

Report of Audit

on the

Financial Statements

of the

Borough of Roselle Park

in the

County of Union
New Jersey

for the

Year Ended
December 31, 2006

BOROUGH OF ROSELLE PARK

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BOROUGH OF ROSELLE PARK

PART I

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

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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2006



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Borough Council
Borough of Roselle Park
County of Union
Roselle Park, New Jersey 07204

We have audited the accompanying financial statements - statutory basis of the various individual funds and the account group of the Borough of Roselle Park, County of Union, New Jersey as of and for the years ended December 31, 2006 and 2005, and for the year ended December 31, 2006, as listed as financial statements - statutory basis in the foregoing table of contents. These financial statements - statutory basis are the responsibility of the management of the Borough of Roselle Park, County of Union. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States, and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

SUPLEE, CLOONEY & COMPANY



In our opinion, because the Borough of Roselle Park prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the various individual funds of the Borough of Roselle Park, County of Union, as of December 31, 2006 and 2005 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the year ended December 31, 2006.

However, in our opinion, the financial statements - statutory basis present fairly, in all material respects, the financial position - statutory basis of the various individual funds and the account group of the Borough of Roselle Park, County of Union, as of December 31, 2006 and 2005 and the results of its operations and changes in fund balance - statutory basis for the years then ended and the revenues, expenditures and changes in fund balance - statutory basis for the year ended December 31, 2006 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated March 21, 2007 on our consideration of the Borough of Roselle Park's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - statutory basis taken as a whole. The information included in the schedules of expenditures of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by New Jersey OMB's, Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

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


CERTIFIED PUBLIC ACCOUNTANTS

REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 21, 2007

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CURRENT FUND

BOROUGH OF ROSELLE PARKCURRENT FUNDBALANCE SHEETS - STATUTORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2006</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2005</u>
<u>ASSETS</u>			
Cash	A-4	\$ 4,108,150.87	\$ 4,096,956.73
Cash-Change Fund	A-5	450.00	450.00
Grants Receivable	A-12	400,005.65	477,758.62
		<u>\$ 4,508,606.52</u>	<u>\$ 4,575,165.35</u>
Receivables With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	\$ 455,540.15	\$ 427,531.02
Tax Title Liens Receivable	A-8	3,783.14	3,783.14
Property Acquired for Taxes- Assessed Value	A-9	163,650.00	163,650.00
Revenue Accounts Receivable	A-11	35,116.64	46,449.98
Interfunds Receivable	A-22	272,741.16	3,477.36
	A	<u>\$ 930,831.09</u>	<u>\$ 644,891.50</u>
		<u>\$ 5,439,437.61</u>	<u>\$ 5,220,056.85</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-13	\$ 468,750.56	\$ 445,530.79
Due From State of New Jersey (Chapter 20, P.L. 1971)	A-15	27,406.83	28,688.35
Reserve for Tax Appeals Pending	A-16	155,164.65	159,048.19
Prepaid Taxes	A-17	58,490.26	52,339.81
Tax Overpayments	A-18	4,597.55	30,789.29
Premium Received at Tax Sale	A-26	344,600.00	105,000.00
Redemption of Outside Liens	A-14	722.36	25,819.88
Reserve for Grants-Unappropriated	A-10	7,326.64	5,672.09
Reserve for Grants-Appropriated	A-19	490,319.37	467,484.62
Interfunds Payable	A-22		223.29
Reserve for Sale of Municipal Assets	A-23	469,244.93	531,244.93
Accounts Payable	A-24	430,126.82	475,390.41
Due County for Added and Omitted Taxes	A-25	4,953.33	5,613.13
		<u>\$ 2,461,703.30</u>	<u>\$ 2,332,844.78</u>
Reserve for Receivables	A	930,831.09	644,891.50
Fund Balance	A-1	<u>2,046,903.22</u>	<u>2,242,320.57</u>
		<u>\$ 5,439,437.61</u>	<u>\$ 5,220,056.85</u>

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

BOROUGH OF ROSELLE PARKCURRENT FUNDSTATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2006

<u>REVENUE AND OTHER INCOME</u>	<u>REF.</u>	<u>YEAR 2006</u>	<u>YEAR 2005</u>
Fund Balance Utilized	A-2	\$ 1,220,000.00	\$ 1,220,000.00
Miscellaneous Revenue Anticipated	A-2	2,572,033.02	2,612,239.07
Receipts From Delinquent Taxes	A-2	371,710.21	291,376.84
Receipts From Current Taxes	A-2	27,831,223.31	26,069,734.79
Non-Budget Revenue	A-2	274,907.37	219,625.15
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-13	337,890.94	289,790.15
Accounts Payable Canceled			4,517.00
<u>TOTAL INCOME</u>		<u>\$ 32,607,764.85</u>	<u>\$ 30,707,283.00</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operations Within "CAPS":			
Operations (Including Contingent)	A-3	\$ 7,467,638.77	\$ 7,176,909.57
Deferred Charges and Statutory Expenditures	A-3	274,727.00	272,367.11
Budget (Excluded From "CAPS"):			
Operations:			
Other Operations	A-3	2,669,939.49	2,491,658.37
Capital Improvements	A-3	20,600.00	19,000.00
Municipal Debt Service	A-3	1,039,583.75	1,074,278.75
Deferred Charges and Statutory Expenditures	A-3	0.00	57,000.00
County Taxes	A-20	4,007,122.21	3,825,640.53
County Share of Added and Omitted Taxes	A-25	4,994.41	5,654.22
Local District School Tax	A-21	15,806,202.35	14,643,511.65
Interfunds Advanced		269,263.80	796.16
Refund of Prior Year's Revenue	A-4	3,110.42	286.35
<u>TOTAL EXPENDITURES</u>		<u>\$ 31,563,182.20</u>	<u>\$ 29,567,102.71</u>
Statutory Excess to Surplus		\$ 1,024,582.65	\$ 1,140,180.29
<u>FUND BALANCE</u>			
Balance, January 1	A	2,242,320.57	2,322,140.28
		<u>\$ 3,266,903.22</u>	<u>\$ 3,462,320.57</u>
Decreased by:			
Utilized as Anticipated Revenue	A-1:A-2	1,220,000.00	1,220,000.00
Balance, December 31	A	<u>\$ 2,046,903.22</u>	<u>\$ 2,242,320.57</u>

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

BOROUGH OF ROSELLE PARK

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2006

REF.	ANTICIPATED		REALIZED	EXCESS OR (DEFICIT)
	BUDGET	SPECIAL N.J.S. 40A:4-87		
Fund Balance Appropriated	A-1	\$ 1,220,000.00	\$ 1,220,000.00	
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	A-11	\$ 10,000.00	\$ 14,229.00	4,229.00
Other	A-2	7,000.00	11,635.00	4,635.00
Fees and Permits:				
Other	A-2	20,000.00	44,361.75	24,361.75
Fines and Costs-Municipal Court	A-11	220,000.00	355,789.24	135,789.24
Interest and Cost on Taxes	A-11	45,000.00	100,809.13	55,809.13
Parking Meters	A-11	15,000.00	18,744.04	3,744.04
Energy Receipts Tax	A-11	673,745.00	673,745.00	
Supplemental Energy Receipts Tax	A-11	24,831.00	24,831.00	
Consolidated Municipal Property Tax Relief Aid	A-11	648,209.00	648,209.00	
Legislative Initiative Municipal Block Grant	A-11	56,031.00	56,031.00	
Homeland Security Aid	A-11	70,000.00	70,000.00	
Uniform Construction Code Fees	A-11	48,000.00	162,799.00	114,799.00
Cable T.V. Franchise Fee	A-11	39,689.53	39,689.53	
Reserve to Pay Bonds	A-11	30,000.00	30,000.00	
Rental of Borough Property	A-11	46,492.00	40,499.92	(5,992.08)
Uniform Fire Safety Act	A-11	2,509.97	6,416.47	3,906.50
Extraordinary Aid	A-11	100,000.00	100,000.00	
Recycling Tonnage Grant	A-12	2,605.74	2,605.74	
Drunk Driving Enforcement Fund	A-12	1,893.60	1,893.60	
Clean Communities Grant	A-12		10,972.25	
Alliance Fund Grant	A-12	33,306.00	33,306.00	
Safe and Secure Communities Program	A-12	60,000.00	60,000.00	
Body Armor Replacement	A-12	3,066.35	3,066.35	
Farmers Market	A-12		400.00	
Sale of Municipal Assets	A-23	62,000.00	62,000.00	
	A-1	\$ 2,219,379.19	\$ 2,572,033.02	\$ 341,281.58
Receipts From Delinquent Taxes	A-1:A-7	\$ 242,001.00	\$ 371,710.21	\$ 129,709.21
Property Tax for Support of Municipal Budget Appropriations:				
Local Tax for Municipal Purposes	A-2:A-7	\$ 8,498,140.22	\$ 8,710,904.34	\$ 212,764.12
<u>Budget Totals</u>		\$ 12,179,520.41	\$ 12,874,647.57	\$ 683,754.91
Non-Budget Revenues	A-2:A-4		274,907.37	274,907.37
		\$ 12,179,520.41	\$ 13,149,554.94	\$ 970,034.53
REF.	A-3		A-3	

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

BOROUGH OF ROSELLE PARK

CURRENT FUND

STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2006

REF.

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collections:		
Collected on a Cash Basis	A-1:A-7	\$ 27,831,223.31
Allocated To:		
School and County Taxes		<u>19,818,318.97</u>
Balance for Support of Municipal Budget Appropriations		\$ 8,012,904.34
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>698,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>8,710,904.34</u></u>
Licenses:		
Clerk	A-11	\$ 4,410.00
Board of Health	A-11	<u>7,225.00</u>
	A-2	\$ <u><u>11,635.00</u></u>
Fees and Permits:		
Clerk	A-11	\$ 3,720.50
Registrar of Vital Statistics	A-11	19,089.00
Housing Fees	A-11	13,750.00
Tax Search	A-11	655.50
Police Department	A-11	<u>7,146.75</u>
	A-2	\$ <u><u>44,361.75</u></u>

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:		
Interest on Investments		207,392.01
Administration Reimbursement Senior Citizen and Veteran Deductions		2,867.32
Interest on Assessments		331.86
Police Outside Overtime Administrative Fees		8,279.89
Miscellaneous		<u>56,036.29</u>
	A-1:A-2	\$ <u><u>274,907.37</u></u>

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

BOROUGH OF ROSELLE PARK

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2006

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>GENERAL GOVERNMENT</u>					
Mayor and Council:					
Salaries and Wages	\$ 82,500.00	\$ 73,900.00	\$ 73,382.73	\$ 517.27	
Other Expenses	4,400.00	4,400.00	3,505.05	894.95	
Municipal Clerk:					
Salaries and Wages	216,724.75	205,324.75	204,496.35	828.40	
Other Expenses	130,900.00	147,400.00	135,376.17	12,023.83	
Financial Administration:					
Salaries and Wages	102,750.00	71,250.00	71,076.61	173.39	
Other Expenses	42,100.00	51,600.00	42,350.77	9,249.23	
Audit Services:					
Other Expenses	50,700.00	50,700.00	50,700.00		
Revenue Administration:					
Salaries and Wages	54,200.00	54,200.00	54,175.69	24.31	
Other Expenses	10,250.00	14,550.00	12,654.43	1,895.57	
Assessment of Taxes:					
Salaries and Wages	11,200.00	11,200.00	11,194.56	5.44	
Other Expenses	5,832.00	5,832.00	5,300.68	531.32	
Liquidation Of Tax Title Liens and Foreclosed Property:					
Other Expenses	100.00	100.00		100.00	
Legal Services and Costs:					
Salaries and Wages	32,223.00	32,223.00	32,222.58	0.42	
Other Expenses					
Tax Appeals	4,000.00	11,000.00	9,325.00	1,675.00	
Miscellaneous	40,000.00	40,000.00	30,695.39	9,304.61	
Municipal Court:					
Salaries and Wages	156,870.60	156,870.60	151,050.37	5,820.23	
Other Expenses	15,750.00	21,850.00	15,032.18	6,817.82	
Public Defender:					
Salaries and Wages	6,605.00	5.00		5.00	
Engineering Services and Costs:					
Salaries and Wages	27,518.00	27,518.00	27,517.62	0.38	
Human Resources:					
Other Expenses	40,000.00	40,000.00	30,000.00	10,000.00	
Community Alliance Program:					
Other Expenses	53,332.00	53,332.00	44,471.55	8,860.45	
Historical Society:					
Other Expenses	10,000.00	10,000.00	9,956.59	43.41	
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	4,380.00	4,380.00	4,379.44	0.56	
Other Expenses	5,445.00	5,245.00	1,691.18	3,553.82	
Zoning Board of Adjustment:					
Salaries and Wages	4,380.00	4,380.00	4,379.44	0.56	
Other Expenses	500.00	1,700.00	838.99	861.01	
<u>PUBLIC SAFETY</u>					
Fire:					
Salaries and Wages	33,740.00	33,740.00	33,739.68	0.32	
Other Expenses	87,800.00	94,300.00	87,668.31	6,631.69	
Supplemental Fire Services Program					
Uniform Fire Safety Act P.L. 1983 Ch.383:	2,760.97	2,760.97	2,732.84	28.13	
Fire Official:					
Salaries and Wages	12,070.00	12,070.00	11,386.40	683.60	
Other Expenses	1,500.00	2,000.00	1,496.11	503.89	
Police:					
Salaries and Wages	2,513,222.34	2,504,322.34	2,499,524.19	4,798.15	
Other Expenses	171,880.00	178,880.00	167,304.28	11,575.72	
Traffic Control-Schools:					
Salaries and Wages	178,312.36	177,262.36	177,224.20	38.16	
Other Expenses	10,000.00	11,000.00	9,121.98	1,878.02	
First Aid Organization-Contributions	12,850.00	14,350.00	12,277.23	2,072.77	
Emergency Management:					
Salaries and Wages	16,253.00	17,003.00	16,956.46	46.54	
Other Expenses	6,400.00	7,650.00	5,636.52	2,013.48	
Borough Prosecutor:					
Salaries and Wages	13,392.00	13,392.00	13,391.82	0.18	
Other Expenses	90.00	1,490.00	1,445.00	45.00	
<u>STREETS AND ROADS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	603,027.35	552,527.35	551,345.09	1,182.26	
Other Expenses	106,865.00	115,065.00	107,264.12	7,800.88	

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

BOROUGH OF ROSELLE PARK

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2006

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>SANITATION</u>					
Garbage and Trash Removal-Contractual					
Disposal	\$ 440,000.00	\$ 404,300.00	\$ 366,721.96	\$ 37,578.04	
Collection	380,000.00	409,000.00	408,166.16	833.84	
Recycling:					
Salaries and Wages	3,460.00	3,460.00	3,223.10	236.90	
Other Expenses	195,000.00	186,000.00	173,589.44	12,410.56	
Public Building and Ground:					
Other Expenses	80,400.00	150,900.00	113,614.37	37,285.63	
Other Public Works Functions:					
Other Expenses	1,600.00	1,600.00	742.68	857.32	
Maintenance of Vehicles					
Other Expenses	64,500.00	86,500.00	77,849.92	8,650.08	
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Salaries and Wages	3,960.00	3,960.00	3,954.34	5.66	
Other Expenses	115,346.00	115,346.00	114,530.59	815.41	
Dog Regulation:					
Other Expenses	6,500.00	12,500.00	12,500.00		
Administration of Public Assistance:					
Salaries and Wages	11,450.00	11,450.00	11,427.14	22.86	
Other Expenses	690.00	690.00	437.00	253.00	
Environmental Commission:					
Other Expenses	100.00	100.00		100.00	
<u>RECREATION AND EDUCATION</u>					
Parks and Playgrounds:					
Salaries and Wages	2,009.00	2,009.00	2,008.76	0.24	
Other Expenses	27,360.00	32,860.00	27,441.08	5,418.92	
Maintenance of Parks					
Other Expenses	3,000.00	2,000.00	1,725.00	275.00	
Community Center					
Salaries and Wages	17,000.00	17,000.00	15,899.38	1,100.62	
Other Expenses	3,250.00	3,750.00	1,885.51	1,864.49	
Youth Center:					
Other Expenses	150,000.00	150,000.00	150,000.00		
Senior Citizen Activities:					
Other Expenses	1.00	1.00		1.00	
Other Common Operating Functions:					
Miscellaneous Expenses	20,000.00	30,100.00	30,030.00	70.00	
Community Shuttle Bus:					
Other Expenses	25,000.00	41,000.00	39,896.85	1,103.15	
Union County S.L.A.P. Program					
Other Expenses	39,828.40	39,828.40	38,855.40	973.00	
Municipal Service Act					
Other Expenses	95,000.00	60,000.00	56,677.19	3,322.81	
Farmer's Market					
Salaries and Wages	3,096.00	3,096.00	3,095.30	0.70	
Other Expenses	1,500.00	1,500.00	1,499.99	0.01	
<u>STATE UNIFORM CONSTRUCTION:</u>					
Code Official:					
Salaries and Wages	153,344.00	134,294.00	133,987.31	306.69	
Other Expenses	8,500.00	10,200.00	8,231.70	1,968.30	
<u>UNCLASSIFIED</u>					
Utilities:					
Street Lighting	164,000.00	179,000.00	146,070.20	32,929.80	
Fire Hydrant Service	104,316.00	104,316.00	95,622.34	8,693.66	
Cable TV - Channel 34	4,840.00	4,840.00	3,926.66	913.34	
Telephone	57,000.00	62,000.00	55,077.83	6,922.17	
Electricity	80,000.00	94,000.00	80,464.16	13,535.84	
Water	12,000.00	15,500.00	10,366.58	5,133.42	
Gas	75,000.00	115,000.00	94,700.93	20,299.07	
Gasoline	75,000.00	138,000.00	99,051.13	38,948.87	
Salary Adjustment Account	162,765.00	2,765.00		2,765.00	
<u>CONTINGENT</u>	<u>2,000.00</u>	<u>2,000.00</u>	<u>950.00</u>	<u>1,050.00</u>	
<u>TOTAL OPERATIONS (WITHIN "CAPS")</u>	<u>\$ 7,471,638.77</u>	<u>\$ 7,467,638.77</u>	<u>\$ 7,108,507.60</u>	<u>\$ 359,131.17</u>	

