

Report of Audit
on the
Financial Statements
of the
Borough of Roselle
in the
County of Union
New Jersey
for the
Year Ended
December 31, 2020

BOROUGH OF ROSELLE

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BOROUGH OF ROSELLE

PART I

INDEPENDENT AUDITOR'S REPORT ON
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YEAR ENDED DECEMBER 31, 2020 AND 2019



SUPLEE, CLOONEY & COMPANY

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Roselle, as of December 31, 2020 and 2019, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds of the Borough of Roselle as of December 31, 2020, or the results of its operations and changes in fund balance for the year then ended or the statement of revenues or statement of expenditures for the year ended December 31, 2020.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2020 and 2019, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2020 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters


Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Roselle's regulatory financial statements. The supplementary information, schedules and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information, schedules and data listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information, schedules and data listed in the table of contents are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2021 on our consideration of the Borough of Roselle's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Roselle's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

September 23, 2021



SUPLEE, CLOONEY & COMPANY

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements 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, the regulatory financial statements of the various individual funds and the account group of the Borough of Roselle, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated September 23, 2021. Our report 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 U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

September 23, 2021

CURRENT FUND

BOROUGH OF ROSELLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
<u>A S S E T S</u>			
Cash	A-4	\$ 13,051,886.16	\$ 27,798,015.46
Change Fund	A-5	300.00	400.00
Due From State of New Jersey-Senior Citizens and Veterans Deductions	A-13	10,570.00	11,320.00
		<u>\$ 13,062,756.16</u>	<u>\$ 27,809,735.46</u>
Receivable and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 2,036,541.29	\$ 2,107,084.59
Tax Title Liens Receivable	A-9	361,456.25	664,925.35
Property Acquired for Taxes-Assessed Valuation	A-10	567,600.00	2,180,332.00
Revenue Accounts Receivable	A-11	14,817.61	31,026.79
Interfunds Receivable	A-16	410,073.31	550,589.58
Prepaid Insurance	A-30		594,930.11
Prepaid School Taxes	A-23		188,672.00
Roselle Public Library Receivable	A-15	20,637.67	
	A	<u>\$ 3,411,126.13</u>	<u>\$ 6,317,560.42</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-25	\$	\$ 381,038.15
Overexpenditure of Appropriation Reserves	A-25		8,523.15
		<u>\$</u>	<u>\$ 389,561.30</u>
		<u>\$ 16,473,882.29</u>	<u>\$ 34,516,857.18</u>
Grant Fund:			
Cash	A-4	\$ 176,425.67	\$ 197,639.01
Due Current Fund	A-19		84,033.83
Federal and State Grants Receivable	A-7	2,547,766.84	1,220,816.60
		<u>\$ 2,724,192.51</u>	<u>\$ 1,502,489.44</u>
		<u>\$ 19,198,074.80</u>	<u>\$ 36,019,346.62</u>

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

BOROUGH OF ROSELLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-17	\$ 891,255.39	\$ 1,890,272.19
Encumbrances Payable	A-24	1,315,709.31	874,539.05
Accounts Payable	A-32	34,962.13	
Prepaid Taxes	A-21	613,387.65	555,166.62
Tax Overpayments	A-6	7,320.82	4,673.32
Roselle Public Library Payable	A-15		17,601.54
Due State of New Jersey	A-27	248,717.95	248,717.95
Reserve for Tax Map and Revision and Recodification of Ordinances	A-12	159,362.50	159,362.50
Due State of New Jersey - Marriage Licenses	A-20	3,502.00	1,390.00
Due State of New Jersey - DCA Fees	A-28	21,873.00	5,390.00
Reserve for Sale of Municipal Assets	A-31	40,000.00	
School Taxes Payable	A-23	47,777.92	
Interfunds Payable	A-16	1,736,860.17	18,541,239.23
County Taxes Payable	A-22	44,187.25	112,078.05
		<u>\$ 5,164,916.09</u>	<u>\$ 22,410,430.45</u>
Reserve for Receivables and Other Assets	A	3,411,126.13	6,317,560.42
Fund Balance	A-1	7,897,840.07	5,788,866.31
		<u>\$ 16,473,882.29</u>	<u>\$ 34,516,857.18</u>
Grant Fund:			
Due General Capital Fund	A-29	\$ 60,000.00	\$ 60,000.00
Due Current Fund	A-19	57,541.17	
Encumbrances Payable	A-26	27,377.76	26,779.53
Federal and State Grants Appropriated	A-14	2,423,523.58	1,237,569.50
Federal and State Grants Unappropriated	A-18	155,750.00	178,140.41
		<u>\$ 2,724,192.51</u>	<u>\$ 1,502,489.44</u>
		<u>\$ 19,198,074.80</u>	<u>\$ 36,019,346.62</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 - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER <u>31, 2020</u>	YEAR ENDED DECEMBER <u>31, 2019</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 2,675,000.00	\$ 2,375,000.00
Miscellaneous Revenue Anticipated	A-2	7,522,588.92	6,860,360.24
Receipts from Delinquent Taxes	A-2	1,852,234.85	2,406,613.82
Receipts from Current Taxes	A-2	64,975,492.66	63,306,016.68
Non-Budget Revenue	A-2	946,543.62	272,375.76
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-17	1,615,396.36	1,494,221.92
Excess Animal Control Fees	A-16	1,489.20	1,701.20
Prepaid Insurance		594,930.11	
School Taxes Payable		188,672.00	
Interfunds Returned		140,516.27	676,912.84
<u>TOTAL INCOME</u>		<u>\$ 80,512,863.99</u>	<u>\$ 77,393,202.46</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Appropriations Within "CAPS":			
Operations:	A-3	\$ 29,839,050.00	\$ 29,941,453.45
Deferred Charges and Statutory Expenditures	A-3	4,434,676.30	4,165,223.16
Excluded From "CAPS"			
Other Operations	A-3	5,499,131.93	4,300,882.75
Capital Improvement Fund	A-3	280,000.00	100,000.00
Municipal Debt Service	A-3	2,397,514.50	2,318,107.11
Judgments	A-3	100,000.00	
County Taxes	A-22	7,934,255.65	7,293,540.90
Due County for Added and Omitted Taxes	A-22	54,868.74	112,078.05
Local District School Tax	A-23	25,122,799.00	24,630,195.00
Refund Prior Year Revenue	A-4	38,055.47	51,460.61
Library		20,637.67	
Federal and State Grants Cancelled	A-16	7,900.97	
Prepaid Insurance			594,930.11
Prepaid School Taxes			188,672.00
<u>TOTAL EXPENDITURES</u>		<u>\$ 75,728,890.23</u>	<u>\$ 73,696,543.14</u>
Excess in Revenue		\$ 4,783,973.76	\$ 3,696,659.32
Adjustments to Income Before Surplus:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year			381,038.15
Regulatory Excess to Fund Balance		\$ 4,783,973.76	\$ 4,077,697.47
<u>Fund Balance</u>			
Balance, January 1	A	5,788,866.31	4,086,168.84
		\$ 10,572,840.07	\$ 8,163,866.31
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	2,675,000.00	2,375,000.00
Balance, December 31	A	<u>\$ 7,897,840.07</u>	<u>\$ 5,788,866.31</u>

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	REF.	ANTICIPATED BUDGET	SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 2,675,000.00		\$ 2,675,000.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-11	\$ 11,000.00	\$	\$ 12,890.00	\$ 1,890.00
Other	A-2	5,800.00		4,358.00	(1,442.00)
Fees and Permits	A-2	61,500.00		300,551.71	239,051.71
Fines and Costs:					
Municipal Court	A-11	380,000.00		234,166.93	(145,833.07)
Interest and Costs on Taxes	A-11	390,000.00		449,418.31	59,418.31
Parking Meters	A-11	17,000.00		13,895.34	(3,104.66)
Interest on Investments and Deposits	A-11	200,000.00		124,561.55	(75,438.45)
Suburban Cable Franchise Tax	A-11	225,000.00		227,072.56	2,072.56
Consolidated Municipal Property Tax Relief Act	A-11	136,495.00		136,494.99	(0.01)
Energy Receipts Tax	A-11	2,305,486.00		2,305,486.00	
Uniform Construction Code Fees	A-2	400,000.00		554,620.00	154,620.00
Recreation Fees	A-2	2,500.00		5,325.00	2,825.00
Recycling Tonnage Grant	A-7		19,722.28	19,722.28	
Clean Communities	A-7		33,047.67	33,047.67	
Municipal Alliance	A-7	20,753.00		20,753.00	
Federal Bulletproof Vest Partnership	A-7		4,508.64	4,508.64	
Click it or Ticket	A-7		335.63	335.63	
CDBG Year 45	A-7		20,000.00	20,000.00	
Warren Street Park Grant	A-7	1,000,000.00		1,000,000.00	
Body Armor Replacement Fund	A-7	5,284.27	5,777.92	11,062.19	
Alcohol Education Rehabilitation Fund	A-7		7,085.08	7,085.08	
NJDOH Childhood Lead Exposure Project	A-7		12,500.00	12,500.00	
SAMSHA	A-7	125,000.00		125,000.00	
Greening Union County	A-7		500.00	500.00	
Distracted Driving	A-7		4,895.00	4,895.00	
Census Grant	A-7	13,000.00		13,000.00	
COVID Relief & Recovery	A-7		98,800.00	98,800.00	
COVID CARES Act Grant	A-7		193,978.69	193,978.69	
Drive Sober Get Pulled Over	A-7		8,437.50	8,437.50	
Comcast Community Grant	A-7		5,000.00	5,000.00	
Cell Tower	A-11	55,000.00		64,539.18	9,539.18
Capital Fund Balance	A-11	366,843.71		366,843.71	
Uniform Fire Safety Act	A-11	27,000.00		32,791.61	5,791.61
Ambulance Revenue	A-11	275,000.00		308,820.08	33,820.08
Police Outside Overtime Billing	A-11	75,000.00		75,000.00	
P.I.L.O.T.	A-2	750,000.00		727,128.27	(22,871.73)
	A-1	\$ 6,847,661.98	\$ 414,588.41	\$ 7,522,588.92	\$ 260,338.53
Receipts From Delinquent Taxes	A-1	\$ 1,950,000.00	\$	\$ 1,852,234.85	\$ (97,765.15)
Property Tax for Support of Municipal Budget					
Local Tax for Municipal Purposes	A-2:A-8	\$ 32,689,518.24	\$	\$ 33,844,879.67	\$ 1,155,361.43
Minimum Library Tax	A-2:A-8	518,689.60		518,689.60	
		\$ 33,208,207.84	\$	\$ 34,363,569.27	\$ 1,155,361.43
<u>Budget Totals</u>		\$ 44,680,869.82	\$ 414,588.41	\$ 46,413,393.04	\$ 1,317,934.81
Non-Budget Revenue	A-1:A-2			946,543.62	946,543.62
		\$ 44,680,869.82	\$ 414,588.41	\$ 47,359,936.66	\$ 2,679,066.84
	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 - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections: Collection on a Cash Basis	A-1:A-8	\$ 64,975,492.66
Allocated to: School and County Taxes		<u>33,111,923.39</u>
Support of Municipal Budget Appropriations		\$ 31,863,569.27
Add: Appropriation for Reserve for Uncollected Taxes	A-3	<u>2,500,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u>34,363,569.27</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	A-8	\$ 1,844,256.10
Tax Title Liens	A-9	<u>7,978.75</u>
	A-2	<u><u>1,852,234.85</u></u>
Licenses-Other:		
Borough Clerk	A-11	\$ 1,310.00
Police	A-11	60.00
Board of Health	A-11	336.00
Vital Statistics	A-11	<u>2,652.00</u>
	A-2	\$ <u>4,358.00</u>
Fees and Permits - Other:		
Borough Clerk	A-11	\$ 902.71
Police	A-11	2,066.50
Fire	A-11	23,281.01
Board of Health	A-11	9,455.55
Vital Statistics	A-11	684.00
Public Works	A-11	13,487.52
Planning/Zoning/Board of Adjustment	A-11	19,271.00
Code Enforcement/Building	A-11	231,136.42
Tax Collector	A-11	<u>267.00</u>
	A-2	\$ <u><u>300,551.71</u></u>
Construction Code Fees and Permits	A-11	\$ 554,720.00
Less: Refunds	A-4	<u>100.00</u>
	A-2	\$ <u><u>554,620.00</u></u>
Recreation Fees	A-11	\$ 8,560.00
Less: Refunds	A-4	<u>3,235.00</u>
	A-2	\$ <u><u>5,325.00</u></u>
PILOT Revenue	A-11	\$ 771,838.15
Less: Refunds	A-4	<u>44,709.88</u>
	A-2	\$ <u><u>727,128.27</u></u>

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:

Miscellaneous	\$ 157,898.47
Tax Premiums	689,919.89
Senior Citizens and Veterans Administrative Fee	1,110.00
Reimbursement of Prior Year Costs	73,961.74
Recycling	5,866.06
Prior Year Void Checks	<u>17,787.46</u>

A-2:A-4

\$ 946,543.62

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

BOROUGH OF ROSELLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
\$	275,000.00 \$	320,000.00 \$	286,453.68 \$	33,546.32 \$	
General Administration:	511,000.00	616,000.00	603,973.16	12,026.84	
Salaries and Wages					
Other Expenses					
Mayor and Council:	110,100.00	110,100.00	107,488.10	2,611.90	
Salaries and Wages	35,000.00	25,000.00	23,237.45	1,762.55	
Other Expenses					
Municipal Clerk:					
Salaries and Wages	200,000.00	190,000.00	185,554.15	4,445.85	
Other Expenses	80,000.00	70,000.00	68,394.21	1,605.79	
Human Resources:					
Other Expenses	35,000.00	35,000.00	33,461.31	1,538.69	
Financial Administration (Treasury):					
Salaries and Wages	332,000.00	317,000.00	311,439.66	5,560.34	
Other Expenses	230,000.00	135,000.00	127,562.54	7,437.46	
Annual Audit	100,000.00	100,000.00	98,550.00	1,450.00	
Revenue Administration:					
Salaries and Wages	72,000.00	72,000.00	69,999.93	2,000.07	
Other Expenses	12,000.00	12,000.00	10,789.49	1,210.51	
Tax Assessment Administration:					
Salaries and Wages	111,000.00	112,000.00	111,046.62	953.38	
Other Expenses	91,000.00	31,000.00	25,722.08	5,277.92	
Legal Services (Legal Department):					
Salaries and Wages	800.00	800.00	789.24	30.76	
Other Expenses	485,000.00	575,000.00	572,658.81	2,341.19	
Municipal Prosecutor:					
Salaries and Wages	27,100.00	27,100.00	27,000.00	100.00	
Other Expenses	15,000.00	15,000.00	10,175.00	4,825.00	
Engineering Services:					
Other Expenses	166,500.00	176,500.00	163,776.83	12,723.17	
Hispanic/Latino Board:					
Other Expenses	4,000.00	4,000.00	4,000.00		
Municipal Land Use Law (N.J.S. 44:55D-1):					
Planning Board:					
Salaries and Wages	10,000.00	10,000.00	8,045.48	1,954.52	
Other Expenses	22,500.00	7,500.00	5,670.59	1,829.41	
Senior Advisory Board:					
Other Expenses	4,000.00	4,000.00	-	4,000.00	

