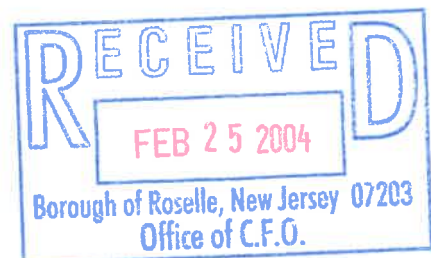


Report of Audit
on the
Financial Statements
of the
Borough of Roselle
in the
County of Union
New Jersey
for the
Fiscal Year Ended
June 30, 2003



BOROUGH OF ROSELLE

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BOROUGH OF ROSELLE

PART I

INDEPENDENT AUDITOR'S REPORT ON
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FINANCIAL STATEMENTS - STATUTORY BASIS - ALL FUNDS

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SUPPLEMENTARY SCHEDULES - ALL FUNDS

FISCAL YEAR ENDED JUNE 30, 2003



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Roselle
County of Union
Roselle, New Jersey 07203

We have audited the accompanying financial statements - statutory basis of the various individual funds of the Borough of Roselle, County of Union, New Jersey as of and for the fiscal years ended June 30, 2003 and 2002 and for the fiscal year ended June 30, 2003, as listed as financial statements - statutory basis in the foregoing table of contents. These financial statements - statutory basis are the responsibility of the management of the Borough of Roselle, County of Union. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 98-07, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, except for the omission of a statement of general fixed assets, the Borough of Roselle, County of Union, prepares its financial statements on a prescribed basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

SUPLEE, CLOONEY & COMPANY


In our opinion, because the Borough of Roselle prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the various individual funds of the Borough of Roselle, County of Union, as of June 30, 2003 and 2002 or the results of its operations and changes in fund balance for the fiscal years then ended or the revenues or expenditures for the fiscal year ended June 30, 2003.

However, in our opinion, except for the omission noted in the third paragraph, the financial statements - statutory basis present fairly, in all material respects, the financial position - statutory basis of the various individual funds of the Borough of Roselle, County of Union, as of June 30, 2003 and 2002, and the results of its operations and changes in fund balance - statutory basis for the fiscal years then ended and the revenues, expenditures and changes in fund balance - statutory basis for the fiscal year ended June 30, 2003, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 2003 on our consideration of the Borough of Roselle's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - statutory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by New Jersey OMB's, Circular 98-07, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended for the information of the Borough of Roselle, County of Union, New Jersey, the Division of Local Government Services and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

December 15, 2003

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CURRENT FUND

"A"

BOROUGH OF ROSELLE

CURRENT FUND

BALANCE SHEETS - STATUTORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2003</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2002</u>
<u>ASSETS</u>			
Cash	A-4	\$ 5,049,720.86	\$ 3,577,519.19
Cash-Collectors' Change Fund	A-5	400.00	200.00
Due From State of New Jersey-Senior Citizens and Veterans Deductions	A-13	125,718.90	93,832.30
Federal and State Grants Receivable	A-7	607,160.92	81,335.00
		<u>\$ 5,783,000.68</u>	<u>\$ 3,752,886.49</u>
Receivable and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 1,242,178.53	\$ 1,232,505.07
Tax Title Liens Receivable	A-9	77,312.65	141,520.53
Property Acquired For Taxes-Assessed Valuation	A-10	1,905,231.61	2,077,131.61
Revenue Accounts Receivable	A-11	30,829.77	34,703.78
Interfunds Receivable	A-16	1,760.80	2,229.20
	A	<u>\$ 3,257,313.36</u>	<u>\$ 3,488,090.19</u>
		<u>\$ 9,040,314.04</u>	<u>\$ 7,240,976.68</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3:A-17	\$ 1,069,725.13	\$ 705,725.16
Encumbrances Payable	A-20	501,937.51	384,984.21
Due Township of Cranford - Construction Code Fees	A-6		11,328.00
Reserve for Federal and State Grants	A-14	757,616.96	395,681.18
Prepaid Revenue	A-15	14,800.00	14,860.00
Reserve for State Grants-Unappropriated	A-18	6,885.43	10,990.38
Prepaid Taxes	A-21	62,336.67	54,500.36
Tax Overpayments	A-22	283,149.22	221,668.71
Sale of Municipal Assets	A-12	860,409.75	
Due to State of New Jersey- Construction Code Surcharges	A-19	1,088.00	1,134.00
		<u>\$ 3,557,948.67</u>	<u>\$ 1,800,872.00</u>
Reserve for Receivables and Other Assets	A	3,257,313.36	3,488,090.19
Fund Balance	A-1	<u>2,225,052.01</u>	<u>1,952,014.49</u>
		<u>\$ 9,040,314.04</u>	<u>\$ 7,240,976.68</u>

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

"A-1"

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - STATUTORY BASIS

	REF.	YEAR ENDED JUNE 30, 2003	YEAR ENDED JUNE 30, 2002
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-1:A-2	\$ 975,000.00	\$ 900,000.00
Miscellaneous Revenue Anticipated	A-2	5,491,452.87	5,117,228.11
Receipts From Delinquent Taxes	A-2	1,262,853.57	1,525,503.15
Receipts From Current Taxes	A-2	37,926,845.06	35,177,727.40
Non-Budget Revenue	A-2	180,622.15	179,146.75
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-17	474,581.93	491,420.86
Canceled Tax Overpayments	A-22	49,495.74	
Canceled Encumbrances Payable	A-20	5,000.00	
Interfunds Returned		468.40	96,920.06
<u>TOTAL INCOME</u>		<u>\$ 46,366,319.72</u>	<u>\$ 43,487,946.33</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Appropriations Within "CAPS":			
Operations:	A-3	\$ 17,716,775.00	\$ 16,557,917.50
Deferred Charges and Statutory Expenditures	A-3	371,939.99	824,592.53
Excluded From "CAPS"			
Other Operations	A-3	4,449,183.87	3,410,597.41
Capital Improvement Fund	A-3	100,000.00	134,492.92
Municipal Debt Service	A-3	2,722,866.32	2,423,984.17
Judgments			74,000.00
Deferred Charges			14,920.00
County Taxes	A-23	3,853,383.26	3,587,877.03
Due County for Added and Omitted Taxes	A-23	22,763.96	11,419.64
Local District School Tax	A-24	15,849,907.00	15,145,024.00
Refund Prior Year Revenue	A-4	31,462.80	54,597.82
Receivables Canceled			15,000.00
<u>TOTAL EXPENDITURES</u>		<u>\$ 45,118,282.20</u>	<u>\$ 42,254,423.02</u>
Excess Revenue		\$ 1,248,037.52	\$ 1,233,523.31
<u>Fund Balance</u>			
Balance, July 1	A	1,952,014.49	1,618,491.18
Decreased by:		\$ 3,200,052.01	\$ 2,852,014.49
Utilized As Anticipated Revenue	A-1:A-2	975,000.00	900,000.00
Balance, June 30	A	<u>\$ 2,225,052.01</u>	<u>\$ 1,952,014.49</u>

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

	REF.	ANTICIPATED BUDGET	SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 975,000.00	\$	\$ 975,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-2	\$ 16,000.00	\$	\$ 16,180.00	\$ 180.00
Other	A-2	11,000.00		13,685.00	2,685.00
Fees and Permits	A-2	40,000.00		52,683.90	12,683.90
Fines and Costs:					
Municipal Court	A-11	330,000.00		315,365.07	(14,634.93)
Interest and Costs on Taxes	A-11	340,000.00		282,360.61	(57,639.39)
Parking Meters	A-11	13,000.00		10,940.52	(2,059.48)
Interest on Investments and Deposits	A-11	100,000.00		144,059.08	44,059.08
Suburban Cable Franchise Tax	A-11	47,000.00		49,077.00	2,077.00
Legislative Initiative Municipal Block Grant	A-11	88,887.00		88,887.00	
Consolidated Municipal Property Tax Relief Act	A-11	1,809,047.00		1,809,047.00	
Energy Receipts Tax	A-11	1,099,371.00		1,099,371.00	
Supplemental Energy Receipts Tax	A-11	54,040.00		54,040.00	
Extraordinary Aid	A-11	325,000.00		325,000.00	
Uniform Construction Code Fees	A-11	115,642.00		115,642.00	
Additional Construction Code Fees	A-11	69,358.00		136,376.75	67,018.75
Body Armor Grant	A-7	4,802.25		4,802.25	
Alcohol Education and Rehabilitation Fund	A-7	1,984.47		1,984.47	
Municipal Alliance	A-7		20,527.00	20,527.00	
Law Enforcement Block Grant	A-7	16,503.00		16,503.00	
Stop Violence Against Women Grant	A-7	5,000.00		5,000.00	
Bulletproof Vest Partnership Grant	A-7	5,045.92		5,045.92	
Drunk Driving Enforcement Fund	A-7		6,668.57	6,668.57	
Clean Communities	A-7	4,203.66		4,203.66	
FEMA - Firefighters Grant	A-7		138,485.00	138,485.00	
COPS in Schools	A-7	375,000.00		375,000.00	
Green Communities Program	A-7		2,000.00	2,000.00	
Statewide Local Domestic Preparedness Grant	A-7		140,000.00	140,000.00	
Uniform Fire Safety Act	A-11	17,000.00		16,958.99	(41.01)
Ambulance Revenue	A-11	165,000.00		164,159.08	(840.92)
Payment in Lieu of Taxes	A-11	75,900.00		77,400.00	1,500.00
	A-1	\$ 5,128,784.30	\$ 307,680.57	\$ 5,491,452.87	\$ 54,988.00
Receipts From Delinquent Taxes	A-1:A-2	\$ 1,150,000.00		\$ 1,262,853.57	\$ 112,853.57
Property Tax for Support of Municipal Budget Appropriations	A-2:A-8	\$ 19,367,300.31		\$ 19,768,790.84	\$ 401,490.53
<u>Budget Totals</u>		\$ 26,621,084.61	\$ 307,680.57	\$ 27,498,097.28	\$ 569,332.10
Non-Budget Revenue	A-1:A-2			180,622.15	180,622.15
		\$ 26,621,084.61	\$ 307,680.57	\$ 27,678,719.43	\$ 1,057,634.82
	REF.	A-3	A-3		

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Collection on a Cash Basis	A-1:A-8	\$ 37,926,845.06
Allocated To:		
School and County Taxes		19,726,054.22
Support of Municipal Budget Appropriations		\$ 18,200,790.84
Add: Appropriation for Reserve for Uncollected Taxes	A-3	1,568,000.00
Amount for Support of Municipal Budget Appropriations	A-2	\$ 19,768,790.84
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	A-8	\$ 1,178,843.42
Tax Title Liens	A-9	84,010.15
	A-2	1,262,853.57
Licenses-ABC:		
Prepaid Licenses Applied	A-15	\$ 14,860.00
Cash Receipts	A-11	1,320.00
	A-2	\$ 16,180.00
Licenses-Other:		
Borough Clerk	A-11	\$ 7,870.00
Board of Health	A-11	5,815.00
	A-2	\$ 13,685.00
Fees and Permits - Other:		
Borough Clerk	A-11	\$ 5,459.90
Police Chief	A-11	6,800.00
Fire Chief	A-11	14,290.00
Engineer	A-11	425.00
Board of Health	A-11	5,431.00
Public Works	A-11	1,773.00
Planning/Zoning	A-11	17,885.00
Tax Collector	A-11	390.00
Recreation	A-11	665.00
Less: Refunds	A-4	\$ 53,118.90
	A-2	435.00
		\$ 52,683.90

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Nursing Services	\$	27,216.00
Rent		14,704.20
Prior Years Checks Voided		1,417.21
Restitution		6,554.00
Tax Collector		8,425.58
Miscellaneous		24,181.62
Reimbursement of Costs		25,212.12
Miscellaneous Refunds		32,647.33
Insurance Refund		36,842.04
Senior Citizen and Veterans Administrative Fee		3,717.00
Excess Animal Control Fees		<u>1,760.80</u>
	A-4	\$ 182,677.90
Less: Refunds	A-4	<u>2,055.75</u>
	A-2	<u>\$ 180,622.15</u>

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED COMMITMENTS PAYABLE	RESERVED	UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION				
GENERAL GOVERNMENT						
Administrative and Executive:						
Salaries and Wages	\$ 188,500.00	\$ 185,500.00	\$ 178,255.81	\$ 6,994.55	\$ 7,244.19	
Other Expenses	85,000.00	104,000.00	80,207.80		16,797.65	
Borough Clerk:						
Salaries and Wages	163,000.00	140,000.00	136,328.40		3,671.60	
Other Expenses	75,000.00	78,000.00	62,381.75	2,697.65	12,920.60	
Borough Council:						
Salaries and Wages	65,750.00	63,750.00	63,210.16		539.84	
Other Expenses	85,000.00	95,000.00	51,042.28	14,060.00	29,897.72	
Human Resources:						
Other Expenses	35,000.00	25,000.00	15,780.00	5,580.00	3,640.00	
Financial Administration:						
Salaries and Wages	198,750.00	178,750.00	171,672.40		7,077.60	
Other Expenses	65,000.00	67,000.00	26,758.18	15,863.50	24,388.32	
Annual Audit	59,750.00	59,750.00		59,750.00		
Assessment of Taxes:						
Salaries and Wages	136,500.00	111,500.00	111,038.59		461.41	
Other Expenses	40,000.00	76,000.00	38,628.32	7,858.43	29,513.25	
Liquidation of Tax Title Liens & Foreclosed Property:						
Other Expenses	10,000.00	15,000.00	1,706.00		13,294.00	
Collection of Taxes:						
Salaries and Wages	64,500.00	64,500.00	62,375.89		2,124.11	
Other Expenses	12,500.00	13,500.00	5,162.60	2,153.00	6,184.40	
Legal Services and Costs:						
Salaries and Wages	61,100.00	61,100.00	60,824.92		275.08	
Other Expenses	90,000.00	145,000.00	69,150.82	23,586.42	52,262.76	
Prosecutor:						
Salaries and Wages	21,500.00	21,500.00	21,499.92		0.08	
Other Expenses	1,250.00	1,250.00			1,250.00	
Engineering Services and Costs:						
Other Expenses	62,000.00	63,000.00	58,013.50	1,263.94	3,722.56	
Public Buildings and Grounds:						
Salaries and Wages	22,100.00	22,100.00	19,631.77		2,468.23	
Other Expenses	135,000.00	235,500.00	158,554.78	54,255.80	22,689.42	