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

BOROUGH OF ROSELLE PARK

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2006

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL</u>					
Prior Years Bills:	\$	\$	\$	\$	\$
Police - Other Expenses					
Canon USA - 2003	567.01	567.01	163.81		403.20
Construction Code Official					
Canon USA - 2003	1,414.80	1,414.80	1,414.60		0.20
RJR Associates - 2003	417.39	417.39	417.39		
Recreation - Other Expenses					
Roselle Park Board of Education - 2003	3,149.50	3,149.50	3,149.50		
Board of Adjustment - Other Expenses					
John Fitzpatrick Jr. - 2003	2,960.00	2,960.00	2,960.00		
Statutory Expenditures:					
Contributions To:					
Public Employees Retirement System - E.R.I.P.	3,680.00	3,680.00	3,680.00		
Social Security System (O.A.S.I.)	218,783.00	213,783.00	208,392.09	5,390.91	
Consolidated Police and Firemen's Pension Fund	12,158.70	12,158.70	12,158.30	0.40	
Unemployment Compensation	37,000.00	37,000.00	37,000.00		
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES-MUNICIPAL</u>	<u>\$ 280,130.40</u>	<u>\$ 275,130.40</u>	<u>\$ 269,335.69</u>	<u>\$ 5,391.31</u>	<u>\$ 403.40</u>
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</u>	<u>\$ 7,751,769.17</u>	<u>\$ 7,742,769.17</u>	<u>7,377,843.29</u>	<u>\$ 364,522.48</u>	<u>\$ 403.40</u>
<u>OTHER OPERATIONS-EXCLUDED FROM "CAPS"</u>					
Maintenance of Free Public Library	352,390.55	352,390.55	352,390.00	0.55	
Maintenance of 911:					
Salaries and Wages	52,675.00	54,375.00	51,570.12	2,804.88	
Other Expenses	44,450.00	44,950.00	17,352.14	27,597.86	
Length of Service Award Program (LOSAP)	51,200.00	56,200.00	2,850.00	53,350.00	
Insurance:					
Group Insurance Plan for Employees	1,226,000.00	1,226,000.00	1,209,449.54	16,550.46	
Other Insurance Premiums	231,000.00	231,000.00	228,792.07	2,207.93	
Workers Compensation	163,352.00	163,552.00	163,532.00	20.00	
Statutory Expenditures:					
Police & Firemen's Retirement System of N.J.	237,446.00	237,446.00	237,445.80	0.20	
Public Employee Retirement System of N.J.	39,600.00	39,600.00	39,600.00		
<u>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES</u>					
Clean Communities Grant (40A:4-87 + 10,972.25)		10,972.25	10,972.25		
Safe and Secure Community Program:					
State Aid	60,000.00	60,000.00	60,000.00		
Matching Funds	141,856.00	141,856.00	141,856.00		
Matching Funds for Grants	2,000.00	1,600.00		1,600.00	
Municipal Alliance Fund Grant:					
State Aid	33,306.00	33,306.00	33,306.00		
Local Match	8,326.00	8,326.00	8,326.00		
Drunk Driving Enforcement Fund					
Police Department	1,893.60	1,893.60	1,893.60		
Body Armor Grant	3,066.35	3,066.35	3,066.35		
Recycling Tonnage Grant	2,605.74	2,605.74	2,605.74		
Farmer's Market Grant					
State Aid (40A:4-87 + 400.00)		400.00	400.00		
Local Match		400.00	400.00		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>\$ 2,651,167.24</u>	<u>\$ 2,669,939.49</u>	<u>2,565,807.61</u>	<u>\$ 104,131.88</u>	

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

BOROUGH OF ROSELLE PARK

CURRENT FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2006

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
<u>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</u>					
Capital Improvement Fund	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00		
Sidewalk Replacement Program	4,000.00	5,600.00	5,503.80	96.20	
	\$ 19,000.00	\$ 20,600.00	\$ 20,503.80	\$ 96.20	
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>					
Payment of Bond Principal	\$ 697,000.00	\$ 697,000.00	\$ 697,000.00		\$
Interest on Bonds	342,584.00	342,584.00	342,583.75		0.25
TOTAL MUNICIPAL DEBT SERVICE- EXCLUDED FROM "CAPS"	\$ 1,039,584.00	\$ 1,039,584.00	\$ 1,039,583.75	\$	\$ 0.25
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</u>					
Deficit in Dedicated Assessment Trust Fund	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00		
TOTAL DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	\$ 3,729,751.24	\$ 3,750,123.49	\$ 3,645,895.16	\$ 104,228.08	\$ 0.25
SUB-TOTAL GENERAL APPROPRIATIONS RESERVE FOR UNCOLLECTED TAXES	\$ 11,481,520.41	\$ 11,492,892.66	\$ 11,023,738.45	\$ 468,750.56	\$ 403.65
	698,000.00	698,000.00	698,000.00		
<u>TOTAL GENERAL APPROPRIATIONS</u>	\$ 12,179,520.41	\$ 12,190,892.66	\$ 11,721,738.45	\$ 468,750.56	\$ 403.65
	REF.	A-2	A-1	A.A-1	
Appropriation by 40A:4-87	A-2	\$ 11,372.25			
Budget	A-3	12,179,520.41			
		\$ 12,190,892.66			
Reserve for Uncollected Taxes	A-2		\$ 698,000.00		
Disbursements	A-4		10,513,058.90		
Accounts Payable	A-24		327,317.10		
Reserve for Grants Appropriated	A-19		262,825.94		
			11,801,201.94		
Less: Refunds	A-4		79,463.49		
			\$ 11,721,738.45		

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

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TRUST FUND

"B"

BOROUGH OF ROSELLE PARK

TRUST FUND

BALANCE SHEETS - STATUTORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2006</u>	<u>BALANCE DECEMBER 31, 2005</u>
<u>ASSETS</u>			
Assessment Fund:			
Cash	B-2:B-3	\$ 25,397.54	\$ 23,698.84
Assessments Receivable	B-4	154.82	4,003.07
Prospective Assessments Funded	B-16	<u>253,000.00</u>	<u>253,000.00</u>
		\$ <u>278,552.36</u>	\$ <u>280,701.91</u>
Animal Control Trust Fund:			
Cash	B-2	\$ <u>20,177.10</u>	\$ <u>24,785.86</u>
		\$ <u>20,177.10</u>	\$ <u>24,785.86</u>
Other Funds:			
Cash	B-2	\$ 282,357.95	\$ 155,212.68
Due Current Fund	B-6		223.29
Due From County of Union-Block Grant Receivable	B-9	190,031.94	222,789.80
		\$ <u>472,389.89</u>	\$ <u>378,225.77</u>
		\$ <u>771,119.35</u>	\$ <u>683,713.54</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Assessment Fund:			
Assessment Overpayments	B-5	\$ 3.93	\$
Due Current Fund	B-6	331.86	2,485.34
Assessment Bonds Payable	B-15	213,000.00	233,000.00
Reserve for Assessments	B-14	40,000.00	20,363.17
Fund Balance	B-1	<u>25,216.57</u>	<u>24,853.40</u>
		\$ <u>278,552.36</u>	\$ <u>280,701.91</u>
Animal Control Trust Fund:			
Reserve for Animal Control Expenditures	B-8	\$ <u>20,177.10</u>	\$ <u>24,785.86</u>
		\$ <u>20,177.10</u>	\$ <u>24,785.86</u>
Other Funds:			
Due Current Fund	B-6	\$ 3,837.28	\$
Due General Capital	B-7	108,318.11	19,758.95
Accounts Payable	B-11	13,604.37	20,935.77
Reserve For:			
Community Development Block Grants	B-10	184,138.93	187,265.13
State Unemployment Insurance	B-12	9,160.51	8,581.23
Various Reserves	B-13	<u>153,330.69</u>	<u>141,684.69</u>
		\$ <u>472,389.89</u>	\$ <u>378,225.77</u>
		\$ <u>771,119.35</u>	\$ <u>683,713.54</u>

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

BOROUGH OF ROSELLE PARK

TRUST FUND

STATEMENT OF FUND BALANCE-ASSESSMENT TRUST FUND-STATUTORY BASIS

	<u>REF.</u>	
December 31, 2005	B	\$ 24,853.40
Increased by:		
Collections Applied	B-14	<u>363.17</u>
December 31, 2006	B	\$ <u><u>25,216.57</u></u>

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

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GENERAL CAPITAL FUND

BOROUGH OF ROSELLE PARK

GENERAL CAPITAL FUND

BALANCE SHEETS - STATUTORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2006</u>	BALANCE DECEMBER <u>31, 2005</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 10,223.50	\$ 239,900.44
Deferred Charges to Future Taxation:			
Funded	C-4	7,582,000.00	8,279,000.00
Unfunded	C-5	2,477,422.72	1,987,422.72
Due from Union County Improvement Authority	C-2		5,878.37
C.D.B.G. Receivable	C-9	163,681.89	120,000.00
Due from Trust Other Fund	C-10	108,318.11	19,758.95
Due from State of New Jersey	C-13	136,000.00	300,000.00
Prospective Assessments Raised by Taxation	C-12	<u>4,350.00</u>	<u>4,350.00</u>
		\$ <u>10,481,996.22</u>	\$ <u>10,956,310.48</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-8	\$ 7,582,000.00	\$ 8,279,000.00
Due Current Fund	C-2	267,640.00	
Improvement Authorizations:			
Funded	C-7	967,373.75	698,954.53
Unfunded	C-7	769,577.05	997,423.57
Reserve to Pay Serial Bonds	C-14	326,440.27	150,153.41
Capital Improvement Fund	C-6	39,859.57	56,279.57
Commitments Payable	C-11	323,386.80	404,412.62
Reserve for Prospective Assessments Raised by Taxation	C-12	4,350.00	4,350.00
Fund Balance	C-1	<u>201,368.78</u>	<u>365,736.78</u>
		\$ <u>10,481,996.22</u>	\$ <u>10,956,310.48</u>

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

BOROUGH OF ROSELLE PARK

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - STATUTORY BASIS

	<u>REF.</u>		
Balance, December 31, 2005	C	\$	365,736.78
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-2		<u>164,368.00</u>
Balance, December 31, 2006	C	\$	<u><u>201,368.78</u></u>

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

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SEWER UTILITY FUND

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND
BALANCE SHEETS - STATUTORY BASIS

"D"

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2006</u>		<u>BALANCE DECEMBER 31, 2005</u>
<u>ASSETS</u>				
Operating Fund:				
Cash	D-6	\$ <u>97,664.16</u>	\$	<u>92,236.17</u>
Receivables With Full Reserves:				
Consumer Accounts Receivable	D:D-7	\$ <u>64,470.98</u>	\$	<u>51,521.08</u>
<u>TOTAL OPERATING FUND</u>		<u>\$ 162,135.14</u>	<u>\$</u>	<u>143,757.25</u>
Capital:				
Cash	D-6	\$ 74,168.29	\$	64,668.29
Fixed Capital	D-10	235,316.96		235,316.96
Due Sewer Utility Operating Fund	D-15	9,500.00		9,500.00
Fixed Capital Authorized and Uncompleted	D-11	<u>618,000.00</u>		<u>618,000.00</u>
<u>TOTAL CAPITAL FUND</u>		<u>\$ 927,485.25</u>	<u>\$</u>	<u>927,485.25</u>
		<u>\$ 1,089,620.39</u>	<u>\$</u>	<u>1,071,242.50</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>				
Operating Fund:				
Liabilities:				
Appropriation Reserves	D-4:D-5	\$ 30,084.26	\$	39,650.88
Commitments Payable	D-17	16,688.65		1,518.00
Accrued Interest	D-9	3,303.13		3,576.56
Due Sewer Utility Capital Fund	D-14	9,500.00		9,500.00
Sewer Use Charge Overpayments	D-8	<u>1,718.18</u>		<u>5,609.69</u>
		<u>\$ 51,794.22</u>	<u>\$</u>	<u>59,855.13</u>
Reserve for Receivables	D	64,470.98		51,521.08
Fund Balance	D-1	<u>45,869.94</u>		<u>32,381.04</u>
<u>TOTAL OPERATING FUND</u>		<u>\$ 162,135.14</u>	<u>\$</u>	<u>143,757.25</u>
Capital Fund:				
Serial Bonds Payable	D-16	\$ 302,000.00	\$	327,000.00
Reserve For:				
Capital Outlay	D-18	11,594.76		11,594.76
Amortization	D-13	450,316.96		425,316.96
Deferred Amortization	D-12	101,000.00		101,000.00
Fund Balance	D-2	<u>62,573.53</u>		<u>62,573.53</u>
<u>TOTAL CAPITAL FUND</u>		<u>\$ 927,485.25</u>	<u>\$</u>	<u>927,485.25</u>
		<u>\$ 1,089,620.39</u>	<u>\$</u>	<u>1,071,242.50</u>

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

BOROUGH OF ROSELLE PARK

SEWER UTILITY FUND

STATEMENTS OF OPERATIONS AND CHANGE
IN OPERATING FUND BALANCE - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2006

	<u>REF.</u>	<u>YEAR 2006</u>	<u>YEAR 2005</u>
Revenue and Other Income Realized:			
Fund Balance Utilized	D-3	\$ 30,000.00	\$
Collection of Sewer Use Charges	D-3	\$ 1,277,829.07	\$ 1,237,077.97
Penalty on Delinquent Accounts	D-3:D-6	7,510.67	5,906.51
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	D-5	<u>25,356.88</u>	<u>53,561.45</u>
<u>TOTAL INCOME</u>		\$ <u>1,340,696.62</u>	\$ <u>1,296,545.93</u>
Expenditures:			
Operating	D-4	\$ 1,220,844.00	\$ 1,184,650.00
Capital Improvements	D-4	5,000.00	5,000.00
Debt Service	D-4	38,485.97	39,151.97
Deferred Charges and Statutory Expenditures	D-4	30,300.00	38,199.93
Refund of Prior Year Revenue	D-6	<u>2,577.75</u>	
<u>TOTAL EXPENDITURES</u>		\$ <u>1,297,207.72</u>	\$ <u>1,267,001.90</u>
Excess in Revenue		\$ <u>43,488.90</u>	\$ <u>29,544.03</u>
Fund Balance, January 1	D	<u>32,381.04</u>	<u>2,837.01</u>
		\$ <u>75,869.94</u>	\$ <u>32,381.04</u>
Decreased by:			
Utilized by Sewer Utility Budget		<u>30,000.00</u>	
Fund Balance, December 31	D	\$ <u><u>45,869.94</u></u>	\$ <u><u>32,381.04</u></u>

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

BOROUGH OF ROSELLE PARK

SEWER UTILITY FUND

SEWER UTILITY CAPITAL FUND

STATEMENT OF CAPITAL FUND BALANCE - STATUTORY BASIS

	<u>REF.</u>	
Balance, December 31, 2005 and December 31, 2006	D	\$ <u>62,573.53</u>