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

BOROUGH OF ROSELLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		BUDGET AFTER MODIFICATION	EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET			PAID OR CHARGED	RESERVED	
GENERAL GOVERNMENT (CONTINUED)						
Board of Adjustment:						
Salaries and Wages	\$ 6,000.00	\$	6,000.00	\$ 5,296.30	\$ 703.70	\$
Other Expenses	3,000.00		3,000.00	129.05	2,870.95	
Shade Tree Commission:						
Other Expenses	60,000.00		35,000.00	24,364.20	10,635.80	
Public Works:						
Salaries and Wages	2,500,000.00		2,566,000.00	2,565,842.17	157.83	
Other Expenses	455,000.00		395,000.00	354,510.43	40,489.57	
Economic Development:						
Salaries and Wages	72,000.00		72,000.00	70,130.79	1,869.21	
Other Expenses	135,000.00		105,000.00	93,445.00	11,555.00	
Insurance:						
Group Insurance Plan for Employees	6,564,000.00		6,039,000.00	5,986,148.80	52,851.20	
Workers' Compensation (Insurance Trust Fund)	560,000.00		520,000.00	519,000.00	1,000.00	
Other Insurance Premiums	796,000.00		721,000.00	713,663.77	7,336.23	
Health Benefit Waiver	190,000.00		190,000.00	166,278.95	23,721.05	
PUBLIC SAFETY						
Fire Department:						
Salaries and Wages	3,550,000.00		3,715,000.00	3,684,515.15	30,484.85	
Other Expenses	243,000.00		183,000.00	161,134.45	21,865.55	
Police Department:						
Salaries and Wages	6,800,000.00		7,000,000.00	6,971,738.18	28,261.82	
Other Expenses	321,000.00		291,000.00	259,647.83	31,352.17	
Traffic Control-School Crossing Guards:						
Salaries and Wages	225,000.00		155,000.00	154,585.63	414.37	
Other Expenses	6,000.00		6,000.00	1,561.20	4,438.80	
Emergency Management Services:						
Other Expenses	23,000.00		28,000.00	23,090.00	4,910.00	
Code Enforcement:						
Salaries and Wages	320,000.00		320,000.00	293,730.35	26,269.65	
Other Expenses	45,000.00		28,000.00	24,583.85	3,416.15	
Maintenance of Vehicles:						
Other Expenses	265,000.00		270,000.00	241,199.43	28,800.57	
Recycling:						
Other Expenses	100,000.00		100,000.00	77,883.12	22,116.88	
Solid Waste Collection:						
Other Expenses	700,000.00		995,000.00	937,949.92	57,050.08	
Snow Removal:						
Other Expenses	75,000.00		75,000.00	75,000.00		

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

BOROUGH OF ROSELLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
HEALTH AND WELFARE					
Board of Health:					
Salaries and Wages	\$ 285,000.00	\$ 270,000.00	\$ 265,828.33	\$ 4,171.67	\$
Other Expenses	200,000.00	280,000.00	272,440.00	7,560.00	
Parking Enforcement:					
Salaries and Wages	60,000.00	40,000.00	38,843.04	1,156.96	
Other Expenses	500.00	500.00		500.00	
RECREATION AND EDUCATION					
Community Services (Communities Center):					
Salaries and Wages	65,000.00	55,000.00	54,160.72	839.28	
Other Expenses	3,000.00	3,000.00	2,054.77	945.23	
Recreation (Parks and Playground):					
Salaries and Wages	110,000.00	90,000.00	86,465.68	3,534.32	
Other Expenses	90,000.00	30,000.00	25,572.67	4,427.33	
Municipal Court:					
Salaries and Wages	355,000.00	380,000.00	374,500.61	5,499.39	
Other Expenses	30,000.00	25,000.00	22,092.32	2,907.68	
Public Employees' Occupational Safety Health Act:					
Public Defender:					
Salaries and Wages	2,500.00	2,500.00		2,500.00	
Other Expenses	30,050.00	30,050.00	30,000.24	49.76	
Salaries and Wages	15,000.00	10,000.00	2,900.00	7,100.00	
Other Expenses					
UNIFORM CONSTRUCTION CODE-					
APPROPRIATIONS OFFSET BY DEDICATED					
REVENUES (N.J.A.C. 5:23-4.17)					
Construction Code Official (Building Department):					
Salaries and Wages	381,000.00	376,000.00	369,372.08	6,627.92	
Other Expenses	30,000.00	25,000.00	21,874.21	3,125.79	

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

BOROUGH OF ROSELLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		UNEXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED
<u>UNCLASSIFIED</u>					
Gasoline	\$ 230,000.00	\$ 130,000.00	\$ 109,847.22	\$ 20,152.78	\$
Electricity	150,000.00	155,000.00	136,334.91	18,665.09	
Natural Gas (Natural Gas and Heating Oil)	48,000.00	43,000.00	36,205.90	6,794.10	
Telephone and Telegraph	300,000.00	285,000.00	249,818.83	35,181.17	
Street Lighting	295,000.00	315,000.00	244,692.22	70,307.78	
Fire Hydrant Service	275,000.00	270,000.00	242,452.65	27,547.35	
Water	60,000.00	70,000.00	39,404.38	30,595.62	
Accumulated Leave Compensation	100,000.00	150,000.00	150,000.00		
Municipal Services Act	21,000.00	21,000.00	-	21,000.00	
TOTAL OPERATIONS (INCLUDING CONTINGENT) WITHIN "CAPS"	30,079,050.00	29,839,050.00	29,036,057.68	802,992.32	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL</u>					
Deferred Charges:					
Overexpenditure of Appropriation Reserves	8,523.15	8,523.15	8,523.15		
Overexpenditure of Appropriations	381,038.15	381,038.15	381,038.15		
Statutory Expenditures:					
Public Employees Retirement System of N.J.	614,545.00	604,545.00	598,479.61	6,065.39	
Contribution to:					
Social Security System (O.A.S.I.)	647,000.00	622,000.00	603,034.27	18,965.73	
Police and Firemen's Retirement System of N.J.	2,650,570.00	2,700,570.00	2,699,285.81	1,284.19	
State Unemployment Insurance	80,000.00	110,000.00	110,000.00		
Defined Contribution Retirement Program	8,000.00	8,000.00	3,900.00	4,100.00	
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"	4,389,676.30	4,434,676.30	4,404,260.99	30,415.31	
TOTAL GENERAL APPROPRIATIONS WITHIN "CAPS"	34,468,726.30	34,273,726.30	33,440,318.67	833,407.63	

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

BOROUGH OF ROSELLE
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	\$ 520,000.00	\$ 520,000.00	\$ 520,000.00	\$ 44,285.00	\$
Sewerage Disposal-Linden/Roselle Sewerage Authority	2,958,318.00	2,958,318.00	2,914,033.00		
Police Dispatcher/911:					
Salaries and Wages	360,000.00	375,000.00	370,925.24	4,074.76	
Other Expenses	6,000.00	6,000.00	12.00	5,988.00	
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
Animal Control Contract - City of Linden	31,000.00	31,000.00	27,500.00	3,500.00	
<u>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES</u>					
Municipal Alliance - County	20,753.00	20,753.00	20,753.00		
Municipal Alliance - Local	5,188.25	5,188.25	5,188.25		
SAMSHA Grant	125,000.00	125,000.00	125,000.00		
Clean Communities Grant (N.J.S.A. 40A:4-87 \$33,047.67)		33,047.67	33,047.67		
Comcast Technology Grant (N.J.S.A. 40A:4-87 \$5,000.00)		5,000.00	5,000.00		
Neighborhood Preservation Program- Local Match	25,000.00	25,000.00	25,000.00		
Union County Means Green (N.J.S.A. 40A:4-87 \$500.00)		500.00	500.00		
Alcohol Education and Rehabilitation Fund (N.J.S.A. 40A:4-87 \$723.37)		7,085.08	7,085.08		
CDBG Year 45(N.J.S.A. 40A:4-87 \$20,000.00)		20,000.00	20,000.00		
Click It or Ticket (N.J.S.A. 40A:4-87 \$335.63)		335.63	335.63		
NJDOH Childhood Lead Exposure Project (N.J.S.A. 40A:4-87 \$12,500.00)		12,500.00	12,500.00		
Warren Street Park Grant	1,000,000.00	1,000,000.00	1,000,000.00		
Census Grant	13,000.00	13,000.00	13,000.00		
Distracted Driving (N.J.S.A. 40A:4-87 \$4,895.00)		4,895.00	4,895.00		
Federal Bulletproof Vest Partnership (N.J.S.A. \$4,508.64)		4,508.64	4,508.64		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 \$8,437.50)		8,437.50	8,437.50		
COVID Relief & Recovery (N.J.S.A. 40A:4-87 \$98,800.00)		98,800.00	98,800.00		
COVID CARES Act Grant (N.J.S.A 40A:4-87 \$193,978.69)		193,978.69	193,978.69		
Body Armor Replacement Fund (N.J.S.A. 40A:4-87 \$5,777.92)		11,062.19	11,062.19		
Recycling Tonnage Grant(N.J.S.A. 40A:4-87 \$19,722.28)	5,284.27	19,722.28	19,722.28		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	5,069,543.52	5,499,131.93	5,441,284.17	57,847.76	
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	100,000.00	280,000.00	280,000.00		
<u>TOTAL CAPITAL IMPROVEMENT EXCLUDED FROM "CAPS"</u>	100,000.00	280,000.00	280,000.00		

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

BOROUGH OF ROSELLE

CURRENT FUND

YEAR ENDED DECEMBER 31, 2020

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 1,100,000.00	\$ 1,100,000.00	\$ 1,070,000.00	\$	30,000.00
Interest on Bonds	110,000.00	110,000.00	110,000.00		1,436.73
Interest on Notes	575,000.00	575,000.00	545,689.27		4,310.73
Loan Repayment for Principal and Interest	550,000.00	550,000.00	2,564.10		35.90
NJEIT Loan	2,600.00	2,600.00	95,697.86		9,302.14
TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"	105,000.00	105,000.00			
	2,442,600.00	2,442,600.00	2,397,514.50		45,085.50
JUDGEMENTS (N.J.S.A. 40A:4-45.3CC)	100,000.00	100,000.00	100,000.00		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	7,712,143.52	8,321,731.93	8,218,798.67	57,847.76	45,085.50
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	42,180,869.82	42,595,458.23	41,659,117.34	891,255.39	45,085.50
	2,500,000.00	2,500,000.00	2,500,000.00		
TOTAL GENERAL APPROPRIATIONS	\$ 44,680,869.82	\$ 45,095,458.23	\$ 44,159,117.34	\$ 891,255.39	\$ 45,085.50
REF.	A-2		A-1	A-A-1	
Budget					
Appropriation by 40A: 4-87	\$	44,680,869.82			
		414,588.41			
	\$	45,095,458.23			
Reserve for Grants	A-14		1,608,813.93		
Deferred Charges	A-25		389,561.30		
Prepaid Insurance	A-30		594,930.11		
Reserve for Uncollected Taxes	A-2		2,500,000.00		
Encumbrances Payable	A-24		1,286,659.38		
Cash Disbursements	A-4		38,679,597.11		
		\$	45,059,561.83		
			900,444.49		
Less: Refunded	A-4				
		\$	44,159,117.34		

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 - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2020</u>	<u>BALANCE DECEMBER 31, 2019</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 14,524.40	\$ 14,034.80
		<u>\$ 14,524.40</u>	<u>\$ 14,034.80</u>
Other Trust Funds:			
Cash	B-1	\$ 5,806,976.49	\$ 5,263,513.67
Due County of Union	B-10	57,250.00	57,250.00
		<u>\$ 5,864,226.49</u>	<u>\$ 5,320,763.67</u>
		<u>\$ 5,878,750.89</u>	<u>\$ 5,334,798.47</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	B-3	\$ 10,295.60	\$ 8,806.40
Due State of New Jersey	B-4	228.00	592.20
Reserve for Expenditures	B-5	4,000.80	4,636.20
		<u>\$ 14,524.40</u>	<u>\$ 14,034.80</u>
Other Trust Funds:			
Public Defender	B-6	\$ 76,232.68	\$ 71,997.68
Tax Sale Redemptions and Premiums	B-2	2,874,467.91	2,926,842.22
State Unemployment Insurance	B-8	173,563.90	70,477.49
Payroll Deductions Payable	B-9	368,186.20	382,471.95
Community Development Block Grants	B-11	66,460.91	66,460.91
Special Law Enforcement	B-12	75,532.36	75,384.47
Miscellaneous Reserves	B-13	1,606,177.00	903,957.18
Due Current Fund	B-14	342,236.54	541,783.18
Due General Capital Fund	B-15	277,425.48	275,425.48
Parking Offense Adjudication Act Fund	B-7	3,943.51	5,963.11
		<u>\$ 5,864,226.49</u>	<u>\$ 5,320,763.67</u>
		<u>\$ 5,878,750.89</u>	<u>\$ 5,334,798.47</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2020</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2019</u>
<u>A S S E T S</u>			
Cash	C-2:C-3	\$ 2,592,307.59	\$ 119,663.34
Grants Accounts Receivable	C-7	4,772,415.81	4,504,846.70
Due Other Trust Fund	C-12	277,425.48	275,425.48
Due Current Fund	C-14	1,736,860.17	18,457,205.40
Due Federal and State Grant Fund	C-19	60,000.00	60,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	30,769,020.44	22,599,192.08
Unfunded	C-5	10,265,331.56	17,724,783.16
		<u>\$ 50,473,361.05</u>	<u>\$ 63,741,116.16</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-11	\$ 29,790,000.00	\$ 21,540,000.00
Green Acres Loan Payable	C-9	30,769.25	33,333.35
Environmental Infrastructure Loan Payable	C-17	948,251.19	1,025,858.73
Bond Anticipation Notes	C-13	12,733,259.00	34,768,236.00
Capital Improvement Fund	C-6	16,908.49	120,434.69
Contracts Payable	C-10	2,553,497.09	1,233,976.14
Reserve for Grants Receivable	C-7	351,003.05	351,003.05
Reserve for Basketball Court Improvements	C-15	42,500.00	42,500.00
Reserve for the Payment of Debt	C-18	888,057.47	123,862.37
Reserve for Unidentified Receipts	C-16		2,490.44
Improvement Authorizations:			
Funded	C-8	285,766.37	237,636.12
Unfunded	C-8	2,439,877.62	3,601,088.31
Fund Balance	C-1	393,471.52	660,696.96
		<u>\$ 50,473,361.05</u>	<u>\$ 63,741,116.16</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 - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	660,696.96
Increased by:			
Premium on Bond Anticipation Notes Issued	C-2		<u>99,618.27</u>
		\$	<u>760,315.23</u>
Decreased by:			
Capital Surplus Anticipated in Current Fund Budget	C-2		<u>366,843.71</u>
Balance, December 31, 2020	C	\$	<u><u>393,471.52</u></u>

