

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, 2013

BOROUGH OF ROSELLE

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BOROUGH OF ROSELLE

INDEPENDENT AUDITOR'S REPORT ON
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YEAR ENDED DECEMBER 31, 2013 AND 2012



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 of the Borough of Roselle, as of December 31, 2013 and 2012, the related statement 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, 2013, 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 provisions of U.S. Office of Management and Budget (OMB) Circular 133, "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," 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.

SUPLEE, CLOONEY & COMPANY

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, except for the omission of a Statement of General Fixed Assets, 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, 2013 and 2012, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2013.

Basis for Qualified Opinion on Regulatory Basis of Accounting

A Statement of General Fixed Assets was omitted from the Borough's regulatory financial statements because the amounts to be reported in the statements are not presently known.

Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, that might have been necessary had a Statement of General Fixed Assets been audited, 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, 2013, 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, 2013 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 information included in the supplementary information 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 and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules 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 listed and data in the table of contents, as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 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 August 25, 2014 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. 50

August 25, 2014

CURRENT FUND

BOROUGH OF ROSELLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>ASSETS</u>			
Cash	A-4	\$ 4,203,812.64	\$ 3,300,741.62
Change Fund	A-5	400.00	400.00
Investment	A-29	834,000.00	2,434,000.00
Due From State of New Jersey-Senior Citizens and Veterans Deductions	A-13	154,202.96	156,609.54
		<u>\$ 5,192,415.60</u>	<u>\$ 5,891,751.16</u>
Receivable and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 2,259,477.31	\$ 3,190,243.54
Tax Title Liens Receivable	A-9	621,353.94	169,679.08
Property Acquired For Taxes-Assessed Valuation	A-10	2,027,232.00	2,027,232.00
Revenue Accounts Receivable	A-11	31,910.31	24,570.40
Interfunds Receivable	A-16	126,286.29	7,864.06
Prepaid School Taxes	A-23	468,776.00	468,776.00
Roselle Public Library Receivable	A-15		126,361.13
	A	<u>\$ 5,535,035.85</u>	<u>\$ 6,014,726.21</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-25	\$	883,424.39
Overexpenditure of Appropriation Reserves	A-25		366,310.95
Expenditure without an Appropriation	A-25		108,194.25
Special Emergency 40A:4-46	A-25		2,045.00
Special Emergency Hurricane Sandy	A-25	116,418.21	565,000.00
Special Emergency 40A:4-53	A-25	255,000.00	425,000.00
		<u>\$ 371,418.21</u>	<u>2,349,974.59</u>
Grant Fund:			
Cash	A-4	\$ 510,444.56	\$ 266,621.81
Due Current Fund	A-19		650,254.90
Federal and State Grants Receivable	A-7	1,380,064.81	2,208,587.96
		<u>1,890,509.37</u>	<u>3,125,464.67</u>
		<u>\$ 12,989,379.03</u>	<u>\$ 17,381,916.63</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</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-17	\$ 945,214.93	\$ 1,202,677.89
Encumbrances Payable	A-24	635,714.09	924,535.66
Prepaid Taxes	A-21	188,281.71	112,848.03
Tax Overpayments	A-6	330,300.82	416,265.58
Interfunds Payable	A-16	371,737.47	1,685,078.04
Unidentified Deposits	A-12		155,474.64
County Taxes Payable	A-22		7,930.46
Roselle Public Library Payable	A-15	112,625.36	
Emergency Note Payable	A-30	149,130.00	565,000.00
Reserve for Library	A-33	44,000.00	44,000.00
Due State of New Jersey	A-27	250,000.00	250,000.00
Reserve for Tax Map and Revision and Recodification of Ordinances	A-31	199,311.60	307,437.57
Due State of New Jersey - DCA Fees	A-28	2,148.00	2,148.00
		\$ 3,228,463.98	\$ 5,673,395.87
Reserve for Receivables and Other Assets	A	5,535,035.85	6,014,726.21
Fund Balance	A-1	2,335,369.83	2,568,329.88
		\$ 11,098,869.66	\$ 14,256,451.96
Grant Fund:			
Due Trust Other Fund	A-20	\$ 453,878.84	\$ 440,000.00
Due General Capital Fund	A-32	193,674.44	127,129.00
Due Current Fund	A-19	1,155.92	
Encumbrances Payable	A-26	33,157.60	504,623.84
Federal and State Grants Appropriated	A-14	1,106,561.31	1,585,485.08
Federal and State Grants Unappropriated	A-18	102,081.26	468,226.75
		\$ 1,890,509.37	\$ 3,125,464.67
		\$ 12,989,379.03	\$ 17,381,916.63

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>	<u>YEAR ENDED DECEMBER 31, 2013</u>	<u>YEAR ENDED DECEMBER 31, 2012</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 1,021,655.00	1,516,783.00
Miscellaneous Revenue Anticipated	A-2	5,384,475.25	6,545,945.90
Receipts From Delinquent Taxes	A-2	2,348,848.41	2,833,551.17
Receipts From Current Taxes	A-2	57,475,719.30	56,413,076.06
Non-Budget Revenue	A-2	485,893.03	121,544.30
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-17	521,444.72	863,877.97
Statutory Excess Animal Control	A-16	5,029.00	
Canceled Unidentified Receipts	A-12	155,474.84	121,022.84
Canceled Encumbrances	A-24	21,500.51	
Prepaid Library		126,361.13	
<u>TOTAL INCOME</u>		<u>\$ 67,546,400.99</u>	<u>\$ 68,415,601.24</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Appropriations Within "CAPS":			
Operations:	A-3	\$ 25,295,654.94	25,510,158.57
Deferred Charges and Statutory Expenditures	A-3	4,578,671.29	3,276,085.83
Excluded From "CAPS"			
Other Operations	A-3	4,210,089.43	6,105,267.00
Capital Improvement Fund			25,000.00
Municipal Debt Service	A-3	1,424,326.90	1,897,444.92
Deferred Charges	A-3	801,886.00	260,000.00
Judgments	A-3	35,000.00	
County Taxes	A-22	6,711,962.24	6,792,304.24
Due County for Added and Omitted Taxes			7,930.46
Local District School Tax	A-23	23,438,800.00	23,438,800.00
Prior Year Senior Citizens Disallowed		7,150.00	
Overexpenditure of Appropriation Reserves			164,552.59
Refund Prior Year Revenue	A-4	135,743.01	259,158.73
Interfunds Advanced		118,422.23	
Library Advanced			12,885.22
<u>TOTAL EXPENDITURES</u>		<u>\$ 66,757,706.04</u>	<u>\$ 67,749,587.56</u>
Excess in Revenue		\$ 788,694.95	\$ 666,013.68
Adjustments to Income Before Surplus:			
Expenditures Included above which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-25		894,673.99
Statutory Excess to Fund Balance		\$ 788,694.95	\$ 1,560,687.67
<u>Fund Balance</u>			
Balance, January 1	A	2,568,329.88	2,524,425.21
		\$ 3,357,024.83	\$ 4,085,112.88
Decreased by:			
Utilized As Anticipated Revenue		1,021,655.00	1,516,783.00
Balance, December 31	A	<u>\$ 2,335,369.83</u>	<u>\$ 2,568,329.88</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, 2013

	REF.	ANTICIPATED BUDGET	SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 1,021,655.00		\$ 1,021,655.00	
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverage	A-11	\$ 15,570.00		\$ 15,105.15	\$ (464.85)
Other	A-11	15,796.00		12,593.10	(3,202.90)
Fees and Permits	A-2	270,408.00		125,557.19	(144,850.81)
Fines and Costs:					
Municipal Court	A-11	353,521.00		399,472.96	45,951.96
Interest and Costs on Taxes	A-11	500,107.00		503,491.72	3,384.72
Parking Meters	A-11	15,132.00		26,627.28	11,495.28
Interest on Investments and Deposits	A-11	2,358.00		19.57	(2,338.43)
Suburban Cable Franchise Tax	A-11	197,790.00		205,308.98	7,518.98
Consolidated Municipal Property Tax Relief Act	A-11	442,177.00		442,177.00	
Energy Receipts Tax	A-11	1,999,804.00		1,999,803.72	(0.28)
Uniform Construction Code Fees	A-2	153,202.00		211,765.60	58,563.60
Recreation Fees	A-2	70,929.00		76,385.00	5,456.00
Body Armor Grant	A-7		7,464.07	7,464.07	
Municipal Alliance	A-7	13,030.00		13,030.00	
Clean Communities	A-7	31,122.00		31,122.00	
UEZ Roselle First	A-7	200,000.00		200,000.00	
UEZ Administration	A-7	120,000.00		120,000.00	
UEZ Police Vehicle	A-7	76,703.00		76,703.00	
Safe and Secure Communities	A-7		60,000.00	60,000.00	
Heart Grant	A-7		1,000.00	1,000.00	
Summer Food	A-7	37,935.00		37,935.00	
ROID Grant	A-7	15,000.00		15,000.00	
Assistance to Firefighters Grant	A-7	56,722.00		56,722.00	
AGF Prevention and Safety Grant	A-7	26,828.00		26,828.00	
Edward J. Byrne Justice Assistance Grant	A-7	21,284.00		21,284.00	
Prepaid School Tax	A-11	468,776.00			(468,776.00)
FEMA Reimbursement	A-11	113,000.00		113,000.00	
Uniform Fire Safety Act	A-11	24,907.00		37,133.85	12,226.85
Ambulance Revenue	A-11	314,854.00		333,481.07	18,627.07
P.I.L.O.T.	A-2	135,869.00		215,464.99	79,595.99
	A-1	\$ 5,892,842.00	\$ 68,464.07	\$ 5,384,475.25	\$ (376,830.82)
Receipts From Delinquent Taxes	A-1	\$ 2,535,061.00		\$ 2,348,848.41	\$ (186,212.59)
Property Tax for Support of Municipal Budget					
Local Tax for Municipal Purposes	A-2:A-8	29,073,904.51		29,354,507.32	280,602.81
Minimum Library Tax	A-2:A-8	\$ 447,626.74		\$ 447,626.74	
		29,521,531.25		29,802,134.06	280,602.81
<u>Budget Totals</u>		\$ 38,771,089.25	\$ 68,464.07	\$ 38,557,112.72	\$ (282,440.60)
Non-Budget Revenue	A-1:A-2			485,893.03	485,893.03
		\$ 38,771,089.25	\$ 68,464.07	\$ 39,043,005.75	\$ 271,916.50
	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, 2013

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Collection on a Cash Basis	A-1:A-8	\$ 57,475,719.30
Allocated To:		
School and County Taxes		<u>30,150,762.24</u>
Support of Municipal Budget Appropriations		\$ 27,324,957.06
Add: Appropriation for Reserve for Uncollected Taxes	A-3	<u>2,477,177.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u>29,802,134.06</u>
Construction Code Official	A-11	\$ 225,895.60
Less: refunds	A-4	<u>14,130.00</u>
	A-2	\$ <u>211,765.60</u>
Fees and Permits - Other:	A-11	128,557.19
Less: Refunds	A-4	<u>3,000.00</u>
	A-2	\$ <u>125,557.19</u>
Recreation Fees	A-11	\$ 77,115.00
Less: Refunds	A-4	<u>730.00</u>
	A-2	\$ <u>76,385.00</u>
PILOT Revenue	A-11	226,805.25
Less: Refunds	A-4	<u>11,340.26</u>
	A-2	\$ <u>215,464.99</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, 2013

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:

Bad Check Fees	\$ 140.00
Restitution	5,757.00
Reimbursement of prior year Costs	178,760.00
Improvement Authority Refund	68,227.69
Auction	2,832.48
Insurance Refund	4,247.66
Unclaimed Bal	771.00
Cell Tower Lease	22,659.84
Miscellaneous	160,732.34
Prior Year Void Checks	23,995.69
Rental Fees	7,769.33
Community Center Fees	7,375.00
Tax Collector	2,645.00

A-2:A-4

\$ 485,893.03

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, 2013

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>GENERAL GOVERNMENT</u>					
General Administration:					
Salaries and Wages	\$ 211,500.00	\$ 225,201.45	\$ 225,201.45	\$	\$
Other Expenses	222,246.00	222,246.00	205,805.91	16,440.09	
Municipal Clerk:					
Salaries and Wages	202,000.00	201,659.45	201,659.45		
Other Expenses	134,045.00	130,945.00	102,207.27	28,737.73	
Mayor and Council:					
Salaries and Wages	110,000.00	108,926.20	108,926.20		
Other Expenses	12,010.00	9,889.08	9,824.08	65.00	
Human Resources:					
Other Expenses	50,000.00	50,010.00	39,045.00	10,965.00	
Financial Administration (Treasury):					
Salaries and Wages	241,500.00	212,900.00	212,489.81	410.19	
Other Expenses	84,900.00	84,900.00	64,631.26	20,268.74	
Annual Audit	75,000.00	75,000.01	68,875.01	6,125.00	
Tax Assessment Administration:					
Salaries and Wages	160,000.00	160,944.70	160,944.70		
Other Expenses	82,750.00	28,963.94	26,449.19	2,514.75	
Revenue Administration:					
Salaries and Wages	65,000.00	64,857.04	64,857.04		
Other Expenses	12,650.00	8,613.89	8,224.88	389.01	
Legal Services (Legal Department):					
Salaries and Wages	154,000.00	154,153.98	154,153.98		
Other Expenses	261,500.00	253,174.98	249,916.67	3,258.31	
Municipal Prosecutor:					
Salaries and Wages	26,105.00	24,005.00	24,000.08	4.92	
Other Expenses	600.00	600.00	600.00		
Engineering Services:					
Other Expenses	130,000.00	130,000.00	113,164.70	16,835.30	
Public Buildings and Grounds:					
Salaries and Wages	1,640,000.00	1,655,205.84	1,628,786.44	26,419.40	
Other Expenses	175,000.00	178,200.00	172,379.06	5,820.94	
Municipal Land Use Law (N.J.S.44.55D-1):					
Planning Board:					
Salaries and Wages	27,500.00	27,150.00	26,846.10	303.90	
Other Expenses	4,690.00	2,690.00	1,606.48	1,083.52	
Board of Adjustment:					
Salaries and Wages	17,638.00	18,188.00	14,653.80	3,534.20	
Other Expenses	4,675.00	725.00	510.67	214.43	
Redevelopment Agency:					
Other Expenses	92,555.00	43,361.41	19,906.42	23,454.99	
Shade Tree Commission:					
Salaries and Wages	8,600.00	8,600.00	6,471.00	2,129.00	
Other Expenses	80,000.00	80,000.00	41,270.00	38,730.00	
<u>PUBLIC SAFETY</u>					
Fire Department:					
Salaries and Wages	3,269,500.00	3,332,763.49	3,332,763.49		
Other Expenses	172,420.00	170,678.34	170,667.39	10.95	
Police Department:					
Salaries and Wages	6,751,000.00	6,725,865.06	6,721,484.76	4,380.30	
Other Expenses	203,790.00	196,899.65	182,901.47	13,998.18	
Traffic Control-School Crossing Guards:					
Salaries and Wages	301,500.00	306,725.00	279,105.82	27,619.18	
Other Expenses	1,150.00	1,000.00	1,000.00		
Emergency Management Services:					
Other Expenses	25,000.00	14,639.36	14,639.36		
Maintenance of Vehicles:					
Other Expenses	110,000.00	101,307.64	97,207.82	4,099.82	
Recycling:					
Other Expenses	145,000.00	117,768.00	111,131.31	6,636.69	
Solid Waste Collection:					
Other Expenses	1,550,000.00	1,528,823.43	1,528,823.43		
Snow Removal:					
Other Expenses:	30,000.00	49,639.41	49,639.41		