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

BOROUGH OF ROSELLE PARK

SEWER UTILITY FUND

SEWER UTILITY OPERATING FUND

STATEMENT OF REVENUES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2006

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Operating Fund Balance	D-1	\$ 30,000.00	\$ 30,000.00	\$
Sewer Use Charges	D-1:D-3	1,237,077.97	1,237,077.97	
Additional Sewer Use Charges	D-1:D-3	<u>27,826.03</u>	<u>40,751.10</u>	<u>12,925.07</u>
<u>BUDGET TOTALS</u>		\$ <u>1,294,904.00</u>	\$ <u>1,307,829.07</u>	\$ <u>12,925.07</u>
Non-Budget Revenue	D-1	\$	\$ 7,510.67	\$ 7,510.67
		\$ <u>1,294,904.00</u>	\$ <u>1,315,339.74</u>	\$ <u>20,435.74</u>
	<u>REF.</u>	<u>D-4</u>		
Analysis of Realized Revenue				
Sewer Use Charges			\$	
Collected	D-7		1,271,595.16	
Overpayment Applied	D-7		<u>6,233.91</u>	
			\$ <u>1,277,829.07</u>	

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

BOROUGH OF ROSELLE PARK

SEWER UTILITY FUND

SEWER UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - STATUTORY BASIS
YEAR ENDED DECEMBER 31, 2006

	<u>APPROPRIATIONS</u>		<u>EXPENDED</u>		<u>UNEXPENDED BALANCE CANCELLED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>	<u>PAID OR CHARGED</u>	<u>RESERVED</u>	
Operating:					
Salaries and Wages	\$ 306,000.00	\$ 306,000.00	\$ 294,806.37	\$ 11,193.63	
Other Expenses	101,300.00	101,300.00	97,349.60	3,950.40	
Maintenance of Vehicles	5,000.00	5,000.00		5,000.00	
Share of Costs:					
Rahway Valley Sewerage Authority	384,197.00	384,197.00	384,197.00		
Joint Meeting Sewer	424,347.00	424,347.00	419,406.77	4,940.23	
<u>TOTAL OPERATING</u>	\$ 1,220,844.00	\$ 1,220,844.00	\$ 1,195,759.74	\$ 25,084.26	
Capital Improvements:					
Capital Outlay	\$ 5,000.00	\$ 5,000.00		\$ 5,000.00	
Debt Service					
Payment of Bond Principal	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00		\$
Payment of Bond Interest	13,760.00	13,760.00	13,485.97		274.03
<u>TOTAL DEBT SERVICE</u>	\$ 38,760.00	\$ 38,760.00	\$ 38,485.97		\$ 274.03
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution To:					
Public Employees Retirement System	\$ 3,800.00	\$ 3,800.00	\$ 3,800.00		
Social Security System (O.A.S.I.)	23,500.00	23,500.00	23,500.00		
Unemployment Compensation	3,000.00	3,000.00	3,000.00		
<u>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>	\$ 30,300.00	\$ 30,300.00	\$ 30,300.00		\$
<u>TOTAL SEWER UTILITY APPROPRIATIONS</u>	\$ 1,294,904.00	\$ 1,294,904.00	\$ 1,264,545.71	\$ 30,084.26	\$ 274.03
	<u>REF.</u>	<u>D-3</u>		<u>D</u>	
Accrued Interest on Notes	D-9		\$ 13,485.97		
Commitments Payable	D-17		16,688.65		
Disbursements	D-6		1,234,701.78		
Refunds	D-6		(330.69)		
			<u>\$ 1,264,545.71</u>		

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

PUBLIC ASSISTANCE TRUST FUND

"E"

BOROUGH OF ROSELLE PARK
PUBLIC ASSISTANCE TRUST FUND
BALANCE SHEETS - STATUTORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2006</u>	BALANCE DECEMBER <u>31, 2005</u>
<u>ASSETS</u>			
Cash	E-1	\$ <u>57,403.46</u>	\$ <u>56,867.20</u>
<u>LIABILITIES AND RESERVES</u>			
Due Current Fund		\$	\$ 60.00
Reserve for Public Assistance		<u>57,403.46</u>	<u>56,807.20</u>
<u>TOTAL LIABILITIES AND RESERVES</u>		\$ <u>57,403.46</u>	\$ <u>56,867.20</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

BOROUGH OF ROSELLE PARK
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEETS - STATUTORY BASIS

	BALANCE DECEMBER <u>31, 2006</u>	BALANCE DECEMBER <u>31, 2005</u>
<u>FIXED ASSETS</u>		
Land and Buildings	\$ 5,606,300.00	\$ 5,606,300.00
Machinery and Equipment	<u>7,487,572.68</u>	<u>7,388,653.99</u>
	<u>\$ 13,093,872.68</u>	<u>\$ 12,994,953.99</u>
<u>RESERVE</u>		
Investment in General Fixed Assets	<u>\$ 13,093,872.68</u>	<u>\$ 12,994,953.99</u>

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

VETERANS MEMORIAL LIBRARY FUND

"G"

BOROUGH OF ROSELLE PARK
VETERANS MEMORIAL LIBRARY FUND
BALANCE SHEETS - STATUTORY BASIS

	REF.	BALANCE DECEMBER <u>31, 2006</u>	BALANCE DECEMBER <u>31, 2005</u>
<u>ASSETS</u>			
Cash	G-1	\$ 53,790.15	\$ 53,857.44
Petty Cash		50.00	50.00
Investments		<u>2,059.50</u>	<u>1,431.50</u>
		\$ <u><u>55,899.65</u></u>	\$ <u><u>55,338.94</u></u>
<u>LIABILITIES AND RESERVES</u>			
Commitments Payable	G-2	\$ 4,288.37	\$ 3,970.54
Reserve for Expenditures	G-3	28,274.51	29,650.45
Reserve for Building Fund Expenditures	G-4	<u>23,336.77</u>	<u>21,717.95</u>
		\$ <u><u>55,899.65</u></u>	\$ <u><u>55,338.94</u></u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ROSELLE PARK

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2006 AND 2005

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Roselle Park 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 Park include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Roselle Park, as required by N.J.S.A. 40A:5-5. Accordingly, the financial statements of the Borough of Roselle Park do not include the operations of the local school district, inasmuch as their activities are administered by a separate board.

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 Park 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 Park 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 governmental 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 disbursements of funds in accordance with the purpose of which each reserve was created.

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

Sewer Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned sewer utility.

Public Assistance Fund – receipts and disbursements 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.

Veterans Memorial Library Fund – receipt and disbursement of funds for the operations of the library.

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 governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and state grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP 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. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance 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 31st 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 - foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as nonexpendable personal property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 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. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Land is stated at the assessed value contained in the Borough's most recent property revaluation. Buildings are stated at the most recent insurance replacement value. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Assets Account Group rather than in a governmental fund.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Sewer Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of Technical Accounting Directive No. 85-2.

Property and equipment purchased by the Sewer Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization account in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

D. Basic Financial Statements

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

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks 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 Park had the following cash and cash equivalents at December 31, 2006:

<u>FUND</u>	<u>CASH IN BANK</u>	<u>PETTY CASH AND CHANGE FUND</u>	<u>TOTAL</u>
Current Fund	\$4,108,150.87	\$450.00	\$4,108,600.87
Assessment Fund	25,397.54		25,397.54
Animal Control Trust Fund	20,177.10		20,177.10
Other Trust Fund	282,357.95		282,357.95
General Capital Fund	10,223.20		10,223.20
Sewer Utility Operating Fund	97,664.16		97,664.16
Sewer Utility Capital Fund	74,168.29		74,168.29
Public Assistance Trust Fund	57,403.46		57,403.46
Library Fund	53,790.15	50.00	53,840.15
<u>Total - December 31, 2006</u>	<u>\$4,729,332.72</u>	<u>\$500.00</u>	<u>\$4,729,832.72</u>

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
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 of 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 Park's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds. A summary of bond and note transactions for the year ended December 31, 2006 are detailed on Exhibits "B-15", "C-8" and "D-16".

SUMMARY OF MUNICIPAL DEBT

	<u>YEAR 2006</u>	<u>YEAR 2005</u>	<u>YEAR 2004</u>
Issued:			
General:			
Bonds and Notes	\$ 7,582,000.00	\$ 8,279,000.00	\$ 8,979,000.00
Assessment:			
Bonds and Notes	213,000.00	233,000.00	243,000.00
Sewer Utility:			
Bonds and Notes	302,000.00	327,000.00	352,000.00
	<u>\$ 8,097,000.00</u>	<u>\$ 8,839,000.00</u>	<u>\$ 9,574,000.00</u>
Less:			
Funds Temporarily Held to			
Pay Notes-General Capital	<u>326,440.27</u>	<u>150,153.41</u>	<u>187,090.41</u>
<u>Net Debt Issued</u>	<u>\$ 7,770,559.73</u>	<u>\$ 8,688,846.59</u>	<u>\$ 9,386,909.59</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	<u>2,477,422.72</u>	<u>1,987,422.72</u>	<u>988,267.72</u>
 NET BONDS AND NOTES ISSUED AND AUTHORIZED BUT NOT ISSUED	 <u>\$ 10,247,982.45</u>	 <u>\$ 10,676,269.31</u>	 <u>\$ 10,375,177.31</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF STATUTORY DEBT CONDITION
(ANNUAL DEBT STATEMENT)

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 0.93%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Local School District Debt	\$ 8,929,000.00	\$8,929,000.00	\$
Sewer Debt	302,000.00	302,000.00	
General Debt	<u>10,272,422.72</u>	<u>326,440.27</u>	<u>9,945,982.45</u>
	<u>\$19,503,422.72</u>	<u>\$9,557,440.27</u>	<u>\$ 9,945,982.45</u>

NET DEBT \$10,031,787.05 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.40A:2-2, AS AMENDED, \$1,071,808,119.33 EQUALS 0.93%.

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

Equalized Valuation Basis* - December 31, 2006	<u>\$ 1,071,808,119.33</u>
3-1/2% of Equalized Valuation Basis	\$ 37,513,284.18
Net Debt	<u>9,945,982.45</u>
Remaining Borrowing Power	<u>\$ 27,567,301.73</u>

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

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

Cash Receipts from Surplus, Fees, Rents or Other Charges for Year	\$1,315,339.74
Deductions:	
Operating and Maintenance Costs	\$1,251,144.00
Debt Service	<u>38,485.97</u>
	<u>1,289,629.97</u>
Excess in Revenues	<u>\$ 25,709.77</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHOOL DEBT DEDUCTION

School debt is deductible up to the extent of 4.0% of the Average Equalized Assessed Valuation of real property for the Local School District.

LONG-TERM DEBT

General Serial Bonds:

\$2,900,000.00 1993 Bonds due in annual remaining installments of \$230,000.00 and \$190,000.00, through December 2008, at an interest rate of 4.65% \$ 420,000.00

\$3,750,000.00 2001 Bonds due in annual remaining installments of \$400,000.00, through April 2015, at an interest rate of 4.375% 3,600,000.00

\$3,657,000.00 2003 Bonds due in annual remaining installments of: \$75,000.00, \$125,000.00, \$250,000.00, \$265,000.00, \$290,000.00, \$307,000.00, \$375,000.00, \$400,000.00, and \$425,000.00, through October 2018, at interest rates of 3.375%, 3.5%, and 3.625% 3,562,000.00

\$7,582,000.00

Assessment Serial Bonds:

\$253,000.00 2003 Bonds due in annual installments of \$20,000.00, \$25,000.00, \$35,000.00, and \$43,000.00, through October 2013, at interest rates of 3.375% and 3.5% \$ 213,000.00

Sewer Utility Bonds:

\$418,000.00 2001 Bonds due in annual installments \$25,000.00, \$30,000.00, \$35,000.00, \$40,000.00, and \$37,000.00, through April 2015, at an interest rate of 4.375% \$ 302,000.00

NOTE 3: MUNICIPAL DEBT (CONTINUED)

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2006, the Borough has authorized but not issued bonds and notes as follows:

General Capital Fund \$2,477,422.72

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING DECEMBER 31, 2006

YEAR	GENERAL		ASSESSMENT		SEWER	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2007	\$ 705,000.00	\$ 295,200.00	\$ 25,000.00	\$ 7,392.50	\$ 25,000.00	\$ 12,665.63
2008	715,000.00	264,473.75	25,000.00	6,548.75	30,000.00	11,462.50
2009	650,000.00	233,920.00	25,000.00	5,705.00	30,000.00	10,150.00
2010	650,000.00	207,670.00	25,000.00	4,830.00	30,000.00	8,837.50
2011	665,000.00	181,420.00	35,000.00	3,955.00	35,000.00	7,415.63
2012	690,000.00	154,645.00	35,000.00	2,730.00	35,000.00	5,884.38
2013	707,000.00	126,995.00	43,000.00	1,505.00	40,000.00	4,243.75
2014	775,000.00	98,750.00			40,000.00	2,493.75
2015	800,000.00	67,656.25			37,000.00	809.38
2016	400,000.00	44,406.25				
2017	400,000.00	29,906.25				
2018	425,000.00	15,406.25				
	<u>\$ 7,582,000.00</u>	<u>\$ 1,720,448.75</u>	<u>\$ 213,000.00</u>	<u>\$ 32,666.25</u>	<u>\$ 302,000.00</u>	<u>\$ 63,962.52</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2006, which was appropriated and included as anticipated revenue in their respective budgets for the year ending December 31, 2007 was as follows:

Current Fund \$1,300,000.00*
Sewer Utility \$ 30,000.00*

*per introduced budget

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 are payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and 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 <u>31, 2006</u>	BALANCE DECEMBER <u>31, 2005</u>
Prepaid Taxes	\$ <u>58,490.26</u>	\$ <u>52,339.81</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and the Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the cost 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 \$156,616.11 for 2005 and \$292,884.10 for 2006.

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

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

NOTE 7: COMPENSATED ABSENCES

The Borough has permitted employees to accrue unused vacation and sick pay, which may be taken as time off, or paid at a later date, at an agreed upon rate. Management has estimated that the current cost of unpaid compensation would approximate \$390,426.04. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2006.

NOTE 8: LITIGATION

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

NOTE 9: CONTINGENT LIABILITIES

The Borough participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2006, the Borough does not believe that any material liabilities will result from such audits.

NOTE 10: TAX APPEALS

There are several tax appeals filed requesting a reduction of assessments for 2006 and prior years. Any reduction in assessed valuation will result in a refund of prior year's 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.40A:2-51. The balance in the reserve at December 31, 2006 is \$155,164.65.

NOTE 11: 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 North Jersey Intergovernmental 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. The Borough's contribution to the Fund for claim payments are based on actuarial assumption determined by the Fund's actuary. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough.

NOTE 11: 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. The following table 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>Fiscal Year</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Budget Appropriations</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2006	\$ 118.71	\$ 24,415.13	\$ 35,135.28	\$ 59,089.84	\$ 9,160.51
2005	189.56	24,816.27	44,712.68	74,763.65	8,581.23
2004	225.01	25,007.79	27,600.00	59,759.73	13,626.37

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at December 31, 2006:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 272,741.16	\$
Assessment Trust Fund		331.86
Trust Other Fund		112,155.39
General Capital Fund	108,318.11	267,640.00
Net Payroll		932.02
	<u>\$ 381,059.27</u>	<u>\$ 381,059.27</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: 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, permits them to defer a portion of their salaries until future years. The Borough 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.

The Plan is administered by H. C. Copeland and Associates or the Variable Annuity Life Insurance Company.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan Activities. The Borough's Deferred Compensation Plan financial statements are contained in a separate review report.

NOTE 14: LENGTH OF SERVICE AWARDS PROGRAM

During 2001, the Borough of Roselle Park adopted an ordinance establishing a Length of Service Awards Program for the members of the Roselle Park Fire Department and the Roselle Park First Aid Squad pursuant to N.J.S.A. 40A:14-183 et seq.

Under this program, each volunteer of the Roselle Park Fire Department that performs the minimum amount of service will have an annual amount of \$1,150.00 deposited into a tax deferred income account that will earn interest for the volunteer. Each volunteer of the Roselle Park First Aid Squad that performs the minimum amount of service will have an amount of \$575.00 deposited into a tax deferred income account. Each volunteer of the Roselle Park First Aid Squad that performs the maximum amount of service will have an amount of \$1,150.00 deposited into a tax deferred income account. The cost amounted to \$54,050.00 for 2006.

The accompanying financial statements do not include the Borough's Length of Service Awards Program's activities. The Borough's Length of Service Awards Program's financial statements are contained in a separate review report, as required by state regulations.