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION		COMMITMENTS PAYABLE	RESERVED	
Municipal Land Use Law (N.J.S.44:56D-1):						
Planning Board:						
Salaries and Wages	\$ 9,500.00	\$ 9,500.00	\$ 9,211.43	\$	\$ 288.57	\$
Other Expenses	2,500.00	2,600.00	2,163.96		436.04	
Zoning Board of Adjustment:						
Salaries and Wages	82,000.00	80,000.00	77,699.00		2,301.00	
Other Expenses	13,000.00	14,100.00	9,005.27	1,378.70	3,716.03	
Redevelopment Agency:						
Salaries and Wages	14,750.00	14,750.00	14,315.50		434.50	
Other Expenses	500.00	500.00			500.00	
Shade Tree Commission:						
Salaries and Wages	2,500.00	2,500.00	2,499.90		0.10	
Other Expenses	63,000.00	73,000.00	61,954.15	2,262.00	8,783.85	
Rent Levelling Board:						
Salaries and Wages	4,675.00	4,675.00	4,674.80		0.20	
Insurance:						
Group Insurance Plan for Employees	2,150,000.00	2,250,000.00	2,201,061.71	1,774.00	47,164.29	
Workers' Compensation	188,000.00	193,000.00	182,218.00		10,782.00	
Other Insurance Premiums	600,000.00	615,000.00	597,416.39	541.66	17,041.95	
PUBLIC SAFETY						
Fire Department:						
Salaries and Wages	2,378,750.00	2,411,250.00	2,386,107.41		25,142.59	
Other Expenses	160,000.00	153,500.00	107,996.83	40,351.88	5,151.29	
Police Department:						
Salaries and Wages	4,642,500.00	4,592,500.00	4,566,009.69		26,490.31	
Other Expenses:						
Miscellaneous Other	200,000.00	203,000.00	160,616.00	18,346.44	24,037.56	
Traffic Control-School Crossing Guards:						
Salaries and Wages	169,000.00	149,000.00	129,404.36		19,595.64	
Other Expenses	3,000.00	3,000.00	389.00	1,200.00	1,411.00	
First Aid Organization- Contribution	10,000.00	10,000.00	7,569.55		2,430.45	

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	COMMITMENTS PAYABLE	BALANCE CANCELED
Emergency Management Services:					
Salaries and Wages	\$ 7,800.00	\$ 7,800.00	\$ 7,759.70	\$ 40.30	\$
Other Expenses	20,000.00	23,200.00	19,305.33	1,231.08	2,663.59
Public Works:					
Salaries and Wages	1,085,500.00	1,060,500.00	1,048,107.01	12,382.99	17,411.62
Other Expenses	125,000.00	134,000.00	101,225.38	15,363.00	8,525.00
Union County S.L.A.P. Program:					
Other Expenses	39,000.00	39,000.00	30,475.00	8,680.05	11,258.83
Maintenance of Vehicles:					
Other Expenses	100,000.00	111,000.00	91,061.12	23,422.24	3,000.00
Recycling:					
Salaries and Wages	3,000.00	3,000.00	299,821.55	89,732.76	229,594.93
Other Expenses	340,000.00	340,000.00	1,364,072.31	30,000.00	32,890.68
Solid Waste Collection:					
Other Expenses	1,865,000.00	1,863,400.00	1,364,072.31	30,000.00	32,890.68
Snow Removal:					
Salaries & Wages	30,000.00	30,000.00	30,000.00		
Other Expenses:	20,000.00	33,000.00	32,890.68		
HEALTH AND WELFARE					
Board of Health:					
Salaries and Wages	115,500.00	110,500.00	105,566.63	4,933.37	5,934.48
Other Expenses	135,000.00	136,100.00	93,982.23	36,183.29	1,199.01
Welfare:					
Salaries and Wages	122,750.00	122,750.00	121,550.99	438.68	2,480.72
Other Expenses	5,100.00	5,600.00	2,680.60		
RECREATION AND EDUCATION					
Community Services:					
Salaries and Wages	27,000.00	12,000.00	10,890.00	342.00	1,110.00
Other Expenses	1,000.00	1,000.00			658.00
Recreation:					
Salaries and Wages	6,500.00	6,500.00	6,500.00		
Other Expenses	146,250.00	153,350.00	114,926.66	3,958.15	34,465.19

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	COMMITMENTS PAYABLE	
UNIFORM CONSTRUCTION CODE- APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)					
Construction Code Official:					
Salaries and Wages	\$ 150,500.00	\$ 138,500.00	\$ 132,948.35	\$ 5,551.65	\$ 13,774.45
Other Expenses	55,000.00	55,000.00	22,368.57	18,856.98	
<u>UNCLASSIFIED</u>					
Gasoline	75,000.00	85,000.00	67,196.28	5,103.07	12,700.65
Electricity	110,000.00	110,000.00	79,061.35	17.08	30,921.57
Telephone and Telegraph	130,000.00	130,000.00	104,795.73	7,506.18	17,698.09
Natural Gas	32,000.00	42,000.00	33,187.54	1,166.35	7,646.11
Heating Oil	5,000.00	5,000.00			5,000.00
Street Lighting	183,000.00	183,000.00	162,201.78		20,798.22
Fire Hydrant Service	210,000.00	210,000.00	181,762.12	16,722.62	11,515.26
Water	19,000.00	19,000.00	10,613.50		8,386.50
Accumulated Leave Compensation	70,000.00	70,000.00	65,119.23		4,880.77
Municipal Services Act	15,000.00	28,000.00		1,532.16	26,467.84
Contingent	20,000.00	20,000.00	19,314.24	158.00	527.76
TOTAL OPERATIONS (INCLUDING CONTINGENT) WITHIN "CAPS"	\$ 17,639,775.00	\$ 17,716,775.00	\$ 16,271,920.72	\$ 490,321.66	\$ 954,532.62
DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL					
Statutory Expenditures:					
Contribution To:					
Public Employees' Retirement System	\$ 370,000.00	\$ 320,000.00	\$ 309,119.62	\$	\$ 10,880.38
Social Security System (O.A.S.I.)	31,939.99	31,939.99	31,939.99		
Consolidated Police and Firemen's Pension Fund	80,000.00	20,000.00	20,000.00		
State Unemployment Insurance					
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES- MUNICIPAL WITHIN "CAPS"	\$ 481,939.99	\$ 371,939.99	\$ 361,059.61	\$	\$ 10,880.38

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	COMMITMENTS PAYABLE	BALANCE CANCELED
TOTAL GENERAL APPROPRIATIONS WITHIN "CAPS"	\$ 18,121,714.99	\$ 18,088,714.99	\$ 16,632,980.33	\$ 490,321.66	\$ 965,413.00
OPERATIONS EXCLUDED FROM "CAPS"					
Municipal Court:					
Salaries and Wages	\$ 190,000.00	\$ 190,000.00	\$ 171,878.44	\$	\$ 18,121.56
Other Expenses	11,500.00	14,500.00	8,971.87	2,128.78	3,399.35
Maintenance of Free Public Library	365,000.00	365,000.00	365,000.00		
Sewerage Disposal-Linden/Roselle Sewerage Authority	2,600,000.00	2,629,000.00	2,628,883.50		116.50
Public Employees' Occupational Safety Health Act:					
Other Expenses	20,000.00	20,000.00	19,021.58		978.42
Public Defender:					
Salaries and Wages	10,000.00	10,000.00			10,000.00
Other Expenses	1,000.00	1,000.00			1,000.00
Police Communication Operators:					
Salaries and Wages	243,500.00	243,500.00	210,142.03		33,357.97
Other Expenses	4,800.00	5,800.00	1,877.84	2,055.00	1,867.16
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS					
Animal Control Contract - City of Linden	27,130.00	27,130.00	26,400.00		730.00
STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES					
Clean Communities Program	4,203.66	4,203.66	4,203.66		
Alcohol Education and Rehabilitation Fund	1,984.47	1,984.47	1,984.47		
Municipal Alliance - Local	5,500.00	5,500.00	5,500.00		
Municipal Alliance - County (40A:4-87 +\$20,527.00)		20,527.00	20,527.00		
FEMA Grant (40A:4-87 + \$138,485.00)		138,485.00	138,485.00		
Green Communities Grant (40A:4-87 + \$2,000.00)		2,000.00	2,000.00		
Statewide Local Domestic Preparedness Equipment Grant (40A:4-87 +\$140,000.00)		140,000.00	140,000.00		
Body Armor Grant	4,802.25	4,802.25	4,802.25		
Bulletproof Vest Fund	5,045.92	5,045.92	5,045.92		
Drunk Driving Enforcement Fund (40A:4-87 +\$6,668.57)		6,668.57	6,668.57		

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	COMMITMENTS PAYABLE	
Urban Enterprise Zone:					
Administrative Match - Salaries and Wages	45,000.00	45,000.00	25,929.93		19,070.07
Administrative Match - Other Expenses	95,000.00	95,000.00	71,896.83	7,432.07	15,671.10
Stop Violence Against Women Grant:					
State Aid	5,000.00	5,000.00	5,000.00		
Local Match	3,046.00	3,046.00	3,046.00		
Cops in School Grant:					
Federal Aid	375,000.00	375,000.00	375,000.00		
Local Match	72,654.00	72,654.00	72,654.00		
Local Law Enforcement Block Grant:					
Federal Aid	16,503.00	16,503.00	16,503.00		
Local Match	1,834.00	1,834.00	1,834.00		
TOTAL OPERATIONS EXCLUDED FROM "CAPS"	\$ 4,108,503.30	\$ 4,449,183.87	\$ 4,333,255.89	\$ 11,615.85	\$ 104,312.13

CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"

Capital Improvement Fund

TOTAL CAPITAL IMPROVEMENT EXCLUDED FROM "CAPS"

MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"

Payment of Bond Principal
Interest on Bonds
Loan Repayment for Principal & Interest
U.C. Improvement Authority Lease

TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	COMMITMENTS PAYABLE	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 6,931,369.62	\$ 7,272,050.19	\$ 7,156,122.21	\$ 11,615.85	\$ 104,312.13
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	\$ 25,053,084.61	\$ 25,360,765.18	\$ 23,789,102.54	\$ 501,937.51	\$ 1,069,725.13
	1,568,000.00	1,568,000.00	1,568,000.00		
TOTAL GENERAL APPROPRIATIONS	\$ 26,621,084.61	\$ 26,928,765.18	\$ 25,357,102.54	\$ 501,937.51	\$ -0-
REF.	A-2		A-1	A-1:A-20	A-A-1
Budget		\$ 26,621,084.61			
Appropriation by 40A: 4-87		307,680.57			
		\$ 26,928,765.18			
Reserve for Miscellaneous Grants		\$	\$ 801,419.87		
Reserve for Uncollected Taxes			1,568,000.00		
Cash Disbursements			23,061,770.75		
			25,431,190.62		
Less: Refunded			74,088.08		
			\$ 25,357,102.54		

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

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TRUST FUND

"B"

BOROUGH OF ROSELLE

TRUST FUND

BALANCE SHEETS - STATUTORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2003</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2002</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-2	\$ 6,477.60	\$ 7,590.40
Other Trust Funds:			
Cash	B-2	\$ 489,332.15	\$ 814,767.07
Due From County of Union	B-10	13,272.90	11,163.57
		\$ 502,605.05	\$ 825,930.64
		\$ 509,082.65	\$ 833,521.04
<u>LIABILITIES, RESERVES AND FUND BALANCE:</u>			
Animal Control Fund:			
Due State of New Jersey	B-4	\$ 22.20	\$ 116.40
Due Current Fund	B-3	1,760.80	2,229.20
Reserve for Expenditures	B-5	4,694.60	5,244.80
		\$ 6,477.60	\$ 7,590.40
Other Trust Funds:			
Accounts Payable		\$	\$ 36.75
Recycling	B-6	23,940.57	42,242.92
State Unemployment Insurance	B-8	59,681.30	68,110.95
State Marriage License Fees	B-9	1,125.00	1,150.00
Miscellaneous Reserves	B-13	163,751.32	354,487.41
Community Development Block Grants	B-11	13,272.90	6,600.00
Special Law Enforcement	B-12	44,262.04	56,267.12
Interfunds Payable			4,563.57
Tax Sale Premiums	B-7	159,200.00	255,100.00
Fund Balance	B-1	37,371.92	37,371.92
		\$ 502,605.05	\$ 825,930.64
		\$ 509,082.65	\$ 833,521.04

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

"B-1"

BOROUGH OF ROSELLE

TRUST FUND

STATEMENT OF FUND BALANCE - STATUTORY BASIS
OTHER TRUST FUNDS

REF.