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>BALANCE</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>		<u>CANCELED</u>
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Salaries and Wages	\$ 265,000.00	\$ 269,800.00	\$ 269,721.40	\$ 78.60	\$
Other Expenses	92,150.00	92,150.00	88,311.70	3,838.30	
<u>RECREATION AND EDUCATION</u>					
Community Services: (Communities Center)					
Salaries and Wages	25,361.00	21,911.00	21,882.90	28.10	
Other Expenses	3,000.00	1,555.83	1,168.45	397.38	
Recreation (Parks and Playground):					
Salaries and Wages	210,000.00	205,336.30	205,336.30		
Other Expenses	100,000.00	100,000.00	96,158.41	3,841.59	
Municipal Court:					
Salaries and Wages	255,000.00	263,844.88	263,844.88	-	
Other Expenses	26,300.00	22,699.38	21,799.38	900.00	
Public Employees' Occupational Safety Health Act:					
Other Expenses	10,000.00	4,600.00	4,514.00	86.00	
Public Defender:					
Salaries and Wages	22,000.00	23,605.00	23,500.16	4.84	
Other Expenses	500.00	300.00	300.00		
Insurance:					
Group Insurance Plan for Employees	4,900,000.00	4,998,848.47	4,481,470.17	517,378.30	
Health Benefit Waiver	116,068.00	135,878.00	135,868.03	9.97	
Workers' Compensation (Insurance Trust Fund)	320,000.00	320,000.00	299,776.40	21,223.60	
Other Insurance Premiums	685,000.00	700,010.00	632,912.53	67,097.47	
<u>UNIFORM CONSTRUCTION CODE-</u>					
<u>APPROPRIATIONS OFFSET BY DEDICATED</u>					
<u>REVENUES (N.J.A.C. 5:23-4.17)</u>					
Construction Code Official:					
Salaries and Wages	265,000.00	247,576.08	247,576.08		
Other Expenses	24,525.00	19,480.74	17,213.19	2,267.55	
<u>UNCLASSIFIED (Utility Expenses and Bulk Purchases)</u>					
Gasoline	260,000.00	260,000.00	266,382.68	3,617.32	
Electricity	160,000.00	120,050.00	110,978.56	9,071.44	
Natural Gas	60,000.00	48,550.00	44,853.83	3,696.17	
Telephone and Telegraph	155,000.00	155,000.00	154,812.33	187.67	
Street Lighting	264,000.00	249,125.00	228,570.03	22,554.97	
Fire Hydrant Service	235,450.00	229,713.91	229,713.91		
Water	50,000.00	50,000.00	42,491.76	7,508.25	
Accumulated Leave Compensation	20,000.00	20,000.00	20,000.00		
Municipal Services Act	28,500.00	28,500.00	28,500.00		
<u>TOTAL OPERATIONS (INCLUDING CONTINGENT) WITHIN "CAPS"</u>	<u>25,398,678.00</u>	<u>25,295,654.94</u>	<u>24,367,417.88</u>	<u>928,237.06</u>	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL</u>					
Statutory Expenditures:					
Contribution To:					
Social Security System (O.A.S.I.)	535,000.00	579,745.80	578,487.00	1,258.80	
Police and Firemen's Retirement System of N.J.	2,180,434.00	2,180,434.00	2,180,434.00		
Public Employees Retirement System of N.J.	385,017.00	413,516.90	413,515.90	1.00	
State Unemployment Insurance	45,000.00	45,000.00	44,999.93	0.07	
Deferred Charges:					
Emergency Authorizations	2,045.00	2,045.00	2,045.00		
Expenditure without Appropriation	108,194.25	108,194.25	108,194.25		
Overexpenditure of Appropriation Reserves	366,311.00	366,311.00	366,310.95		0.05
Overexpenditure of Appropriations	883,425.00	883,425.00	883,424.39		0.61
Overexpenditure of Grant Reserves	1,009.00	1,009.00			1,009.00
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-</u>					
<u>MUNICIPAL WITHIN "CAPS"</u>	<u>4,506,435.25</u>	<u>4,679,680.95</u>	<u>4,577,411.42</u>	<u>1,259.87</u>	<u>1,009.66</u>
<u>TOTAL GENERAL APPROPRIATIONS WITHIN "CAPS"</u>	<u>\$ 29,905,113.25</u>	<u>\$ 29,875,335.89</u>	<u>\$ 28,944,829.30</u>	<u>\$ 929,496.93</u>	<u>\$ 1,009.66</u>

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER</u>	<u>PAID OR</u>	<u>RESERVED</u>	<u>BALANCE</u>
		<u>MODIFICATION</u>	<u>CHARGED</u>		<u>CANCELED</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	\$ 447,627.00	\$ 447,627.00	\$ 447,627.00	\$	\$
Sewerage Disposal-Linden/Roselee Sewerage Authority	2,701,159.00	2,703,510.00	2,703,510.00		
Police Dispatcher/911:					
Salaries and Wages	319,600.00	325,613.38	325,613.36		
Other Expenses	1,000.00	913.00	913.00		
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
Animal Control Contract - City of Linden	34,080.00	34,080.00	34,080.00		
<u>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES</u>					
Municipal Alliance - County	13,030.00	13,030.00	13,030.00		
Municipal Alliance - Local	3,258.00	3,258.00	3,258.00		
UEZ-Roselee First	200,000.00	200,000.00	200,000.00		
UEZ-Administration	120,000.00	120,000.00	120,000.00		
UEZ-Police Vehicles	76,703.00	76,703.00	76,703.00		
Matching Funds for Grants	15,718.00	15,718.00		15,718.00	
Assistance to Firefighters Grant	56,722.00	56,722.00	56,722.00		
Assistance to Firefighters Grant-Local	6,302.00	6,302.00	6,302.00		
AFG-Prevention and Safety Grant	26,828.00	26,828.00	26,828.00		
AFG-Prevention and Safety Grant-Local	2,980.00	2,980.00	2,980.00		
Heart Grant - County of Union (N.J.S.A. 40A:4-87 - \$750.00)		750.00	750.00		
Heart Grant - County of Union - Match (N.J.S.A. 40A:4-87 - \$250.00)		250.00	250.00		
Safe and Secure Communities 2014 (N.J.S.A. 40A:4-87 - \$60,000.00)		60,000.00	60,000.00		
Reserve For Clean Communities	31,122.00	31,122.00	31,122.00		
Summer Food Program	37,935.00	37,935.00	37,935.00		
Body Armor Replacement Fund (N.J.S.A. 40A:4-87 - \$7,464.07)		7,464.07	7,464.07		
Byrne Memorial Justice Assistance Grant	11,671.00	11,671.00	11,671.00		
Byrne Justice Assistance Grant-2012	9,613.00	9,613.00	9,613.00		
Recreational Opportunities for Individuals with Disabilities-Local	3,000.00	3,000.00	3,000.00		
Recreational Opportunities for Individuals with Disabilities	15,000.00	15,000.00	15,000.00		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>4,133,248.00</u>	<u>4,210,089.43</u>	<u>4,184,371.43</u>	<u>15,718.00</u>	
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	720,000.00	720,000.00	720,000.00		
Payment of Bond Anticipation Notes	156,885.00	156,885.00	156,885.00		
Interest on Bonds	124,280.00	124,280.00	124,280.00		
Interest on Notes	186,721.00	186,721.00	186,516.18		204.82
Green Trust Loan Program:					
Loan Repayment for Principal and Interest	14,854.00	14,854.00	14,853.69		0.31
NJEIT Loan	91,687.00	91,687.00	76,166.03		15,530.97
U.C. Improvement Authority Lease	124,238.00	145,638.00	145,636.00		2.00
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>1,418,665.00</u>	<u>1,440,065.00</u>	<u>1,424,326.90</u>		<u>15,738.10</u>
<u>DEFERRED CHARGES:</u>					
Special Emergency Authorizations-5 years (N.J.S.A. 40A:4-55)	170,000.00	170,000.00	170,000.00		
Deferred Charge to Future Taxation Unfunded:					
Ordinance # 2313	260,000.00	260,000.00	260,000.00		
Overexpenditures of Capital Improvement Authorizations	258,886.00	258,886.00	258,886.00		
Special Emergency Authorizations-					
5 years (N.J.S.A. 40A:4-55) - Hurricane Sandy	113,000.00	113,000.00	113,000.00		
<u>TOTAL DEFERRED CHARGES</u>	<u>801,886.00</u>	<u>801,886.00</u>	<u>801,886.00</u>		

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

BOROUGH OF ROSELIE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
JUDGEMENTS (N.J.S.A. 40A:4-45.3CC)	35,000.00	35,000.00	35,000.00		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	6,388,799.00	6,487,040.43	6,455,584.33	15,718.00	15,738.10
SUB-TOTAL GENERAL APPROPRIATIONS	36,293,912.25	36,362,376.32	35,400,413.63	945,214.93	16,747.76
RESERVE FOR UNCOLLECTED TAXES	2,477,177.00	2,477,177.00	2,477,177.00		
TOTAL GENERAL APPROPRIATIONS	\$ 38,771,089.25	\$ 38,839,553.32	\$ 37,877,590.63	\$ 945,214.93	\$ 16,747.76
	REF.	A-2	A-1	A:A-1	
Budget	A-3	\$ 38,771,089.25			
Appropriation by 40A: 4-47	A-2	68,484.07			
		<u>\$ 38,839,553.32</u>			
Reserve for Grants	A-14		\$ 682,628.07		
Deferred Charges	A-25		1,642,974.59		
Reserve for Uncollected Taxes	A-2		2,477,177.00		
Encumbrances Payable	A-24		568,740.14		
Cash Disbursements	A-4		<u>32,653,038.17</u>		
			\$ 38,022,557.97		
Less: Refunded	A-4		<u>144,967.34</u>		
			<u>\$ 37,877,590.63</u>		

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, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 16,568.66	\$ 14,407.46
Due Trust Other Fund	Contra	65.00	65.00
		<u>16,633.66</u>	<u>14,472.46</u>
Other Trust Funds:			
Cash	B-1	\$ 4,098,689.06	\$ 1,612,126.96
Due County of Union	B-10	37,995.10	30,045.10
Due Current Fund	B-14	370,840.46	640,402.55
Due Grants Fund	B-17	453,878.84	440,000.00
		<u>\$ 4,959,403.46</u>	<u>\$ 2,722,574.61</u>
		<u>\$ 4,976,037.12</u>	<u>\$ 2,737,047.07</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	B-3	\$ 12,857.06	\$ 7,864.06
Due State of New Jersey	B-4	75.60	
Reserve for Expenditures	B-5	3,701.00	6,608.40
		<u>\$ 16,633.66</u>	<u>\$ 14,472.46</u>
Other Trust Funds:			
Public Defender	B-6	\$ 29,367.83	\$ 16,245.83
Due Animal Control Trust Fund	Contra	65.00	65.00
Tax Sale Redemptions and Premiums	B-2	1,934,338.10	1,292,517.90
State Unemployment Insurance	B-8	6,092.57	12,278.71
Payroll Deductions Payable	B-9	264,027.83	622,401.68
Community Development Block Grants	B-11	37,995.00	30,045.00
Special Law Enforcement	B-12	63,916.97	76,068.73
Miscellaneous Reserves	B-13	386,698.34	203,360.28
Due General Capital Fund	B-15	2,189,482.34	426,188.00
Due Public Assistance Trust Fund	B-16	840.00	840.00
Due State of New Jersey	B-18	1,949.00	1,949.00
Parking Offense Adjudication Act Fund	B-19	25,193.48	21,177.48
Due Affordable Housing Utility Operating Fund	B-7	19,437.00	19,437.00
		<u>\$ 4,959,403.46</u>	<u>\$ 2,722,574.61</u>
		<u>\$ 4,976,037.12</u>	<u>\$ 2,737,047.07</u>

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

GENERAL CAPITAL FUND

BOROUGH OF ROSELLEGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2013</u>	<u>BALANCE DECEMBER 31, 2012</u>
<u>ASSETS</u>			
Cash	C-2	\$	\$ 418,661.64
Grants Accounts Receivable	C-7	4,978,886.68	6,884,856.41
Due Other Trust Fund	C-13	2,189,482.34	426,188.00
Due Current Fund	C-15		393,982.03
Due Grant Fund	C-20	193,674.44	127,129.00
Environmental Infrastructure Loan Receivable	C-19		1,545,341.00
Deferred Charges to Future Taxation:			
Funded	C-4	4,933,978.03	5,720,649.63
Unfunded	C-5	21,256,869.33	21,959,952.43
Deferred Charges:			
Expenditure without an Appropriation	C-17	227,830.54	258,886.37
		<u>\$ 33,780,721.36</u>	<u>\$ 37,735,646.51</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Cash Overdraft	C-2	\$ 16,814.74	\$
General Serial Bonds	C-11	3,323,000.00	4,043,000.00
Green Acres Loan Payable	C-9	119,042.06	132,308.63
Environmental Infrastructure Loan Payable	C-18	1,491,935.97	1,545,341.00
Bond Anticipation Notes	C-14	21,968,551.00	13,891,936.00
Due Current Fund	C-15	112,273.31	
Capital Improvement Fund	C-6	79,056.69	79,056.69
Contracts Payable	C-10	707,671.94	3,803.50
Reserve for Grants Receivable	C-7	3,055,000.00	3,055,000.00
Reserve for Basketball Court Improvements	C-16	42,500.00	42,500.00
Reserve for the Payment of Debt	C-12	6,118.00	6,118.00
Reserve for Unidentified Receipts	C-21	6,017.44	6,017.44
Improvement Authorizations:			
Funded	C-8	166,644.26	1,458,722.11
Unfunded	C-8	2,569,347.91	13,388,175.17
Fund Balance	C-1	<u>116,748.04</u>	<u>83,667.97</u>
		<u>\$ 33,780,721.36</u>	<u>\$ 37,735,646.51</u>

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

"C-1"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>		
Balance, December 31, 2012	C	\$	83,667.97
Increased by:			
Premium on Bond Anticipation Notes Issued	C-2		<u>33,080.07</u>
Balance, December 31, 2013	C	\$	<u><u>116,748.04</u></u>

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

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AFFORDABLE HOUSING UTILITY FUND

"D"

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

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
Operating Fund:			
Cash	D-4	\$ 102,937.17	\$ 96,951.80
Receivables with Full Reserves:			
Rental Income Receivable	D:D-5	5,864.94	6,959.00
Deferred Charges:			
Overexpenditure of Appropriations	D-15	12,646.64	45,818.36
Overexpenditure of Appropriation Reserves	D-15	5,266.12	15,049.82
Due Current Fund	D-13	897.01	438.56
Due Affordable Housing Utility Capital Fund	D-14	14,509.00	14,509.00
Due Trust Other Fund	D-17	19,437.00	19,437.00
<u>Total Operating Fund</u>		<u>\$ 161,557.88</u>	<u>\$ 199,163.54</u>
Capital Fund:			
Cash	D-4	\$ 34,509.00	\$ 34,509.00
Fixed Capital	D-9	5,000.00	5,000.00
<u>Total Capital Fund</u>		<u>\$ 39,509.00</u>	<u>\$ 39,509.00</u>
		<u>\$ 201,066.88</u>	<u>\$ 238,672.54</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Accounts Payable	D-6	\$ 7,160.00	\$
Reserve for Security Deposits	D-12	327.60	327.60
Tenant Security Deposits	D-7	34,412.30	26,554.39
		\$ 41,899.90	\$ 26,881.99
Reserve for Receivables	D	5,864.94	6,959.00
Fund Balance	D-1	113,793.04	165,322.55
<u>Total Operating Fund</u>		<u>\$ 161,557.88</u>	<u>\$ 199,163.54</u>
Capital Fund:			
Capital Improvement Fund	D-11	\$ 20,000.00	\$ 20,000.00
Due Affordable Housing Utility Operating Fund	D-18	14,509.00	14,509.00
Reserve for Amortization	D-10	5,000.00	5,000.00
<u>Total Capital Fund</u>		<u>\$ 39,509.00</u>	<u>\$ 39,509.00</u>
		<u>\$ 201,066.88</u>	<u>\$ 238,672.54</u>

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

"D-1"

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

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance Utilized	D-2	\$ 82,613.18	\$
Rents	D-2	259,806.06	250,258.75
Miscellaneous	D-2	20,057.61	1,080.25
<u>TOTAL INCOME</u>		<u>\$ 362,476.85</u>	<u>\$ 251,339.00</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D-3	\$ 166,761.64	\$ 144,000.23
Deferred Charges and Statutory Expenditures	D-3	60,868.18	7,267.43
Debt Service	D-3	116,410.00	107,710.00
<u>TOTAL EXPENDITURES</u>		<u>\$ 344,039.82</u>	<u>\$ 258,977.66</u>
Excess in Revenue		\$ 18,437.03	
Deficit in Revenue			\$ (7,638.66)
Adjustments to Income before Surplus:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	D-15	\$ 12,646.64	\$ 43,977.66
Statutory Excess to Fund Balance		31,083.67	36,339.00
<u>FUND BALANCE</u>			
Balance, January 1	D	165,322.55	128,983.55
		\$ 196,406.22	\$ 165,322.55
Decreased by:			
Utilized as Revenue	D-1	\$ 82,613.18	\$
Balance, December 31	D	<u>\$ 113,793.04</u>	<u>\$ 165,322.55</u>

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

"D-2"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Fund Balance Anticipated	D-1	\$ 82,613.18	\$ 82,613.18	
Rents	D-1:D-5	248,780.00	259,806.06	11,026.06
Miscellaneous	D-1:D-2		20,057.61	20,057.61
	D-3	\$ <u>331,393.18</u>	\$ <u>362,476.85</u>	\$ <u>31,083.67</u>

ANALYSIS OF REALIZED REVENUE

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

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>OVEREXPENDED</u>
Operating:					
Other Expenses	\$ 156,615.00	\$ 156,615.00	\$ 166,761.64	\$	10,146.64
	<u>156,615.00</u>	<u>156,615.00</u>	<u>166,761.64</u>		<u>10,146.64</u>
<u>Total Operating</u>					
Deferred Charges					
Overexpenditure of Appropriations	15,049.82	15,049.82	15,049.82		
Overexpenditure of Appropriation Reserves	45,818.36	45,818.36	45,818.36		
	<u>60,868.18</u>	<u>60,868.18</u>	<u>60,868.18</u>		
<u>Total Deferred Charges</u>					
Debit Service:					
UCIA: Principal and Interest on Lease Payments	113,910.00	113,910.00	116,410.00		2,500.00
	<u>113,910.00</u>	<u>113,910.00</u>	<u>116,410.00</u>		<u>2,500.00</u>
<u>Total Debt Service</u>					
	\$ 331,393.18	\$ 331,393.18	\$ 344,039.82	\$	12,646.64
	<u>331,393.18</u>	<u>331,393.18</u>	<u>344,039.82</u>		<u>12,646.64</u>
REF.	D-2		D-1	D	D-15
Cash Disbursements			\$ 276,011.64		
Accounts Payable			7,160.00		
Overexpenditure of Appropriations			15,049.82		
Overexpenditure of Appropriation Reserves			45,818.36		
			<u>344,039.82</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>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2012</u>
<u>ASSETS</u>			
Cash-P.A.T.F. I	E-1	\$ 12,960.34	\$ 12,960.34
Due Trust Other Fund		840.00	840.00
		<u>\$ 13,800.34</u>	<u>\$ 13,800.34</u>
<u>LIABILITIES</u>			
Reserve for Public Assistance - P.A.T.F. I		\$ 13,800.34	\$ 13,800.34
		<u>\$ 13,800.34</u>	<u>\$ 13,800.34</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ROSELLE

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013 AND 2012

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.

