water Rents		973,611.73	890,589.35
Miscellaneous Revenue Anticipated		431,932.30	469,465.51
Miscellaneous Revenue Not Anticipated		3,317.22	1,115.94
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		211,817.76	265,529.14
		<u>2,020,679.01</u>	<u>1,926,699.94</u>
<u>Expenditures</u>			
Operating		1,476,560.00	1,410,950.00
Capital Improvements		50,000.00	50,000.00
Debt Service		22,718.42	22,920.97
Deferred Charges and Statutory Expenditures		117,710.00	104,080.00
		<u>1,666,988.42</u>	<u>1,587,950.97</u>
Excess in Revenues/Statutory Excess to Fund Balance		353,690.59	338,748.97
<u>Fund Balance</u>			
Balance January 1		741,098.41	702,349.44
		1,094,789.00	1,041,098.41
Decreased by:			
Utilized as Anticipated Revenue:			
Water Utility Operating Budget		400,000.00	300,000.00
Balance December 31	D	<u>\$ 694,789.00</u>	<u>\$ 741,098.41</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>	
Balance December 31, 2014	D	<u>\$ 185,599.92</u>
Balance December 31, 2015	D	<u><u>\$ 185,599.92</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 400,000.00	\$ 400,000.00	
Water Rents	801,715.00	973,611.73	\$ 171,896.73
Miscellaneous Revenue	467,055.00	431,932.30	35,122.70 *
	<u>1,668,770.00</u>	<u>1,805,544.03</u>	<u>136,774.03</u>
Miscellaneous Revenue Not Anticipated		3,317.22	3,317.22
	<u>\$ 1,668,770.00</u>	<u>\$ 1,808,861.25</u>	<u>\$ 140,091.25</u>

Analysis of Miscellaneous Revenue

Collector:

Miscellaneous Fees	<u>\$ 431,932.30</u>
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Analysis of Miscellaneous Revenue Not Anticipated

Treasurer:

Interest on Investments	\$ 2,449.89
Interest on Investments - Water Utility Capital Fund	<u>867.33</u>
	<u>\$ 3,317.22</u>

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriation</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 634,860.00	\$ 634,860.00	\$ 595,515.19	\$ 39,344.81	
Other Expenses	841,700.00	841,700.00	636,607.71	205,092.29	
Capital Improvements:					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
Debt Service:					
Payment of Bond Principal	20,500.00	20,500.00	20,403.00		\$ 97.00
Interest on Bonds	4,000.00	4,000.00	2,315.42		1,684.58
Statutory Expenditures:					
Public Employees' Retirement System	68,500.00	68,500.00	68,500.00		
Contribution to Social Security System (O.A.S.I.)	49,210.00	49,210.00	49,210.00		
	<u>\$ 1,668,770.00</u>	<u>\$ 1,668,770.00</u>	<u>\$ 1,422,551.32</u>	<u>\$ 244,437.10</u>	<u>\$ 1,781.58</u>
				D	
Cash Disbursed			\$ 1,321,430.62		
Accrued Interest on Bonds			2,315.42		
Encumbrances			<u>98,875.28</u>		
Less:			1,422,621.32		
Refunds			<u>70.00</u>		
			<u>\$ 1,422,551.32</u>		

Ref.

D

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
SEWER UTILITY FUND

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Ref.	December 31,	
		2015	2014
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer		\$ 5,721,379.23	\$ 5,260,219.41
Investments			319,403.31
	E-4	<u>5,721,379.23</u>	<u>5,579,622.72</u>
Change Fund		50.00	50.00
		<u>5,721,429.23</u>	<u>5,579,672.72</u>
Due from Current Fund	A		60,000.00
Receivables with Full Reserves:			
Consumer Accounts Receivable	E-6	<u>924,841.12</u>	<u>860,370.07</u>
Total Receivables with Full Reserves		<u>924,841.12</u>	<u>860,370.07</u>
Total Operating Fund		<u>6,646,270.35</u>	<u>6,500,042.79</u>
Trust Fund:			
Cash and Cash Equivalents	E-4	<u>60,189.42</u>	<u>60,004.12</u>
Total Trust Fund		<u>60,189.42</u>	<u>60,004.12</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	1,389,334.33	1,089,334.33
Due from Sewer Utility Operating Fund	E	500,000.00	
Fixed Capital	E-7	16,116,793.56	16,116,793.56
Fixed Capital Authorized and Uncompleted	E-8	<u>1,314,654.00</u>	<u>1,314,654.00</u>
Total Capital Fund		<u>19,320,781.89</u>	<u>18,520,781.89</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 26,027,241.66</u></u>	<u><u>\$ 25,080,828.80</u></u>

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(Continued)**

	Ref.	December 31,	
		2015	2014
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 532,885.14	\$ 665,305.34
Encumbered	E-3;E-9	233,862.53	49,884.69
		<u>766,747.67</u>	<u>715,190.03</u>
Contracts Payable		14,500.00	
Due to Current Fund	A	1,059.00	
Due to Sewer Utility Capital Fund	E	500,000.00	
Sewer Rent Overpayments		2,686.08	
Accrued Interest on Bonds		20,916.67	26,291.67
Accrued Interest on Loans		15,505.22	16,671.88
		<u>1,321,414.64</u>	<u>758,153.58</u>
Reserve for Receivables	E	924,841.12	860,370.07
Fund Balance	E-1	4,400,014.59	4,881,519.14
		<u>6,646,270.35</u>	<u>6,500,042.79</u>
Total Operating Fund			
Trust Fund:			
Escrow Deposits Payable	E-4	60,189.42	60,004.12
		<u>60,189.42</u>	<u>60,004.12</u>
Total Trust Fund			
Capital Fund:			
Serial Bonds Payable	E-15	1,365,000.00	1,795,000.00
New Jersey Environmental Infrastructure Loan Payable	E-16	1,564,494.08	1,705,363.88
Improvement Authorizations:			
Funded	E-10	658,602.25	658,602.25
Unfunded	E-10	194,333.32	194,333.32
Capital Improvement Fund	E-11	500,000.00	
Reserve for Sewer Extensions		536,400.00	536,400.00
Reserve for Amortization	E-12	13,187,298.24	12,616,428.44
Deferred Reserve for Amortization	E-13	1,314,654.00	1,014,654.00
		<u>19,320,781.89</u>	<u>18,520,781.89</u>
Total Capital Fund			
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 26,027,241.66</u></u>	<u><u>\$ 25,080,828.80</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS**  
**AND CHANGE IN FUND BALANCE - REGULATORY BASIS**

		Year Ended December 31,	
	Ref.	2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	500,000.00	\$ 446,180.00
Sewer User Charges		3,871,711.77	4,109,921.42
Sewer Connection Fees		209,986.50	141,193.59
Miscellaneous Revenue Anticipated		25,589.49	27,070.86
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		573,676.45	713,414.59
Total Income		5,180,964.21	5,437,780.46
<u>Expenditures</u>			
Operating		2,776,801.00	2,542,071.00
Capital Improvements		625,000.00	125,000.00
Debt Service		653,104.76	649,867.91
Deferred Charges and Statutory Expenditures		472,563.00	138,775.00
Total Expenditures		4,527,468.76	3,455,713.91
Excess in Revenues/Statutory Excess to Fund Balance		653,495.45	1,982,066.55
<u>Fund Balance</u>			
Balance January 1		4,881,519.14	4,030,632.59
		5,535,014.59	6,012,699.14
Decreased by:			
Utilized as Anticipated Revenue:			
Sewer Utility Operating Budget		500,000.00	446,180.00
Current Fund Budget		635,000.00	685,000.00
Balance December 31	E	\$ 4,400,014.59	\$ 4,881,519.14

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 500,000.00	\$ 500,000.00	
Sewer User Charges	3,931,339.00	3,871,711.77	\$ 59,627.23 *
Sewer Connection Fees	92,625.00	209,986.50	117,361.50
Miscellaneous Revenue	21,400.00	25,589.49	4,189.49
	<u>\$ 4,545,364.00</u>	<u>\$ 4,607,287.76</u>	<u>\$ 61,923.76</u>

Analysis of Sewer User Charges

Collections \$ 3,871,711.77

Analysis of Sewer Connection Fees

Collections \$ 209,986.50

Analysis of Miscellaneous Revenue

Collector/Treasurer:

Miscellaneous Sewer Fees \$ 16,155.27

Treasurer:

Interest on Investments and Deposits:

Collected/Received by Treasurer 9,434.22

\$ 25,589.49

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Appropriation</u>		<u>Expended By</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operating:					
Salaries and Wages	\$ 981,645.00	\$ 981,645.00	\$ 892,030.07	\$ 89,614.93	
Other Expenses	1,795,156.00	1,795,156.00	1,401,685.79	393,470.21	
Capital Improvements:					
Capital Improvement Fund	500,000.00	500,000.00	500,000.00		
Capital Outlay	125,000.00	125,000.00	75,200.00	49,800.00	
Debt Service:					
Payment of Bond Principal	571,000.00	571,000.00	571,000.00		
Interest on Bonds	100,000.00	100,000.00	82,104.76		\$ 17,895.24
Deferred Charges to Future Revenue	300,000.00	300,000.00	300,000.00		
Statutory Expenditures:					
Public Employees' Retirement System	100,408.00	100,408.00	100,408.00		
Contribution to Social Security System (O.A.S.I.)	72,155.00	72,155.00	72,155.00		
	<u>\$ 4,545,364.00</u>	<u>\$ 4,545,364.00</u>	<u>\$ 3,994,583.62</u>	<u>\$ 532,885.14</u>	<u>\$ 17,895.24</u>
				E	
Cash Disbursed			\$ 3,196,014.63		
Due to Sewer Utility Capital Fund			500,000.00		
Accrued Interest on Bonds			51,275.00		
Accrued Interest on Loans			30,829.76		
Encumbrances Payable	Ref.		233,862.53		
			<u>4,011,981.92</u>		
Less: Appropriation Refunds			17,398.30		
			<u>\$ 3,994,583.62</u>		
				E	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
POOL UTILITY FUND

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**

	Ref.	December 31,	
		2015	2014
<b><u>ASSETS</u></b>			
Operating Fund:			
Cash and Cash Equivalents:			
Treasurer	F-4	\$ 316,737.73	\$ 289,809.49
Change Fund		50.00	50.00
		<u>316,787.73</u>	<u>289,859.49</u>
Due from Other Trust Funds			5,375.00
		<u>316,787.73</u>	<u>295,234.49</u>
Capital Fund:			
Cash and Cash Equivalents	F-4	225,083.92	188,367.92
Due from Pool Utility Operating Fund	F		20,000.00
Fixed Capital	F-7	1,340,687.45	1,340,687.45
Fixed Capital Authorized and Uncompleted	F-8	20,000.00	20,000.00
		<u>1,585,771.37</u>	<u>1,569,055.37</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 1,902,559.10</u></u>	<u><u>\$ 1,864,289.86</u></u>

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(Continued)**

	Ref.	December 31,	
		2015	2014
<b><u>LIABILITIES, RESERVES AND FUND BALANCE</u></b>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	F-3;F-9	\$ 42,347.62	\$ 48,594.59
Encumbered	F-3	232.00	
		<u>42,579.62</u>	<u>48,594.59</u>
Due to Pool Utility Capital Fund	F		20,000.00
		<u>42,579.62</u>	<u>68,594.59</u>
 Fund Balance	F-1	 274,208.11	 226,639.90
		<u>316,787.73</u>	<u>295,234.49</u>
Total Operating Fund			
 Capital Fund:			
Improvement Authorizations:			
Funded	F-10	10,033.00	13,317.00
Capital Improvement Fund	F-11	156,961.00	156,961.00
Reserve for Amortization	F-12	1,332,470.00	1,312,470.00
Deferred Reserve for Amortization	F-13	20,000.00	20,000.00
Fund Balance	F-1A	66,307.37	66,307.37
		<u>1,585,771.37</u>	<u>1,569,055.37</u>
Total Capital Fund			
		<u>1,902,559.10</u>	<u>\$ 1,864,289.86</u>
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u>\$ 1,902,559.10</u>	<u>\$ 1,864,289.86</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY OPERATING FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE**  
**IN FUND BALANCE - REGULATORY BASIS**

	Ref.	Year Ended December 31,	
		2015	2014
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 37,555.00	\$ 37,555.00
Membership Fees		144,555.00	137,552.98
Miscellaneous Revenue		46,553.62	28,515.39
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		48,594.59	45,227.02
		<u>277,258.21</u>	<u>248,850.39</u>
<u>Expenditures</u>			
Operating		165,620.00	164,450.00
Deferred Charges and Statutory Expenditures		26,515.00	26,515.00
		<u>192,135.00</u>	<u>190,965.00</u>
Excess in Revenues/Statutory Excess to Fund Balance		85,123.21	57,885.39
<u>Fund Balance</u>			
Balance January 1		226,639.90	206,309.51
		311,763.11	264,194.90
Decreased by:			
Utilized as Anticipated Revenue:			
Pool Utility Operating Budget		37,555.00	37,555.00
		<u>37,555.00</u>	<u>37,555.00</u>
Balance December 31	F	<u>\$ 274,208.11</u>	<u>\$ 226,639.90</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 66,307.37
Balance December 31, 2015	F	<u>\$ 66,307.37</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY OPERATING FUND**  
**STATEMENT OF REVENUE - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Budget</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 37,555.00	\$ 37,555.00	
Pool Memberships	134,580.00	144,555.00	\$ 9,975.00
Miscellaneous Revenue	20,000.00	46,553.62	26,553.62
	<u>\$ 192,135.00</u>	<u>\$ 228,663.62</u>	<u>\$ 36,528.62</u>

Analysis of Pool Memberships

Collections	<u>\$ 144,555.00</u>
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Analysis of Miscellaneous Revenue

Collector:	
Miscellaneous	\$ 45,471.30
Treasurer:	
Interest on Investments	536.95
Interest on Investments - Pool Utility Capital Fund	545.37
	<u>\$ 46,553.62</u>

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY OPERATING FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**YEAR ENDED DECEMBER 31, 2015**

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 85,150.00	\$ 85,150.00	\$ 65,817.29	\$ 19,332.71	
Other Expenses	80,470.00	80,470.00	57,455.09	23,014.91	
Deferred Charges to Future Revenue	20,000.00	20,000.00	20,000.00		
Statutory Expenditures:					
Contribution to Social Security System (O.A.S.I.)	6,515.00	6,515.00	6,515.00		
	\$ 192,135.00	\$ 192,135.00	\$ 149,787.38	\$ 42,347.62	\$ -0-
				F	
Cash Disbursed			\$ 149,555.38		
Encumbrances Payable	F		232.00		
			\$ 149,787.38		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
PUBLIC ASSISTANCE FUND

NOT APPLICABLE

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(Unaudited)

**BOROUGH OF FLORHAM PARK**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**(UNAUDITED)**

	December 31,	
	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
Land	\$ 13,097,700.00	\$ 13,097,700.00
Buildings and Improvements	15,121,630.00	15,121,630.00
Equipment	1,877,195.00	1,681,400.00
TOTAL ASSETS	<u>\$ 30,096,525.00</u>	<u>\$ 29,900,730.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 30,096,525.00</u>	<u>\$ 29,900,730.00</u>
TOTAL RESERVES	<u>\$ 30,096,525.00</u>	<u>\$ 29,900,730.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Florham Park include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Florham Park, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Florham Park do not include the operations of the municipal library, or volunteer fire and first aid squads.