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 - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2020</u>	BALANCE DECEMBER <u>31, 2019</u>
<u>ASSETS</u>			
Cash-P.A.T.F. I	E-1	\$ <u>13,800.34</u>	\$ <u>13,800.34</u>
		\$ <u>13,800.34</u>	\$ <u>13,800.34</u>
<u>LIABILITIES</u>			
Reserve for Public Assistance - P.A.T.F. I		\$ <u>13,800.34</u>	\$ <u>13,800.34</u>
		\$ <u>13,800.34</u>	\$ <u>13,800.34</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

BOROUGH OF ROSELLE
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2020</u>	BALANCE DECEMBER <u>31, 2019</u>
<u>FIXED ASSETS</u>		
Land	\$ 12,656,300.00	\$ 12,212,200.00
Buildings	8,728,900.00	6,404,400.00
Machinery and Equipment	<u>10,285,538.89</u>	<u>12,182,520.02</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 31,670,738.89</u>	<u>\$ 30,799,120.02</u>
<u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 31,670,738.89</u>	<u>\$ 30,799,120.02</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ROSELLE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2020 AND 2019

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.A. 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 standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must 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 group:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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 have 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. 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 amount 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 requires 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. General 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 December 31, 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 December 31 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 and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, 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 - 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 revenue in a future budget. GAAP requires such proceeds to be recorded as 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 - N.J.A.C. 5:30-5.6, 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. The detail amount of the general fixed assets are currently unavailable.

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

Accounting and Financial Reporting for Pensions - Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

The Governmental Accounting Standards Board (GASB) has issued Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses for postemployment benefits other than pensions.

It also requires the State of New Jersey to calculate and allocate to each participating member, for note disclosure purposes only, the OPEB net liability of New Jersey Health Benefits Local Government Retiree Plan (the Plan). The statement does not alter the amount of funds that must be budgeted for OPEB payment under existing state law.

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)

Under GAAP, municipalities are required to recognize the OPEB liability in Statements of Revenues, Expenses, Changes in Net Position (balance sheets) and Notes to the Financial Statements in accordance with GASB 75. The liability required to be displayed by GASB 75 is displayed as a separate line item in the Unrestricted Net Position area of the balance sheet.

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the OPEB liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c) (2) requires municipalities to disclose GASB 75 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 75.

The New Jersey Division of Local Government Services issued Local Finance Notice 2021-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pensions & Benefits' reporting on GASB 75. As of the date of this report the information for the Special Funding Situation for the period ended June 30, 2020 was not available, therefore the information dated June 30, 2019 is disclosed.

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 financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks, 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 December 31, 2020:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reconciled Balance</u>
Current Fund	\$ 13,194,469.20	\$ 294,780.65	\$ 437,363.69	\$ 13,051,886.16
Federal and State Grant Fund	287,695.64		111,269.97	176,425.67
Animal Control Trust Fund	14,537.60		13.20	14,524.40
Other Trust Fund	5,929,692.71	869.78	123,586.00	5,806,976.49
General Capital Fund	2,774,842.63		182,535.04	2,592,307.59
Public Assistance Fund	<u>13,800.34</u>	<u></u>	<u></u>	<u>13,800.34</u>
	<u>\$ 22,215,038.12</u>	<u>\$ 295,650.43</u>	<u>\$ 854,767.90</u>	<u>\$ 21,655,920.65</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2020, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$21,965,038.12 was covered by Federal Depository Insurance and \$250,000.00 was covered by NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough is 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 Local Government Services of the Department of Community Affairs for investment by Local Units;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

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.
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:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 P.L. 1970, c.236 (C.17:19-41); and
 - e. 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: MUNICIPAL 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.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

	DECEMBER 31, <u>2020</u>	DECEMBER 31, <u>2019</u>	DECEMBER 31, <u>2018</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 43,502,279.44	\$ 57,367,428.08	\$ 38,149,374.59
Less Funds Temporarily Held to			
Pay Bonds and Notes	2,966,677.44	18,393,824.84	1,253,192.65
Reserve for Debt Service	<u>888,057.47</u>	<u>123,862.37</u>	<u>123,862.37</u>
Net Debt Issued	\$ <u>39,647,544.53</u>	\$ <u>38,849,740.87</u>	\$ <u>36,772,319.57</u>
Authorized But Not Issued			
General:			
Bonds and Notes	\$ <u>498,750.00</u>	\$ <u>1,350,372.00</u>	\$ <u>3,754,404.81</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	\$ <u><u>40,146,294.53</u></u>	\$ <u><u>40,200,112.87</u></u>	\$ <u><u>40,526,724.38</u></u>

SUMMARY OF STATUTORY DEBT CONDITION
(ANNUAL DEBT STATEMENT AS OF DECEMBER 31, 2020)

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 2.61%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
General Debt	\$ <u>44,001,029.44</u>	\$ <u>3,854,734.91</u>	\$ <u>40,146,294.53</u>
	\$ <u><u>44,001,029.44</u></u>	\$ <u><u>3,854,734.91</u></u>	\$ <u><u>40,146,294.53</u></u>

NET DEBT \$40,146,294.53 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$1,540,436,959.33 EQUALS 2.61%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

*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 of Roselle for the last three (3) preceding years.

Equalized Valuation Basis* - December 31, 2020	\$1,540,436,959.33
3-1/2 of Equalized Valuation Basis	53,915,293.58
Net Debt	<u>40,146,294.53</u>
Remaining Borrowing Power	<u><u>\$13,768,999.05</u></u>

LONG TERM DEBT

General Serial Bonds:

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2020</u>
\$4,676,000.00 in 2017 General Improvement Bonds, due in annual remaining installments ranging between \$175,000.00 and \$350,000.00 through February 2032 at various interest rates.	\$4,031,000.00
\$8,499,000.00 in 2016 General Improvement Bonds, due in annual remaining installments ranging between \$430,000.00 and \$550,000.00 through May 2034 at various interest rates.	7,084,000.00
\$9,695,000.00 in 2019 General Improvement Bonds, due in annual remaining installments ranging between \$340,000.00 and \$680,000.00 through November 2036 at various interest rates.	9,355,000.00
\$9,320,000.00 in 2020 General Improvement Bonds, due in annual remaining installments ranging between \$300,000.00 and \$510,000.00 through November 2044 at various interest rates.	<u>9,320,000.00</u>
	<u><u>\$29,790,000.00</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

Environmental Infrastructure Loans:

	OUTSTANDING BALANCE DECEMBER 31, 2020
<u>ISSUE</u>	
Infrastructure Loan due in annual remaining installments of \$35,000.00 to \$55,000.00 through 2031 at various interest rates	\$510,000.00
\$795,341.00 Infrastructure Loan due in annual remaining installments of \$12,175.79 to \$42,607.54 through 2031 at 0% interest rate	<u>438,251.19</u>
	<u><u>\$948,251.19</u></u>

New Jersey Green Acres Loans:

	OUTSTANDING BALANCE DECEMBER 31, 2020
<u>ISSUE</u>	
\$50,000.00 Green Acres Loan due in annual remaining installments of \$2,564.10 through 2032 at 0% interest rate	<u>\$30,769.25</u>
	<u><u>\$30,769.25</u></u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2020

CALENDAR	<u>GENERAL CAPITAL</u>		
<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2021	\$ 1,386,000.00	\$ 846,990.08	\$ 2,232,990.08
2022	1,580,000.00	800,126.26	2,380,126.26
2023	1,615,000.00	758,776.26	2,373,776.26
2024	1,645,000.00	716,701.26	2,361,701.26
2025	1,675,000.00	663,276.26	2,338,276.26
2026-2030	8,965,000.00	2,465,031.31	11,430,031.31
2031-2035	8,129,000.00	1,199,085.68	9,328,085.68
2036-2040	2,840,000.00	465,065.54	3,305,065.54
2041-2044	<u>1,955,000.00</u>	<u>119,325.00</u>	<u>2,074,325.00</u>
	\$ <u><u>\$29,790,000.00</u></u>	\$ <u><u>\$8,034,377.65</u></u>	\$ <u><u>\$37,824,377.65</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE LOAN ISSUED AND
OUTSTANDING AS OF DECEMBER 31, 2020

CALENDAR						
<u>YEAR</u>		<u>PRINCIPAL</u>		<u>INTEREST</u>		<u>TOTAL</u>
2021	\$	77,607.54	\$	22,860.00	\$	100,467.54
2022		82,607.54		21,110.00		103,717.54
2023		82,607.54		19,110.00		101,717.54
2024		87,607.54		17,110.00		104,717.54
2025		87,607.54		14,860.00		102,467.54
2026-2030		463,037.70		44,987.50		508,025.20
2031		67,175.79		4,037.50		71,213.29
	\$	948,251.19	\$	144,075.00	\$	1,092,326.19

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR GREEN TRUST LOAN ISSUED AND OUTSTANDING
AS OF DECEMBER 31, 2020

CALENDAR			
<u>YEAR</u>		<u>PRINCIPAL</u>	<u>TOTAL</u>
2021	\$	2,564.10	\$ 2,564.10
2022		2,564.10	2,564.10
2023		2,564.10	2,564.10
2024		2,564.10	2,564.10
2025		2,564.10	2,564.10
2026-2030		12,820.50	12,820.50
2031-2032		5,128.25	5,128.25
	\$	<u>30,769.25</u>	\$ <u>30,769.25</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SHORT TERM DEBT

BOND ANTICIPATION NOTES

	Interest <u>Rate</u>	Issue and <u>Maturity Dates</u>	<u>Amount</u>
General Capital	1.500%	7/24/20 to 7/23/21	\$4,699,654.00
General Capital	1.500%	11/17/20 to 7/23/21	<u>8,033,605.00</u>
			<u>\$12,733,259.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance, at December 31, 2020, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2021 was as follows:

Current Fund	\$3,000,000.00
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NOTE 5: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and 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 the 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 statements are as follows:

	BALANCE DECEMBER 31, <u>2020</u>	BALANCE DECEMBER 31, <u>2019</u>
Prepaid Taxes	\$ <u>613,387.65</u>	\$ <u>555,166.62</u>

NOTE 6: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), or the Police, Firemen's Retirement System (PFRS) or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Firemen's Retirement System and Consolidated Police and Firemen's Pension Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Firemen's Retirement System (PFRS) - The Police and Firemen's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

NOTE 6: PENSION PLANS

Vesting and Benefit Provisions (Continued)

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately vested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully vested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

Funding Policy

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group life insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. During 2020, PERS provides for employee contributions of 7.50% of employees' base salary.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. For the fiscal year 2020, the State contributed an amount less than the actuarially determined amount. During 2020, PFRS provides for employee contributions of 10.00% of employees' base salary.

Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$3,248,502.00 for 2020, \$3,320,534.24 for 2019 and \$3,015,143.19 for 2018.

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions – GASB 68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2020. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2020.

Public Employees Retirement System (PERS)

At June 30, 2020, the State reported a net pension liability of \$9,281,223.00 for the Borough's proportionate share of the total net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the Borough's proportion was 0.0569142327 percent, which was a decrease of 0.0006539662 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension benefit of \$446,758.00 for the Borough's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$559,969.00.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 168,996.00	\$ 32,822.00
Changes of assumptions	301,093.00	3,886,136.00
Net difference between projected and actual earnings on pension plan investments	317,240.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>691,045.00</u>	<u>139,803.00</u>
	<u>\$ 1,478,374.00</u>	<u>\$ 4,058,761.00</u>

Other local amounts reported by the State as the Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	(\$1,054,375.60)
2022	(951,534.60)
2023	(496,533.60)
2024	(135,123.60)
2025	<u>57,180.40</u>
	<u><u>(\$2,580,387.00)</u></u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</u>
Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	2.00-6.00%
Thereafter	3.00-7.00%
	Based on
	Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of the Borough's proportionate share of net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$11,683,511.00	\$9,281,223.00	\$7,242,816.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

Police and Firemen's Retirement System (PFRS)

At June 30, 2020, the State reported a net pension liability of \$33,124,952.00 for the Borough's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

At June 30, 2020, the Borough's proportion was 0.2563589078 percent, which was an increase of 0.0085568345 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the State recognized an actuarially determined pension expense of \$1,382,406.00. The pension expense recognized in the Borough's financial statements based on the April 1, 2020 billing was \$2,503,075.00.

At June 30, 2020, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 333,956.00	\$ 118,881.00
Changes of assumptions	83,359.00	8,880,601.00
Net difference between projected and actual earnings on pension plan investments	1,942,271.00	
Changes in proportion and differences between Borough contributions and proportionate share of contributions	<u>2,041,204.00</u>	<u>2,165,578.00</u>
	\$ <u>4,400,790.00</u>	\$ <u>11,165,060.00</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30</u>	<u>Amount</u>
2021	\$ (3,123,486.80)
2022	(2,116,061.80)
2023	(876,211.80)
2024	(346,479.80)
2025	<u>(302,029.80)</u>
	\$ <u>(6,764,270.00)</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

	<u>June 30, 2020</u>
Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases	
Through All Future Years	3.25-15.25%
	Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For healthy annuitants, post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasury's	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.85% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate

The following presents the Borough's proportionate share of the net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the Borough's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the PFRS pension liability	\$44,049,368.00	\$33,124,952.00	\$24,051,390.00

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation

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

At June 30, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$5,140,842.00 and \$4,788,465.00, respectively.

At June 30, 2020, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$33,124,952.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Borough	<u>5,140,842.00</u>
	<u>\$38,265,794.00</u>

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused 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. 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, accumulated cost of such paid 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 December 31, 2020.

