

*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, 2017*



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BOROUGH OF ROSELLE

PART I

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YEAR ENDED DECEMBER 31, 2017 AND 2016



# SUPLEE, CLOONEY & COMPANY

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## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Borough of Roselle, as of December 31, 2017 and 2016, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements as listed in the table of contents

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

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



## **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, 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 and account group of the Borough of Roselle as of December 31, 2017, or the results of its operations and changes in fund balance for the year then ended or the revenues or expenditures for the year ended December 31, 2017.

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

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2017, the regulatory basis statement of operations and changes in fund balance for the year then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2017 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.

# SUPLEE, CLOONEY & COMPANY

## ***Other Matters***

### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2018 on our consideration of the Borough of Roselle's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Roselle's internal control over financial reporting and compliance.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 419

October 11, 2018



# SUPLEE, CLOONEY & COMPANY

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Roselle, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated October 11, 2018. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Roselle prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the regulatory financial statements, we considered the Borough's control over financial reporting (internal control) 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

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

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

### ***Compliance and Other Matters***

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

### ***Purpose of This Report***

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

  
CERTIFIED PUBLIC ACCOUNTANTS

  
REGISTERED MUNICIPAL ACCOUNTANT NO. 419

October 11, 2018

CURRENT FUND

BOROUGH OF ROSELLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Cash	A-4	\$ 8,049,917.20	\$ 6,730,883.74
Change Fund	A-5	400.00	400.00
Due From State of New Jersey-Senior Citizens and Veterans Deductions	A-13	1,320.00	500.00
		<u>\$ 8,051,637.20</u>	<u>\$ 6,731,783.74</u>
Receivable and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 2,287,342.09	\$ 1,993,780.64
Tax Title Liens Receivable	A-9	584,828.51	576,687.47
Property Acquired for Taxes-Assessed Valuation	A-10	2,027,232.00	2,027,232.00
Revenue Accounts Receivable	A-11	24,294.93	29,856.80
Interfunds Receivable	A-16	5,164.58	128,549.19
Prepaid School Taxes	A-23	478,151.00	430,151.00
	A	<u>\$ 5,407,013.11</u>	<u>\$ 5,186,257.10</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-25	\$ 3,088.95	\$
Overexpenditure of Appropriation Reserves	A-25	1,762.63	
Special Emergency 40A:4-53 (Tax Map)	A-25		42,500.00
		<u>\$ 4,851.58</u>	<u>\$ 42,500.00</u>
Grant Fund:			
Cash	A-4	\$ 335,529.02	\$ 249,524.57
Federal and State Grants Receivable	A-7	410,130.20	999,802.73
		<u>\$ 745,659.22</u>	<u>\$ 1,249,327.30</u>
		<u>\$ 14,209,161.11</u>	<u>\$ 13,209,868.14</u>

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

BOROUGH OF ROSELLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	REF.	BALANCE DECEMBER 31, 2017	BALANCE DECEMBER 31, 2016
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-17	\$ 2,095,915.41	\$ 2,070,691.14
Encumbrances Payable	A-24	485,341.28	295,564.06
Prepaid Taxes	A-21	578,588.72	251,647.31
Tax Overpayments	A-6	220,443.48	135,257.88
Due State of New Jersey	A-27	248,717.95	248,717.95
Reserve for Tax Map and Revision and Recodification of Ordinances	A-29	159,362.50	159,362.50
Due State of New Jersey - Marriage Licenses	A-20	2,158.00	2,759.00
Due State of New Jersey - DCA Fees	A-28	5,211.00	7,385.00
Reserve for Municipal Assets	A-12		95,000.00
Interfunds Payable	A-16	37,423.84	117,795.02
County Taxes Payable	A-22	24,186.42	8,295.97
		<u>\$ 3,857,348.60</u>	<u>\$ 3,392,475.83</u>
Reserve for Receivables and Other Assets	A	5,407,013.11	5,186,257.10
Fund Balance	A-1	4,199,140.18	3,381,807.91
		<u>\$ 13,463,501.89</u>	<u>\$ 11,960,540.84</u>
Grant Fund:			
Due General Capital Fund	A-30	\$	\$ 347,000.00
Due Current Fund	A-19	245.78	74,313.19
Encumbrances Payable	A-26	40,825.21	13,102.50
Federal and State Grants Appropriated	A-14	661,490.83	814,575.98
Federal and State Grants Unappropriated	A-18	43,097.40	335.63
		<u>\$ 745,659.22</u>	<u>\$ 1,249,327.30</u>
		<u>\$ 14,209,161.11</u>	<u>\$ 13,209,868.14</u>

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGE  
IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized	A-2	\$ 1,850,000.00	\$ 1,500,000.00
Miscellaneous Revenue Anticipated	A-2	6,267,551.78	6,182,558.89
Receipts from Delinquent Taxes	A-2	1,932,252.66	2,304,848.76
Receipts from Current Taxes	A-2	61,398,396.49	60,325,920.24
Non-Budget Revenue	A-2	435,269.45	571,193.50
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-17	1,871,294.36	1,624,699.45
Tax Overpayments Canceled	A-5		94,196.48
Interfunds Returned		123,384.61	
<u>TOTAL INCOME</u>		<u>\$ 73,878,149.35</u>	<u>\$ 72,603,417.32</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Appropriations Within "CAPS":			
Operations:	A-3	\$ 29,291,735.00	\$ 28,087,766.87
Deferred Charges and Statutory Expenditures	A-3	3,352,096.00	3,743,947.91
Excluded From "CAPS"			
Other Operations	A-3	4,263,454.83	4,261,813.54
Capital Improvement Fund		200,000.00	300,000.00
Municipal Debt Service	A-3	1,954,651.72	1,638,245.24
Deferred Charges	A-3	42,500.00	131,707.82
Judgments	A-3		25,000.00
County Taxes	A-22	7,268,407.72	7,179,779.11
Due County for Added and Omitted Taxes	A-22	24,186.42	8,295.97
Local District School Tax	A-23	23,967,345.00	23,673,188.00
Senior Citizens and Veterans Deduction Adjustment			
Refund Prior Year Revenue	A-4	319,193.99	337,140.02
Interfunds Advanced			124,433.14
Federal and State Grants Receivable Cancelled	A-7	482,335.35	187,567.73
Prepaid School Taxes		48,000.00	430,151.00
<u>TOTAL EXPENDITURES</u>		<u>\$ 71,213,906.03</u>	<u>\$ 70,129,036.35</u>
Excess in Revenue		\$ 2,664,243.32	\$ 2,474,380.97
Adjustments to Income Before Surplus:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year		3,088.95	
Statutory Excess to Fund Balance		\$ 2,667,332.27	\$ 2,474,380.97
<u>Fund Balance</u>			
Balance, January 1	A	3,381,807.91	2,407,426.94
		\$ 6,049,140.18	\$ 4,881,807.91
Decreased by:			
Utilized as Anticipated Revenue		1,850,000.00	1,500,000.00
Balance, December 31	A	<u>\$ 4,199,140.18</u>	<u>\$ 3,381,807.91</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, 2017

	ANTICIPATED BUDGET	SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	\$ 1,850,000.00		\$ 1,850,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	\$ 10,000.00	\$	\$ 13,121.40	\$ 3,121.40
Other	7,700.00		1,851.67	(5,848.33)
Fees and Permits	75,000.00		65,591.11	(9,408.89)
Fines and Costs:				
Municipal Court	410,000.00		421,858.56	11,858.56
Interest and Costs on Taxes	480,000.00		425,165.29	(54,834.71)
Parking Meters	20,000.00		30,516.09	10,516.09
Interest on Investments and Deposits	11,000.00		32,736.21	21,736.21
Suburban Cable Franchise Tax	225,000.00		238,365.23	13,365.23
Consolidated Municipal Property Tax Relief Act	375,462.00		375,462.00	
Energy Receipts Tax	2,066,519.00		2,066,519.00	
Uniform Construction Code Fees	1,200,000.00		1,114,518.08	(85,481.92)
Recreation Fees	12,000.00		24,250.00	12,250.00
Recycling Tonnage Grant	34,314.58		34,314.58	
Clean Communities		34,413.69	34,413.69	
Municipal Alliance	18,868.00		18,868.00	
Edward Byrnes Justice Grant	15,000.00		15,000.00	
Summer Food		128,589.36	128,589.36	
Drive Sober or Get Pulled Over		5,500.00	5,500.00	
Body Armor Grant		5,160.02	5,160.02	
Arminio Field Turf Grant		50,000.00	50,000.00	
Community Policing		10,000.00	10,000.00	
Alcohol Education Rehabilitation Fund		514.72	514.72	
R.O.I.D.	15,000.00		15,000.00	
Safe and Secure Communities	60,000.00		60,000.00	
SAMSHA		125,000.00	125,000.00	
Greening Union County		5,000.00	5,000.00	
Distracted Driving		5,500.00	5,500.00	
Cell Tower	35,000.00		33,042.97	(1,957.03)
Capital Fund Balance	250,000.00		250,000.00	
Uniform Fire Safety Act	22,000.00		25,746.65	3,746.65
Ambulance Revenue	255,000.00		304,571.17	49,571.17
Sale of Municipal Assets	95,000.00		95,000.00	
P.I.L.O.T.	170,000.00		236,375.98	66,375.98
	\$ 5,862,863.58	\$ 369,677.79	\$ 6,267,551.78	\$ 35,010.41
Receipts From Delinquent Taxes	\$ 1,900,000.00	\$	\$ 1,932,252.66	\$ 32,252.66
Property Tax for Support of Municipal Budget				
Local Tax for Municipal Purposes	\$ 32,018,618.00	\$	\$ 32,485,919.84	\$ 467,301.84
Minimum Library Tax	452,537.51		452,537.51	
	\$ 32,471,155.51	\$	\$ 32,938,457.35	\$ 467,301.84
<u>Budget Totals</u>	\$ 42,084,019.09	\$ 369,677.79	\$ 42,988,261.79	\$ 534,564.91
Non-Budget Revenue			435,269.45	435,269.45
	\$ 42,084,019.09	\$ 369,677.79	\$ 43,423,531.24	\$ 1,339,512.15

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

REF.

ANALYSIS OF REALIZED REVENUE

Allocation of Current Tax Collections:		
Collection on a Cash Basis	A-1:A-8	\$ 61,398,396.49
Allocated to:		
School and County Taxes		<u>31,259,939.14</u>
Support of Municipal Budget Appropriations		\$ 30,138,457.35
Add: Appropriation for Reserve for Uncollected Taxes	A-3	<u>2,800,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 32,938,457.35</u>
Receipts From Delinquent Taxes:		
Delinquent Tax Collections	A-8	\$ 1,868,148.31
	A-2	<u>1,932,252.66</u>
Fees and Permits - Other:		
Borough Clerk	A-11	\$ 2,032.60
Police	A-11	3,411.00
Fire	A-11	13,701.51
Board of Health	A-11	10,293.00
Vital Statistics	A-11	354.00
Public Works	A-11	21,131.25
Planning/Zoning	A-11	<u>14,782.75</u>
		\$ 65,706.11
Less: Refunds	A-4	<u>115.00</u>
	A-2	<u>\$ 65,591.11</u>
PILOT Revenue	A-11	\$ 247,237.87
Less: Refunds	A-4	<u>10,861.89</u>
	A-2	<u>\$ 236,375.98</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, 2017

REF.

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:	
Miscellaneous	\$ 84,339.56
Insurance Refund	49,768.68
Police Outside Overtime Administrative Fees	127,844.03
Public Works	93,325.74
Reimbursement of Prior Year Costs	45,127.19
Restitution	3,872.00
Cell Tower	22,969.27
Clerk Miscellaneous	2,120.20
Payroll	5,902.78
	<hr/>
A-2:A-4	\$ 435,269.45
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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, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVEREXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>GENERAL GOVERNMENT</u>						
General Administration:						
Salaries and Wages	\$ 256,000.00	\$ 256,000.00	\$ 248,134.10	\$ 7,865.90	\$	
Other Expenses	495,250.00	449,250.00	406,118.54	43,131.46		
Municipal Clerk:						
Salaries and Wages	223,000.00	223,000.00	207,140.22	15,859.78		
Other Expenses	105,000.00	105,000.00	65,117.69	39,882.31		
Mayor and Council:						
Salaries and Wages	110,100.00	110,100.00	110,001.32	98.68		
Other Expenses	45,000.00	30,000.00	21,268.67	8,731.33		
Human Resources:						
Other Expenses	90,000.00	60,000.00	54,655.57	5,344.43		
Financial Administration (Treasury):						
Salaries and Wages	247,000.00	247,000.00	239,812.38	7,187.62		
Other Expenses	256,000.00	286,000.00	267,301.49	18,698.51		
Annual Audit	90,000.00	90,000.00	88,800.00	1,200.00		
Tax Assessment Administration:						
Salaries and Wages	105,000.00	109,000.00	108,963.22	36.78		
Other Expenses	81,900.00	93,400.00	83,537.89	9,862.11		
Revenue Administration:						
Salaries and Wages	55,000.00	55,000.00	54,100.07	899.93		
Other Expenses	14,400.00	14,400.00	8,077.06	6,322.94		
Legal Services (Legal Department):						
Salaries and Wages	105,000.00	105,000.00	100,000.15	4,999.85		
Other Expenses	405,800.00	405,800.00	246,354.73	159,445.27		
Municipal Prosecutor:						
Salaries and Wages	28,500.00	28,500.00	27,000.22	1,499.78		
Other Expenses	3,000.00	3,000.00	2,100.00	900.00		
Engineering Services:						
Other Expenses	115,000.00	115,000.00	115,000.00	-		
Hispanic/Latino Board:						
Other Expenses	6,000.00	6,000.00	1,251.23	4,748.77		
Public Buildings and Grounds (Public Works):						
Salaries and Wages	2,530,000.00	2,471,800.00	2,440,922.35	30,877.65		
Other Expenses	537,300.00	537,300.00	306,171.43	231,128.57		
Municipal Land Use Law (N.J.S. 44:55D-1):						
Planning Board:						
Salaries and Wages	30,000.00	30,000.00	29,499.86	500.14		
Other Expenses	8,500.00	8,500.00	604.14	7,895.86		