Balance, June 30, 2002 and
June 30, 2003

B

\$ 37,371.92

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

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GENERAL CAPITAL FUND

"C"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

BALANCE SHEETS - STATUTORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2003</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2002</u>
<u>ASSETS</u>			
Cash	C-2;C-3	\$ 1,422,001.49	\$ 1,885,874.03
Accounts Receivable - Other	C-11	402,941.42	
State Aid Accounts Receivable	C-8	474,738.26	329,054.84
Deferred Charges to Future Taxation:			
Funded	C-5	15,972,046.59	17,501,771.19
Unfunded	C-6	1,768,380.35	789,880.35
Interfunds Receivable	C-4		4,563.57
Due Library	C-14	35,000.00	40,000.00
		<u>\$ 20,075,108.11</u>	<u>\$ 20,551,143.98</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-12	\$ 15,787,000.00	\$ 17,307,000.00
Green Acres Loan Payable	C-10	185,046.59	194,771.19
Capital Improvement Fund	C-7	52,940.39	11,440.39
Reserve for the Payment of Debt	C-13	2,251.89	2,251.89
Improvement Authorizations:			
Funded	C-9	2,141,461.76	2,069,241.44
Unfunded	C-9	1,680,510.73	783,319.89
Fund Balance	C-1	225,896.75	183,119.18
		<u>\$ 20,075,108.11</u>	<u>\$ 20,551,143.98</u>

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

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - STATUTORY BASIS

	<u>REF.</u>		
Balance, June 30, 2002	C	\$	183,119.18
Increased by:			
State Aid Received on Fully Funded Ordinances	C-2		<u>67,777.57</u>
		\$	250,896.75
Decreased by:			
Appropriation to Finance Improvement Authorization	C-9		<u>25,000.00</u>
Balance, June 30, 2003	C	\$	<u><u>225,896.75</u></u>

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

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AFFORDABLE HOUSING UTILITY

"D"

BOROUGH OF ROSELLE
AFFORDABLE HOUSING UTILITY FUND
BALANCE SHEETS - STATUTORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2003</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2002</u>
<u>ASSETS</u>			
Operating Fund:			
Cash	D-4	\$ 121,595.13	\$ 87,779.46
Receivables with Full Reserves:			
Rental Income Receivable	D-5	\$ 5,518.00	\$ 5,418.00
<u>Total Operating Fund</u>		\$ 127,113.13	\$ 93,197.46
Capital Fund:			
Fixed Capital	D-9	\$ 5,000.00	
<u>Total Capital Fund</u>		\$ 5,000.00	
		\$ 132,113.13	\$ 93,197.46
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Appropriation Reserves	D-3:D-8	\$ 77.71	\$ 36,113.00
Accounts Payable	D-6	14,897.63	1,000.00
Tenant Security Deposits	D-7	22,516.56	26,052.08
		\$ 37,491.90	\$ 63,165.08
Reserve for Receivables	D	5,518.00	5,418.00
Fund Balance	D-1	84,103.23	24,614.38
<u>Total Operating Fund</u>		\$ 127,113.13	\$ 93,197.46
Capital Fund:			
Reserve for Amortization	D-10	\$ 5,000.00	
<u>Total Capital Fund</u>		\$ 5,000.00	
		\$ 132,113.13	\$ 93,197.46

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

BOROUGH OF ROSELLE
AFFORDABLE HOUSING UTILITY OPERATING FUND
STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - STATUTORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>JUNE</u> <u>30, 2003</u>	<u>YEAR ENDED</u> <u>JUNE</u> <u>30, 2002</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Rents	D-2	\$ 165,169.00	\$ 165,169.00
Additional Rents	D-2	107,832.42	
Miscellaneous	D-2	4,882.12	14,971.38
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-8	37,113.00	
<u>TOTAL INCOME</u>		<u>\$ 314,996.54</u>	<u>\$ 180,140.38</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D-3	\$ 137,380.00	\$ 85,108.00
Capital Improvements	D-3	5,000.00	
Municipal Debt Service	D-3	112,495.14	70,418.00
Refund of Prior Years Revenue	D-4	632.55	
<u>TOTAL EXPENDITURES</u>		<u>\$ 255,507.69</u>	<u>\$ 155,526.00</u>
Excess in Revenue		\$ 59,488.85	\$ 24,614.38
<u>Fund Balance</u>			
Balance, July 1	D	24,614.38	-0-
		\$ 84,103.23	\$ 24,614.38
Balance, June 30	D	\$ 84,103.23	\$ 24,614.38

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

"D-2"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Rents	D-1:D-5	\$ 165,169.00	\$ 165,169.00	
Additional Rents	D-1:D-5	121,831.00	107,832.42	(13,998.58)
Miscellaneous	D-1:D-2	<u>3,380.00</u>	<u>4,882.12</u>	<u>1,502.12</u>
	D-3	\$ <u>290,380.00</u>	\$ <u>277,883.54</u>	\$ <u>(12,496.46)</u>

ANALYSIS OF REALIZED REVENUE

Miscellaneous:		
Late Fees	\$	1,540.00
Parking Fees		1,060.00
Laundry Fees		1,617.60
Miscellaneous		<u>664.52</u>
D-2:D-4	\$	<u>4,882.12</u>

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

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED JUNE 30, 2003

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
Operating:					
Other Expenses	\$ 137,380.00	\$ 137,380.00	\$ 137,302.29	\$ 77.71	
<u>Total Operating</u>	\$ 137,380.00	\$ 137,380.00	\$ 137,302.29	\$ 77.71	
Capital Improvements					
Capital Outlay	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00		
Debt Service:					
UCIA: Principal and Interest on Lease Payments	\$ 148,000.00	\$ 148,000.00	\$ 112,495.14	\$	\$ 35,504.86
<u>Total Debt Service</u>	\$ 148,000.00	\$ 148,000.00	\$ 112,495.14	\$	\$ 35,504.86
	\$ 290,380.00	\$ 290,380.00	\$ 254,797.43	\$ 77.71	\$ 35,504.86
REF.	D-2		D-1	D:D-1	
Cash Disbursements					
Accounts Payable			\$ 240,243.60		
			14,897.63		
			255,141.23		
Less: Refunds			343.80		
			\$ 254,797.43		

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

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PUBLIC ASSISTANCE TRUST FUND

"E"

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - STATUTORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2003</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2002</u>
<u>ASSETS</u>			
Cash-P.A.T.F. I	E-1	\$ 12,960.34	\$ 12,960.34
<u>TOTAL ASSETS</u>		\$ 12,960.34	\$ 12,960.34
<u>LIABILITIES</u>			
Reserve for Public Assistance - P.A.T.F. I		\$ 12,960.34	\$ 12,960.34
<u>TOTAL LIABILITIES</u>		\$ 12,960.34	\$ 12,960.34

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ROSELLE

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2003

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Roselle is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Roselle include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Roselle as required by N.J.S.40A:5-5. Accordingly, the financial statements of the Borough of Roselle do not include the operations of the municipal library or the board of education, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Roselle conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Roselle are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Borough accounts for its financial transactions through the following individual funds and account groups:

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

Affordable Housing Utility Operating Fund - account for the operations of the municipally owned Affordable Housing utility.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

General Fixed Assets Account Group - utilized to account for property, land, buildings and equipment that has been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP require revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at June 30, are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance.

Appropriation reserves covering unexpended appropriation balances are automatically created at June 30th of each year and recorded as liabilities, except for amounts which may be canceled 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. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

Encumbrances - contractual orders at June 30 are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - the proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

Interfunds - interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. General fixed assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm as of August 31, 1995. Since that date the fixed assets records have not been maintained and are incomplete, and, accordingly, have not included such information in its financial statements.

Inventories of Supplies - the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks, deposits in the Class and New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

The Borough of Roselle had the following cash and cash equivalents at June 30, 2003.

<u>FUND</u>	<u>CASH IN BANK</u>	<u>CERTIFICATE OF DEPOSIT</u>	<u>CLASS</u>	<u>CHANGE FUND</u>	<u>TOTAL</u>
Current Fund	\$4,844,314.82	\$173,315.29	\$32,090.75	\$400.00	\$5,050,120.86
Animal Control Fund	6,477.60				6,477.60
Other Trust Fund	489,332.15				489,332.15
General Capital	1,422,001.49				1,422,001.49
Affordable Housing Utility Fund	121,595.13				121,595.13
Public Assistance Fund	<u>12,960.34</u>				<u>12,960.34</u>
Total June 30, 2003	<u>\$6,896,681.53</u>	<u>\$173,315.29</u>	<u>\$32,090.75</u>	<u>\$400.00</u>	<u>\$7,102,487.57</u>

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough are strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type 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 which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
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 date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - b. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - c. the custody of collateral is transferred to a third party;
 - d. the maturity of the agreement is not more than 30 days;
 - e. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - f. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Roselle's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: LONG-TERM DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds. A summary of bond, loans and note transactions for the year ended June 30, 2003 are detailed on Exhibits "C-10" and "C-12" of the General Capital Fund.

NOTE 3: LONG-TERM DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT
AND OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>JUNE 30, 2003</u>	<u>JUNE 30, 2002</u>	<u>JUNE 30, 2001</u>
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$15,972,046.59	\$17,501,771.19	\$18,179,804.18
Less:			
Funds Temporarily Held to Pay Bonds and Notes:			
General:			13,000.00
Refunding Bonds	<u>145,000.00</u>		
<u>Net Debt Issued</u>	<u>\$15,827,046.59</u>	<u>\$17,501,771.19</u>	<u>\$18,179,804.18</u>
<u>Authorized But Not Issued:</u>			
General:			
Bonds and Notes	<u>1,768,380.35</u>	<u>789,880.35</u>	<u>889,380.35</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$17,595,426.94</u>	<u>\$18,291,651.54</u>	<u>\$19,069,184.53</u>

SUMMARY OF STATUTORY DEBT CONDITION
(ANNUAL DEBT STATEMENT AS OF JUNE 30, 2003)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.09%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
General Debt	<u>\$17,740,426.94</u>	<u>\$145,000.00</u>	<u>\$17,595,426.94</u>

NET DEBT \$17,595,426.94 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2 AS AMENDED \$838,927,892.33 EQUALS 2.09%.

NOTE 3: LONG-TERM DEBT (CONTINUED)

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED

Equalized Valuation Basis* - June 30, 2003	<u>\$838,927,892.33</u>
3-1/2% of Equalized Valuation Basis	29,362,476.23
Net Debt	<u>17,595,426.94</u>
Remaining Borrowing Power	<u>\$11,767,049.29</u>

*Equalized Valuation Basis is the average of the equalized valuation of Real Estate, including improvements, and the assessed valuation of Class II Railroad Property of the Borough for the last three (3) preceding years.

CALCULATION OF "SELF-LIQUIDATING PURPOSE"
AFFORDABLE HOUSING UTILITY PER N.J.S.40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year and Anticipated Surplus		\$277,883.54
Deductions:		
Operating and Maintenance Cost	\$137,380.00	
Debt Service Per Utility Account	<u>112,495.14</u>	
		<u>\$249,875.14</u>
Excess in Revenue		<u>\$28,008.40</u>

NOTE 3: LONG-TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING JUNE 30, 2003

<u>FISCAL YEAR</u> <u>JUNE 30</u>	<u>GENERAL</u> <u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$1,750,000.00	\$733,273.50	\$2,483,273.50
2005	1,835,000.00	649,616.75	2,484,616.75
2006	1,925,000.00	560,665.00	2,485,665.00
2007	2,020,000.00	466,050.75	2,486,050.75
2008	2,125,000.00	364,865.25	2,489,865.25
2009	2,230,000.00	257,558.00	2,487,558.00
2010	865,000.00	184,787.00	1,049,787.00
2011	860,000.00	143,778.50	1,003,778.50
2012	857,000.00	103,017.50	960,017.50
2013	255,000.00	61,827.50	316,827.50
2014	260,000.00	50,313.50	310,313.50
2015	260,000.00	38,534.50	298,534.50
2016	265,000.00	26,130.50	291,130.50
2017	265,000.00	13,462.00	278,462.00
2018	<u>15,000.00</u>	<u>793.50</u>	<u>15,793.50</u>
	<u>\$15,787,000.00</u>	<u>\$3,654,673.75</u>	<u>\$19,441,673.75</u>

NOTE 3: LONG TERM DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR NEW JERSEY
GREEN TRUST LOAN

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$9,920.07	\$3,651.58	\$13,571.65
2005	10,119.46	3,452.19	13,571.65
2006	10,322.86	3,248.78	13,571.64
2007	10,530.35	3,041.29	13,571.64
2008	10,742.01	2,829.64	13,571.65
2009	10,957.92	2,613.72	13,571.64
2010	11,178.18	2,393.47	13,571.65
2011	11,402.86	2,168.79	13,571.65
2012	11,632.05	1,939.59	13,571.64
2013	11,865.86	1,705.78	13,571.64
2014	12,104.36	1,467.28	13,571.64
2015	12,347.67	1,223.98	13,571.65
2016	12,595.85	975.79	13,571.64
2017	12,849.03	722.62	13,571.65
2018	13,107.29	464.35	13,571.64
2019	<u>13,370.77</u>	<u>200.88</u>	<u>13,571.65</u>
	<u>\$185,046.59</u>	<u>\$32,099.73</u>	<u>\$217,146.32</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance at June 30, 2003 which was appropriated and included as anticipated revenue in its own respective fund for the year ending June 30, 2004 was as follows:

Current Fund	\$1,830,000.00
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NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of July 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the county and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes collected in advance - Taxes collected in advance and recorded as cash liabilities in the financial statement are as follows:

	BALANCE JUNE 30, 2003	BALANCE JUNE 30, 2002
Prepaid Taxes	<u>\$62,336.67</u>	<u>\$54,500.36</u>

NOTE 6: PENSION PLANS

Employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The three state administered plans are: the Public Employees Retirement System, the Police and Firemen's Retirement System, and the Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges municipalities and other participating governmental units for their respective contributions to the plans based upon actuarial methods. A portion of the cost is contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$26,166.30 for Fiscal Year 2002 and \$31,939.99 for Fiscal Year 2003.

Certain Borough employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement Systems and, therefore, is not presented.

NOTE 7: COMPENSATED ABSENCES

Employees are allowed to accumulate unused vacation and sick pay over the life of their working careers, which may be taken as time off or paid at a later date, at an agreed upon rate. This is subject to certain limitations and specific circumstances. A reasonable estimate of such unpaid compensation is not readily available from the Borough but is probably material. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on June 30, 2003.

NOTE 8: LITIGATION

The Borough Attorney's letter did not indicate any litigation claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

NOTE 9: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. The state and federal grants received and expended in Fiscal Year 2003 were subject to the Single Audit Act Amendments of 1996 and State of New Jersey OMB Circular 98-07 which mandates that grant revenues and expenditures be audited in conjunction with the Borough's annual audit. Findings and Questioned Costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Single Audit Section, Fiscal Year 2003 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives.

NOTE 10: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 11: DEFERRED COMPENSATION

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardship.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the plan are held by an independent administrator.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities.

NOTE 12: ADVANCED REFUNDING FOR FISCAL YEAR ADJUSTED BONDS

On September 1, 2003, the City issued \$7,275,000.00 of General Obligation Refunding Bonds to advance, refund and defease \$6,850,000.00 of the City's existing fiscal year adjustment bonds. The proceeds of the issue were used to establish an irrevocable escrow account to pay the principal and interest on the \$6,850,000.00 of fiscal year adjustment bonds as they became due. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general capital fund.