Governmental Accounting Standards Board ("GASB") *Codification of Government Accounting and Financial Reporting Standards*, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Florham Park conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Florham Park accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Funds - Receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - Receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water utility.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Sewer Utility Operating, Trust and Capital Funds - Account for the operations, trust deposits and acquisition of capital facilities of the municipally owned sewer utility.

Pool Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned pool utility.

General Fixed Assets Account Group (Unaudited) - Estimated values of land, buildings and certain fixed assets of the Borough as discussed in Note 1E - "Basis of Accounting".

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The more significant accounting policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Federal and state grants are generally recognized on the cash basis, except for certain assistance which is not realized until anticipated in the Borough's budget in the Current Fund. Grant revenue is realized in the Capital Funds when improvements are authorized. The amounts recorded as property taxes receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are generally charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee benefit amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year 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.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Borough's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; and federal and state grants and assistance would be recognized when earned, not when received; inventories would not be reflected as expenditures at the time of purchase and fixed assets purchased by the Utility Funds would be depreciated and the Borough's net pension liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

D. Deferred Charges to Future Taxation

The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, or collecting a grant. The unfunded deferred charge may also be funded by selling bonds, by loans, or by capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the period reported. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Grants Receivable – Grants receivable represent total grant awarded less amounts collected to date. Because the amount of grant funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences - Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs 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.

General Fixed Assets (Unaudited) - In accordance with New Jersey Administrative Code accounting requirements, as promulgated by the Division of Local Government Services, the Borough has developed a fixed assets accounting and reporting system based on the following:

General fixed assets are recorded at cost, except for land which is recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided for on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the general fixed assets account group may also be recorded in the Current Fund, General Capital Fund, and Water Utility, Sewer Utility and Pool Utility Funds. The values recorded in the general fixed assets account group and the current and capital funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water, Sewer, and Pool Utility Funds are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Funds represent charges to operations for the costs of acquisitions of property, equipment and improvements. The Utility Funds do not record depreciation on fixed assets.

F. Budget/Budgetary Controls:

Annual appropriated budgets are usually prepared in the first quarter for the current and utility funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bond to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2015	2014	2013
<u>Issued</u>			
General:			
Bonds and Notes	\$ 13,940,289	\$ 15,158,886	\$ 13,842,781
Water Utility:			
Bonds and Notes	61,711	376,114	395,622
Sewer Utility:			
Bonds and Loans	2,929,494	3,500,364	4,050,106
Total Issued	<u>16,931,494</u>	<u>19,035,364</u>	<u>18,288,509</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	1,593,637	2,154,067	4,079,067
Water Utility:			
Bonds and Notes	8,094,000	7,800,000	7,800,000
Sewer Utility:			
Bonds and Notes		300,000	
Pool Utility:			
Bonds and Notes	8,217	28,217	
Total Authorized but not Issued	<u>9,695,854</u>	<u>10,282,284</u>	<u>11,879,067</u>
<u>Less:</u>			
General:			
Reserve to Pay Debt Service	363,904	221,302	117,619
Water Utility:			
Reserve to Pay Debt Service	5,367	5,367	2,824
	<u>369,271</u>	<u>226,669</u>	<u>120,443</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 26,258,077</u>	<u>\$ 29,090,979</u>	<u>\$ 30,047,133</u>

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition – Revised Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Revised Annual Debt Statement as of December 31, 2015 and indicates a statutory net debt of .515%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School District Debt	\$ 14,191,147	\$ 14,191,147	
Water, Sewer and Pool Utility Debt	11,093,422	11,093,422	
General Debt	<u>15,533,926</u>	<u>363,904</u>	<u>\$ 15,170,022</u>
	<u>\$ 40,818,495</u>	<u>\$ 25,648,473</u>	<u>\$ 15,170,022</u>

Net Debt \$15,170,022 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$2,947,217,425.67= .515%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 103,152,610
Net Debt	<u>15,170,022</u>
Remaining Borrowing Power	<u>\$ 87,982,588</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 1,808,861
Deductions:	
Operating and Maintenance Costs	\$ 1,594,270
Debt Service	<u>22,718</u>
	<u>1,616,988</u>
Excess in Revenue	<u>\$ 191,873</u>

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt (Cont'd)

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$	4,607,288	
Deductions:			
Operating and Maintenance Costs	\$	2,949,364	
Debt Service		<u>653,105</u>	
			<u>3,602,469</u>
Excess in Revenue	\$		<u><u>1,004,819</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$	228,664	
Deductions:			
Operating and Maintenance Costs	\$	<u>192,135</u>	
			<u>192,135</u>
Excess in Revenue	\$		<u><u>36,529</u></u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

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

Summary of Municipal Debt Issued and Outstanding - Current Year

Fund	Balance 12/31/2014	Additions	Retirements/ Defeasements	Balance 12/31/2015
Serial Bonds:				
General Capital Fund	\$ 3,092,886	\$ 11,917,000	\$ 1,069,597	\$ 13,940,289
Water Utility Capital Fund	82,114		20,403	61,711
Sewer Utility Capital Fund	1,795,000		430,000	1,365,000
Bond Anticipation Notes:				
General Capital Fund	12,066,000		12,066,000	
Current Fund	69,403		69,403	
Water Utility Capital Fund	294,000		294,000	
Loans Payable:				
Sewer Utility Capital Fund:				
Infrastructure Trust Loan	<u>1,705,364</u>		<u>140,870</u>	<u>1,564,494</u>
	<u>\$ 19,104,767</u>	<u>\$ 11,917,000</u>	<u>\$ 14,090,273</u>	<u>\$ 16,931,494</u>

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Prior Year

Fund	Balance 12/31/2013	Additions	Defeasements	Balance 12/31/2014
Serial Bonds:				
General Capital Fund	\$ 4,148,378		\$ 1,055,492	\$ 3,092,886
Water Utility Capital Fund	101,622		19,508	82,114
Sewer Utility Capital Fund	2,210,000		415,000	1,795,000
Bond Anticipation Notes:				
General Capital Fund	9,565,000	\$ 12,066,000	9,565,000	12,066,000
Current Fund	129,403	69,403	129,403	69,403
Water Utility Capital Fund	294,000	294,000	294,000	294,000
Loans Payable:				
Sewer Utility Capital Fund:				
Infrastructure Trust Loan	1,840,106		134,742	1,705,364
	<u>\$ 18,288,509</u>	<u>\$ 12,429,403</u>	<u>\$ 11,613,146</u>	<u>\$ 19,104,767</u>

At December 31, 2015, the Borough had capital debt issued and outstanding described as follows:

<u>General Capital Serial Bonds</u>		
<u>Final Maturity</u>	<u>Interest Rate</u>	
02/01/18	3.00-4.00%	\$ 2,023,289
10/15/28	2.25-5.00%	11,917,000
<u>Water Capital Serial Bonds</u>		
<u>Final Maturity</u>	<u>Interest Rate</u>	
02/01/18	3.00-4.00%	61,711
<u>Sewer Capital Serial Bonds</u>		
<u>Final Maturity</u>	<u>Interest Rate</u>	
02/01/18	3.00-4.00%	1,365,000
<u>Sewer Capital Infrastructure Trust Loans</u>		
<u>Final Maturity</u>	<u>Interest Rate</u>	
08/01/25	4.00-4.50%	1,564,494
Total Debt Issued and Outstanding		<u>\$ 16,931,494</u>

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Schedule of Annual Debt Service For Principal and Interest for the Next Five Years and Thereafter  
for Bonded Debt Issued and Outstanding

Calendar Year	General		Water Utility		Sewer Utility		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2016	\$ 1,954,597	\$ 511,477	\$ 20,403	\$ 1,958	\$ 440,000	\$ 43,600	\$ 2,972,035
2017	1,414,418	440,069	20,582	1,241	455,000	27,900	2,359,210
2018	1,414,274	374,295	20,726	415	470,000	9,400	2,289,110
2019	920,000	346,010					1,266,010
2020	920,000	318,410					1,238,410
2021-2025	4,600,000	902,050					5,502,050
2026-2028	2,717,000	145,630					2,862,630
	<u>\$ 13,940,289</u>	<u>\$ 3,037,941</u>	<u>\$ 61,711</u>	<u>\$ 3,614</u>	<u>\$1,365,000</u>	<u>\$ 80,900</u>	<u>\$ 18,489,455</u>

Infrastructure Loans

On October 26, 2005 the Borough of Florham Park entered into loan agreements with the State of New Jersey Infrastructure Trust (the "Trust"), in the aggregate amount of \$2,375,000, which represent direct obligations of the Borough. The loan agreements were obtained to finance a portion of the sewer improvement project. A portion of the loan is interest free while a portion was issued with interest rates ranging from 4.00% - 5.00%.

At December 31, 2015, the Borough borrowed or "drew down" \$2,375,000 of the \$2,375,000 funds necessary to complete the improvements partially funded with the Loan funds. Principal payments to the Fund for the loan will continue on a semiannual basis until 2025 at zero interest. Principal payments to the Trust for the loan will continue on an annual basis until 2025.

Also, an annual administrative fee of fifteen one hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

Schedule of Annual Debt Service For Principal and Interest for the Next Five Years and Thereafter  
for Loans Issued and Outstanding

Calendar Year	Infrastructure Trust Loan		Total
	Principal	Interest	
2016	\$ 139,066	\$ 37,213	\$ 176,279
2017	145,483	34,413	179,896
2018	143,551	31,413	174,963
2019	149,718	28,225	177,943
2020	155,749	24,825	180,574
2021-2025	830,927	64,750	895,677
	<u>\$ 1,564,494</u>	<u>\$ 220,838</u>	<u>\$ 1,785,332</u>

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 2: Long-Term Debt (Cont'd)

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$13,396,235 at June 30, 2015. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$18,366,080 at June 30, 2015. See Note 4 for further information on the PERS and PFRS.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2015, which were appropriated and included as anticipated revenue for the year ending December 31, 2016 budget, were as follows:

Current Fund	\$ 1,874,000
Water Utility Operating Fund	400,000
Sewer Utility Operating Fund	425,000
Pool Utility Operating Fund	37,555

Also, \$585,000.00 of the \$4,400,014.59 Sewer Utility Operating Fund balance at December 31, 2015, was anticipated as revenue in the 2016 Current Fund budget.

Note 4: Pension Plans

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS).

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 the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

Benefits Provided

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 table on the following page represents the membership tiers for PERS:

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Benefits Provided (Cont'd)

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to 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 members. 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 adjusted by the rate of return on the actuarial value of assets. Borough contributions to PERS amounted to \$478,059 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.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities and Pension Expense

At June 30, 2015, the Borough's liability was \$13,396,235 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the Borough's proportion was 0.060%, which was a decrease of 0.004% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Borough recognized actual pension expense in the amount of \$478,059.

Actuarial Assumptions

The 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:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for 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 one 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.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) 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 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' 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 U.S. 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. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon 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

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate (Cont'd)

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 collective net pension liability as of June 30, 2015 calculated using the discount rate as disclosed below, 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 or 1-percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Borough's proportionate share of the Net Pension Liability	\$ 16,649,880	\$ 13,396,235	\$ 10,668,401

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, 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 the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

Benefits Provided

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

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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 of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. 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 amounts 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 the assets.

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 nonemployer contributing entity. The June 30, 2015 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4: Pension Plans (Cont'd)

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

Special Funding Situation (Cont'd)

valuation date. The fiscal year ending June 30, 2015 State special funding situation pension expense is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2015. The pension expense is deemed to be a State administrative expense due to the special funding situation. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific funded amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Borough contributions to PFRS amounted to \$800,231 for the year ended December 31, 2015. During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$83,842 to the PFRS for normal pension benefits on behalf of the Borough, which is less than the contractually required contribution of \$200,904.

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

Pension Liabilities and Pension Expense

At June 30, 2015, the Borough's liability for its proportionate share of the net pension liability was \$18,366,080. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the Borough's proportion was 0.110%, which was an increase of 0.006% from its proportion measured as of June 30, 2014.

Additionally, the State's proportionate share of the net pension liability attributable to the Borough is \$1,610,644 as of June 30, 2015. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The State's proportionate share 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. At June 30, 2015, the State's proportion was 0.110%, which was an increase of 0.006% 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	\$ 18,366,080
State's Proportionate Share of the Net Pension Liability Associated with the Borough	<u>1,610,644</u>
Total Net Pension Liability	<u>\$ 19,976,724</u>

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

For the year ended December 31, 2015, the Borough recognized total pension expense of \$800,231.