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

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

General Fixed Assets Account Group - Utilized to account for property, land, buildings and equipment that 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 amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP 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 June 30 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at 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. However the fixed assets records have not been currently maintained and are incomplete, and, accordingly, have not been included such information in its financial statements.

Fixed Capital - Affordable Housing Utilities - Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30-5.6.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, deposits in the C.L.A.S.S. 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.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

The Borough of Roselle had the following cash and cash equivalents at December 31, 2013:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$6,685,521.55	\$12,817.26	\$2,494,526.17	\$4,203,812.64
Federal and State Grant Fund	\$510,444.56			510,444.56
Animal Control Trust Fund	16,599.26		30.60	16,568.66
Other Trust Fund	4,275,561.81	\$10,410.11	189,282.86	4,096,689.06
General Capital Fund			16,814.74	(16,814.74)
Low Income Housing Utility Operating Fund	106,123.30		3,186.13	102,937.17
Low Income Housing Utility Capital Fund	34,509.00			34,509.00
Public Assistance Fund	12,960.34			12,960.34
	<u>\$11,641,719.82</u>	<u>\$23,227.37</u>	<u>\$2,703,840.50</u>	<u>\$8,961,106.69</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, 2013, 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 \$11,391,719.82 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 Investment of the Department of Treasury 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. A summary of bond and loan transactions for the year ended December 31, 2013 are detailed on Exhibits "C-9", "C-11", "C-14" and "C-18".

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

	DECEMBER 31, <u>2013</u>	DECEMBER 31, <u>2012</u>	JUNE 30, <u>2012</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 26,902,529.03	\$ 19,612,585.63	\$ 13,172,188.00
Less Funds Temporarily Held to			
Pay Bonds and Notes	3,964,799.67	511,970.20	213,118.00
ERIP Bonds	65,000.00	75,000.00	85,000.00
Net Debt Issued	\$ <u>22,872,729.36</u>	\$ <u>19,025,615.43</u>	\$ <u>12,874,070.00</u>
Authorized but not Issued			
General:			
Bonds and Notes	\$ 3,247,000.00	\$ 11,013,986.63	\$ 17,471,408.43
Net Bonds and Notes Issued and and Authorized but not issued	\$ <u>26,119,729.36</u>	\$ <u>30,039,602.06</u>	\$ <u>30,345,478.43</u>

SUMMARY OF STATUTORY DEBT CONDITION
(ANNUAL DEBT STATEMENT AS OF DECEMBER 31, 2013)

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 1.903%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
General Debt	\$ 30,149,529.03	\$ 4,029,799.67	\$ 26,119,729.36
	\$ <u>30,149,529.03</u>	\$ <u>4,029,799.67</u>	\$ <u>26,119,729.36</u>

NET DEBT \$26,119,729.36 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$1,372,881,509.67 EQUALS 1.903 %.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2013	\$1,372,881,509.67
3-1/2 of Equalized Valuation Basis	48,050,852.84
Net Debt	<u>26,119,729.36</u>
Remaining Borrowing Power	<u>\$21,931,123.48</u>

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

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

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year	\$	362,476.85
Deductions:		
Operating and Maintenance Cost	\$	217,483.18
Debt Service		<u>113,910.00</u>
Total Deductions		<u>331,393.18</u>
Excess in Revenue-Self Liquidating	\$	<u>31,083.67</u>

LONG TERM DEBT

General Serial Bonds:

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2013</u>
\$1,520,000.00 in 2011 Refunding Bonds, due in remaining installments ranging between \$245,000.00 and \$260,000.00 through September 2017 at an interest rates between 2.00% and 3.00%.	\$1,005,000.00
\$145,000.00 2003 Refunding ERIP Bonds, due in annual remaining installments of \$10,000.00 to \$15,000.00 through April 2018 at interest rates between 4.89% and 5.29%.	\$65,000.00
\$4,363,000.00 in 2005 General Improvement Bonds, due in remaining installments ranging between \$450,000.00 and \$453,000.00 through June 2018 at an interest rate of 3.65%.	<u>\$2,253,000.00</u>
	<u>\$3,323,000.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

Environmental Infrastructure Loans:

<u>ISSUE</u>		OUTSTANDING BALANCE DECEMBER 31, 2013
Infrastructure Loan due in annual remaining installments of \$25,000.00 to \$55,000.00 through 2031 at various interest rates		\$725,000.00
\$795,341.00 Infrastructure Loan due in annual remaining installments of \$42,607.54 to \$42,607.79 through 2019 at 0% interest rate		
		<u>\$766,935.97</u>
		<u><u>\$1,491,935.97</u></u>

New Jersey Green Acres Loans:

<u>ISSUE</u>		OUTSTANDING BALANCE DECEMBER 31, 2013
Green Acres Loan due in annual remaining installments of \$6,689.87 to \$12,225.41 through 2019 at various interest rates		\$70,324.11
\$50,000.00 Green Acres Loan due in annual remaining installments of \$2,564.10 through 2032 at 0% interest rate		
		<u>\$48,717.95</u>
		<u><u>\$119,042.06</u></u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2013

<u>CALENDAR YEAR</u>	<u>GENERAL CAPITAL</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2014	\$ 720,000.00	\$ 102,410.50	\$ 822,410.50
2015	710,000.00	79,106.50	789,106.50
2016	715,000.00	54,652.50	769,652.50
2017	710,000.00	30,009.00	740,009.00
2018	<u>468,000.00</u>	<u>9,060.75</u>	<u>477,060.75</u>
	<u>\$ 3,323,000.00</u>	<u>\$ 275,239.25</u>	<u>\$ 3,598,239.25</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, 2013

CALENDAR

<u>YEAR</u>		<u>PRINCIPAL</u>		<u>INTEREST</u>		<u>TOTAL</u>
2014	\$	67,607.54	\$	37,781.00	\$	105,388.54
2015		72,607.54		37,031.00		109,638.54
2016		72,607.54		33,345.50		105,953.04
2017		72,607.54		29,360.00		101,967.54
2018		72,607.54		27,860.00		100,467.54
2019-2023		398,037.70		114,050.00		512,087.70
2024-2028		448,037.70		63,800.00		511,837.70
2029-2031		287,822.87		17,195.00		305,017.87
	\$	<u>1,491,935.97</u>	\$	<u>360,422.50</u>	\$	<u>1,852,358.47</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR GREEN TRUST LOAN ISSUED AND OUTSTANDING
AS OF DECEMBER 31, 2013

CALENDAR

<u>YEAR</u>		<u>PRINCIPAL</u>		<u>INTEREST</u>		<u>TOTAL</u>
2014	\$	14,789.51	\$	1,346.24	\$	16,135.75
2015		15,035.24		1,100.50		16,135.74
2016		15,285.91		849.83		16,135.74
2017		15,541.62		594.13		16,135.75
2018		15,802.46		333.28		16,135.74
2019-2023		19,510.37		95.96		19,606.33
2024-2028		12,820.50				12,820.50
2029-2032		10,256.45				10,256.45
	\$	<u>119,042.06</u>	\$	<u>4,319.94</u>	\$	<u>123,362.00</u>

BOND ANTICIPATION NOTES

	<u>Interest Rate</u>	<u>Issue and Maturity Dates</u>	<u>Amount</u>
General Capital	1.500%	1/16/13 to 1/15/14	\$900,000.00
General Capital	1.000%	3/14/2013 to 3/13/14	4,060,000.00
General Capital	1.000%	5/7/13 to 5/6/14	12,674,551.00
General Capital	1.250%	12/19/13 to 12/18/14	3,500,000.00
General Capital	0.000%	12/31/13 to 12/31/14	834,000.00
			<u>\$21,968,551.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance, at December 31, 2013, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2014 was as follows:

Current Fund	\$1,500,000.00
Affordable Housing Utility Operating Fund	\$95,000.00

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>2013</u>	BALANCE DECEMBER 31, <u>2012</u>
Prepaid Taxes	\$ <u>188,281.71</u>	\$ <u>112,848.03</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Borough's share of pension, which is based upon the annual billings received from the state, amounted to \$2,593,949.90, \$2,409,493.34 for 2012 and \$-0- for TY2011.

Borough employees are also covered by Federal Insurance Contribution Act.

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

NOTE 6: PENSION PLANS (CONTINUED)

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2009, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2009. If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The Borough has elected to defer a portion of its pension contributions.

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 principals 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, 2013.

NOTE 8: LITIGATION

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

NOTE 9: CONTINGENT LIABILITIES

The Borough 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. The grants received and expended in 2013 were subject to a Single Audit under U.S. Office of Management and Budget OMB Circular A-133 and State of New Jersey OMB 04-04, which mandates that grant revenues and expenditures be audited in conjunction with the Borough's annual audit. Findings and questioned costs, if any, relative to financial assistance programs will be discussed in detail in Part II, Report Section of the 2013 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2013, 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 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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>
CY 2013	\$	\$	\$ 6,186.14	\$ 6,092.57
CY 2012	50,000.00			12,278.71
TY 2011	150,000.00		204,141.44	(37,721.29)

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, 2013:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$126,286.29	\$371,737.47
Grant Fund		648,709.20
Animal Control Fund	65.00	12,857.06
Trust Other Fund	824,719.30	2,209,824.34
General Capital Fund	2,383,156.78	112,273.31
Low Income Housing Utility Operating Fund	34,843.01	
Low Income Housing Utility Capital Fund		14,509.00
Public Assistance Fund	840.00	
	<u>\$3,369,910.38</u>	<u>\$3,369,910.38</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 45: OTHER POST-RETIREMENT BENEFITS

The Borough provides Post Retirement Benefits to certain employees, per the terms of their various labor agreements, who have retired from the Borough.

The Borough is required to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Governmental Accounting Standard Board (GASB) requires the Borough to disclose in the notes of the financial statements the future cost of the other post employment benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Borough has contractually agreed to provide employees once they have retired.

The future value of benefits paid is not required to be reported in the financial statements as presented and has not been determined, but is probably material. Under current New Jersey budget and financial reporting requirements, the Borough will not have to provide any amounts in excess of their current cash costs or recognized any long-term obligations on their balance sheets. The Borough has not determined its OPEB obligations as of December 31, 2013; therefore, no amount is disclosed herein.

NOTE 14: DEFERRED CHARGES

	BALANCE DECEMBER 31, <u>2013</u>	2014 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Current Fund:			
Special Emergency 40A:4-47	\$ 255,000.00	\$ 85,000.00	\$ 170,000.00
Special Emergency 40A:4-53	<u>116,418.21</u>	<u>113,000.00</u>	<u>3,418.21</u>
	\$ <u>\$371,418.21</u>	\$ <u>\$198,000.00</u>	\$ <u>\$173,418.21</u>
	BALANCE DECEMBER 31, <u>2013</u>	2014 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
General Capital Fund			
Expenditure without an Appropriation	\$ <u>227,830.54</u>	\$ <u>227,830.54</u>	\$ <u>-0-</u>
	\$ <u>\$227,830.54</u>	\$ <u>\$227,830.54</u>	\$ <u>-0-</u>
	BALANCE DECEMBER 31, <u>2013</u>	2014 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Affordable Housing			
Utility Operating Fund:			
Overexpenditure of Appropriation Reserves	\$ 5,266.12	\$ 5,266.12	\$ -0-
Overexpenditure of Appropriations	<u>12,646.64</u>	<u>12,646.64</u>	<u>-0-</u>
	\$ <u>\$17,912.76</u>	\$ <u>\$17,912.76</u>	\$ <u>-0-</u>

NOTE 15: 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 16: SUBSEQUENT EVENTS

The Borough has issued \$20,726,837.00 of Bond Anticipation Notes at various interest rates after the financial statement date through December 18, 2014. The proceeds of the notes will be used to fund outstanding bond anticipation notes and to fund unfinanced portions of various capital projects.

The Borough has also adopted the following Capital Ordinance:

<u>Ordinance Number</u>	<u>Date</u>	<u>Total Authorization</u>	<u>Bond and Notes</u>	<u>Down Payment</u>	<u>Other Contributions</u>
2478	2/10/2014	\$5,746,733.00	\$4,841,422.00	\$254,811.00	\$650,500.00
2485	4/16/2014	<u>2,700,000.00</u>	<u>2,565,000.00</u>	<u>135,000.00</u>	
		<u>\$8,446,733.00</u>	<u>\$7,406,422.00</u>	<u>\$389,811.00</u>	<u>\$650,500.00</u>

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BOROUGH OF ROSELLE
SUPPLEMENTARY SCHEDULES
FISCAL YEAR ENDED DECEMBER 31, 2013

"A-4"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF CASH COLLECTOR-TREASURER

	<u>REF.</u>		<u>CURRENT FUND</u>		<u>GRANT FUND</u>
Balance, December 31, 2012	A	\$	3,300,741.62	\$	266,621.81
Increased by Receipts:					
Grants Receivable	A-7	\$		\$	1,098,908.22
Taxes Receivable	A-8		59,437,806.89		
Revenue Accounts Receivable	A-11		4,746,587.44		
Tax Title Liens	A-9		12,791.87		
State of New Jersey, Chapter 20, P.L. 1971	A-13		119,136.98		
Emergency Note Payable	A-30		149,130.00		
Deferred Charges	A-25		335,581.79		
Grants-Unappropriated	A-18			30,557.51	
Petty Cash	Contra				
Prepaid Taxes	A-21		188,261.71		
Tax Overpayments	A-6		76,667.58		
Due Trust Other Fund	A-20			13,878.84	
Due Current Fund	A-19			1,950,840.83	
Interfunds	A-16		22,705,929.87		
Investment	A-29		1,600,000.00		
Due General Capital Fund	A-32			66,545.44	
Miscellaneous Revenue Not Anticipated	A-2		485,893.03		
Appropriation Refunds	A-3		144,987.34		
Due Roselle Public Library	A-15		614,473.53		
			<u>90,617,248.01</u>		<u>3,160,730.84</u>
			93,917,989.63	\$	3,427,352.65
Decreased by Disbursements:					
2013 Appropriations	A-3	\$	32,653,038.17	\$	
2012 Appropriation Reserves	A-17		1,515,294.37		
Reserve for Grants Appropriated	A-14			1,633,018.08	
Interfunds	A-16		24,148,203.67		
Refund of Tax Overpayments	A-6		25,391.80		
County Taxes	A-22		6,719,892.70		
Local District School Tax	A-23		23,438,800.00		
Due Current Fund	A-19			1,283,890.01	
Reserve for Tax Map Revision	A-31		108,125.97		
Emergency Note Payable	A-30		565,000.00		
Refund of Prior Year Revenues	A-1		135,743.01		
Refund of Current Year Revenue - Construction Fees	A-2		14,130.00		
Refund of Current Year Revenue - Recreation Fees	A-2		730.00		
Refund of Current Year Revenue - Fees and Permits	A-2		3,000.00		
Refund of Current Year Revenue - P.I.L.O.T	A-2		11,340.26		
Due Roselle Public Library	A-15		375,487.04		
			<u>89,714,176.99</u>		<u>2,916,908.09</u>
Balance, December 31, 2013	A	\$	<u>4,203,812.64</u>	\$	<u>510,444.56</u>

"A-5"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF CHANGE FUND

OFFICE

Collector
Municipal Court

BALANCE
DECEMBER 31, 2012, AND
DECEMBER 31, 2013

\$	200.00
	<u>200.00</u>
\$	<u>400.00</u>

REF.