NOTE 8: LITIGATION

The Borough is involved in a number of legal proceedings, the resolution of which, could result in damages against the Borough. These potential liabilities under New Jersey reporting requirements will be reflected in the financial statements when paid. The Borough entered into a settlement agreement and mutual release agreement with AST Roselle, LLC in regards to a redevelopment project the Borough was a party to. Based on this agreement the Borough will pay the sum total of two million two hundred fifty thousand dollars (\$2,250,000.00) as follows: Six hundred fifty thousand dollars (\$650,000.00) in 2021; four hundred thousand dollars (\$400,000) per year for the years 2022 through 2025. In addition, there are other pending lawsuits in which the Borough is involved. Many of these lawsuits are presently in the preliminary or discovery stages, with the probability of a successful defense unknown at this time and the amounts of eventual settlements cannot be accurately determined.

NOTE 9: CONTINGENT LIABILITIES

The Borough participated in several 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. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2020, the Borough does not believe that any material liabilities will result from such audits.

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 participates in a self insurance program through the Public Entity Joint Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. 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 10: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Interest/Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 110,000.00	\$ 3,731.82	\$ 10,645.41	\$ 173,563.90
2019		9.70	624.80	70,477.49
2018	25,000.00			71,092.59

NOTE 11: DEFERRED COMPENSATION PLAN

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: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets of the various funds at December 31, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$410,073.31	\$1,736,860.17
Grant Fund		117,541.17
Animal Control Fund		10,295.60
Trust Other Fund		619,662.02
General Capital Fund	2,074,285.65	
	<u>\$2,484,358.96</u>	<u>\$2,484,358.96</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The Borough's defined benefit OPEB plan, Borough of Roselle Retiree Medical Plan (the Plan), provides OPEB for all eligible employees of the Borough in accordance with the terms of their labor agreements. The Plan is a single-employer defined benefit OPEB plan administered by the Borough. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Summary of Benefits

The Plan provides retirees and their eligible dependents medical and prescription drug benefits provided that they have meet the eligibility requirement contained in the Borough' various labor agreements.

Employees Covered by Benefits Terms

Inactive employees or beneficiaries currently receiving benefits payments	170
Inactive employees entitled to but not currently receiving benefits payments	-0-
Active Employees	144
	<u>314</u>

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Contributions

The contribution requirements of the Borough and Plan members are established and maybe be amended by the Borough's governing body.

Retirees and their dependents are required to contribute toward the cost of the postretirement medical and prescription drug coverage in accordance with the provisions set forth under Chapter 78. An employee who retires after satisfying the eligibility requirements who had less than 20 years of PERS or PFRS service as of June 28, 2011, shall be required to contribute toward the cost of postretirement healthcare benefits. The retirement contributions are based on a percentage of the postretirement healthcare cost and vary based on coverage tier and amount of PERS or PFRS pension amounts based on tables presented in the Borough's plan document, ranging from 3.5% to 35%.

OPEB Liability

The Borough's total OPEB liability of \$108,570,904 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Salary Increases	3.0%

Healthcare cost trend rates 7.0 percent decreasing to an ultimate rate of 4.5 percent.

The mortality tables used for this valuation is based on the Society of Actuaries Pub-2010 Public retirement Plans Healthy Male and Female Total Dataset Headcount-Weighted Mortality tables using Employee and Healthy Annuitant Tables for both pre- and post-retirement projected with mortality improvements using the most current Society of Actuaries Mortality Improvement Scale MP-2019

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Discount Rate

The discount rate under GASB 75 should be the single rate that reflects (a) the long-term expected rate of return on plan investments that are expected to be used to finance the benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the assets are expected to be invested using a strategy to achieve that return and (b) a yield or index rate for 20-year, tax exempt general obligations municipal bonds with an average rating of AA/AAa or higher (or an equivalent quality on another scale) to the extent that the conditions in (a) are not met.

The selected discount rate of 2.02% is based on the prescribed discount interest rate methodology under GASB No. 74/75 using an average of three 20-year bond indices (e.g., Bond Buyer-20 Bond GO - 2.12%, S&P Municipal Bond 20 Year High Grade Rate Index 1.93%, and Fidelity GA AA 20 Years – 2.00%) as of December 31, 2020.

Changes in the Total OPEB Liability

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	<u>OPEB Liability</u>
Balance at 12/31/19	\$270,727,413
Changes for the year:	
Service cost	2,237,406
Interest	5,423,586
Changes in assumptions or other inputs	(165,351,406)
Benefit payments	<u>(4,466,095)</u>
Net changes	(162,156,509)
Balance at 12/31/20	<u><u>\$108,570,904</u></u>

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

At June 30, 2020, the Borough reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience		
Changes of assumptions		\$165,351,406
Net difference between projected and actual earnings on OPEB plan investments		
Changes in proportion	<u> </u>	<u> </u>
	<u><u>-\$0-</u></u>	<u><u>\$165,351,406</u></u>

Other local amounts reported Borough's proportionate share of deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the actuarially calculated pension (benefit)/expense as follows:

Year Ended <u>December 31,</u>	<u>Amount</u>
2021	(\$23,825,851)
2022	(23,825,851)
2023	(23,825,851)
2024	(23,825,851)
2025	(23,825,851)
Total Thereafter	<u>(46,222,151)</u>
	<u><u>(\$165,351,406)</u></u>

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare cost trend rates

The following presents the Net OPEB Liability associated with the Borough as of December 31, 2020, calculated using the discount rate as disclosed above as well as what the Net OPEB Liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	December 31, 2020		
	1.00% <u>Decrease (1.02%)</u>	At Discount <u>Rate (2.02)</u>	1.00% <u>Increase (3.02%)</u>
OPEB Liability	\$136,326,474	\$108,570,904	\$88,428,671

The following presents the total OPEB liability of the Borough, as well as what the Borough's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentagepoint lower or 1-percentage-point higher than the current healthcare cost trend rates:

	December 31, 2020		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
OPEB Liability	\$87,694,954	\$108,570,904	\$137,177,863

Special Funding Situation

The Borough, by resolution of the governing body, has elected to provide postretirement medical coverage to certain employees under the provisions of Chapter 330, P.L. 1997.

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge.

NOTE 13: GASB 75: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(CONTINUED)

Special Funding Situation (Continued)

The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no Net OPEB Liability, deferred outflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

At June 30, 2019, the State's proportionate share of the net OPEB liability attributable to the Borough for the special funding situation is \$16,125,650.00.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey State Health Benefits Local Government Retired Employees Plan. The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 <http://www.state.nj.us/treasury/pensions>.

NOTE 14: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

NOTE 15: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after the financial statement date through September 23, 2021 which is the date the financial statements were available to be issued. On February 17, 2021 the Borough adopted Ordinance 2640-21 which authorized the execution and acknowledgement and delivery by the Borough of certain agreements in relation to Borough Guaranteed Lease Revenue Bonds, Series 2021 (Roselle Library Building Project) of the Union County Improvement Authority (the "Authority"). The Authority expects to obtain funds to assist the financing of the Improvements through the issuance of its bonds in an amount not to exceed \$6,500,000.00.

BOROUGH OF ROSELLE
SUPPLEMENTARY SCHEDULES
FISCAL YEAR ENDED DECEMBER 31, 2020

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF CASH COLLECTOR-TREASURER

	<u>REF.</u>		<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2019	A		\$ 27,798,015.46	\$ 197,639.01
Increased by Receipts:				
Grants Receivable	A-7	\$		\$ 189,184.03
Taxes Receivable	A-8	66,198,082.14		
Revenue Accounts Receivable	A-11	5,992,008.12		
Tax Title Liens	A-9	7,978.75		
State of New Jersey, Chapter 20, P.L. 1971	A-13	67,250.00		
Grants-Unappropriated	A-18			30,000.00
Petty Cash	Contra	800.00		
Prepaid Taxes	A-21	613,387.65		
Tax Overpayments	A-6	87,707.95		
Due Current Fund	A-19			182,914.22
Interfunds	A-16	21,271,952.55		
Miscellaneous Revenue Not Anticipated	A-2	946,543.62		
Appropriation Refunds	A-3	900,444.49		
Appropriation Reserve Refunds	A-17	1,206.33		
Change Fund	A-5	100.00		
Due Roselle Public Library	A-15	292,107.68		
Sale of Municipal Assets	A-31	40,000.00		
Due State of New Jersey - DCA Fees	A-28	19,659.00		
Due State of New Jersey - Marriage Licenses	A-20	2,812.00		
			<u>96,442,040.28</u>	<u>402,098.25</u>
			\$ 124,240,055.74	\$ 599,737.26
Decreased by Disbursements:				
2020 Appropriations	A-3	\$ 38,679,597.11	\$	
2019 Appropriation Reserves	A-17	1,086,609.15		
Reserve for Grants Appropriated	A-14			420,061.59
Interfunds	A-16:A-19	37,972,415.36		3,250.00
Refund of Tax Overpayments	A-6	85,060.45		
County Taxes	A-22	8,057,015.19		
Local District School Tax	A-23	24,886,349.08		
Due State of New Jersey - Marriage Licenses	A-20	700.00		
Petty Cash	Contra	800.00		
Refund of Prior Year Revenues	A-1	38,055.47		
Refund of Current Year Revenue -Construction Fees	A-2	100.00		
Refund of Current Year Revenue - Recreation Fees	A-2	3,235.00		
Due County of Union - P.I.L.O.T	A-2	44,709.88		
Due Roselle Public Library	A-15	330,346.89		
Due State of New Jersey - DCA Fees	A-28	3,176.00		
			<u>111,188,169.58</u>	<u>423,311.59</u>
Balance, December 31, 2020	A		\$ <u>13,051,886.16</u>	\$ <u>176,425.67</u>

"A-5"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF CHANGE FUND

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	400.00
Decreased by:			
Cash Receipts	A-4		<u>100.00</u>
Balance, December 31, 2020	A	\$	<u><u>300.00</u></u>

OFFICE

Collector		\$	100.00
Municipal Court			<u>200.00</u>
		\$	<u><u>300.00</u></u>

"A-6"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2019	A	\$	4,673.32
Increased by:			
Tax Overpayments Received	A-4		<u>87,707.95</u>
		\$	<u>92,381.27</u>
Decreased by:			
Cash Disbursements	A-4	\$	<u>85,060.45</u>
			<u>85,060.45</u>
Balance, December 31, 2020	A	\$	<u><u>7,320.82</u></u>

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2019	ANTICIPATED IN 2020 BUDGET	RECEIPTS	UNAPPROPRIATED APPLIED	CANCELED	BALANCE DECEMBER 31, 2020
Municipal Alliance Grant	\$ 41,435.03	\$ 20,753.00	\$ 2,251.28	\$	\$	\$ 59,936.75
Green Communities	2,000.00					2,000.00
Bulletproof Vest Partnership Grant	16,790.45	4,508.64				21,299.09
Edward Byrnes Memorial Justice Grant	15,000.00			15,000.00		
Distracted Driving		4,895.00		4,895.00		
Greening Union County	19,818.00					19,818.00
Greening Grant	2,670.00					2,670.00
Union County Kids Recreation	54,000.00					54,000.00
Body Armor Replacement Fund	3,348.00	11,062.19				14,410.19
Union County Means Green	500.00	500.00		500.00		500.00
Alcohol Education and Rehab Fund		7,085.08	7,085.08			
Comcast Technology Grant	60,000.00					60,000.00
Warren Street Park Grant		1,000,000.00				1,000,000.00
CDBG YEAR 44	97,710.89					97,710.89
CDBG YEAR 44	32,250.00					32,250.00
CDBG YEAR 45		20,000.00	20,000.00			
Neighborhood Preservation Program	125,000.00					125,000.00
Click it or Ticket		335.63		335.63		
Census Grant		13,000.00	13,000.00			
Recycling Tonnage Grant		19,722.28		19,722.28		
Healthy Neighborhoods	1.00				1.00	
McDonalds Bulletproof Vest	1,000.00			1,000.00		
Union County Kids Recreation	46,000.00					46,000.00
WIA Youth Program In School Youth	100.00				100.00	
Distracted Driving Statewide Crackdown	563.75					563.75
Arminio Field Turf Grant	50,000.00					50,000.00
Hazard Mitigation Grant	75,000.00					75,000.00
Drive Sober Get Pulled Over	1,112.80	8,437.50		8,437.50		1,112.80
Recreational Opportunities for Indiv. w/ Disab.	30,000.00					30,000.00
Drunk Driving Enforcement Fund	25,634.66					25,634.66
Summer Food Program	121,496.81					121,496.81
Community Policing	10,000.00				10,000.00	
SAMSHA Grant	139,385.21					139,385.21
SAMSHA GRANT 18	125,000.00					125,000.00
SAMSHA GRANT 19	125,000.00					125,000.00
SAMSHA GRANT 20		125,000.00				125,000.00
COVID Relief & Recovery		98,800.00	98,800.00			
COVID CARES Act Grant		193,978.69				193,978.69
Comcast Community Grant		5,000.00	2,500.00	2,500.00		
NJDOH Childhood Lead Exposure Project		12,500.00	12,500.00			
Clean Communities		33,047.67	33,047.67			
	<u>\$ 1,220,816.60</u>	<u>\$ 1,578,625.68</u>	<u>\$ 189,184.03</u>	<u>\$ 52,390.41</u>	<u>\$ 10,101.00</u>	<u>\$ 2,547,766.84</u>

REF.