Actuarial Assumptions

The 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:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.60% - 9.48% based on age
Thereafter	3.60% - 10.48% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined 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 Healthy 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 pension plan investments (7.90% at June 30, 2015) 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 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' target asset allocation as of June 30, 2015 are summarized in the table on the following page.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 4: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

<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 U.S. 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. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the 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 municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the average of the last five years of contributions. Based on those assumptions, the pension 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 pension 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.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

Note 4: Pension Plans (Cont'd)

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

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Town) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Town) as of June 30, 2015 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease (4.79%)	Current Discount Rate (5.79%)	1% Increase (6.79%)
Borough's proportionate share of the NPL and the State's proportionate share of the Net Pension Liability associated with the Borough	\$ 26,335,664	\$ 19,976,724	\$14,791,576

Plan Fiduciary Net Position - PFRS

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

Note 5: Deferred Charges to be Raised in Succeeding Years' Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the Borough had no deferred charges.

Note 6: School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Borough of Florham Park has not elected to defer school taxes.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 7: Selected Tax Rate Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior years may be placed in lien at a tax sale held after April 1 and through December 10. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Tax Rate</u>	\$ 1.408	\$ 1.378	\$ 1.348
<u>Apportionment of Tax Rate</u>			
Municipal	0.402	0.398	0.387
County	0.233	0.224	0.233
Local School	0.532	0.523	0.501
Regional High School	0.241	0.233	0.227
<u>Assessed Valuations</u>			
2015	<u>\$ 3,257,300,533</u>		
2014		<u>\$ 3,236,798,335</u>	
2013			<u>\$ 3,270,187,510</u>

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies.

A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2015	\$ 46,151,846	\$ 45,699,950	99.02%
2014	44,771,872	44,182,550	98.68%
2013	44,173,236	43,478,139	98.43%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
 (Continued)

Note 8: Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures* requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investments matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are permitted under state statutes as detailed below and on the following page.

Deposits:

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

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

The market value of the collateral must equal 5% of the average daily balance of public funds; and in addition

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

Investments (Cont'd):

- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in statute; and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 8: Cash and Cash Equivalents (Cont'd)

As of December 31, 2015, cash and cash equivalents of the Borough of Florham Park consisted of the following:

Fund	Checking Accounts	Cash on Hand	Totals
Current	\$ 5,412,599.87		\$ 5,412,599.87
Federal and State Grant	186,885.91		186,885.91
Animal Control Trust	41,713.77		41,713.77
Other Trust	4,014,352.05		4,014,352.05
General Capital	2,440,355.06		2,440,355.06
Water Utility Operating	1,048,151.20	\$ 50.00	1,048,201.20
Water Utility Capital	191,755.43		191,755.43
Sewer Utility Operating	5,721,379.33	50.00	5,721,429.33
Sewer Utility Trust	60,189.42		60,189.42
Sewer Utility Capital	1,389,334.33		1,389,334.33
Pool Utility Operating	316,737.73	50.00	316,787.73
Pool Utility Capital	225,083.92		225,083.92
	<u>\$ 21,048,538.02</u>	<u>\$ 150.00</u>	<u>\$ 21,048,688.02</u>

The carrying amount of the Borough of Florham Park's cash and cash equivalents at cost at December 31, 2015, was \$21,048,688.02 and the bank balance was \$21,048,759.72.

Note 9: 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. Health benefits are provided to employees through Horizon Blue Cross Blue Shield of New Jersey.

The Borough of Florham Park is a member of the Morris County Municipal Joint Insurance Fund. This fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by these funds to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Environmental

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

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 9: Risk Management (Cont'd)

This Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Auditing Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Selected financial information for the Fund as of December 31, 2015 is as follows:

	Morris County Municipal Joint Insurance Fund
Total Assets	\$ 24,775,454
Net Position	\$ 8,631,831
Total Revenue	\$ 17,370,144
Total Expenses	\$ 17,918,337
Change in Net Position	\$ (548,193)
Member Dividends	\$ -0-

Financial statements for the Fund are available at the offices of the Fund's Executive Director:

PERMA Risk Management Services  
9 Campus Drive, Suite 216  
Parsippany, NJ 07054  
(201) 881-7632

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees 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 and employee contributions, interest earned and reimbursements to the State for benefits paid and the ending balance of the Borough's trust fund for the current and previous two years:

Year	Borough Contributions	Transfer from Sewer Utility Trust	Employee Contributions	Amount Reimbursed	Ending Balance
2013	\$ -0-	\$104,398.03	\$ 12,245.74	\$ 55,126.22	\$425,065.11
2014	-0-	-0-	24,002.27	30,697.39	418,369.99
2015	-0-	-0-	9,958.34	2,541.91	425,786.42

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 10: Accrued Sick and Vacation Benefits

The Borough permits employees to accrue unused sick pay, which may be taken as time off or paid upon retirement or separation at the employee's current rate upon such termination. It is estimated that the current cost of such unpaid compensation would approximate \$1,229,031. This amount is not reported either as an expenditure or liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditures in the year in which it is used. This amount is partially funded in the Reserve for Accumulated Absences of \$193,195.97 on the Trust Funds balance sheet at December 31, 2015.

Note 11: Contingencies

The Borough is periodically involved in lawsuits arising in the normal course of business, including claims for disputes over contract awards. In the opinion of management, the ultimate outcome of these lawsuits will not have a material adverse effect on the Borough's financial position as of December 31, 2015.

Amounts received or receivable from grantors, principally the federal and state governments are, subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

The Borough has been advised that a number of tax appeals have been filed. Potential refunds on tax appeals could be a financial burden. A reserve for pending tax appeals in the amount of \$1,506,525 has been recorded as a liability as of December 31, 2015. The Borough also passed an ordinance in 2007 for the potential liability. As of December 31, 2015 the balance in the ordinance is \$1,373,100.85. The Borough feels these balances are sufficient to cover any liability related to the tax appeals.

Note 12: Economic Dependency

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

Note 13: Deferred Compensation

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. This plan, which is administered by Nationwide, permits participants to defer a portion of their salary until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 14: Interfund Receivables and Payables

The following interfund balances remained on the balance sheet at December 31, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 10,644.17	\$ 109,575.00
Animal Control Trust Fund		9,585.17
Other Trust Fund	109,575.00	
Sewer Utility Operating Fund		501,059.00
Sewer Utility Capital Fund	<u>500,000.00</u>	
	<u>\$ 620,219.17</u>	<u>\$ 620,219.17</u>

The Current Fund interfund receivable represents the statutory excess in the Animal Control Fund, as well as an expense paid on behalf of the Sewer Utility Operating Fund that was not received as of 12/31. The interfund payable between the Current Fund and the Other Trust Fund is for an increase in the Reserve for Accumulated Absences, for which the cash has not been transferred as of 12/31. The interfund between the Sewer Utility Capital Fund and Sewer Utility Operating Fund is the budget appropriation for the capital improvement fund that was not disbursed as of 12/31.

Note 15: Post-Retirement Medical Benefits

In addition to the pension benefits described in Note 4, the Borough provides other post-retirement benefits to certain clerical, public works and police employees. Medical included prescription drugs are offered to pre-65 and post-65 retirees on a fully insured basis. The Borough does not provide subsidized benefits for dental, vision or life insurance coverage. Furthermore, the Borough subsidizes (or reimburses) premium payments for Medicare Part B coverage for retirees and/or spouses that are eligible for Medicare, but does not reimburse for Medicare Part D coverage. Non-Union retirees hired after October 1, 1997 and Police are not eligible for medical insurance after age 65. Furthermore, all retirees including dependents are eligible for Medicare Part B except for Non-Union employees hired after October 1, 1997. Eligibility for retirement is based on meeting a criteria of minimum age and/or years of service (YOS) requirements. For this valuation, retirees are eligible for subsidized healthcare benefits based on reaching a minimum of twenty-five (25) YOS of service with Borough and no minimum age requirement for all groups including Union and Non-Union.

Funding Policy

The Borough is not required to nor does it contribute the annual required contribution (ARC) per N.J.S.A. 40A:4-1 et. seq. There is currently no provision under State statute for the Borough to accrue funds, create a trust or issue debt to finance their other post employment benefit (“OPEB”) liability.

Currently, there are no contribution requirements of plan members.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 15: Post-Retirement Medical Benefits (Cont'd)

The Borough's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. During 2015 the Borough recognized expenditures/expenses in the amount of \$602,725. The Borough obtained its health benefits through the State of New Jersey Health Benefits Plan in 2013 and 2014

The Borough accounts for certain post-employment health care benefits provided in accordance with Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Employers that participate in *single-employer* or *agent multiple-employer defined benefit* OPEB plans (sole and agent employers) are required to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting. Annual OPEB cost is equal to the employer's annual required contribution to the plan (ARC), with certain adjustments if the employer has a net OPEB obligation for past under- or over contributions.

The ARC is defined as the employer's required contributions for the year, calculated in accordance with certain parameters, and includes (a) the normal cost for the year and (b) a component for amortization of the total unfunded actuarial accrued liabilities (or funding excess) of the plan over a period not to exceed thirty years. If the methods and assumptions used in determining a plan's funding requirements meet the parameters, the same methods and assumptions are required for financial reporting by both a plan and its participating employer(s). However, if a plan's method of financing does not meet the parameters (for example, the plan is financed on a pay-as-you-go basis), the parameters nevertheless apply for financial reporting purposes.

The Borough as a sole employer should recognize OPEB expense in an amount equal to annual OPEB cost. Net OPEB obligations, if any, should be displayed as liabilities (or assets) in the financial statements.

Annual OPEB Cost and Net OPEB Obligation

The Borough's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer. The Borough has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial accrued liabilities over a period not to exceed 30 years.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include economic assumptions; benefit assumptions and demographic assumptions. Economic assumptions include the discount and health care cost trend rates. Benefit assumptions encompass the initial per capita costs rates for medical coverage. Finally, demographic assumptions include probabilities concerning retirement, mortality, termination without being eligible for benefits, disability, participation rates and coverage levels. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 15: Post-Retirement Medical Benefits (Cont'd)

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and included 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 short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the 2015 actuarial valuation, the projected unit credit cost method was used. Under this method, the present value of benefits is allocated uniformly over an employee's expected working lifetime. For medical benefits, the initial rate utilized is 9.0% in 2017 reducing to 5.0% in 2025 and later.

Annual OPEB Cost per Actuarial Valuation

The table on the following page shows the components of the Borough's annual OPEB cost for the year, the amount actually contribution to the plan and the Borough's obligation to the Plan at December 31, 2015:

Since it has fewer than 200 plan members the Borough follows the three year rotation cycle.

**Benefit Obligations and Normal Cost**

	<u>2015 *</u>
Actuarial accrued liability (AAL)	\$ 26,527,585
Unfunded actuarial accrued liability (UAAL)	26,527,585
Normal cost at beginning of year	549,533
Amortization factor based on 30 years including interest	894,074
Annual covered payroll	N/A
UAAL as a percentage of covered payroll	N/A

BOROUGH OF FLORHAM PARK  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2015  
(Continued)

Note 15: Post-Retirement Medical Benefits (Cont'd)

Calculation of ARC under Projected Unit Credit Cost Method

	2015 *
ARC normal cost with interest to end of year	\$ 571,514
Amortization of unfunded actuarial accrued liability (UAAL) over 15 years with interest at year end	-0-
Annual Required Contribution (ARC)	571,514
Interest on net OPEB obligation	1,014,641
Adjustment to ARC	-0-
Annual OPEB cost (expense)	1,586,155
Pay as you go benefits projected	(849,191)
Net OPEB expense at December 31, 2015	736,964
Net OPEB obligation January 1, 2015	25,790,621
 Net OPEB obligation December 31, 2015	 \$ 26,527,585
 Unfunded actuarial accrued liability (December 31, 2013)	 N/A
Unfunded actuarial accrued liability (December 31, 2014)	N/A
Projected unfunded actuarial accrued liability (December 31, 2015)	\$ 26,527,585

\* Valuation as of January 1, 2015 with project UAAL at December 31, 2015.

BOROUGH OF FLORHAM PARK

SUPPLEMENTARY DATA

**BOROUGH OF FLORHAM PARK**  
**OFFICIALS IN OFFICE AND SURETY BONDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

The following officials were in office during the period under audit:

<u>Name</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Mark Taylor	Mayor	
Charles Malone	Council President	
Charles Germershausen	Councilman	
Carmen Cefolo-Pane	Councilwoman	
Scott Carpenter	Councilman	
Thomas Michalowski	Councilman	
William Zuckerman	Councilman	
Sheila Williams	Borough Clerk	
William Huyler	Borough Administrator	(A)
Patrice Visco	Chief Financial Officer	(A)
Joseph Guerin	Tax Collector and Tax Search Officer	\$ 1,000,000.00      Municipal Excess Liability JIF
John Murray	Tax Assessor	(A)

(A) All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by the Morris County Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively.