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVEREXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>GENERAL GOVERNMENT (CONTINUED)</u>						
Senior Advisory Board:						
Other Expenses	\$ 6,000.00	\$ 6,000.00	\$ 5,559.22	\$ 440.78	\$	
Board of Adjustment:						
Salaries and Wages	20,000.00	20,000.00	18,577.16	1,422.84		
Other Expenses	6,200.00	6,200.00	98.89	6,101.11		
Redevelopment Agency:						
Other Expenses	190,000.00	145,000.00	100,014.41	44,985.59		
Shade Tree Commission:						
Other Expenses	207,500.00	232,500.00	204,932.29	27,567.71		
Economic Development:						
Other Expenses	70,000.00	70,000.00	69,777.76	222.24		
<u>PUBLIC SAFETY</u>						
Fire Department:						
Salaries and Wages	3,550,000.00	3,601,000.00	3,600,626.15	373.85		
Other Expenses	237,200.00	237,200.00	207,878.33	29,321.67		
Police Department:						
Salaries and Wages	6,435,000.00	6,787,000.00	6,725,673.53	61,326.47		
Other Expenses	241,000.00	241,000.00	159,823.55	81,176.45		
Traffic Control-School Crossing Guards:						
Salaries and Wages	250,000.00	215,000.00	211,491.14	3,508.86		
Other Expenses	7,460.00	7,460.00	6,419.78	1,040.22		
Emergency Management Services:						
Salaries and Wages	54,130.00	24,130.00	13,864.70	10,265.30		
Other Expenses						
Code Enforcement:						
Salaries and Wages	245,000.00	190,000.00	187,092.97	2,907.03		
Other Expenses	36,880.00	56,880.00	41,503.22	15,376.78		
Maintenance of Vehicles:						
Other Expenses	238,000.00	238,000.00	217,819.69	20,180.31		
Recycling:						
Other Expenses	121,000.00	121,000.00	81,465.24	39,534.76		
Solid Waste Collection:						
Other Expenses	750,000.00	750,000.00	565,477.98	184,522.02		
Snow Removal:						
Other Expenses	75,000.00	75,000.00	62,262.64	12,737.36		

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, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE	OVEREXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	CANCELED	
<b>HEALTH AND WELFARE</b>						
Board of Health:						
Salaries and Wages	\$ 246,000.00	\$ 255,500.00	\$ 254,961.32	\$ 538.68	\$	
Other Expenses	124,650.00	139,650.00	106,967.77	32,682.23		
Parking Enforcement:						
Salaries and Wages	65,000.00	65,700.00	65,651.88	48.12		
<b>RECREATION AND EDUCATION</b>						
Community Services (Communities Center):						
Salaries and Wages	30,000.00	30,000.00	28,945.17	1,054.83		
Other Expenses	6,500.00	6,500.00	3,956.54	2,543.46		
Recreation (Parks and Playground):						
Salaries and Wages	250,000.00	251,000.00	250,615.18	384.82		
Other Expenses	195,000.00	195,000.00	143,811.15	51,188.85		
Municipal Court:						
Salaries and Wages	290,000.00	275,000.00	266,877.41	8,122.59		
Other Expenses	29,300.00	44,300.00	18,901.35	25,398.65		
Public Employees' Occupational Safety Health Act:						
Other Expenses	10,000.00	10,000.00		10,000.00		
Public Defender:						
Salaries and Wages	30,050.00	30,050.00	30,000.36	49.64		
Other Expenses	1,000.00	1,000.00	300.00	700.00		
Insurance:						
Group Insurance Plan for Employees	6,401,000.00	6,293,500.00	6,108,140.94	185,359.06		
Workers' Compensation (Insurance Trust Fund)	563,316.00	563,316.00	513,776.12	49,539.88		
Other Insurance Premiums	531,899.00	553,899.00	553,565.66	333.34		
Health Benefit Waiver	140,000.00	140,000.00		140,000.00		
<b>UNIFORM CONSTRUCTION CODE-</b>						
<b>APPROPRIATIONS OFFSET BY DEDICATED</b>						
<b>REVENUES (N.J.A.C. 5:23-4.17)</b>						
Construction Code Official (Building Department):						
Salaries and Wages	340,500.00	315,500.00	314,612.52	887.48		
Other Expenses	22,400.00	22,400.00	12,089.64	10,310.36		

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2017

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVEREXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>UNCLASSIFIED</u>						
Gasoline	\$ 285,000.00	\$ 215,000.00	\$ 170,814.42	\$ 44,185.58	\$	
Electricity	145,000.00	145,000.00	97,105.86	47,894.14		
Natural Gas (Natural Gas and Heating Oil)	32,000.00	32,000.00	27,785.15	4,214.85		
Telephone and Telegraph	215,000.00	215,000.00	178,340.81	36,659.19		
Street Lighting	260,000.00	285,000.00	261,567.01	23,432.99		
Fire Hydrant Service	240,000.00	265,000.00	215,806.25	49,193.75		
Water	35,000.00	35,000.00	27,776.49	7,223.51		
Accumulated Leave Compensation	25,000.00	25,000.00	25,000.00			
Municipal Services Act	20,000.00	20,000.00	15,402.50	4,597.50		
<b>TOTAL OPERATIONS (INCLUDING CONTINGENT) WITHIN "CAPS"</b>	<b>29,216,735.00</b>	<b>29,291,735.00</b>	<b>27,405,062.48</b>	<b>1,886,672.52</b>		
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL</u>						
Statutory Expenditures:						
Contribution to:						
Social Security System (O.A.S.I.)	625,000.00	625,000.00	562,942.01	62,057.99		
Police and Firemen's Retirement System of N.J.	2,130,000.00	2,130,000.00	2,125,631.00	4,369.00		
Public Employees Retirement System of N.J.	460,000.00	460,000.00	457,955.14	2,044.86		
State Unemployment Insurance	180,000.00	105,000.00	41,145.58	63,854.42		
Defined Contribution Retirement Program	12,000.00	12,000.00	7,419.38	4,580.62		
Deferred Charges:						
Overexpenditure of Capital Improvement Authorizations	20,096.00	20,096.00	20,096.00			
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL WITHIN "CAPS"</b>	<b>3,427,096.00</b>	<b>3,352,096.00</b>	<b>3,215,189.11</b>	<b>136,906.89</b>		
<b>TOTAL GENERAL APPROPRIATIONS WITHIN "CAPS"</b>	<b>32,643,831.00</b>	<b>32,643,831.00</b>	<b>30,620,251.59</b>	<b>2,023,579.41</b>		

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, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>BALANCE CANCELED</u>
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>					<u>OVEREXPENDED</u>
Maintenance of Free Public Library	\$ 452,537.51	\$ 452,537.51	\$ 452,537.51	\$	\$
Sewerage Disposal-Linden/Roselle Sewerage Authority	2,911,251.00	2,911,251.00	2,972,175.00	39,076.00	
Police Dispatcher/911:					
Salaries and Wages	342,000.00	342,000.00	345,088.95		3,088.95
Other Expenses	7,000.00	7,000.00	3,740.00	3,260.00	
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
Public Relations Position - Roselle Board of Education	30,000.00	30,000.00		30,000.00	
Animal Control Contract - City of Linden					
<u>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES</u>					
Municipal Alliance - County	18,868.00	18,868.00	18,868.00		
Municipal Alliance - Local	4,717.00	4,717.00	4,717.00		
SAMSHA Grant (N.J.S.A. 40A:4-87 \$125,000.00)		125,000.00	125,000.00		
Distracted Driving-2017 Grant (N.J.S.A. 40A:4-87 \$5,500.00)		5,500.00	5,500.00		
Community Policing - Grant (N.J.S.A. 40A:4-87 \$10,000.00)		10,000.00	10,000.00		
Arminio Field Turf Grant		50,000.00	50,000.00		
Alcohol Education and Rehabilitation Fund (N.J.S.A. 40A:4-87 \$514.72)		514.72	514.72		
Safe and Secure Communities 2017	60,000.00	60,000.00	60,000.00		
NJDEP - Clean Communities Program (N.J.S.A. 40A:4-87 \$34,413.69)		34,413.69	34,413.69		
Greening Union County Grant (N.J.S.A. 40A:4-87 \$5,000.00)		5,000.00	5,000.00		
Summer Food Program (N.J.S.A. 40A:4-87 \$128,589.36)		128,589.36	128,589.36		
Body-Worn Camera Grant	15,000.00	15,000.00	15,000.00		
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 \$5,500.00)		5,500.00	5,500.00		
Body Armor Replacement Fund (N.J.S.A. 40A:4-87 \$5,160.02)		5,160.02	5,160.02		
R.O.I.D.	15,000.00	15,000.00	15,000.00		
Recycling Tonnage Grant	34,314.58	34,314.58	34,314.58		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>3,890,688.09</u>	<u>4,260,365.88</u>	<u>4,191,118.83</u>	<u>72,336.00</u>	<u>3,088.95</u>
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	200,000.00	200,000.00	200,000.00		
<u>TOTAL CAPITAL IMPROVEMENT EXCLUDED FROM "CAPS"</u>	<u>200,000.00</u>	<u>200,000.00</u>	<u>200,000.00</u>		

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



BOROUGH OF ROSELLE

CURRENT FUND

YEAR ENDED DECEMBER 31, 2017

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED</u>	
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	<u>BALANCE CANCELED</u>	<u>OVEREXPENDED</u>
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	\$ 985,000.00	\$ 985,000.00	\$ 985,000.00	\$	\$	\$
Payment of Bond Anticipation Notes	750,000.00	750,000.00	212,001.00		537,999.00	
Interest on Bonds	310,000.00	310,000.00	302,294.88		7,705.12	
Interest on Notes	340,000.00	340,000.00	337,306.74		2,693.26	
Loan Repayment for Principal and Interest	17,000.00	17,000.00	16,135.75		864.25	
NJEIT Loan	105,000.00	105,000.00	101,913.35		3,086.65	
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>2,507,000.00</u>	<u>2,507,000.00</u>	<u>1,954,651.72</u>		<u>552,348.28</u>	
<u>DEFERRED CHARGES:</u>						
Special Emergency Authorizations-						
5 Years (N.J.S.A. 40A:4-55) - Hurricane Sandy	\$ 42,500.00	\$ 42,500.00	\$ 42,500.00	\$	\$	\$
<u>TOTAL DEFERRED CHARGES</u>	<u>42,500.00</u>	<u>42,500.00</u>	<u>42,500.00</u>			
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	<u>6,640,188.09</u>	<u>7,009,865.88</u>	<u>6,388,270.55</u>	<u>72,336.00</u>	<u>552,348.28</u>	<u>3,088.95</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES</u>	<u>39,284,019.09</u>	<u>39,653,696.88</u>	<u>37,008,522.14</u>	<u>2,095,915.41</u>	<u>552,348.28</u>	<u>3,088.95</u>
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 42,084,019.09</u>	<u>\$ 42,453,696.88</u>	<u>\$ 39,808,522.14</u>	<u>\$ 2,095,915.41</u>	<u>\$ 552,348.28</u>	<u>\$ 3,088.95</u>
<u>REF.</u>	<u>A-2</u>		<u>A-1</u>	<u>A-A-1</u>		<u>A-25</u>
Budget		\$ 42,084,019.09				
Appropriation by 40A: 4-87		369,677.79				
		<u>\$ 42,453,696.88</u>				
Reserve for Grants	A-14		517,577.37			
Deferred Charges	A-25		42,500.00			
Reserve for Uncollected Taxes	A-2		2,800,000.00			
Encumbrances Payable	A-24		440,978.41			
Cash Disbursements	A-4		37,649,327.44			
		\$	41,450,383.22			
			1,641,861.08			
Less: Refunded	A-4		\$ 39,808,522.14			

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, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 9,469.80	\$ 7,107.60
		<u>\$ 9,469.80</u>	<u>\$ 7,107.60</u>
Other Trust Funds:			
Cash	B-1	\$ 4,199,089.60	\$ 4,247,227.03
Due County of Union	B-10	11,342.66	65,288.29
Due Current Fund	B-14	37,423.84	117,795.02
		<u>\$ 4,247,856.10</u>	<u>\$ 4,430,310.34</u>
		<u>\$ 4,257,325.90</u>	<u>\$ 4,437,417.94</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Due Current Fund	B-3	\$ 4,689.80	\$
Due State of New Jersey	B-4	129.00	100.20
Reserve for Expenditures	B-5	4,651.00	7,007.40
		<u>\$ 9,469.80</u>	<u>\$ 7,107.60</u>
Other Trust Funds:			
Public Defender	B-6	\$ 55,043.17	\$ 45,524.17
Tax Sale Redemptions and Premiums	B-2	2,149,336.30	2,619,969.83
State Unemployment Insurance	B-8	71,092.59	46,092.59
Payroll Deductions Payable	B-9	188,204.90	170,185.73
Community Development Block Grants	B-11	11,342.68	36,000.02
Special Law Enforcement	B-12	65,980.61	65,638.06
Miscellaneous Reserves	B-13	1,647,792.45	1,350,086.83
Due General Capital Fund	B-15	36,635.29	79,000.00
Due State of New Jersey	B-16	94.00	94.00
Parking Offense Adjudication Act Fund	B-7	22,334.11	17,719.11
		<u>\$ 4,247,856.10</u>	<u>\$ 4,430,310.34</u>
		<u>\$ 4,257,325.90</u>	<u>\$ 4,437,417.94</u>