BOROUGH OF ROSELLE PARK
SUPPLEMENTARY SCHEDULES – ALL FUNDS
YEAR ENDED DECEMBER 31, 2006

BOROUGH OF ROSELLE PARKCURRENT FUNDSCHEDULE OF CASH

	<u>REF.</u>		
Balance, December 31, 2005	A		\$ 4,096,956.73
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 274,907.37	
Petty Cash Fund	A-6	200.00	
Taxes Receivable	A-7	27,975,157.15	
Revenue Accounts Receivable	A-11	2,397,789.08	
Grants Receivable	A-12	184,324.82	
Deposits for Redemption of Outside Liens	A-14	118,838.83	
Due State of New Jersey Chapter 20, P.L. 1971	A-15	143,365.75	
2007 Taxes Prepaid	A-17	58,490.26	
Tax Overpayments	A-18	129,419.26	
Appropriation Refunds	A-3	79,463.49	
Interfunds	A-22	13,737.13	
Grants Unappropriated	A-10	7,326.64	
Premiums on Tax Sale	A-26	323,600.00	
		<u>31,706,619.78</u>	
			\$ <u>35,803,576.51</u>
Decreased by Disbursements:			
2006 Appropriations	A-3	\$ 10,513,058.90	
2005 Appropriation Reserves	A-13	464,401.44	
Petty Cash	A-6	200.00	
Redemption of Outside Liens	A-14	143,936.35	
Refund of Tax Overpayments	A-18	124,821.71	
Reserve for Tax Appeals Pending	A-16	3,883.54	
County Taxes	A-20	4,007,122.21	
Local District School Taxes	A-21	15,806,202.35	
Interfunds	A-22	283,224.22	
Accounts Payable	A-24	899.00	
Added County Taxes	A-25	5,654.21	
Premiums on Tax Sale	A-26	84,000.00	
Grants Appropriated	A-19	254,911.29	
Refund of Prior Year Revenues	A-1	3,110.42	
		<u>31,695,425.64</u>	
Balance, December 31, 2006	A		\$ <u><u>4,108,150.87</u></u>

"A-5"

BOROUGH OF ROSELLE PARK
CURRENT FUND
SCHEDULE OF CHANGE FUNDS

<u>OFFICE</u>		BALANCE DECEMBER 31, 2005 AND DECEMBER 31, 2006
Collector		\$ 300.00
Municipal Court		<u>150.00</u>
		\$ <u><u>450.00</u></u>
	REF.	A

"A-6"

SCHEDULE OF PETTY CASH FUNDS

<u>OFFICE</u>	<u>RECEIVED FROM TREASURER</u>	<u>RETURNED TO TREASURER</u>
Police Department	\$ 100.00	\$ 100.00
Borough Clerk	50.00	50.00
Community Center	<u>50.00</u>	<u>50.00</u>
	\$ <u><u>200.00</u></u>	\$ <u><u>200.00</u></u>
	REF.	A-4

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS
OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE DECEMBER 31, 2005</u>	<u>2006 LEVY</u>	<u>ADDED</u>	<u>COLLECTIONS</u>	<u>OVERPAYMENTS APPLIED</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2006</u>
				<u>2005</u>	<u>2006</u>		
2005 and Prior	\$ 427,531.02		2,022.60	\$ 52,339.81	\$ 340,920.92	37,530.09	20,313.32
2006		28,348,651.95			27,778,883.50	82,201.81	495,226.83
	\$ 427,531.02	<u>28,348,651.95</u>	<u>2,022.60</u>	<u>52,339.81</u>	<u>28,119,804.42</u>	<u>30,789.29</u>	<u>455,540.15</u>
	<u>REF.</u>			A-2-A-17	A-2	A-18	A

REF.

Cash
Chapter 20, P.L. 1971

A-4	\$ 27,975,157.15
A-15	144,647.27
	<u>\$ 28,119,804.42</u>

ANALYSIS OF PROPERTY TAX LEVY

TAX YIELD

General Property Tax
Added Taxes (54-4-63.1 et. seq.)

\$ 28,313,380.95
<u>35,271.00</u>
<u>\$ 28,348,651.95</u>

TAX LEVY

Local District School Tax (Abstract)
County Taxes:
County Tax (Abstract)
Due County for Added Taxes (54-4-63.1 et. seq.)

A-21	\$ 15,806,202.35
A-20	4,007,122.21
A-25	<u>4,994.41</u>

TOTAL COUNTY TAXES

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

4,012,116.62
<u>8,530,332.98</u>
<u>\$ 28,348,651.95</u>

"A-8"

BOROUGH OF ROSELLE PARK
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	REF.	
Balance, December 31, 2005 and December 31, 2006	A	\$ <u>3,783.14</u>

"A-9"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2005 and December 31, 2006	A	\$ <u>163,650.00</u>
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"A-10"

SCHEDULE OF RESERVE FOR
GRANTS - UNAPPROPRIATED

Balance, December 31, 2005	A	\$ 5,672.09
Increased by:		
Receipts	A-4	<u>7,326.64</u>
		\$ 12,998.73
Decreased by:		
Applied to Grants Receivable	A-12	<u>5,672.09</u>
Balance, December 31, 2006	A	\$ <u>7,326.64</u>

Analysis of
Balance

Body Armor	\$ 3,197.46
Recycling Tonnage	<u>4,129.18</u>
	\$ <u>7,326.64</u>

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 31, 2005	ACCRUED IN 2006	COLLECTED	BALANCE DECEMBER 31, 2006
	\$	\$		
A-2		14,229.00	14,229.00	\$
A-2	30.00	4,380.00	4,410.00	
A-2		3,720.50	3,720.50	
A-2		7,225.00	7,225.00	
A-2	2,119.00	16,970.00	19,089.00	
A-2	360.00	13,390.00	13,750.00	
A-2	325.58	6,821.17	7,146.75	
A-2	12,784.00	150,015.00	162,799.00	
A-2		100,809.13	100,809.13	
A-2		655.50	655.50	
A-2	30,831.40	360,074.48	355,789.24	35,116.64
A-2		648,209.00	648,209.00	
A-2		56,031.00	56,031.00	
A-2		673,745.00	673,745.00	
A-2		24,831.00	24,831.00	
A-2		70,000.00	70,000.00	
A-2		39,689.53	39,689.53	
A-2		18,744.04	18,744.04	
A-2		30,000.00	30,000.00	
A-2		40,499.92	40,499.92	
A-2		6,416.47	6,416.47	
A-2		100,000.00	100,000.00	
	<u>\$ 46,449.98</u>	<u>\$ 2,386,455.74</u>	<u>\$ 2,397,789.08</u>	<u>\$ 35,116.64</u>

REF.

A

A-4

A

Clerk:

Licenses:

Alcoholic Beverage

Other Licenses

Fees and Permits

Board of Health:

Licenses

Registrar of Vital Statistics:

Fees and Permits

Housing Department

Fees and Permits

Police Department

Fees and Permits

Uniform Construction Code Fees

Fees and Permits

Interest and Costs on Taxes

Tax Search Fees

Municipal Court:

Fines and Costs

Consolidated Municipal Property Tax Relief Aid

Legislative Initiative Municipal Block Grant

Energy Receipts Tax

Supplemental Energy Receipts Tax

Homeland Security Aid

Cable T.V. Franchise Fees

Parking Meters

Reserve to Pay Bonds

Rental of Borough Property

Uniform Fire Safety Act

Extraordinary Aid

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF GRANTS RECEIVABLE

<u>PROGRAM</u>	<u>BALANCE DECEMBER 31, 2005</u>	<u>ANTICIPATED AS MISCELLANEOUS REVENUE</u>	<u>RECEIPTS</u>	<u>UNAPPROPRIATED APPLIED</u>	<u>BALANCE DECEMBER 31, 2006</u>
Alliance Fund Grant	\$ 17,793.30 \$	33,306.00 \$	24,624.00 \$	\$	26,475.30
Green Community Challenge Grant	2,000.00				2,000.00
Cops More Grant	57.80				57.80
Housing Inspection	803.00				803.00
Occupant Protection Program	1,636.64		146,434.97		1,636.64
Local Aid Bicycle Program	150,000.00				3,565.03
Railroad Station Area Enhancement	280,000.00				280,000.00
KIDS Recreation	12,625.00				12,625.00
Community Shuttle Bus	10,290.88				10,290.88
Drunk Driving Enforcement Fund		1,893.60	1,893.60		
Clean Communities Grant		10,972.25	10,972.25		
Safe and Secure Communities Program		60,000.00			60,000.00
Body Armor Grant - 05		3,066.35		3,066.35	
Farmers' Market		400.00	400.00		
Stormwater Management Grant	2,552.00				2,552.00
Recycling Grant		2,605.74		2,605.74	
	<u>\$ 477,758.62 \$</u>	<u>112,243.94 \$</u>	<u>184,324.82 \$</u>	<u>5,672.09 \$</u>	<u>400,005.65</u>

REF.

A

A-2

A-4

A-10

A

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF 2005 APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2005		BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
	COMMITMENT PAYABLE	RESERVED			
<u>Salaries and Wages:</u>					
Mayor and Council	\$	\$ 4.37	\$ 4.37	\$	4.37
Municipal Clerk		151.76	151.76		151.76
Financial Administration		9.16	9.16		9.16
Revenue Administration		0.98	0.98		0.98
Assessment of Taxes		0.44	0.44		0.44
Legal Services & Costs		0.42	0.42		0.42
Municipal Court		133.60	133.60		133.60
Engineering Services and Costs		0.38	0.38		0.38
Planning Board		0.56	0.56		0.56
Zoning Board of Adjustment		0.56	0.56		0.56
Fire		54.44	54.44		54.44
Fire Official		8.00	8.00		8.00
Police		864.34	13,364.34	13,130.98	233.36
Traffic Control - Schools		38.30	38.30		38.30
Emergency Management		0.64	0.64		0.64
Borough Prosecutor		0.18	0.18		0.18
Road Repairs and Maintenance		769.11	769.11		769.11
Recycling		18.18	18.18		18.18
Board of Health		23.66	23.66		23.66
Administration of Public Assistance		0.96	0.96		0.96
Parks and Playgrounds		0.24	0.24		0.24
Community Center		18.07	18.07		18.07
Farmers Market		0.70	0.70		0.70
Construction Official		41.87	41.87		41.87
Maintenance of 911		20,308.65	20,308.65		20,308.65
Snow Removal		2,038.14	2,038.14		2,038.14
<u>Other Expenses:</u>					
Mayor & Council	150.00	1,504.95	1,654.95		1,654.95
Municipal Clerk	2,707.59	8,274.82	8,982.41	1,739.40	7,243.01
Financial Administration	967.16	9,264.55	6,231.71	1,841.23	4,390.48
Audit Services		49,300.00	49,300.00	49,300.00	
Revenue Administration	2,348.00	1,870.34	4,218.34	1,555.00	2,663.34
Assessment of Taxes	646.50	900.55	1,847.05	801.50	1,045.55
Liq. of Tax Title Liens & Forecl. Prop.		100.00	100.00		100.00
<u>Legal Services & Costs:</u>					
Tax Appeals	1,000.00	470.00	1,470.00	700.00	770.00
Miscellaneous	5,437.50	1,549.02	13,986.52	6,252.28	7,734.24
Municipal Court	887.17	6,802.82	7,689.99	421.10	7,268.89
Human Resources	2,043.84	5,000.00	12,043.84	12,043.84	
Community Alliance Program	2,105.56	1,181.76	3,287.32	2,077.27	1,210.05
Historical Society	948.54	178.55	1,127.09	869.84	257.25
Planning Board		233.05	233.05		233.05
Zoning Board of Adjustment	17.95	111.05	129.00	17.95	111.05
<u>Insurance:</u>					
Group Insurance Plan for Employees		125,100.53	125,100.53		125,100.53
Other Insurance Premiums		4,057.00	4,057.00		4,057.00
Fire	6,004.81	2,030.53	9,335.34	7,543.52	1,791.82
Supplemental Fire Services Program	3,121.00	68.74	3,189.74	2,933.07	256.67
Fire Official	1,288.74	1,256.00	2,544.74	1,019.00	1,525.74
Police	31,871.51	7,440.31	43,011.82	32,658.87	10,352.95
Traffic Control-Schools	985.98	1,066.82	3,052.80	1,885.31	1,167.49
First Aid Organization Contributions	6,557.35	1,325.33	7,882.68	5,911.47	1,971.21
Emergency Management Service	2,148.66	1,240.00	4,388.66	1,930.00	2,458.66
Borough Prosecutor		48.00	48.00		48.00
Road Repairs and Maintenance	8,501.05	5,128.04	13,629.09	5,942.42	7,686.67
<u>Sanitation:</u>					
Disposal	52,553.46	7,090.44	61,143.90	42,130.78	19,013.12
Collection	77,572.02	14,920.99	83,493.01	54,837.93	28,655.08
Recycling	44,082.21	1,012.81	46,595.02	41,910.01	4,685.01
Public Buildings & Grounds	31,018.68	18,233.56	40,352.24	26,460.04	13,892.20
Other Public Works Functions		493.46	493.46		493.46
Maintenance of Vehicles	10,402.09	8,955.75	19,357.84	9,281.42	10,076.42
Board of Health	893.66	1,262.53	2,156.19	646.16	1,510.03

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF 2005 APPROPRIATION RESERVES

	COMMITMENT PAYABLE	RESERVED	BALANCE AFTER TRANSFER	PAID OR CHARGED	BALANCE LAPSED
Administration of Public Assistance	\$	\$ 96.40	\$ 96.40	\$	\$ 96.40
Environmental Commission		29.18	29.18		29.18
Parks and Playgrounds	5,185.52	4,337.31	9,522.83	5,433.28	4,089.55
Maintenance of Parks		200.00	200.00		200.00
Community Center	859.55	528.80	1,388.35	859.55	528.80
Senior Citizen Operations		1.00	1.00		1.00
Other Common Operating Functions - Miscellaneous	3,332.00	814.90	4,146.90	3,315.00	831.90
Community Shuttle Bus	250.00	296.74	546.74	50.00	496.74
Union County S.L.A.P. Program		171.60	171.60		171.60
Municipal Service Act		6,273.47	18,273.47	17,411.33	862.14
Farmer's Market	382.56	6.24	388.80		388.80
Construction Code Official	2,280.33	1,380.93	4,661.26	3,436.10	1,225.16
Street Lighting	7,457.83	9,764.27	8,222.10	7,463.64	758.46
Fire Hydrant Services	17,385.88	0.72	17,386.60	17,385.88	0.72
Cable TV- Channel 34	927.27	603.49	1,530.76	753.53	777.23
Telephone	4,644.97	5,543.63	7,188.60	3,971.46	3,217.14
Electricity	3,812.54	11,038.86	6,951.40	5,948.88	1,002.52
Water		3,357.15	3,357.15	3,134.77	222.38
Gas	11,353.70	11,272.66	22,626.36	8,956.16	13,670.20
Gasoline	2,054.91	11,453.23	9,508.14	9,147.29	360.85
Contingent		2,000.00	2,000.00		2,000.00
Social Security (O.A.S.I.)		2,614.56	2,614.56		2,614.56
Consolidated Police & Firemen's Pension Fund		0.49	0.49		0.49
Unemployment Compensation		287.32	287.32		287.32
Maintenance of 911	2,511.00	3,467.43	5,978.43	2,031.68	3,946.75
Length of Service Award Program		51,200.00	51,200.00	51,200.00	
Police & Fireman's Retirement System of NJ		0.40	0.40		0.40
Public Employee Retirement System of NJ		3,201.00	3,201.00		3,201.00
Matching Funds for Grants		1,600.00	1,600.00		1,600.00
Sidewalk Replacement Fund		2,029.00	2,029.00		2,029.00
	\$ 358,699.09	\$ 445,530.79	\$ 804,229.88	\$ 466,338.94	\$ 337,890.94

REF.

A-24

A

A-1

Disbursements
Accounts Payable

A-4
A-24

\$ 464,401.44
1,937.50
\$ 466,338.94

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF DEPOSITS FOR REDEMPTION OF OUTSIDE LIENS

	<u>REF.</u>		
Balance, December 31, 2005	A	\$	25,819.88
Increased by:			
Receipts	A-4		<u>118,838.83</u>
			144,658.71
Decreased by:			
Disbursements	A-4		<u>143,936.35</u>
Balance, December 31, 2006	A	\$	<u><u>722.36</u></u>

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY
PER CHAPTER 20, P. L. 1971

	<u>REF.</u>		
Balance, December 31, 2005 (Due To)	A	\$	28,688.35
Increased by:			
Received in Cash From State	A-4	\$	143,365.75
Senior Citizens Deductions Disallowed by Tax Collector			<u>1,852.73</u>
		\$	<u>145,218.48</u>
		\$	<u>173,906.83</u>
Decreased by:			
Senior Citizens Deductions Per Tax Duplicate		\$	42,000.00
Veterans Deductions Per Tax Duplicate			102,000.00
Senior Citizens Deductions Allowed by Tax Collector			<u>2,500.00</u>
			<u>146,500.00</u>
Balance, December 31, 2006 (Due To)	A	\$	<u><u>27,406.83</u></u>

CALCULATION OF STATE SHARE OF 2006 SENIOR CITIZENS
AND VETERANS DEDUCTIONS ALLOWED BY COLLECTOR

Senior Citizens Deductions Per Tax Billings		\$	42,000.00
Veterans Deductions Per Tax Billings			102,000.00
Senior Citizens Deductions Allowed by Tax Collector			<u>2,500.00</u>
		\$	146,500.00
Less: Senior Citizens Deductions Disallowed by Tax Collector			<u>1,852.73</u>
	A-7	\$	<u><u>144,647.27</u></u>

"A-16"

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF RESERVE FOR TAX APPEALS PENDING

REF.