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
CURRENT FUND

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**SCHEDULE OF CASH**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 4,790,780.92
Increased by Receipts:		
Tax Collector		\$ 46,325,724.81
Revenue Accounts Receivable		3,924,194.49
Miscellaneous Revenue Not Anticipated		212,117.08
Due General Capital Fund:		
Prior Year Interfund Returned		25,000.00
Due Animal Control Fund:		
Prior Year Interfund Returned		6,600.14
Due State of New Jersey:		
Marriage License Fees		1,950.00
State Training Fees		113,326.00
Burial Fees		5.00
Appropriation Refunds		2,130,877.83
Appropriation Reserve Refunds		952.86
		52,740,748.21
		57,531,529.13
Decreased by Disbursements:		
2015 Appropriation Expenditures		18,477,836.38
2014 Appropriation Reserve Expenditures		261,999.15
Local School District Taxes		17,298,458.00
Regional High School Taxes		7,856,547.00
County Taxes		7,585,969.83
Due Federal and State Grant Fund:		
Prior Year Interfund		33,851.81
Due Other Trust Funds:		
Interfund Returned		124,827.03
Due Sewer Utility Operating Fund:		
Prior Year Interfund		61,059.00
Due State of New Jersey:		
Marriage License Fees		1,950.00
State Training Fees		112,396.00
Burial Fees		5.00
Third Party Tax Title Lien Redemptions		156,393.62
Refund of Tax Overpayments		78,233.13
Special Emergency Notes		69,403.31
		52,118,929.26
Balance December 31, 2015	A	\$ 5,412,599.87

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**SCHEDULE OF CASH - COLLECTOR**  
**YEAR ENDED DECEMBER 31, 2015**

## Increased by Receipts:

Taxes Receivable	\$ 45,763,637.01	
Interest and Costs on Taxes	85,705.99	
2016 Prepaid Taxes	162,318.60	
Tax Overpayments	153,186.97	
Third Party Tax Title Liens	156,393.62	
Miscellaneous Revenue Not Anticipated	4,482.62	
	<hr/>	\$ 46,325,724.81
		<hr/> <hr/>

## Decreased by:

Payments to Municipal Treasurer		\$ 46,325,724.81
		<hr/> <hr/>

**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF CASH - GRANT FUNDS**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 371,022.71
Increased by Receipts:		
Unappropriated Grant Funds Received		\$ 39,910.30
Due Current Fund - Interfund Returned		33,851.81
		<hr/>
		\$ 73,762.11
		<hr/>
		444,784.82
Decreased by Disbursements:		
Appropriated Grant Reserve		251,218.91
Prior Year Encumbrances		6,680.00
		<hr/>
		257,898.91
		<hr/>
Balance December 31, 2015	A	\$ 186,885.91
		<hr/> <hr/>

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance		Collections		State of NJ	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2015
	Dec. 31, 2014	2015 Levy	2014	2015	Senior Citizens' and Veterans' Deductions			
2014	\$ 314,031.80			\$ 314,872.89	\$ (841.09)			
2015		\$ 46,151,845.98	\$ 160,144.04	45,448,764.12	91,041.78	\$ 135,527.50	\$ 1,001.09	\$ 315,367.45
	<u>\$ 314,031.80</u>	<u>\$ 46,151,845.98</u>	<u>\$ 160,144.04</u>	<u>\$45,763,637.01</u>	<u>\$ 90,200.69</u>	<u>\$ 135,527.50</u>	<u>\$ 1,001.09</u>	<u>\$ 315,367.45</u>
<u>Ref.</u>	A							A

Analysis of 2015 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 45,862,791.78
Added and Omitted Taxes	289,054.20
	<u>\$46,151,845.98</u>

Tax Levy:

Local School District Taxes	\$ 17,298,458.00
Regional High School Taxes	7,856,547.00
County Taxes:	
General Tax	\$ 7,257,144.46
County Open Space	302,490.14
Due County for Added and Omitted Taxes	47,833.58
	<u>7,607,468.18</u>
	32,762,473.18
Local Tax for Municipal Purposes Levied	12,134,156.22
Minimum Library Tax	995,974.58
Add: Additional Tax Levied	259,242.00
	<u>13,389,372.80</u>
	<u>\$46,151,845.98</u>

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**SCHEDULE OF TAX TITLE LIENS**

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 18,587.92
Increased by:		
Transfer from Taxes Receivable		<u>1,001.09</u>
Balance December 31, 2015	A	<u><u>\$ 20,590.10</u></u>

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2014	Accrued in 2015	Collected by Treasurer	Balance Dec. 31, 2015
Licenses:				
Alcoholic Beverages		\$ 15,752.00	\$ 15,752.00	
Other		54,450.00	54,450.00	
Fees and Permits - Other		134,112.03	134,112.03	
Fines and Costs - Municipal Court	\$ 15,601.42	169,547.01	174,439.73	\$ 10,708.70
Payments in Lieu of Taxes		389,764.38	389,764.38	
Interest on Deposits		21,461.56	21,461.56	
Park Avenue Club Contribution		33,062.50	33,062.50	
Hotel Occupancy Tax		271,403.65	271,403.65	
Energy Receipts Tax		1,028,158.00	1,028,158.00	
Construction Code Official		935,759.00	935,759.00	
Uniform Fire Safety Act		108,831.64	108,831.64	
Reserve for Payment of Debt Service		102,000.00	102,000.00	
Outside Detail Administrative Fees		20,000.00	20,000.00	
Sewer Utility Operating Surplus of Prior Year		635,000.00	635,000.00	
	<u>\$ 15,601.42</u>	<u>\$3,919,301.77</u>	<u>\$3,924,194.49</u>	<u>\$ 10,708.70</u>

Ref.

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**BOROUGH OF FLORHAM PARK**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF GRANTS RECEIVABLE**

Grant Description	Balance Dec. 31, 2014	Revenue Realized in 2015	Transferred from Unappropriated Reserve	Balance Dec. 31, 2015
Clean Communités Grant		\$ 41,446.69	41,446.69	
Recycling Tonnage Grant		26,326.81	26,326.81	
Community Development Block Grant:				
Little Red School House	\$ 1,201.70	10,000.00	10,000.00	\$ 1,201.70
Alcohol Education and Rehabilitation Fund		1,536.08	1,536.08	
Drunk Driving Enforcement Fund		8,327.56	8,327.56	
Bullet Proof Vest Partnership Program		3,387.29	1,305.79	2,081.50
Body Armor Replacement Program		3,199.24	3,199.24	
Click It or Ticket		4,000.00	3,550.00	450.00
DWI Labor Day Crackdown		4,400.00		4,400.00
	<u>\$ 1,201.70</u>	<u>\$ 102,623.67</u>	<u>\$ 95,692.17</u>	<u>\$ 8,133.20</u>

Ref.

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**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**SCHEDULE OF 2014 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2015**

	Balance Dec. 31, 2014	Balance After Modification	Paid or Charged	Balance Lapsed
<b>GENERAL GOVERNMENT:</b>				
General Administration:				
Salaries and Wages	\$ 1,250.00	\$ 1,250.00		\$ 1,250.00
Other Expenses	1,404.69	1,404.69	\$ 250.00	1,154.69
Mayor and Council:				
Other Expenses	949.87	949.87	260.00	689.87
Municipal Clerk:				
Salaries and Wages	692.07	692.07		692.07
Other Expenses	21,363.50	21,363.50	8,764.06	12,599.44
Financial Administration:				
Salaries and Wages	337.14	337.14		337.14
Other Expenses	8,551.65	8,551.65	1,302.24	7,249.41
Tax Collection:				
Salaries and Wages	1,306.19	1,306.19		1,306.19
Other Expenses	3,060.90	3,060.90	199.54	2,861.36
Information Technology:				
Other Expenses	9,513.29	9,513.29	4,982.75	4,530.54
Tax Assessment:				
Salaries and Wages	305.37	305.37		305.37
Other Expenses	18,305.39	18,305.39	2,422.82	15,882.57
Legal Services:				
Other Expenses	39,466.09	39,466.09	14,676.00	24,790.09
Engineering Services and Costs:				
Salaries and Wages	2,687.48			
Other Expenses	4,797.93	1,880.63	1,880.63	
Historic Commission:				
Other Expenses	4,770.45	10,270.45	4,700.00	5,570.45
Planning Board:				
Salaries and Wages	319.63	319.63		319.63
Other Expenses	56,055.55	56,055.55	1,543.41	54,512.14
Board of Adjustment:				
Salaries and Wages	533.71	533.71		533.71
Other Expenses	13,218.82	13,218.82	1,156.32	12,062.50
Municipal Court:				
Salaries and Wages	18,163.95	18,163.95		18,163.95
Other Expenses	4,067.98	4,067.98	3,866.33	201.65
<b>PUBLIC SAFETY:</b>				
Police:				
Salaries and Wages	37,367.62	37,367.62	37,000.00	367.62
Other Expenses	35,519.37	35,519.37	34,158.73	1,360.64
Police Vehicles:				
Other Expenses	45.54	45.54		45.54
Emergency Management Services:				
Other Expenses	14,135.90	14,135.90	14,135.90	

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**SCHEDULE OF 2014 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2015**  
(Continued)

	Balance Dec. 31, 2014	Balance After Modification	Paid or Charged	Balance Lapsed
<b>PUBLIC SAFETY: (Cont'd)</b>				
Fire:				
Salaries and Wages	\$ 1.80	\$ 1.80		\$ 1.80
Other Expenses	9,362.50	9,362.50	\$ 9,362.49	0.01
Fire Safety:				
Salaries and Wages	0.49	0.49		0.49
Other Expenses	961.57	961.57	900.95	60.62
Contribution to Volunteer Fire Dept.				
Other Expenses	56.00	56.00		56.00
<b>PUBLIC WORKS:</b>				
Road Repairs and Maintenance:				
Salaries and Wages	1,958.29			
Other Expenses	20,225.42	22,183.71	22,182.63	1.08
Other Public Works:				
Salaries and Wages	35.70	35.70		35.70
Buildings and Grounds:				
Salaries and Wages	63,889.84	63,889.84	63,000.00	889.84
Other Expenses	27,727.81	27,727.81	27,672.69	55.12
Vehicle Maintenance:				
Salaries and Wages	902.54	902.54		902.54
Other Expenses	16,566.88	16,566.88	13,007.98	3,558.90
Insect Controls:				
Other Expenses	1,000.00	1,000.00		1,000.00
<b>HEALTH AND HUMAN SERVICES:</b>				
Board of Health:				
Salaries and Wages	503.75	503.75		503.75
Other Expenses	6,468.36	6,468.36	825.06	5,643.30
Environmental Commission:				
Other Expenses	4,873.91	4,873.91		4,873.91
Social Services:				
Other Expenses	14,500.00	14,500.00	7,250.00	7,250.00
<b>RECREATION AND EDUCATION:</b>				
Recreation:				
Salaries and Wages	2,761.80	2,761.80		2,761.80
Other Expenses	37,139.60	37,139.60	8,255.59	28,884.01
Celebration of Public Events				
Other Expenses	1,000.00	1,000.00		1,000.00
Condo Services:				
Other Expenses	14,077.60	14,077.60		14,077.60
<b>INSURANCES:</b>				
General Liability	711.49	711.49		711.49
Workers Compensation	4,596.01	4,596.01		4,596.01
Employee Group Health	204,313.30	204,313.30	83.32	204,229.98

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**SCHEDULE OF 2014 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2015**  
**(Continued)**

	Balance Dec. 31, 2014	Balance After Modification	Paid or Charged	Balance Lapsed
UTILITIES:				
Bulk Utilities	\$ 95,613.45	\$ 95,613.45	\$ 43,456.80	\$ 52,156.65
UNIFORM CONSTRUCTION CODE:				
Construction Official:				
Salaries and Wages	19,520.04	19,520.04	10,000.00	9,520.04
Other Expenses	49,379.31	43,879.31	1,782.07	42,097.24
Contingent	10,000.00	10,000.00		10,000.00
Deferred Charges & Statutory Expenditures:				
Statutory Expenditures:				
Public Employees' Retirement System	267.15	267.15		267.15
Social Security System (O.A.S.I.)	11,192.13	11,192.13		11,192.13
Operations Excluded from "CAPS":				
Reserve for Tax Appeals	148,420.00	148,420.00	148,420.00	
Maintenance of Free Public Library	34,469.66	40,074.44	31,967.98	8,106.46
LOSAP	2,700.00	2,700.00		2,700.00
	\$ 1,103,386.48	\$ 1,103,386.48	\$ 519,466.29	\$ 583,920.19

Analysis of Balance December 31, 2014:

	<u>Ref.</u>			
Encumbered	A	\$ 149,999.15		
Unencumbered	A	953,387.33		
		\$ 1,103,386.48		
Cash Disbursed			\$ 261,999.15	
Reserve for Pending Tax Appeals			148,420.00	
Reserve for Accumulated Absences			110,000.00	
			520,419.15	
Less: Appropriation Reserve Refunds Received			952.86	
			\$ 519,466.29	

**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE**  
**YEAR ENDED DECEMBER 31, 2015**

Increased by:		
Levy - Calendar Year 2015	\$	17,298,458.00
Decreased by:		
Payments to Local School District	\$	<u>17,298,458.00</u>

**CURRENT FUND**  
**SCHEDULE OF REGIONAL HIGH SCHOOL TAXES PAYABLE**  
**YEAR ENDED DECEMBER 31, 2015**

Increased by:		
Levy - Calendar Year 2015	\$	7,856,547.00
Decreased by:		
Payments to Regional High School District	\$	<u>7,856,547.00</u>

**BOROUGH OF FLORHAM PARK**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF APPROPRIATED RESERVES**

Grant Description	Balance Dec. 31, 2014	Transferred from 2015 Budget Appropriations	Expended	Balance Dec. 31, 2015
Recycling Tonnage Grant:				
2010	\$ 25,438.91		\$ 25,438.91	
2011	23,289.56		23,289.56	
2012	30,040.69		15,271.53	\$ 14,769.16
2013	23,079.11			23,079.11
2014	24,907.46			24,907.46
2015		\$ 26,326.81		26,326.81
Alcohol Education & Rehabilitation Grant:				
2008	1,422.63			1,422.63
2010	2,339.70			2,339.70
2011	1,456.24			1,456.24
2012	3,291.75			3,291.75
2014	2,797.06			2,797.06
2015		1,536.08		1,536.08
Clean Communities Grant:				
2014	1,948.78	18,708.79	20,657.57	
2015		22,737.90	12,297.29	10,440.61
Click It or Ticket		4,000.00		4,000.00
Labor Day Crack Down		4,400.00		4,400.00
Drunk Driving Enforcement Fund:				
2013	6,322.45	4,592.70	5,454.01	5,461.14
2014	4,556.76	3,734.86		8,291.62
Body Armor Program:				
2014		3,199.24		3,199.24
Cabelevision Grant	5,520.00		2,227.50	3,292.50
Bulletproof Vest	4,332.00			4,332.00
Bulletproof Vest		3,387.29		3,387.29
Little Red Schoolhouse		10,000.00	5,560.00	4,440.00
NFL Field Grant	161,574.86		141,022.54	20,552.32
	<u>\$ 322,317.96</u>	<u>\$ 102,623.67</u>	<u>\$ 251,218.91</u>	<u>\$ 173,722.72</u>

Ref.

