

**BOROUGH OF ROSELLE PARK  
COUNTY OF UNION  
NEW JERSEY**

**REPORT ON  
EXAMINATION OF ACCOUNTS  
FOR THE YEAR 2012**

**SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS**

**BOROUGH OF ROSELLE PARK**  
**COUNTY OF UNION, NEW JERSEY**

**CONTENTS**

<b><u>PART I</u></b>	<b><u>PAGE</u></b>
Independent Auditor's Report.....	2

**FINANCIAL STATEMENTS**

**CURRENT FUND**

**EXHIBIT**

A	Comparative Balance Sheet - Regulatory Basis .....	5
A-1	Comparative Operations and Changes in Fund Balance - Regulatory Basis.....	7
A-2	Revenue - Regulatory Basis .....	8
A-2a	Revenue - Analysis of Realized Revenue - Regulatory Basis.....	9
A-3	Expenditures - Regulatory Basis .....	10

**TRUST FUNDS**

B	Comparative Balance Sheet - Regulatory Basis .....	18
B-1	Fund Balance Assessment Trust Fund - Regulatory Basis .....	19
B-2	Revenue - Assessment Trust Fund - Regulatory Basis.....	20
B-3	Expenditures - Assessment Trust Fund - Regulatory Basis .....	20

**GENERAL CAPITAL FUND**

C	Comparative Balance Sheet - Regulatory Basis .....	21
C-1	Fund Balance - Regulatory Basis .....	22

**SEWER UTILITY FUND**

D	Comparative Balance Sheet - Regulatory Basis .....	23
D-1	Comparative Operations and Changes in Fund Balance - Operating Fund - Regulatory Basis.....	24
D-2	Fund Balance - Capital Fund - Regulatory Basis .....	25
D-3	Revenue - Operating Fund - Regulatory Basis.....	26
D-4	Expenditures - Regulatory Basis .....	27

**FINANCIAL STATEMENTS**  
(Continued)

**VETERANS MEMORIAL LIBRARY FUND**

<b><u>EXHIBIT</u></b>		<b><u>PAGE</u></b>
E	Comparative Balance Sheet - Regulatory Basis .....	28
<b><u>CAPITAL FIXED ASSETS</u></b>		
F	Comparative Balance Sheet - Regulatory Basis .....	29
	<b><u>NOTES TO FINANCIAL STATEMENTS</u></b> .....	30 - 54

**SUPPLEMENTARY INFORMATION**

**CURRENT FUND**

A-4	Cash Receipts and Disbursements - Collector - Treasurer.....	55
A-5	Change Funds .....	56
A-6	Cash - Petty Cash Funds.....	56
A-7	Taxes Receivable and Analysis of Property Tax Levy .....	57
A-8	Property Acquired for Taxes (At Assessed Valuation) .....	58
A-9	Receivable for Special Improvement District.....	58
A-10	Revenue Accounts Receivable.....	59
A-11	2011 Appropriation Reserves .....	60
A-12	Due to State of New Jersey per Chapter 20, P.L. 1971 .....	63
A-13	Prepaid Taxes.....	64
A-14	Tax Overpayments.....	65
A-15	County Taxes Payable.....	66
A-16	Local School District Tax .....	66
A-17	Interfunds .....	67
A-18	Reserve for Sale of Municipal Assets.....	68
A-19	Due to State of New Jersey .....	69
A-20	Grants Receivable .....	70
A-21	Reserve for Grants - Appropriated.....	71
A-22	Interfunds .....	72
A-23	Reserve for Special District Improvement .....	73

**SUPPLEMENTARY INFORMATION**  
(Continued)

**TRUST FUND**  
(Continued)

<b><u>EXHIBIT</u></b>		<b><u>PAGE</u></b>
B-4	Cash Receipts and Disbursements - Collector - Treasurer .....	74
B-5	Analysis of Assessment Cash and Investments .....	75
B-6	Due to Current Fund .....	76
B-7	Reserve for Animal Control Fund Expenditures .....	77
B-8	Due from County of Union - Community Development Block Grants .....	78
B-9	Reserve for Community Development Block Grants .....	78
B-10	Accounts Payable .....	79
B-11	Reserve for State Unemployment Compensation Insurance Fund .....	80
B-12	Reserve for Expenditures .....	81
B-13	Assessment Serial Bonds .....	82
B-14	Animal Control Trust - Reserve for Animal Fees Due State of New Jersey .....	83
B-15	Trust Other Funds - Payroll Deductions Payable .....	84
B-16	Recreation - Reserve for Expenditures .....	85
B-17	Affordable Housing - Reserve for Expenditures .....	86
B-18	Special Law Enforcement Trust - Reserve for Expenditures .....	87
B-19	Law Enforcement Block Grant - Federal Reserve for Expenditures .....	88
B-20	Premium on Tax Sale .....	89
B-21	Prepaid Expense for Animal Control Fund .....	90

**GENERAL CAPITAL FUND**

C-2	Cash Receipts and Disbursements - Collector - Treasurer .....	91
C-3	Analysis of Capital Cash and Investments .....	92
C-4	Deferred Charges to Future Taxation .....	93
C-5	Deferred Charges to Future Taxation - Unfunded .....	94
C-6	Community Development Block Grant Receivable .....	95
C-7	State Aid Receivable .....	96
C-8	County Grant Receivable .....	97
C-9	ARRA Grant Receivable .....	98
C-10	Reserve to Pay Bonds .....	98
C-11	Capital Improvement Fund .....	99
C-12	Improvement Authorizations .....	100
C-13	Serial Bonds Payable .....	102
C-14	Green Acres Loan Payable .....	104
C-15	Bonds and Notes Authorized but Not Issued .....	105