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

GENERAL CAPITAL FUND

"C"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2017</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2016</u>
<u>ASSETS</u>			
Cash	C-2	\$ 876,655.37	\$ 3,489,977.91
Grants Accounts Receivable	C-7	3,912,330.20	2,279,507.20
Due Other Trust Fund	C-13	36,635.29	79,000.00
Due Grant Fund	C-19		347,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	14,602,463.59	10,999,612.75
Unfunded	C-5	24,179,330.35	25,875,627.60
Deferred Charges:			
Expenditure without an Appropriation	C-20		20,095.31
		<u>\$ 43,607,414.80</u>	<u>\$ 43,090,820.77</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-11	\$ 13,368,000.00	\$ 9,677,000.00
Green Acres Loan Payable	C-9	58,389.78	73,931.40
Environmental Infrastructure Loan Payable	C-18	1,176,073.81	1,248,681.35
Bond Anticipation Notes	C-14	21,319,883.00	24,422,877.00
Due Current Fund	C-15	229.00	54,236.00
Capital Improvement Fund	C-6	77,714.69	72,846.69
Contracts Payable	C-10	1,280,461.33	504,977.00
Reserve for Grants Receivable	C-7	351,003.05	351,003.05
Reserve for Basketball Court Improvements	C-16	42,500.00	42,500.00
Reserve for the Payment of Debt	C-19	123,862.37	24,499.37
Reserve for Unidentified Receipts	C-17	2,490.44	6,017.44
Improvement Authorizations:			
Funded	C-8	1,044,232.47	427,563.71
Unfunded	C-8	4,243,375.92	5,696,415.71
Fund Balance	C-1	<u>519,198.94</u>	<u>488,272.05</u>
		<u>\$ 43,607,414.80</u>	<u>\$ 43,090,820.77</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, 2016	C	\$	488,272.05
Increased by:			
Premium on Bond Anticipation Notes Issued	C-2	\$	244,952.84
Improvement Authorization Cancelled	C-8		<u>35,974.05</u>
			280,926.89
		\$	<u>769,198.94</u>
Decreased by:			
Capital Surplus to Current Fund	C-2		<u>250,000.00</u>
Balance, December 31, 2017	C	\$	<u><u>519,198.94</u></u>

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

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PUBLIC ASSISTANCE TRUST FUND

"E"

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2017</u>	<u>BALANCE DECEMBER 31, 2016</u>
<u>ASSETS</u>			
Cash-P.A.T.F. I	E-1	\$ <u>13,800.34</u>	\$ <u>13,800.34</u>
		\$ <u><u>13,800.34</u></u>	\$ <u><u>13,800.34</u></u>
<u>LIABILITIES</u>			
Reserve for Public Assistance - P.A.T.F. I		\$ <u>13,800.34</u>	\$ <u>13,800.34</u>
		\$ <u><u>13,800.34</u></u>	\$ <u><u>13,800.34</u></u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

BOROUGH OF ROSELLE

GENERAL FIXED ASSET ACCOUNT GROUP

BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2017</u>	BALANCE DECEMBER <u>31, 2016</u>
<u>FIXED ASSETS</u>		
Land	\$ 12,222,600.00	\$ 12,222,600.00
Buildings	6,404,400.00	6,404,400.00
Machinery and Equipment	<u>11,698,065.87</u>	<u>11,672,117.53</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 30,325,065.87</u>	<u>\$ 30,299,117.53</u>
<u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 30,325,065.87</u>	<u>\$ 30,299,117.53</u>

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

NOTES TO FINANCIAL STATEMENTS

## BOROUGH OF ROSELLE

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2017 AND 2016

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

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

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

##### B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes the presentation of basic financial statements into three fund types, the governmental, proprietary and fiduciary funds, as well as government-wide financial reporting that must be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

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

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

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

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

C. Basis of Accounting

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

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

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

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



NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - N.J.A.C. 5:30-5.6, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. General fixed assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal.

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

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

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Accounting (Continued)

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

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks, and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation.

The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Borough of Roselle had the following cash and cash equivalents at December 31, 2017:

<u>Fund Type</u>	<u>Bank Balance</u>	<u>Reconciling Items</u>		<u>Reconciled Balance</u>
		<u>Additions</u>	<u>Deletions</u>	
Current Fund	\$ 8,054,690.34	\$ 266,418.92	\$ 271,192.06	\$ 8,049,917.20
Federal and State Grant Fund	335,529.02			335,529.02
Animal Control Trust Fund	9,469.80			9,469.80
Other Trust Fund	4,497,534.53	4,670.50	303,115.43	4,199,089.60
General Capital Fund	1,520,040.50		643,385.13	876,655.37
Public Assistance Fund	13,800.34			13,800.34
	<u>14,431,064.53</u>	<u>271,089.42</u>	<u>1,217,692.62</u>	<u>13,484,461.33</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, 2017, 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 \$14,181,064.53 was covered by Federal Depository Insurance and \$250,000.00 was covered by NJ GUDPA.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

The purchase of investments by the Borough is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Local Government Services of the Department of Community Affairs for investment by Local Units;

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
  - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
  - b. the custody of collateral is transferred to a third party;
  - c. the maturity of the agreement is not more than 30 days;
  - d. the underlying securities are purchased through a public depository as defined in section 1 P.L. 1970, c.236 (C.17:19-41); and
  - e. a master repurchase agreement providing for the custody and security of collateral is executed.

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

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

	DECEMBER 31, 2017	DECEMBER 31, 2016	DECEMBER 31, 2015
Issued:			
General:			
Bonds, Notes and Loans	\$ 35,922,346.59	\$ 35,422,489.75	\$ 33,389,343.20
Less Funds Temporarily Held to			
Pay Bonds and Notes	786,514.40	696,639.40	263,251.52
Reserve for Debt Service	123,862.37	24,499.37	
ERIP Bonds	15,000.00	30,000.00	45,000.00
Net Debt Issued	<u>\$ 34,996,969.82</u>	<u>\$ 34,671,350.98</u>	<u>\$ 33,081,091.68</u>
Authorized But Not Issued			
General:			
Bonds and Notes	\$ 3,645,961.75	\$ 2,149,390.00	\$ 413,390.00
Net Bonds and Notes Issued and and Authorized But Not Issued	<u>\$ 38,642,931.57</u>	<u>\$ 36,820,740.98</u>	<u>\$ 33,494,481.68</u>

SUMMARY OF STATUTORY DEBT CONDITION  
(ANNUAL DEBT STATEMENT AS OF DECEMBER 31, 2017)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 2.858%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
General Debt	\$ 39,568,308.34	\$ 925,376.77	\$ 38,642,931.57
	<u>\$ 39,568,308.34</u>	<u>\$ 925,376.77</u>	<u>\$ 38,642,931.57</u>

NET DEBT \$38,642,931.57 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$1,352,009,146.33 EQUALS 2.858%.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2017	\$1,352,009,146.33
3-1/2 of Equalized Valuation Basis	47,320,320.12
Net Debt	<u>38,642,931.57</u>
Remaining Borrowing Power	<u><u>\$8,677,388.55</u></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.

LONG TERM DEBT

General Serial Bonds:

<u>ISSUE</u>	<u>OUTSTANDING BALANCE DECEMBER 31, 2017</u>
\$4,676,000.00 in 2017 General Improvement Bonds, due in annual remaining installments ranging between \$175,000.00 and \$350,000.00 through February 2032 at various interest rates.	\$4,676,000.00
\$8,499,000.00 in 2016 General Improvement Bonds, due in annual remaining installments ranging between \$275,000.00 and \$550,000.00 through May 2034 at various interest rates.	8,224,000.00
\$145,000.00 2003 Refunding ERIP Bonds, due in a remaining installment of \$15,000.00 through April 2018 at an interest rate of 5.29%.	15,000.00
\$4,363,000.00 in 2005 General Improvement Bonds, due in a remaining installment of \$453,000.00 through June 2018 at an interest rate of 3.65%.	<u>453,000.00</u>
	<u><u>\$13,368,000.00</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

Environmental Infrastructure Loans:

		OUTSTANDING BALANCE DECEMBER 31, 2017
<u>ISSUE</u>		
Infrastructure Loan due in annual remaining installments of \$30,000.00 to \$55,000.00 through 2031 at various interest rates		\$610,000.00
\$795,341.00 Infrastructure Loan due in annual remaining installments of \$12,175.79 to \$42,607.54 through 2019 at 0% interest rate		566,073.81
		<u>\$1,176,073.81</u>

New Jersey Green Acres Loans:

		OUTSTANDING BALANCE DECEMBER 31, 2017
<u>ISSUE</u>		
Green Acres Loan due in annual remaining installments of \$6,689.87 to \$13,238.36 through 2019 at various interest rates		\$19,928.23
\$50,000.00 Green Acres Loan due in annual remaining installments of \$2,564.10 through 2032 at 0% interest rate		38,461.55
		<u>\$58,389.78</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2017

<u>CALENDAR YEAR</u>	<u>GENERAL CAPITAL</u>		<u>TOTAL</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	
2018	\$ 918,000.00	\$ 337,700.75	\$ 1,255,700.75
2019	605,000.00	318,090.00	923,090.00
2020	730,000.00	304,740.00	1,034,740.00
2021	746,000.00	289,980.00	1,035,980.00
2022	760,000.00	273,370.00	1,033,370.00
2023-2027	4,070,000.00	1,080,425.00	5,150,425.00
2028-2032	4,440,000.00	500,550.00	4,940,550.00
2033-2034	1,099,000.00	32,955.00	1,131,955.00
	<u>\$ 13,368,000.00</u>	<u>\$ 3,137,810.75</u>	<u>\$ 16,505,810.75</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, 2017

CALENDAR

<u>YEAR</u>		<u>PRINCIPAL</u>		<u>INTEREST</u>		<u>TOTAL</u>
2018	\$	72,607.54	\$	27,860.00	\$	100,467.54
2019		77,607.54		26,360.00		103,967.54
2020		77,607.54		24,610.00		102,217.54
2021		77,607.54		22,860.00		100,467.54
2022		82,607.54		21,110.00		103,717.54
2023-2027		438,037.70		74,050.00		512,087.70
2028-2031		349,998.41		26,055.00		376,053.41
	\$	<u>1,176,073.81</u>	\$	<u>222,905.00</u>	\$	<u>1,398,978.81</u>

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST  
FOR GREEN TRUST LOAN ISSUED AND OUTSTANDING  
AS OF DECEMBER 31, 2017

CALENDAR

<u>YEAR</u>		<u>PRINCIPAL</u>		<u>INTEREST</u>		<u>TOTAL</u>
2018	\$	15,802.46	\$	333.28	\$	16,135.74
2019		9,253.97		95.96		9,349.93
2020		2,564.10				2,564.10
2021		2,564.10				2,564.10
2022		2,564.10				2,564.10
2023-2027		12,820.50				12,820.50
2028-2032		12,820.55				12,820.55
	\$	<u>58,389.78</u>	\$	<u>429.24</u>	\$	<u>58,819.02</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BOND ANTICIPATION NOTES

	Interest <u>Rate</u>	Issue and <u>Maturity Dates</u>	<u>Amount</u>
General Capital	2.500%	3/2/17 to 3/1/18	\$7,324,176.00
General Capital	2.250%	9/18/17 to 9/14/18	8,799,707.00
General Capital	1.540%	12/11/17 to 12/7/18	<u>5,196,000.00</u>
			<u>\$21,319,883.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance, at December 31, 2017, which was appropriated and included as anticipated revenue in its own respective fund for the year ending December 31, 2018 was as follows:

Current Fund	\$2,350,000.00
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NOTE 5: PROPERTY TAXES

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

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, <u>2017</u>	BALANCE DECEMBER 31, <u>2016</u>
Prepaid Taxes	\$ <u>578,588.72</u>	\$ <u>251,647.31</u>

NOTE 6: PENSION PLANS

Plan Descriptions

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

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

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

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

## NOTE 6: PENSION PLANS (CONTINUED)

### Vesting and Benefit Provisions

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

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

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

### Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2017, PERS provides for employee contributions of 7.34% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2017, members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the costs are contributed by the employees. The Borough's share of pension costs, which is based upon the annual billings received from the State, amounted to \$2,583,586.14 for 2017, \$2,871,288.50 for 2016, and \$2,175,148.00 for 2015.

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy (Continued)

All contributions were equal to the required contributions for each of the three years, respectively.

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

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 "Accounting and Financial Reporting for Public Employees Pensions" which requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) of the participating municipality as of December 31, 2017. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year's budget and no liability is accrued at December 31, 2017.