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**BOROUGH OF FLORHAM PARK**  
**FEDERAL AND STATE GRANT FUND**  
**SCHEDULE OF UNAPPROPRIATED RESERVES**

<u>Grant Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Received</u>	<u>Transferred to 2015 Budget Revenue</u>	<u>Balance Dec. 31, 2015</u>
Drunk Driving Enforcement Fund	\$ 9,529.26	\$ 4,279.13	\$ 8,327.56	\$ 5,480.83
Body Armor Grant	6,586.53	3,194.21	3,199.24	6,581.50
Bullet Proof Vest	1,305.79		1,305.79	
Recycling Tonnage	26,326.81		26,326.81	
Clean Communitites Program	18,708.79	22,737.90	41,446.69	
Drive Sober Get Pulled Over:				
2013	4,000.00			4,000.00
2014	3,525.00			3,525.00
2015		3,550.00	3,550.00	
Alcohol Education and Rehabilitation Program	1,536.08	1,709.06	1,536.08	1,709.06
Little Red Schoolhouse	5,560.00	4,440.00	10,000.00	
	<u>\$ 77,078.26</u>	<u>\$ 39,910.30</u>	<u>\$ 95,692.17</u>	<u>\$ 21,296.39</u>

Ref.

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**BOROUGH OF FLORHAM PARK**  
**CURRENT FUND**  
**SCHEDULE OF SPECIAL EMERGENCY NOTES PAYABLE**  
**YEAR ENDED DECEMBER 31, 2015**

Description	Date of			Interest Rate	Balance Dec. 31, 2014	Matured
	Issue of Original Note	Issue	Maturity			
Special Emergency Note	12/15/2012	12/13/2014	12/12/2015	1.00%	\$ 69,403.31	\$ 69,403.31
				Ref.	A	

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
TRUST FUNDS

**BOROUGH OF FLORHAM PARK**  
**TRUST FUNDS**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2014	B	\$ 36,783.74	\$ 2,832,291.74
Increased by Receipts:			
Animal Control License Fees:			
Dog License Fees		\$ 11,610.00	
Cat License Fees		3,675.00	
State Dog License Fees		1,494.00	
Late, Impound and Boarding Fees		2,338.90	
Due Current Fund:			
Interfund Returned			\$ 124,827.03
Escrow Deposits			461,825.35
Deposits and Interest:			
Unemployment Insurance Fund			9,958.34
Police Forfeited Assets			95.33
Housing Trust			1,274,101.92
Tax Sale Premiums			63,900.00
Recreation			339,533.77
Recycling			7,163.35
Fire Penalties			5,750.00
FEMA Reimbursement - Snow Removal			285,602.46
Parking Offenses Adjudication Act			114.00
Recreation - Swim Team			11,125.00
Police Donations			9,250.00
Public Defender			2,662.00
Off Duty Police Officer Fund			304,280.00
Various Miscellaneous Trust Funds			25,450.00
		<u>19,117.90</u>	<u>2,925,638.55</u>
		55,901.64	5,757,930.29
Decreased by Disbursements:			
Administrative Expenses		6,093.33	
Due to State of New Jersey		1,494.00	
Due Pool Operating Fund:			
Recreation Trust Interfund			5,375.00
Due Current Fund:			
Interest Income		0.40	
Interfund Returned		6,600.14	
Escrow Deposits - Refunds, Charges and Withdrawals			861,005.36
Unemployment Insurance Fund			2,541.91
Housing Trust			54,668.23
Tax Sale Premiums			49,400.00
Fire Penalties			1,834.00
Accumulated Absences			110,022.36
Snow Removal			28,925.62
Recreation			310,964.26
Recreation - Swim Team			9,650.35
Police Donations			16,591.15
Public Defender			170.00
Off Duty Police Officer Fund			287,090.00
Various Miscellaneous Trust Funds			5,340.00
		<u>14,187.87</u>	<u>1,743,578.24</u>
Balance December 31, 2015	B	<u>\$ 41,713.77</u>	<u>\$ 4,014,352.05</u>

**BOROUGH OF FLORHAM PARK**  
**ASSESSMENT TRUST FUND**  
**ANALYSIS OF CASH**  
**YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

**BOROUGH OF FLORHAM PARK**  
**ANIMAL CONTROL FUND**  
**SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES**

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 30,162.00
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 11,610.00
Cat Licenses		3,675.00
Late, Impound and Boarding Fees		<u>2,338.90</u>
		<u>17,623.90</u>
		47,785.90
Decreased by:		
Animal Control Expenditures		6,093.33
Statutory Excess - Due to Current Fund		<u>9,585.57</u>
		<u>15,678.90</u>
Balance December 31, 2015	B	<u><u>\$ 32,107.00</u></u>

License Fees Collected:

<u>Year</u>		
2013		\$ 15,605.60
2014		<u>16,501.40</u>
Maximum Allowable Reserve		<u><u>\$ 32,107.00</u></u>

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
GENERAL CAPITAL FUND

**BOROUGH OF FLORHAM PARK**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF CASH**

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 2,311,244.58
Increased by Receipts:		
Grants Receivable:		
New Jersey Department of Transportation	\$ 127,500.00	
Due from State and Federal Grant Fund:		
Little Red School House Grant	5,560.00	
Due Current Fund:		
Interest Earned	4,468.66	
Improvement Authorization Refunds	26,254.50	
Budget Appropriation:		
Capital Improvement Fund	40,000.00	
Deferred Charges to Future Taxation Unfunded	1,321,225.09	
Reserve for:		
Payment of Debt Service	73,442.56	
Premium on Serial Bond Issue	1,167,797.39	
Serial Bond Proceeds	11,917,000.00	
	14,683,248.20	
		16,994,492.78
Decreased by Disbursements:		
Improvement Authorization Expenditures	2,270,705.84	
Salt Shed	30,413.22	
Little Red School House	5,550.00	
Due to Water Utility Operating Fund	50,000.00	
Due to Current Fund	25,000.00	
Anticipated as Revenue in 2015 Budget - Current Fund	102,000.00	
Bond Anticipation Notes	12,066,000.00	
Due Current Fund:		
Interest Income	4,468.66	
	14,554,137.72	
Balance December 31, 2015	C	\$ 2,440,355.06

**BOROUGH OF FLORHAM PARK  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	Balance/ (Deficit) Dec. 31, 2014	Receipts			Disbursements			Transfers		Balance/ (Deficit) Dec. 31, 2015	
		Serial Bonds	Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	From	To		
Fund Balance	\$ 93,813.91			\$ 1,167,797.39					\$ 20,721.99	\$ 1,282,333.29	
Capital Improvement Fund	252,260.90		\$ 40,000.00					\$ 80,000.00		212,260.90	
Grants Receivable:											
New Jersey Transportation Trust Fund				127,500.00				170,000.00		(42,500.00)	
Due fom State and Federal Grant Fund				5,560.00				5,560.00			
Due Water Utility Operating Fund	50,000.00						\$ 50,000.00				
Due Current Fund	25,000.00			4,468.66				29,468.66			
Reserve for:											
Improvements to Little Red School House	26,050.00								5,550.00	26,060.00	
Payment of Debt Service	221,302.33			73,442.56					171,159.13	363,904.02	
Salt Shed Replacement	99,413.00								30,413.22	68,999.78	
<b>Ord. Date</b>	<b>Ord. No.</b>	<b>Improvement Authorizations</b>									
3/23/2004	04-05	Various Capital Improvements	14,205.93					14,205.93			
5/31/2006	06-14	Various Capital Improvements	\$ 1,098,500.00	71,000.00		\$ 1,169,500.00					
6/19/2007	07-17	Various Capital Improvements	6,690.51	679,000.00	46,551.09	718,000.00		14,241.60			
11/27/2007	07-23	Tax Refunding Ordinance	(435,240.95)	500,000.00		250,000.00				(185,240.95)	
10/6/2008	08-32	Reappropriation Ordinance	6,258.62					6,258.62			
6/23/2009	09-12	Various Capital Improvements	32,236.10	1,778,000.00	74,000.00	1,852,000.00				32,236.10	
6/23/2009	09-16	Road Improvements		255,000.00		255,000.00					
10/20/2009	09-17	Senior Center	55,599.23	346,000.00	194,000.00	\$ 51,371.26	540,000.00	4,227.97			
10/19/2010	10-18	Senior Drop In Center	25,185.00	26,500.00	1,000.00		27,500.00	25,185.00			
11/23/2010	10-19	Various Capital Improvements	163,946.91	1,771,000.00	112,000.00	73,166.24	1,883,000.00	39,602.10		51,178.57	
7/19/2011	11-13	Various Road Improvements	48,943.37	433,000.00	12,550.00		445,000.00	49,493.37			
4/12/2012	12-7	Various Capital Improvements	40,781.69	693,000.00	55,124.00	2,496.60	748,000.00	38,409.09			
2/7/2013	13-1	Elm Street Project	99,828.94	2,000,000.00	26,254.50	207,354.99	1,800,000.00			118,728.45	
5/28/2013	13-4	Various Road Improvements	162,966.17	714,000.00		153,539.17	714,000.00			9,427.00	
9/19/2013	13-11	Open Space Acquisition	257.44					257.44			
3/20/2014	14-3	Pool Improvements	803,208.00	950,000.00		803,208.00	950,000.00				
7/17/2014	14-12	Various Road Improvements	518,537.48	714,000.00		518,537.48	714,000.00				
6/11/2015	15-9	Various Road Improvements		714,000.00		461,032.10			206,000.00	458,967.90	
10/22/2015	15-10	Fire Department Vehicle						44,000.00		44,000.00	
<b>\$</b>	<b>2,311,244.58</b>	<b>\$</b>	<b>11,917,000.00</b>	<b>\$</b>	<b>1,361,225.09</b>	<b>\$</b>	<b>1,405,023.11</b>	<b>\$</b>	<b>2,270,705.84</b>	<b>\$</b>	<b>12,066,000.00</b>
								<b>\$</b>	<b>217,431.88</b>	<b>\$</b>	<b>217,431.88</b>
								<b>\$</b>	<b>447,441.12</b>	<b>\$</b>	<b>447,441.12</b>
										<b>\$</b>	<b>2,440,355.06</b>

**BOROUGH OF FLORHAM PARK**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ordinance Date	Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Improvement Authorizations	Improvement Authorizations Canceled	Funded by		Analysis of Balance December 31, 2015		
						Budget Appropriation	Serial Bonds	Balance Dec. 31, 2015	Expended	Unexpended Improvement Authorizations
5/31/2006	06-14	Various Capital Improvements	\$ 1,169,500.00			\$ 71,000.00	\$ 1,098,500.00			
6/19/2007	07-17	Various Capital Improvements	725,551.09			46,551.09	679,000.00			
11/27/2007	07-23	Refund of Taxes	2,058,341.80			500,000.00		\$ 1,558,341.80	\$ 185,240.95	\$ 1,373,100.85
6/23/2009	09-12	Various Capital Improvements	1,989,500.00		\$ 102,205.00	74,000.00	1,778,000.00	35,295.00		35,295.00
10/20/2009	09-16	Road Improvements	255,000.00			255,000.00				
10/20/2009	09-17	Senior Center	540,000.00			194,000.00	346,000.00			
11/23/2010	10-18	Senior Drop-In Center	27,500.00			1,000.00	26,500.00			
11/23/2010	10-19	Various Capital Improvements	1,883,000.00			112,000.00	1,771,000.00			
7/19/2011	11-13	Various Road Improvements	445,550.00			12,550.00	433,000.00			
4/12/2012	12-7	Various Capital Improvements	748,124.00			55,124.00	693,000.00			
2/7/2013	13-1	Elm Street Project	2,000,000.00				2,000,000.00			
5/28/2013	13-4	Various Road Improvements	714,000.00			714,000.00	714,000.00			
3/20/2014	14-3	Pool Improvements	950,000.00				950,000.00			
7/17/2014	14-12	Various Road Improvements	714,000.00				714,000.00			
6/11/2015	15-9	Various Road Improvements		\$ 714,000.00			714,000.00			
			<u>\$ 14,220,066.89</u>	<u>\$ 714,000.00</u>	<u>\$ 102,205.00</u>	<u>\$ 1,321,225.09</u>	<u>\$ 11,917,000.00</u>	<u>\$ 1,593,636.80</u>	<u>\$ 185,240.95</u>	<u>\$ 1,408,395.85</u>

Ref.