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SUPPLEMENTARY SCHEDULES

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF CASH COLLECTOR-TREASURER

	<u>REF.</u>		
Balance, June 30, 2002	A	\$	3,577,519.19
Increased by Receipts:			
Federal and State Grants Receivable	A-7	\$	179,958.57
Taxes Receivable	A-8		38,832,924.13
Tax Title Liens	A-9		84,010.15
Revenue Accounts Receivable	A-11		4,756,808.00
Sale of Municipal Assets	A-12		860,409.75
State of New Jersey, Chapter 20, P.L. 1971	A-13		185,850.00
Senior Citizens and Veterans Disallowed -2002	A-13		527.39
Prepaid Revenue	A-15		14,800.00
Interfunds	A-16		2,229.20
State Grants-Unappropriated	A-18		6,885.43
Due to State - DCA Fees	A-19		4,672.00
Prepaid Taxes	A-21		62,336.67
Tax Overpayments	A-22		399,636.02
Miscellaneous Revenue Not Anticipated	A-2		182,677.90
Appropriation Refunds	A-3		74,088.08
			<u>45,647,813.29</u>
		\$	49,225,332.48
Decreased by Disbursements:			
SFY 2003 Appropriations	A-3	\$	23,061,770.75
SFY 2002 Appropriation Reserves	A-17		610,727.44
Due Township of Cranford - Construction Code Fees	A-6		11,328.00
Reserve for Federal and State Grants	A-14		436,039.09
Interfunds	A-16		1,760.80
Due to State - DCA Fees	A-19		4,718.00
Encumbrances Payable	A-20		400.00
Refund of Tax Overpayments	A-22		288,659.77
County Taxes	A-23		3,876,147.22
Local District School Tax	A-24		15,849,907.00
Change Fund	A		200.00
Refund of Prior Year Revenues	A-1		31,462.80
Refund of Current Year Revenue -Fees and Permits	A-2		435.00
Refund of Current Year Revenue - MRNA	A-2		2,055.75
			<u>44,175,611.62</u>
Balance, June 30, 2003	A	\$	<u>5,049,720.86</u>

"A-5"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF CHANGE FUND

OFFICE

BALANCE
JUNE
30, 2003

Collector
Municipal Court

\$ 200.00
200.00

\$ 400.00

REF. A

"A-6"

SCHEDULE OF DUE TOWNSHIP OF CRANFORD-
CONSTRUCTION CODE FEES

REF.

Balance, June 30, 2002

A \$ 11,328.00

Decreased by:

Cash Disbursements

A-4 \$ 11,328.00

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	BALANCE JUNE 30, 2002	ANTICIPATED IN S.F.Y. 2003 BUDGET	RECEIPTS	RESERVE APPLIED	CANCELED	BALANCE JUNE 30, 2003
Municipal Alliance on Alcoholism and Drug Abuse	\$ 19,247.00	\$ 20,527.00	\$ 13,968.00	\$	\$ 5,279.00	\$ 20,527.00
COPS MORE Grant	62,088.00					62,088.00
Statewide Local Domestic Preparedness Grant		140,000.00				140,000.00
Green Communities Grant		2,000.00				2,000.00
FEMA Firefighters Grant		138,485.00	138,485.00			
Bulletproof Vest Partnership Grant		5,045.92				5,045.92
Drunk Driving Enforcement Fund		6,668.57	6,668.57			
Clean Communities		4,203.66		4,203.66		
Alcohol Education-Municipal Court		1,984.47		1,984.47		
Body Armor Replacement Grant		4,802.25		4,802.25		
COPS in School Program		375,000.00				375,000.00
Legislative Block Grant		18,337.00	18,337.00			
Stop Violence Against Women Grant		5,000.00	2,500.00			2,500.00
	\$ 81,335.00	\$ 722,053.87	\$ 179,958.57	\$ 10,990.38	\$ 5,279.00	\$ 607,160.92
REF.	A	A-2	A-4	A-18	A-14	A
Federal and State Grants	\$	720,219.87				
Local Share		1,834.00				
	\$	722,053.87				

BOROUGH OF ROSELLE

CURRENT FUND

**SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF
PROPERTY TAX LEVY**

YEAR	BALANCE JUNE 30, 2002	S.F.Y. 2003 LEVY	ADDED	S.F.Y. 2002 COLLECTED	S.F.Y. 2003	CANCELED	TRANSFERRED TO TAX TITLE LIENS	BALANCE JUNE 30, 2003
1999	\$ 3,563.29			\$	\$		\$	3,563.29
2000	4,199.76			0.01				4,199.75
2001	23,138.02			10,536.54				12,601.48
2002	1,201,604.00		72,895.42	1,168,306.87		66,407.12		39,785.43
	\$ 1,232,505.07	\$	72,895.42	\$ 1,178,843.42	\$	66,407.12	\$	60,149.95
2003		39,242,671.23		54,500.36	37,872,344.70	113,995.32	19,802.27	1,182,028.58
	\$ 1,232,505.07	\$ 39,242,671.23	\$ 72,895.42	\$ 54,500.36	\$ 39,051,188.12	\$ 180,402.44	\$ 19,802.27	\$ 1,242,178.53
REF.	A			A-2-A-21	A-2		A-9	A

REF.

Cash
State Share of S.F.Y. 2003 Senior
Citizens and Veterans Deductions Allowed

A-4	\$ 38,832,924.13
A-13	218,263.99
	\$ 39,051,188.12

Analysis of Property Tax Levy:

Tax Yield:
General Purpose Tax
Added Taxes (54:4-63.1 et seq.)

\$	39,084,712.79
	157,958.44
\$	39,242,671.23

Tax Levy:

Local District School Tax (Abstract)
County Taxes:
County Taxes (Abstract)
Due County for Added Taxes

A-24	\$ 15,849,907.00
	\$ 3,853,383.26
	22,763.96
A-23	3,876,147.22
A-2	19,367,300.31
	149,316.70
	19,516,617.01
	\$ 39,242,671.23

Local Tax for Municipal Purposes (Abstract)
Add: Additional Tax Levied
Local Tax for Municipal Purposes Levied

"A-9"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, June 30, 2002	A	\$	141,520.53
Increased by:			
Transfer From Taxes Receivable	A-8		19,802.27
		\$	<u>161,322.80</u>
Decreased by:			
Cash Receipts	A-2:A-4		<u>84,010.15</u>
Balance, June 30, 2003	A	\$	<u><u>77,312.65</u></u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, June 30, 2002	A	\$	2,077,131.61
Decreased by:			
Sale of Property			<u>171,900.00</u>
Balance, June 30, 2003	A	\$	<u><u>1,905,231.61</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	REF.	BALANCE JUNE 30, 2002	ACCRUED IN S.F.Y. 2003	COLLECTED BY TREASURER	BALANCE JUNE 30, 2003
Clerk:					
Licenses:					
ABC	A-2	\$	\$ 1,320.00	\$ 1,320.00	\$
Other	A-2		7,870.00	7,870.00	
Fees and Permits	A-2		5,459.90	5,459.90	
Health Officer/Vital Statistics:					
Licenses	A-2	711.00	5,686.00	5,815.00	582.00
Fees and Permits	A-2	323.00	5,542.00	5,431.00	434.00
Construction Code Official:					
Fees and Permits	A-2		252,018.75	252,018.75	
Engineer:					
Fees and Permits	A-2		425.00	425.00	
Police Chief:					
Fees and Permits	A-2	630.00	6,709.75	6,800.00	539.75
Fire Chief:					
Fees and Permits	A-2		14,290.00	14,290.00	
Public Works					
Fees and Permits	A-2		1,773.00	1,773.00	
Municipal Court:					
Fines and Costs	A-2	33,039.78	311,599.31	315,365.07	29,274.02
Tax Collector:					
Fees and Permits	A-2		390.00	390.00	
Planning/Zoning:					
Fees and Permits	A-2		17,885.00	17,885.00	
Recreation:					
Fees and Permits	A-2		665.00	665.00	
Interest and Cost on Taxes	A-2		282,360.61	282,360.61	
Parking Meters	A-2		10,940.52	10,940.52	
Interest on Investments and Deposits	A-2		144,059.08	144,059.08	
Cable Television Franchise Tax	A-2		49,077.00	49,077.00	
Legislative Initiative Block Grant	A-2		88,887.00	88,887.00	
Consolidated Municipal Purpose Tax Relief Act	A-2		1,809,047.00	1,809,047.00	
Energy Receipts Tax	A-2		1,099,371.00	1,099,371.00	
Supplemental Energy Receipts Tax	A-2		54,040.00	54,040.00	
Extraordinary Aid	A-2		325,000.00	325,000.00	
Uniform Fire Safety Act	A-2		16,958.99	16,958.99	
Ambulance Revenue	A-2		164,159.08	164,159.08	
Payment in Lieu of Taxes	A-2		77,400.00	77,400.00	
		\$ 34,703.78	\$ 4,752,933.99	\$ 4,756,808.00	\$ 30,829.77
REF.	A			A-4	A

"A-12"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>		
Increased by:			
Cash Receipts	A-4	\$	860,409.75
Balance, June 30, 2003	A	\$	<u>860,409.75</u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, June 30, 2002	A	\$	93,832.30
Charged:			
Senior Citizens Deductions Per Tax Billings		\$	85,750.00
Veterans Deductions Per Tax Billings			146,950.00
Senior Citizens Deductions Disallowed by Tax Collector			<u>2,300.00</u>
			235,000.00
		\$	<u>328,832.30</u>
Decreased by:			
Cash Receipts	A-4	\$	185,850.00
Senior Citizens Deductions Disallowed by Tax Collector			
S.F.Y. 2002 Taxes	A-4		527.39
S.F.Y. 2003 Taxes			<u>16,736.01</u>
			203,113.40
Balance, June 30, 2003	A	\$	<u><u>125,718.90</u></u>

ANALYSIS OF STATE SHARE OF S.F.Y. 2003
SENIOR CITIZENS AND VETERANS DEDUCTIONS ALLOWED

Senior Citizens Deductions Per Tax Billings		\$	85,750.00
Veterans Deductions Per Tax Billings			146,950.00
Senior Citizens Deductions Allowed by Tax Collector			2,300.00
Senior Citizens Deductions Disallowed by Tax Collector			
S.F.Y. 2003 Taxes			<u>(16,736.01)</u>
State Share Realized	A-8	\$	<u><u>218,263.99</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS

	BALANCE JUNE 30, 2002	APPROPRIATED	EXPENDED	CANCELED	BALANCE JUNE 30, 2003
Drunk Driving Enforcement Fund	\$ 1,667.48	\$ 6,668.57	\$ 1,663.37	\$	6,672.68
Clean Communities	33,950.84	4,203.66			38,154.50
Municipal Alliance Grant	25,834.02	26,027.00	19,253.38	5,279.00	27,328.64
Drug Alliance Grant	689.86		689.86		
Body Armor Replacement Fund		4,802.25	2,529.12		2,273.13
Alcohol Education-Municipal Court	1,388.26	1,984.47	2,250.00		1,122.73
Legislative Block Grant	29,258.50	18,337.00	29,258.50		18,337.00
Special Legislative Grant	50,000.00		50,000.00		
County Downtown Improvement Grant	59,973.11		137,137.50		59,973.11
County Senior Focus Grant	137,250.00		774.18		112.50
Bulletproof Vest Partnership Grant	774.18		49,059.39		
COPS MORE Grant	54,894.93				
Stop Violence Against Women Grant		8,046.00			5,835.54
Bulletproof Vest Grant Program		5,045.92			8,046.00
COPS in Schools Grant		447,654.00	116,338.79		5,045.92
FEMA Firefighters Grant		138,485.00	27,085.00		331,315.21
Green Communities Grant		2,000.00			111,400.00
Statewide Local Domestic Preparedness					2,000.00
Equipment Grant		140,000.00			140,000.00
	\$ 395,681.18	\$ 803,253.87	\$ 436,039.09	\$ 5,279.00	\$ 757,616.96
REF.	A		A-4	A-7	A
Federal and State Grants	\$	801,419.87			
Local Share		1,834.00			
	\$	803,253.87			

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF PREPAID REVENUE

	<u>REF.</u>		
Balance, June 30, 2002	A	\$	14,860.00
Increased by:			
Receipts-Fiscal Year 2004 A.B.C. Licenses	A-4		14,800.00
		\$	<u>29,660.00</u>
Decreased by:			
Realized as Anticipated Revenue	A-2		<u>14,860.00</u>
Balance, June 30, 2003	A	\$	<u><u>14,800.00</u></u>

"A-16"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>ANIMAL CONTROL FUND</u>
Balance, June 30, 2002 Due From	A	\$ <u>2,229.20</u>	\$ <u>2,229.20</u>
Cash Receipts	A-4	\$ 2,229.20	\$ 2,229.20
Cash Disbursements	A-4	<u>1,760.80</u>	<u>1,760.80</u>
Balance, June 30, 2003 Due From	A	\$ <u><u>1,760.80</u></u>	\$ <u><u>1,760.80</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF FISCAL YEAR 2002 APPROPRIATION RESERVES