A

A-2

A-4

A-18

A

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2019</u>	<u>2020 LEVY</u>	<u>COLLECTED</u>		<u>CANCELED</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2020</u>
			<u>2019</u>	<u>2020</u>			
2019 and Prior	\$ 2,107,084.59	\$	\$	1,844,256.10	\$ 157,894.52	\$	\$ 104,933.97
2020		67,052,410.51	555,166.62	64,420,326.04	81,830.03	63,480.50	1,931,607.32
	\$ 2,107,084.59	\$ 67,052,410.51	\$ 555,166.62	\$ 66,264,582.14	\$ 239,724.55	\$ 63,480.50	\$ 2,036,541.29
<u>REF.</u>	A		A-2,A-21	A-2		A-9	A
<u>REF.</u>							
Cash				\$ 66,198,082.14			
Senior Citizens and Veterans Deductions Allowed				66,500.00			
				\$ 66,264,582.14			
Analysis of Property Tax Levy:							
Tax Yield:					\$ 66,272,273.57		
General Purpose Tax					780,136.94		
Added Taxes							
					\$ 67,052,410.51		
Tax Levy:							
Local District School Tax (Abstract)			A-23	\$	25,122,799.00		
County Taxes:							
County Taxes (Abstract)			A-22	\$ 7,934,255.65			
Due County for Added Taxes			A-22	54,868.74	7,989,124.39		
Local Tax for Municipal Purposes (Abstract)			A-2	\$ 32,689,518.24			
Minimum Library Tax			A-2	518,689.60			
Add: Additional Tax Levied				732,279.28	33,940,487.12		
				\$	67,052,410.51		

"A-9"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>			
Balance, December 31, 2019	A		\$	664,925.35
Increased by:				
Transfer From Taxes Receivable	A-8	\$	63,480.50	
Interest and Costs			<u>2,390.44</u>	
				<u>730,796.29</u>
			\$	<u>730,796.29</u>
Decreased by:				
Cash Receipts	A-2:A-4	\$	7,978.75	
Canceled			54.00	
Foreclosure	A-10		<u>361,307.29</u>	
				<u>369,340.04</u>
Balance, December 31, 2020	A		\$	<u><u>361,456.25</u></u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2019	A		\$	2,180,332.00
Increased by:				
Transferred from Tax Title Liens	A-9	\$	361,307.29	
Adjustment to Assessed Valuation			<u>53,192.71</u>	
				<u>414,500.00</u>
				<u>2,594,832.00</u>
Decreased by:				
Transferred to Fixed Assets				<u>2,027,232.00</u>
Balance, December 31, 2020	A		\$	<u><u>567,600.00</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2019	ACCRUED IN 2020	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2020
A-2	\$	902.71	\$	902.71
A-2		12,890.00		12,890.00
A-2		1,310.00		1,310.00
A-2		9,455.55		9,455.55
A-2		336.00		336.00
A-2		684.00		684.00
A-2		2,652.00		2,652.00
A-2		2,066.50		2,066.50
A-2		60.00		60.00
A-2		23,281.01		23,281.01
A-2		13,487.52		13,487.52
A-2		19,271.00		19,271.00
A-2		267.00		267.00
A-2	31,026.79	217,957.75	234,166.93	14,817.61
A-2		231,136.42	231,136.42	
A-2		554,720.00	554,720.00	
A-2		8,560.00	8,560.00	
A-2		449,418.31	449,418.31	
A-2		13,895.34	13,895.34	
A-2		124,561.55	124,561.55	
A-2		227,072.56	227,072.56	
A-2		136,494.99	136,494.99	
A-2		2,305,486.00	2,305,486.00	
A-2		366,843.71	366,843.71	
A-2		32,791.61	32,791.61	
A-2		308,820.08	308,820.08	
A-2		64,539.18	64,539.18	
A-2		75,000.00	75,000.00	
A-2		771,838.15	771,838.15	
	\$ 31,026.79	\$ 5,975,798.94	\$ 5,992,008.12	\$ 14,817.61
REF.	A		A-4	A

Clerk:

Fees and Permits

Licenses:

ABC

Other

Board of Health

Fees and Permits

Other Licenses

Vital Statistics

Fees and Permits

Other Licenses

Police:

Fees and Permits

Other Licenses

Fire:

Fees and Permits

Public Works:

Fees and Permits

Planning/Zoning/Board of Adjustment:

Fees and Permits

Tax Collector:

Fees and Permits

Municipal Court:

Fines and Costs

Code Enforcement/Building

Fees and Permits

Construction Code Official:

Fees and Permits

Recreation:

Fees and Permits

Interest and Cost on Taxes

Parking Meters

Interest on Investments and Deposits

Cable Television Franchise Tax

Consolidated Municipal Purpose Tax Relief Act

Energy Receipts Tax

Capital Fund Balance

Uniform Fire Safety Act

Ambulance Revenue

Cell Tower

Police Outside Overtime Fees

P.I.L.O.T.

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX MAP AND REVISION
AND RECODIFICATION OF ORDINANCES

REF.

Balance, December 31, 2020 and
December 31, 2019

A

\$ 159,362.50

BOROUGH OF ROSELLE

CURRENT FUND

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

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	11,320.00
Charged:			
Senior Citizens Deductions per Tax Billings		\$	13,750.00
Veterans Deductions per Tax Billings			52,000.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>750.00</u>
			<u>66,500.00</u>
		\$	<u>77,820.00</u>
Decreased by:			
Cash Receipts	A-4	\$	<u>67,250.00</u>
			<u>67,250.00</u>
Balance, December 31, 2020	A	\$	<u><u>10,570.00</u></u>

ANALYSIS OF STATE SHARE OF 2020

SENIOR CITIZENS AND VETERANS DEDUCTIONS ALLOWED

Senior Citizens Deductions per Tax Billings		\$	13,750.00
Veterans Deductions per Tax Billings			52,000.00
Senior Citizens Deductions Allowed by Tax Collector			<u>750.00</u>
State Share Realized	A-8	\$	<u><u>66,500.00</u></u>

"A-14"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2019	TRANSFERRED FROM ENCUMBRANCES PAYABLE	APPROPRIATED	EXPENDED	CANCELED	BALANCE DECEMBER 31, 2020
	\$	\$	\$	\$	\$	\$
Municipal Alliance Grant	24,859.73	5,246.41	20,753.00	1,591.16		49,267.98
Municipal Alliance Grant Match	5,760.97	1,325.09	5,188.25			12,274.31
Edward Byrnes Memorial Justice Grant	15,000.00			15,000.00		
Drunk Driving Enforcement Fund	22,929.96	1,150.00		4,808.00		19,271.96
Alcohol Education and Rehab. Fund	7,601.26					14,686.34
Bulletproof Vest Partnership	3,487.50					7,996.14
Drive Sober or Get Pulled Over			7,085.08			
Clean Communities Program			4,508.64	8,437.50		33,047.67
COVID Relief & Recovery			8,437.50			7,997.50
COVID CARES Act Grant			33,047.67	90,802.50		193,978.69
Comcast Community Grant			98,800.00			5,000.00
NJDOH Childhood Lead Exposure Project			193,978.69			
Census Grant			12,500.00	12,500.00		24.50
Recycling Tonnage Grant	50,423.89		13,000.00	12,975.50		52,752.45
Summer Food Program	196,560.94		19,722.28	17,393.72		190,960.69
Greening Grant	5,960.00			5,600.25		960.00
SAMSHA	162,783.61			118,304.69		173,717.05
Union County Kids Recreation	21,000.00	4,238.13	125,000.00		2,200.03	21,000.00
Community Policing	2,200.03					
UEZ Administration Grant 13	22,790.96					22,790.96
UEZ Improvement Program	105,376.59					105,376.59
UEZ Improvement Grant	69,990.86					69,990.86
CDBG Year 44	120,000.00					120,000.00
CDBG Year 45	12,250.00					12,250.00
CDBG Year 45-Code Enforcement			20,000.00	20,000.00		
Arminio Field Turf Grant	50,000.00					50,000.00
McDonalds Bulletproof Vest	793.30	206.70		1,000.00		
Click It or Ticket			335.63	335.63		
Union County Recycling Enhancement						
ROID	10,000.00					10,000.00
Comcast Technology Grant	15,000.00					15,000.00
Neighborhood Preservation Program	60,000.00					60,000.00
Neighborhood Preservation Program-Match	125,000.00					43,958.50
Union County Means Grant			25,000.00	81,041.50		963.00
Body Armor Replacement Fund	500.00		500.00	24,037.00		580.00
Warren Street Park Grant	5,799.90	2,905.70	11,062.19	11,589.40		8,178.39
Groundwork Elizabeth-Plant a Tree			1,000,000.00			1,000,000.00
Distacted Driving	500.00					500.00
Union County KIDS Recreation	46,000.00		4,895.00	4,895.00		46,000.00
Hazard Mitigation Grant	75,000.00					75,000.00
	\$ 1,237,569.50	\$ 26,779.53	\$ 1,608,813.93	\$ 447,439.35	\$ 2,200.03	\$ 2,423,523.58

REF.

A

A-3

A-26

Cash Disbursements
Encumbrances Payable

A-4
A-26

\$ 420,061.59
27,377.76

\$ 447,439.35

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE ROSELLE PUBLIC LIBRARY

	<u>REF.</u>		
Balance, December 31, 2019 (Due to)	A	\$	17,601.54
Cash Receipts	A-4	\$ <u>292,107.68</u>	
			<u>292,107.68</u>
		\$	<u>309,709.22</u>
Cash Disbursements	A-4	\$ <u>330,346.89</u>	
			<u>330,346.89</u>
Balance, December 31, 2020 (Due from)	A	\$	<u><u>20,637.67</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>TRUST OTHER FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>PAYROLL AGENCY</u>	<u>ANIMAL CONTROL TRUST FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2019:							
Due From	A	\$ 550,589.58	\$ 541,783.18	\$		\$ 8,806.40	\$ 84,033.83
Due To	A	18,541,239.23		18,457,205.40			
Cash Receipts	A-4	21,271,952.55	665,196.83	20,237,890.77	14,196.75		354,668.20
Transferred to Federal and State Grants	A-19	1,608,813.93					1,608,813.93
Grants Canceled	A-1	7,900.97					7,900.97
Animal Control Excess	A-1	1,489.20				1,489.20	
Transferred to Federal and State Grants	A-19	1,578,625.68					1,578,625.68
Cash Disbursements	A-4	37,972,415.36	187,896.31	36,958,236.00	291,950.63		534,332.42
Balance, December 31, 2020:							
Due From	A	410,073.31	64,482.66		277,753.88	10,295.60	57,541.17
Due To	A	\$ 1,736,860.17	\$	\$ 1,736,860.17	\$	\$	\$

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF YEAR 2019 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2019 <u>RESERVED</u>	PRIOR YEAR <u>ENCUMBRANCES</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
<u>SALARIES AND WAGES</u>					
Administrative and Executive	\$	\$	\$ 10,000.00	\$	\$ 10,000.00
Borough Clerk	31,518.64		21,518.64		21,518.64
Borough Council	98.68		98.68		98.68
Financial Administration	32,228.65		7,228.65		7,228.65
Assessment of Taxes	866.45		866.45		866.45
Revenue Administration	3,193.83		3,193.83		3,193.83
Legal Services and Costs	999.84		999.84		999.84
Prosecutor	1,138.25		1,138.25		1,138.25
Public Buildings and Grounds	23,431.92		50,431.92		50,431.92
Planning Board	500.14		500.14		500.14
Zoning Board of Adjustment	99.88		99.88		99.88
Fire Department	124,248.49		34,248.49	34,248.49	
Police	627,470.98		437,470.98	117,042.14	320,428.84
Traffic Control-School Crossing Guards	37,124.08		22,124.08		22,124.08
Code Enforcement	38,625.71		23,625.71		23,625.71
Board of Health	9,865.67		4,865.67		4,865.67
Parking Enforcement			1,000.00		1,000.00
Community Services	3,082.34		3,082.34		3,082.34
Police Dispatch 911	5,018.52		5,018.52	5,018.52	
Parks and Playgrounds	74,208.10		44,208.10		44,208.10
Municipal Court	7,403.22		7,403.22		7,403.22
Public Defender	49.64		49.64		49.64
Construction Code Official	13,874.25		3,874.25		3,874.25
<u>OTHER EXPENSES</u>					
Administrative and Executive	34,676.04	115,266.96	179,943.00	168,179.52	11,763.48
Borough Clerk		5,643.05	10,643.05	6,614.09	4,028.96
Borough Council	13,542.49	969.13	10,511.62	315.00	10,196.62
Human Resources	41,406.44	1,432.40	42,838.84	1,482.40	41,356.44
Financial Administration		60,246.96	85,246.96	22,015.34	63,231.62
Annual Audit	350.00		5,350.00		5,350.00
Assessment of Taxes	390.55	12,162.85	12,553.40	2,100.35	10,453.05
Revenue Administration	3,172.33	2,135.37	5,307.70	3,135.37	2,172.33
Legal Services and Costs		108,391.33	238,391.33	82,914.15	155,477.18
Prosecutor	400.00	600.00	1,500.00	600.00	900.00
Engineering Services and Costs	9,553.16	7,100.00	16,653.16	8,945.31	7,707.85
Hispanic/Latino Board	158.44	2,000.00	2,158.44	2,158.44	
Public Buildings and Grounds		61,653.83	133,653.83	76,103.87	57,549.96
Planning Board	506.50	2,325.00	2,831.50	605.27	2,226.23
Senior Advisory Board	2,058.48	2,575.00	4,633.48	3,675.00	958.48
Zoning Board of Adjustments	1,157.80	3,000.00	4,157.80	3,920.30	237.50
Redevelopment Agency	47,207.65	44,740.96	76,948.61	40,786.16	36,162.45
Shade Tree Commission	82,074.43	9,325.00	51,399.43	7,325.00	44,074.43
Economic Development	50,708.43	150.00	15,858.43	800.00	15,058.43
Group Insurance for Employees		1,652.98	1,652.98		1,652.98
Other Insurance Premiums			79,000.00	59,279.95	19,720.05
Health Benefit Waiver	158,000.00		158,000.00		158,000.00
Fire Department	6,335.68	111,825.38	133,161.06	73,342.93	59,818.13
Police Department	83,828.47	28,802.89	87,631.36	48,433.15	39,198.21
Traffic Control-School Crossing Guards	10,354.41	1,267.65	11,622.06	1,267.65	10,354.41
Emergency Management Services	13,861.40	4,032.60	8,894.00		8,894.00
Code Enforcement	3,798.64	12,484.58	21,283.22	17,089.55	4,193.67
Maintenance of Vehicles		33,121.68	43,121.68	28,763.66	14,358.02
Recycling		25,151.84	35,151.84	31,371.34	3,780.50
Solid Waste Collection		69,147.08	99,147.08	69,723.94	29,423.14
Police Dispatch 911	4,205.08	170.00	4,375.08	250.00	4,125.08