C

C

**BOROUGH OF FLORHAM PARK  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Ordinance			Balance Dec. 31, 2014		2015 Authorizations					Balance Dec. 31, 2015	
	No.	Date	Amount	Funded	Unfunded	Capital Improvement Fund	Deferred Charges to Future Taxation - Unfunded	Other Sources	Paid or Charged	Improvement Authorizations Canceled	Funded	Unfunded
Various Capital Improvements	04-05	3/23/2004	3,806,000.00	\$ 14,205.93						\$ 14,205.93		
Various Capital Improvements	07-17	6/19/2007	893,147.00		\$ 14,241.60					14,241.60		
Tax Refunding Ordinance	07-23	11/27/2007	6,185,000.00		1,373,100.85							\$ 1,373,100.85
Reappropriation Ordinance	08-32	10/6/2008	210,238.00	6,258.62						6,258.62		
Various Capital Improvements	09-12	6/23/2009	2,250,000.00		169,736.10					102,205.00	\$ 32,236.10	35,295.00
Senior Center	09-17	10/20/2009	600,000.00		55,599.23				\$ 51,371.26	4,227.97		
Senior Drop In Center	10-18	10/19/2010	30,000.00		25,185.00					25,185.00		
Various Capital Improvements	10-19	11/23/2010	2,100,000.00		163,946.91				73,166.24	39,602.10	51,178.57	
Various Road Improvements	11-13	7/19/2011	469,000.00		49,493.37					49,493.37		
Various Capital Improvements	12-7	4/12/2012	787,500.00		40,905.69				2,496.60	38,409.09		
Elm Street Project	13-1	2/7/2013	4,100,000.00		299,828.94				181,100.49		118,728.45	
Various Road Improvements	13-4	5/28/2013	750,000.00		162,966.17				153,539.17		9,427.00	
Open Space Acquisition	13-11	9/19/2013	415,000.00	257.44						257.44		
Pool Improvements	14-03	3/20/2014	1,000,000.00		803,208.00				803,208.00			
Various Road Improvements	14-12	7/17/2014	750,000.00		518,537.48				518,537.48			
Various Road Improvements	15-09	6/11/2015	920,000.00			\$ 36,000.00	\$ 714,000.00	\$ 170,000.00	461,032.10		458,967.90	
Fire Department Vehicle	15-10	10/22/2015	44,000.00			44,000.00					44,000.00	
				<u>\$ 20,721.99</u>	<u>\$ 3,676,749.34</u>	<u>\$ 80,000.00</u>	<u>\$ 714,000.00</u>	<u>\$ 170,000.00</u>	<u>\$ 2,244,451.34</u>	<u>\$ 294,086.12</u>	<u>\$ 714,538.02</u>	<u>\$ 1,408,395.85</u>
				Ref. C	C						C	C
									Cash Disbursed	\$ 2,270,705.84		
									Less Refunds	(26,254.50)		
										<u>\$ 2,244,451.34</u>		
									Capital Fund Balance	\$ 20,721.99		
									Reserve to Pay Debt Service	171,159.13		
									Deferred Charges to Future Taxation	102,205.00		
										<u>\$ 294,086.12</u>		

**BOROUGH OF FLORHAM PARK**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 252,260.90
Increased by:		
2015 Budget Appropriation		40,000.00
		292,260.90
Decreased by:		
Appropriated to Finance Improvement Authorizations		80,000.00
		80,000.00
Balance December 31, 2015	C	\$ 212,260.90
Analysis of Balance:		
General Capital Improvement Fund		\$ 20,718.25
Open Space Capital Improvement Fund		191,542.65
		\$ 212,260.90

**BOROUGH OF FLORHAM PARK**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**

Improvement Description	Ord. No.	Date of		Interest Rate	Balance Dec. 31, 2014	Matured	
		Issue of Original Note	Issue				Maturity
Various Capital Improvements	06-14	1/27/2011	10/22/2014	10/22/2015	1.25%	\$ 1,169,500.00	\$ 1,169,500.00
Various Capital Improvements	07-17	10/25/2012	10/22/2014	10/22/2015	1.25%	718,000.00	718,000.00
Tax Refunding	07-23	2/5/2008	1/22/2014	1/22/2015	0.51%	250,000.00	250,000.00
Various Capital Improvements	09-12	2/3/2010	10/22/2014	10/22/2015	1.25%	1,852,000.00	1,852,000.00
Road Improvements	09-16	2/3/2010	10/22/2014	10/22/2015	1.25%	250,000.00	250,000.00
		10/25/2012	10/22/2014	10/22/2015	1.25%	5,000.00	5,000.00
Senior Center	09-17	2/3/2010	10/22/2014	10/22/2015	1.25%	540,000.00	540,000.00
Senior Drop In Center	10-18	1/27/2011	10/22/2014	10/22/2015	1.25%	27,500.00	27,500.00
Various Capital Improvements	10-19	1/27/2011	10/22/2014	10/22/2015	1.25%	1,883,000.00	1,883,000.00
Various Road Improvements	11-13	10/25/2012	10/22/2014	10/22/2015	1.25%	445,000.00	445,000.00
Various Capital Improvements	12-07	10/25/2012	10/22/2014	10/22/2015	1.25%	748,000.00	748,000.00
Elm Street Project	13-01	10/22/2014	10/22/2014	10/22/2015	1.25%	1,800,000.00	1,800,000.00
Various Road Improvements	13-04	10/23/2013	10/22/2014	10/22/2015	1.25%	714,000.00	714,000.00
Pool Improvements	14-03	10/22/2014	10/22/2014	10/22/2015	1.25%	950,000.00	950,000.00
Various Road Improvements	14-12	10/22/2014	10/22/2014	10/22/2015	1.25%	714,000.00	714,000.00
						<u>\$ 12,066,000.00</u>	<u>\$ 12,066,000.00</u>
					<u>Ref.</u>	C	

**BOROUGH OF FLORHAM PARK**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Issued	Matured	Balance Dec. 31, 2015
			Date	Amount					
Series 2011 Refunding Bonds	11/2/2011	\$ 6,280,435.00	2/1/2016	\$ 1,034,597.00	3.00%	\$ 3,092,886.00		\$ 1,069,597.00	\$ 2,023,289.00
			2/1/2017	494,418.00	4.00%				
			2/1/2018	494,274.00	4.00%				
Serial Bonds - 2015	10/1/2015	11,917,000.00	10/15/2016	920,000.00	5.00%				
			10/15/2017	920,000.00	5.00%				
			10/15/2018	920,000.00	2.00%				
			10/15/2019	920,000.00	3.00%				
			10/15/2020	920,000.00	5.00%				
			10/15/2021	920,000.00	5.00%				
			10/15/2022	920,000.00	5.00%				
			10/15/2023	920,000.00	5.00%				
			10/15/2024	920,000.00	5.00%				
			10/15/2025	920,000.00	2.00%				
			10/15/2026	920,000.00	2.25%				
			10/15/2027	920,000.00	2.50%				
			10/15/2028	877,000.00	3.00%				
						\$ 11,917,000.00		11,917,000.00	
						\$ 3,092,886.00	\$ 11,917,000.00	\$ 1,069,597.00	\$ 13,940,289.00
					Ref.	C			C

**BOROUGH OF FLORHAM PARK**  
**GENERAL CAPITAL FUND**  
**GREEN ACRES PROGRAM - GREEN TRUST LOAN PAYABLE**  
**YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

**BOROUGH OF FLORHAM PARK**  
**GENERAL CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Date</u>	<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>2015 Authorizations</u>	<u>Funded by Budget Appropriation</u>	<u>Improvement Authorizations Canceled</u>	<u>Serial Bonds Issued</u>	<u>Balance Dec. 31, 2015</u>
6/19/2007	07-17	Various Capital Improvements	\$ 7,551.09		\$ 7,551.09			
11/27/2007	07-23	Tax Refunding	1,808,341.80		250,000.00			\$ 1,558,341.80
6/23/2009	09-12	Various Capital Improvements	137,500.00			\$ 102,205.00		35,295.00
7/17/2011	11-13	Various Road Improvements	550.00		550.00			
4/30/2012	12-7	Various Improvements	124.00		124.00			
2/7/2013	13-1	Elm Street Project	200,000.00				\$ 200,000.00	
6/11/2015	15-09	Various Road Improvements		\$ 714,000.00			714,000.00	
			<u>\$ 2,154,066.89</u>	<u>\$ 714,000.00</u>	<u>\$ 258,225.09</u>	<u>\$ 102,205.00</u>	<u>\$ 914,000.00</u>	<u>\$ 1,593,636.80</u>

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
WATER UTILITY FUND

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY FUND**  
**SCHEDULE OF CASH - TREASURER**

	Ref.	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2014	D	\$1,036,776.84	\$ 402,772.43
Increased by Receipts:			
Water Utility Collector		\$1,405,544.03	
Due Water Utility Capital Fund:			
Interest Earned		867.33	
Water Overpayments		5,794.56	
Interest on Investments		2,449.89	
Due from General Capital Fund		50,000.00	
Budget Appropriation:			
Capital Improvement Fund			\$ 50,000.00
Appropriation Refunds		70.00	
Due Water Utility Operating Fund:			
Interfund			50,000.00
Interest Earned			867.33
		<u>1,464,725.81</u>	<u>100,867.33</u>
		2,501,502.65	503,639.76
Decreased by Disbursements:			
2015 Appropriation Expenditures		1,321,430.62	
2014 Appropriation Reserve Expenditures		79,025.62	
Bond Anticipation Notes			294,000.00
Water Overpayments Refunded		324.76	
Due Water Capital Fund:			
Interfund		50,000.00	
Accrued Interest on Bonds		2,570.45	
Due Water Utility Operating Fund:			
Interest Earned			867.33
Improvement Authorizations			17,017.00
		<u>1,453,351.45</u>	<u>311,884.33</u>
Balance December 31, 2015	D	<u><u>\$1,048,151.20</u></u>	<u><u>\$ 191,755.43</u></u>

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY OPERATING FUND**  
**SCHEDULE OF CASH - COLLECTOR**  
**YEAR ENDED DECEMBER 31, 2015**

## Increased by Receipts:

## Consumer Accounts Receivable:

Water Rents	\$ 973,611.73
Miscellaneous Revenue	431,932.30
Total Consumer Accounts Receivable	<u>1,405,544.03</u>

## Decreased by Disbursements:

Paid to Treasurer	<u>\$ 1,405,544.03</u>
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**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**ANALYSIS OF CASH**

	Balance / (Deficit) Dec. 31, 2014	Receipts		Disbursements			Balance / (Deficit) Dec. 31, 2015
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Bond Anticipation Notes	Miscellaneous	
Fund Balance	\$ 185,599.92						\$ 185,599.92
Capital Improvement Fund	220,053.00	\$ 50,000.00					270,053.00
Due Water Utility Operating Fund	(50,000.00)		\$ 50,867.33			\$ 867.33	
Reserve for Payment of Debt Service	5,367.03						5,367.03
<u>Ord. Date</u>	<u>Ord. No.</u>	<u>Improvement Authorizations</u>					
4/22/2003	06-03	Water Main Improvements		1,374.45			1,374.45
3/29/2005	14-05	Various Water Improvements		69,125.70			69,125.70
5/31/2006	06-17	Iron and Maganese Removal Plant		(140,668.43)			(140,668.43)
5/28/2013	13-06	Water Valve Replacements		111,920.76	\$ 17,017.00	\$ 294,000.00	(199,096.24)
		<u>\$ 402,772.43</u>	<u>\$ 50,000.00</u>	<u>\$ 50,867.33</u>	<u>\$ 17,017.00</u>	<u>\$ 294,000.00</u>	<u>\$ 867.33</u>
							<u>\$ 191,755.43</u>

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 53,430.11
Increased by:		
Water Rents Levied		\$ 935,944.44
Miscellaneous Fees Levied		431,932.30
		<u>1,367,876.74</u>
		1,421,306.85
Decreased by:		
Collections:		
Water Rents:		
Received		973,611.73
Miscellaneous Fees		431,932.30
		<u>1,405,544.03</u>
Balance December 31, 2015	D	<u>\$ 15,762.82</u>

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 4,645,246.00
Balance December 31, 2015	D	<u>\$ 4,645,246.00</u>

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Improvement Description	Ordinance		Balance	Balance
	No.	Date	Dec. 31, 2014	Dec. 31, 2015
Various Water Improvements	06-03	04/22/03	\$ 629,500.00	\$ 629,500.00
Various Water Improvements	14-05	03/29/05	221,000.00	221,000.00
Iron and Maganese Removal Plant	06-17	06/28/05	7,800,000.00	7,800,000.00
Water Valve Replacements	13-6	5/28/2013	479,000.00	479,000.00
			<u>\$ 9,129,500.00</u>	<u>\$ 9,129,500.00</u>
			D	D

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY OPERATING FUND**  
**SCHEDULE OF 2014 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 52,585.08	\$ 52,585.08		\$ 52,585.08
Other Expenses	238,258.30	238,258.30	\$ 79,025.62	159,232.68
	<u>\$ 290,843.38</u>	<u>\$ 290,843.38</u>	<u>\$ 79,025.62</u>	<u>\$ 211,817.76</u>

Ref.