	BALANCE, JUNE 30, 2002		BALANCE		BALANCE
	COMMITMENTS		AFTER	PAID OR	LAPSED
	PAYABLE	RESERVED	TRANSFERS	CHARGED	
<u>SALARIES AND WAGES</u>					
Administrative and Executive	\$	\$ 5,735.97	\$ 5,735.97	\$	5,735.97
Borough Clerk		6,131.10	6,131.10		6,131.10
Borough Council		2,540.25	2,540.25		2,540.25
Financial Administration		15,866.95	15,866.95		15,866.95
Assessment of Taxes		3,172.33	3,172.33		3,172.33
Collection of Taxes		2,645.89	2,645.89		2,645.89
Legal Services and Costs		500.09	500.09		500.09
Prosecutor		500.08	500.08		500.08
Public Buildings and Grounds		1,009.71	1,009.71		1,009.71
Planning Board		836.64	836.64		836.64
Zoning Board of Adjustment		1,705.08	1,705.08		1,705.08
Redevelopment Agency		1,500.02	1,500.02		1,500.02
Shade Tree Commission		500.10	500.10		500.10
Rent Leveling Board		325.20	325.20		325.20
Fire Department		1,938.88	1,938.88		1,938.88
Police		19,878.99	4,878.99		4,878.99
Traffic Control-School Crossing Guards		3,464.18	3,464.18		3,464.18
Emergency Management Services		705.49	705.49		705.49
Public Works		524.93	524.93		524.93
Recycling		4,500.00	4,500.00	3,000.00	1,500.00
Board of Health		597.97	597.97		597.97
Welfare		797.01	797.01		797.01
Community Services		540.00	540.00		540.00
Recreation		4,815.46	4,815.46		4,815.46
Community Alliance		2,557.07	2,557.07		2,557.07
Construction Code Official		8,022.38	2,822.38		2,822.38
Municipal Court		767.98	767.98		767.98
Public Defender		500.00	500.00		500.00
911 Fire		276.48	276.48		276.48
Police Communications Operators		2,812.01	2,812.01		2,812.01
<u>OTHER EXPENSES</u>					
Administrative and Executive	33,158.91	13,180.49	47,089.40	32,651.87	14,437.53
Borough Clerk	2,665.85	5,684.13	8,349.98	2,777.23	5,572.75
Borough Council	7,770.00	4,230.52	13,000.52	7,329.39	5,671.13
Human Resources		16,083.35	6,083.35	660.00	5,423.35
Financial Administration	13,726.20	16,762.52	40,488.72	30,310.31	10,178.41
Annual Audit	57,600.00		57,600.00	57,600.00	
Assessment of Taxes	238.78	26,834.21	27,072.99	9,053.78	18,019.21
Liquidation of Tax Title Liens & Foreclosed Property	1,279.00	1,971.59	8,250.59	1,279.00	6,971.59
Collection of Taxes	2,501.90	3,284.86	5,786.76	2,089.54	3,697.22
Legal Services and Costs	798.45	40,190.38	50,988.83	14,383.40	36,605.43
Prosecutor		675.00	675.00		675.00
Engineering Services and Costs	6,000.00	4,547.70	10,547.70	6,000.00	4,547.70
Public Buildings and Grounds	7,887.36	20,406.81	28,294.17	4,661.53	23,632.64
Planning Board	23.00	154.70	177.70	23.00	154.70
Zoning Board of Adjustments	388.90	7,838.02	8,226.92	224.62	8,002.30
Redevelopment Agency		4,973.40	4,973.40		4,973.40
Shade Tree Commission	31,432.00	2,168.58	33,600.58	30,710.00	2,890.58
Group Insurance for Employees	54.30	9,334.98	9,389.28	625.95	8,763.33
Workers' Compensation		290.00	20,290.00		20,290.00
Other Insurance Premiums	721.20	9,702.97	10,424.17	6,373.87	4,050.30
Fire Department	25,201.93	6,956.26	32,158.19	24,244.43	7,913.76
Police Department - Miscellaneous Other	20,895.96	27,834.91	50,730.87	26,421.87	24,309.00
Traffic Control-School Crossing Guards		420.00	420.00		420.00

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF FISCAL YEAR 2002 APPROPRIATION RESERVES

	<u>BALANCE, JUNE 30, 2002</u>		<u>BALANCE</u>	<u>PAID OR</u>	<u>BALANCE</u>
	<u>COMMITMENTS</u>		<u>AFTER</u>	<u>CHARGED</u>	<u>LAPSED</u>
	<u>PAYABLE</u>	<u>RESERVED</u>	<u>TRANSFERS</u>		
<u>OTHER EXPENSES (CONTINUED)</u>					
First Aid Organization - Contribution	\$	\$ 5,000.00	5,000.00	\$ 5,000.00	\$
Emergency Management Services	6,359.16	4,555.50	11,914.66	6,541.75	5,372.91
Public Works	30,162.06	9,926.00	42,188.06	29,196.80	12,991.26
Union County S.L.A.P. Program		18.96	18.96		18.96
Maintenance of Vehicles	19,425.66	12,325.76	31,751.42	15,568.65	16,182.77
Recycling	8,806.66	8,705.16	17,511.82	11,133.27	6,378.55
Solid Waste Collection	33,477.87	121,290.14	123,768.01	122,473.79	1,294.22
Board of Health	13,442.99	47,572.83	61,015.82	32,863.81	28,152.01
Welfare	237.98	1,521.73	1,759.71		1,759.71
Community Services		114.57	114.57		114.57
Recreation	5,461.56	5,897.88	11,359.44	5,356.79	6,002.65
Construction Code Official	1,050.78	2,568.40	3,619.18	637.15	2,982.03
Gasoline	5,435.67	10,390.02	15,825.69	5,435.67	10,390.02
Electricity		38,229.45	17,329.45	6,984.04	10,345.41
Telephone and Telegraph	13,603.98	9,203.01	23,056.99	14,111.56	8,945.43
Natural Gas	1,202.39	10,177.75	11,380.14	1,704.59	9,675.55
Heating Oil	1,000.00	3,750.59	4,750.59		4,750.59
Street Lighting	10.29	18,856.96	18,867.25	13,647.56	5,219.69
Fire Hydrant Service	16,358.17	4,748.25	21,106.42	16,358.17	4,748.25
Water		8,611.43	8,611.43	3,919.32	4,692.11
Municipal Services Act		55,000.00	85,000.00	51,673.68	33,326.32
Contingent	3,595.52	3,121.25	6,716.77	4,095.59	2,621.18
Social Security System (O.A.S.I.)		40.83	40.83		40.83
Consolidated Police and Firemen's Pension Fund		18.47	18.47		18.47
Municipal Court	432.03	3,385.51	3,817.54	762.76	3,054.78
Sewer Disposal		146.50	146.50		146.50
Public Employees' Occupational Safety Health Act	2,750.00	503.37	3,253.37	2,415.00	838.37
Public Defender		275.00	275.00		275.00
Police Communication Operations		500.00	500.00		500.00
Animal Control Contract - City of Linden		35.02	35.02		35.02
Purchase of Fire Equipment		41.20	41.20		41.20
Purchase of Telephone System	427.70		427.70	427.70	
Street & Sewer Reconstruction	4,000.00		4,000.00		4,000.00
	\$ 379,584.21	\$ 705,725.16	1,085,309.37	\$ 610,727.44	\$ 474,581.93

REF.

A-20

A

A-4

A-1

"A-18"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF RESERVE FOR STATE GRANTS -
UNAPPROPRIATED

	<u>REF.</u>		
Balance, June 30, 2002	A	\$	10,990.38
Increased by:			
Cash Receipts	A-4		<u>6,885.43</u>
		\$	<u>17,875.81</u>
Decreased by:			
Applied to Receivable	A-7		<u>10,990.38</u>
Balance, June 30, 2003	A	\$	<u><u>6,885.43</u></u>

ANALYSIS OF BALANCE:

Alcohol Education and Rehabilitation Fund	\$	1,810.51
Body Armor Replacement Fund		<u>5,074.92</u>
	\$	<u><u>6,885.43</u></u>

"A-19"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY-
CONSTRUCTION CODE SURCHARGES

	<u>REF.</u>		
Balance, June 30, 2002	A	\$	1,134.00
Increased by:			
Cash Receipts	A-4		4,672.00
		\$	<u>5,806.00</u>
Decreased by:			
Cash Disbursements	A-4		4,718.00
			<u>4,718.00</u>
Balance, June 30, 2003	A	\$	<u><u>1,088.00</u></u>

"A-20"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance, June 30, 2002	A	\$	384,984.21
Increased by:			
Fiscal Year 2003 Appropriations	A-3		501,937.51
		\$	<u>886,921.72</u>
Decreased by:			
Transferred to Appropriation Reserves	A-17	\$	379,584.21
Cash Disbursements	A-4		400.00
Canceled	A-1		<u>5,000.00</u>
			<u>384,984.21</u>
Balance, June 30, 2003	A	\$	<u><u>501,937.51</u></u>

"A-21"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, June 30, 2002	A	\$	54,500.36
Increased by:			
Collection of Fiscal Year 2004 Taxes	A-4		62,336.67
		\$	<u>116,837.03</u>
Decreased by:			
Applied to Fiscal Year 2003 Taxes	A-8		<u>54,500.36</u>
Balance, June 30, 2003	A	\$	<u><u>62,336.67</u></u>

"A-22"

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, June 30, 2002	A	\$	221,668.71
Increased by:			
Tax Overpayments Received	A-4		399,636.02
		\$	<u>621,304.73</u>
Decreased by:			
Cash Disbursements	A-4	\$	288,659.77
Canceled	A-1		<u>49,495.74</u>
			<u>338,155.51</u>
Balance, June 30, 2003	A	\$	<u><u>283,149.22</u></u>

"A-23"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF COUNTY TAXES

	<u>REF.</u>			
Increased by:				
Tax Levy for SFY 2003	A-1	\$	3,853,383.26	
Added Taxes	A-1		22,763.96	
	A-8		<u> </u>	\$ 3,876,147.22
Decreased by:				
Cash Disbursements	A-4			\$ <u>3,876,147.22</u>

"A-24"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Increased by:				
School Tax Levy - SFY 2003	A-1:A-8			\$ 15,849,907.00
Decreased by:				
Cash Disbursements	A-4			\$ <u>15,849,907.00</u>

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF TRUST FUND CASH
COLLECTOR-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL FUND</u>	<u>OTHER TRUST FUNDS</u>
Balance, June 30, 2002	B	\$ 7,590.40	\$ 814,767.07
Increased by Receipts:			
Due State of New Jersey	B-4	\$ 1,118.40	\$
Animal Control License Fees	B-5	2,198.60	
Recycling	B-6		651.90
State Unemployment Insurance	B-8		28,227.14
State Marriage License Fees	B-9		3,750.00
Miscellaneous Trusts	B-13		1,455,368.37
Community Development Block Grant	B-10		20,159.67
Special Law Enforcement	B-12		1,415.04
Tax Sale Premiums	B-7		69,600.00
		3,317.00	1,579,172.12
		\$ 10,907.40	\$ 2,393,939.19
Decreased by Disbursements:			
Due State of New Jersey	B-4	\$ 1,212.60	\$
Due Current Fund	B-3	2,229.20	
State Unemployment Insurance	B-8		36,656.79
State Marriage License Fees	B-9		3,775.00
Interfunds			4,563.57
Miscellaneous Trusts	B-13		1,646,104.46
Community Development Block Grant	B-11		15,596.10
Special Law Enforcement	B-12		13,420.12
Tax Sale Premiums	B-7		165,500.00
Recycling	B-6		18,954.25
Accounts Payable	B		36.75
Expenditures Under R.S.4:19-15.11	B-5	988.00	
		4,429.80	1,904,607.04
Balance, June 30, 2003	B	\$ 6,477.60	\$ 489,332.15

"B-3"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND-
ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		
Balance, June 30, 2002	B	\$	2,229.20
Increased by:			
Statutory Excess in Reserve for			
Animal Control Expenditures	B-5	\$	<u>1,760.80</u>
			3,990.00
Decreased by:			
Cash Disbursements	B-2		<u>2,229.20</u>
Balance, June 30, 2003	B	\$	<u><u>1,760.80</u></u>

"B-4"

SCHEDULE OF DUE STATE OF NEW JERSEY
ANIMAL CONTROL LICENSE FEES

Balance, June 30, 2002	B	\$	116.40
Increased by:			
Cash Receipts	B-2	\$	<u>1,118.40</u>
			1,234.80
Decreased by:			
Cash Disbursements	B-2		<u>1,212.60</u>
Balance, June 30, 2003	B	\$	<u><u>22.20</u></u>

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, June 30, 2002	B	\$	5,244.80
Increased by:			
Animal Control Fees Collected	B-2		2,198.60
		\$	<u>7,443.40</u>
Decreased by:			
Statutory Excess in Reserve for Animal			
Control Fund Expenditures	B-3	\$	1,760.80
Cash Disbursements	B-2		<u>988.00</u>
			<u>2,748.80</u>
Balance, June 30, 2003	B	\$	<u><u>4,694.60</u></u>

LICENSE FEES COLLECTED

<u>FISCAL</u> <u>YEAR</u>	<u>AMOUNT</u>
2001	\$ 2,120.80
2002	<u>2,573.80</u>
	<u><u>\$ 4,694.60</u></u>

"B-6"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR RECYCLING

	<u>REF.</u>		
Balance, June 30, 2002	B	\$	42,242.92
Increased by:			
Cash Receipts	B-2		651.90
		\$	<u>42,894.82</u>
Decreased by:			
Cash Disbursements	B-2		<u>18,954.25</u>
Balance, June 30, 2003	B	\$	<u><u>23,940.57</u></u>

"B-7"

SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS

Balance, June 30, 2002	B	\$	255,100.00
Increased by:			
Cash Receipts	B-2		69,600.00
		\$	<u>324,700.00</u>
Decreased by:			
Cash Disbursements	B-2		<u>165,500.00</u>
Balance, June 30, 2003	B	\$	<u><u>159,200.00</u></u>

"B-8"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>		
Balance, June 30, 2002	B	\$	68,110.95
Increased by:			
Interest		\$	973.83
Contributions			7,253.31
Budget Appropriation			<u>20,000.00</u>
	B-2		28,227.14
		\$	<u>96,338.09</u>
Decreased by:			
Cash Disbursements	B-2		<u>36,656.79</u>
Balance, June 30, 2003	B	\$	<u><u>59,681.30</u></u>

"B-9"

SCHEDULE OF MARRIAGE LICENSE FEES -
DUE STATE OF NEW JERSEY

Balance, June 30, 2002	B	\$	1,150.00
Increased by:			
Cash Receipts	B-2		<u>3,750.00</u>
		\$	<u>4,900.00</u>
Decreased by:			
Cash Disbursements	B-2		<u>3,775.00</u>
Balance, June 30, 2003	B	\$	<u><u>1,125.00</u></u>

"B-10"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE FROM COUNTY OF UNION
COMMUNITY DEVELOPMENT BLOCK GRANT

REF.