A

"A-6"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2012	A	\$	416,265.58
Increased by:			
Tax Overpayments Received	A-4		<u>76,667.56</u>
		\$	<u>492,933.14</u>
Decreased by:			
Cash Disbursements	A-4		25,391.80
Applied	A-8		<u>137,240.52</u>
			<u>162,632.32</u>
Balance, December 31, 2013	A	\$	<u>330,300.82</u>

"A-7"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2012	ANTICIPATED IN 2013 BUDGET	RECEIPTS	UNAPPROPRIATED APPLIED	BALANCE DECEMBER 31, 2013
Municipal Alliance Grant	\$ 33,152.75	\$ 13,030.00	\$ 18,003.00	\$	\$ 28,179.75
Pandemic Influenza	90.00				90.00
Green Communities	2,000.00				2,000.00
Bulletproof Vest Partnership Grant	16,856.00				16,856.00
Edward Brynes Memorial Justice Grant	48,350.57	21,284.00	11,668.32		57,966.25
Greening Union County	9,318.00				9,318.00
Statewide Livable Communities Local Library Aid	50,000.00				50,000.00
County of Union Homeland Security	672.00				672.00
Union County Kids Recreation	51,250.00		51,250.00		
Municipal Stormwater Regulation	10,583.00				10,583.00
You Drink You Drive You Lose	304.00				304.00
Operation Safe Streets	4,000.00				4,000.00
Brownfields Assessment	115,432.61				115,432.61
Alcohol Education and Rehab Fund	589.00				589.00
Safe Route to School -09	4,600.00				4,600.00
Click it or Ticket - 09	4,339.05				4,339.05
Body Armor Replacement Grant	180.23	7,464.07	7,464.07		180.23
Local Public Health Emergency H1N1	5,164.96				5,164.96
NJ Stabilization Grant	633,347.57		633,347.57		
UEZ Roselle First		200,000.00		200,000.00	
UEZ Administration Grant		120,000.00		120,000.00	
UEZ Police Vehicles		76,703.00		76,703.00	
AFG-Prevention and Maintenance		26,828.00			26,828.00
Assistance to Firefighters		56,722.00	56,722.00		
Heart Grant		1,000.00			1,000.00
WIA Youth Program	40,000.00				40,000.00
WIA Youth Works Program	132,000.00		94,765.00		37,235.00
WIA National Emergency Grant	93,546.00		13,205.96		80,340.04
DEP Wastewater Management	15,000.00		15,000.00		
Safe and Secure Communities	60,000.00	60,000.00			120,000.00
NJ DOT Central Business Midtown Grant	500,000.00				500,000.00
NJ DOT SRTS Pedestrian Walkway Grant	233,965.00		124,473.86		109,491.14
Secure Our Schools	95,055.00				95,055.00
NJ Division of Highway Safety Grant	4,000.00				4,000.00
Union County Recycling Enhancement					
Over the Limit Under Arrest	2,000.22				2,000.22
Drive Sober Get Pulled Over	4,400.00				4,400.00
Recreational Opportunities for Indiv. w/ Disab.		15,000.00			15,000.00
Drunk Driving Enforcement Fund	0.52				0.52
Alcohol Education and Rehab. Fund	0.18				0.18
Summer Food Program	38,391.30		38,391.30		
Summer Food Program 13		37,935.00	3,495.14		34,439.86
Clean Communities		31,122.00	31,122.00		
	<u>\$ 2,208,587.96</u>	<u>\$ 667,088.07</u>	<u>\$ 1,098,908.22</u>	<u>\$ 396,703.00</u>	<u>\$ 1,380,064.81</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

YEAR	BALANCE DECEMBER 31, 2012	2013 LEVY	ADDED	COLLECTED 2012	2013	CANCELED	OVERPAYMENT APPLIED	TRANSFERRED TO TAX TITLE LENS	BALANCE DECEMBER 31, 2013
Prior	\$ 861,893.50	\$	\$	\$ 65,242.18	\$	161,159.95	37,264.68	\$ 325,410.48	\$ 272,816.20
2012	2,328,350.04		21,619.20	2,288,399.67		17,283.76		24,647.21	81,628.80
	\$ 3,190,243.54	\$	\$ 21,619.20	\$ 2,291,641.96	\$	161,159.95		\$ 350,057.69	\$ 354,444.80
2013		59,679,081.53		112,848.03	57,262,885.43	181,416.28	99,975.84	116,923.44	1,905,032.51
	\$ 3,190,243.54	\$ 59,679,081.53	\$ 21,619.20	\$ 112,848.03	\$ 57,262,885.43	\$ 342,576.23	\$ 137,240.52	\$ 466,981.13	\$ 2,289,477.31
	A			A-2A-21	A-2		A-2A-6	A-9	A

REF.

REF.

Cash
Senior Citizens and Veterans Deductions Allowed

\$ 59,437,806.89
116,730.40
\$ 59,554,537.29

Analysis of Property Tax Levy:
Tax Yield:
General Purpose Tax

\$ 59,679,091.53
\$ 59,679,091.53

Tax Levy:
Local District School Tax (Abstract)
County Taxes:
County Taxes (Abstract)
Local Tax for Municipal Purposes (Abstract)
Minimum Library Tax
Add: Additional Tax Levied

A-23
A-22
A-2
A-2
\$ 23,438,800.00
6,711,962.24
29,073,904.51
447,626.74
6,798.04
29,528,329.29
\$ 59,679,091.53

"A-9"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>			
Balance, December 31, 2012	A		\$	169,679.08
Increased by:				
Transfer From Taxes Receivable	A-8	466,981.13		
Interest and Costs		<u>50,307.97</u>		
			\$	<u>517,289.10</u>
Decreased by:				
Cash Receipts	A-2:A-4	\$ 12,791.87		
Canceled		<u>52,822.37</u>		
			\$	<u>65,614.24</u>
Balance, December 31, 2013	A		\$	<u><u>621,353.94</u></u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2012 and December 31, 2013	A	\$	<u><u>2,027,232.00</u></u>
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BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2012	ACCRUED IN 2013	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2013
Clerk:				
Licenses:				
ABC	\$	\$ 15,105.15	\$ 15,105.15	
Construction Code Official:				
Fees and Permits		225,895.60	225,895.60	
Municipal Court:				
Fines and Costs	24,570.40	406,812.87	399,472.96	31,910.31
Recreation:				
Fees and Permits		77,115.00	77,115.00	
Interest and Cost on Taxes		503,491.72	503,491.72	
Other Fess and Permits		128,557.19	128,557.19	
Other Licenses		12,593.10	12,593.10	
Parking Meters		26,627.28	26,627.28	
Interest on Investments and Deposits		19.57	19.57	
Cable Television Franchise Tax		205,308.98	205,308.98	
Consolidated Municipal Purpose Tax Relief Act		442,177.00	442,177.00	
Energy Receipts Tax		1,999,803.72	1,999,803.72	
FEMA Reimbursement		113,000.00	113,000.00	
Uniform Fire Safety Act		37,133.85	37,133.85	
Ambulance Revenue		333,481.07	333,481.07	
P.I.L.O.T.		226,805.25	226,805.25	
	<u>\$ 24,570.40</u>	<u>\$ 4,753,927.35</u>	<u>\$ 4,746,587.44</u>	<u>\$ 31,910.31</u>

REF.

A

A-4

A

"A-12"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF UNIDENTIFIED DEPOSITS

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	155,474.64
Decreased by:			
Cancelled	A-1	\$	<u>155,474.64</u>

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, 2012	A	\$	156,609.54
Charged:			
Senior Citizens Deductions Per Tax Billings		\$	42,000.00
Veterans Deductions Per Tax Billings			91,000.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>4,630.40</u>
			<u>137,630.40</u>
			294,239.94
Decreased by:			
Cash Receipts	A-4		119,136.98
Senior Citizens Deductions Disallowed by Tax Collector			<u>20,900.00</u>
			<u>140,036.98</u>
Balance, December 31, 2013	A	\$	<u><u>154,202.96</u></u>

ANALYSIS OF STATE SHARE OF 2013

SENIOR CITIZENS AND VETERANS DEDUCTIONS ALLOWED

Senior Citizens Deductions Per Tax Billings		\$	42,000.00
Veterans Deductions Per Tax Billings			91,000.00
Senior Citizens Deductions Allowed by Tax Collector			4,630.40
Senior Citizens Deductions Disallowed by Tax Collector			<u>(20,900.00)</u>
State Share Realized	A-8	\$	<u><u>116,730.40</u></u>

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2012	TRANSFERRED FROM ACCOUNTS PAYABLE	APPROPRIATED	EXPENDED	BALANCE DECEMBER 31, 2013
Body Armor Replacement Fund	\$ 10,805.55	\$	7,464.07	\$ 5,010.31	\$ 13,259.31
Municipal Alliance Grant	3,967.72	5,828.79		4,739.37	5,057.14
Municipal Alliance Grant - Match	6,436.39	44.78			6,481.17
Municipal Alliance Grant 13			13,030.00	4,755.00	8,275.00
Municipal Alliance Grant - Match 13			3,258.00	900.00	2,358.00
Pandemic Influenza	88.00				88.00
Pandemic Influenza	2.10				2.10
Click It or Ticket	8,000.00				8,000.00
Edward Brynes Memorial Justice Grant	39.50		21,284.00	21,082.19	241.31
Municipal Stormwater Regulation	10,583.00				10,583.00
You Drink, You Drive, You Lose	304.00				304.00
Operation Safe Streets	4,000.00				4,000.00
Drunk Driving Enforcement Fund	25,389.19	297.00		337.00	25,349.19
Alcohol Education and Rehab. Fund	7,354.11				7,354.11
Development of Elderly Programs	190.60	693.70			884.30
Bulletproof Vest Partnership	3,997.00			3,774.50	222.50
Heart Grant			1,000.00		1,000.00
Safe Routes to Schools	313.44				313.44
Clean Communities Program	25,940.28	159.00	31,122.00	43,894.26	13,327.02
Recycling Tonnage Grant	29,000.00			27,850.00	1,150.00
Local Public Health Emergency H1N1	9,222.97	2,227.20			11,450.17
NJ Stabilization Grant	633,347.57	7,108.66		633,347.57	7,108.66
Summer Food Program	53,837.81			40,024.50	13,813.31
Summer Food Program			37,935.00		37,935.00
Union County Kids Recreation		4,713.36			4,713.36
Brownfields		10,279.91			10,279.91
UEZ Roselle First	98,454.05	5,067.75		71,921.38	31,600.42
UEZ Administration Grant	13,890.45	39.32		13,929.77	
UEZ Administration Grant	30,831.05	476.85		31,307.90	
UEZ Administration Grant 13			120,000.00	97,856.50	22,143.50
UEZ Façade Improvement Program	188,100.00	197.74			188,297.74
UEZ Façade Improvement Grant	100,000.00				100,000.00
UEZ Police Vehicles			76,703.00	40,874.52	35,828.48
UEZ Roselle First			200,000.00	109,417.50	90,582.50
WIA Youth Program					
WIA Youth Works Program	5,626.30	2,795.00		43,716.94	(35,295.64)
WIA National Emergency Grant	93,546.00			53,707.50	39,838.50
DEP Wastewater Management					
Safe and Secure Communities			60,000.00		60,000.00
NJ DOT Central Business Midtown Grant	50,055.40	288,313.38		199,764.44	136,604.34
NJ DOT SRTS Pedestrian Walkway Grant	55,583.60	178,381.40		152,135.73	81,829.27
Secure Our Schools	95,055.00				95,055.00
NJ Division of Highway Safety Grant	4,000.00				4,000.00
Union County Recycling Enhancement	7,500.00			2,804.80	4,695.20
Over the Limit Under Arrest	5,624.00				5,624.00
Drive Sober Get Pulled Over	4,400.00				4,400.00
R.O.I.D			15,000.00		15,000.00
R.O.I.D-Local			3,000.00		3,000.00
AFG-Prevention and Maintenance			56,722.00	56,722.00	
AFG-Prevention and Maintenance - Local			6,302.00	6,302.00	
AFG-Prevention and Maintenance			26,828.00		26,828.00
AFG-Prevention and Maintenance - Local			2,980.00		2,980.00
	<u>\$ 1,585,485.08</u>	<u>\$ 504,623.84</u>	<u>\$ 682,628.07</u>	<u>\$ 1,666,175.68</u>	<u>\$ 1,106,561.31</u>
REF.	A		A-3		A
Cash Disbursements	A-4			\$ 1,633,018.08	
Encumbrances	A-26			<u>33,157.60</u>	
				<u>\$ 1,666,175.68</u>	

"A-15"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE ROSELLE PUBLIC LIBRARY

	<u>REF.</u>		
Balance, December 31, 2012 (Due From)	A	\$	126,361.13
Increased by:			
Cash Disbursements	A-4		375,487.04
		\$	<u>501,848.17</u>
Decreased by:			
Cash Receipts	A-4		<u>614,473.53</u>
Balance, December 31, 2013 (Due To)	A	\$	<u><u>112,625.36</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	TRUST OTHER FUND	AFFORDABLE HOUSING UTILITY OPERATING FUND	GENERAL CAPITAL FUND	ANIMAL CONTROL TRUST FUND	GRANT FUND
Balance, December 31, 2012:						
Due To	\$ 1,685,078.04	\$ 640,402.55	\$ 438.56	\$ 393,982.03	\$ 7,864.06	\$ 650,254.90
Due From	7,864.06					
Cash Receipts	22,705,929.87	1,334,286.32	168,035.00	20,233,082.20	36.00	970,490.35
Transferred to Federal and State Grants	15,540.00					15,540.00
Animal Control Excess	5,029.00				5,029.00	
Cash Disbursements	24,148,203.67	1,603,848.41	167,576.55	20,739,337.54		1,637,441.17
Balance, December 31, 2013:						
Due To	\$ 371,737.47	\$ 370,840.46	\$ 897.01	\$	\$ 12,857.06	\$ 1,155.92
Due From	126,286.29			112,273.31		

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF YEAR 2012 APPROPRIATION RESERVES