Analysis of Balance December 31, 2014:

Appropriation Reserves:

Unencumbered	D	\$ 240,607.03
Encumbered	D	50,236.35
		<u>\$ 290,843.38</u>

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	No.	Ordinance		Balance Dec. 31, 2014		Paid or Charged	Balance Dec. 31, 2015	
		Date	Amount	Funded	Unfunded		Funded	Unfunded
Various Water Improvements	06-03	4/22/2003	\$ 629,500.00	\$ 1,374.45			\$ 1,374.45	
Various Water Improvements	14-05	3/29/2005	221,000.00	69,125.70			69,125.70	
Iron & Maganese Removal Plant	06-17	5/31/2006	7,800,000.00		\$ 7,659,331.57			\$ 7,659,331.57
Water Valve Replacements	13-06	5/28/2013	479,000.00		111,920.76	\$ 17,017.00		94,903.76
				<u>\$ 70,500.15</u>	<u>\$ 7,771,252.33</u>	<u>\$ 17,017.00</u>	<u>\$ 70,500.15</u>	<u>\$ 7,754,235.33</u>
			<u>Ref.</u>	D	D		D	D

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 220,053.00
Increased by:		
2015 Budget Appropriation		<u>50,000.00</u>
Balance December 31, 2015	D	<u><u>\$ 270,053.00</u></u>

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 4,551,495.00
Increased by:		
Paid by Operating Budget		<u>20,403.00</u>
Balance December 31, 2015	D	<u>\$ 4,571,898.00</u>

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2015</u>
Various Water Improvements	06-03	04/22/03	\$ 629,500.00	\$ 629,500.00
Various Water Improvements	14-05	03/29/05	232,637.00	232,637.00
Water Valve Replacements	13-6	5/28/2013	185,000.00	185,000.00
			<u>\$1,047,137.00</u>	<u>\$1,047,137.00</u>
		<u>Ref.</u>	D	D

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**  
**YEAR ENDED DECEMBER 31, 2015**

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Ordinance</u>	<u>Date of</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2014</u>	<u>Matured</u>	
			<u>Issue of Original Note</u>	<u>Issue</u>				<u>Maturity</u>
Water Valve Replacement	5/28/2013	5/28/2013	10/23/2013	10/22/2014	10/22/2015	1.25%	\$ 294,000.00	\$ 294,000.00
							<u>\$ 294,000.00</u>	<u>\$ 294,000.00</u>
						<u>Ref.</u>	D	

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS PAYABLE**  
**YEAR ENDED DECEMBER 31, 2015**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
			Date	Amount				
Series 2011 Refunding Bonds	11/2/2011	\$ 139,565.00	2/1/2016	\$ 20,403.00	3.00%	\$ 82,114.00	\$ 20,403.00	\$ 61,711.00
			2/1/2017	20,582.00	4.00%			
			2/1/2018	20,726.00	4.00%			
						<u>\$ 82,114.00</u>	<u>\$ 20,403.00</u>	<u>\$ 61,711.00</u>
						<u>\$ 82,114.00</u>	<u>\$ 20,403.00</u>	<u>\$ 61,711.00</u>
					<u>Ref.</u>	D		D

**BOROUGH OF FLORHAM PARK**  
**WATER UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Date	Ord. No.	Improvement Description	Balance Dec. 31, 2014	Bond Anticipation Notes Redeemed	Balance Dec. 31, 2015
06/28/05	06-17	Iron and Manganese Removal Plant	\$ 7,800,000.00		\$ 7,800,000.00
5/28/2013	13-06	Water Valve Replacement		\$ 294,000.00	294,000.00
			<u>\$ 7,800,000.00</u>	<u>\$ 294,000.00</u>	<u>\$ 8,094,000.00</u>

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
SEWER UTILITY FUND

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY FUND**  
**SCHEDULE OF CASH AND INVESTMENTS - TREASURER**

	<u>Ref.</u>	<u>Operating</u>	<u>Trust</u>	<u>Capital</u>
Balance December 31, 2014	E	\$ 5,579,622.72	\$ 60,004.12	\$ 1,089,334.33
Increased by Receipts:				
Sewer User Charges		\$ 3,871,711.77		
Sewer Overpayments		2,686.08		
Sewer Connection Fees		209,986.50		
Budget Appropriation:				
Deferred Charges to Future Revenue				\$ 300,000.00
Miscellaneous Revenue		16,155.27		
Appropriation Refunds		17,398.30		
Due Current Fund Fund:				
Interfund Returned		61,059.00		
Due Sewer Utility Capital Fund:				
Interest Earned		2,256.42		
Interest Earned:				
Interest on Investments		7,177.80	\$ 185.30	2,256.42
		<u>4,188,431.14</u>	<u>185.30</u>	<u>302,256.42</u>
		9,768,053.86	60,189.42	1,391,590.75
Decreased by Disbursements:				
2015 Appropriation Expenditures		3,196,014.63		
2014 Appropriation Reserve Expenditures		127,013.58		
Accrued Interest on Bonds		56,650.00		
Accrued Interest on Loans		31,996.42		
Fund Balance Anticipated in Current Fund		635,000.00		
Due Sewer Utility Operating Fund:				
Interest Earned				2,256.42
		<u>4,046,674.63</u>	<u>                    </u>	<u>2,256.42</u>
Balance December 31, 2015	E	<u>\$ 5,721,379.23</u>	<u>\$ 60,189.42</u>	<u>\$ 1,389,334.33</u>

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF CASH - COLLECTOR**  
**YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**ANALYSIS OF CASH**

	Balance / (Deficit) Dec. 31, 2014	Receipts		Disbursements		Balance / (Deficit) Dec. 31, 2015
		Budget Appropriation	Miscellaneous	Miscellaneous	Transfers From      To	
Capital Improvement Fund					\$ 500,000.00	\$ 500,000.00
Due Sewer Utility Operating Fund			\$ 2,256.42	\$ 2,256.42	\$ 500,000.00	(500,000.00)
Reserve for Sewer Extension	\$ 536,398.76					536,398.76
<u>Ord. Date</u>	<u>Ord. No.</u>	<u>Improvement Authorizations</u>				
N/A	N/A	Renewal and Replacement	658,602.25			658,602.25
6/19/2014	14-10	Repair of Timber Court Sewer	(105,666.68)	300,000.00		194,333.32
			<u>\$ 1,089,334.33</u>	<u>\$ 300,000.00</u>	<u>\$ 2,256.42</u>	<u>\$ 2,256.42</u>
				<u>\$ 500,000.00</u>	<u>\$ 500,000.00</u>	<u>\$ 1,389,334.33</u>

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 860,370.07
Increased by:		
Sewer Rents Levied		3,961,506.13
		<u>4,821,876.20</u>
Decreased by:		
Collections:		
Sewer User Charges Received	\$ 3,871,711.77	
Cancellations	<u>25,323.31</u>	
		<u>3,897,035.08</u>
Balance December 31, 2015	E	<u><u>\$ 924,841.12</u></u>

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 16,116,793.56
Balance December 31, 2015	E	<u>\$ 16,116,793.56</u>

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Amount</u>	<u>Balance</u>	<u>Balance</u>
	<u>No.</u>	<u>Date</u>		<u>Dec. 31, 2014</u>	<u>Dec. 31, 2015</u>
Renewal and Replacement	N/A	N/A	\$ 1,014,654.00	\$ 1,014,654.00	\$ 1,014,654.00
Repair of Timber Court	14-10	6/19/2014	300,000.00	300,000.00	300,000.00
				<u>\$ 1,314,654.00</u>	<u>\$ 1,314,654.00</u>
			<u>Ref.</u>	E	E

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY OPERATING FUND**  
**SCHEDULE OF 2014 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 2,095.12	\$ 2,095.12		\$ 2,095.12
Other Expenses	588,094.91	588,094.91	\$ 141,513.58	446,581.33
Capital Improvements:				
Capital Outlay	125,000.00	125,000.00		125,000.00
	<u>\$ 715,190.03</u>	<u>\$ 715,190.03</u>	<u>\$ 141,513.58</u>	<u>\$ 573,676.45</u>
	<u>Ref.</u>			
<u>Analysis of Balance December 31, 2014:</u>		Cash Disbursed	\$ 127,013.58	
		Contracts Payable	14,500.00	
			<u>\$ 141,513.58</u>	
Appropriation Reserves:				
Unencumbered	E	\$ 665,305.34		
Encumbered	E	49,884.69		
		<u>\$ 715,190.03</u>		

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Ordinance			Balance Dec. 31, 2014		Balance Dec. 31, 2015	
	No.	Date	Amount	Funded	Unfunded	Funded	Unfunded
Renewal and Replacement	N/A	N/A	\$ 1,014,654.00	\$ 658,602.25		\$ 658,602.25	
Repair of Timber Court	14-10	6/19/2014	300,000.00		\$ 194,333.32		\$ 194,333.32
				<u>\$ 658,602.25</u>	<u>\$ 194,333.32</u>	<u>\$ 658,602.25</u>	<u>\$ 194,333.32</u>
				<u>Ref.</u>	E	E	E

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**  
**YEAR ENDED DECEMBER 31, 2015**

Ref.

Increased by:

2015 Budget Appropriation

\$ 500,000.00

Balance December 31, 2015

E

\$ 500,000.00

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 12,616,428.44
Increased by:		
Paid by Sewer Utility Operating Budget:		
Bonds		\$ 430,000.00
Loans		140,869.80
		<u>570,869.80</u>
Balance December 31, 2015	E	<u>\$ 13,187,298.24</u>

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2014</u>	<u>Paid by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
Renewal and Replacement	N/A	N/A	\$ 1,014,654.00	\$ 300,000.00	\$ 1,314,654.00
			<u>\$ 1,014,654.00</u>	<u>\$ 300,000.00</u>	<u>\$ 1,314,654.00</u>

Ref.

E

E

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS ANTICIPATION NOTES PAYABLE**  
**YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding Dec. 31, 2015		Interest Rate	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
			Date	Amount				
Series 2011 Refunding Bonds	11/2/2011	\$ 3,040,000.00	2/1/2016	\$ 440,000.00	3.00%	\$ 1,795,000.00	\$ 430,000.00	\$ 1,365,000.00
			2/1/2017	455,000.00	4.00%			
			2/1/2018	470,000.00	4.00%			
						<u>\$ 1,795,000.00</u>	<u>\$ 430,000.00</u>	<u>\$ 1,365,000.00</u>
					<u>Ref.</u>	E		E

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE**  
**TRUST LOAN PAYABLE**

	<u>Ref.</u>	
Balance December 31, 2014	E	\$ 1,705,363.88
Decreased by:		
Matured		140,869.80
Balance December 31, 2015	E	\$ 1,564,494.08

Analysis of Loan Outstanding December 31, 2015

<u>Due</u>	<u>Interest Rate</u>	<u>Trust</u>		<u>Fund Principal</u>	<u>Balance of</u>
		<u>Interest</u>	<u>Principal</u>		<u>Loan</u>
					\$ 1,564,494.08
2016	4.000%	\$ 37,212.50	\$ 70,000.00	\$ 69,066.04	1,425,428.04
2017	4.000%	34,412.50	75,000.00	70,483.27	1,279,944.77
2018	4.250%	31,412.50	75,000.00	68,550.69	1,136,394.08
2019	4.250%	28,225.00	80,000.00	69,718.29	986,675.79
2020	4.500%	24,825.00	85,000.00	70,749.01	830,926.78
2021	4.375%	21,000.00	90,000.00	71,505.94	669,420.84
2022	4.375%	17,062.50	90,000.00	68,969.41	510,451.43
2023	4.375%	13,125.00	95,000.00	69,653.87	345,797.56
2024	4.375%	8,968.75	100,000.00	70,197.41	175,600.15
2025	4.375%	4,593.75	105,000.00	70,600.15	-0-
		\$ 220,837.50	\$ 865,000.00	\$ 699,494.08	

**BOROUGH OF FLORHAM PARK**  
**SEWER UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance</u>		<u>Improvement Description</u>	<u>Balance</u>	<u>Funded by Budget</u>
<u>Date</u>	<u>No.</u>		<u>Dec. 31, 2014</u>	<u>Appropriation</u>
6/19/2014	14-10	Repair of Timber Court	\$ 300,000.00	\$ 300,000.00
			<u>\$ 300,000.00</u>	<u>\$ 300,000.00</u>

BOROUGH OF FLORHAM PARK  
COUNTY OF MORRIS  
2015  
POOL UTILITY FUND

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY FUND**  
**SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2014	F	\$ 289,809.49	\$ 188,367.92
Increased by Receipts:			
Pool Utility Collector		\$ 190,026.30	
Due Sewer Utility Capital Fund:			
Interest Earned		545.37	
Interest Earned		536.95	
Budget Appropriation:			
Deferred Charges to			
Future Revenue			\$ 20,000.00
Due from Other Trust Fund:			
Interfund Returned		5,375.00	
Due Pool Utility Operating Fund:			
Interfund Returned			20,000.00
Interest Earned			545.37
		<u>196,483.62</u>	<u>40,545.37</u>
		486,293.11	228,913.29
Decreased by Disbursements:			
2015 Appropriation Expenditures		149,555.38	
Due Sewer Utility Operating Fund:			
Interfund Returned		20,000.00	
Interest Earned			545.37
Improvement Authorizations			3,284.00
		<u>169,555.38</u>	<u>3,829.37</u>
Balance December 31, 2015	F	<u>\$ 316,737.73</u>	<u>\$ 225,083.92</u>

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY OPERATING FUND**  
**SCHEDULE OF CASH - COLLECTOR**  
**YEAR ENDED DECEMBER 31, 2015**

Increased by Receipts:

Consumer Accounts Receivable:

Sewer User Charges

\$ 144,555.00

Miscellaneous Revenue

45,471.30

Paid to Treasurer

\$ 190,026.30

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**ANALYSIS OF CASH**

	Balance/ (Deficit) Dec. 31, 2014	Receipts		Disbursements		Balance/ (Deficit) Dec. 31, 2015
		Budget Appropriation	Miscellaneous	Improvement Authorizations	Miscellaneous	
Fund Balance	\$ 66,307.37					\$ 66,307.37
Capital Improvement Fund	156,961.00					156,961.00
Due Pool Utility Operating Fund	(20,000.00)		\$ 20,545.37		\$ 545.37	
<u>Ord. Date</u>	<u>Ord. No.</u>	<u>Improvement Authorizations</u>				
3/14/2006	06-07	Various Improvements to Swimming Pool				
06/19/14	14-07	Rehab Snack Bar & Other Improvements				
		(28,217.45)	20,000.00			(8,217.45)
		13,317.00		\$ 3,284.00		10,033.00
		<u>\$ 188,367.92</u>	<u>\$ 20,000.00</u>	<u>\$ 20,545.37</u>	<u>\$ 3,284.00</u>	<u>\$ 545.37</u>
						<u>\$ 225,083.92</u>

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY OPERATING FUND**  
**SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE**

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ -0-
Increased by:		
Pool Fees Levied		\$ 144,555.00
Miscellaneous Fees Levied		46,553.62
		191,108.62
		191,108.62
Decreased by:		
Collections:		
Pool User Charges Received		144,555.00
Miscellaneous Fees		46,553.62
		191,108.62
Balance December 31, 2015	F	\$ -0-

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 1,340,687.45
Balance December 31, 2015	F	<u><u>\$ 1,340,687.45</u></u>

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED**

Improvement Description	Ordinance		Balance	Balance
	No.	Date	Dec. 31, 2014	Dec. 31, 2015
Pool Facility Improvements	14-07	06/19/14	\$ 20,000.00	\$ 20,000.00
			<u>\$ 20,000.00</u>	<u>\$ 20,000.00</u>
		<u>Ref.</u>	F	F

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY OPERATING FUND**  
**SCHEDULE OF 2014 APPROPRIATION RESERVES**  
**YEAR ENDED DECEMBER 31, 2015**

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Balance After</u> <u>Modification</u>	<u>Balance</u> <u>Lapsed</u>
Operating:			
Salaries and Wages	\$ 22,148.90	\$ 22,148.90	\$ 22,148.90
Other Expenses	26,445.69	26,445.69	26,445.69
	<u>\$ 48,594.59</u>	<u>\$ 48,594.59</u>	<u>\$ 48,594.59</u>

Ref.