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF YEAR 2019 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2019 <u>RESERVED</u>	PRIOR YEAR <u>ENCUMBRANCES</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>
<u>OTHER EXPENSES (CONTINUED)</u>					
Snow Removal	\$ 1,314.37	\$ 3,328.21	\$ 4,642.58	\$ 4,642.58	\$ 10,649.97
Board of Health	8,720.29	31,684.13	40,404.42	29,754.45	1,762.94
Parking Enforcement	500.00		500.00		500.00
Community Services	1,397.94	1,845.00	3,242.94	1,480.00	1,762.94
Recreation	17,726.37	6,078.99	23,805.36	10,421.48	13,383.88
Municipal Court	7,730.39	2,146.13	9,876.52	2,688.50	7,188.02
Public Employee Occupational Safety Health Act	2,500.00		2,500.00		2,500.00
Public Defender	450.00		450.00		450.00
Construction Code Official	10,647.26	2,492.07	13,139.33	4,492.07	8,647.26
Gasoline	54,907.31	8,850.44	63,757.75	18,004.84	45,752.91
Electricity	505.92	7,142.00	7,647.92		7,647.92
Natural Gas (Natural Gas and Heating Oil)	19,161.08	274.01	19,435.09	12,222.62	7,212.47
Telephone and Telegraph		7,798.74	22,798.74	11,811.52	10,987.22
Street Lighting	67,357.81	211.86	67,569.67	43,023.17	24,546.50
Fire Hydrant Service		41,772.84	78,772.84	41,772.84	37,000.00
Water	12,275.83	1,549.66	13,825.49	2,091.86	11,733.63
Union County SLAP	2,000.00		2,000.00		2,000.00
Accumulated Leave Compensation	10,000.00		10,000.00	10,000.00	
Municipal Services Act	8,480.00		8,480.00	1,840.79	6,639.21
Social Security System (O.A.S.I.)	17,477.16		17,477.16		17,477.16
Police and Firemen's Retirement System of NJ	0.76		0.76		0.76
State Unemployment			10,500.00	5,670.82	4,829.18
Defined Contribution Retirement Program		2,940.52	3,940.52	2,940.52	1,000.00
Linden Roselle Sewerage Authority	44,326.00		44,326.00		44,326.00
	<u>\$ 1,890,272.19</u>	<u>\$ 845,489.12</u>	<u>\$ 2,735,761.31</u>	<u>\$ 1,120,364.95</u>	<u>\$ 1,615,396.36</u>

REF. A A-24 A-1

Cash Disbursements	A-4		\$ 1,086,609.15	
Accounts Payable	A-31		34,962.13	
Less: Refunds	A-4		<u>(1,206.33)</u>	
			<u>\$ 1,120,364.95</u>	

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS -
UNAPPROPRIATED

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	178,140.41
Increased by:			
Cash Receipts	A-4		30,000.00
		\$	<u>208,140.41</u>
Decreased by:			
Applied to Receivable	A-7	\$	<u>52,390.41</u>
		\$	<u>52,390.41</u>
Balance, December 31, 2020	A	\$	<u><u>155,750.00</u></u>

ANALYSIS OF BALANCE:

Comcast/Franchise Renewal	120,000.00
Lead Grant	5,750.00
COVID Business	<u>30,000.00</u>
	\$ <u><u>155,750.00</u></u>

"A-19"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2019 (Due from)	A		84,033.83
Cash Receipts	A-4	\$ 182,914.22	
Transfer from Current Fund	A-16	<u>1,578,625.68</u>	
			\$ <u>1,761,539.90</u>
Cash Disbursements	A-4	\$ 3,250.00	
Canceled		7,900.97	
Transfer to Current Fund	A-16	<u>1,608,813.93</u>	
			<u>1,619,964.90</u>
Balance, December 31, 2020 (Due to)	A		\$ <u><u>57,541.17</u></u>

"A-20"

CURRENT FUND

SCHEDULE OF RESERVE FOR MARRIAGE
LICENSES DUE STATE

Balance, December 31, 2019	A	\$ 1,390.00
Increased by:		
Cash Receipts	A-4	<u>2,812.00</u>
		\$ <u>4,202.00</u>
Decreased by:		
Cash Disbursements	A-4	<u>700.00</u>
Balance, December 31, 2020	A	\$ <u><u>3,502.00</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	555,166.62
Increased by:			
Collection of 2021 Taxes	A-4	\$	<u>613,387.65</u>
			<u>613,387.65</u>
		\$	<u>1,168,554.27</u>
Decreased by:			
Applied to 2020 Taxes	A-8		<u>555,166.62</u>
Balance, December 31, 2020	A	\$	<u><u>613,387.65</u></u>

"A-22"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF COUNTY TAXES

	<u>REF.</u>		
Balance, December 31, 2019(Payable)	A		\$ 112,078.05
Increased by:			
Balance, December 31, 2019(Payable)	A-1:A-8	\$ 7,934,255.65	
Added Taxes	A-1:A-8	<u>54,868.74</u>	
			<u>7,989,124.39</u>
			8,101,202.44
Decreased by:			
Cash Disbursements	A-4		<u>8,057,015.19</u>
Balance, December 31, 2020(Payable)	A		<u>\$ 44,187.25</u>

"A-23"

SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE

Balance, December 31, 2019 (Prepaid)	A	\$ 188,672.00
School Tax Levy	A-1:A-8	25,122,799.00
Cash Disbursements	A-4	<u>24,886,349.08</u>
Balance, December 31, 2020	A	<u>\$ 47,777.92</u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	874,539.05
Increased by:			
Appropriations	A-3	\$	<u>1,286,659.38</u>
			<u>1,286,659.38</u>
		\$	<u>2,161,198.43</u>
Decreased by:			
Transferred to Appropriation Reserves	A-17	\$	<u>845,489.12</u>
			<u>845,489.12</u>
Balance, December 31, 2020	A	\$	<u><u>1,315,709.31</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2019	<u>DECREASED</u>
Overexpenditure of Appropriations	\$ 381,038.15	\$ 381,038.15
Overexpenditure of Appropriation Reserves	<u>8,523.15</u>	<u>8,523.15</u>
	<u>\$ 389,561.30</u>	<u>\$ 389,561.30</u>
<u>REF.</u>	A	A-3

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	A	\$	26,779.53
Increased by:			
Federal and State Grants Appropriated	A-14		<u>27,377.76</u>
		\$	54,157.29
Decreased by:			
Transferred to Federal and State Grants Appropriated	A-14		<u>26,779.53</u>
Balance, December 31, 2020	A	\$	<u><u>27,377.76</u></u>

"A-27"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

REF.

Balance, December 31, 2020 and
December 31, 2019

A

\$ 248,717.95

"A-28"

SCHEDULE OF DCA FEES - DUE STATE OF NEW JERSEY

Balance, December 31, 2019

A

\$ 5,390.00

Increased by:
Cash Receipts

A-4

19,659.00
\$ 25,049.00

Decreased by:
Cash Disbursements

A-4

3,176.00

Balance, December 31, 2020

A

\$ 21,873.00

"A-29"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF DUE GENERAL CAPITAL FUND

REF.

Balance, December 31, 2020 (Due To) and
December 31, 2019

\$ 60,000.00

"A-30"

CURRENT FUND

SCHEDULE OF DUE PREPAID INSURANCE

Balance, December 31, 2019

A

\$ 594,930.11

Decreased by
Applied

A-3

\$ 594,930.11

"A-31"

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

Increased by
Cash Receipts

A-4

\$ 40,000.00

Balance, December 31, 2020

A

\$ 40,000.00

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

REF.

Increased by:

Transferred from 2019 Appropriation Reserves	A-17	\$	34,962.13
Balance, December 31, 2020	A	\$	<u>34,962.13</u>

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF CASH
COLLECTOR-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL FUND</u>		<u>OTHER TRUST FUNDS</u>	
Balance, December 31, 2019	B	\$	\$ 14,034.80	\$	5,263,513.67
Increased by Receipts:					
Tax Title Lien Redemption and Premiums	B-2			3,443,492.82	
Due Current Fund	B-14			407,394.64	
Cash Receipts	B-4		250.20		
Animal Control License Fees	B-5		853.80		
Public Defender	B-6			5,235.00	
Payroll Deductions Payable	B-9			11,000,993.95	
Miscellaneous Trusts	B-13			2,428,624.89	
Parking Offense Adjudication Act	B-7			1,846.00	
Special Law Enforcement	B-12			9,526.38	
SUI	B-8			113,731.82	
Due General Capital Fund	B-15			2,000.00	
			<u>1,104.00</u>		<u>17,412,845.50</u>
			15,138.80	\$	22,676,359.17
Decreased by Disbursements:					
Tax Title Lien Redemption and Premiums	B-2			3,495,867.13	
Due State of New Jersey	B-4		614.40		
Animal Control License Fees	B-5				
State Unemployment Insurance	B-8			10,645.41	
Payroll Deductions Payable	B-9			11,015,279.70	
Special Law Enforcement	B-12			9,378.49	
Public Defender	B-6			1,000.00	
POAA	B-7			3,865.60	
Miscellaneous Trusts	B-13			1,726,405.07	
Due Current Fund	B-14			606,941.28	
			<u>614.40</u>		<u>16,869,382.68</u>
Balance, December 31, 2020	B	\$	<u><u>14,524.40</u></u>	\$	<u><u>5,806,976.49</u></u>

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTIONS AND PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2019	B	\$ 2,926,842.22
Increased by:		
Cash Receipts	B-1	<u>3,443,492.82</u>
		\$ 6,370,335.04
Decreased by:		
Cash Disbursements	B-1	<u>3,495,867.13</u>
Balance, December 31, 2020	B	<u><u>\$ 2,874,467.91</u></u>

"B-3"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2019, (Due to)	B	\$	8,806.40
Increased by:			
Statutory Excess in Reserve for			
Animal Control Expenditures	B-5	\$ <u>1,489.20</u>	<u>1,489.20</u>
Balance, December 31, 2020, (Due to)	B	\$ <u><u>10,295.60</u></u>	

"B-4"

SCHEDULE OF DUE STATE OF NEW JERSEY - ANIMAL CONTROL LICENSE FEES

Balance, December 31, 2019	B	\$	592.20
Increased by:			
Cash Receipts	B-1		<u>250.20</u>
		\$	842.40
Decreased by:			
Cash Disbursements	B-1		<u>614.40</u>
Balance, December 31, 2020	B	\$ <u><u>228.00</u></u>	

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2019	B	\$	4,636.20
Increased by:			
Dog License Fees Collected	B-1	\$	<u>853.80</u>
Cash Receipts			<u>853.80</u>
		\$	5,490.00
Decreased by:			
Statutory Excess in Reserve for Animal			
Control Fund Expenditures	B-3	\$	<u>1,489.20</u>
			<u>1,489.20</u>
Balance, December 31, 2020	B	\$	<u><u>4,000.80</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2019	\$ 1,698.00
2018	<u>2,302.80</u>
	\$ <u><u>4,000.80</u></u>

"B-6"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

	<u>REF.</u>		
Balance, December 31, 2019	B	\$	71,997.68
Increased by:			
Cash Receipts	B-1		<u>5,235.00</u>
		\$	<u>77,232.68</u>
Decreased by:			
Cash Disbursements	B-1		<u>1,000.00</u>
Balance, December 31, 2020	B	\$	<u><u>76,232.68</u></u>

"B-7"

SCHEDULE OF PARKING OFFENSE ADJUDICATION ACT FUND

Balance, December 31, 2019	B	\$	5,963.11
Increased by:			
Cash Receipts	B-1		<u>1,846.00</u>
		\$	<u>7,809.11</u>
Decreased by:			
Cash Disbursements	B-1		<u>3,865.60</u>
Balance, December 31, 2020	B	\$	<u><u>3,943.51</u></u>

"B-8"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>	
Balance, December 31, 2019	B	\$ 70,477.49
Increased by:		
Cash Receipts	B-1	<u>113,731.82</u>
		\$ 184,209.31
Decreased by:		
Cash Disbursements	B-1	<u>10,645.41</u>
Balance, December 31, 2020	B	<u><u>\$ 173,563.90</u></u>

"B-9"

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2019	B	\$ 382,471.95
Increased by:		
Cash Receipts	B-1	<u>11,000,993.95</u>
		\$ 11,383,465.90
Decreased by:		
Cash Disbursements	B-1	<u>11,015,279.70</u>
Balance, December 31, 2020	B	<u><u>\$ 368,186.20</u></u>

"B-10"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE FROM COUNTY OF UNION -
COMMUNITY DEVELOPMENT BLOCK GRANT

REF.

Balance, December 31, 2020 and
December 31, 2019

B

\$ 57,250.00

"B-11"

SCHEDULE OF RESERVES FOR COUNTY OF UNION -
COMMUNITY DEVELOPMENT BLOCK GRANT

Balance, December 31, 2020 and
December 31, 2019

B

\$ 66,460.91

"B-12"

SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT

Balance, December 31, 2019

B

\$ 75,384.47

Increased by:

Cash Receipts

B-1

9,526.38
\$ 84,910.85

Decreased by:

Cash Disbursements

B-1

9,378.49

Balance, December 31, 2020

B

\$ 75,532.36

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2019	RECEIPTS	DECREASE	BALANCE DECEMBER 31, 2020
Escrow Deposits	\$ 411,810.77	\$ 658,272.08	\$ 479,024.28	\$ 591,058.57
Accumulated Leave / Absence	50,000.00	160,000.00	0.00	210,000.00
Police Department Donations	2,550.83	0.00	0.00	2,550.83
Police Department Donation Jr. League	30,572.23	1,100.00	1,406.55	30,265.68
Snow Removal	40,341.64	37,870.90	30,000.00	48,212.54
Book Bag Drive	600.00	1,200.00	0.00	1,800.00
Youth Donations	1,830.08	0.00	0.00	1,830.08
Fire Department Donations	1,460.00	0.00		1,460.00
Recreation	0.00	9,940.00	1,620.00	8,320.00
Miscellaneous	6,458.57	1,415.00	1,000.00	6,873.57
Hispanic Latino Affairs	2,710.00	6,158.44	2,000.00	6,868.44
Fire Prevention	154.90	0.00	0.00	154.90
Community Policing Unit	21,917.37	0.00	0.00	21,917.37
Police Outside Employment	333,430.79	1,552,668.47	1,211,354.24	674,745.02
Fees and Permits	120.00	0.00	0.00	120.00
	<u>\$ 903,957.18</u>	<u>\$ 2,428,624.89</u>	<u>\$ 1,726,405.07</u>	<u>\$ 1,606,177.00</u>

REF.