Public Employees Retirement System (PERS)

At June 30, 2017, the State reported a net pension liability of \$12,653,502.00 for the Borough of Roselle's proportionate share of the total net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Borough's proportion was 0.0543572642 percent, which was an increase of 0.0051656807 percent from its proportion measured as of June 30, 2016.

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$967,331.00 for the Borough of Roselle's proportionate share of the total pension expense. The pension expense recognized in the Borough's financial statement based on the April 1, 2017 billing was \$437,011.00.

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	-	\$297,946.00
Changes of assumptions	\$2,539,899.00	2,549,245.00
Net difference between projected and actual earnings on pension plan investments		86,162.00
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>424,679.00</u>	<u>936,934.00</u>
	<u>\$2,964,578.00</u>	<u>\$3,870,287.00</u>

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

<u>Year Ended June 30,</u>	<u>Amount</u>
2018	\$333,038.00
2019	472,656.00
2020	374,868.00
2021	(137,819.00)
2022	<u>(137,034.00)</u>
	<u>\$905,709.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. These actuarial valuations used the following assumptions:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Inflation	2.25 Percent	3.08 Percent
Salary Increases (based on age)		
Though 2026	1.65-4.15 Percent	1.65-4.15 Percent
Thereafter	2.65-5.15 Percent	2.65-5.15 Percent
Investment Rate of Return	7.00 Percent	7.65 percent

Preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Postretirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements

NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2017 and 7.65 at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	



NOTE 6: PENSION PLANS (CONTINUED)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.00% and 3.98% as of June 30, 2017 and 2016, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and 7.65%, and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and 2016, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>4.00%</u>	<u>5.00%</u>	<u>6.00%</u>
Borough's proportionate share of the pension liability	\$15,697,528.00	\$12,653,502.00	\$10,117,451.00

Pension plan fiduciary net position

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

NOTE 6: PENSION PLANS (CONTINUED)

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

Police and Firemen's Retirement System (PFRS)

At June 30, 2017, the State reported a net pension liability of \$29,183,111.00 for the Borough of Roselle's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Borough's proportion was 0.1890334586 percent, which was an increase of 0.0074890816 percent from its proportion measured as of June 30, 2016.

For the year ended June 30, 2017, the State recognized an actuarially determined pension expense of \$2,930,269.00. The pension expense recognized in the Borough's financial statement based on the April 1, 2017 billing was \$1,480,205.00.

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$171,281.00	\$189,323.00
Changes of assumptions	4,779,340.00	3,598,603.00
Net difference between projected and actual earnings on pension plan investments		556,882.00
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>831,717.00</u>	<u>1,533,089.00</u>
	<u>\$5,782,338.00</u>	<u>\$5,877,897.00</u>

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

<u>Year Ended June 30</u>	<u>Amount</u>
2018	\$585,329.00
2019	1,195,790.00
2020	5,850.00
2021	(1,241,215.00)
2022	<u>(450,195.00)</u>
	<u>\$95,559.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which rolled forward to June 30, 2017. This actuarial valuation used the following assumptions:

	<u>2016</u>	<u>2017</u>
Inflation	3.08 Percent	2.25 Percent
Salary Increases (based on age) Through 2026	2.10-8.98 Percent Based on Age	2.10-8.98 Percent Based on Age
Thereafter	3.10-9.98 Percent Based on Age	3.10-9.98 Percent Based on Age
Investment Rate of Return	7.65 Percent	7.00 Percent

Pre-retirement mortality rates were based on the RP-2000 Pre-Retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post- retirement mortality rates for female service retirements and beneficiaries were based the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then two years using the plan actuary's modified 2014 projection scales, which was further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability mortality rates were based on special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00 percent at June 30, 2017 and 7.65% at June 30, 2016) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute return/risk mitigation	5.00%	5.51%
Cash	5.50%	1.00%
US Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit oriented hedge funds	1.00%	6.60%
Debt related private equity	2.00%	10.63%
Debt related real estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity related real estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. developed market equity	11.50%	9.00%
Emerging markets equity	6.50%	11.64%
Buyouts venture capital	8.25%	13.08%
	<u>100.00%</u>	

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Discount Rate

The discount rate used to measure the total pension liability was 6.14% and 5.55% as of June 30, 2017 and June 30, 2016 respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00 and 7.65% and a municipal bond rate of 3.58% and 2.85% as of June 30, 2017 and June 30, 2016 respectively based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the participating employers as of June 30, 2017 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2017		
	1% Decrease <u>5.14%</u>	At Current Discount Rate <u>6.14%</u>	1% Increase <u>7.14%</u>
Borough's proportionate share of the PFRS pension liability	\$38,451,153.00	\$29,183,111.00	\$21,568,362.00

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Special Funding Situation

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

At June 30, 2017 and 2016, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$3,268,754.00 and \$2,912,228.00 respectively.

At June 30, 2017, the Borough's and State of New Jersey's proportionate share of the PFRS net pension liability were as follows:

Borough's Proportionate Share of Net Pension Liability	\$29,183,111.00
State of New Jersey Proportionate Share of Net Pension Liability Associated with the Township	<u>3,268,754.00</u>
	<u>\$32,451,865.00</u>

Pension plan fiduciary net position

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

**NOTE 7: COMPENSATED ABSENCES**

Under the existing policy of the Borough, employees are allowed to accumulate unused sick pay over the life of their working careers, which may be taken as time off, or paid at a later date, at an agreed upon rate. A reasonable estimate of such unpaid compensation is not readily available from the Borough but is probably material. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, accumulated cost of such paid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2017.

**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. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2017, the Borough does not believe that any material liabilities will result from such audits.

**NOTE 10: RISK MANAGEMENT**

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough participates in a self insurance program through the Public Entity Joint Insurance Fund covering each of those risks of loss. The Fund is operated in accordance with regulations of the New Jersey Department of Insurance and the Division of Local Government Services of the Department of Community Affairs. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 10: RISK MANAGEMENT (CONTINUED)

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

<u>Year</u>		<u>Borough Contributions</u>		<u>Ending Balance</u>
2017	\$	25,000.00	\$	71,092.59
2016		40,000.00		46,092.59
2015				6,092.59

NOTE 11: DEFERRED COMPENSATION PLAN

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

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

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

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



NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets of the various funds at December 31, 2017:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$5,164.58	\$37,423.84
Grant Fund		245.78
Animal Control Fund		4,689.80
Trust Other Fund	37,423.84	
General Capital Fund		229.00
	<u>\$42,588.42</u>	<u>\$42,588.42</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-EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement requires the municipality to disclose in the notes to the financial statements the present value of the estimated future cost of the other post employment benefits (OPEB). OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired and in most instances, will be for retirement health, prescription and dental insurance coverage.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis or required to accrue funds, create a trust or issue debt to finance their other post-employment benefit liability. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their balance sheets; however, OPEB obligations are required to be disclosed in the notes.

Plan Description

The Borough of Roselle provides Post-Retirement Benefits to eligible employees in accordance with terms of their various labor agreements or in accordance with Borough ordinance. Their post-employment benefits include medical health, prescription drug coverage and Medicare Part B premium reimbursement to retirees and spouses. The Borough does not provide subsidized benefits for dental, vision or life insurance, and does not provide reimbursement for Medicare Part D premiums. Medical coverage for pre-65 and post-65 is fully insured with Oxford Health Plan.

NOTE 13: GASB 45: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Demographic Information

Some highlights of census demographic information as of the January 1, 2016 valuation date are as follows:

- For retirees, the overall average age is 66.5 years, which reflects an average age of 55.5 for pre-65 retirees and 75.1 for post-65 retirees. Pre-65 retirees reflect 43.8% of retirees.
- For actives, the average age is 43.5 years and average years of service of 9.8.
- Of the active population, 9.5% of the population (17 employees) is eligible for retiree benefits.
- 21.8% actives and 23.8% retirees valued were female.

Summary of Assumptions:

The Valuation Date is January 1, 2016. Discount Rate used is 4.00%. The Actuarial Cost Method used is the Projected Unit Credit Method. The monthly base plan costs are based on premium rates for plan year August 1, 2016 to July 31, 2017. For valuation purposes, these premium rates were used for calendar year 2016 for conservatism. Base plan costs provided by the Borough are assumed to be fully insured and assumed to be experience-rated so cost information is adjusted for aging. Valuation assumes no changes in future plan designs from current benefits offered for the current plan year. Valuation is based on the New Jersey Public Employees' Retirement System (PERS), and the New Jersey Police and Firemen's Retirement System (PFRS). Decrement tables used in this valuation are from the July 1, 2016 Annual Report of the Actuary for both PERS and PFRS. RP 2014 Healthy Male and Female Tables are based on the Combined Healthy Table for both pre & post retirement projected with mortality improvements using Projection Scale AA for two (2) years, (i.e., from date of table to the valuation date), plus seven (7) years generational improvement. Retiree contribution rates are valued on an individual by individual basis for those who meet the retirement eligibility requirements outlined above. Pre-65 and post-65 retiree contribution rates are 0% (non-contributory) for all current and future retirees. It is assumed that female spouses are three years younger than male employees and male spouses are three years older than female employees unless actual spouse date of birth information is provided. Spousal dates of birth were not provided for this valuation.

Actuary OPEB Cost

The Annual Required Contribution as of January 1, 2016 is \$10,612,770 based upon a discount rate of 4.00% per annum and the plan provisions in effect on January 1, 2016.

The Actuarial Accrued Liability ("AAL") as of January 1, 2016 is \$156,944,312 based upon a discount rate of 4.00% per annum and the plan provisions in effect on January 1, 2016.

NOTE 14: DEFERRED CHARGES

	BALANCE DECEMBER 31, <u>2017</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Current Fund:		
Overexpenditure of Appropriations	\$ 3,088.95	\$ 3,088.95
Overexpenditure of Appropriation Reserves	<u>1,762.63</u>	<u>1,762.63</u>
	<u>\$ 4,851.58</u>	<u>\$ 4,851.58</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 evaluated subsequent events occurring after the financial statement date through October 11, 2018 which is the date the financial statements were available to be issued. Based upon this evaluation, the Borough has determined that no items require disclosure in the financial statements.

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BOROUGH OF ROSELLE  
SUPPLEMENTARY SCHEDULES  
FISCAL YEAR ENDED DECEMBER 31, 2017

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF CASH COLLECTOR-TREASURER

	<u>REF.</u>	<u>CURRENT FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2016	A	\$ 6,730,883.74	\$ 249,524.57
Increased by Receipts:			
Grants Receivable	A-7 \$		\$ 386,992.89
Taxes Receivable	A-8	62,913,817.97	
Revenue Accounts Receivable	A-11	5,670,668.30	
Tax Title Liens	A-9	64,104.35	
State of New Jersey, Chapter 20, P.L. 1971	A-13	97,180.00	
Grants-Unappropriated	A-18		42,761.77
Petty Cash	Contra	800.00	
Prepaid Taxes	A-21	578,588.72	
Tax Overpayments	A-6	220,241.78	
Due Current Fund	A-19		725,310.34
Interfunds	A-16	27,482,318.86	
Miscellaneous Revenue Not Anticipated	A-2	435,269.45	
Appropriation Refunds	A-3	1,641,861.08	
Appropriation Reserve Refunds	A-17	108,167.98	
Due Roselle Public Library	A-15	323,176.73	
Due State of New Jersey - DCA Fees	A-28	21,628.00	
Due State of New Jersey - Marriage Licenses	A-20	3,899.00	
		<u>99,561,722.22</u>	<u>1,155,065.00</u>
		106,292,605.96	\$ 1,404,589.57
Decreased by Disbursements:			
2017 Appropriations	A-3 \$	37,649,327.44	\$
2016 Appropriation Reserves	A-17	560,528.58	
Reserve for Grants Appropriated	A-14		409,735.15
Interfunds	A-16:A-19	27,926,357.78	312,325.40
Refund of Tax Overpayments	A-6	131,976.66	
County Taxes	A-22	7,276,703.69	
Local District School Tax	A-23	24,015,345.00	
Due State of New Jersey - Marriage Licenses	A-20	4,500.00	
Due General Capital Fund - Grant Fund	A-30		347,000.00
Petty Cash	Contra	800.00	
Refund of Prior Year Revenues	A-1	319,193.99	
Refund of Current Year Revenue - Fees and Permits	A-2	115.00	
Due County of Union - P.I.L.O.T	A-2	10,861.89	
Due Roselle Public Library	A-15	323,176.73	
Due State of New Jersey - DCA Fees	A-28	23,802.00	
		<u>98,242,688.76</u>	<u>1,069,060.55</u>
Balance, December 31, 2017	A	\$ <u>8,049,917.20</u>	\$ <u>335,529.02</u>

"A-5"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF CHANGE FUND

<u>OFFICE</u>	BALANCE DECEMBER 31, 2017 AND 2016
Collector	\$ 200.00
Municipal Court	<u>200.00</u>
	\$ <u>400.00</u>
<u>REF.</u>	A

"A-6"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2016	A	\$ 135,257.88
Increased by:		
Tax Overpayments Received	A-4	<u>220,241.78</u>
		\$ 355,499.66
Decreased by:		
Cash Disbursements	A-4	\$ 131,976.66
Applied	A-8	<u>3,079.52</u>
		<u>135,056.18</u>
Balance, December 31, 2017	A	\$ <u>220,443.48</u>