Analysis of Balance December 31, 2014:

Appropriation Reserves:		
Unencumbered	F	<u>\$ 48,594.59</u>

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Improvement Description	Ordinance		Amount	Balance	Paid or	Balance
	No.	Date		Dec. 31, 2014		Charged
				Funded		Funded
Pool Facility Improvements	14-07	06/19/14	\$ 20,000.00	\$ 13,317.00	\$ 3,284.00	\$ 10,033.00
				<u>\$ 13,317.00</u>	<u>\$ 3,284.00</u>	<u>\$ 10,033.00</u>
				Ref.	F	F

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 156,961.00
Balance December 31, 2015	F	<u>\$ 156,961.00</u>

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF RESERVE FOR AMORTIZATION**

	<u>Ref.</u>	
Balance December 31, 2014	F	\$ 1,312,470.00
Increased by:		
Paid by Pool Utility Operating Budget:		
Deferred Charges to Future Revenue Ordinance #06-07		<u>20,000.00</u>
Balance December 31, 2015	F	<u><u>\$ 1,332,470.00</u></u>

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION**

<u>Improvement Description</u>	<u>Ord. No.</u>	<u>Ordinance Date</u>	<u>Balance Dec. 31, 2014</u>	<u>Balance Dec. 31, 2015</u>
Pool Facility Improvements	14-07	6/19/2014	<u>\$ 20,000.00</u>	<u>\$ 20,000.00</u>
			<u>\$ 20,000.00</u>	<u>\$ 20,000.00</u>
		<u>Ref.</u>	F	F

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE**  
**YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF SERIAL BONDS PAYABLE**  
**YEAR ENDED DECEMBER 31, 2015**

NOT APPLICABLE

**BOROUGH OF FLORHAM PARK**  
**POOL UTILITY CAPITAL FUND**  
**SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**  
**YEAR ENDED DECEMBER 31, 2015**

<u>Ordinance Date</u>	<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2014</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2015</u>
3/14/2006	06-07	Various Improvements to Swimming Pool	\$ 28,217.45	\$ 20,000.00	\$ 8,217.45
			<u>\$ 28,217.45</u>	<u>\$ 20,000.00</u>	<u>\$ 8,217.45</u>

BOROUGH OF FLORHAM PARK

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2015

BOROUGH OF FLORHAM PARK  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2015

Name of Federal Agency or Department	Name of Program	C.F.D.A Account Number	State Pass Through Entity ID	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures	Amounts Provided to Subrecipients
				From	To					
U.S. Department of Housing and Urban Development: (Passed through New Jersey Department of Community Affairs)										
	Community Development Block Grant - Little Red School House	14.228	N/A	01/01/10	12/31/13	\$ 45,616.00	\$ 4,440.00	\$ 5,560.00	\$ 11,120.00	
Total Department of Housing and Urban Development							4,440.00	5,560.00	11,120.00	
U.S. Department of Transportation (Passed through the Department of Law and Public Safety)										
	Drive Sober or Get Pulled Over	20.602	99-066-1160-100-157	01/01/15	12/31/16	3,550.00	3,550.00			
(Passed through New Jersey Department of Transportation)										
	Various Road Improvements	20.205	N/A	01/01/15	12/31/16	170,000.00	127,500.00	170,000.00	170,000.00	
	Various Road Improvements	20.205	N/A	01/01/14	12/31/16	158,767.00	73,442.56		158,767.00	
Total Department of Transportation							204,492.56	170,000.00	170,000.00	
U.S. Department of Homeland Security (Passed through the Department of Law and Public Safety)										
	Disaster Grant - Public Assistance - F.E.M.A	97.036	N/A	01/01/15	12/31/15	285,602.46	285,602.46	285,602.46	285,602.46	
Total Federal Awards							\$ 494,535.02	\$ 461,162.46	\$ 466,722.46	\$ -0-

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF FLORHAM PARK  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2015

Name of State Agency or Department	Name of Program	State Grant Award Number	Grant Period		Grant Award	Amount Received	Amount of Expenditures	Cumulative Expenditures	
			From	To					
Department of Environmental Protection	Clean Communities	765-042-4900- 004-V42Y-6020	01/01/13	12/31/15	\$ 19,948.78		\$ 1,948.78	\$ 19,948.78	
			01/01/14	12/31/15	18,708.79		18,708.79	18,708.79	
			01/01/15	12/31/16	22,737.90	\$ 22,737.90	12,297.29	12,297.29	
	Total Clean Communities						22,737.90	32,954.86	50,954.86
	Recycling Tonnage Grant	752-042-4900- 001-6010	01/01/10	12/31/15	49,272.81		25,438.91	49,272.81	
			01/01/11	12/31/15	30,404.69		23,289.56	30,404.69	
			01/01/12	12/31/16	30,040.69		15,271.53	15,271.53	
	Total Recycling Tonnage Grant							64,000.00	94,949.03
	Total Department of Environmental Protection						22,737.90	96,954.86	145,903.89
	Department of Law and Public Safety	Body Armor Grant	718-066-1020- 001-YCJS-6010	01/01/15	12/31/16	3,194.21	3,194.21		
Total Body Armor Grant						3,194.21			
Drunk Driving Enforcement Fund		100-078-6400- 260-6010	01/01/11	12/31/15	7,400.15		5,454.01	6,531.71	
			01/01/15	12/31/16	4,279.13	4,279.13			
Total Drunk Driving Enforcement						4,279.13	5,454.01	6,531.71	
Total Department of Law and Public Safety						7,473.34	5,454.01	6,531.71	
Department of Health and Senior Services	Alcohol Education Rehabilitation Fund	760-098-9735- 789-6010	01/01/15	12/31/16	1,709.06	\$ 1,709.06			
			Total Alcohol Education Rehabilitation Fund						1,709.06
	Total Department of Health and Senior Services						1,709.06		
Total State Awards						\$ 31,920.30	\$ 102,408.87	\$ 152,435.60	

N/A - Not Available

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF FLORHAM PARK  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2015

Note 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards (the "Schedules") include the federal and state grant activity of the Borough of Florham Park under programs of the federal and state governments for the year ended December 31, 2015. The information in these schedules is presented in accordance with the requirements of the 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's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Borough, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Borough.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Borough has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 4. STATE LOANS OUTSTANDING

The Borough of Florham Park has the following loan outstanding as of December 31, 2015:

New Jersey Environmental Infrastructure Trust Loan	\$ 1,564,494.08
--	-----------------

The Borough entered into an agreement with the New Jersey Environmental Infrastructure Trust in October 2005 for the amount of \$2,375,000, to finance a portion of the sewer improvement project. Currently, the Borough is in the process of repaying the loan balance. There were no loan receipts or expenditures in the current year. The project which relates to the loan is complete.



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 200 Valley Road, Suite 300  
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Report on Internal Control Over  
 Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements  
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Borough of Florham Park, in the County of Morris (the "Borough") as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated June 30, 2016. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

**Internal Control Over Financial Reporting**

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

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

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

Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2015-01, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

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

### **The Borough's Response to the Finding**

The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

June 30, 2016  
Mount Arlington, New Jersey

NISIVOCCIA LLP



Raymond G. Sarinelli  
Certified Public Accountant  
Registered Municipal Accountant No. 383

BOROUGH OF FLORHAM PARK  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Borough's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- A significant deficiency disclosed during the audit of the financial statements is reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Borough which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Borough was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for the year ended December 31, 2015 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2015-01

Segregation of Duties

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments/offices of the Borough are responsible for the issuance of permits and licenses; collections of taxes and permit and license fees; and recording of collections. Also, the reconciliation of bank accounts, the preparation of the general ledger for the various funds as well as the preparation of payroll are performed by one person, the Chief Financial Officer. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response

The finding was evaluated, however, due to budgetary constraints; no resolution can be made at this time.

BOROUGH OF FLORHAM PARK  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2015

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.

BOROUGH OF FLORHAM PARK  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2015

The Borough's prior year audit finding regarding segregation of duties has not been completely resolved and is included as finding 2015-01.

BOROUGH OF FLORHAM PARK

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

BOROUGH OF FLORHAM PARK  
COMMENTS AND RECOMMENDATIONS

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

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective June 30, 2015 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 is \$17,500, and with a qualified purchasing agent the threshold may be up to \$40,000.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

BOROUGH OF FLORHAM PARK  
COMMENTS AND RECOMMENDATIONS

(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes

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

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

"The interest penalty for delinquent taxes to be charged by the Chief Revenue Collector for tax payment delinquencies shall be 8% per annum of the first \$1,500 (tax bill) and 18% per annum on any amount in excess of \$1,500 payable from tax due dates. A penalty of up to 6% may be charged on any delinquency in excess of \$10,000 if not paid by the end of the fiscal year."

"No interest shall be charged if payment of any installment is made within ten (10) days after the date on which same is payable, said ten (10) days to be straight calendar days and if the tenth day falls on a Saturday, Sunday or Legal Holiday, then the grace period shall be extended to the next business day. After the ten (10) day "GRACE PERIOD", interest is charged from the due date."

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on November 15, 2015, and included all items which were eligible for sale.

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

<u>Year</u>	<u>Number of Liens</u>
2015	2
2014	2
2013	2

BOROUGH OF FLORHAM PARK  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, consisting of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2015 & 2016 Taxes	20
Payments of Utility Charges	20
Delinquent Taxes	15
Delinquent Utility Charges	20
Tax Title Liens	2

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting system.

The Borough is currently in compliance with the above accounting requirements.

Tax Collection

During our review of the tax collector records it was noted that a number of tax overpayments remained outstanding at year end. It is our suggestion that the tax collector review and settle all tax overpayments.

Federal and State Grant Fund

During our review of the Federal and State Grant Fund it was noted that one grant was not properly appropriated through the budget.

It is recommended that all grants be appropriated through the budget and maintained in the Federal and State Grant Fund.

Management Response

The CFO will ensure that all grants are properly accounted for and appropriated through the budget and maintained in the Federal and State Grant Fund.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough Magistrate under separate cover. Reflected on the following page is a summary of Receipts and Disbursements for the year ended December 31, 2015.

BOROUGH OF FLORHAM PARK  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Municipal Court (Cont'd)

	Balance Dec. 31, 2014	Receipts	Disbursements	Balance Dec. 31, 2015
State of New Jersey	\$ 9,408.94	\$ 114,776.54	\$ 114,887.18	\$ 9,298.30
County of Morris	8,577.50	80,442.00	83,468.50	5,551.00
Municipality	15,601.42	168,287.60	173,180.32	10,708.70
Municipality - POAA	8.00	112.00	118.00	2.00
Conditional Discharge		613.00	613.00	
Weights and Measures	2,450.00	27,550.00	29,550.00	450.00
State Lab				
Public Defender	350.00	2,492.00	2,662.00	180.00
Restitution	227.14	1,119.55	1,346.69	
Bail	4,666.42	19,989.00	5,466.42	19,189.00
	<u>\$ 41,289.42</u>	<u>\$ 415,381.69</u>	<u>\$ 411,292.11</u>	<u>\$ 45,379.00</u>

During our review of the Bail account it was noted that the Bail book balance does not match the Bail Analysis of Balance from the court computer system, and monies are not turned over to the proper agencies on or before the 15<sup>th</sup> of the following month. During our review of the Tickets Assigned but Not Issued Report tickets were found which were assigned but had not been issued in over six months.

It is recommended that the Bail account be reconciled monthly with the Bail Analysis of Balance from the court computer system on a monthly basis and monies be turned over to the proper agencies by the 15<sup>th</sup> of the following month. It is recommended that all tickets assigned be recalled and reissued to officers if they have not been issued in a six month period.

Management Response:

The Court Administrator will work to ensure that the Bail account will be reconciled monthly with the Bail Analysis of Balance on the computer system and that monies are turned over to the proper agencies by the 15<sup>th</sup> of the following month. The Court Administrator will work to ensure that all tickets assigned be recalled and reissued to officers if they have not been issued in a six month period.

Management Suggestions

Cyber Security

Cyber-crime has become much more prevalent in the last few years. Websites and internal networks, including personally identifiable information ("PII"), have been hacked and resulted in significant losses to organizations, both financial and reputational. We suggest that the Township consider options to test and protect the Township from cyber-crime.

BOROUGH OF FLORHAM PARK  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Management Suggestions (Cont'd)

Independent Contractors vs. Employees

The Borough should consider reviewing the status of "Independent Contractors" utilized by the Borough with Internal Revenue Service guidelines for determination of employment status. The IRS has been reviewing employers, including governments, to determine compliance. A proactive approach may help to minimize or eliminate potential penalties related to incorrect employment status determination.

Deferred Compensation Plans

The Borough has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the Borough. The Borough should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the Borough's fiduciary responsibilities.

Status of Prior Year Recommendations

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2014 audit report. The recommendations regarding the grant budget approval, timely deposits of Pool Operating Fund receipts and Payroll account reconciliations have been resolved in the current year. The prior year recommendations regarding segregation of duties and bail account reconciliations have not been resolved and are included in the current year's report.

BOROUGH OF FLORHAM PARK  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. An adequate segregation of duties be maintained with respect to the recording and treasury functions.
2. All grants be appropriated through the budget and maintained in the Federal and State Grant Fund.
3. The Bail account be reconciled monthly with the Bail Analysis of Balance from the court computer system and that monies are turned over to the proper agencies by the 15th of the following month.
4. All tickets assigned be recalled and reissued to officers if they have not been issued in a six month period.

\* \* \* \* \*