Balance, June 30, 2002	B		\$	11,163.57
Increased by:				
Grant Awards	B-11			23,737.00
			\$	<u>34,900.57</u>
Decreased by:				
Cash Receipts	B-2	\$	20,159.67	
Canceled	B-11		<u>1,468.00</u>	
				<u>21,627.67</u>
Balance, June 30, 2003	B		\$	<u><u>13,272.90</u></u>

"B-11"

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

Balance, June 30, 2002	B		\$	6,600.00
Increased by:				
Grant Awards	B-10			23,737.00
			\$	<u>30,337.00</u>
Decreased by:				
Cash Disbursements	B-2	\$	15,596.10	
Canceled	B-10		<u>1,468.00</u>	
				<u>17,064.10</u>
Balance, June 30, 2003	B		\$	<u><u>13,272.90</u></u>

"B-12"

SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT

Balance, June 30, 2002	B		\$	56,267.12
Increased by:				
Cash Receipts	B-2			1,415.04
			\$	<u>57,682.16</u>
Decreased by:				
Cash Disbursements	B-2			<u>13,420.12</u>
Balance, June 30, 2003	B		\$	<u><u>44,262.04</u></u>

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

	BALANCE JUNE 30, 2002	RECEIPTS	DISBURSEMENTS	BALANCE JUNE 30, 2003
Tax Title Lien Liquidation	\$ 234,026.40	\$ 1,319,694.25	\$ 1,495,035.49	\$ 58,685.16
Centennial Celebration	135.00			135.00
Parking Offense Adjudication Act	13,715.23	2,444.00	679.99	15,479.24
Escrow Deposits	6,000.00	1,000.00	6,000.00	1,000.00
Street Opening Deposits	15,806.00	5,820.00	9,852.00	11,774.00
Public Defender Fees	11,235.36	14,543.00	11,565.04	14,213.32
Police Department Donation	500.00		234.90	265.10
5K Race	11,683.82	16,839.00	14,683.04	13,839.78
Lawsuit Settlement	13,106.72			13,106.72
Police Deposits	33.88			33.88
21st Century Gala	1,895.00			1,895.00
Land Sale Deposits		86,000.00	86,000.00	
Holiday Decorations	350.00			350.00
Cable Television	46,000.00		15,050.00	30,950.00
Fire Prevention		1,000.00		1,000.00
Fire Department Donations		616.00		616.00
Vending Machine Commissions		408.12		408.12
Donations - Ethnic Festival		7,004.00	7,004.00	
	\$ 354,487.41	\$ 1,455,368.37	\$ 1,646,104.46	\$ 163,751.32
REF.	B	B-2	B-2	B

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL CAPITAL CASH
COLLECTOR-TREASURER

	<u>REF.</u>		
Balance, June 30, 2002	C	\$	1,885,874.03
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-7	\$	100,000.00
State Aid Receivable	C-8		235,791.76
Serial Bonds Issued	C-12		145,000.00
Reimbursement from Union County Improvement Authority	C-11		224,918.00
Due from the Library	C-14		5,000.00
Interfunds	C-4		4,563.57
State Aid Received on Fully Funded Ordinances	C-1		<u>67,777.57</u>
			783,050.90
		\$	<u>2,668,924.93</u>
Decreased by:			
Improvement Authorizations	C-9	\$	619,064.02
Due From Union County Improvement Authority	C-11		<u>627,859.42</u>
			<u>1,246,923.44</u>
Balance, June 30, 2003	C	\$	<u><u>1,422,001.49</u></u>

"C-3"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	<u>BALANCE</u> <u>JUNE</u> <u>30, 2003</u>
Capital Improvement Fund	\$ 52,940.39
Capital Surplus	225,896.75
Improvement Authorizations Funded (Listed on "C-9")	2,141,461.76
Improvement Authorizations Financed by Expenditures (Listed on "C-6")	(87,869.62)
Due From Library	(35,000.00)
State Aid Accounts Receivable	(474,738.26)
Reserve to Pay Debt	2,251.89
Other Accounts Receivable	<u>(402,941.42)</u>
	\$ <u>1,422,001.49</u>

REF.

C

"C-4"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>TRUST OTHER FUND</u>
Balance, June 30, 2002 Due From	C	\$ <u>4,563.57</u>	\$ <u>4,563.57</u>
Decreased by: Cash Receipts	C-2	\$ <u><u>4,563.57</u></u>	\$ <u><u>4,563.57</u></u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, June 30, 2002	C	\$	17,501,771.19
Increased by:			
Bonds Issued	C-12		<u>145,000.00</u>
		\$	17,646,771.19
Decreased by:			
Budget Appropriation:			
Payment of Bonds by Budget	C-12	\$	1,665,000.00
Payment of Green Trust Loan by Budget	C-10		<u>9,724.60</u>
			<u>1,674,724.60</u>
Balance, June 30, 2003	C	\$	<u><u>15,972,046.59</u></u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE JUNE 30, 2003	ANALYSIS OF BALANCE, JUNE 30, 2003	
			EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
1709 and 1807	Acquisition of Various Equipment and Vehicles and Renovation of Municipal Building Roof	\$ 5,611.55	\$ 5,611.55	
1773	Repair Gordon Street Bridge	11,369.17		11,369.17
1765	Various Acquisition and Improvements	948.67	948.67	
1785	Various Acquisition and Improvements	55,500.00	55,500.00	
1831	Installation of Storm Sewer and Replacement of Curbs and Sidewalks	750.00		750.00
1915	Roads Construction and Various Related Matters	700.00		700.00
2042	Reconstruction of Aldene Road	0.24	0.24	
2076	Reconstruction of Roads	0.72		0.72
2160	Various Improvements	715,000.00	25,809.16	689,190.84
2166	Various Improvements	332,500.00		332,500.00
2175	Replace Sanitary Sewer and Flood Control	76,000.00		76,000.00
2181	Various Improvements	570,000.00		570,000.00
		\$ 1,768,380.35	\$ 87,869.62	\$ 1,680,510.73
	<u>REF.</u>	C	C-3	C-9

"C-7"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, June 30, 2002	C	\$	11,440.39
Increased by:			
SFY 2003 Appropriations	C-2		100,000.00
		\$	<u>111,440.39</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-9		58,500.00
Balance, June 30, 2003	C	\$	<u>52,940.39</u>

"C-8"

SCHEDULE OF STATE AID ACCOUNTS RECEIVABLE

Balance, June 30, 2002	C	\$	329,054.84
Increased by:			
Grants Authorized	C-9		424,738.26
		\$	<u>753,793.10</u>
Decreased by:			
Cash Receipts	C-2	\$	235,791.76
Canceled	C-9		43,263.08
			<u>279,054.84</u>
Balance, June 30, 2003	C	\$	<u>474,738.26</u>

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE JUNE 30, 2002		S.F.Y.-2003 AUTHORIZATIONS	PAID OR CHARGED	CANCELED	BALANCE JUNE 30, 2003	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
1738:1773	Repair Gordon Street Bridge	12/14/88	\$ 230,000.00	\$	\$	\$	\$	\$	\$	\$
1785	Various Acquisition and Improvements	02/14/90	150,000.00		11,389.17		1,650.00		13,217.00	11,389.17
1793	Various Improvements	04/11/90	550,000.00		55,500.00		55,500.00		46,245.30	
1831	Installation of Storm Sewers and Replacement of Curbs and Sidewalks	07/24/91	125,000.00						84,659.07	
1847	Acquisition of a Dump Truck and Plow and Bombardier	09/25/91	125,000.00						8,380.25	
1915	Road Construction and Various Related Matters	09/23/93	150,000.00						380.63	
1931:1940	Replacement of Culvert and Sanitary Sewers	2/23/94:8/24/94	475,000.00						47,095.19	
1967	Various Road Improvements	03/22/95	225,000.00						62,865.08	
1969:2091	Various Improvements	08/27/95	200,000.00						101,422.04	
2006	Reconstruction of Spruce Street	04/17/96	120,000.00						4,370.23	
2019	Various Improvements	09/18/96	110,000.00						53,647.00	
2021	Acquisition of Real Property and Improvements	11/25/96	145,000.00						14,488.17	
2027	Purchase of Lektrover for Police Department	01/22/97	25,000.00						1,514.15	
2076	Reconstruction of Roads	08/19/98	160,000.00						6,217.39	
2088	Downtown Redevelopment Improvement	03/17/99	1,180,000.00		0.72				684,476.08	0.72
2089:2102/2113	Various Improvements	06/28/00	320,000.00					9,266.84	403,774.53	
2110	Various Improvements	03/21/01	6,000.00						34,397.61	
2121	Purchase of Street Signs	03/21/01	345,000.00						140.70	
2125	Various Improvements	04/18/01	60,000.00						93,453.14	
2131	Various Improvements	07/02/01	60,000.00						6,589.18	
2137	Purchase of Real Property	04/17/02	1,189,000.00						30,724.26	
2160	Various Improvements	08/21/02	350,000.00						355,702.03	
2166	Emergency Alerting System	09/18/02	25,000.00						16,950.00	
2172	Replacement of Sanitary Sewer and Flood Control	11/13/02	80,000.00						3,650.00	
2175	Various Improvements	02/27/03	145,000.00						422,804.76	
2181	Refunding Bonds									
2182										
			\$	2,069,241.44	\$	783,319.89	\$	43,263.08	\$	1,680,510.73

REF.

Deferred Charges to Future Taxation-Unfunded
State Aid Accounts Receivable
Capital Surplus
Capital Improvement Fund

C-8

C-1

C-7

\$

1,123,500.00

424,738.26

25,000.00

58,500.00

\$

1,631,738.26

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"C-10"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>REF.</u>		
Balance, June 30, 2002	C	\$	194,771.19
Decreased by:			
Loans Paid by Budget	C-5		<u>9,724.60</u>
Balance, June 30, 2003	C	\$	<u><u>185,046.59</u></u>

"C-11"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF OTHER ACCOUNTS RECEIVABLE

	<u>REF.</u>		
Increased by:			
Cash Disbursements	C-2	\$	627,859.42
Decreased by:			
Cash Receipts	C-2		<u>224,918.00</u>
Balance, June 30, 2003	C	\$	<u><u>402,941.42</u></u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING JUNE 30, 2003		INTEREST RATE	BALANCE JUNE 30, 2002	INCREASED	DECREASED	BALANCE JUNE 30, 2003
			DATE	AMOUNT					
Fiscal Year Adjustment Bonds	10/15/93	13,775,000.00	10/15/03	\$ 1,190,000.00	4.65%				
			10/15/04	1,245,000.00	4.75%				
			10/15/05	1,300,000.00	4.85%				
			10/15/06	1,365,000.00	4.95%				
			10/15/07	1,435,000.00	5.05%				
General Improvements	2/15/97	6,870,000.00	10/15/08	1,505,000.00	5.10%	\$ 9,175,000.00	\$	1,135,000.00	\$ 8,040,000.00
			2/15/04	425,000.00					
			2/15/05	450,000.00					
			2/15/06	455,000.00					
			2/15/07	480,000.00					
General Improvements	3/15/02	3,080,000.00	2/15/08	490,000.00					
			2/15/09	520,000.00					
			2/15/10	615,000.00					
			2/15/11	610,000.00					
			2/15/12	602,000.00	4.95%	5,052,000.00		405,000.00	4,647,000.00
			3/15/04	130,000.00	4.00%				
			3/15/05	135,000.00	4.00%				
			3/15/06	165,000.00	4.00%				
			3/15/07	170,000.00	4.25%				
			3/15/08	190,000.00	4.25%				
Refunding Bonds	4/1/03	145,000.00	3/15/09	195,000.00	4.25%				
			3/15/10	240,000.00	4.25%				
			3/15/11	240,000.00	4.25%				
			3/15/12	245,000.00	4.50%				
			3/15/13	245,000.00	4.50%				
			3/15/14	250,000.00	4.50%				
			3/15/15	250,000.00	4.75%				
			3/15/16	250,000.00	4.75%				
			3/15/17	250,000.00	4.75%				
			4/1/04-07	5,000.00	3.66%	3,080,000.00		125,000.00	2,955,000.00
			4/1/08-12	10,000.00	3.66%				
			4/1/13	10,000.00	4.89%				
			4/1/14-15	10,000.00	5.29%				
			4/1/16-18	15,000.00	5.29%				
						145,000.00		145,000.00	
					\$ 17,307,000.00	\$	145,000.00	\$ 1,665,000.00	\$ 15,787,000.00
					REF.	C	C-2-C-5		C
					C-5			\$ 1,665,000.00	
Paid by Budget Appropriation									

Paid by Budget Appropriation

"C-13"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT

REF.