Balance, December 31, 2005	A	\$	159,048.19
Decreased by:			
Disbursements	A-4		<u>3,883.54</u>
Balance, December 31, 2006	A	\$	<u><u>155,164.65</u></u>

"A-17"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2005	A	\$	52,339.81
Increased by:			
Collection of 2007 Taxes	A-4		<u>58,490.26</u>
		\$	<u>110,830.07</u>
Decreased by:			
Applied to 2006 Taxes Receivable	A-7		<u>52,339.81</u>
Balance, December 31, 2006	A	\$	<u><u>58,490.26</u></u>

"A-18"

SCHEDULE OF TAX OVERPAYMENTS

Balance, December 31, 2005	A	\$	30,789.29
Increased by:			
Overpayments in 2006	A-4		<u>129,419.26</u>
		\$	<u>160,208.55</u>
Decreased by:			
Refunds	A-4	\$	124,821.71
Application to Taxes Receivable	A-7		<u>30,789.29</u>
			<u>155,611.00</u>
Balance, December 31, 2006	A	\$	<u><u>4,597.55</u></u>

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

PROGRAM	BALANCE DECEMBER 31, 2005		2006 BUDGET APPROPRIATION	PAID OR CHARGED	CANCELLED	BALANCE DECEMBER 31, 2006
	COMMITMENTS PAYABLE	RESERVED				
Cops More Program	\$ 8,746.00	\$ 104.31		\$ 8,746.00		104.31
Clean Communities Grant - Prior	300.00	5,795.58		1,899.00		4,196.58
Clean Communities Grant - 2005	9,788.60	676.48		10,155.50		309.58
Clean Communities Grant - 2006			10,972.25	2,014.24		8,958.01
Safe and Secure Communities Program - Prior		69,670.48		35,383.14		34,287.34
Safe and Secure Communities Program - 05			201,856.00	140,582.07		61,273.93
Safe and Secure Communities Program - 06						
State Housing Inspection Program - Prior		3,323.60				11,359.55
Cop Fast Program -Prior		11,359.55				2,498.99
Alliance Fund Grant - Prior	1,520.41	2,498.99		1,520.41		1,997.79
Alliance Fund Grant - 2005	14,410.46	322.34		12,735.01		1,153.69
Alliance Fund Grant - 2006			41,632.00	40,478.31		2,008.65
Drunk Driving Enforcement Fund	243.00	1,559.30		1,687.25		1.62
Farmers' Market - Prior		1.62				19.00
Farmers' Market - 2005	60.00	700.00		741.00		
Farmers' Market - 2006			800.00	800.00		
Occupant Protection Project - Prior		1,376.64				1,376.64
Special Legislative Grant	3,750.00	2,400.00		3,750.00		2,400.00
Body Armor Fund	1,490.84	434.35		3,758.57		1,232.97
Recycling Grant - Prior		6,902.68				6,902.68
Recycling Grant - 2006			2,605.74			2,605.74
Stormwater Management Grant		10,207.00				10,207.00
NJ OEM SLAEHOP Program		672.72				672.72
Alcohol Education Rehabilitation Fund		100.78				100.78
Downtown Development Planning Grant		25,000.00				25,000.00
Green Community Challenge Grant		2,000.00				2,000.00
Project Pocket Parks		7,269.26				7,269.26
Downtown Union County Grant		539.20				539.20
Railroad Station	23,000.00	218,320.00		23,000.00		218,320.00
Senior Focus Grant	7,832.25	11,207.21		7,832.25		11,207.21
Local Aid Bicycle Program	0.03	3,165.00		0.03		3,165.00
KIDS Recreation Grant		51,264.00		16,050.00		35,214.00
Community Shuttle Bus - Prior	324.15	19,450.59		324.15		19,450.59
Field of Dreams	2,326.58	9,335.50		2,326.58		9,335.50
Stop Violence Against Women		1,827.44				1,827.44
	<u>\$ 73,792.32</u>	<u>\$ 467,484.62</u>	<u>\$ 262,825.94</u>	<u>\$ 313,783.51</u>	<u>\$</u>	<u>\$ 490,319.37</u>

REF.

A-24

A

A-3

A

A-4

Disbursed
Accounts Payable

\$ 254,911.29

\$ 58,872.22

\$ 313,783.51

"A-20"

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>	
2006 Tax Levy	A-1:A-7	\$ 4,007,122.21
Decreased by: Payments	A-4	\$ <u>4,007,122.21</u>

"A-21"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Levy - Calendar Year 2006	A-1:A-7	\$ 15,806,202.35
Decreased by: Payments	A-4	\$ <u>15,806,202.35</u>

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	ASSESSMENT TRUST FUND	GENERAL CAPITAL FUND	SEWER OPERATING FUND	NET PAYROLL	PUBLIC ASSISTANCE TRUST FUND II	TRUST OTHER FUND
Balance, December 31, 2005:							
Due To	\$ 223.29	\$	\$	\$	\$	\$	223.29
Due From	3,477.36	2,485.34			932.02	60.00	
Receipts	13,737.13	2,601.60		8,063.53		60.00	3,012.00
Disbursements	283,224.22	448.12	267,640.00	8,063.53			7,072.57
Balance, December 31, 2006:							
Due To	\$ 272,741.16	331.86	267,640.00	\$	932.02	\$	3,837.28
Due From							

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF RESERVE FOR
SALE OF MUNICIPAL ASSETS

	<u>REF.</u>	
Balance, December 31, 2005	A	\$ 531,244.93
Decreased by:		
Realized as Current Year Revenue	A-2	<u>62,000.00</u>
Balance, December 31, 2006	A	\$ <u><u>469,244.93</u></u>

"A-24"

BOROUGH OF ROSELLE PARK
CURRENT FUND
SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2005	A	\$	475,390.41
Increased by:			
Charges to 2006 Appropriations	A-3	\$	327,317.10
Transferred from Appropriation Reserves	A-13		1,937.50
Charges to Federal and State Programs - Appropriated	A-19		<u>58,872.22</u>
			388,126.82
		\$	<u>863,517.23</u>
Decreased by:			
Disbursements	A-4	\$	899.00
Transferred to Appropriation Reserves	A-13		358,699.09
Charges to Federal and State Programs - Appropriated	A-19		<u>73,792.32</u>
			433,390.41
Balance, December 31, 2006	A	\$	<u><u>430,126.82</u></u>

"A-25"

SCHEDULE OF DUE COUNTY FOR ADDED TAXES

Balance, December 31, 2005	A	\$	5,613.13
Increased by:			
County's Share of 2006 Levy Added Taxes (R.S. 54:4-63.1 et. seq.)	A-1:A-7		<u>4,994.41</u>
		\$	10,607.54
Decreased by:			
Payments	A-4		<u>5,654.21</u>
Balance, December 31, 2006	A	\$	<u><u>4,953.33</u></u>

BOROUGH OF ROSELLE PARK

CURRENT FUND

SCHEDULE OF RESERVE FOR PREMIUMS ON TAX SALE

	<u>REF.</u>	
Balance, December 31, 2005	A	\$ 105,000.00
Increased by:		
Receipts	A-4	323,600.00
		\$ <u>428,600.00</u>
Decreased by:		
Disbursements	A-4	<u>84,000.00</u>
Balance, December 31, 2006	A	\$ <u><u>344,600.00</u></u>

BOROUGH OF ROSELLE PARK

TRUST FUND

SCHEDULE OF CASH

	<u>REF.</u>	<u>ASSESSMENT</u>	<u>ANIMAL CONTROL</u>	<u>OTHER</u>
Balance, December 31, 2005	B	\$ 23,698.84	\$ 24,785.86	\$ 155,212.68
Increased by Receipts:				
Assessments Receivable	B-4	3,848.25		
Animal Control Fees	B-8		6,678.50	
Budget Appropriations:				
Reserve for Animal Control	B-8		12,500.00	
State Unemployment Insurance	B-12			59,669.12
Due From County of Union Community Development Block Grants	B-9			59,983.59
Assessments Overpayments	B-5	3.93		
Due Current Fund	B-6	331.86		19,078.06
Due General Capital Fund	B-7			108,318.11
Various Reserves	B-13			172,645.60
		<u>4,184.04</u>	<u>19,178.50</u>	<u>419,694.48</u>
		\$ 27,882.88	\$ 43,964.36	\$ 574,907.16
Decreased by Disbursements:				
Expenditures Under R.S. 4:19-15.11	B-8			
Due Current Fund	B-6	2,485.34		15,017.49
Due General Capital Fund	B-7		23,787.26	19,758.95
Community Development Block Grants	B-10			32,115.20
Accounts Payable	B-11			152,689.75
State Unemployment Insurance	B-12			59,089.84
Various Reserves	B-13			13,877.98
		<u>2,485.34</u>	<u>23,787.26</u>	<u>292,549.21</u>
Balance, December 31, 2006	B	\$ <u>25,397.54</u>	\$ <u>20,177.10</u>	\$ <u>282,357.95</u>

BOROUGH OF ROSELLE PARK
TRUST FUND
ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS

		BALANCE DECEMBER <u>31, 2006</u>
Due Current Fund	\$	331.86
Assessment Overpayments		3.93
Cash Deficit		(154.82)
Fund Balance		<u>25,216.57</u>
	\$	<u><u>25,397.54</u></u>
	<u>REF.</u>	B

BOROUGH OF ROSELLE PARK

TRUST FUND

SCHEDULE OF ASSESSMENTS RECEIVABLE

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF CONFIRMATION</u>	<u>INSTALLMENT</u>	<u>DUE DATES</u>	<u>BALANCE DECEMBER 31, 2005</u>	<u>COLLECTED</u>	<u>BALANCE DECEMBER 31, 2006</u>	<u>BALANCE PLEDGED TO DUE TO CAPITAL</u>
1879	Curb Construction	3/15/01	5	3/15/01-05	\$ 118.86	\$ 118.86	\$ -	\$ -
1955	Reconstruction of Various Streets	3/15/01	5	3/15/01-05	228.00	228.00	-	-
1965	Resurfacing of Various Streets	3/15/01	5	3/15/01-05	107.51	107.51	-	-
1807	Curb Improvements	4/19/01	5	4/19/01-05	208.80	208.80	-	-
2000	Curb Improvements	6/20/02	5	6/20/02-06	3,339.90	3,185.08	154.82	154.82
					<u>\$ 4,003.07</u>	<u>\$ 3,848.25</u>	<u>\$ 154.82</u>	<u>\$ 154.82</u>

REF.

B

B-2

B

BOROUGH OF ROSELLE PARK

TRUST FUND

SCHEDULE OF ASSESSMENT OVERPAYMENTS

REF.

Increased by:

Receipts

B-2

\$ 3.93

Balance, December 31, 2006

B

\$ 3.93

"B-6"

BOROUGH OF ROSELLE PARK

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	<u>ASSESSMENT TRUST FUND</u>	<u>OTHER TRUST FUND</u>
Balance, December 31, 2005(Due to)	B	\$ (2,485.34)	\$ 223.29
Receipts	B-2	<u>331.86</u> (2,817.20)	<u>19,078.06</u> (18,854.77)
Disbursements	B-2	<u>2,485.34</u>	<u>15,017.49</u>
Balance, December 31, 2006(Due to)	B	\$ <u>(331.86)</u>	\$ <u>(3,837.28)</u>

"B-7"

SCHEDULE OF DUE GENERAL CAPITAL FUND

		<u>OTHER TRUST FUND</u>
Balance, December 31, 2005 (Due To)	B	\$ 19,758.95
Increased by: Receipts	B-2	<u>108,318.11</u> 128,077.06
Decreased by: Disbursements	B-2	<u>19,758.95</u>
Balance, December 31, 2006(Due to)	B	\$ <u>108,318.11</u>

BOROUGH OF ROSELLE PARK

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2005	B	\$	24,785.86
Increased by:			
License Fees Collected:			
Dog License Fees	B-2	\$	5,352.50
Cat License Fees	B-2		1,326.00
2006 Budget Appropriation	B-2		<u>12,500.00</u>
			<u>19,178.50</u>
		\$	43,964.36
Decreased by:			
Expenditures Under R. S. 4:19-15.11:			
Disbursed	B-2		<u>23,787.26</u>
Balance, December 31, 2006	B	\$	<u><u>20,177.10</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2004	\$ 7,063.80
2005	<u>5,356.50</u>
	\$ <u><u>12,420.30</u></u>

"B-9"

BOROUGH OF ROSELLE PARK

TRUST FUND

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

	<u>REF.</u>		
Balance, December 31, 2005	B	\$	222,789.80
Increased by:			
Project Awards	B-10		<u>31,879.00</u>
		\$	254,668.80
Decreased by:			
Receipts	B-2	\$	59,983.59
Cancelled C.D.B.G. Grants Receivable	B-10		<u>4,653.27</u>
			<u>64,636.86</u>
Balance, December 31, 2006	B	\$	<u><u>190,031.94</u></u>

"B-10"

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

Balance, December 31, 2005	B	\$	187,265.13
Increased by:			
Project Awards	B-9	\$	31,879.00
Cancelled Accounts Payable	B-11		<u>1,950.34</u>
			<u>33,829.34</u>
		\$	221,094.47
Decreased by:			
Expenditures	B-2	\$	32,115.20
Accounts Payable	B-11		187.07
Cancelled	B-9		<u>4,653.27</u>
			<u>36,955.54</u>
Balance, December 31, 2006	B	\$	<u><u>184,138.93</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUND
SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2005	B	\$	20,935.77
Increased by:			
Various Reserves	B-13	\$	147,121.62
Reserve for C.D.B.G	B-10		<u>187.07</u>
			<u>147,308.69</u>
		\$	168,244.46
Decreased by:			
Disbursements	B-2	\$	152,689.75
Cancelled C.D.B.G. Payables	B-10		<u>1,950.34</u>
			<u>154,640.09</u>
Balance, December 31, 2006	B	\$	<u><u>13,604.37</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUND
SCHEDULE OF RESERVE FOR STATE
UNEMPLOYMENT INSURANCE

	<u>REF.</u>		
Balance, December 31, 2005	B	\$	8,581.23
Increased by:			
Receipts:			
Payroll Deductions		\$	24,415.13
2006 Budget Appropriation			35,135.28
Interest			118.71
	B-2		<u>59,669.12</u>
		\$	<u>68,250.35</u>
Decreased by:			
Disability Benefits		\$	18,753.71
Unemployment Benefits			40,336.13
	B-2		<u>59,089.84</u>
Balance, December 31, 2006	B	\$	<u><u>9,160.51</u></u>

BOROUGH OF ROSELLE PARK

TRUST FUND

SCHEDULE OF VARIOUS RESERVES

	BALANCE DECEMBER 31, 2005	INCREASE	DECREASE	BALANCE DECEMBER 31, 2006
Recreation	\$ 21,664.17	\$ 30,939.00	\$ 26,523.32	\$ 26,079.85
Community Alliance	20,378.05	1,760.00	137.00	22,001.05
Special Law Enforcement Trust	8,333.14	1,870.31	3,587.98	6,615.47
Law Enforcement Block Grant- Federal	3,201.47	89.49		3,290.96
Fireworks Celebration	1,768.50	7,762.80	9,500.00	31.30
Law Enforcement Trust II	803.96		790.00	13.96
Miscellaneous	326.54			326.54
Parking Offense Adjudication Act	4,768.37	1,588.00	1,965.29	4,391.08
State Construction Code Fees	4,633.00	5,190.00	7,176.00	2,647.00
Downtown Renovations	1,405.00			1,405.00
9/11 Memorial	301.00			301.00
Firehouse Donations	2.78			2.78
Security Bonds	3,548.00			3,548.00
Elevator Inspection Fees	104.00	1,954.00	2,007.00	51.00
Board of Health	234.96			234.96
Police Outside Services	1,343.86	103,126.00	93,508.75	10,961.11
Roller Skating	500.00			500.00
Founders Day Celebration	538.08			538.08
Secure a Child Program	50.00			50.00
Public Defender	8,929.31	6,530.00	6,604.26	8,855.05
Shuttle Bus	5,250.00			5,250.00
Loretti Park	1,440.00			1,440.00
Child Safety Seat	5.00			5.00
Monument Bond	2,500.00			2,500.00
100 Year Celebration	700.00			700.00
Union County Health Administration Act	8,930.46			8,930.46
Youth Center	10,100.00		8,800.00	1,300.00
Fire Protection	853.00	130.00		983.00
Zoning/Planning Escrow	6,297.04	3,900.00	400.00	9,797.04
Tree Program		1,000.00		1,000.00
Recycling	22,775.00	6,806.00		29,581.00
TOTAL	\$ 141,684.69	\$ 172,645.60	\$ 160,999.60	\$ 153,330.69

REF.