	<u>BALANCE, DECEMBER 31, 2012</u>		<u>BALANCE</u>	<u>PAID OR</u>	<u>BALANCE</u>
<u>ACCOUNTS</u>	<u>PAYABLE</u>	<u>RESERVED</u>	<u>AFTER</u>	<u>CHARGED</u>	<u>LAPSED</u>
			<u>TRANSFERS</u>		
<u>SALARIES AND WAGES</u>					
Administrative and Executive	\$	\$	417.60	\$	417.60
Borough Clerk			407.73		407.73
Borough Council			996.44		996.44
Financial Administration			73.95		73.95
Assessment of Taxes			765.30		765.30
Collection of Taxes			363.73		363.73
Legal Services and Costs		10,000.00	10,000.00		10,000.00
Prosecutor		451.09	451.09		451.09
Planning Board		4,862.20	4,862.20		4,862.20
Shade Tree Commission		674.50	674.50		674.50
Fire Department		11,094.27	11,094.27		11,094.27
Police		58,105.42	9,745.42		9,745.42
Traffic Control-School Crossing Guards		19,396.66	19,396.66		19,396.66
Street and Road Maintenance		34,000.19	1,000.19		1,000.19
Board of Health		6,956.23	6,956.23		6,956.23
Snow Removal		30,000.00			
Community Services		4,639.84	4,639.84		4,639.84
Police Dispatch 911		77.50	77.50		77.50
Municipal Court		16.31	16.31		16.31
Public Defender		9,880.20	9,880.20		9,880.20
<u>OTHER EXPENSES</u>					
Administrative and Executive	29,611.70	1,070.00	63,681.70	32,842.65	30,839.05
Borough Clerk	7,154.14	11,593.05	18,747.19	5,197.38	13,549.81
Borough Council	19,935.53	45.39	19,980.92	4,000.00	15,980.92
Human Resources	8,908.61	6,448.52	15,357.13	6,250.75	9,106.38
Financial Administration	2,038.62	3,835.85	5,874.47	4,877.62	996.85
Annual Audit	20,000.00	46,850.00	66,850.00	66,850.00	
Assessment of Taxes	185.32	2,965.65	19,150.97	19,047.82	103.15
Collection of Taxes	358.08	13,509.37	16,802.45	16,800.12	2.33
Legal Services and Costs		19,380.79	95,602.19	87,789.80	7,812.39
Prosecutor		450.00	256.75		256.75
Engineering Services and Costs	52,787.60	12,504.16	65,291.76	42,366.85	22,924.91
Public Buildings and Grounds	38,761.25	10,677.69	87,093.94	71,728.88	15,365.06
Planning Board		1,316.00	1,316.00	702.63	613.37
Zoning Board of Adjustments		5,226.83	5,226.83		5,226.83
Redevelopment Agency	0.02	12,201.25	37,451.27	28,581.25	8,870.02
Shade Tree Commission		6,983.00	6,983.00	4,500.00	2,483.00
Group Insurance for Employees		4.90	4.90		4.90
Workers' Compensation		25,425.00	25.00		25.00
Other Insurance Premiums		24,812.50	24,812.50	1,000.00	23,812.50
Fire Department	19,734.87	24,333.84	44,068.71	32,006.81	12,061.90
Police Department	84,954.09	69,056.76	154,010.85	82,153.48	71,857.37
Traffic Control-School Crossing Guards		6,497.50	6,497.50	1,757.10	4,740.40
Emergency Management Services	4,989.64	15,893.62	6,583.26	3,989.64	2,593.62
Street and Road Maintenance	24,423.58	10,186.66	34,610.24	30,834.40	3,775.84
Union County S.L.A.P. Program		0.82	0.82		0.82
Maintenance of Vehicles	4,644.82	1,180.79	5,835.61	4,824.41	1,211.20
Recycling	5,864.15	20,284.10	36,128.25	36,128.25	
Solid Waste Collection	26,145.97	258,854.47	245,000.44	235,475.39	9,625.05
Police Dispatch 911		6,102.30	6,102.30		6,102.30

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF YEAR 2012 APPROPRIATION RESERVES

	<u>BALANCE, DECEMBER 31, 2012</u>		<u>BALANCE</u>		<u>BALANCE</u>
	<u>ACCOUNTS</u>		<u>AFTER</u>	<u>PAID OR</u>	<u>LAPSED</u>
	<u>PAYABLE</u>	<u>RESERVED</u>	<u>TRANSFERS</u>	<u>CHARGED</u>	
<u>OTHER EXPENSES (CONTINUED)</u>					
Snow Removal	\$ 13,614.84	\$ 3,717.19	\$ 15,332.03	\$ 13,614.84	\$ 1,717.19
Board of Health	9,774.96	29,302.00	53,376.96	43,777.28	9,599.68
Community Services	370.00	2,593.85	2,963.85		2,963.85
Recreation	12,284.86	8,342.16	20,627.02	7,509.86	13,117.16
Municipal Court	2,585.19	2,365.81	4,951.00	2,473.92	2,477.08
Public Employee Occupational Safety Health Act	4,000.00	5,000.00	9,000.00	3,978.00	5,022.00
Public Defender		1,500.00	1,500.00		1,500.00
Construction Code Official	729.72	11,434.05	12,163.77	2,362.70	9,801.07
Gasoline	17,462.50	14,263.89	54,111.39	48,110.54	6,000.85
Electricity		241.95	241.95		241.95
Natural Gas		40,150.38	17,765.38	15,042.67	2,722.71
Telephone and Telegraph	2,221.00	22,434.05	24,078.25	17,958.63	6,119.62
Street Lighting		63,427.69	63,427.69	37,370.38	26,057.31
Fire Hydrant Service		24,258.75	24,258.75	24,257.05	1.70
Heating Oil		6,000.00			
Water		36,643.31	998.71	998.71	
Salary and Wage Adjustment		30,000.00	30,000.00	30,000.00	
Municipal Services Act			2,000.00	1,861.17	138.83
Contingent		5,000.00			
Social Security System (O.A.S.I.)		28,461.27	28,461.27		28,461.27
Police and Firemen's Retirement System of NJ		0.66	0.66		0.66
State Unemployment			23,113.25	23,113.25	
Hurricane Sandy	415,751.76	3.24	415,755.00	415,751.76	3.24
Hurricane Sandy (Emergency)	2,027.33	17.67	2,045.00	2,027.33	17.67
Animal Control Contract - City of Linden	2,840.00	31,860.00	34,500.00	5,680.00	28,820.00
Matching Funds for Grants		25,000.00	25,000.00		25,000.00
	\$ 834,160.15	\$ 1,202,677.89	\$ 2,036,838.04	\$ 1,515,393.32	\$ 521,444.72

REF. A-24 A A-1

Cash Disbursements	A-4	\$ 1,515,294.37
Encumbrances Payable	A-24	98.95
		\$ 1,515,393.32

"A-18"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS -
UNAPPROPRIATED

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	468,226.75
Increased by:			
Cash Receipts	A-4	\$	<u>30,557.51</u>
			498,784.26
Decreased by:			
Applied to Receivable	A-7		<u>396,703.00</u>
Balance, December 31, 2013	A	\$	<u><u>102,081.26</u></u>
<u>ANALYSIS OF BALANCE:</u>			
Recycling Tonnage Grant		\$	36,958.14
Drunk Driving Enforcement Fund			5,975.00
Alcohol Education Rehabilitation			1,652.65
Body Armor Replacement Fund			5,538.20
Clean Communities			1.26
UEZ			<u>51,956.01</u>
		\$	<u><u>102,081.26</u></u>

"A-19"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2012 (Due From)	A	\$	650,254.90
Increased by:			
Cash Disbursements	A-4	\$	1,283,890.01
Transfer from Current Fund	A-16		<u>15,540.00</u>
			1,299,430.01
		\$	<u>1,949,684.91</u>
Decreased by:			
Cash Receipts	A-4		<u>1,950,840.83</u>
Balance, December 31, 2013 (Due to)	A	\$	<u><u>1,155.92</u></u>

"A-20"

SCHEDULE OF DUE TRUST OTHER FUND

Balance, December 31, 2012	A	\$	440,000.00
Increased by:			
Cash Receipts	A-4		<u>13,878.84</u>
Balance, December 31, 2013	A	\$	<u><u>453,878.84</u></u>

"A-21"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	112,848.03
Increased by:			
Collection of 2014 Taxes	A-4		<u>188,281.71</u>
		\$	301,129.74
Decreased by:			
Applied to 2013 Taxes	A-8		<u>112,848.03</u>
Balance, December 31, 2013	A	\$	<u><u>188,281.71</u></u>

"A-22"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF COUNTY TAXES

	<u>REF.</u>	
Balance, December 31, 2012(Payable)	A	\$ 7,930.46
Increased by:		
Tax Levy for 2013	A-1:A-8	<u>6,711,962.24</u>
		\$ 6,719,892.70
Decreased by:		
Cash Disbursements	A-4	<u>\$ 6,719,892.70</u>

"A-23"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Balance, December 31, 2012 (Prepaid)	A	\$ 468,776.00
Increased by:		
School Tax Levy 2013	A-1:A-8	<u>23,438,800.00</u>
		\$ 23,907,576.00
Decreased by:		
Cash Disbursements	A-4	<u>23,438,800.00</u>
Balance, December 31, 2013 (Prepaid)	A	<u>\$ 468,776.00</u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	A		\$ 924,535.66
Increased by:			
2013 Appropriations	A-3	566,740.14	
2012 Appropriations Reserves	A-17	<u>98.95</u>	
			<u>566,839.09</u>
			\$ 1,491,374.75
Decreased by:			
Transferred to Appropriation Reserves	A-17	\$ 834,160.15	
Canceled	A-1	<u>21,500.51</u>	
			<u>855,660.66</u>
Balance, December 31, 2013	A		\$ <u>635,714.09</u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2012	DECREASED	BALANCE DECEMBER 31, 2013
Overexpenditure of Appropriations	\$ 883,424.39	\$ 883,424.39	\$
Overexpenditure of Appropriation Reserves	366,310.95	366,310.95	
Expenditure without an Appropriation	108,194.25	108,194.25	
Special Emergency 40A:4-46	2,045.00	2,045.00	
Special Emergency Hurricane Sandy	565,000.00	448,581.79	116,418.21
Special Emergency 40A:4-53	425,000.00	170,000.00	255,000.00
	<u>\$ 2,349,974.59</u>	<u>\$ 1,978,556.38</u>	<u>\$ 371,418.21</u>

REF.

A

A

Cash Receipts

\$ 335,581.79

Raised in Budget

1,642,974.59

\$ 1,978,556.38

"A-26"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	504,623.84
Increased by:			
Federal and State Grants Appropriated	A-14		33,157.60
		\$	<u>537,781.44</u>
Decreased by:			
Transferred to Federal and State Grants Appropriated	A-14		504,623.84
			<u>504,623.84</u>
Balance, December 31, 2013	A	\$	<u><u>33,157.60</u></u>

"A-27"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

REF.

Balance, December 31, 2012 and
December 31, 2013

A

\$ 250,000.00

"A-28"

SCHEDULE OF DCA FEES - DUE STATE OF NEW JERSEY

Balance, December 31, 2012 and
December 31, 2013

A

\$ 2,148.00

"A-29"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF INVESTMENT

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	2,434,000.00
Decreased by:			
Receipt	A-4		<u>1,600,000.00</u>
Balance, December 31, 2013	A	\$	<u><u>834,000.00</u></u>

"A-30"

SCHEDULE OF EMERGENCY NOTE PAYABLE

Balance, December 31, 2012	A	\$	565,000.00
Increased by:			
Cash Receipts	A-4		<u>149,130.00</u>
		\$	<u>714,130.00</u>
Decreased by:			
Cash Disbursements	A-4		<u>565,000.00</u>
Balance, December 31, 2013	A	\$	<u><u>149,130.00</u></u>

"A-31"

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

Balance, December 31, 2012	A	\$	307,437.57
Decreased by:			
Cash Disbursements	A-4		<u>108,125.97</u>
Balance, December 31, 2013	A	\$	<u><u>199,311.60</u></u>

"A-32"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF GENERAL CAPITAL FUND

	<u>REF.</u>		
Balance, December 31, 2012	A	\$	127,129.00
Increased by:			
Cash Receipts	A-4		<u>66,545.44</u>
Balance, December 31, 2013	A	\$	<u><u>193,674.44</u></u>

"A-33"

CURRENT FUND

SCHEDULE OF RESERVE FOR LIBRARY

Balance, December 31, 2012 and December 31, 2013	A	\$	<u><u>44,000.00</u></u>
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"B-1"

BOROUGH OF ROSELLE
TRUST FUND
SCHEDULE OF TRUST FUND CASH
COLLECTOR-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL FUND</u>	<u>OTHER TRUST FUNDS</u>
Balance, December 31, 2012	B	\$ 14,407.46	\$ 1,612,126.96
Increased by Receipts:			
Tax Title Lien Redemption and Premiums	B-2		2,743,306.29
Due Current Fund	B-3:B-14	\$	1,402,682.96
Due State of New Jersey	B-4:B-18	575.40	
Animal Control License Fees	B-5	2,121.60	
Public Defender	B-6		13,122.00
Payroll Deductions Payable	B-9		9,346,380.47
Community Development Block Grant	B-10		29,995.00
Miscellaneous Trusts	B-13		638,143.39
Parking Offense Adjudication Act	B-19		4,016.00
Due Grant Fund	B-17		22,798.03
Due General Capital Fund	B-15		2,431,519.47
		<u>2,697.00</u>	<u>16,629,942.61</u>
		17,104.46	\$ 18,242,069.57
Decreased by Disbursements:			
Tax Title Lien Redemption and Premiums	B-2		2,101,485.09
Due State of New Jersey	B-4:B-18	499.80	
State Unemployment Insurance	B-8		6,186.14
Payroll Deductions Payable	B-9		9,704,734.32
Community Development Block Grant	B-11		29,995.00
Special Law Enforcement	B-12		12,151.76
Miscellaneous Trusts	B-13		462,805.33
Due Current Fund	B-3:B-14	36.00	1,133,120.87
Due Grant Fund	B-17		38,676.87
Due General Capital Fund	B-15		668,225.13
		<u>535.80</u>	<u>14,145,380.51</u>
Balance, December 31, 2013	B	\$ <u>16,568.66</u>	\$ <u>4,096,689.06</u>

"B-2"

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTIONS AND PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2012	B	\$ 1,292,517.90
Increased by:		
Cash Receipts	B-1	<u>2,743,305.29</u>
		\$ 4,035,823.19
Decreased by:		
Cash Disbursements	B-1	<u>2,101,485.09</u>
Balance, December 31, 2013	B	<u><u>\$ 1,934,338.10</u></u>

"B-3"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND -
ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2012, (Due to)	B	\$ 7,864.06
Increased by:		
Statutory Excess in Reserve for		
Animal Control Expenditures	B-5	5,029.00
		<u>\$ 12,893.06</u>
Decreased by:		
Cash Disbursements	B-1	<u>36.00</u>
Balance, December 31, 2013, (Due to)	B	<u>\$ 12,857.06</u>

"B-4"

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

Increased by:		
Cash Receipts	B-1	\$ 575.40
Decreased by:		
Cash Disbursements	B-1	<u>499.80</u>
Balance, December 31, 2011	B	<u>\$ 75.60</u>

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	6,608.40
Increased by:			
Dog License Fees Collected		\$	2,091.60
Other			30.00
Dog License Fees Collected	B-1		<u>2,121.60</u>
		\$	<u>8,730.00</u>
Decreased by:			
Statutory Excess in Reserve for Animal Control Fund Expenditures	B-3		<u>5,029.00</u>
Balance, December 31, 2013	B	\$	<u><u>3,701.00</u></u>

<u>LICENSE FEES COLLECTED</u>		
<u>YEAR</u>		<u>AMOUNT</u>
2011	\$	1,574.20
2012		<u>2,126.80</u>
	\$	<u><u>3,701.00</u></u>

"B-6"

BOROUGH OF ROSELLE
TRUST FUND
SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	16,245.83
Increased by:			
Cash Receipts	B-1		<u>13,122.00</u>
Balance, December 31, 2013	B	\$	<u><u>29,367.83</u></u>

"B-7"

SCHEDULE OF DUE AFFORDABLE HOUSING UTILITY OPERATING FUND

Balance, December 31, 2012, and December 31, 2013	B	\$	<u><u>19,437.00</u></u>
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"B-8"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	12,278.71
Decreased by:			
Cash Disbursements	B-1		<u>6,186.14</u>
Balance, December 31, 2013	B	\$	<u><u>6,092.57</u></u>

"B-9"

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2012	B	\$	622,401.68
Increased by:			
Cash Receipts	B-1	<u>9,346,360.47</u>	<u>9,346,360.47</u>
Decreased by:			
Cash Disbursements	B-1	<u>9,704,734.32</u>	<u>9,704,734.32</u>
Balance, December 31, 2013	B	\$	<u><u>264,027.83</u></u>

"B-10"

BOROUGH OF ROSELLE

TRUST FUND

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

	<u>REF.</u>		
Balance, December 31, 2012	B	\$	30,045.10
Increased by:			
Grant Awarded in 2013	B-11		37,995.00
		\$	<u>68,040.10</u>
Decreased by:			
Cash Receipts	B-1	29,995.00	
Canceled	B-11	<u>50.00</u>	
			<u>30,045.00</u>
Balance, December 31, 2013	B	\$	<u><u>37,995.10</u></u>

"B-11"