Balance, June 30, 2002 and
June 30, 2003

C

\$ 2,251.89

"C-14"

SCHEDULE OF DUE FROM LIBRARY

Balance, June 30, 2002

C

\$ 40,000.00

Decreased by:
Cash Receipts

C-2

5,000.00

Balance, June 30, 2003

C

\$ 35,000.00

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT AUTHORIZATION</u>	<u>BALANCE JUNE 30, 2003</u>
1709 and 1807	Acquisition of Vehicles and Renovation of Municipal Building Roof	\$ 5,611.55
1738 and 1773	Repairs to Gordon Street Bridge	11,369.17
1765	Various Acquisitions and Improvements	948.67
1785	Various Acquisitions and Improvements	55,500.00
1831	Installation of Storm Sewers and Replacement of Curbs and Sidewalks	750.00
1915	Road Construction and Various Related Matters	700.00
2042	Reconstruction of Aldene Road	0.24
2076	Reconstruction of Roads	0.72
2160	Various Improvements	715,000.00
2166	Various Improvements	332,500.00
2175	Replace Sanitary Sewer and Flood Control	76,000.00
2181	Various Improvements	570,000.00
		<hr/>
		\$ 1,768,380.35

BOROUGH OF ROSELLE
AFFORDABLE HOUSING UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>
Balance, June 30, 2002	D	\$ 87,779.46
Increased by Receipts:		
Rents	D-5	\$ 273,001.42
Security Deposits	D-7	5,941.25
Appropriation Refunds	D-3	343.80
Miscellaneous	D-2	<u>4,882.12</u>
		284,168.59
		\$ <u>371,948.05</u>
Decreased by Disbursements:		
SFY2003 Appropriations	D-3	\$ 240,243.60
Refund of Prior Years Revenue	D-1	632.55
Security Deposits	D-7	<u>9,476.77</u>
		250,352.92
Balance, June 30, 2003	D	\$ <u><u>121,595.13</u></u>

"D-5"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF RENTAL INCOME ACCOUNTS RECEIVABLE

Balance, June 30, 2002	D	\$	5,418.00
Increased by:			
Rents Levied			<u>273,101.42</u>
		\$	<u>278,519.42</u>
Decreased by:			
Collection	D-2:D-4		<u>273,001.42</u>
Balance, June 30, 2003	D	\$	<u><u>5,518.00</u></u>

"D-6"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, June 30, 2002	D	\$	1,000.00
Increased by:			
Transferred from Budget	D-3		<u>14,897.63</u>
		\$	<u>15,897.63</u>
Decreased by:			
Transferred to Reserves	D-8		<u>1,000.00</u>
Balance, June 30, 2003	D	\$	<u><u>14,897.63</u></u>

"D-7"

SCHEDULE OF TENANT SECURITY DEPOSITS

Balance, June 30, 2002	D	\$	26,052.08
Increased by:			
Cash Receipts	D-4		<u>5,941.25</u>
		\$	<u>31,993.33</u>
Decreased by:			
Cash Disbursements	D-4		<u>9,476.77</u>
Balance, June 30, 2003	D	\$	<u><u>22,516.56</u></u>

"D-8"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF S.F.Y. 2002 APPROPRIATION RESERVES

	<u>BALANCE</u> <u>JUNE</u> <u>30, 2002</u>	<u>BALANCE</u> <u>AFTER</u> <u>TRANSFERS</u>	<u>BALANCE</u> <u>LAPSED</u>
Operating:			
Other Expenses	\$ 36,113.00	\$ 37,113.00	\$ 37,113.00
	<u>\$ 36,113.00</u>	<u>\$ 37,113.00</u>	<u>\$ 37,113.00</u>
<u>REF.</u>	D:D-8		D-1
Balance, June 30, 2002	D-8	\$ 36,113.00	
Accounts Payable	D-6	1,000.00	
		<u>\$ 37,113.00</u>	

"D-9"

BOROUGH OF ROSELLE
AFFORDABLE HOUSING UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

<u>Account</u>	<u>REF.</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2003</u>
Affordable Housing Improvements	D	\$ <u>5,000.00</u>

"D-10"

SCHEDULE OF RESERVE FOR AMORTIZATION

Increased by:		
Transferred from Budget - Capital Outlay	D-3	5,000.00
Balance, June 30, 2003	D	\$ <u>5,000.00</u>

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH-TREASURER

	<u>REF.</u>	<u>P.A.T.F. I</u> <u>ACCOUNT</u>	<u>P.A.T.F. II</u> <u>ACCOUNT</u>	<u>FUND</u> <u>TOTAL</u>
Balance, June 30, 2002	E	\$ 12,960.34	\$ -0-	\$ 12,960.34
Increased by Receipts:				
State Aid for Public Assistance			\$ 245,189.92	\$ 245,189.92
Supplemental Security Income Reimbursement			31,190.20	31,190.20
<u>Total Receipts</u>	E-4		\$ 276,380.12	\$ 276,380.12
		\$ 12,960.34	\$ 276,380.12	\$ 289,340.46
Decreased by:				
Supplemental Security Income		\$	\$ 31,190.20	\$ 31,190.20
Public Assistance - SFY2003			245,189.92	245,189.92
<u>Total Disbursements</u>	E-5	\$	\$ 276,380.12	\$ 276,380.12
Balance, June 30, 2003	E	\$ 12,960.34	\$ -0-	\$ 12,960.34

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION PER N.J.S.A. 40A:5-5

REF.

Balance, June 30, 2003	E-1	\$	12,960.34
Increased by Receipts:			
Cash Receipts Record			104,100.18
		\$	117,060.52
Decreased by Disbursements:			
Cash Disbursements Record:			
SFY 2004 Assistance			106,227.68
Balance, October 31, 2003		\$	10,832.84

Reconciliation, October 31, 2003

	<u>P.A.T.F. I</u> <u>ACCOUNT</u>	<u>P.A.T.F. II</u> <u>ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of:			
Fleet Bank			
Account #810-0252407	\$ 12,960.34	\$ -0-	\$ 12,960.34
Account #810-7027565	\$ 12,960.34	\$ -0-	\$ 12,960.34
Less: Outstanding Checks (Per List on File)		2,127.50	2,127.50
Balance, October 31, 2003	\$ 12,960.34	\$ (2,127.50)	\$ 10,832.84

(Cash Overdraft)

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION AS OF JUNE 30, 2003

	<u>REF.</u>		
Balance, June 30, 2002	E-1	\$	12,960.34
Increased by Receipts:			
Cash Receipts Record		\$	276,380.12
			289,340.46
Decreased by Disbursements:			
Cash Disbursements Record:			
SFY2003 Assistance		\$	245,189.92
Supplemental Security Income			31,190.20
			276,380.12
Balance, June 30, 2003	E-1	\$	12,960.34

Reconciliation, June 30, 2003

Balance on Deposit Per Statement of:

Fleet Bank:

Account #810-0252407

Account #810-7027565

Balance, June 30, 2003

	<u>P.A.T.F. I ACCOUNT</u>	<u>P.A.T.F. II ACCOUNT</u>	<u>TOTAL</u>
\$	12,960.34	\$	12,960.34
		-0-	-0-
\$	12,960.34	\$	12,960.34

"E-4"

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE REVENUES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>	<u>FUND</u> <u>TOTAL</u>
State Aid Payments	\$	245,189.92	\$ 245,189.92
Supplemental Security Income:			
State/Municipal Refund		28,391.73	28,391.73
Client Refund		<u>2,798.47</u>	<u>2,798.47</u>
<u>TOTAL RECEIPTS (P.A.T.F.)</u>	\$	<u>276,380.12</u>	\$ <u>276,380.12</u>

REF.

E-1

"E-5"

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Current Year Assistance (Reported):			
Maintenance Payments	\$	173,698.00	\$ 173,698.00
Work Related Expenses		25.43	25.43
Other:			
Transportation		7,256.40	7,256.40
Temporary Rent Assistance		32,538.00	32,538.00
Emergency Assistance		<u>31,672.09</u>	<u>31,672.09</u>
<u>Total Payments Reported</u>	\$	<u>245,189.92</u>	\$ <u>245,189.92</u>
SSI Payments:			
State/Municipal Refund		28,391.73	28,391.73
Reimbursement to Clients		<u>2,798.47</u>	<u>2,798.47</u>
<u>TOTAL DISBURSEMENTS (P.A.T.F.)</u>	\$	<u>276,380.12</u>	\$ <u>276,380.12</u>

REF.

E-1

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BOROUGH OF ROSELLE

PART II

SINGLE AUDIT SECTION

REPORTS ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

REPORTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR STATE FINANCIAL ASSISTANCE
PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR NO. A-133

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Honorable Mayor and Members
of the Borough Council
Borough of Roselle
County of Union
Roselle, New Jersey 07203

We have audited the accompanying financial statements - statutory basis of the Borough of Roselle, County of Union, New Jersey as of and for the year ended June 30, 2003, and have issued our report thereon dated December 15, 2003. In our report, our opinion was qualified because we were unable to satisfy ourselves as to the amount of general fixed assets to be reported in the financial statements as of June 30, 2003. Our report also disclosed that, as described in Note 1 to the financial statements, the Borough of Roselle prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Borough of Roselle's financial statements - statutory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in Section II, compliance findings of the accompanying Schedule of Findings and Questioned Costs as Items #2003-1 and #2003-2. We also noted certain immaterial instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of this report.

SUPLEE, CLOONEY & COMPANY

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Roselle's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Borough of Roselle's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Section II, Internal Control Findings, of the accompanying Schedule of Findings and Questioned Costs as Item #2003-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe all of the reportable condition described above is material weaknesses. We also noted immaterial matters involving the internal control structure and its operations which are discussed in Part III, General Comments and Recommendations Section of this report.

This report is intended for the information of the Borough of Roselle, County of Union, New Jersey, the Division of Local Government Services and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

December 15, 2003



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO MAJOR STATE FINANCIAL ASSISTANCE
PROGRAMS AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A -133

The Honorable Mayor and Members
of the Borough Council
Borough of Roselle
County of Union
Roselle, New Jersey 07203

Compliance

We have audited the compliance of the Borough of Roselle, County of Union with the types of compliance requirements described in the State of New Jersey, Department of Treasury, Office of Management and Budget's State Grant Compliance Supplement that are applicable to each of its major state programs for the year ended June 30, 2003. The Borough of Roselle's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Borough of Roselle's management. Our responsibility is to express an opinion on the Borough of Roselle's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 98-07, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Roselle's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Roselle's compliance with those requirements.

SUPLEE, CLOONEY & COMPANY


In our opinion, the Borough of Roselle complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2003. However, the results of our auditing procedures disclosed other instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of this report.

Internal Control Over Compliance

The management of the Borough of Roselle is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Roselle's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with U. S. OMB Circular A-133 and State of New Jersey OMB Circular 98-07.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to major state programs being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Borough of Roselle, County of Union, New Jersey, the Division of Local Government Services and federal and state audit agencies and is not intended to be and should not be used by anyone other than these specified parties.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

December 15, 2003

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FISCAL YEAR ENDED JUNE 30, 2003

FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	STATE FISCAL YEAR 2003 FUNDS RECEIVED	STATE FISCAL YEAR 2003 EXPENDITURES	CUMULATIVE EXPENDITURES JUNE 30, 2003
		FROM	TO				
FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE							
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Passed Through County of Union:							
Community Development Block Grant Program:							
14.218	099-164	09/01/99	08/30/00	\$ 73,434.39	\$ 4,563.57	\$	73,434.39
14.218	001-162	09/01/01	08/31/02	25,000.00	25,000.00	25,000.00	25,000.00
14.218	001-161	09/01/01	08/31/02	20,000.00	20,000.00	20,000.00	20,000.00
14.218	001-163	09/01/01	08/31/02	36,786.00	29,530.02	29,530.02	36,786.00
14.218	002-276	09/01/02	08/31/03	11,963.00	7,134.10	7,134.10	7,134.10
14.218	002-277	09/01/02	08/31/03	3,330.00	3,330.00	3,330.00	3,330.00
14.218	001-276	09/01/01	08/31/02	12,517.00	2,007.00	2,007.00	12,517.00
14.218	001-277	09/01/01	08/31/02	7,500.00	3,125.00	3,125.00	7,500.00
				\$	94,689.69	\$ 90,126.12	\$ 185,701.49
FEDERAL EMERGENCY MANAGEMENT AID							
Passed Through County of Union:							
83.554	EMW-2002-FG-04571	12/01/02	11/30/03	138,485.00	138,485.00	27,085.00	27,085.00
Program for Fire Operations and Firefighter Safety Grant							
10.664	N/A	07/01/02	06/30/03	2,000.00			
PASS THROUGH STATE OF NEW JERSEY							
DEPARTMENT OF ENVIRONMENTAL PROTECTION							
Green Communities Forestry Grant							
16.592	2001-LB-BX-2057	10/24/01	10/23/03	20,197.00	\$	20,197.00	20,197.00
16.592	2002-LB-BX-0166	08/29/02	08/28/04	16,503.00	16,503.00		
16.607	N/A			5,045.92		774.18	7,199.54
16.607	N/A			7,199.54			
16.588	100-066-1020-246-FY00	07/01/02	04/30/03	5,000.00	2,500.00		
16.710	2002SHWX0043	03/01/02	02/28/05	375,000.00		116,338.79	116,338.79
16.710	2001-CMVX-0305	09/01/01	06/30/02	62,088.00		33,928.83	61,817.90
				\$	19,003.00	\$ 171,238.80	\$ 205,553.23
				\$	252,177.69	\$ 288,449.92	\$ 418,339.72

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

FISCAL YEAR ENDED JUNE 30, 2003

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	STATE FISCAL YEAR 2003 FUNDS RECEIVED	STATE FISCAL YEAR 2003 EXPENDITURES	CUMULATIVE EXPENDITURES JUNE 30, 2003
DEPARTMENT OF HUMAN SERVICES						
Payments for Costs of General Assistance (State Share)	7500-100-054-7550-121-LLLL-8020	7/1/02 6/30/03	\$ 245,189.92	\$ 245,189.92	\$ 245,189.92	\$ 245,189.92
DEPARTMENT OF ENVIRONMENTAL PROTECTION						
Clean Communities Program	4900-765-042-4900-004-VCMC-8020	Continuous	5,074.92	5,074.92		
Clean Communities Program	4900-765-042-4900-004-VCMC-8020	7/1/01 6/30/02	4,203.66			
Clean Communities Program	4900-765-042-4900-004-VCMC-8020	7/1/00 06/30/01	25,515.00			
Clean Communities Program	4900-765-042-4900-004-VCMC-8020	7/1/89 06/30/00	25,516.60			17,080.76
Clean Communities Program	4900-765-042-4900-004-VCMC-8020	7/1/02 6/30/03	4,203.66			
			\$	\$ 5,074.92	\$	\$ 17,080.76
DEPARTMENT OF TRANSPORTATION						
Various Streets, 2002	6320-480-078-6320-AFG-TCAP-6010	Continuous	181,261.74	181,261.74	181,261.74	181,261.74
DEPARTMENT OF COMMUNITY AFFAIRS						
Special Legislative Grant	01-100-022-8030-287-FFFF-6120	6/1/01 12/31/02	50,000.00		50,000.00	50,000.00
GOVERNOR'S COUNCIL ON ALCOHOL AND DRUG ABUSE						
Pass Through County of Union Alliance Grant	03-ALL-105	1/1/03 12/31/03	20,527.00		6,970.07	6,970.07
Pass Through County of Union Alliance Grant	02-ALL-105	1/1/02 12/31/02	16,965.00	13,968.00	6,043.68	15,722.24
			\$	\$ 13,968.00	\$ 13,013.75	\$ 22,692.31
DEPARTMENT OF LAW AND PUBLIC SAFETY						
Alcohol Education, Rehabilitation and Enforcement Fund	9735-760-098-Y900-001-X100-8020	Continuous	1,202.66	\$	1,202.66	1,202.66
Alcohol Education, Rehabilitation and Enforcement Fund	9735-760-098-Y900-001-X100-8020	Continuous	3,809.38		185.60	3,809.38
Alcohol Education, Rehabilitation and Enforcement Fund	9735-760-098-Y900-001-X100-8020	Continuous	1,984.47		861.74	861.74
Alcohol Education, Rehabilitation and Enforcement Fund	9735-760-098-Y900-001-X100-8020	Continuous	1,810.51	1,810.51		
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	Continuous	7,100.43		1,683.37	7,096.32
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	Continuous	6,668.57	6,668.57		
Body Armor Replacement Fund	1020-718-086-1020-001-YCJS-6120	7/1/02 6/30/03	4,802.25		2,529.12	2,529.12
Statewide Local Domestic Preparedness Equipment Grant Award	100-066-1020-354	7/1/02 6/30/03	140,000.00			
			\$	\$ 8,479.08	\$ 6,442.49	\$ 15,499.22
			\$	\$ 453,973.66	\$ 495,907.90	\$ 531,723.95

BOROUGH OF ROSELLE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FISCAL YEAR ENDED JUNE 30, 2003

NOTE 1. GENERAL

The accompanying schedules of expenditures of financial assistance present the activity of all federal and state financial assistance programs of the Borough of Roselle, County of Union, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal financial assistance passed through other government agencies is included on the Schedules of Expenditures of Federal and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Borough's financial statements - statutory basis.