B

B-2

B

Disbursed

B-2

\$ 13,877.98

Accounts Payable

B-11

147,121.62

\$ 160,999.60

BOROUGH OF ROSELLE PARK

TRUST FUND

SCHEDULE OF RESERVE FOR ASSESSMENTS

	<u>REF.</u>	
Balance, December 31, 2005	B	\$ 20,363.17
Increased by:		
Bonds paid by Budget	B-15	20,000.00
		\$ <u>40,363.17</u>
Decreased by:		
Collections to Fund Balance	B-1	<u>363.17</u>
Balance, December 31, 2006	B	\$ <u><u>40,000.00</u></u>

BOROUGH OF ROSELLE PARK

TRUST FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>BALANCE DECEMBER 31, 2005 AND DECEMBER 31, 2006</u>	<u>BALANCE PLEGDED TO BONDS</u>	<u>BALANCE PLEGDED TO RESERVE</u>
1879	Curb Construction	\$ 23,350.00	\$ 19,350.00	\$ 4,000.00
2000	Various Curb Improvements	70,350.00	58,350.00	12,000.00
2042	Curb Improvements	40,600.00	34,600.00	6,000.00
2075	Various Curb Improvements	118,700.00	100,700.00	18,000.00
		<u>\$ 253,000.00</u>	<u>\$ 213,000.00</u>	<u>\$ 40,000.00</u>
	<u>REF.</u>	B	B-15	

BOROUGH OF ROSELLE PARK

GENERAL CAPITAL FUND

SCHEDULE OF CASH

	<u>REF.</u>		
Balance, December 31, 2005	C	\$	239,900.44
Increased by Receipts:			
Budget Appropriation:			
Capital Improvement Fund	C-6	\$	15,000.00
C.D.B.G. Receivable	C-9		108,318.11
Due from Union County Improvement Authority	C		5,878.37
Due Current Fund	C		267,640.00
Due Trust Other Fund	C-10		19,758.95
State Aid Receivable	C-13		300,000.00
Reserve for Payment of Bonds	C-14		<u>206,286.86</u>
			922,882.29
		\$	<u>1,162,782.73</u>
Decreased by Disbursements:			
Due Trust Other Fund	C-10	\$	108,318.11
Commitments Payable	C-11		1,014,241.12
Reserve for Payment of Bonds	C-14		<u>30,000.00</u>
			<u>1,152,559.23</u>
Balance, December 31, 2006	C	\$	<u><u>10,223.50</u></u>

"C-3"

BOROUGH OF ROSELLE PARK

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2006
Fund Balance	\$ 201,368.78
Capital Improvement Fund	39,859.57
State Aid Receivable	(136,000.00)
C.D.B.G Receivable	(163,681.89)
Due Current Fund	267,640.00
Due from Trust Other Fund	(108,318.11)
Commitments Payable	323,386.80
Improvement Authorizations: Funded as Set Forth on "C-7"	967,373.75
Improvement Authorizations - Expended as Set Forth on "C-5"	(1,707,845.67)
Reserve to Pay Serial Bonds	<u>326,440.27</u>
	\$ <u>10,223.50</u>
<u>REF.</u>	C

"C-4"

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-FUNDED

	<u>REF.</u>	
Balance, December 31, 2005	C	\$ 8,279,000.00
Decreased by:		
2006 Budget Appropriation to Pay Bonds	C-8	<u>697,000.00</u>
Balance, December 31, 2006	C	\$ <u>7,582,000.00</u>

BOROUGH OF ROSELLE PARK

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2005</u>	<u>EXPENDITURES</u>	<u>UNEXPENDED IMPROVEMENT AUTHORIZATIONS</u>
		\$ 79.25 \$	79.25 \$	
1214	Purchase of Premises for Municipal Complex	84.50	84.50	
1310-1395	Preliminary Planning Expenses for Construction of a Municipal Complex	296.07	296.07	
1349	Purchase of Shade Trees	225.00	225.00	
1403	Purchase of Various Equipment-Fire Department	25.00	25.00	
1568	Purchase of Equipment First Aid Squad	271.48	271.48	
1627-1683	Construction of Curbs on Madison Avenue	33.99	33.99	
1629	Improvement to Borough Property at Chestnut and Grand	32.04	32.04	
1690	Reconstruction of Hawthorne Street	40.00	40.00	
1721	Renovation of Casano Community Center	192.39		192.39
1928-1935-1965	Various Capital Improvements	12.00		12.00
2042	Curb Improvements	50.00		50.00
2075	Various Curb Improvements	37.00		37.00
2102	Various Capital Improvements		803,478.76	167,735.24
2121	Various Capital Improvements	971,214.00		
2122	Various Curb Improvements	15,675.00	15,675.00	
2144	Acquisition of a Front End Loader	142,500.00	103,644.83	38,855.17
2157	Various Capital Improvements	856,655.00	783,959.75	72,695.25
2184	Various Capital Improvements	490,000.00		490,000.00
		<u>\$ 2,477,422.72 \$</u>	<u>1,707,845.67 \$</u>	<u>769,577.05</u>

REF.

C

C-3

C-7

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2005	C	\$ 56,279.57
Increased by:		
2006 Budget Appropriation	C-2	<u>15,000.00</u>
		\$ <u>71,279.57</u>
Decreased by:		
Appropriation to Finance Improvement Authorizations	C-7	<u>31,420.00</u>
Balance, December 31, 2006	C	\$ <u><u>39,859.57</u></u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2005		2006 AUTHORIZATIONS	COMMITMENTS PAYABLE CANCELED	PAID OR CHARGED	BALANCE DECEMBER 31, 2006	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
1747	GENERAL IMPROVEMENTS Various Capital Improvements	9/16/93	\$ 300,000.00	\$ 39,176.92	\$	\$		\$	39,176.92	\$
1838, 1862 and 1865	Various Capital Improvements	4/18/96, 8/17/96 and 11/26/96	691,000.00	51,160.54				2,086.50	49,074.04	
1928, 1935, 1965	Resurfacing of Streets	4/15/98, 6/18/98, 7/22/99	820,000.00	161,314.57	192.39			3,338.16	157,976.41	192.39
1953, 1973, 1992 and 2032	Various Capital Improvements	04/15/98 and 12/2/99	1,280,000.00	58,878.13				732.73	58,145.40	
1998, 2017, 2130	Various Capital Improvements	4/17/00 and 9/7/00	1,363,500.00	96,151.14				7,082.90	89,068.24	
2007, 2129	Reconst. First Aid Squad Building	07/21/03	500,000.00	34,670.20					34,670.20	
2010	Purchase Equipment for Roselle Park Pop Warner	08/17/03	15,000.00	1,163.84					1,163.84	
2011	Renovation of Borough Owned Property	08/19/03	30,000.00	11,766.75				5,000.00	6,766.75	
2018	Various Capital Improvements	09/21/03	47,000.00							
2028, 2091	Acq of Prop. & Const. of Youth Center	12/18/00, 11/18/02	950,000.00	6,069.68			12,986.90		19,056.58	
2034	Removal of Underground Storage Tanks	3/1/01	100,000.00	68,362.73					68,362.73	
2041/2046, 2094	Various Capital Improvements	4/19/01, 12/19/02	915,000.00	2,522.60				958.80	1,563.80	
2042	Curb Improvements	4/19/01	42,750.00	3,263.40	12.00				3,263.40	12.00
2050	Various Capital Improvements	7/12/01	70,000.00	2,532.17					2,532.17	
2052	Replacement of Concrete Sidewalks	9/6/01	16,000.00	1,501.70					1,501.70	
2074/2106	Various Capital Improvements	5/20/02	1,415,000.00	73,317.69				3,694.60	69,623.09	
2090	Joint Meeting Facility Improvements	11/18/03	200,000.00	324.99					324.99	
2102	Various Capital Improvements	6/19/03	358,462.00	40,804.47	37.00			7,605.68	33,198.79	37.00

BOROUGH OF ROSELLE PARK

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	AMOUNT OF ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2006		INTEREST RATE	BALANCE DECEMBER 31, 2005	BALANCE DECEMBER 31, 2006
			DATE	AMOUNT			
General Improvement Bonds	12/15/93	\$ 2,900,000.00	12/15/2007	\$ 230,000.00	4.65%	\$ 650,000.00	\$ 420,000.00
			12/15/2008	190,000.00			
General Improvement Bonds	9/15/97	3,085,000.00			4.50%	397,000.00	397,000.00
General Improvement Bonds	4/1/01	3,750,000.00	4/1/2007-2015	400,000.00	4.375%	3,630,000.00	3,600,000.00
General Improvement Bonds	10/1/03	3,657,000.00	10/1/2007	75,000.00	3.375%	3,602,000.00	3,562,000.00
			10/1/2008	125,000.00	3.375%		
			10/1/2009-2010	250,000.00	3.500%		
			10/1/2011	265,000.00	3.500%		
			10/1/2012	290,000.00	3.500%		
			10/1/2013	307,000.00	3.500%		
	10/1/2014	375,000.00	3.625%				
	10/1/2015-2017	400,000.00	3.625%				
	10/1/2018	425,000.00	3.625%			40,000.00	
						\$ 8,279,000.00	\$ 7,582,000.00

REF.

C-4

C

C

"C-9"

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND
SCHEDULE OF C.D.B.G. RECEIVABLE

	<u>REF.</u>	
Balance December 31, 2005	C	\$ 120,000.00
Increased by:		
Improvement Authorization Funded	C-7	<u>152,000.00</u>
		272,000.00
Decreased by:		
Receipts	C-2	<u>108,318.11</u>
Balance December 31, 2006	C	\$ <u><u>163,681.89</u></u>

"C-10"

SCHEDULE OF DUE OTHER TRUST FUND

Balance December 31, 2005	C	\$ 19,758.95
Increased by:		
Disbursements	C-2	<u>108,318.11</u>
		128,077.06
Decreased by:		
Receipts	C-2	<u>19,758.95</u>
Balance December 31, 2006	C	\$ <u><u>108,318.11</u></u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND
SCHEDULE OF COMMITMENTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2005	C	\$	404,412.62
Increased by:			
Commitments	C-7		<u>946,202.20</u>
			1,350,614.82
Decreased by:			
Disbursed	C-2	\$	1,014,241.12
Canceled	C-7		<u>12,986.90</u>
			<u>1,027,228.02</u>
Balance, December 31, 2006	C	\$	<u><u>323,386.80</u></u>

"C-12"

BOROUGH OF ROSELLE PARK

GENERAL CAPITAL FUND

SCHEDULE OF PROSPECTIVE ASSESSMENTS
RAISED BY TAXATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>		<u>BALANCE DECEMBER 31, 2006</u>
1807	Curb Improvements	\$	3,450.00
1835	Curbing of Larch Street		<u>900.00</u>
		\$	<u><u>4,350.00</u></u>

REF.

C

"C-13"

SCHEDULE OF STATE AID RECEIVABLE

Balance, December 31, 2005	C	\$	300,000.00
Increased by:			
Improvement Authorization Funded	C-7		<u>136,000.00</u>
			436,000.00
Decreased by:			
Receipts	C-2		<u>300,000.00</u>
Balance December 31, 2006	C	\$	<u><u>136,000.00</u></u>

"C-14"

SCHEDULE OF RESERVE TO PAY BONDS

Balance December 31, 2005	C	\$	150,153.41
Increased by:			
Receipts	C-2		<u>206,286.86</u>
			356,440.27
Decreased by:			
Payment to Current Fund as Anticipated Revenue	C-2		<u>30,000.00</u>
Balance December 31, 2006	C	\$	<u><u>326,440.27</u></u>

BOROUGH OF ROSELLE PARK

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES
AUTHORIZED BUT NOT ISSUED

<u>NUMBER</u>	<u>IMPROVEMENT AUTHORIZATION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2006</u>
<u>GENERAL IMPROVEMENTS:</u>		
1214	Purchase of Premises for Municipal Complex	\$ 79.25
1310 and 1395	Preliminary Planning Expenses for Construction of a Municipal Complex	84.50
1349	Purchase of Shade Trees	296.07
1403	Purchase of Various Equipment-Fire Department	225.00
1568	Purchase of Equipment for the First Aid Squad	25.00
1627 and 1683	Construction of Curbs on Madison Avenue	271.48
1629	Improvement to Borough Property at Chestnut and Grand	33.99
1690	Reconstruction of Hawthorne Street	32.04
1721	Renovation of Casano Community Center	40.00
1928 and 1935	Various Capital Improvements	192.39
2042	Curb Improvements	12.00
2075	Various Capital Improvements	50.00
2102	Various Capital Improvements	37.00
2121	Various Capital Improvements	971,214.00
2122	Various Curb Improvements	15,675.00
2144	Acquisition of a Front End Loader	142,500.00
2157	Various Capital Improvements	856,655.00
2184	Various Capital Improvements	490,000.00
		<hr/>
		\$ <u>2,477,422.72</u>

BOROUGH OF ROSELLE PARK

SEWER UTILITY FUND

SEWER UTILITY OPERATING FUND

SCHEDULE OF 2005 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2005</u>	<u>RESERVED</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>
	<u>COMMITMENT PAYABLE</u>				
Operating:					
Salaries and Wages	\$ 1,518.00	13,537.78 \$	13,537.78 \$		13,537.78
Other Expenses		16,442.87	17,960.87	15,812.00	2,148.87
Maintenance of Vehicles		5,000.00	5,000.00		5,000.00
Share of Costs:					
Rahway Valley Sewerage Authority		7.00	7.00		7.00
Joint Meeting Sewer		66.30	66.30		66.30
	<u>1,518.00</u>	<u>35,053.95</u>	<u>36,571.95</u>	<u>15,812.00</u>	<u>20,759.95</u>
Capital Improvements		4,596.93	4,596.93		4,596.93
Capital Outlay					
TOTAL SEWER UTILITY APPROPRIATIONS	\$ 1,518.00 \$	39,650.88 \$	41,168.88 \$	15,812.00 \$	25,356.88

REF.

D:D-17

D

D-6

D-1

"D-7"

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	REF.		
Balance, December 31, 2005	D	\$	51,521.08
Increased by:			
Sewer Use Charges Levied			<u>1,296,187.68</u>
		\$	<u>1,347,708.76</u>
Decreased by:			
Collections	D-3:D-6	\$	1,271,595.16
Overpayments Applied	D-3:D-8		6,233.91
Canceled			<u>5,408.71</u>
			<u>1,283,237.78</u>
Balance, December 31, 2006	D	\$	<u><u>64,470.98</u></u>

"D-8"

SCHEDULE OF SEWER CHARGE OVERPAYMENTS

Balance, December 31, 2005	D	\$	5,609.69
Increased by:			
Received	D-6		<u>2,427.97</u>
			8,037.66
Decreased by:			
Refunds	D-6		85.57
Application to Consumer Accounts Receivable	D-7		<u>6,233.91</u>
			<u>6,319.48</u>
Balance, December 31, 2006	D	\$	<u><u>1,718.18</u></u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND
SEWER UTILITY OPERATING FUND
SCHEDULE OF ACCRUED INTEREST

	<u>REF.</u>		
Balance, December 31, 2005	D	\$	3,576.56
Increased by:			
Budget Appropriation:			
Interest on Bonds	D-4		13,485.97
		\$	<u>17,062.53</u>
Decreased by:			
Disbursements	D-6		<u>13,759.40</u>
Balance, December 31, 2006	D	\$	<u><u>3,303.13</u></u>

"D-10"

BOROUGH OF ROSELLE PARK

SEWER UTILITY FUND

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>ACCOUNT</u>		BALANCE DECEMBER 31, 2005 AND DECEMBER 31, 2006
Purchase of Vacuum Sweeper	\$	71,599.00
Sewer Television Surveillance		3,500.00
Reconstruction and Repair of Sewers on Roselle Avenue		37,706.24
Reconstruction of Sewers and Related Road Work		51,000.00
Acquisition of a Mini-Computer		3,402.00
Reconstruction of Sewers and Related Road Work		<u>68,109.72</u>
	\$	<u>235,316.96</u>
	<u>REF.</u>	D

BOROUGH OF ROSELLE PARK

SEWER UTILITY FUND

SEWER UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE</u>	<u>ORDINANCE AMOUNT</u>	<u>BALANCE DECEMBER 31, 2005 AND DECEMBER 31, 2006</u>
1880	Various Sewer Improvements	4/17/97	\$ 258,000.00	\$ 258,000.00
1954	Joint Meeting Facility Improvements and Sanitary Sewer Improvements	3/18/99	360,000.00	<u>360,000.00</u>
				\$ <u><u>618,000.00</u></u>
			<u>REF.</u>	D

"D-12"

BOROUGH OF ROSELLE PARK

SEWER UTILITY FUND

SEWER UTILITY CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORDINANCE</u>	<u>BALANCE DECEMBER 31, 2006</u>
1880	Various Sewer Improvements	4/17/97	\$ 51,000.00
1954	Joint Meeting Facility Improvements and Sanitary Sewer Improvements	3/18/99	<u>50,000.00</u>
			\$ <u>101,000.00</u>
		<u>REF.</u>	D

"D-13"

SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>REF.</u>	
Balance, December 31,2005	D	\$ 425,316.96
Increased by: Bonds Paid by Budget	D-16	<u>25,000.00</u>
Balance, December 31,2006	D	\$ <u>450,316.96</u>

"D-14"

BOROUGH OF ROSELLE PARK
SEWER UTILITY OPERATING FUND
SCHEDULE OF DUE TO SEWER UTILITY CAPITAL FUND

	<u>REF.</u>		
Balance December 31, 2005	D	\$	9,500.00
Decreased by:			
Disbursements	D-6	\$	<u>9,500.00</u>

"D-15"

SEWER UTILITY CAPITAL FUND
SCHEDULE OF DUE FROM SEWER UTILITY OPERATING FUND

Balance December 31, 2005	D	\$	9,500.00
Decreased by:			
Receipts	D-6	\$	<u>9,500.00</u>

BOROUGH OF ROSELLE PARK

SEWER UTILITY CAPITAL FUND

SCHEDULE OF SEWER UTILITY SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2005</u>	<u>BALANCE DECEMBER 31, 2006</u>
			<u>DATE</u>	<u>AMOUNT</u>			
General Improvement Bonds	4/1/01	\$ 418,000.00	4/1/2007	\$ 25,000.00			
			4/1/2008-2010	30,000.00			
			4/1/2011-2012	35,000.00			
			4/1/2013-2014	40,000.00			
			4/1/2015	37,000.00	4.375%		
						\$ 327,000.00	\$ 302,000.00
							DECREASED

REF.