B

B-1

B-1

B

"B-14"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2019, (Due to)	B	\$ 541,783.18
Cash Receipts	B-1	407,394.64
Cash Disbursements	B-1	<u>606,941.28</u>
Balance, December 31, 2020, (Due to)	B	<u>\$ 342,236.54</u>

"B-15"

SCHEDULE OF DUE GENERAL CAPITAL FUND

Balance, December 31, 2019, (Due to)	B	\$ 275,425.48
Cash Receipts	B-1	<u>2,000.00</u>
Balance, December 31, 2020, (Due to)	B	<u>\$ 277,425.48</u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	119,663.34
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-6	\$	280,000.00
Grants Accounts Receivable	C-7		977,578.69
Serial Bonds	C-11		9,320,000.00
Refund of Improvement Authorizations	C-8		21,704.44
Premium of Bond Anticipation Notes Issued	C-1		99,618.27
Bond Anticipation Notes	C-13		12,733,259.00
Reserve for Debt Service	C-18		808,972.70
Due Current Fund	C-14		36,958,236.00
			<u>61,199,369.10</u>
		\$	<u>61,319,032.44</u>
Decreased by Disbursements:			
Due Current Fund	C-14	\$	20,237,890.77
Bond Anticipation Notes	C-13		34,658,236.00
Due Trust Other Fund	C-12		2,000.00
Contracts Payable	C-10		3,459,263.93
Unidentified Receipts	C-16		2,490.44
Capital Surplus to Current Fund	C-1		366,843.71
			<u>58,726,724.85</u>
Balance, December 31, 2020	C	\$	<u><u>2,592,307.59</u></u>

"C-3"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

		BALANCE DECEMBER <u>31, 2020</u>
Fund Balance	\$	393,471.52
Capital Improvement Fund		16,908.49
Grants Accounts Receivable		(4,772,415.81)
Reserve for State Aid Accounts Receivable		351,003.05
Reserve for Basketball Court Improvements		42,500.00
Contracts Payable		2,553,497.09
Due Current Fund		(1,736,860.17)
Due Other Trust Fund		(277,425.48)
Improvement Authorizations Funded (Listed on "C-8")		285,766.37
Reserve to Pay Debt		888,057.47
Bond Anticipation Notes Issued:		
Excess Note Proceeds as Set Forth on "C-5"		2,966,677.44
Unexpended Note Proceeds as Set Forth on "C-5"		2,059,877.62
Improvement Authorizations:		
Expended as Set Forth on "C-5"		<u>(118,750.00)</u>
	\$	<u><u>2,592,307.59</u></u>

REF.

C

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	22,599,192.08
Increased by:			
Serial Bonds	C-11		<u>9,320,000.00</u>
		\$	31,919,192.08
Decreased by:			
Payment of Green Trust Loan by Budget	C-9	\$	2,564.10
Payment of EIT Loan by Budget	C-17		77,607.54
Bonds Paid by Budget	C-11		<u>1,070,000.00</u>
			<u>1,150,171.64</u>
Balance, December 31, 2020	C	\$	<u><u>30,769,020.44</u></u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - UNFUNDED

		ANALYSIS OF BALANCE, DECEMBER 31, 2020			
ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2020	FINANCED BY	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
			BOND ANTICIPATION NOTES		
GENERAL IMPROVEMENTS					
2225	Various Capital Improvements	\$ 118,750.00	\$	118,750.00	\$
2292	Improvements to Sylvester Land Field	12,427.00	12,427.00		
2300	Various Road Improvements	59,195.00	59,195.00		
2349	Acquisition of Ambulance	143,500.00	143,500.00		
2507	Acquisition of Property	190,000.00	190,000.00		
2533	Improvements to CRRP	475,000.00	475,000.00		
2547	Various Improvements	309,511.00	309,511.00		
2562	Various Improvements	3,240,839.75	3,240,839.75		
2579	Supplemental Appropriation Arminio Field	522,500.00	522,500.00		
2586	Various Improvements	2,351,782.81	2,351,782.81		
2601	Various Improvements	945,250.00	945,250.00		
2627	Various Improvements	1,896,576.00	1,516,576.00		380,000.00
		<u>\$ 10,265,331.56</u>	<u>\$ 9,766,581.56</u>	<u>\$ 118,750.00</u>	<u>\$ 380,000.00</u>
	<u>REF.</u>	C		C-3	
	Bond Anticipation Notes	C-13	\$ 12,733,259.00		
	Less: Cash on Hand to Pay Notes - Various Ordinances	C-3	<u>2,966,677.44</u>		
			<u>\$ 9,766,581.56</u>		
	Improvement Authorizations Unfunded	C-8		\$	2,439,877.62
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued	C-3			<u>2,059,877.62</u>
				\$	<u>380,000.00</u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	120,434.69
Increased by:			
2020 Appropriations	C-2		<u>280,000.00</u>
		\$	400,434.69
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-8	\$	99,820.00
Amend Funding Ordinance 2225/2251	C-7		<u>283,706.20</u>
			<u>383,526.20</u>
Balance, December 31, 2020	C	\$	<u><u>16,908.49</u></u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS ACCOUNTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	4,504,846.70
Increased by:			
Improvement Authorizations	C-8		<u>1,647,604.00</u>
		\$	<u>6,152,450.70</u>
Decreased by:			
Amend Funding Ordinance 2225		\$	118,750.00
Amend Funding Ordinance 2225/2251	C-6		283,706.20
Cash Receipts	C-2		<u>977,578.69</u>
			<u>1,380,034.89</u>
Balance, December 31, 2020	C	\$	<u><u>4,772,415.81</u></u>
Pledged to:			
Ordinance		\$	4,421,412.76
Reserve for Receivables	C		<u>351,003.05</u>
		\$	<u><u>4,772,415.81</u></u>

Analysis of Balance

NJDOT Ord. 2300-08	\$	328,199.75
Union County Kids Rec Trust Ord. 2478-14		134,615.00
NJDOT Ord. 2478-14		50,125.00
NJDOT Ord. 2519-15		312,738.00
NJDOT Ord. 2541-16		224,903.00
CDBG Ord 2541-18		310,000.00
CDBG		1,940.20
NJDEP Ord. 2579-2018		606,448.61
NJDOT Ord. 2586-2018		630,842.25
CDBG Ord 2586-2018		60,000.00
NJDOT Ord. 2601-2019		465,000.00
NJDOT Ord. 2627-2020		467,604.00
UC Infrastructure Ord. 2627-2020		60,000.00
CDBG ord. 2627-2020		120,000.00
Green Acres Grant Ord. 2627-2020		<u>1,000,000.00</u>
	\$	<u><u>4,772,415.81</u></u>

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2019		2020 AUTHORIZATIONS	REFUNDS	EXPENDED	CONTRACTS PAYABLE CANCELED	BALANCE DECEMBER 31, 2020	
				FUNDED	UNFUNDED					FUNDED	UNFUNDED
2181	Various Improvements	2/27/03	\$ 1,031,738.26	\$		\$		\$		\$	
2297	Westbrook Flood Control Project	4/16/08	11,700,000.00	28,289.42	113,272.27			31,862.14		28,289.42	
2300	Various Road Improvements	7/16/08	3,350,000.00				3,091.94	3,091.94		81,410.13	
2340	Various Road Improvements	7/15/09	1,600,000.00								
2407	Sanitary Sewer System Improvements	9/21/11	2,900,000.00	53,570.06						53,570.06	
2459	Acq. Of Property	7/17/13	403,000.00	145,734.33				59,250.00		86,484.33	
2478	Various Improvements	1/22/14	5,746,733.00	8,164.05						8,164.05	
2510	Acquisition of Communication Systems	11/12/14	1,750,000.00	1,878.26	44.24					1,922.50	
2541	Various Improvements	6/15/16	3,490,500.00		25,882.00			202,906.08		25,882.00	
2547	Various Improvements	9/21/16	585,000.00		202,949.96			55,235.07		43.88	
2562	Various Improvements	6/14/17	5,539,000.00		320,673.53			8,842.16			265,438.46
2579	Imp's Arminio Field	4/11/18	1,500,000.00		9,064.20			146,505.92			222.04
2586	Various Improvements	8/23/18	3,665,603.00		266,006.14			1,869,488.34	114,793.11		119,500.22
2601	Various Improvements	7/17/19	1,640,000.00		1,919,262.75			519,016.59			173,980.02
2627	Various Improvements	7/15/20	3,644,000.00		743,933.22			1,997,379.75			234,116.63
			\$	237,636.12	3,601,088.31	3,644,000.00	21,704.44	4,893,577.99	114,793.11	285,766.37	1,646,620.25
				C	C		C-2	C-10	C-10	C-C-3	C-C-5
			REF.								
	Deferred Charges to Future Taxation-Unfunded										
	Grants					\$ 1,896,576.00					
	Capital Improvement Fund					1,647,604.00					
						99,820.00					
						\$ 3,644,000.00					

"C-9"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	33,333.35
Decreased by:			
Loans Paid by Budget	C-4		<u>2,564.10</u>
Balance, December 31, 2020	C	\$	<u><u>30,769.25</u></u>

"C-10"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2019	C	\$	1,233,976.14
Increased by:			
Charges to Improvement Authorizations	C-8		<u>4,893,577.99</u>
		\$	<u>6,127,554.13</u>
Decreased by:			
Cash Disbursements	C-2	\$	3,459,263.93
Contract Payable Cancelled	C-8		<u>114,793.11</u>
			<u>3,574,057.04</u>
Balance, December 31, 2020	C	\$	<u><u>2,553,497.09</u></u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2020		INTEREST RATE	BALANCE DECEMBER 31, 2019	INCREASED	DECREASED	BALANCE DECEMBER 31, 2020	
			DATE	AMOUNT						
Various General Improvements	05/01/16	\$	8,499,000.00	05/01/21	\$	440,000.00	2.000%		\$	
				05/01/22		450,000.00	2.000%			
				05/01/23		460,000.00	2.000%			
				05/01/24		470,000.00	2.000%			
				05/01/25		480,000.00	2.000%			
				05/01/26		490,000.00	2.000%			
				05/01/27		505,000.00	2.000%			
				05/01/28		515,000.00	3.000%			
				05/01/29		530,000.00	3.000%			
				05/01/30		545,000.00	3.000%			
				05/01/31		550,000.00	3.000%			
				05/01/32		550,000.00	3.000%			
				05/01/33		550,000.00	3.000%			
				05/01/34		549,000.00	3.000%			
General Improvements	02/23/17		4,676,000.00	03/01/21		306,000.00	2.000%			
				03/01/22		310,000.00	3.000%			
				03/01/23		320,000.00	3.000%			
				03/01/24		325,000.00	3.000%			
				03/01/25		330,000.00	3.000%			
				03/01/26		340,000.00	3.000%			
				03/01/27		350,000.00	3.000%			
				03/01/28		350,000.00	3.000%			
				03/01/29		350,000.00	3.000%			
				03/01/30		350,000.00	3.000%			
				03/01/31		350,000.00	3.000%			
				03/01/32		350,000.00	3.000%			
								295,000.00	4,031,000.00	
								435,000.00	7,084,000.00	

BOROUGH OF ROSELLEGENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2020		INTEREST RATE	BALANCE DECEMBER 31, 2019	INCREASED	DECREASED	BALANCE DECEMBER 31, 2020
			DATE	AMOUNT					
Various General Improvements	10/30/19	\$ 9,695,000.00	11/15/21	\$ 340,000.00	2.00%	\$	\$	\$	
			11/15/22	505,000.00	2.00%				
			11/15/23	515,000.00	2.00%				
			11/15/24	530,000.00	4.00%				
			11/15/25	540,000.00	4.00%				
			11/15/26	555,000.00	4.00%				
			11/15/27	570,000.00	4.00%				
			11/15/28	585,000.00	4.00%				
			11/15/29	600,000.00	2.125%				
			11/15/30	615,000.00	2.250%				
			11/15/31	635,000.00	2.375%				
			11/15/32	655,000.00	2.500%				
			11/15/33	670,000.00	2.500%				
			11/15/2034-2036	680,000.00	2.625%	9,695,000.00		340,000.00	9,355,000.00
Various General Improvements	11/17/20	9,320,000.00	06/01/21	300,000.00	4.00%				
			06/01/22	315,000.00	4.00%				
			06/01/23	320,000.00	4.00%				
			06/01/24	320,000.00	4.00%				
			06/01/25	325,000.00	4.00%				
			06/01/26	330,000.00	4.00%				
			06/01/27	335,000.00	4.00%				
			06/01/28	345,000.00	4.00%				
			06/01/29	350,000.00	4.00%				
			06/01/30	355,000.00	2.00%				
			06/01/31	365,000.00	2.125%				
			06/01/32	375,000.00	2.250%				
			06/01/33	380,000.00	2.250%				
			06/01/34	390,000.00	2.375%				
06/01/35	400,000.00	2.500%							
06/01/36	410,000.00	2.625%							
06/01/37	420,000.00	2.750%							
06/01/38	430,000.00	2.750%							
06/01/39	445,000.00	2.750%							
06/01/40	455,000.00	2.875%							
06/01/41	470,000.00	3.00%							
06/01/42	480,000.00	3.00%							
06/01/43	495,000.00	3.00%							
6/01/44	510,000.00	3.00%							
							9,320,000.00		9,320,000.00
						\$ 21,540,000.00	9,320,000.00	1,070,000.00	29,790,000.00
REF.						C	C-2-C-4	C-4	C

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE OTHER TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2019 (Due From)	C	\$ 275,425.48
Cash Disbursements	C-2	<u>2,000.00</u>
Balance, December 31, 2020 (Due From)	C	<u><u>\$ 277,425.48</u></u>