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF GRANTS RECEIVABLE

	BALANCE DECEMBER 31, 2016	ANTICIPATED IN 2017 BUDGET	RECEIPTS	CANCELED	BALANCE DECEMBER 31, 2017
Municipal Alliance Grant	\$ 18,868.00	\$ 18,868.00	\$ 23,518.04	\$	\$ 14,217.96
Green Communities	2,000.00				2,000.00
Bulletproof Vest Partnership Grant	22,568.37				22,568.37
Edward Byrnes Memorial Justice Grant		15,000.00			15,000.00
Greening Union County	9,318.00	5,000.00			14,318.00
County of Union Homeland Security Greening Grant	3,170.00		500.00		2,670.00
Alcohol Education and Rehab Fund		514.72	514.72		
Body Armor Replacement Grant		5,160.02	5,160.02		
Union County Means	500.00				500.00
Recycling Tonnage Grant		34,314.58	34,314.58		
Healthy Neighborhoods	2,000.00		1,852.39	146.61	1.00
WIA Youth Program	21,397.99			21,397.99	
WIA National Emergency Grant	80,340.04			80,340.04	
WIA Youth Program In School Youth	100.00				100.00
Distracted Driving Statewide Crackdown		5,500.00	4,936.25		563.75
Arminio Field Turf Grant		50,000.00			50,000.00
Safe and Secure Communities		60,000.00	60,000.00		
NJ DOT Central Business Midtown Grant	500,000.00			500,000.00	
NJ DOT SRTS Pedestrian Walkway Grant	91,355.84			91,355.84	
Hazard Mitigation Grant	75,000.00				75,000.00
Community Policing		10,000.00			10,000.00
Drive Sober Get Pulled Over	250.30	5,500.00	4,637.50		1,112.80
Recreational Opportunities for Indiv. w/ Disab.	15,000.00	15,000.00		15,000.00	15,000.00
Drunk Driving Enforcement Fund	25,634.66				25,634.66
SAMSHA Grant	125,000.00	125,000.00	110,614.79		139,385.21
Summer Food Program	7,299.53	128,589.36	106,530.91	7,299.53	22,058.45
Clean Communities		34,413.69	34,413.69		
	<u>\$ 999,802.73</u>	<u>\$ 512,860.37</u>	<u>\$ 386,992.89</u>	<u>\$ 715,540.01</u>	<u>\$ 410,130.20</u>

	REF.	A	A-2	A-4	A
Federal and State					
Grants Appropriated	A-14			\$ 233,204.66	
Budget Operations	A-1			<u>482,335.35</u>	
				<u>\$ 715,540.01</u>	



BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2016</u>	<u>2017 LEVY</u>	<u>2016 COLLECTED</u>	<u>2017 COLLECTED</u>	<u>CANCELED</u>	<u>OVERPAYMENT APPLIED</u>	<u>TRANSFERRED TO TAX TITLE LIENS</u>	<u>BALANCE DECEMBER 31, 2017</u>
2016 and Prior	\$ 1,993,780.64	\$	\$	\$ 1,868,148.31	\$ 120,823.08	\$	\$	\$ 4,809.25
2017		64,026,277.36	251,647.31	61,143,669.66	273,102.64	3,079.52	72,245.39	2,282,532.84
	\$ 1,993,780.64	\$ 64,026,277.36	\$ 251,647.31	\$ 63,011,817.97	\$ 393,925.72	\$ 3,079.52	\$ 72,245.39	\$ 2,287,342.09
<u>REF.</u>	A		A-2-A-21	A-2		A-2-A-6	A-9	A

REF.

Cash  
Senior Citizens and Veterans Deductions Allowed

\$ 62,913,817.97  
\$ 98,000.00  
\$ 63,011,817.97

Analysis of Property Tax Levy:

Tax Yield:  
General Purpose Tax \$ 63,712,805.01  
Added Taxes 313,472.35  
\$ 64,026,277.36

Tax Levy:

Local District School Tax (Abstract) A-23 \$ 23,967,345.00  
County Taxes:  
County Taxes (Abstract) A-22 \$ 7,268,407.72  
Due County for Added Taxes A-22 24,186.42  
7,292,594.14  
Local Tax for Municipal Purposes (Abstract) A-2 \$ 32,018,618.00  
Minimum Library Tax A-2 452,537.51  
Add: Additional Tax Levied 295,182.71  
32,766,338.22  
\$ 64,026,277.36

"A-9"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	576,687.47
Increased by:			
Transfer From Taxes Receivable	A-8		<u>72,245.39</u>
		\$	648,932.86
Decreased by:			
Cash Receipts	A-2:A-4		<u>64,104.35</u>
Balance, December 31, 2017	A	\$	<u><u>584,828.51</u></u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

Balance, December 31, 2017 and December 31, 2016	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, 2016	ACCRUED IN 2017	COLLECTED BY TREASURER	BALANCE DECEMBER 31, 2017
Clerk:				
Fees and Permits	\$	\$ 2,032.60	2,032.60	\$
Licenses:				
ABC		13,121.40	13,121.40	
Other		1,851.67	1,851.67	
Board of Health				
Fees and Permits		10,293.00	10,293.00	
Other Licenses				
Vital Statistics				
Fees and Permits		354.00	354.00	
Other Licenses				
Police:				
Fees and Permits		3,411.00	3,411.00	
Fire:				
Fees and Permits		13,701.51	13,701.51	
Public Works:				
Fees and Permits		21,131.25	21,131.25	
Planning/Zoning:				
Fees and Permits		14,782.75	14,782.75	
Municipal Court:				
Fines and Costs	29,856.80	416,296.69	421,858.56	24,294.93
Construction Code Official:				
Fees and Permits		1,114,518.08	1,114,518.08	
Recreation:				
Fees and Permits		24,250.00	24,250.00	
Interest and Cost on Taxes		425,165.29	425,165.29	
Parking Meters		30,516.09	30,516.09	
Interest on Investments and Deposits		32,736.21	32,736.21	
Cable Television Franchise Tax		238,365.23	238,365.23	
Consolidated Municipal Purpose Tax Relief Act		375,462.00	375,462.00	
Energy Receipts Tax		2,066,519.00	2,066,519.00	
Capital Fund Balance		250,000.00	250,000.00	
Uniform Fire Safety Act		25,746.65	25,746.65	
Ambulance Revenue		304,571.17	304,571.17	
Cell Tower		33,042.97	33,042.97	
P.I.L.O.T.		247,237.87	247,237.87	
	\$ 29,856.80	\$ 5,665,106.43	\$ 5,670,668.30	\$ 24,294.93
REF.	A		A-4	A

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2016	A	\$ <u>95,000.00</u>
Decreased by:		
Anticipated in Budget	A-2	\$ <u><u>95,000.00</u></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, 2016	A	\$	500.00
Charged:			
Senior Citizens Deductions per Tax Billings		\$	30,250.00
Veterans Deductions per Tax Billings			67,000.00
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>1,500.00</u>
			<u>98,750.00</u>
			<u>99,250.00</u>
Decreased by:			
Cash Receipts	A-4	\$	97,180.00
Senior Citizens and Veterans Deduction Disallowed 2017			<u>750.00</u>
			<u>97,930.00</u>
Balance, December 31, 2017	A	\$	<u><u>1,320.00</u></u>

ANALYSIS OF STATE SHARE OF 2017  
SENIOR CITIZENS AND VETERANS DEDUCTIONS ALLOWED

Senior Citizens Deductions per Tax Billings		\$	30,250.00
Veterans Deductions per Tax Billings			67,000.00
Senior Citizens Deductions Allowed by Tax Collector			1,500.00
Senior Citizens Deductions Disallowed by Tax Collector			<u>(750.00)</u>
State Share Realized	A-8	\$	<u><u>98,000.00</u></u>

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE DECEMBER 31, 2016	TRANSFERRED FROM ENCUMBRANCES PAYABLE	APPROPRIATED	EXPENDED	CANCELED	BALANCE DECEMBER 31, 2017
\$	\$	\$	\$	\$	\$	\$
Body Armor Replacement Fund	13,184.84	1,395.00	5,160.02	12,127.94		7,611.92
Municipal Alliance Grant	14,931.33		18,868.00	18,980.78	66.96	14,751.59
Municipal Alliance Grant Match	3,568.53		4,717.00	3,568.53		4,717.00
Edward Byrnes Memorial Justice Grant			15,000.00			15,000.00
Drunk Driving Enforcement Fund	39,429.94			1,608.53		37,821.41
Alcohol Education and Rehab. Fund	6,832.16		514.72	1,633.64		5,713.24
Development of Elderly Programs	884.30				884.30	
Bulletproof Vest Partnership	3,487.50					3,487.50
Clean Communities Program	20,007.53		34,413.69	20,032.15		34,389.07
Recycling Tonnage Grant	57,037.59		34,314.58	30,471.34		60,880.83
NJ Stabilization Grant	7,108.66				7,108.66	
Summer Food Program	2,396.17		128,589.36	102,905.36	7,299.73	20,780.44
Greening Grant	4,000.00		5,000.00			9,000.00
SAMSHA	125,000.00		125,000.00	128,520.61		121,479.39
Union County Kids Recreation	4,713.36			4,713.36		
Community Policing			10,000.00	7,799.97		2,200.03
UEZ Administration Grant 13	22,790.96			15,225.00		22,790.96
UEZ Improvement Program	120,801.59					105,376.59
UEZ Improvement Grant	69,990.86					69,990.86
WIA Youth Program: In School Youth		11,707.50		11,707.50		
Distracted Driver			5,500.00	4,936.25	563.75	
Arminio Field Turf Grant			50,000.00			50,000.00
Healthy Neighborhoods	146.61				146.61	
Safe and Secure Communities			60,000.00	60,000.00		
NJ DOT Central Business Midtown Grant	136,604.34				136,604.34	
NJ DOT SRTS Pedestrian Walkway Grant	76,003.44				76,003.44	
Union County Recycling Enhancement	4,695.20			4,695.20		
Drive Sober Get Pulled Over	2,661.07			6,634.20	1,526.87	
R.O.I.D	3,000.00		5,500.00			
Union County Means Grant	500.00		15,000.00	15,000.00	3,000.00	500.00
Hazard Mitigation Grant	75,000.00					75,000.00
	<u>\$ 814,575.98</u>	<u>\$ 13,102.50</u>	<u>\$ 517,577.37</u>	<u>\$ 450,560.36</u>	<u>\$ 233,204.66</u>	<u>\$ 661,490.83</u>

REF.

A-4  
A-26  
A-4

Cash Disbursements  
Encumbrances Payable  
Less: Refunds

A

A-7

A-3

A-26

A

"A-15"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE ROSELLE PUBLIC LIBRARY

REF.

Increased by:

Cash Receipts

A-4

\$ 323,176.73

Decreased by:

Cash Disbursements

A-4

\$ 323,176.73

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	TRUST OTHER FUND	GENERAL CAPITAL FUND	ANIMAL CONTROL TRUST FUND	GRANT FUND
Balance, December 31, 2016:						
Due To	A	\$ 117,795.02	\$ 117,795.02	\$	\$	\$
Due From	A	\$ 128,549.19	\$	\$ 54,236.00	\$	\$ 74,313.19
Cash Receipts	A-4	27,482,318.86		26,682,786.59		764,555.45
Transferred to Federal and State Grants	A-19	999,912.72	34,976.82			999,912.72
Transferred to Federal and State Grants	A-19	512,860.37				512,860.37
Cash Disbursements	A-4	27,926,357.78	115,348.00	26,628,779.59	4,689.80	1,177,540.39
Balance, December 31, 2017:						
Due To	A	\$ 37,423.84	\$ 37,423.84	\$	\$	\$
Due From	A	\$ 5,164.58	\$	\$ 229.00	\$ 4,689.80	\$ 245.78



BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF YEAR 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016 <u>RESERVED</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>	<u>OVEREXPENDED</u>
<u>SALARIES AND WAGES</u>					
Administrative and Executive	\$ 15,422.00	\$ 15,422.00	\$	15,422.00	\$
Borough Clerk	30,793.42	30,793.42		30,793.42	
Borough Council	98.68	98.68		98.68	
Financial Administration	3,885.74	3,885.74		3,885.74	
Assessment of Taxes	413.43	413.43		413.43	
Revenue Administration	13,888.77	13,888.77		13,888.77	
Legal Services and Costs	0.05	0.05		0.05	
Prosecutor	99.79	99.79		99.79	
Planning Board	500.14	500.14		500.14	
Zoning Board of Adjustment	12,076.78	12,076.78		12,076.78	
Fire Department	1,800.12	1,800.12		1,800.12	
Police	40,776.41	40,776.41	(100,720.00)	141,496.41	
Traffic Control-School Crossing Guards	2,538.25	2,538.25		2,538.25	
Code Enforcement	9,802.01	9,802.01		9,802.01	
Board of Health	274.47	274.47		274.47	
Parking Enforcement	54.06	54.06		54.06	
Community Services	6,992.59	6,992.59		6,992.59	
Police Dispatch 911	2,213.67	2,213.67		2,213.67	
Declared State of Emergency	4,614.72	4,614.72		4,614.72	
Parks and Playgrounds	5,228.54	5,228.54		5,228.54	
Municipal Court	11,040.66	11,040.66		11,040.66	
Public Defender	49.66	49.66		49.66	
Construction Code Official	45,551.99	45,551.99		45,551.99	
<u>OTHER EXPENSES</u>					
Administrative and Executive	164,351.16	198,982.40	34,158.06	164,824.34	
Borough Clerk	31,338.46	32,724.62	723.30	32,001.32	
Borough Council	34,621.94	34,986.94	275.00	34,711.94	
Human Resources	10,351.38	11,093.38	2,977.70	8,115.68	
Financial Administration	15,513.92	16,227.43	10,603.67	5,623.76	
Annual Audit	2,400.00	2,500.00		2,500.00	
Assessment of Taxes	7,171.27	16,078.68	107.41	15,971.27	
Revenue Administration	11,634.90	11,634.90	80.00	11,554.90	
Legal Services and Costs	58,494.51	97,439.85	22,905.69	74,534.16	
Prosecutor	900.00	1,200.00		1,200.00	
Engineering Services and Costs	15,765.00	27,603.89	11,293.75	16,310.14	
Public Buildings and Grounds	223,675.38	237,905.24	27,250.43	210,654.81	
Planning Board	12,148.50	12,148.50	366.50	11,782.00	
Senior Advisory Board	375.81	375.81		375.81	
Zoning Board of Adjustments	8,193.93	8,258.93	65.00	8,193.93	
Redevelopment Agency	2,979.64	16,614.43	3,131.41	13,483.02	
Shade Tree Commission	12,419.88	12,419.88		12,419.88	
Economic Development	5,231.45	10,530.01	5,140.79	5,389.22	
Group Insurance for Employees	411,415.81	411,415.81	15,611.79	395,804.02	
Workers' Compensation	4,930.00	4,930.00		4,930.00	
Other Insurance Premiums	877.37	877.37	2,640.00		1,762.63
Health Benefit Waiver	4,056.46	4,056.46		4,056.46	
Fire Department	3,392.05	7,678.78	6,117.48	1,561.30	
Police Department	44,045.85	88,899.09	52,969.03	35,930.06	
Traffic Control-School Crossing Guards	7,500.00	7,500.00		7,500.00	
Emergency Management Services	17,950.00	17,950.00	575.00	17,375.00	
Code Enforcement	6,884.41	9,714.41	1,719.00	7,995.41	
Maintenance of Vehicles	13,869.25	24,097.28	15,891.83	8,205.45	
Recycling	67,579.37	68,011.37	6,167.02	61,844.35	
Solid Waste Collection	126,520.56	126,520.56	97,959.81	28,560.75	
Parks and Playgrounds	22,200.66	39,729.25	27,372.97	12,356.28	
Police Dispatch 911	6,313.00	7,000.00	687.00	6,313.00	

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF YEAR 2016 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2016 <u>RESERVED</u>	BALANCE AFTER <u>TRANSFERS</u>	PAID OR <u>CHARGED</u>	BALANCE <u>LAPSED</u>	<u>OVEREXPENDED</u>
<u>OTHER EXPENSES (CONTINUED)</u>					
Snow Removal	\$ 40,671.99	\$ 49,421.99	\$ 49,421.99	\$	\$
Board of Health	12,149.97	26,697.63	15,001.74	11,695.89	
Parking Enforcement	1,000.00	1,000.00		1,000.00	
Community Services	2,458.49	2,458.49	375.00	2,083.49	
Municipal Court	9,626.26	11,637.65	3,082.00	8,555.65	
Public Employee Occupational Safety Health Act	10,000.00	10,000.00		10,000.00	
Public Defender	100.00	100.00		100.00	
Construction Code Official	11,861.48	12,436.48	661.95	11,774.53	
Gasoline	49,392.64	60,206.43	25,336.95	34,869.48	
Electricity	23,728.10	23,728.10	8,982.44	14,745.66	
Natural Gas	21,313.61	21,313.61	8,494.11	12,819.50	
Telephone and Telegraph	13,342.09	13,342.09	11,214.76	2,127.33	
Street Lighting	43,612.00	43,612.00	24,468.22	19,143.78	
Fire Hydrant Service	575.00	575.00		575.00	
Water	16,579.95	16,579.95	5,035.15	11,544.80	
Municipal Services Act	7,832.20	7,832.20		7,832.20	
Social Security System (O.A.S.I.)	82,887.12	82,887.12		82,887.12	
Police and Firemen's Retirement System of NJ	2,982.78	2,982.78		2,982.78	
State Unemployment	107,995.36	107,995.36	22,190.88	85,804.48	
Defined Contribution Retirement Program	8,039.51	8,039.51	2,632.99	5,406.52	
Public Employee's Retirement System	9,728.72	9,728.72	296.78	9,431.94	
Declared State of Emergency	24,096.00	24,096.00	24,096.00		
Animal Control Contract - City of Linden	7,500.00	10,000.00	5,000.00	5,000.00	
	<u>\$ 2,070,691.14</u>	<u>\$ 2,321,892.33</u>	<u>\$ 452,360.60</u>	<u>\$ 1,871,294.36</u>	<u>1,762.63</u>
<u>REF.</u>	A			A-1	A-25
Cash Disbursements	A-4		\$ 560,528.58		
Less: Refunds	A-4		<u>(108,167.98)</u>		
			<u>\$ 452,360.60</u>		

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS -  
UNAPPROPRIATED

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	335.63
Increased by:			
Cash Receipts	A-4	\$	<u>42,761.77</u>
			43,097.40
Balance, December 31, 2017	A	\$	<u><u>43,097.40</u></u>

ANALYSIS OF BALANCE:

Click it or Ticket	\$	335.63
Drive Sober or Get Pulled Over		4,950.00
Recycling Tonnage Grant		<u>37,811.77</u>
	\$	<u><u>43,097.40</u></u>

"A-19"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>		
Balance, December 31, 2016 (Due to)	A	\$	74,313.19
Increased by:			
Cash Receipts	A-4	\$	725,310.34
Transfer from Current Fund	A-16		<u>512,860.37</u>
		\$	<u>1,238,170.71</u>
Decreased by:			
Cash Disbursements	A-4	\$	312,325.40
Transfer to Current Fund	A-16		<u>999,912.72</u>
			<u>1,312,238.12</u>
Balance, December 31, 2017 (Due to)	A	\$	<u>245.78</u>

"A-20"

CURRENT FUND

SCHEDULE OF RESERVE FOR MARRIAGE  
LICENSES DUE STATE

Balance, December 31, 2016	A	\$	2,759.00
Increased by:			
Cash Receipts	A-4		<u>3,899.00</u>
		\$	<u>6,658.00</u>
Decreased by:			
Cash Disbursements	A-4		<u>4,500.00</u>
Balance, December 31, 2017	A	\$	<u>2,158.00</u>

"A-21"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	251,647.31
Increased by:			
Collection of 2018 Taxes	A-4		<u>578,588.72</u>
		\$	830,236.03
Decreased by:			
Applied to 2017 Taxes	A-8		<u>251,647.31</u>
Balance, December 31, 2017	A	\$	<u><u>578,588.72</u></u>

"A-22"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF COUNTY TAXES

	<u>REF.</u>		
Balance, December 31, 2016(Payable)	A		\$ 8,295.97
Increased by:			
Tax Levy for 2017	A-1:A-8	\$ 7,268,407.72	
Added Taxes	A-1:A-8	<u>24,186.42</u>	
			<u>7,292,594.14</u>
			7,300,890.11
Decreased by:			
Cash Disbursements	A-4		<u>7,276,703.69</u>
Balance, December 31, 2017(Payable)	A		\$ <u>24,186.42</u>

"A-23"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX PAYABLE

Balance, December 31, 2016 (Prepaid)	A		\$ 430,151.00
Increased by:			
School Tax Levy 2017	A-1:A-8		<u>23,967,345.00</u>
			\$ 23,537,194.00
Decreased by:			
Cash Disbursements	A-4		<u>24,015,345.00</u>
Balance, December 31, 2017 (Prepaid)	A		\$ <u>478,151.00</u>

"A-24"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	295,564.06
Increased by:			
2017 Appropriations	A-3		440,978.41
		\$	<u>736,542.47</u>
Decreased by:			
Transferred to Appropriation Reserves	A-17		<u>251,201.19</u>
Balance, December 31, 2017	A	\$	<u><u>485,341.28</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2016	INCREASE	DECREASED	BALANCE DECEMBER 31, 2017
Overexpenditure of Appropriations	\$	\$ 3,088.95	\$	\$ 3,088.95
Overexpenditure of Appropriation Reserves		1,762.63		1,762.63
Special Emergency - Tax Map	42,500.00		42,500.00	
	<u>\$ 42,500.00</u>	<u>\$ 4,851.58</u>	<u>\$ 42,500.00</u>	<u>\$ 4,851.58</u>
REF.	A	A-3; A-17	A-3	A
Cash Receipts				
Raised in Budget			<u>\$ 42,500.00</u>	
			<u>\$ 42,500.00</u>	



"A-26"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	A	\$	13,102.50
Increased by:			
Federal and State Grants Appropriated	A-14	\$	<u>40,825.21</u>
			53,927.71
Decreased by:			
Transferred to Federal and State Grants Appropriated	A-14		<u>13,102.50</u>
Balance, December 31, 2017	A	\$	<u><u>40,825.21</u></u>

"A-27"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

REF.

Balance, December 31, 2017 and  
December 31, 2016

A

\$ 248,717.95

"A-28"

SCHEDULE OF DCA FEES - DUE STATE OF NEW JERSEY

Balance, December 31, 2016

A

\$ 7,385.00

Increased by:

Cash Receipts

A-4

21,628.00  
\$ 29,013.00

Decreased by:

Cash Disbursements

A-4

23,802.00

Balance, December 31, 2017

A

\$ 5,211.00

"A-29"

BOROUGH OF ROSELLE

GRANT FUND

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

REF.

Balance, December 31, 2017 and  
December 31, 2016

A

\$ 159,362.50

"A-30"

SCHEDULE OF DUE TO GENERAL CAPITAL FUND

Balance, December 31, 2016

\$ 347,000.00

Decreased by:

Cash Disbursements

A-4

\$ 347,000.00

"B-1"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF CASH  
COLLECTOR-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL FUND</u>		<u>OTHER TRUST FUNDS</u>	
Balance, December 31, 2016	B	\$	\$ 7,107.60	\$	4,247,227.03
Increased by Receipts:					
Tax Title Lien Redemption and Premiums	B-2			2,513,974.99	
Due Current Fund	B-14			110,348.00	
Due State of New Jersey	B-4		666.60		
Animal Control License Fees	B-5		2,333.40		
Public Defender	B-6			10,519.00	
Payroll Deductions Payable	B-9			9,745,358.20	
Community Development Block Grant	B-10			87,945.63	
Miscellaneous Trusts	B-13			1,699,094.15	
Parking Offense Adjudication Act	B-7			4,920.00	
Special Law Enforcement	B-12			342.55	
SUI	B-8			25,000.00	
Due General Capital Fund	B-15				
			<u>3,000.00</u>		<u>14,197,502.52</u>
Decreased by Disbursements:			<u>10,107.60</u>		<u>\$ 18,444,729.55</u>
Tax Title Lien Redemption and Premiums	B-2			2,984,608.52	
Due State of New Jersey	B-4		637.80		
Reserve for Animal Control	B-5				
State Unemployment Insurance	B-8				
Payroll Deductions Payable	B-9			9,727,339.03	
Community Development Block Grant	B-11			58,657.34	
Special Law Enforcement	B-12				
Public Defender	B-6			1,000.00	
POAA	B-7			305.00	
Miscellaneous Trusts	B-13			1,401,388.53	
Due Current Fund	B-3:B-14			29,976.82	
			<u>637.80</u>		<u>14,245,639.95</u>
Balance, December 31, 2017	B	\$	<u><u>9,469.80</u></u>	\$	<u><u>4,199,089.60</u></u>

"B-2"

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTIONS AND PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 2,619,969.83
Increased by:		
Cash Receipts	B-1	<u>2,513,974.99</u>
		\$ 5,133,944.82
Decreased by:		
Cash Disbursements	B-1	<u>2,984,608.52</u>
Balance, December 31, 2017	B	<u><u>\$ 2,149,336.30</u></u>

"B-3"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND - ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Increased by:		
Statutory Excess in Reserve for		
Animal Control Expenditures	B-5	\$ <u>4,689.80</u>
Balance, December 31, 2017, (Due to)	B	\$ <u><u>4,689.80</u></u>

"B-4"

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

Balance, December 31, 2016	B	\$ 100.20
Increased by:		
Cash Receipts	B-1	<u>666.60</u>
		\$ <u>766.80</u>
Decreased by:		
Cash Disbursements	B-1	<u>637.80</u>
Balance, December 31, 2017	B	\$ <u><u>129.00</u></u>

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 7,007.40
Increased by:		
Dog License Fees Collected	B-1	<u>2,333.40</u>
		\$ <u>9,340.80</u>
Decreased by:		
Statutory Excess in Reserve for Animal Control Fund Expenditures	B-3	<u>4,689.80</u>
Balance, December 31, 2017	B	\$ <u><u>4,651.00</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2015	\$ 2,345.00
2016	<u>2,306.00</u>
	\$ <u><u>4,651.00</u></u>

"B-6"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

	<u>REF.</u>		
Balance, December 31, 2016	B	\$	45,524.17
Increased by:			
Cash Receipts	B-1		10,519.00
		\$	<u>56,043.17</u>
Decreased by:			
Cash Disbursements	B-1		1,000.00
			<u>1,000.00</u>
Balance, December 31, 2017	B	\$	<u><u>55,043.17</u></u>