D

D-13

D

"D-17"

BOROUGH OF ROSELLE PARK

SEWER UTILITY FUND

SCHEDULE OF COMMITMENTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2005	D	\$	1,518.00
Increased by:			
Charges to 2006 Appropriations	D-4		<u>16,688.65</u>
		\$	<u>18,206.65</u>
Decreased by:			
Transferred to 2005 Appropriation Reserves	D-5		<u>1,518.00</u>
Balance, December 31, 2006	D	\$	<u><u>16,688.65</u></u>

"D-18"

SEWER UTILITY CAPITAL FUND

SCHEDULE OF RESERVE FOR CAPITAL OUTLAY

Balance, December 31, 2005 and December 31, 2006	D	\$	<u><u>11,594.76</u></u>
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BOROUGH OF ROSELLE PARKPUBLIC ASSISTANCE TRUST FUNDSCHEDULE OF PUBLIC ASSISTANCE CASH - TREASURER

	<u>REF.</u>	<u>P.A.T.F.</u> <u>ACCOUNT I</u>	<u>P.A.T.F.</u> <u>ACCOUNT II</u>	<u>FUND</u> <u>TOTAL</u>
Balance, December 31, 2005	E:E-3	\$ 44,784.16	\$ 12,083.04	\$ 56,867.20
Increased by Receipts:				
State Aid for Public Assistance and Other Receipts		\$	\$ 49,569.00	\$ 49,569.00
Supplemental Security Income			1,785.24	1,785.24
		\$	\$ 51,354.24	\$ 51,354.24
		\$ 44,784.16	\$ 63,437.28	\$ 108,221.44
Decreased by:				
Public Assistance		\$	\$ 49,510.74	\$ 49,510.74
Supplemental Security Income Reimbursement			1,247.24	1,247.24
Interfunds - Due Current Fund			60.00	60.00
		\$	\$ 50,817.98	\$ 50,817.98
Balance, December 31, 2006	E:E-3	\$ 44,784.16	\$ 12,619.30	\$ 57,403.46

BOROUGH OF ROSELLE PARK

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, 2006	E-1	\$	57,403.46
Increased by:			
Receipts			2,482.75
		\$	<u>59,886.21</u>
Decreased by:			
Cash Disbursements - 2007 Assistance			9,052.75
			<u>9,052.75</u>
Balance, February 28, 2007		\$	<u><u>50,833.46</u></u>

<u>RECONCILIATION - FEBRUARY 28, 2007</u>	<u>P.A.T.F. ACCOUNT I</u>	<u>P.A.T.F. ACCOUNT II</u>	<u>TOTAL</u>
Balance on Deposit Per Bank Statement:			
Bank of America:			
Account #810-0258448	\$ 9.16	\$	9.16
Account #810-7029673		7,940.30	7,940.30
Account #9419833969	44,775.00		44,775.00
Account #810-7051377		(1,491.00)	(1,491.00)
	<u> </u>	<u> </u>	<u> </u>
Less: Outstanding Checks (Per List on File)	\$ <u> </u>	\$ 400.00	\$ <u>400.00</u>
Balance, February 28, 2007	\$ <u><u>44,784.16</u></u>	\$ <u><u>6,049.30</u></u>	\$ <u><u>50,833.46</u></u>

BOROUGH OF ROSELLE PARK
PUBLIC ASSISTANCE TRUST FUND
SCHEDULE OF PUBLIC ASSISTANCE CASH
AND RECONCILIATION AS OF DECEMBER 31, 2006

	<u>REF.</u>		
Balance, December 31, 2005	E-1	\$	56,867.20
Increased by Receipts:			
Cash Receipts Record	E-4		51,354.24
		\$	<u>108,221.44</u>
Decreased by Disbursements:			
Cash Disbursements Record:			
2006 Assistance		\$	49,510.74
Supplemental Security Income- Refund to Client			1,247.24
Interfunds - Due Current Fund			<u>60.00</u>
	E-5		<u>50,817.98</u>
Balance, December 31, 2006	E-1	\$	<u><u>57,403.46</u></u>

	<u>P.A.T.F.</u> <u>ACCOUNT I</u>	<u>P.A.T.F.</u> <u>ACCOUNT II</u>	<u>TOTAL</u>
RECONCILIATION - DECEMBER 31, 2006			
Balance on Deposit Per Statement:			
Bank of America:			
Account #8100-0258448	\$ 9.16	\$	9.16
Account #8100-7029673		14,720.30	14,720.30
Account #9419833969	44,775.00		44,775.00
Account #8100-7051377		<u>(1,491.00)</u>	<u>(1,491.00)</u>
	<u>\$ 44,784.16</u>	<u>\$ 13,229.30</u>	<u>\$ 58,013.46</u>
Less: Outstanding Checks (Per List on File)	<u>\$</u>	<u>\$ 610.00</u>	<u>\$ 610.00</u>
Balance, December 31, 2006	<u><u>\$ 44,784.16</u></u>	<u><u>\$ 12,619.30</u></u>	<u><u>\$ 57,403.46</u></u>

"E-4"

BOROUGH OF ROSELLE PARK

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE REVENUES
YEAR ENDED DECEMBER 31, 2006

	<u>P.A.T.F.</u> <u>ACCOUNT II</u>	<u>TOTAL</u>
State Aid Payments	\$ 48,300.00	\$ 48,300.00
Cancellation of Prior Years' Checks	1,269.00	1,269.00
Supplemental Security Income:		
State/Municipal Refund	\$ 538.00	\$ 538.00
Client Refund	1,247.24	1,247.24
	<u>1,247.24</u>	<u>1,247.24</u>
<u>TOTAL RECEIPTS</u>	<u>\$ 51,354.24</u>	<u>\$ 51,354.24</u>

E-3

"E-5"

SCHEDULE OF PUBLIC ASSISTANCE EXPENDITURES
YEAR ENDED DECEMBER 31, 2006

	<u>P.A.T.F.</u> <u>ACCOUNT II</u>	<u>TOTAL</u>
Current Year Assistance (Reported):		
Maintenance Payments	\$ 34,169.00	\$ 34,169.00
Other:		
Temporary Rental and Emergency Assistance	14,627.54	14,627.54
Transportation	714.20	714.20
<u>Total Reported</u>	<u>\$ 49,510.74</u>	<u>\$ 49,510.74</u>
Supplemental Security Income Payments		
Reimbursement to Clients	1,247.24	1,247.24
Interfunds - Due Current Fund	60.00	60.00
	<u>1,247.24</u>	<u>1,247.24</u>
<u>TOTAL DISBURSEMENTS (P.A.T.F.)</u>	<u>50,817.98</u>	<u>50,817.98</u>

E-3

BOROUGH OF ROSELLE PARK
VETERANS MEMORIAL LIBRARY FUND
SCHEDULE OF LIBRARY CASH

	REF.		
Balance, December 31, 2005	G	\$	53,857.44
Increased by Receipts:			
Operating Fund	G-3	\$	379,016.03
Reserve for Building Fund Expenditures	G-4		<u>3,832.96</u>
			<u>382,848.99</u>
		\$	<u>436,706.43</u>
Decreased by:			
Commitments Payable	G-2	\$	3,970.54
Operating Expenses	G-3		376,731.60
Reserve for Building Fund Expenditures	G-4		<u>2,214.14</u>
			<u>382,916.28</u>
Balance, December 31, 2006	G	\$	<u><u>53,790.15</u></u>

"G-2"

BOROUGH OF ROSELLE PARK
VETERANS MEMORIAL LIBRARY FUND
SCHEDULE OF LIBRARY COMMITMENTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2005	G	\$	3,970.54
Increased by:			
Commitments Payable	G-3		4,288.37
		\$	<u>8,258.91</u>
Decreased by:			
Disbursed	G-1		<u>3,970.54</u>
Balance, December 31, 2006	G	\$	<u><u>4,288.37</u></u>

"G-3"

SCHEDULE OF RESERVE FOR
LIBRARY FUND EXPENDITURES

Balance, December 31, 2005	G	\$	29,650.45
Increased by:			
2006 Budget Appropriation		\$	352,390.00
State Aid			16,504.00
Fines			3,289.45
Rentals			237.00
Lost Cards			226.00
Postage			4.80
Miscellaneous			4,442.54
Donations / Grants			1,059.00
Book Replacements			302.74
Fax			557.50
Registration Fees			<u>3.00</u>
	G-1		<u>379,016.03</u>
		\$	<u>408,666.48</u>
Decreased by:			
Operating Expenses	G-1	\$	376,731.60
Commitments Payable	G-2		<u>4,288.37</u>
			<u>381,019.97</u>
			27,646.51
Other Changes in Fund Balance:			
Net Gain on Investment			<u>628.00</u>
Balance, December 31, 2006	G	\$	<u><u>28,274.51</u></u>

BOROUGH OF ROSELLE PARK
VETERANS MEMORIAL LIBRARY FUND
SCHEDULE OF RESERVE FOR
BUILDING FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2005	G	\$	21,717.95
Increased by:			
Receipts	G-1		<u>3,832.96</u>
			25,550.91
Decreased by:			
Disbursements	G-1		<u>2,214.14</u>
Balance, December 31, 2006	G	\$	<u><u>23,336.77</u></u>

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BOROUGH OF ROSELLE PARK

PART II

SINGLE AUDIT SECTION

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

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

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

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

SCHEDULE OF FINDINGS AND QUESTIONS COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

INDEPENDENT AUDITOR'S REPORT ON 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 Park
County of Union
Roselle Park, New Jersey 07204

We have audited the accompanying financial statements - statutory basis of the Borough of Roselle Park, County of Union, New Jersey as of and for the year ended December 31, 2006, and have issued our report thereon dated March 21, 2007. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Roselle Park 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. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Roselle Park's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough of Roselle Park's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough of Roselle Park's internal control over financial reporting.

SUPLEE, CLOONEY & COMPANY

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the statutory basis of accounting prescribed by the Division of Local Government Services, Department of Local Government Services, Department of Community Affairs, State of New Jersey such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above.

Compliance and Other Matters

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

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 21, 2007



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Westfield 908-789-9300

Somerville 908-725-6688

Fax 908-789-8535

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR STATE
FINANCIAL ASSISTANCE PROGRAMS AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH STATE OF NEW JERSEY OMB CIRCULAR 04-04

The Honorable Mayor and Members
of the Borough Council
Borough of Roselle Park
County of Union
Roselle Park, New Jersey 07204

Compliance

We have audited the compliance of the Borough of Roselle Park, County of Union, with the types of compliance requirements described in the State of New Jersey, Department of Treasury, Office Management and Budget's State Grant Compliance Supplement that is applicable to each of its major state programs for the year ended December 31, 2006. The Borough of Roselle Park's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Borough of Roselle Park's management. Our responsibility is to express an opinion on the Borough of Roselle Park's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the provisions of U.S. Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grant, State Grant and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough of Roselle Park's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Roselle Park's compliance with those requirements.

SUPLEE, CLOONEY & COMPANY

In our opinion, the Borough of Roselle Park complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of the Borough of Roselle Park is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Borough of Roselle Park's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with State of New Jersey OMB Circular 04-04.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

March 21, 2007

BOROUGH OF ROSELLE PARK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2006

FEDERAL CFDA NUMBER	GRANTORS NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2006 FUNDS RECEIVED	2006 EXPENDITURES	CUMULATIVE EXPENDITURES AS OF DECEMBER 31, 2006
16.710	99CMWX1840		\$ 85,200.00	\$	\$	\$ 85,142.20
			\$	\$		\$ 85,142.20
<u>PASS THROUGH FROM STATE OF NEW JERSEY:</u>						
<u>U.S. DEPARTMENT OF JUSTICE</u>						
<u>COPS More Grant</u>						
<u>DEPARTMENT OF LAW AND PUBLIC SAFETY</u>						
		1/1/04 12/31/04	2,405.72	\$	\$	1,733.00
			\$	\$		1,733.00
<u>PASS THROUGH FROM COUNTY OF UNION</u>						
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>						
Community Development Block Grants:						
14.218	002-062	9/1/02 8/31/03	25,000.00	\$ 25,000.00	\$	25,000.00
14.218	004-170	9/1/04 8/31/05	120,000.00	108,318.11	108,318.11	108,318.11
14.218	004-280	9/1/04 8/31/05	6,500.00	6,500.00		
14.218	004-282	9/1/04 8/31/05	34,600.00	725.56		32,314.19
14.218	004-443	9/1/04 8/31/05	2,000.00	852.97	15.44	1,287.16
14.218	005-172	9/1/05 8/31/06	153,000.00			
14.219	005-282	9/1/05 8/31/06	30,379.00	26,475.38	23,072.04	30,379.00
14.220	005-443	9/1/05 8/31/06	1,679.00	429.68	696.49	696.49
14.219	006-282	9/1/06 8/31/07	30,379.00		8,152.58	8,152.58
14.220	006-443	9/1/06 8/31/07	1,500.00		150.00	150.00
	006-173	9/1/06 8/31/07	144,505.00			
			\$	168,301.70	140,404.66	206,297.53
			\$	168,301.70	140,404.66	293,172.73

BOROUGH OF ROSELLE PARK

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2006

STATE GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2006 FUNDS RECEIVED	2006 EXPENDITURES	CUMULATIVE EXPENDITURES AS OF DECEMBER 31, 2006
DEPARTMENT OF HUMAN SERVICES						
Payment for Cost of General Assistance (State Share-2006)	054-7550-100-121-06	01/01/06 12/31/06	\$ 16,300.00	\$ 16,300.00	\$ 16,300.00	\$ 16,300.00
(State Share-2006)	054-7550-100-121-07	01/01/06 12/31/06	32,000.00	32,000.00	32,000.00	32,000.00
			\$ 48,300.00	\$ 48,300.00	\$ 48,300.00	\$ 48,300.00
DEPARTMENT OF LAW AND PUBLIC SAFETY						
Drunk Driving Enforcement Fund 04	1110-101-030000-129040	Continuous	2,826.92	\$ 1,444.25	\$	\$ 2,711.87
Drunk Driving Enforcement Fund 05	1110-101-030000-129040	Continuous	1,893.60	1,893.60		
Body Armor Fund	066-1020-718-001-05	01/01/05 12/31/05	3,170.37	787.03		3,523.05
Body Armor Fund	066-1020-718-001-06	01/01/06 12/31/06	3,066.35	1,480.70		1,480.70
Safe and Secure Community 05	066-1020-100-232-06	3/4/05 3/3/06	60,000.00	60,000.00		60,000.00
Safe and Secure Community 06	066-1020-100-232-06	3/4/06 3/3/07	60,000.00	60,000.00		60,000.00
			\$ 1,893.60	\$ 123,711.98	\$	\$ 127,715.62
DEPARTMENT OF ENVIRONMENTAL PROTECTION						
Clean Communities 04	4900-765-042-4900-004-VCMC-6020	1/1/04 12/31/04	10,530.92	\$	\$	\$ 6,334.34
Clean Communities 05	042-4900-765-004-05	1/1/05 12/31/05	10,465.08	1,599.00		10,155.50
Recycling Tonnage Grant	4900-752-042-49W-001-UREV-6020	1/1/06 12/31/06	10,972.25	366.90		2,014.24
Recycling Tonnage Grant	4900-752-042-49W-001-UREV-6020	1/1/03 12/31/03	4,453.16	10,972.25		
Recycling Tonnage Grant	4900-752-042-49W-001-UREV-6020	1/1/04 12/31/04	2,449.50			
Green Communities Challenge Grant	042-4900-752-001-06	1/1/04 12/31/04	2,605.74			
Municipal Stormwater Regulation program	4900-752-178810-60	01/01/06 12/31/06	2,000.00			
	042-4850-100-118-05	1/1/98 12/31/98	2,000.00			
		3/1/04 2/28/07	10,207.00			
			\$ 10,972.25	\$ 3,980.14	\$	\$ 18,504.08
PASS-THROUGH FROM COUNTY OF UNION						
Governor's Council on Alcohol and Drug Abuse: Year 2005	(05ALL105)	1/1/05 12/31/05	33,713.00	13,609.00	56.60	33,449.26
Year 2006	(06ALL106)	1/1/06 12/31/06	33,306.00	11,015.00	32,152.31	32,152.31
			\$ 24,624.00	\$ 32,210.91	\$	\$ 65,601.57
DEPARTMENT OF EDUCATION						
State Library Aid (Per Capita)	074-2541-100-006-06	10/1/06 9/30/07	16,504.00	16,504.00	16,504.00	16,504.00
DEPARTMENT OF AGRICULTURE						
Farmers' Market	010-3360-100-021-05	1/1/05 12/31/05	400.00	\$	340.50	\$ 390.50
Farmers' Market	010-3360-100-021-06	1/1/06 12/31/06	400.00	400.00	400.00	400.00
			\$	\$ 400.00	\$ 740.50	\$ 790.50
DEPARTMENT OF COMMUNITY AFFAIRS						
State Housing Inspection Program	8010-100-022-8010-023-F501-6120	1/1/01 12/31/01	7,110.00	\$	\$	\$ 6,717.92
State Housing Inspection Program	8010-100-022-8010-023-F501-6120	1/1/02 12/31/02	6,000.00			5,568.48
Special Legislative Grant	N/A	1/1/00 12/31/00	50,000.00			47,500.00
Municipal Homeland Security Assistance	022-8030-100-662-06	1/1/06 12/31/06	70,000.00	70,000.00	70,000.00	70,000.00
			\$ 70,000.00	\$ 70,000.00	\$ 70,000.00	\$ 129,786.40