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. RELATIONSHIP TO FINANCIAL STATEMENTS - STATUTORY BASIS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's statutory basis financial statements. These amounts are reported in either the Current Fund, General Capital Fund or Trust Other Fund.

NOTE 5. OTHER

Matching contributions expended by the Borough in accordance with terms of the various grants are not reported in the accompanying schedules.

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|-----------|
| (1) Type of Auditor Report Issued: | Qualified |
| (2) Internal Control Over Financial Reporting: | |
| (a) Reportable conditions identified during the audit of the financial statements? | Yes |
| (b) Reportable conditions identified as material weaknesses? | Yes |
| (3) Noncompliance material to the financial statements noted during the audit? | Yes |

Federal Program(s) - Not Applicable

State Program(s)

- | | |
|--|---------------|
| (1) Internal Control Over Major State Programs: | |
| (a) Reportable conditions identified during the audit of major state program(s)? | None Reported |
| (b) Reportable conditions identified as material weaknesses? | N/A |
| (2) Type of Auditor's Report issued on compliance for major state program(s)? | Unqualified |
| (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 98-07 and listed in Section III of this schedule? | No |

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Section I - Summary of Auditor's Results (Continued)

State Program(s) (Continued)

(4) Identification of Major State Program(s):

<u>Program</u>	<u>Identification Number</u>	<u>Grant Period</u>	<u>Type</u>	<u>Award Amount</u>	<u>Expenditures</u>
Public Assistance - State Share	7550-100-054- 7550-121- LLLL-6020	7/1/02 to 6/30/03	B	\$245,189.92	\$245,189.92

(5) Program Threshold Determination:

Type A State Program Threshold > \$300,000.00
Type B State Program Threshold <= \$300,000.00

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? No

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Section II - Reported Findings Under Government Auditing Standards

Compliance

#2003-1

The General Fixed Assets Ledger has not been updated to reflect the purchase, retirement or sale of general fixed assets that have occurred for the past several years. In addition, a physical inspection of fixed assets and a reconciliation with the property records has not been prepared for the past several years. Any difference between quantities determined by the physical inspection and the accounting records should be investigated and fully documented.

We recommend that a complete record of general fixed assets be maintained.

#2003-2

A Current Fund General Ledger was not maintained in accordance with the Division of Local Government Services Technical Accounting Directive No. 85-3. The Current Fund General Ledger is a permanent fiscal record which provides a summary of all financial transactions as they have been recorded in the books of original entry utilizing a double entry accounting system. Through the use of a general ledger, the books of original entry and supporting subsidiary ledgers, the financial statements would be prepared.

We recommend that a general ledger be maintained.

Internal Control

#2003-3

As discussed in detail in #2003-1 and #2003-2, the Borough of Roselle has deficiencies in the design and operation of its internal control over financial reporting and operations.

Section III - Findings and Questioned Costs Relative to Major State Programs

State Programs - None Reported

Status of Prior Year Audit Findings

State Programs - None Reported

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PART III

BOROUGH OF ROSELLE

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

FISCAL YEAR ENDED JUNE 30, 2003

STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - CURRENT FUND

	JUNE 30, 2003		JUNE 30, 2002	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 975,000.00	2.10%	\$ 900,000.00	2.07%
Miscellaneous - From Other Than Local Property Tax Levies	6,201,621.09	13.38%	5,884,715.78	13.53%
Collection of Delinquent Taxes and Tax Title Liens	1,262,853.57	2.72%	1,525,503.15	3.51%
Collection of Current Tax Levy	37,926,845.06	81.80%	35,177,727.40	80.89%
<u>Total Income</u>	<u>\$ 46,366,319.72</u>	<u>100.00%</u>	<u>\$ 43,487,946.33</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 25,360,765.18	56.21%	\$ 23,440,504.53	55.47%
County Taxes	3,876,147.22	8.59%	3,599,296.67	8.52%
Local School Taxes	15,849,907.00	35.13%	15,145,024.00	35.84%
Other Expenditures	31,462.80	0.07%	69,597.82	0.16%
<u>Total Expenditures</u>	<u>\$ 45,118,282.20</u>	<u>100.00%</u>	<u>\$ 42,254,423.02</u>	<u>100.00%</u>
Excess in Revenue	\$ 1,248,037.52		\$ 1,233,523.31	
Fund Balance, July 1	1,952,014.49		1,618,491.18	
	\$ 3,200,052.01		\$ 2,852,014.49	
Less: Utilization as Anticipated Revenue	975,000.00		900,000.00	
Fund Balance, June 30	<u>\$ 2,225,052.01</u>		<u>\$ 1,952,014.49</u>	

STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - AFFORDABLE HOUSING UTILITY FUND

	YEAR 2003		YEAR 2002	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Collection of Rents	\$ 165,169.00	52.44%	\$ 165,169.00	91.69%
Additional Rents	107,832.42	34.23%		
Miscellaneous - From Other Than Rents	41,995.12	13.33%	14,971.38	8.31%
<u>TOTAL INCOME</u>	<u>\$ 314,996.54</u>	<u>100.00%</u>	<u>\$ 180,140.38</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 137,380.00	53.77%	\$ 85,108.00	54.72%
Capital Improvements	5,000.00	1.96%		
Municipal Debt Service	112,495.14	44.03%	70,418.00	45.28%
Other Expenditures	632.55	0.24%		
<u>TOTAL EXPENDITURES</u>	<u>\$ 255,507.69</u>	<u>100.00%</u>	<u>\$ 155,526.00</u>	<u>100.00%</u>
Excess in Revenue to Fund Balance	\$ 59,488.85		\$ 24,614.38	
Fund Balance:				
Balance, July 1	24,614.38		-0-	
Balance, June 30	<u>\$ 84,103.23</u>		<u>\$ 24,614.38</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Tax Rate	<u>\$5.174</u>	<u>\$4.932</u>	<u>\$4.680</u>
Apportionment of Tax Rate:			
Municipal	\$2.518	\$2.426	\$2.266
County	.495	.472	.456
County Open Space	.018	.017	
Local School	<u>2.143</u>	<u>2.017</u>	<u>1.958</u>

Assessed Valuation:

2003	<u>\$779,764,110.00</u>		
2002		<u>\$768,625,994.00</u>	
2001			<u>\$768,949,429.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION 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 ENDED</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH</u> <u>COLLECTIONS</u>	<u>PERCENTAGE</u> <u>OF</u> <u>COLLECTION</u>
June 30, 2003	\$39,242,671.23	\$37,926,845.06	96.64%
June 30, 2002	\$36,598,029.82	\$35,177,727.40	96.11%
June 30, 2001	\$35,544,051.36	\$33,806,063.44	95.11%

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>YEAR ENDED</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
June 30, 2003	\$77,312.65	\$1,242,178.53	\$1,319,491.18	3.36%
June 30, 2002	\$141,520.53	\$1,232,505.07	\$1,374,025.60	3.75%
June 30, 2001	\$689,625.29	\$1,582,890.92	\$2,272,516.21	6.39%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR ENDED</u>	<u>AMOUNT</u>
June 30, 2003	\$ 1,905,231.61
June 30, 2002	\$ 2,077,131.61
June 30, 2001	\$ 898,701.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR ENDED</u>	<u>BALANCE</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	June 30, 2003	\$ 2,225,052.01	\$1,830,000.00
	June 30, 2002	\$ 1,952,014.49	\$975,000.00
	June 30, 2001	\$ 1,618,491.18	\$900,000.00
	June 30, 2000	\$ 1,358,153.48	\$800,000.00
	June 30, 1999	\$ 888,984.57	\$600,000.00
Affordable Housing Utility	June 30, 2003	\$ 84,103.23	\$ 32,000.00
	June 30, 2002	\$ 24,614.38	\$-0-

EQUALIZED VALUATION REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2002	\$890,202,753.00
2001	\$840,525,985.00
2000	\$786,054,939.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT</u>	<u>CORPORATE SURETY</u>
Joseph Croteau	Mayor		
Joseph O'Halloran	Council President to 1/3/03		
Hazel Walker	Council President from 1/3/03		
Richard Buska	Councilman		
Katherine Carruthers	Councilwoman		
James Eddleton	Councilman		
Clarence Cunningham	Councilman		
Johanna Breden	Borough Clerk, Officer for Searches for Municipal Improvements to 2/28/03	\$ 15,000.00	Hartford Fire Insurance Company
Marcia Matthews	Acting Borough Clerk from 3/1/03	\$ 15,000.00	
Shirley Crinshaw	Community Services Director	*	
William Daniels	Magistrate	\$ 50,000.00	Hartford Fire Insurance Company
Susan MacMillen	Magistrate	\$ 50,000.00	Hartford Fire Insurance Company
John DeMassi	Attorney	*	
Manuel Grova	Public Defender	*	
David Conti	Prosecutor	*	
Frank Koczur	Engineer	*	
Vincent Belluscio	Tax Collector and Administrator	\$ 300,000.00	Hartford Fire Insurance Company
Kenneth P. Blum	Chief Finance Officer	\$ 100,000.00	Hartford Fire Insurance Company
Pam Pearlman	Tax Assessor	*	
Peter DeRose	Police Chief	*	
Anita Ruscansky	Municipal Court Administrator	\$ 15,000.00	Hartford Fire Insurance Company
Stella Fellner	Deputy Court Administrator	*	
Rose Maccari	Cashier Tax Collectors Office	*	
	Tax Search Officer	*	
Carl Bowles	Superintendent of Public Works	*	

*\$100,000 Public Employees Blanket Bond - Hartford Fire Insurance Company

COMMENTS AND RECOMMENDATIONS

FISCAL YEAR ENDED JUNE 30, 2003

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c..198 (C.40A:11-3), except by contract or agreement.

Effective April 17, 2000, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00. In accordance with N.J.S.A. 40A:11-3 and authorized by a resolution of the governing body, the bid threshold for all purchases made by the Borough's qualified purchasing agent is \$25,000.00.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$25,000.00 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

- Road Construction
- Construction of Sanitary Sewer
- Uniforms
- Disposal Services
- Purchase of Vehicles
- Sidewalks and Curb
- Renovations to Municipal Building

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

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" per N.J.S.40A:11-5 were awarded during state fiscal year 2003 for the following services:

- Labor Counsel
- Auditing
- Legal
- Engineering
- Appraisals
- Bond Counsel

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 3, 2003 adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Mayor and Council of the Borough of Roselle that the Tax Collector is required to collect interest on delinquent taxes at the rate of eight (8%) percent per annum upon delinquent taxes, assessments and other municipal charges on the first One Thousand Five Hundred (\$1,500.00) dollars of the delinquency and at the rate of eighteen (18%) percent on any amount in excess of One Thousand Five Hundred (\$1,500.00) dollars.

BE IT FURTHER RESOLVED that the Tax Collector shall grant a grace period of ten days within which an installment of taxes, assessment or municipal charge may be received without an additional charge for interest, and

BE IT FURTHER RESOLVED , that any installment received after the expiration date of this grace period would bear interest from the due date.

It appears from our examination of the records that interest was collected in accordance with the foregoing resolution.

TAX TITLE LIENS

The Borough's last tax sale was held on May 21, 2003 and was complete.

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

The following comparison is made of the number of tax title liens receivable at year end of the last three fiscal years:

<u>YEAR ENDED</u>	<u>NUMBER OF LIENS</u>
June 30, 2003	6
June 30, 2002	11
June 30, 2001	29

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

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, including the mailing of verification notices as follows:

TYPES

Payments of 2003 Taxes	25
Payments of 2002 Taxes	25
Delinquent Taxes	25

INTERFUNDS

As a general rule, all interfund balances should be closed out before the end of the year. Transactions invariably occur in one fund, which result in a corresponding entry to be made in another fund, thus creating interfund balances. There are interfund balances open at June 30, 2003 on the balance sheets of the Borough.

MUNICIPAL COURT

Open items of bail on deposit were not reconciled with the balances in the bail criminal and traffic bank accounts.

Bail cash receipts were not always deposited within 48 hours.

PUBLIC ASSISTANCE

Monthly bank reconciliations are not being prepared in a timely manner.

An SSI refund to a client was not made within ten (10) working days of receipt by the Public Assistance department.

RECOMMENDATIONS

That an inventory and valuation of general fixed assets be taken and a general fixed assets ledger be maintained.

That a Current Fund General Ledger be maintained.

That the Municipal Court:

Reconcile the analyses of bail to the balance on deposit in the bail bank accounts.

Deposit all funds collected within 48 hours of receipt.

That the Public Assistance department:

Prepare monthly bank reconciliations in a timely manner.

Remit to clients any refunds due them within ten (10) working days of receipt by the Public Assistance department.