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT ISSUED	DATE OF ISSUE NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2019	INCREASED	DECREASED	BALANCE DECEMBER 31, 2020
2251	Various Capital Improvements	\$ 799,000.00	5/22/07	2/21/19	1/15/20	2.500%	\$ 482,714.00	\$	\$ 482,714.00	\$
2314	Improvements to 911 Communication System	122,591.00	5/22/12	2/21/19	1/15/20	2.500%	73,731.00			73,731.00
2342	Various Improvements	90,250.00	5/22/12	2/21/19	1/15/20	2.500%	37,195.00		37,195.00	
2380	Various Improvements	1,782,150.00	5/22/12	2/21/19	1/15/20	2.500%	1,393,936.00		1,393,936.00	
2510	Acquisition of Communication Systems	1,662,500.00	5/4/15	2/21/19	1/15/20	2.500%	1,487,000.00		1,487,000.00	
2297	Westbrook Flood Project	3,500,000.00	12/19/13	2/21/19	1/15/20	2.500%	3,365,697.00		3,365,697.00	
2579	Supplemental Amino Field	500,000.00	2/21/19	7/24/20	7/23/21	1.500%	500,000.00	500,000.00	500,000.00	500,000.00
2586	Various Improvements	2,000,000.00	2/21/19	11/17/20	7/23/21	1.500%	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00
2586	Various Improvements	351,783.00	7/24/20	7/24/20	7/23/21	1.500%		351,783.00		351,783.00
2478	Various Improvements	2,417,408.00	9/23/15	9/4/19	1/15/20	1.320%	2,254,401.24		2,254,401.24	
2519	Various Improvements	3,189,732.00	9/23/15	9/4/19	1/15/20	1.320%	2,952,577.60		2,952,577.60	
2533	Improvements to CRRP	1,615,000.00	9/13/16	7/24/20	7/23/21	1.500%	1,559,310.34	475,000.00	1,559,310.34	475,000.00
2541	Various Improvements	1,577,567.00	9/13/16	9/4/19	1/15/20	1.320%	1,524,270.82		1,524,270.82	
2562	Various Improvements	1,300,373.00	9/13/18	9/4/19	1/15/20	1.320%	1,300,373.00		1,300,373.00	
2541	Various Improvements	1,230,250.00	12/11/17	11/19/19	11/18/20	2.000%	1,230,250.00		1,230,250.00	
2541	Various Improvements	1,577,567.00	9/13/16	11/19/19	11/18/20	2.000%	1,524,271.00		1,524,271.00	
2547	Various Improvements	555,750.00	12/11/17	11/19/19	11/18/20	2.000%	555,750.00		555,750.00	
2297	Westbrook Flood Project	3,500,000.00	12/17/17	11/19/19	11/18/20	2.000%	3,320,696.00		3,320,696.00	
2562	Various Improvements	2,407,145.00	12/77/18	11/19/19	11/18/20	2.000%	2,407,145.00		2,407,145.00	
2562	Various Improvements	1,300,373.00	9/13/18	11/19/19	11/18/20	2.000%	1,300,374.00		1,300,374.00	
2314	Improvements to 911 Communication System	122,591.00	5/22/12	11/19/19	11/18/20	2.000%	64,301.00		64,301.00	
2342	Various Improvements	90,250.00	5/22/12	11/19/19	11/18/20	2.000%	27,167.00		27,167.00	
2380	Various Improvements	1,782,150.00	5/22/12	11/19/19	11/18/20	2.000%	1,347,766.00		1,347,766.00	
2533	Improvements to CRRP	1,615,000.00	9/23/16	11/19/19	11/18/20	2.000%	1,559,310.00		1,559,310.00	
2579	Supplemental Amino Field	500,000.00	2/21/19	11/17/20	7/23/21	1.500%	500,000.00	500,000.00	500,000.00	500,000.00
2562	Various Improvements	2,407,145.00	2/21/19	11/19/19	11/18/20	2.000%	2,000,000.00		2,000,000.00	
2292	Improvements to Sylvester Field	12,427.00	7/24/20	7/24/20	7/23/21	1.500%		12,427.00		12,427.00
2300	Various Road Improvements	59,195.00	7/24/20	7/24/20	7/23/21	1.500%		59,195.00		59,195.00
2349	Acquisition of Ambulance	143,500.00	7/24/20	7/24/20	7/23/21	1.500%		143,500.00		143,500.00
2507	Acquisition of Property	190,000.00	7/24/20	7/24/20	7/23/21	1.500%		190,000.00		190,000.00
2579	Supplemental Amino Field	22,499.00	7/24/20	7/24/20	7/23/21	1.500%		22,499.00		22,499.00
2601	Various Improvements	945,250.00	7/24/20	7/24/20	7/23/21	1.500%		945,250.00		945,250.00
2547	Various Improvements	309,511.00	11/17/20	11/17/20	7/23/21	1.500%		309,511.00		309,511.00
2562	Various Improvements	2,407,145.00	11/17/20	11/17/20	7/23/21	1.500%		2,407,145.00		2,407,145.00
2562	Various Improvements	1,300,373.00	11/17/20	11/17/20	7/23/21	1.500%		1,300,373.00		1,300,373.00
2627	Various Improvements	1,516,576.00	11/17/20	11/17/20	7/23/21	1.500%		1,516,576.00		1,516,576.00
							\$ 34,768,236.00	\$ 12,733,259.00	\$ 34,768,236.00	\$ 12,733,259.00
							C	C-2		C-C-5
							REF.			
							C-2			
							Cash Disbursements		\$ 34,658,236.00	
							Notes Paid by Budget		110,000.00	
									\$ 34,768,236.00	

"C-14"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2019 (Due From)	C	\$ 18,457,205.40
Cash Receipts	C-2	36,958,236.00
Cash Disbursements	C-2	<u>20,237,890.77</u>
Balance, December 31, 2020 (Due From)	C	\$ <u>1,736,860.17</u>

"C-15"

SCHEDULE OF RESERVE FOR BASKETBALL COURT IMPROVEMENTS

Balance, December 31, 2020 and December 31, 2019	C	\$ <u>42,500.00</u>
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"C-16"

SCHEDULE OF RESERVE FOR UNIDENTIFIED RECEIPTS

Balance, December 31, 2019	C	\$ 2,490.44
Cash Disbursements	C-2	\$ <u>2,490.44</u>

"C-17"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>		
Balance, December 31, 2019	C	\$	1,025,858.73
Paid by Budget	C-4	\$	<u>77,607.54</u>
			<u>77,607.54</u>
Balance, December 31, 2020	C	\$	<u><u>948,251.19</u></u>

"C-18"

SCHEDULE OF RESERVE TO PAY DEBT

Balance, December 31, 2019	C	\$	123,862.37
Increased by:			
Cash Receipts	C-2	\$	808,972.70
Bond Issue			<u>53,585.38</u>
			<u>862,558.08</u>
		\$	<u>986,420.45</u>
Decreased by:			
Applied to Deferred Unfunded			<u>98,362.98</u>
Balance, December 31, 2020	C	\$	<u><u>888,057.47</u></u>

"C-19"

SCHEDULE OF DUE FEDERAL AND STATE GRANT FUND

Balance, December 31, 2020 (Due From) and December 31, 2019 (Due From)	C	\$	<u><u>60,000.00</u></u>
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"C-20"

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 DECEMBER 31, 2020</u>
2225	Various Capital Improvements	\$ 118,750.00
2627	Various Improvements	<u>380,000.00</u>
		<u>\$ 498,750.00</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>FUND</u> <u>TOTAL</u>
Balance, December 31, 2020 and December 31, 2019	E	\$ <u>13,800.34</u>	\$ <u>13,800.34</u>

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

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

REF.

Balance, December 31, 2020 and
Balance, June 30, 2021

E-1

\$ 13,800.34

Reconciliation, June 30, 2021

P.A.T.F. I
ACCOUNT

TOTAL

Balance on Deposit Per Statement of:
TD Bank
Account #7861791270

\$ 13,800.34 \$ 13,800.34

Balance, June 30, 2021

\$ 13,800.34 \$ 13,800.34

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION AS OF DECEMBER 31, 2020

Balance, December 31, 2020 and December 31, 2019	\$ <u>13,800.34</u>
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Reconciliation, December 31, 2020

	<u>P.A.T.F. I ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of: TD Bank Account #7861791270	\$ <u>13,800.34</u>	\$ <u>13,800.34</u>
Balance, December 31, 2020	\$ <u>13,800.34</u>	\$ <u>13,800.34</u>

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PART II

BOROUGH OF ROSELLE

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

FISCAL YEAR ENDED DECEMBER 31, 2020

STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - CURRENT FUND

	2020		2019	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 2,675,000.00	3.32%	\$ 2,375,000.00	3.07%
Miscellaneous - From Other Than				
Local Property Tax Levies	11,010,136.48	13.68%	9,305,571.96	12.02%
Collection of Current Tax Levy	64,975,492.66	80.70%	63,306,016.68	81.80%
Collection of Delinquent Taxes and Tax Title Liens	<u>1,852,234.85</u>	<u>2.30%</u>	<u>2,406,613.82</u>	<u>3.11%</u>
<u>Total Income</u>	<u>\$ 80,512,863.99</u>	<u>100.00%</u>	<u>\$ 77,393,202.46</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 42,550,372.73	56.19%	\$ 40,825,666.47	55.40%
County Taxes	7,989,124.39	10.55%	7,405,618.95	10.05%
Local School Taxes	25,122,799.00	33.17%	24,630,195.00	33.42%
Other Expenditures	<u>66,594.11</u>	<u>0.09%</u>	<u>835,062.72</u>	<u>1.13%</u>
<u>Total Expenditures</u>	<u>\$ 75,728,890.23</u>	<u>100.00%</u>	<u>\$ 73,696,543.14</u>	<u>100.00%</u>
Excess in Revenue	\$ 4,783,973.76		\$ 3,696,659.32	
Adjustments to Income Before Surplus:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year			<u>381,038.15</u>	
Statutory Excess to Fund Balance	\$ 4,783,973.76		\$ 4,077,697.47	
Fund Balance, January 1	<u>5,788,866.31</u>		<u>4,086,168.84</u>	
	\$ 10,572,840.07		\$ 8,163,866.31	
Decreased by:				
Utilization as Anticipated Revenue	<u>2,675,000.00</u>		<u>2,375,000.00</u>	
Fund Balance, December 31	<u>\$ 7,897,840.07</u>		<u>\$ 5,788,866.31</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	<u>\$8.458</u>	<u>\$8.350</u>	<u>\$8.304</u>
Apportionment of Tax Rate:			
Municipal	4.172	4.172	4.163
Library	0.066	0.060	0.060
County	1.013	0.940	0.946
Local School	3.207	3.178	3.135

Assessed Valuations:

2020	<u>\$783,545,443.00</u>		
2019		<u>\$775,227,124.00</u>	
2018			<u>\$770,272,562.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of the tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH</u> <u>COLLECTION</u>	<u>CURRENTLY</u> <u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
2020	\$67,052,410.51	\$64,975,492.66	96.90%
2019	\$65,726,384.88	\$63,306,016.68	96.32%
2018	\$64,371,695.59	\$61,731,749.17	95.90%

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</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2020	\$361,456.25	\$2,036,541.29	\$2,397,997.54	3.58%
2019	\$567,600.00	\$2,036,541.29	\$2,604,141.29	3.96%
2018	\$590,171.53	\$2,415,110.21	\$3,005,281.74	4.67%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2020	\$567,600.00
2019	\$2,180,332.00
2018	\$2,180,332.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2020	\$7,897,926.47
	2019	\$5,788,866.31
	2018	\$4,086,168.84
	2017	\$4,199,140.18
	2016	\$3,381,807.91
		\$3,000,000.00
		\$2,675,000.00
		\$2,375,000.00
		\$2,350,000.00
		\$1,850,000.00

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 OF BOND</u>	<u>NAME OF CORPORATE OR PERSONAL SURETY</u>
Donald Shaw	Mayor from 11/22/20	*	
		*	
Reginald Atkins	Mayor from 7/30/20 to 11/22/20	*	
Christine Dansereau	Mayor to 7/1/20	*	
Denise Wilkerson	Council President	*	
Cynthia Johnson	Councilwoman	*	
Isabel Sousa	Councilwoman	*	
Cindy Thomas	Councilwoman	*	
John Fortuna	Councilman	*	
Brandon Bernier	Councilman	*	
Jack Layne	Administrator	*	
Lydia Massey	Acting Clerk	*	
Ander Hasseler	Chief Financial Officer	1,000,000.00	PE JIF
Carl Marshall	Magistrate	1,000,000.00	PE JIF
Joann Papa	Court Administrator	1,000,000.00	PE JIF
Karen Brown	Borough Attorney	*	
Michael Schnurr	Tax Collector	1,000,000.00	PE JIF
Pamela Steele	Tax Assessor	*	
Brian Barnes	Police Chief	*	

*Public Employees Blanket Bond of \$1,000,000.00 issued by the Public Entity Joint Insurance Fund.

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GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 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 therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate 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 July 1, 2020, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$44,000.00 if the entity has a Qualified Purchasing Agent. The Borough appointed a Qualified Purchasing Agent and has elected to increase its bid threshold to \$44,000.00

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

- Road Improvements
- Sidewalk Improvements
- Traffic safety Improvements
- Park Improvements

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 or 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.A. 40A:11-5 were awarded during 2020 for the professional services:

- Attorney/Legal
- Municipal Auditor
- Engineering Services
- Planning Services
- Architect
- Nursing Services

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 nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 15, 2020 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 last tax sale was held on December 1, 2020.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2020	7
2019	17
2018	21

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 taxpaying 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:

<u>TYPE</u>	
Payment of 2021	50
Payment of 2020	50
Delinquent Taxes	50

OTHER COMMENTS

Interfund Balances

As a general rule, all interfund balances should be closed out before the end of the year. Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. There are interfund balances open at December 31, 2020 on the balance sheets of the Borough.

Municipal Court

We noted several tickets in excess of 6 months old on the "Assigned But Not Issued" report.

The bail bank account was not reconciled with the ATS/ACS computer system.

The analysis of open items of bail was not reconciled with the balance in the bail bank account.

Payroll

We noted that the Borough did not have a contract with the outside payroll service provider that meets the requirements of N.J.A.C. 5:30-17.6.

We noted that the Borough did not confirm the payroll disbursements for State taxes debited to the Borough's Payroll Agency Bank Account by the third party payroll provider.

Treasurer

The General Ledgers were not adequately maintained and reconciled to the subsidiary and tax ledgers and reports on a timely basis.

We noted numerous grants receivable and appropriated grant reserves from prior years which should be reviewed for possible collection or cancellation.

The Borough has not maintained a complete encumbrance accounting system in accordance with the minimum requirements as promulgated by the Division of Local Government Services. We noted that numerous purchase orders are not charged as financial obligations to the amounts appropriated when issued; instead, the amounts appropriated are charged when the bills are actually paid.

OTHER COMMENTS (CONTINUED)

Departments

The audit of the condition of records maintained by the various departments of the Borough were designed to determine whether minimum levels of internal controls and accountability were maintained, that cash receipts were deposited or turned over to the Treasurer within 48 hours per N.J.S.A. 40A:5-15 and that the amounts collected were in accordance with various ordinances, statutes, contracts or agreements. Our audit revealed the following exceptions:

Public Works:

An adequate detailed cash receipts ledger was not maintained.

Police:

An adequate detailed cash receipts ledger was not maintained.

Fire:

Receipts collected were not always turned over to the Treasurer within 48 hours per N.J.S.A. 40A:5-15.

RECOMMENDATIONS

*That the Municipal Court investigate and clear all tickets on the "Assigned But Not Issued Report".

*That the Municipal Court reconcile the bail bank account with the ATS/ACS computer system on a monthly basis.

That the Municipal Court reconcile the analysis of open items with the amount of bail on deposit in the bail bank account.

*That the Borough's obtain a contract for the third party payroll provider in accordance with N.J.A.C. 5:30-17 and Local Finance Notice 2003-15.

*That the Borough confirm the payroll disbursements for State taxes from the Borough's Payroll Agency Bank Account by the third party payroll provider.

*That the General Ledgers be adequately maintained and reconciled to the subsidiary tax and appropriations ledgers reports on a timely basis.

*That all grant receivable and appropriated reserve balances be reviewed for possible, collection, cancellation or expenditure as appropriate.

*That a complete encumbrance accounting system be maintained in accordance with N.J.A.C. 5:30-5.2.

*That all Borough Departments:

*Deposit or remit all receipts collected to the Treasurer within 48 hours per N.J.S.A. 40A:5-15.

*Maintain detailed cash receipts records and that they be reconciled with the Treasurer on a monthly basis.

*Prior Year Recommendations