BOROUGH OF ROSELLE PARK

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2006

STATE GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2006 FUNDS RECEIVED	2006 EXPENDITURES	CUMULATIVE EXPENDITURES AS OF DECEMBER 31, 2006
DEPARTMENT OF HEALTH Alcohol Education, Rehabilitation and Enforcement Fund	9735-760-098-Y900-001	1/1/99 12/31/99	\$ 100.78	\$	\$	\$
DEPARTMENT OF TRANSPORTATION Trust Fund Authority Act - Municipal Aid.						
West Clay	6320-480-078-6320-AGS-TCAP-6010	Continuous	150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
East Collax Section 3	6320-480-078-6320-AIH-TCAP-6010	Continuous	150,000.00	150,000.00	150,000.00	150,000.00
Lehigh Avenue	6320-480-078-6320-AFG-TCAP-6010	Continuous	200,000.00	200,000.00	200,000.00	200,000.00
			\$	\$ 500,000.00	\$ 500,000.00 *	\$ 500,000.00
			\$	\$ 672,693.85	\$ 795,447.53	\$ 907,202.17

* Expended in prior years.

BOROUGH OF ROSELLE PARK

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

YEAR ENDED DECEMBER 31, 2006

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - STATUTORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the Borough's statutory basis financial statements. These amounts are reported in either the Current Fund, General Capital Fund or Trust Other Fund. Reconciliations of revenues and expenses are presented on the following page.

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS -STATUTORY BASIS (CONTINUED)

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$	\$ 107,889.85	\$ 146,434.97	\$ 254,324.82
General Capital Fund	108,318.11	500,000.00		608,318.11
Trust Other Fund	59,983.59			59,983.59
Public Assistance Trust Fund		48,300.00		48,300.00
State Library Aid		16,504.00		16,504.00
	<u>\$ 168,301.70</u>	<u>\$ 672,693.85</u>	<u>\$ 146,434.97</u>	<u>\$ 987,430.52</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Current Fund	\$	\$ 230,643.53	\$ 8,025.00	\$ 238,668.53
General Capital Fund	108,318.11	500,000.00		608,318.11 *
Trust Other Fund	32,086.55			32,086.55
Public Assistance Trust Fund		48,300.00		48,300.00
State Library Aid		16,504.00		16,504.00
	<u>\$ 140,404.66</u>	<u>\$ 795,447.53</u>	<u>\$ 8,025.00</u>	<u>\$ 943,877.19</u>

* Disbursed in 2003, 2004 and 2005

NOTE 5. OTHER

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

BOROUGH OF ROSELLE PARK
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006

Section I - Summary of Auditor's Results

Financial Statements

- (1) Type of Auditor Report Issued: Unqualified
- (2) Internal Control Over Financial Reporting:
- (a) Significant deficiencies identified during the audit of the financial statements? No
- (b) Significant deficiencies identified as material weaknesses? N/A
- (3) Noncompliance material to the financial statements noted during the audit? No

Federal Program(s) – Not Applicable

State Program(s)

- (1) Internal Control Over Major Federal Programs:
- (a) Significant deficiencies identified during the audit of major state programs? None Reported
- (b) Significant deficiencies identified as material weaknesses? N/A
- (2) Type of Auditor's Report issued on compliance for major state program(s)? Unqualified
- (3) Any audit findings disclosed that are required to be reported in accordance with State of New Jersey Circular OMB 04-04 and listed in Section III of this schedule? None Reported

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

<u>Program</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Type</u>	<u>Award Amount</u>	<u>Amounts Expended</u>
State of New Jersey Dept. of Transportation Trust Fund Authority Aid Act	6320-480-078- 6300-TCAP-6010	Various	A	\$ 500,000.00	\$ 500,000.00

BOROUGH OF ROSELLE PARK
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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

State Program(s) (Continued)

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00

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

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

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

Internal Control Findings

None Reported.

Compliance Findings

None Reported

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

Federal Programs - None Reported

Status of Prior Year Audit Findings - Not Applicable

PART III

BOROUGH OF ROSELLE PARK

STATISTICAL DATA

LIST OF OFFICIALS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2006

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - CURRENT FUND

	<u>YEAR 2006</u>		<u>YEAR 2005</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 1,220,000.00	3.74%	\$ 1,220,000.00	3.97%
Miscellaneous - From Other Than Local				
Property Tax Levies	3,184,831.33	9.77%	3,126,171.37	10.18%
Collection of Delinquent Taxes and Tax				
Title Liens	371,710.21	1.14%	291,376.84	0.95%
Collection of Current Tax Levy	<u>27,831,223.31</u>	<u>85.35%</u>	<u>26,069,734.79</u>	<u>84.90%</u>
<u>TOTAL INCOME</u>	<u>\$ 32,607,764.85</u>	<u>100.00%</u>	<u>\$ 30,707,283.00</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 11,492,489.01	36.39%	\$ 11,091,213.80	37.51%
County Taxes	4,012,116.62	12.70%	3,831,294.75	12.96%
Local School Taxes	15,806,202.35	50.05%	14,643,511.65	49.53%
Other Expenditures	<u>272,374.22</u>	<u>0.86%</u>	<u>1,082.51</u>	<u>0.00%</u>
	<u>\$ 31,583,182.20</u>	<u>100.00%</u>	<u>\$ 29,567,102.71</u>	<u>100.00%</u>
Excess to Fund Balance	\$ 1,024,582.65		\$ 1,140,180.29	
<u>FUND BALANCE</u>				
Balance, January 1	<u>2,242,320.57</u>		<u>2,322,140.28</u>	
	\$ 3,266,903.22		\$ 3,462,320.57	
Decreased by:				
Utilization as Anticipated Revenue	<u>1,220,000.00</u>		<u>1,220,000.00</u>	
Balance, December 31	<u>\$ 2,046,903.22</u>		<u>\$ 2,242,320.57</u>	

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - SEWER UTILITY
OPERATING FUND

	YEAR 2006		YEAR 2005	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance Utilized	\$ 30,000.00	2.24%	\$	
Collection of Sewer Rents	1,277,829.07	95.31%	1,237,077.97	95.41%
Miscellaneous	32,867.55	2.45%	59,467.96	4.59%
<u>Total Income</u>	<u>\$ 1,340,696.62</u>	<u>1.00</u>	<u>\$ 1,296,545.93</u>	<u>1.00</u>
<u>EXPENDITURES</u>				
Operating	\$ 1,220,844.00	94.11%	\$ 1,184,650.00	93.50%
Capital Improvements	5,000.00	0.39%	5,000.00	0.39%
Debt Service	38,485.97	2.97%	39,151.97	3.09%
Deferred Charges and Statutory Expenditures	30,300.00	2.34%	38,199.93	3.01%
Refund of Prior Year Revenue	2,577.75	0.20%		
<u>Total Expenditures</u>	<u>\$ 1,297,207.72</u>	<u>1.00</u>	<u>\$ 1,267,001.90</u>	<u>1.00</u>
<u>Excess in Revenues</u>	\$ 43,488.90		\$ 29,544.03	
Fund Balance, January 1	32,381.04		2,837.01	
	\$ 75,869.94		\$ 32,381.04	
Utilized by Sewer Utility Budget	30,000.00			
Fund Balance, December 31	<u>\$ 45,869.94</u>		<u>\$ 32,381.04</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tax Rate	<u>9.725</u>	<u>9.096</u>	<u>8.478</u>
Apportionment of Tax Rate:			
Municipal	2.919	2.745	2.594
County	1.376	1.315	1.214
Local School	<u>5.430</u>	<u>5.036</u>	<u>4.670</u>
Assessed Valuation:			
Year 2006	\$ <u>291,140,164.00</u>		
Year 2005		\$ <u>290,771,295.00</u>	
Year 2004			\$ <u>290,549,428.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>YEAR</u>	<u>TAX LEVY</u>	<u>CURRENTLY</u>	
		<u>CASH COLLECTIONS</u>	<u>PERCENTAGE OF COLLECTION</u>
2006	\$ 28,348,651.95	\$ 27,831,223.31	98.17%
2005	\$ 26,487,667.58	\$ 26,069,734.79	98.42%
2004	\$ 24,649,530.75	\$ 24,351,998.64	98.79%

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>DECEMBER 31, 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>
2006	\$ 3,783.14	\$ 455,540.15	\$ 459,323.29	1.62%
2005	\$ 3,783.14	\$ 427,531.02	\$ 431,314.16	1.63%
2004	\$ 3,783.14	\$ 300,641.30	\$ 304,424.44	1.24%

PROPERTY ACQUIRED BY TAX TITLE
LIEN LIQUIDATION

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

<u>YEAR</u>		<u>AMOUNT</u>
2006	\$	163,000.00
2005	\$	163,000.00
2004	\$	163,000.00

COMPARISON OF UTILITY LEVIES

<u>YEAR</u>		<u>SEWER LEVY</u>
2006	\$	1,296,187.68
2005	\$	1,265,112.35
2004	\$	1,551,754.46

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>YEAR</u>		<u>BALANCE DECEMBER 31,</u>		<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	2006	\$	2,046,903.22	\$	1,300,000.00 *
	2005	\$	2,242,320.57	\$	1,220,000.00
	2004	\$	2,322,140.28	\$	1,220,000.00
	2003	\$	2,188,955.67	\$	1,040,000.00
	2002	\$	2,256,424.54	\$	1,010,000.00
Sewer Utility Operating Fund	2006	\$	45,869.94	\$	30,000.00 *
	2005	\$	32,381.04	\$	30,000.00
	2004	\$	2,837.01	\$	-0-
	2003	\$	123,787.01	\$	120,950.00
	2002	\$	214,010.91	\$	208,326.00

* Per Introduced Budget

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 SURETY</u>
Joseph Delorio	Mayor	*	
Robert Rubilla	President of Council		
Rick Matarante	Councilman	*	
Laurence Dinardo	Councilman	*	
Ricky Badillo	Councilman	*	
Loren Harms	Councilman	*	
Robert Zeglarski	Councilman	*	
William Lane	Attorney	*	
Edward Dec	Engineer	*	
John Risso	Construction Code Official	*	
Jeffery Angelo	Judge	*	
Maria Bruchal	Court Administrator	*	
Marilyn Huertas	Deputy Court Administrator to 10/2/06	*	
Tracy Zengewald	Deputy Court Administrator from 10/02/06		
Rose Cooper	Deputy Court Administrator	*	
Doreen Cali	Borough Clerk/Chief Administrative Officer-Assessment Search Officer From 2/14/06	*	
Donna L. Corrigan	Deputy Clerk	*	
Kenneth Blum	Chief Financial Officer	*	
Nancy L. Nichols	Tax and Sewer Collector	\$125,000.00	The Hartford
Mary Leonard	Assistant Treasurer	*	
Paul J. Endler	Assessor	*	
Warren Wielgus	Police Chief	*	
Frank Wirzbicki	Superintendent of Public Works	*	
Nancy Caliendo	Clerk-Board of Health/Registrar	*	
Susan Calantone	Librarian	*	
Rachel LaSpina	Director of Welfare	*	

All of the bonds were examined and were properly executed.

*\$1,000,000.00 Blanket Position Bond - Natural Union Fire Insurance Co.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

"Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding 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 P.L. 1971 C. 198 (C. 40A:11-3), except by contract or agreement."

Effective July 1, 2005, the bid threshold in accordance with N.J.S.A. 40A: 11-4 is \$21,000.00.

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

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

Our audit of expenditures did not reveal any individual payments, contracts or agreements in excess of \$21,000.00 "for the performance of any work or the furnishing or hiring of any material or supplies," other than those where bids had been previously sought by public advertisement or where resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

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

- Improvements to Roads
- Renovation of Existing Bathrooms
- Collection of Solid Waste
- Public Library Roof Repairs

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.40A:11-5.

In addition, purchases utilizing state contracts were made for the following:

- Tree Trimming and Removal
- For Super Duty Dump Truck with Plow
- Dodge Durango Sport Utility Vehicle
- Sixteen Litter Receptacles

**COLLECTION OF INTEREST ON DELINQUENT
TAXES AND ASSESSMENTS**

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

The governing body on January 5, 2006 adopted the following resolution authorizing interest to be charged on delinquent taxes, assessments and sewer charges:

"WHEREAS, N.J.S.A.54:4-67 requires that any taxes remaining unpaid by the first day of February, May, August and November are subject to interest at the rate of up to eight percent (8%) per annum up to \$1,500.00 and eighteen percent (18%) per annum over \$1,500.00 and that municipalities may provide for a grace period not exceeding ten days and a six percent (6%) penalty may be charged on any delinquency in excess of \$10,000.00 if not paid by the end of the fiscal year,

Now, therefore, Be It Further Resolved, by the Mayor and Council of the Borough of Roselle Park that the Tax Collector is required to collect interest at the rate of eight percent (8%) per annum upon delinquent installments of taxes, assessments and sewer charges on the first \$1,500.00 of the delinquency and eighteen percent (18%) per annum on any amount in excess of \$1,500.00,

Be It Further Resolved, that the Tax Collector shall grant a grace period of ten days within which an installment of taxes, assessments or sewer charges may be received without an additional charge for interest, and

Be It Further Resolved, that any installments received after the expiration of the grace period would bear interest from the due date, and

Be It Further Resolved that an additional penalty of six percent (6%) on delinquency in excess of \$10,000.00 - that are not paid prior to the end of the fiscal year."

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

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on October 25, 2006 and was complete.

Inspection of Tax Sale Certificates on file revealed that all Tax Sale Certificates were available for audit.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
2006	1
2005	1
2004	1

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, consisting of the mailing of verification notices as follows:

<u>TYPE</u>	
Payments of 2007 Taxes	25
Payments of 2006 Taxes	25
Delinquent Taxes	25
Payment of Sewer Utility Charges	10
Delinquent Sewer Utility Charges	5

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. References to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out as of the end of the year.

It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

Treasurer

A Current Fund General Ledger was not maintained in accordance with Technical Accounting Directive #3.

Other 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.

Construction Code, Vital Statistics, Board of Health, and Housing Departments

We noted an adequate record of cash receipts was not maintained. While the departments maintained, in varying degrees, some records of cash collected they appeared to be incomplete, inaccurate and not on a current basis. In addition, the bank accounts were not reconciled on a monthly basis and all funds were not always remitted to the Treasurer monthly.

RECOMMENDATIONS

*That a Current Fund General Ledger be Maintained in accordance with Technical Accounting Directive #3.

*That the Construction Code, Vital Statistics, Board of Health and Housing Departments:

- * Deposit all receipts collected within 48 hours per N.J.S.A. 40A:5-15.
- * Reconcile the department bank account on a monthly basis.
- * Maintain an accurate record of all cash receipts collected.

*Prior Year Recommendations