"B-7"

SCHEDULE OF PARKING OFFENSE ADJUDICATION ACT FUND

Balance, December 31, 2016	B	\$	17,719.11
Increased by:			
Cash Receipts	B-1		4,920.00
		\$	<u>22,639.11</u>
Decreased by:			
Cash Disbursements	B-1		305.00
			<u>305.00</u>
Balance, December 31, 2017	B	\$	<u><u>22,334.11</u></u>



"B-8"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>	
Balance, December 31, 2016	B	\$ 46,092.59
Increased by:		
Cash Receipts	B-1	<u>25,000.00</u>
Balance, December 31, 2017	B	<u>\$ 71,092.59</u>

"B-9"

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Balance, December 31, 2016	B	\$ 170,185.73
Increased by:		
Cash Receipts	B-1	<u>9,745,358.20</u>
		\$ <u>9,915,543.93</u>
Decreased by:		
Cash Disbursements	B-1	<u>9,727,339.03</u>
Balance, December 31, 2017	B	<u>\$ 188,204.90</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, 2016	B	\$ 65,288.29
Increased by:		
Grant Awarded in 2017	B-11	34,000.00
		\$ 99,288.29
Decreased by:		
Cash Receipts	B-1	87,945.63
Balance, December 31, 2017	B	\$ 11,342.66

"B-11"

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

Balance, December 31, 2016	B	\$ 36,000.02
Increased by:		
Grant Awarded in 2017	B-10	34,000.00
		\$ 70,000.02
Decreased by:		
Cash Disbursements	B-1	58,657.34
Balance, December 31, 2017	B	\$ 11,342.68

"B-12"

SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT

Balance, December 31, 2016	B	\$ 65,638.06
Increased by:		
Cash Receipts	B-1	342.55
		\$ 65,980.61
Balance, December 31, 2017	B	\$ 65,980.61

"B-13"

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2016	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2017
Escrow Deposits	\$ 500,822.73	\$ 715,899.30	\$ 540,518.01	\$ 676,204.02
Accumulated Leave / Absence	25,000.00	25,000.00		50,000.00
Police Department Donation	5,097.23			5,097.23
Snow Removal	34,027.61	64,307.96	18,212.45	80,123.12
Book Bag Drive	600.00			600.00
Youth Donations		2,100.00		2,100.00
Roselle Golf Course	591,548.83			591,548.83
Recreation	58,780.14	134,151.28	133,338.42	59,593.00
Miscellaneous	2,721.00	70.78		2,791.78
Fire Prevention	154.90			154.90
Community Policing Unit	18,491.72	4,392.50	8,080.43	14,803.79
Police Outside Employment	112,722.67	753,172.33	701,239.22	164,655.78
Fees and Permits	120.00			120.00
	<u>\$ 1,350,086.83</u>	<u>\$ 1,699,094.15</u>	<u>\$ 1,401,388.53</u>	<u>\$ 1,647,792.45</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, 2016, (Due from)	B	\$	117,795.02
Decreased by:			
Cash Receipts	B-1		<u>110,348.00</u>
Increased by:			
Cash Disbursements	B-1		<u>29,976.82</u>
Balance, December 31, 2017, (Due from)	B	\$	<u><u>37,423.84</u></u>

"B-15"

SCHEDULE OF DUE GENERAL CAPITAL FUND

Balance, December 31, 2016, (Due to)	B	\$	79,000.00
Decreased by:			
Cash Disbursements	B-1		<u>42,364.71</u>
Balance, December 31, 2017, (Due to)	B	\$	<u><u>36,635.29</u></u>

"B-16"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

REF.

Balance, December 31, 2017 and  
December 31, 2016 (Due to)

B

\$ 94.00

ANALYSIS OF BALANCE

Description

Amount

Marriage License Fees

\$ 89.00

Burial Permit Fees

5.00

\$ 94.00

BOROUGH OF ROSELLE  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2016	C		\$ 3,489,977.91
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-6	\$ 200,000.00	
Grants Accounts Receivable	C-7	0.00	
Serial Bonds	C-11	4,676,000.00	
Refund of Improvement Authorizations	C-8	3,136.25	
Premium of Bond Anticipation Notes Issued	C-1	244,952.84	
Deferred Charge Expenditure without an Appropriation	C-17	20,095.31	
Bond Anticipation Notes	C-14	21,319,883.00	
Deferred Charges to Future Taxation - Unfunded		606,677.25	
Due Grant Fund	C-12	347,000.00	
Due Trust Other Fund	C-13	42,364.71	
Due Current Fund	C-15	212,993.00	
			<u>27,673,102.36</u>
			31,163,080.27
Decreased by Disbursements:			
Due Current Fund	C-15	\$ 267,000.00	
Bond Anticipation Notes	C-14	24,210,876.00	
Contracts Payable	C-10	5,558,548.90	
Capital Surplus to Current Fund	C-1	250,000.00	
			<u>30,286,424.90</u>
Balance, December 31, 2017	C		\$ <u>876,655.37</u>

"C-3"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2017
Fund Balance	\$ 519,198.94
Capital Improvement Fund	77,714.69
State Aid Accounts Receivable	(3,912,330.20)
Reserve for State Aid Accounts Receivable	351,003.05
Reserve for Basketball Court Improvements	42,500.00
Contracts Payable	1,280,461.33
Environmental Loan Receivable	
Due Current Fund	229.00
Due Other Trust Fund	(36,635.29)
Improvement Authorizations Funded (Listed on "C-8")	1,044,232.47
Unidentified Receipts	2,490.44
Reserve to Pay Debt	123,862.37
Bond Anticipation Notes Issued:	
Excess Note Proceeds as Set Forth on "C-5"	786,514.40
Unexpended Note Proceeds as Set Forth on "C-5"	1,002,536.17
Improvement Authorizations:	
Expended as Set Forth on "C-5"	(405,122.00)
	<u>\$ 876,655.37</u>
<u>REF.</u>	C

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO  
FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	10,999,612.75
Increased by:			
Serial Bonds	C-11		<u>4,676,000.00</u>
		\$	15,675,612.75
Decreased by:			
Payment of Green Trust Loan by Budget	C-9	\$	15,541.62
Payment of EIT Loan by Budget	C-18		72,607.54
Bonds Paid by Budget	C-11		<u>985,000.00</u>
			<u>1,073,149.16</u>
Balance, December 31, 2017	C	\$	<u><u>14,602,463.59</u></u>



BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE  
TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2017			
		BALANCE DECEMBER 31, 2017	FINANCED BY BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
GENERAL IMPROVEMENTS					
2251 - 06	Various Capital Improvements	\$ 568,188.00	\$ 568,188.00	\$	
2292 - 07	Improvements to Sylvester Land Field	12,427.00		12,427.00	
2297	Westbrook Flood Control Project	6,726,003.05	6,726,003.05		
2300 - 08	Various Road Improvements	59,195.00		59,195.00	
2314	Improvements to 911 Comm. Syst.	93,161.00	93,161.00		
2342	Various Improvements	58,222.00	58,222.00		
2349	Acquisition of Ambulance	143,500.00		143,500.00	
2380	Various Improvements	1,437,349.80	1,437,349.80		
2478	Various Improvements	2,344,573.00	2,344,573.00		
2507	Acquisition of Property	190,000.00		190,000.00	
2510	Acquisition of Communication Systems	1,662,500.00	1,662,500.00		
2519	Various Improvements	2,714,804.75	2,714,804.75		
2533	Improvements to CRRP	1,615,000.00	1,615,000.00		
2541	Various Improvements	2,757,817.00	2,757,817.00		
2547	Various Improvements	555,750.00	555,750.00		
2562	Various Improvements	3,240,839.75			3,240,839.75
		<u>\$ 24,179,330.35</u>	<u>\$ 20,533,368.60</u>	<u>\$ 405,122.00</u>	<u>\$ 3,240,839.75</u>
		C		C-3	
		REF.			
	Bond Anticipation Notes		\$ 21,319,883.00		
	Less: Cash on Hand to Pay Notes -				
	Various Ordinances		<u>786,514.40</u>		
			<u>\$ 20,533,368.60</u>		
		C-8			\$ 4,243,375.92
	Improvement Authorizations Unfunded				
	Less: Unexpended Proceeds of Bond Anticipation				
	Notes Issued				<u>1,002,536.17</u>
					<u>\$ 3,240,839.75</u>

"C-6"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 72,846.69
Increased by:		
2017 Appropriations	C-2	<u>200,000.00</u>
		\$ <u>272,846.69</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-8	<u>195,132.00</u>
Balance, December 31, 2017	C	\$ <u><u>77,714.69</u></u>

"C-7"

SCHEDULE OF GRANTS ACCOUNTS RECEIVABLE

Balance, December 31, 2016	C	\$ 2,279,507.20
Increased by:		
Improvement Authorizations	C-8	<u>1,636,350.00</u>
		\$ <u>3,915,857.20</u>
Decreased by:		
Transferred from Unidentified Receipts	C-17	<u>3,527.00</u>
Balance, December 31, 2017	C	\$ <u><u>3,912,330.20</u></u>
Pledged to:		
Ordinance		\$ 3,561,327.15
Reserve for Receivables	C	<u>351,003.05</u>
		\$ <u><u>3,912,330.20</u></u>



"C-9"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2016	C	\$	73,931.40
Decreased by:			
Loans Paid by Budget	C-4		<u>15,541.62</u>
Balance, December 31, 2017	C	\$	<u><u>58,389.78</u></u>

"C-10"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2016	C	\$	504,977.00
Increased by:			
Charges to Improvement Authorizations	C-8		<u>6,335,930.88</u>
		\$	<u>6,840,907.88</u>
Decreased by:			
Cash Disbursements	C-2	\$	5,558,548.90
Contract Payable Cancelled	C-8		<u>1,897.65</u>
			<u>5,560,446.55</u>
Balance, December 31, 2017	C	\$	<u><u>1,280,461.33</u></u>

BOROUGH OF ROSELLE  
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING 12/31/2017		INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
			DATE	AMOUNT					
Refunding Bonds - ERIP	04/01/03	\$ 145,000.00	04/01/18	\$ 15,000.00	5.29%	\$ 30,000.00	\$ 15,000.00	\$ 15,000.00	15,000.00
General Improvements	06/01/05	4,363,000.00	06/01/18	453,000.00	3.650%	903,000.00	450,000.00	453,000.00	453,000.00
Refunding Bonds	09/15/11	1,520,000.00				245,000.00	245,000.00		
Various General Improvements	05/01/16	8,499,000.00	05/01/18	275,000.00	2.000%				
			05/01/19	430,000.00	2.000%				
			05/01/20	436,000.00	2.000%				
			05/01/21	440,000.00	2.000%				
			05/01/22	450,000.00	2.000%				
			05/01/23	460,000.00	2.000%				
			05/01/24	470,000.00	2.000%				
			05/01/25	480,000.00	2.000%				
			05/01/26	490,000.00	2.000%				
			05/01/27	505,000.00	2.000%				
			05/01/28	515,000.00	3.000%				
			05/01/29	530,000.00	3.000%				
			05/01/30	545,000.00	3.000%				
			05/01/31	550,000.00	3.000%				
			05/01/32	550,000.00	3.000%				
			05/01/33	550,000.00	3.000%				
			05/01/34	549,000.00	3.000%				
General Improvements	02/23/17	4,676,000.00	03/01/18	175,000.00	2.000%				
			03/01/19	175,000.00	2.000%				
			03/01/20	295,000.00	2.000%				
			03/01/21	306,000.00	2.000%				
			03/01/22	310,000.00	3.000%				
			03/01/23	320,000.00	3.000%				
			03/01/24	325,000.00	3.000%				
			03/01/25	330,000.00	3.000%				
			03/01/26	340,000.00	3.000%				
			03/01/27	350,000.00	3.000%				
			03/01/28	350,000.00	3.000%				
			03/01/29	350,000.00	3.000%				
			03/01/30	350,000.00	3.000%				
			03/01/31	350,000.00	3.000%				
			03/01/32	350,000.00	3.000%				
							4,676,000.00		4,676,000.00
						\$ 9,677,000.00	\$ 4,676,000.00	\$ 965,000.00	\$ 13,368,000.00
						C	C-4	C-4	C
						REF.			