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

Balance, December 31, 2012	B	\$	30,045.00
Increased by:			
Grant Awarded in 2013	B-10		37,995.00
		\$	<u>68,040.00</u>
Decreased by:			
Cash Disbursements	B-1	29,995.00	
Canceled	B-10	<u>50.00</u>	
			<u>30,045.00</u>
Balance, December 31, 2013	B	\$	<u><u>37,995.00</u></u>

"B-12"

SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT

Balance, December 31, 2012	B	\$	76,068.73
Cash Disbursements	B-1		<u>12,151.76</u>
Balance, December 31, 2013	B	\$	<u><u>63,916.97</u></u>

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2012	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2013
	\$	\$	\$	\$
Recycling	25,417.20			25,417.20
Centennial Celebration	135.00			135.00
Escrow Deposits	(3,743.30)			168,764.22
Street Opening Deposits	25,117.15	190,025.77	17,518.25	25,117.15
Police Department Donation	5,097.23			5,097.23
5K Race	360.00			360.00
Lawsuit Settlement	18,107.00		13,106.72	5,000.28
21st Century Gala	1,895.00			1,895.00
Holiday Decorations	691.00			691.00
Cable TV	29,700.00			29,700.00
Summer Program	30.00			30.00
Miscellaneous	37,852.32	10,693.75	4,344.50	44,201.57
Fire Prevention	451.81	2,125.00		2,576.81
Community Policing Unit	15,055.42	14,600.00	8,995.86	20,659.56
Police Outside Employment	30,539.45	415,757.87	406,940.00	39,357.32
Redevelopment Agency	16,655.00	2,941.00	1,900.00	17,696.00
	<u>203,360.28</u>	<u>636,143.39</u>	<u>452,805.33</u>	<u>386,698.34</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, 2012, (Due from)	B	\$ 640,402.55
Increased by:		
Cash Disbursements	B-1	<u>1,133,120.87</u>
		\$ <u>1,773,523.42</u>
Decreased by:		
Cash Receipts	B-1	<u>1,402,682.96</u>
Balance, December 31, 2013, (Due from)	B	\$ <u><u>370,840.46</u></u>

"B-15"

SCHEDULE OF DUE GENERAL CAPITAL FUND

Balance, December 31, 2012, (Due to)	B	\$ 426,188.00
Increased by:		
Cash Receipts	B-1	<u>2,431,519.47</u>
Decreased by:		
Cash Disbursements	B-1	<u>668,225.13</u>
Balance, December 31, 2013, (Due to)	B	\$ <u><u>2,189,482.34</u></u>

"B-16"

SCHEDULE OF DUE PUBLIC ASSISTANCE TRUST FUND

Balance, December 31, 2012, (Due to), and December 31, 2013, (Due to)	B	\$ <u><u>840.00</u></u>
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"B-17"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE FEDERAL AND STATE GRANTS FUND

	<u>REF.</u>	
Balance, December 31, 2012, (Due from)	B	\$ 440,000.00
Increased by:		
Cash Receipts	B-1	<u>36,676.87</u>
		\$ 476,676.87
Decreased by:		
Cash Disbursements	B-1	<u>22,798.03</u>
Balance, December 31, 2013, (Due from)	B	\$ <u>453,878.84</u>

"B-18"

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance, December 31, 2012, (Due to), and December 31, 2013, (Due to)	B	\$ <u>1,949.00</u>
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ANALYSIS OF BALANCE

<u>Description</u>	<u>Amount</u>
Marriage License Fees	\$ 1,874.00
Burial Permit Fees	<u>75.00</u>
	\$ <u>1,949.00</u>

"B-19"

SCHEDULE OF PARKING OFFENSE ADJUDICATION ACT FUND

Balance, December 31, 2012	B	\$ 21,177.48
Increased by:		
Cash Receipts	B-1	<u>4,016.00</u>
Balance, December 31, 2013	B	\$ <u>25,193.48</u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH
TREASURER

	<u>REF.</u>		
Balance, December 31, 2012	C		\$ 418,661.64
Increased by Receipts:			
Budget Appropriations:			
Grants Accounts Receivable	C-7	1,905,969.73	
Premium of Bond Anticipation Notes Issued	C-1	33,080.07	
Deferred Charge Expenditure without an Appropriation	C-11	258,886.00	
Bond Anticipation Notes	C-14	21,968,551.00	
Deferred Charges to Future Taxation - Unfunded		949,198.10	
Environmental Infrastructure Loans Receivable	C-19	1,545,341.00	
Due Trust Other Fund	C-13	668,225.13	
Due Current Fund	C-15	9,438,287.54	
			<u>36,767,538.57</u>
			37,186,200.21
Decreased by Disbursements:			
Due Current Fund	C-15	\$ 8,932,032.20	
Deferred Charge Expenditure without an Appropriation	C-17	227,830.17	
Bond Anticipation Notes	C-14	13,735,051.00	
Due Trust Other Fund	C-13	2,431,519.47	
Due Grant Fund	C-20	66,545.44	
Contracts Payable	C-10	11,810,036.67	
			<u>37,203,014.95</u>
Balance, December 31, 2013 (cash overdraft)	C		\$ <u>(16,814.74)</u>

"C-3"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2013
Fund Balance	\$ 116,748.04
Capital Improvement Fund	79,056.69
State Aid Accounts Receivable	(4,978,886.68)
Deferred Charges	(227,830.54)
Reserve for State Aid Accounts Receivable	3,055,000.00
Reserve for Basketball Court Improvements	42,500.00
Contracts Payable	707,671.94
Reserve to Pay Debt	6,118.00
Due Current Fund	(112,273.31)
Due Federal and State Grant Fund	(193,674.44)
Due Other Trust Fund	(2,189,482.34)
Improvement Authorizations Funded (Listed on "C-8")	166,644.26
Unidentified Receipts	6,017.44
Bond Anticipation Notes Issued:	
Excess Note Proceeds as Set Forth on "C-5"	3,958,681.67
Unexpended Note Proceeds as Set Forth on "C-5"	2,308,793.82
Improvement Authorizations:	
Expended as Set Forth on "C-5"	(2,986,445.91)
	\$ <u>(241,361.36)</u>

REF.

C

"C-4"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2012	C	\$	5,720,649.63
Decreased by:			
Payment of Green Trust Loan by Budget	C-9	\$	13,266.57
Payment of EIT Loan by Budget	C-18		53,405.03
Bonds Paid by Budget	C-11		<u>720,000.00</u>
			<u>786,671.60</u>
Balance, December 31, 2013	C	\$	<u><u>4,933,978.03</u></u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	ANALYSIS OF BALANCE, DECEMBER 31, 2013		
			FINANCED BY	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
			BOND ANTICIPATION NOTES		
GENERAL IMPROVEMENTS					
2251 - 06	Various Capital Improvements	\$ 706,949.00	\$ 680,949.00	\$ 17,961.00	8,039.00
2276	Various 2007 Road Improvements	693,000.00	693,000.00		
2292 - 07	Improvements to Sylvester Land Field	1,179,714.00	1,179,714.00		
2297	Westbrook Flood Control Project	7,000,000.00	4,334,000.00	2,666,000.00	
2300 - 08	Various Road Improvements	2,199,337.00	2,199,337.00		
2314	Improvements to 911 Comm. Syst.	122,591.00	122,591.00		
2340	Various Road Improvements	1,157,827.63	1,157,827.63		
2342	Various Improvements	90,250.00	90,250.00		
2349	Acquisition of Ambulance	152,000.00		143,500.00	8,500.00
2380	Various Improvements	1,627,179.80	1,627,179.80		
2389	Various Improvements	304,000.00	304,000.00		
2396	Various Improvements	4,048,791.90	4,048,791.90		
2407	Sanitary Sewer System Improvements	812,729.00	812,729.00		
2408	Various Park Improvements	759,500.00	759,500.00		
2459	Acquisition of Property	403,000.00		158,984.91	244,015.09
		\$ 21,256,869.33	\$ 18,009,869.33	\$ 2,986,445.91	\$ 260,554.09

REF.	C	C-3
Bond Anticipation Notes		
Less: Cash on Hand to Pay Notes -	\$ 21,968,551.00	
Various Ordinances	<u>3,958,681.67</u>	
	<u>\$ 18,009,869.33</u>	
Improvement Authorizations Unfunded		
Less: Unexpended Proceeds of Bond Anticipation		\$ 2,569,347.91
Notes Issued		<u>2,308,793.82</u>
		<u>\$ 260,554.09</u>

"C-6"

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

REF.

Balance, December 31, 2012 and December 31, 2013	C	\$ <u>79,056.69</u>
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"C-7"

SCHEDULE OF GRANTS ACCOUNTS RECEIVABLE

Balance, December 31, 2012	C	\$ 6,884,856.41
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Decreased by:		
Cash Receipts	C-2	<u>1,905,969.73</u>

Balance, December 31, 2013	C	\$ <u>4,978,886.68</u>
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Pledged to:		
Ordinance		\$ 1,923,886.68
Reserve for Receivables	C	<u>3,055,000.00</u>
		\$ <u>4,978,886.68</u>

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2012		2013 AUTHORIZATIONS	EXPENDED	BALANCE DECEMBER 31, 2013	
				FUNDED	UNFUNDED			FUNDED	UNFUNDED
2166	Various Capital Improvements	8/21/02	\$ 350,000.00	\$ 2,443.23	\$	\$		2,443.23	
2181	Various Capital Improvements	2/27/03	1,031,738.26	50,928.11			10,788.75	40,139.36	
2206	Various Capital Improvements	4/21/04	2,298,241.00	175,081.59			89,518.97	85,562.62	
2218	Contribution to Storm Water Program	11/10/04	44,110.00	2,525.00				2,525.00	
2225/2238	Various Capital Improvements	3/18/05	1,743,833.00	59,960.60			59,960.60		126,820.61
2251	Various Capital Improvements	9/20/09	1,999,000.00		225,191.24		99,370.63		
2276	Various Road Improvements	6/13/07	1,050,000.00		21,470.85		21,470.85		
2292	Improvements to Sylvester Land Field	12/19/07	1,320,000.00		6,048.83				6,048.83
2297	Westbrook Flood Control Project	4/16/08	9,000,000.00	718,756.01			7,718,756.01		
2300	Various Road Improvements	7/16/08	3,350,000.00		1,531,379.09		218,420.14		1,312,958.95
2313	Refunding Bond Ordinance	11/12/08	1,300,000.00		35,974.05			35,974.05	
2340	Various Road Improvements	7/15/09	1,600,000.00		248,354.11		177,667.50		70,686.61
2342	Various Improvements	8/19/09	95,000.00						
2349	Acquisition of Ambulance	10/21/09	160,000.00		8,500.00				8,500.00
2389	Various Improvements	2/16/11	320,000.00		15,356.47		5,126.28		10,230.19
2396	Various Improvements	4/20/11	4,574,800.00		2,407,421.73		2,024,905.34		382,516.39
2407	Sanitary Sewer System Improvements	9/21/11	2,900,000.00		1,128,978.80		721,407.56		407,571.24
2408	Various Park Improvements	8/27/11	1,700,000.00		759,500.00		1,208,527.57		
2459	Acquisition of Property	7/17/13	403,000.00	449,027.57		403,000.00	158,984.91		244,015.09
REF.				\$ 1,458,722.11	\$ 13,388,175.17	\$ 403,000.00	\$ 12,513,905.11	\$ 166,644.26	\$ 2,569,347.91
				C	C		C-10	C-C-3	C-C-5

"C-9"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 132,308.63
Decreased by:		
Loans Paid by Budget	C-4	<u>13,266.57</u>
Balance, December 31, 2013	C	\$ <u><u>119,042.06</u></u>

"C-10"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2012	C	\$ 3,803.50
Increased by:		
Charges to Improvement Authorizations	C-8	<u>12,513,905.11</u>
		\$ <u>12,517,708.61</u>
Decreased by:		
Cash Disbursements	C-2	<u>11,810,036.67</u>
Balance, December 31, 2013	C	\$ <u><u>707,671.94</u></u>

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND
SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2012	DECREASED	BALANCE DECEMBER 31, 2013
			DATE	AMOUNT				
Refunding Bonds - ERIP	4/1/03	\$ 145,000.00	4/1/14-15	\$ 10,000.00	5.29%	\$ 75,000.00	10,000.00	\$ 65,000.00
			4/1/16-18	15,000.00	5.29%			
General Improvements	06/01/05	4,363,000.00	06/01/14	450,000.00	3.650%	2,703,000.00	450,000.00	2,253,000.00
			06/01/15	450,000.00	3.650%			
			06/01/16	450,000.00	3.650%			
			06/01/17	450,000.00	3.650%			
Refunding Bonds	9/15/11	1,520,000.00	3/15/14	260,000.00	2.000%	1,265,000.00	260,000.00	1,005,000.00
			3/15/15	250,000.00	3.000%			
			3/15/16	250,000.00	3.000%			
			3/15/17	245,000.00	3.000%			
						\$ 4,043,000.00	720,000.00	3,323,000.00
						C	C-4	C
						REF.		

"C-12"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT

REF.

Balance, December 31, 2012 and
December 31, 2013

C

\$ 6,118.00

"C-13"

SCHEDULE OF DUE OTHER TRUST FUND

Balance, December 31, 2012

C

\$ 426,188.00

Increased by:

Cash Disbursements

C-2

2,431,519.47

2,857,707.47

Decreased by:

Cash Receipts

C-2

668,225.13

Balance, December 31, 2013

C

\$ 2,189,482.34

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

[illegible]

"C-15"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2012 (Due From)	C	\$ 393,982.03
Increased by:		
Cash Disbursements	C-2	8,932,032.20
		\$ <u>9,326,014.23</u>
Decreased by:		
Cash Receipts	C-2	<u>9,438,287.54</u>
Balance, December 31, 2013 (Due To)	C	\$ <u><u>112,273.31</u></u>

"C-16"

SCHEDULE OF RESERVE FOR BASKETBALL COURT IMPROVEMENTS

Balance, December 31, 2012, and December 31, 2013	C	\$ <u><u>42,500.00</u></u>
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"C-17"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2012	C	\$ 258,886.37
Increased by:		
Expenditure Without an Appropriation	C-2	227,830.17
		\$ <u>486,716.54</u>
Decreased by:		
Cash Receipts	C-2	<u>258,886.00</u>
Balance, December 31, 2013	C	\$ <u><u>227,830.54</u></u>

"C-18"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2012	C	\$ 1,545,341.00
Decreased by:		
Paid by Budget	C-4	<u>53,405.03</u>
Balance, December 31, 2013	C	\$ <u>1,491,935.97</u>

"C-19"

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE

Balance, December 31, 2012	C	\$ 1,545,341.00
Decreased by:		
Cash Receipts	C-2	\$ <u>1,545,341.00</u>

"C-20"

SCHEDULE OF DUE GRANT FUND

Balance, December 31, 2012	C	\$ 127,129.00
Increased by:		
Cash Disbursements	C-2	<u>66,545.44</u>
Balance, December 31, 2013	C	\$ <u>193,674.44</u>

"C-21"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR UNIDENTIFIED RECEIPTS

	<u>REF.</u>	
Balance, December 31, 2012 and December 31, 2013	C	\$ <u>6,017.44</u>

"C-22

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE</u> <u>NUMBER</u>	<u>IMPROVEMENT AUTHORIZATION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2013</u>
2251	Various Capital Improvements	\$ 26,000.00
2297	Westbrook Flood Control Project	2,666,000.00
2349	Acquisition of Ambulance	152,000.00
2459	Acquisition of Property	<u>403,000.00</u>
		 \$ <u><u>3,247,000.00</u></u>

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2012	D		\$ 96,951.80	\$ 34,509.00
Increased by Receipts:				
Rents	D-5	\$ 259,806.06	\$	
Security Deposits	D-7	7,857.91		
Due Current Fund	D-13	86,541.55		
Miscellaneous	D-2	<u>20,057.61</u>		
			374,263.13	
			<u>\$ 471,214.93</u>	<u>\$ 34,509.00</u>
Decreased by Disbursements:				
2013 Appropriations	D-3	\$ 276,011.64	\$	
2012 Appropriations Reserves	D-8	5,266.12		
Due Current Fund	D-13	<u>87,000.00</u>		
			<u>368,277.76</u>	
Balance, December 31, 2013	D		<u>\$ 102,937.17</u>	<u>\$ 34,509.00</u>

"D-5"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF RENTAL INCOME ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, December 31, 2012	D	\$ 6,959.00
Increased by:		
Rents Levied		258,712.00
		\$ <u>265,671.00</u>
Decreased by:		
Collection	D-4	\$ <u>259,806.06</u>
Balance, December 31, 2013	D	\$ <u><u>5,864.94</u></u>

"D-6"

SCHEDULE OF ACCOUNTS PAYABLE

Increased by:		
Transferred from Budget Appropriations	D-3	\$ <u>7,160.00</u>
Balance, December 31, 2013	D	\$ <u><u>7,160.00</u></u>

"D-7"

SCHEDULE OF TENANT SECURITY DEPOSITS

Balance, December 31, 2012	D	\$ 26,554.39
Increased by:		
Cash Receipts	D-4	<u>7,857.91</u>
Balance, December 31, 2013	D	\$ <u><u>34,412.30</u></u>

"D-8"

BOROUGH OF ROSELLE
AFFORDABLE HOUSING UTILITY OPERATING FUND
SCHEDULE OF 2012 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2012	BALANCE AFTER TRANSFERS	PAID OR CHARGED	OVEREXPENDED
Operating:				
Other Expenses	\$ _____	\$ _____	\$ 5,266.12	\$ 5,266.12
	\$ _____	\$ _____	\$ 5,266.12	\$ 5,266.12
<u>REF.</u>			D-4	D-1:D-15

"D-9"

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

<u>Account</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2012 AND DECEMBER 31, 2013</u>
Affordable Housing Improvements	D	\$ <u>5,000.00</u>

"D-10"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2012 and December 31, 2013	D	\$ <u>5,000.00</u>
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"D-11"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2012 and December 31, 2013	D	\$ <u>20,000.00</u>
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"D-12"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF OPERATING SECURITY DEPOSITS

REF.