"C-12"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE GRANT FUND

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ <u>347,000.00</u>
Decreased by:		
Cash Receipts	C-2	\$ <u><u>347,000.00</u></u>

"C-13"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE OTHER TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2016 (Due From)	C	\$	79,000.00
Decreased by:			
Cash Receipts	C-2		<u>42,364.71</u>
Balance, December 31, 2017 (Due From)	C	\$	<u><u>36,635.29</u></u>

BOROUGH OF ROSELLE  
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT ISSUED	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2016	INCREASED	DECREASED	BALANCE DECEMBER 31, 2017
2251	Various Capital Improvements	\$ 799,000.00	5/22/07	3/2/17	3/1/18	2.500%	\$ 596,189.00	\$ 568,188.00	\$ 596,189.00	\$ 568,188.00
2292	Improvements to Sylvester Land Field	1,254,000.00	5/20/09	3/4/16	3/3/17	1.250%	1,049,232.00		1,049,232.00	
2396	Various Improvements	4,346,060.00	5/22/12	3/4/16	3/3/17	1.250%	3,627,761.00		3,627,761.00	
2314	Improvements to 911 Communication System	122,591.00	5/22/12	3/2/17	3/1/18	2.500%	103,161.00	93,161.00	103,161.00	93,161.00
2342	Various Improvements	90,250.00	5/22/12	3/2/17	3/1/18	2.500%	69,222.00	58,222.00	69,222.00	58,222.00
2380	Various Improvements	1,782,150.00	5/22/12	3/2/17	3/1/18	2.500%	1,534,105.00	1,487,105.00	1,534,105.00	1,487,105.00
2297	Westbrook Flood Project	3,500,000.00	12/19/13	3/2/17	3/1/18	2.500%	3,455,000.00	3,455,000.00	3,455,000.00	3,455,000.00
2297	Westbrook Flood Project	2,144,000.00	12/31/11	12/11/17	12/7/18	1.540%	3,500,000.00	3,410,000.00	3,500,000.00	3,410,000.00
2251	Various Capital Improvements	26,000.00	3/27/14	3/23/16	3/22/17	1.500%	26,000.00		26,000.00	
2541	Various Improvements	1,230,250.00	12/11/17	12/11/17	12/7/18	1.540%		1,230,250.00		1,230,250.00
2547	Various Improvements	555,750.00	12/11/17	12/11/17	12/7/18	1.540%		555,750.00		555,750.00
2510	Acquisition of Communication Systems	1,662,500.00	5/4/15	3/2/17	3/1/18	2.500%	1,662,500.00	1,662,500.00	1,662,500.00	1,662,500.00
2478	Various Improvements	2,417,408.00	9/23/15	9/18/17	9/14/18	2.250%	2,417,408.00	2,417,408.00	2,417,408.00	2,417,408.00
2519	Various Improvements	3,189,732.00	9/23/15	9/18/17	9/14/18	2.250%	3,189,732.00	3,189,732.00	3,189,732.00	3,189,732.00
2533	Improvements to CRRP	1,615,000.00	9/13/16	9/18/17	9/14/18	2.250%	1,615,000.00	1,615,000.00	1,615,000.00	1,615,000.00
2541	Various Improvements	1,577,567.00	9/13/16	9/18/17	9/14/18	2.250%	1,577,567.00	1,577,567.00	1,577,567.00	1,577,567.00
							<u>\$ 24,422,877.00</u>	<u>\$ 21,319,883.00</u>	<u>\$ 24,422,877.00</u>	<u>\$ 21,319,883.00</u>
						<u>REF.</u>	<u>C</u>	<u>C-2</u>		<u>C-C-5</u>
	Cash Disbursements					C-2			\$ 24,210,876.00	
	Notes Paid by Budget								<u>212,001.00</u>	
									<u>\$ 24,422,877.00</u>	



"C-15"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2016 (Due To)	C	\$ 54,236.00
Increased by:		
Cash Receipts	C-2	<u>212,993.00</u>
		267,229.00
Decreased by:		
Cash Disbursements	C-2	<u>267,000.00</u>
Balance, December 31, 2017 (Due To)	C	<u>\$ 229.00</u>

"C-16"

SCHEDULE OF RESERVE FOR BASKETBALL COURT IMPROVEMENTS

Balance, December 31, 2017 and December 31, 2016	C	\$ <u>42,500.00</u>
---	---	---------------------

"C-17"

SCHEDULE OF RESERVE FOR UNIDENTIFIED RECEIPTS

Balance, December 31, 2016		\$ 6,017.44
Decreased by:		
Transferred to Grants Receivable	C-7	<u>3,527.00</u>
Balance, December 31, 2017	C	<u>\$ 2,490.44</u>

"C-18"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 1,248,681.35
Decreased by:		
Paid by Budget	C-4	<u>72,607.54</u>
Balance, December 31, 2017	C	<u>\$ 1,176,073.81</u>

"C-19"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE TO PAY DEBT

	<u>REF.</u>	
Balance, December 31, 2016	C	\$ 24,499.37
Increased by:		
Reserve for Debt Service - Bonds Applied		<u>99,363.00</u>
		\$ <u>123,862.37</u>
Balance, December 31, 2017	C	\$ <u><u>123,862.37</u></u>

"C-20"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2016	C	\$ <u>20,095.31</u>
Decreased by:		
Deferred Charges Raised in Budget	C-2	\$ <u><u>20,095.31</u></u>

"C-21"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT AUTHORIZATION</u>	<u>BALANCE DECEMBER 31, 2017</u>
2292	Improvements to Sylvester Land Field	\$ 12,427.00
2300	Various Road Improvements	59,195.00
2349	Acquisition of Ambulance	143,500.00
2507	Acquisition of Property	190,000.00
2562	Various Improvements	<u>3,240,839.75</u>
		<u>\$ 3,645,961.75</u>

"E-1"

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH-TREASURER

	<u>REF.</u>	<u>P.A.T.F. I</u> <u>ACCOUNT</u>	<u>FUND</u> <u>TOTAL</u>
Balance, December 31, 2017 and December 31, 2016	E	\$ <u>13,800.34</u>	\$ <u>13,800.34</u>

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

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

	<u>REF.</u>		
Balance, December 31, 2017 and Balance, July 31, 2018	E-1	\$	<u>13,800.34</u>
<u>Reconciliation, July 31, 2018</u>			
		<u>P.A.T.F. I ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of: TD Bank Account #7861791270		\$ <u>13,800.34</u>	\$ <u>13,800.34</u>
Balance, July 31, 2018		\$ <u>13,800.34</u>	\$ <u>13,800.34</u>

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND  
RECONCILIATION AS OF DECEMBER 31, 2017

Balance, December 31, 2017 and  
December 31, 2016

\$ 13,800.34

Reconciliation, December 31, 2017

P.A.T.F. I  
ACCOUNT

TOTAL

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

\$ 13,800.34 \$ 13,800.34

Balance, December 31, 2017

\$ 13,800.34 \$ 13,800.34

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PART II

BOROUGH OF ROSELLE

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

FISCAL YEAR ENDED DECEMBER 31, 2017

STATEMENT OF OPERATIONS AND CHANGE  
IN FUND BALANCE - CURRENT FUND

	2017		2016	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,850,000.00	2.50%	\$ 1,500,000.00	2.07%
Miscellaneous - From Other Than				
Local Property Tax Levies	8,697,500.20	11.77%	8,472,648.32	11.67%
Collection of Current Tax Levy	61,398,396.49	83.11%	60,325,920.24	83.09%
Collection of Delinquent Taxes and				
Tax Title Liens	1,932,252.66	2.62%	2,304,848.76	3.17%
<u>Total Income</u>	<u>\$ 73,878,149.35</u>	<u>100.00%</u>	<u>\$ 72,603,417.32</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 39,104,437.55	54.91%	\$ 38,188,481.38	54.45%
County Taxes	7,292,594.14	10.24%	7,188,075.08	10.25%
Local School Taxes	23,967,345.00	33.66%	23,673,188.00	33.76%
Other Expenditures	849,529.34	1.19%	1,079,291.89	1.54%
<u>Total Expenditures</u>	<u>\$ 71,213,906.03</u>	<u>100.00%</u>	<u>\$ 70,129,036.35</u>	<u>100.00%</u>
Excess in Revenue	\$ 2,664,243.32		\$ 2,474,380.97	
Adjustments to Income Before Surplus:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	3,088.95			
Statutory Excess to Fund Balance	\$ 2,667,332.27		\$ 2,474,380.97	
Fund Balance, January 1	3,381,807.91		2,407,426.94	
	\$ 6,049,140.18		\$ 4,881,807.91	
Decreased by:				
Utilization as Anticipated Revenue	1,850,000.00		1,500,000.00	
Fund Balance, December 31	<u>\$ 4,199,140.18</u>		<u>\$ 3,381,807.91</u>	

## COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax Rate	<u>\$8.259</u>	<u>\$8.078</u>	<u>\$8.077</u>
Apportionment of Tax Rate:			
Municipal	4.151	4.032	3.985
Library	0.059	0.057	0.058
County	0.942	0.928	0.931
Local School	3.107	3.061	3.103

### Assessed Valuations:

2017	<u>\$771,341,465.00</u>		
2016		<u>\$773,391,682.00</u>	
2015			<u>\$770,539,160.00</u>

## COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CASH</u> <u>COLLECTION</u>	<u>CURRENTLY</u> <u>PERCENTAGE OF</u> <u>COLLECTIONS</u>
2017	\$64,026,277.36	\$61,398,396.49	95.90%
2016	\$62,658,107.04	\$60,325,920.24	96.28%
2015	\$62,376,138.22	\$59,603,557.30	95.56%

### DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
2017	\$584,828.51	\$2,287,342.09	\$2,872,170.60	4.49%
2016	\$576,687.47	\$1,993,780.64	\$2,570,468.11	4.10%
2015	\$490,948.40	\$2,327,636.73	\$2,818,585.13	4.52%

### PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>YEAR</u>	<u>AMOUNT</u>
2017	\$2,027,232.00
2016	\$2,027,232.00
2015	\$2,027,232.00

### COMPARATIVE SCHEDULE OF FUND BALANCES

		<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2017	\$4,199,140.18	\$2,350,000.00
	2016	\$3,381,807.91	\$1,850,000.00
	2015	\$2,407,426.94	\$1,500,000.00
	2014	\$1,148,187.50	\$563,915.00
	2013	\$2,335,369.83	\$1,500,000.00
		<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Affordable Housing Utility Operating Fund	2017	\$-0-	\$-0-
	2016	\$-0-	\$-0-
	2015	\$3,646.09	\$-0-
	2014	\$33,699.85	\$33,000.00
	2013	\$113,793.04	\$95,000.00

## OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF CORPORATE OR PERSONAL SURETY</u>
Christine Dansereau	Mayor	*	
Kim Shaw	Council President	*	
Reginald Atkins	Councilman	*	
Andrea Staten	Councilwoman	*	
Yves Aubourg	Councilman	*	
Samuel Bishop	Councilman	*	
Carla Walker	Councilwoman	*	
David Brown	Administrator	*	
Lydia Agbejimi	Deputy Clerk	*	
Kimberly Browne	CFO	1,000,000.00	PE JIF
Carl Marshall	Magistrate	1,000,000.00	PE JIF
Vivian Hoff	Court Administrator	1,000,000.00	PE JIF
Rachel Caruso	Attorney	*	
Sharon Curran	Tax Collector	1,000,000.00	PE JIF
Pamela Steele	Tax Assessor	*	
Gerard Orlando	Police Chief	*	
Paul Mucha	Fire Chief	*	

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

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GENERAL COMMENTS AND RECOMMENDATIONS

## GENERAL COMMENTS

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

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

Effective July 1, 2015, the bid threshold was \$17,500.00. The Borough increased the bid threshold to \$40,000.00 by appointing a Qualified Purchasing Agent (QPA).

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

Road Improvements  
Roll Off Hoist Truck

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 2017 for the professional services:

Labor Counsel  
Municipal Auditor  
Engineering Services  
Other Legal Services  
Consultants  
Tax Appeal Counsel  
Special Counsel  
Planner  
Architects  
Appraiser



## 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 20, 2016 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 15, 2017.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2017	15
2016	15
2015	15

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 2018	25
Payment of 2017	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, 2017 on the balance sheets of the Borough.

### Municipal Court

The fines and costs and bail bank accounts were not reconciled with the ATS/ACS computer system.

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

### Payroll

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

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

An analysis of the balance on account in the Payroll Agency account was not properly maintained and reconciled to the balance on deposit in the Payroll Agency bank account.

### 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.

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

We noted several tax cancellations posted incorrectly to the detailed tax ledger.

We noted several outstanding tax overpayment balances from prior years.

We noted numerous payments on delinquent property tax balances where interest was not collected and/or posted to the tax records.

## OTHER COMMENTS (CONTINUED)

### Departments

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

#### Public Works:

An adequate detailed cash receipts ledger was not maintained.

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

#### Zoning:

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

#### 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.

#### Recreation

An adequate detailed cash receipts ledger was not maintained.

Not all fees are set by Ordinance.

### Fixed Assets

Land and Building were not recorded on the Borough's record of General Fixed Assets.

### Treasurer

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

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

A detailed analysis of Police Outside Overtime receivables and reserves was not available for audit

Bank Reconciliations were not prepared on a timely basis.

## OTHER COMMENTS (CONTINUED)

### Treasurer (Continued)

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.

## RECOMMENDATIONS

\*That the Municipal Court:

\*Reconcile the fines and costs and bail bank accounts with the ATS/ACS computer system on a monthly basis.

\*Investigate and clear all tickets on the "Assigned But Not Issued Report."

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

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

\*That an analysis of the balance on account in the Payroll Agency account be properly maintained.

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

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

That tax cancellations be accurately posted to the detailed tax ledger.

That all prior year tax overpayment balances be reviewed and properly liquidated.

That interest be charged and collected on all delinquent tax payments.

That procedures for the collection of interest on delinquent taxes be monitored on a monthly basis.

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.

Maintain and utilize an official schedule of fees.

\*That land and building be recorded on the record of general fixed assets in accordance with N.J.A.C. 5:30-5.6.

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

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

\*That sufficient appropriation balances be available prior to the commitment or expenditure of funds.

RECOMMENDATIONS (CONTINUED)

\*That delinquent balances from vendors who owe the Borough for Police Outside Overtime services be investigated and cleared of record.

That all Treasurer's bank accounts be reconciled on a timely basis.

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

\*Prior Year Recommendations