Balance, December 31, 2012, and
December 31, 2013

D

\$ 327.60

"D-13"

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2012 (Due From)

D

\$ 438.56

Increased by:

Cash Disbursements

D-4

87,000.00

\$ 87,438.56

Decreased by:

Cash Receipts

D-4

86,541.55

Balance, December 31, 2013 (Due From)

D

\$ 897.01

"D-14"

SCHEDULE OF DUE AFFORDABLE HOUSING UTILITY CAPITAL FUND

Balance, December 31, 2012, and
December 31, 2013 (Due From)

D

\$ 14,509.00

"D-15"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2012	ADDED DECEMBER 31, 2013	RAISED IN 2013 BUDGET	BALANCE DECEMBER 31, 2013
<u>REF.</u>				
Overexpenditure of Appropriations	\$ 45,818.36	\$ 12,646.64	\$ 45,818.36	\$ 12,646.64
Overexpenditure of Appropriation Reserves	<u>15,049.82</u>	<u>5,266.12</u>	<u>15,049.82</u>	<u>5,266.12</u>
	<u>\$ 60,868.18</u>	<u>\$ 17,912.76</u>	<u>\$ 60,868.18</u>	<u>\$ 17,912.76</u>
<u>REF.</u>	D	D-1	D-3	D

"D-17"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF TRUST OTHER FUND

Balance, December 31, 2012 and
December 31, 2013 (Due From)

D

\$ 19,437.00

"D-18"

AFFORDABLE HOUSING UTILITY CAPITAL FUND

SCHEDULE OF DUE AFFORDABLE HOUSING UTILITY OPERATING FUND

Balance, December 31, 2012 and
December 31, 2013 (Due To)

D

\$ 14,509.00

"E-1"

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH-TREASURER

	<u>REF.</u>	<u>P.A.T.F. I ACCOUNT</u>	<u>FUND TOTAL</u>
Balance, December 31, 2013 and December 31, 2012	E:E-2	\$ <u>12,960.34</u>	\$ <u>12,960.34</u>

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

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

	<u>REF.</u>		
Balance, December 31, 2013 and July 31, 2014	E-1	\$	<u><u>12,960.34</u></u>
<u>Reconciliation, July 31, 2014</u>			
		<u>P.A.T.F. I ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of: TD Bank Account #7861791270		\$ <u>12,960.34</u>	\$ <u>12,960.34</u>
Balance, July 31, 2014		\$ <u><u>12,960.34</u></u>	\$ <u><u>12,960.34</u></u>

BOROUGH OF ROSELLE
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION AS OF DECEMBER 31, 2013

	<u>REF.</u>	
Balance, December 31, 2012 and December 31, 2013	E-1	\$ <u>12,960.34</u>

Reconciliation, December 31, 2013

	<u>P.A.T.F. I</u>	
	<u>ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of: TD Bank Account #7861791270	\$ <u>12,960.34</u>	\$ <u>12,960.34</u>
Balance, December 31, 2013	\$ <u>12,960.34</u>	\$ <u>12,960.34</u>

BOROUGH OF ROSELLE

PART II

SINGLE AUDIT SECTION

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

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAMS AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH U.S. OMB CIRCULAR NO. A-133
AND NEW JERSEY OMB CIRCULAR 04-04

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2013, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated August 25, 2014. 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 other reporting framework other than U.S. generally accepted accounting principles. Our report also disclosed that our opinion on the regulatory financial statements as of December 31, 2013 was qualified due to the omission of a Statement of General Fixed Assets.

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

SUPLEE, CLOONEY & COMPANY

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies that we consider to be material weaknesses. We also noted other matters involving internal control that we have reported to the Borough of Roselle in the General Comments and Recommendations Section of this report.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 2013-02 which is described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings as item 2013-01. We also noted other instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of this report.

Borough of Roselle's Response to Findings

The Borough of Roselle's response to the findings identified in our audit will be described in the Borough's Corrective Plan on file in the Borough Clerk's Office. We did not audit the Borough's response and, accordingly, we express no opinion on it.

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

August 25, 2014



SUPLEE, CLOONEY & COMPANY

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL
FINANCIAL ASSISTANCE PROGRAMS AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH U.S. OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Roselle's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Borough of Roselle's major federal and state programs for the year ended December 31, 2013. The Borough's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Roselle's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Roselle's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Roselle's compliance.

SUPLEE, CLOONEY & COMPANY

Opinion on Each Major Federal Program

In our opinion, the Borough of Roselle complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB 04-04 and which are described in the accompanying Schedule of Findings and Questioned Costs as items #2013-03, and #2013-04. Our opinion on each major federal and state program is not modified with respect to these matters. The Borough's response to the noncompliance findings identified in our audit will be described in the Borough's corrective action plan on file in the Borough Clerk's office. We did not audit the Borough's response and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Management of the Borough of Roselle is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Roselle's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Roselle's internal control over compliance.

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

SUPLEE, CLOONEY & COMPANY

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items #2013-03, and #2013-04. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB 04-04. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

August 25, 2014

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2013

FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	2013 FUNDS RECEIVED	2013 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2013
		FROM	TO				
FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE							
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
Passed Through County of Union:							
14.218	004-161	09/01/04	08/31/05	\$	\$	\$	194,042.00
14.218	008-446	09/01/09	08/31/10				27,989.90
14.218	008-059	09/01/09	08/31/10				42,667.82
14.218	008-163	09/01/09	08/31/10				125,000.00
14.218	010-059	09/01/10	08/31/11				25,000.00
14.218	011-059	09/01/11	08/31/12				14,720.00
14.218	011-163	09/01/11	08/31/12		175,000.00	175,000.00	175,000.00
14.218	012-276	09/01/12	08/31/13		7,430.00	7,430.00	7,430.00
14.218	012-277	09/01/12	08/31/13		5,565.00	5,565.00	5,565.00
14.218	012-446	09/01/12	08/31/13		17,000.00	17,000.00	17,000.00
14.218	012-163	09/01/13	08/31/13		140,000.00		
14.218	013-163	09/01/13	08/31/14		135,000.00		
14.218	013-276	09/01/13	08/31/14		12,985.00		
14.218	013-277	09/01/13	08/31/14		10,000.00		
14.218	013-446	09/01/13	08/31/14		15,000.00		
14.218	013-059	09/01/13	08/31/14		15,000.00		
14.264				2,500,000.00	633,347.57	626,238.91	2,492,891.34
					838,942.57	831,233.91	3,127,315.86
UNITED STATES DEPARTMENT OF AGRICULTURE							
10.559	3350-100-033-2012-2012			101,500.83	38,391.30	40,024.50	88,087.52
10.559	3350-100-033-2012-2012			37,835.00	3,495.14		
					38,391.30	40,024.50	88,087.52
UNITED STATES DEPARTMENT OF ENVIRONMENTAL PROTECTION							
66.618	N/A		8/4/09	200,000.00			189,720.09
							189,720.09
U.S. Department of Homeland Security							
97.044			Continuous	56,722.00	56,722.00	56,722.00	56,722.00
97.044			Continuous	26,828.00			
97.036			Continuous	987,418.41	448,581.79	987,418.41	987,418.41
					505,303.79	1,044,140.41	1,044,140.41

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2013

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2013 FUNDS RECEIVED	2013 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2013
DEPARTMENT OF TRANSPORTATION							
Passed Through State of New Jersey							
Central Business Midtown Grant	20.205		Continuous	500,000.00			383,395.86
SRYS Pedestrian Walkway	20.205		Continuous	233,965.00	124,473.86		152,135.73
Chestnut Streetscape - Ord. 2251	20.205		Continuous	500,000.00			135,000.00
Various Streets - Ord 2251	20.205		Continuous	360,000.00			400,800.25
Various Streets - Ord 2300	20.205		Continuous	728,000.00			57,266.75
Various Streets - Ord 2340	20.205		Continuous	57,266.75			279,065.00
Various Streets - Ord 2380	20.205		Continuous	279,065.00			140,244.00
Various Streets - Ord 2380	20.205		Continuous	187,024.00			9,024.00
Various Streets - Ord 2380	20.205		Continuous	12,000.00			
					124,473.86		1,743,919.39
DEPARTMENT OF LABOR							
Pass Through County of Union							
Workforce Investment Act Youth Works Program	17.258			224,000.00	94,765.00	5,628.30	224,000.00
Workforce Investment Act National Emergency	17.258			83,546.00	13,205.98	89,003.14	89,003.14
					107,970.96	94,629.44	313,003.14
UNITED STATES DEPARTMENT OF JUSTICE							
Justice Assistance Program	16.579		Continuous	58,812.00	11,668.32		58,772.50
Justice Assistance Program	16.579		Continuous	21,284.00		21,082.19	21,082.19
Bulletproof Vest Partnership Program	16.607	N/A	Continuous	3,997.00			3,997.00
Bulletproof Vest Partnership Program	16.607	N/A	Continuous	9,497.00		3,774.50	9,497.00
Bulletproof Vest Partnership Program	16.607	N/A	Continuous	3,997.00			3,774.50
					11,668.32	24,856.69	87,123.19
					1,626,150.80	2,034,884.95	6,603,309.60
				\$	\$	\$	\$

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2013

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2013 FUNDS RECEIVED	2013 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2013
			\$	\$	\$	\$
DEPARTMENT OF HUMAN SERVICES						
H1N1 Local Public Health Emergency			71,058.00			59,607.83
DEPARTMENT OF ENVIRONMENTAL PROTECTION						
Clean Communities Program	4800-765-042-4900-004-VCMC-6020	Continuous	53,448.00		12,613.26	40,120.98
Clean Communities Program	4900-765-042-4900-004-VCMC-6020	Continuous	31,122.00	31,122.00	31,122.00	31,122.00
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	Continuous	36,648.00		27,850.00	35,498.00
Wastewater Management		Continuous	15,000.00	15,000.00		15,000.00
Multi-Park Improvement - Ord. 2408	4800-533-852000-60	Continuous	800,000.00	471,397.02	471,397.02	471,397.02
Various Streets - Ord 2297 - Westbrook Flood Control Project	4800-520-880620-60	Continuous	5,055,000.00	1,434,572.71	5,055,000.00	5,055,000.00
Stormwater Grant		Continuous	10,583.00	1,952,091.73	5,597,982.28	5,648,138.00
DEPARTMENT OF COMMUNITY AFFAIRS						
Statewide Liable Communities - Local Library Aid	05-100-022-8030-654-FFFF-6120	5/1/05 4/30/07	50,000.00			50,000.00
GOVERNOR'S COUNCIL ON ALCOHOL AND DRUG ABUSE						
Pass Through County of Union Alliance Grant	08-ALL-105	1/1/08 12/31/08	20,346.00			17,218.39
Pass Through County of Union Alliance Grant	09-ALL-105	1/1/09 12/31/09	16,498.00			14,598.47
Pass Through County of Union Alliance Grant	12-ALL-105	1/1/12 12/31/12	16,498.00	13,597.64		16,498.00
Pass Through County of Union Alliance Grant	13-ALL-105	1/1/13 12/31/13	13,030.00	4,405.36	4,755.00	4,755.00
				18,003.00	4,755.00	53,039.86
DEPARTMENT OF LAW AND PUBLIC SAFETY						
Drunk Driving Enforcement Fund-Prior Year	6400-100-078-6400-YYY	Continuous	25,652.19		40.00	12,211.00
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	Continuous	11,908.00			
Alcohol Education and Rehabilitation	9735-780-098-4900-001-X000-6020	Continuous	7,354.11			
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	Continuous	12,535.40		5,010.31	6,740.16
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	Continuous	7,464.07	7,464.07		
Safe and Secure Community	066-1020-100-232-06	Continuous	60,000.00			
Safe Routes to Schools			4,600.00			4,286.56
Click It or Ticket			4,000.00			3,590.85
Pandemic Influenza			7,590.85			
Pandemic Influenza			8,652.00			
Operation Safe Streets			7,472.00			8,564.00
Over the Limit Under Arrest			4,000.00			
Drive Sober Get Pulled Over			5,624.00			7,469.90
You Drink, You Drive You Lose			4,400.00			
	AL05-63-11-16		304.00	7,464.07	5,050.31	42,862.47
DEPARTMENT OF TREASURY						
Development of Elderly Programs	05-100-094-9420-047	7/1/04 6/30/06	10,000.00			9,115.70
				1,977,558.80	5,607,787.59	5,862,783.88

BOROUGH OF ROSELLE

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

YEAR ENDED DECEMBER 31, 2013

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the Borough of Roselle's regulatory basis financial statements. These amounts are reported in the Current Fund, Grant Fund, Trust Fund or General Capital Fund.

Revenues

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 448,581.79	\$	\$	\$ 448,581.79
Grant Fund	972,574.01	71,589.07	51,250.00	1,095,413.08
Trust Other Fund	204,995.00			204,995.00
General Capital Fund		1,905,969.73		1,905,969.73
	<u>\$ 1,626,150.80</u>	<u>\$ 1,977,558.80</u>	<u>\$ 51,250.00</u>	<u>3,654,959.60</u>

Expenditures

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$ 987,418.41	\$	\$	\$ 987,418.41
Grant Fund	842,471.54	81,390.57	348,092.66	1,271,954.77
Trust Other Fund	29,995.00			29,995.00
General Capital Fund	175,000.00	5,526,397.02		5,701,397.02
	<u>\$ 2,034,884.95</u>	<u>\$ 5,607,787.59</u>	<u>\$ 348,092.66</u>	<u>\$ 7,990,765.20</u>

NOTE 5. OTHER

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

Expenditures reported against the Public Assistance Disaster Grant are reported at 90% of the approved project costs. Some costs reported on these grants occurred in 2012.

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| (1) Type of Auditor Report Issued: | Qualified |
| (2) Internal Control Over Financial Reporting: | |
| (a) Material weaknesses identified during the audit? | Yes |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| (3) Noncompliance material to the financial statements noted during the audit? | Yes |

Federal Programs

- | | |
|---|------------|
| (1) Internal Control Over Major Federal Programs: | |
| (a) Material weaknesses identified during the audit? | No |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | Yes |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)? | Unmodified |
| (3) Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this schedule? | Yes |

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

Federal Programs (Continued)

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

<u>Program</u>	<u>CFDA#</u>
Disaster Assistance-FEMA Hurricane	97.036
Neighborhood Preservation Program	14.264

(5) Program Threshold Determination:

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

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

State Programs

(1) Internal Control Over Major State Programs:

(a) Material weaknesses identified during the audit?	No
(b) Significant deficiencies identified that are not Considered to be material weaknesses?	None Reported

(2) Type of Auditor's Report issued on compliance for major state program(s)? Unmodified

(3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and listed in Section III of this schedule? None Reported

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

State Programs (Continued)

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

<u>Program</u>	<u>Grant#</u>
D.E.P.-Multi-Park Improvement	4800-533-852000-60
D.E.P.-Westbrook Flood Project	4800-520-880620-60

(5) Program Threshold Determination:

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

(6) Auditee qualified as a low-risk auditee under OMB Circular 04-04? No

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Section II - Financial Statement Audit - Reported Findings Under Government Auditing Standards

Compliance

(13-01)

Per Local Finance Notice 2003-14, Municipalities are required to maintain general ledgers for all funds. During 2013 the Borough did not completely maintain a Current Fund General Ledger. In addition, General Ledgers were not maintained for any of the other funds. General Ledgers are the permanent fiscal records which provide a summary of all financial transactions as they have been recorded in the books of original entry utilizing a double entry accounting system. Through the use of general ledgers, the books of original entry and supporting subsidiary ledgers, the financial statements would be prepared.

We recommend that general ledgers be completely and currently maintained for all funds.

(13-02)

The General Fixed Assets Ledger has not been updated to reflect the purchase, retirement or sale of general fixed assets that occurred during the past several years. Accordingly, we are unable to satisfy ourselves as to the amount of General Fixed Assets to be reported in the financial statements.

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

Internal Control

#(13-03)

As discussed in detail in #13-01 and #13-02, the Borough of Roselle has deficiencies in the design and operation of its internal control over financial reporting.

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

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

Federal Programs

State of New Jersey Department of Economic Development

Neighborhood Stabilization Grant – CFDA #14.264

#13-04

During our audit of the Neighborhood Stabilization Grant we noted that the Borough did not adequately monitor the subgrantee. The Borough did not obtain copies of the single audit reports from the subrecipients.

We recommend that the Borough obtain and review single audit reports for subrecipients.

State Programs - None Reported

Summary Schedule of Prior Audit Findings

Finding # 2012-01

Per N.J.A.C. 5:30-5.7, Municipalities are required to maintain general ledgers for all funds. During 2012 the Borough did not completely maintain General Ledgers for any funds. General Ledgers are the permanent fiscal records which provide a summary of all financial transactions as they have been recorded in the books of original entry utilizing a double entry accounting system. Through the use of general ledgers, the books of original entry and supporting subsidiary ledgers, the financial statements would be prepared

Current Status

This finding is repeated in the current year as finding 2013-1.

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013

Finding # 2012-02

Pursuant to N.J.A.C. 5:30-5.6, Municipalities shall have and maintain a fixed assets accounting and reporting system. The Borough's General Fixed Assets Ledger has not been updated to reflect the purchase, retirement or sale of general fixed assets that occurred during the past several years. Accordingly, we are unable to satisfy ourselves as to the amount of General Fixed Assets to be reported in the financial statements.

Current Status

This finding is repeated in the current year as finding 2013-2.

Finding # 2012-03

As discussed in detail in #TY 2012-01 and 2012-02, the Borough of Roselle has deficiencies in the design and operation of its internal control over financial reporting.

Current Status

This finding is repeated in the current year as finding 2013-03 as it relates to the maintenance of general ledgers for all funds.

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PART III

BOROUGH OF ROSELLE

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

FISCAL YEAR ENDED DECEMBER 31, 2013

STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - CURRENT FUND

	2013		2012	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,021,655.00	1.51%	\$ 1,516,783.00	2.22%
Miscellaneous - From Other Than				
Local Property Tax Levies	6,700,178.28	9.92%	7,652,191.01	11.18%
Collection of Delinquent Taxes and				
Tax Title Liens	57,475,719.30	85.09%	56,413,076.06	82.46%
Collection of Current Tax Levy	2,348,848.41	3.48%	2,833,551.17	4.14%
<u>Total Income</u>	<u>\$ 67,546,400.99</u>	<u>100.00%</u>	<u>\$ 68,415,601.24</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 36,345,628.56	54.44%	\$ 37,073,956.32	54.72%
County Taxes	6,711,962.24	10.05%	6,800,234.70	10.04%
Local School Taxes	23,438,800.00	35.11%	23,438,800.00	34.60%
Other Expenditures	261,315.24	0.39%	436,596.54	0.64%
<u>Total Expenditures</u>	<u>\$ 66,757,706.04</u>	<u>100.00%</u>	<u>\$ 67,749,587.56</u>	<u>100.00%</u>
Excess in Revenue	\$ 788,694.95		\$ 666,013.68	
Adjustments to Income Before Surplus:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year			894,673.99	
Statutory Excess to Fund Balance	\$ 788,694.95		\$	
Fund Balance, January 1	2,568,329.88		2,524,425.21	
	\$ 3,357,024.83		\$ 4,085,112.88	
Decreased by:				
Utilization as Anticipated Revenue	1,021,655.00		1,516,783.00	
Fund Balance, December 31	<u>\$ 2,335,369.83</u>		<u>\$ 2,568,329.88</u>	

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

	YEAR 2013		YEAR 2012	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Collection of Rents	\$ 259,806.06	71.68%	\$ 250,258.75	99.57%
Miscellaneous - From Other Than Rents	20,057.61	5.53%	1,080.25	0.43%
<u>TOTAL INCOME</u>	<u>\$ 362,476.85</u>	<u>100.00%</u>	<u>\$ 251,339.00</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 166,761.64	48.47%	\$ 144,000.23	55.60%
Deferred Charges and Statutory Expenditures	60,868.18	17.69%	7,267.43	2.81%
Debt Service	116,410.00	33.84%	107,710.00	41.59%
<u>TOTAL EXPENDITURES</u>	<u>\$ 344,039.82</u>	<u>100.00%</u>	<u>\$ 258,977.66</u>	<u>100.00%</u>
Excess in Revenue	\$ 18,437.03			
Deficit in Revenue			\$ (7,638.66)	
Adjustments to Income Before Surplus:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	\$ 12,646.64		\$ 43,977.66	
Statutory Excess to Fund Balance	31,083.67		36,339.00	
Fund Balance, January 1	165,322.55		128,983.55	
Fund Balance, December 31	<u>\$ 113,793.04</u>		<u>\$ 165,322.55</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	CALENDAR YEAR <u>2013</u>	CALENDAR YEAR <u>2012</u>	TRANSITION YEAR <u>2011</u>
Tax Rate	<u>\$7.713</u>	<u>\$7.614</u>	<u>\$3.841</u>
Apportionment of Tax Rate:			
Municipal	3.758	3.649	1.885
Library	0.058	0.064	
County	0.867	0.876	0.456
Local School	3.030	3.025	1.500

Assessed Valuations:

2013	<u>\$773,749,811.00</u>	
2012		<u>\$774,998,542.00</u>
2011		<u>\$781,311,070.00</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>TAX LEVY</u>	<u>CASH</u> <u>COLLECTION</u>	<u>CURRENTLY</u> <u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
CALENDAR YEAR 2013	\$59,679,091.53	\$57,475,719.30	96.31%
CALENDAR YEAR 2012	\$59,075,620.10	\$56,413,076.06	95.49%
TRANSITION YEAR 2011	\$30,112,673.41	\$27,739,323.14	92.12%

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

	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
CALENDAR YEAR 2013	\$621,353.94	\$2,259,477.31	\$2,880,831.25	4.83%
CALENDAR YEAR 2012	\$167,385.36	\$3,190,243.54	\$3,357,628.90	5.63%
TRANSITION YEAR 2011	\$59,705.00	\$3,811,911.68	\$3,871,616.68	6.55%

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>AMOUNT</u>
CALENDAR YEAR 2013	\$2,027,232.00
CALENDAR YEAR 2012	\$2,027,232.00
TRANSITION YEAR 2011	\$2,027,232.00

COMPARATIVE SCHEDULE OF FUND BALANCES

		<u>YEAR END BALANCE</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	CALENDAR YEAR 2013	\$2,335,369.83	\$1,500,000.00
	CALENDAR YEAR 2012	2,568,329.88	1,021,655.00
	TRANSITION YEAR 2011	2,524,425.21	1,516,783.00
	FISCAL YEAR 2011	1,658,540.15	-0-
	FISCAL YEAR 2010	997,327.76	975,000.00
		<u>YEAR END BALANCE</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Affordable Housing Utility Operating Fund	CALENDAR YEAR 2013	\$113,793.04	\$95,000.00
	CALENDAR YEAR 2012	165,322.55	82,613.18
	TRANSITION YEAR 2011	128,983.55	-0-
	FISCAL YEAR 2011	110,415.46	-0-
	FISCAL YEAR 2010	1,658,540.15	-0-

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>
Jamel Holley	Mayor	*	
Yves Aubourg	Council President	*	
Randy Sandifer	Councilman	*	
Christine Dansereau	Councilwoman	*	
Kim Shaw	Councilwoman	*	
Roy Locke	Councilman	*	
Ronald Hayman	Councilman	*	
David Brown	Administrator	*	
Lydia Agbejimi	Deputy Clerk	*	
Donna Mauer	CFO		
Carl Marshall	Magistrate		
Stella Fellner	Court Administrator		
John Hudak	Attorney	*	
Sharon Curran	Tax Collector		
Pamela Steele	Tax Assessor	*	
Gerard Orlando	Police Chief	*	
Paul Mucha	Fire Chief	*	

*Public employees bonded by blanket position bond-Hartford Ins. Co.-\$250,000.00

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 January 1, 2012, the bid threshold was \$17,500.00. The Borough increased the bid threshold to \$36,000.00 by appointing a Qualified Purchasing Agent (QPA).

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

Road 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 2013 for the professional services:

- Labor Counsel
- Municipal Auditor
- Engineering Services
- Other Legal Services
- Consultants
- Tax Appeal Counsel
- Special Counsel
- Insurance Counsel
- Architects
- Physicians

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 4, 2013 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 6, 2013.

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

<u>FISCAL YEAR</u>		<u>NUMBER OF LIENS</u>
Calendar Year	2013	18
Calendar Year	2012	5
Transition Year	2011	5

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 2014	25
Payment of 2013	25
Delinquent Taxes	25

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, 2013 on the balance sheets of the Borough.

Municipal Court

The fines and costs bank account was not properly reconciled with the ATS/ACS computer system.

Fines and costs were not always turned over to the proper agencies in a timely manner.

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

Payroll

The Net Payroll and Payroll Agency Bank Accounts were not properly reconciled on a timely basis.

An analysis of the balance on account in the Payroll Agency account was not maintained.

We noted that the Borough does not have a contract with their outside payroll service provider, did not designate a responsible individual to authorize and supervise the activities of the provider and did not monitor the internal controls of the provider as required by N.J.A.C. 5:30-17.6.

Pension withholdings were not always remitted to the State on a timely basis.

We noted several deductions withheld were not remitted to agencies in a timely manner.

Our examination of the internal controls over payroll revealed that the payroll was not always formally reviewed and approved by an individual not involved in the payrolls preparation.

OTHER COMMENTS (CONTINUED)

Tax Collector

We noted a lack of segregation of duties in the tax office. The tax clerk is the only employee responsible for accepting payments, recording receipts, preparing deposit slips and proving daily batch totals.

Monthly tax reports were not generated and reconciled with the Current Fund General Ledger.

The balance on deposit in the Tax Title Lien Redemption Bank Account was not reconciled with the records maintained in the Tax Collectors office.

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:

An official schedule of fees to be charged by the various departments was not maintained.

Clerks Department:

An adequate detailed cash receipts ledger was not maintained.

Departmental revenue records did not always agree with the records of the Finance Department

Board of Health/Vital Statistics Department:

Departmental revenue records did not always agree with the records of the Finance Department

Public Works:

An adequate detailed cash receipts ledger was not maintained.

Departmental revenue records did not always agree with the records of the Finance Department

OTHER COMMENTS (CONTINUED)

Departments (Continued)

Zoning:

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

An adequate detailed cash receipts ledger was not maintained.

Departmental revenue records did not always agree with the records of the Finance Department

Police Department:

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

An adequate detailed cash receipts ledger was not maintained.

Departmental revenue records did not always agree with the records of the

Recreation Public Works and Zoning Departments:

No adequate records were provided for audit.

Surety Bonds

There was no evidence that individual surety bonds or blanket bond coverage was obtained for court employees, tax collector and chief financial officer.

Affordable Housing Utility

The third party management company did not provide an accurate report of accounts receivable to the Finance Department.

The Security Deposit Escrow Account was not reconciled to a listing of required Escrow Deposits..

Fixed Assets

A complete record of General Fixed Assets was not currently maintained.

Treasurer

Prior year grant balances were not adjusted on the financial records of the Borough.

Several Miscellaneous Trust Deposits maintained by the Borough do not have Dedications by Rider approved by the State of New Jersey.

OTHER COMMENTS (CONTINUED)

Treasurer (Continued)

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

Numerous cash receipts and disbursements were not promptly posted and/or were incorrectly posted in the Current, Trust, Affordable Housing Utility and Capital cash receipts and disbursement ledgers.

Fees collected on behalf of the State of New Jersey for State Training Fees were not separately accounted for.

Bank accounts were not always reconciled in a timely manner.

We noted numerous grants receivable and appropriated grant reserves from prior years which should be reviewed and cleared of record.

A detailed analysis of trust deposits was not reconciled to the reconciled bank balance in the Trust Other Account.

A reconciliation of monies expended on behalf of the Borough of Roselle Free Public Library to amounts received from the Borough of Roselle Free Public Library was not maintained.

Purchasing

We noted that several vendors were paid in excess of the bid threshold without being awarded a contract by board resolution.

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. As a result, several overexpenditures occurred

Post-Retirement Benefits - GASB #45

The Borough has not reported the actuarially determined liabilities of its other Post-Employment Benefits (OPEB) as required by GASB Statement No. 45 and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Federal and State Grants

The Borough did not adequately monitor the subgrantee of the Neighborhood Stabilization Grant

RECOMMENDATIONS

That the Municipal Court:

- *Reconcile the fines and costs bank account with the ATS/ACS computer system on a monthly basis.

- That fines and costs be turned over to the proper agencies in a timely manner.

- *Investigate and clear all tickets on the "Assigned but not Issued Report."

- *That the Net Payroll and Payroll Agency Bank Accounts be properly reconciled on a timely basis.

- *That the balance on deposit in the Payroll Agency Bank Account be analyzed monthly.

- *That pension withholdings be remitted to the State on a timely basis.

- *That the Borough's use of third party payroll processing and disbursement services be in accordance with the requirements of N.J.A.C. 5:30-17 and Local Finance Notice 2003-15.

- *That all payrolls be formally reviewed and approved by an individual not involved in payroll preparation.

- *That all payroll deductions be remitted to their respective agencies on a timely basis.

- *That monthly tax reports be generated and reconciled with the Current Fund General Ledger.

- *That the balance in the Tax Title Lien Redemption Bank Account be reconciled with the records maintained in the Tax Collector's office.

- *That the lack of segregation of duties in the tax department be addressed.

- *That all Borough Departments:

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

- *Maintain adequate records for of all cash receipts collected and that they be reconciled with the Treasurer on a monthly basis.

- *That the court, tax collector and chief financial officer be adequately bonded.

- *That the Balance on Deposit in the Security Escrow Trust Account be reconciled and analyzed monthly.

- *That a complete and accurate record of general fixed assets be maintained in accordance with N.J.A.C. 5:30-5.6.

RECOMMENDATIONS (CONTINUED)

- *That opening grant balances on the financial records of the Borough be adjusted to prior year audit balances.
- *That written approval from the Director of the Division of Local Government Services be obtained for all funds expended as dedicated revenue.
- * That the General Ledgers be reconciled to the subsidiary tax ledgers and reports on a timely basis.
- *That greater care be exercised by the Treasurer in maintaining cash receipts and disbursements records.
- *That State Training Fees be identified and separately accounted for in the Treasurer's records.
- *That the Treasurer's bank accounts be reconcile in a timely manner.
- *That all grant receivable and appropriated reserve balances be reviewed for possible, collection, cancellation or expenditure as appropriate.
- *That a detailed analysis of trust deposits be reconciled to the Trust Other bank account.
- That a reconciliation of monies expended on behalf of the Borough of Roselle Free Public Library to amounts received from the Borough of Roselle Free Public Library be maintained.
- *That a complete encumbrance accounting system be maintained in accordance with N.J.A.C. 5:30-5.2.
- *That sufficient appropriation balances be available prior to the commitment or expenditure of funds.
- *That all contracts in excess of the bid threshold be awarded by resolution of the governing body.
- *That the Borough obtain actuarial information required to report Other Post-Employment Benefit liabilities (OPEB) in the "Notes to the Financial Statements."
- *That the Borough adequately monitor subgrantees.

*Prior Year Recommendations