**SEWER UTILITY FUND**

D-5	Cash Receipts and Disbursements - Collector - Treasurer .....	106
D-6	Consumer Accounts Receivable .....	107
D-7	Sewer Charge Overpayments .....	107

**SUPPLEMENTARY INFORMATION**  
(Continued)

**SEWER UTILITY FUND**  
(Continued)

<b><u>EXHIBIT</u></b>		<b><u>PAGE</u></b>
D-8	Accrued Interest on Bonds.....	108
D-9	Fixed Capital .....	109
D-10	Reserve for Amortization .....	110
D-11	Reserve for Capital Outlay.....	110
D-12	Sewer Utility Serial Bonds.....	111
D-13	2011 Appropriation Reserves .....	112
D-14	Accounts Payable .....	113

**VETERANS MEMORIAL LIBRARY FUND**

E-1	Library Operating Fund and Library Building Fund - Schedule of Library Cash.....	114
E-2	Library Operating Fund - Schedule of Library Commitments Payable .....	114
E-3	Library Operating Fund - Schedule of Reserve for Library Fund Expenditure.....	115
E-4	Library Building Fund - Schedule of Reserve for Building Fund Expenditures .....	116
E-5	Library Operating Fund - Schedule of Due from Library Building Fund .....	116
E-6	Library Building Fund - Schedule of Due to Library Operating Fund.....	117

**PART II**

**REPORT ON INTERNAL CONTROL, ROSTER OF OFFICIALS  
AND COMMENTS AND RECOMMENDATIONS**

Report on Internal Control Over Financial Reporting and on Compliance and on Other Matters Based on an Audit of Statutory Basis Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> - Independent Auditors' Report.....	119
Roster of Officials for the Year 2012 and Report on Surety Bonds .....	121
Comments .....	122
Recommendations.....	126

**PART I**  
**REPORT ON EXAMINATION**  
**FINANCIAL STATEMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**AND**  
**SUPPLEMENTARY EXHIBITS**  
**YEAR ENDED DECEMBER 31, 2012**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the financial statements - regulatory basis of the various funds and account groups of the Borough of Roselle Park, in the County of Union, as of and for the years then ended December 31, 2012 and 2011 and the related notes to the financial statements, as listed in the foregoing table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "*Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles*" paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2012 and 2011, and the results of its operations for the years then ended.

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

In our opinion, the financial statements - regulatory basis referred to above, present fairly, in all material respects, the financial position of the various funds of the Borough of Roselle Park at December 31, 2012 and 2011, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in accordance with accounting principles on the basis of financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in Note 1.

### **Other Matters**

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards are not a required part of the financial statements, and are presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*; and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

The supplementary schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements taken as a whole.



**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2013 on our consideration of the Borough of Roselle Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Borough of Roselle Park's internal control over financial reporting and compliance.



SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS



MARVIN LUSTBADER, CPA, RMA

Newark, New Jersey  
April 19, 2013

BOROUGH OF ROSELLE PARK  
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A  
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Regular Fund</u>			
Cash	A-4	\$ 3,457,515.48	\$ 2,848,358.61
Cash - Change Fund	A-5	450.00	450.00
		<u>3,457,965.48</u>	<u>2,848,808.61</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-7	572,742.38	728,769.47
Property Acquired for Taxes - Assessed Valuation	A-8	163,650.00	163,650.00
Revenue Accounts Receivable	A-10	64,522.69	84,298.77
Interfunds Receivable	A-17	8,800.00	8,800.00
		<u>809,715.07</u>	<u>985,518.24</u>
Special Improvement District	A-9	<u>7,326.88</u>	
		<u>4,275,007.43</u>	<u>3,834,326.85</u>
<u>Grant Fund</u>			
Grants Receivable	A-20	57,787.00	64,037.90
Interfunds Receivable	A-22	115,708.08	141,162.47
		<u>173,495.08</u>	<u>205,200.37</u>
		<u>\$ 4,448,502.51</u>	<u>\$ 4,039,527.22</u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A  
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Unencumbered	A-3	\$ 596,593.81	\$ 385,428.52
Encumbered	A-3	426,292.58	395,406.26
Due to State of New Jersey per Ch. 20, P.L. 1971	A-12	3,229.92	2,947.10
Prepaid Taxes	A-13	74,230.13	59,620.96
Tax Overpayments	A-14	69,943.45	16,975.39
Due to County Added and Omitted Taxes	A-15	1,786.57	4,650.64
Interfunds	A-17	115,708.08	141,162.47
Reserve for Sale of Municipal Assets	A-18	81,611.31	81,611.31
Due to State of New Jersey:	A-19	3,648.00	3,706.00
Reserve for Special Improvement District	A-23	7,861.02	
		<u>1,380,904.87</u>	<u>1,091,508.65</u>
Reserve for Receivables	Reserve	809,715.07	985,518.24
Fund Balance	A-1	2,084,387.49	1,757,299.96
		<u>4,275,007.43</u>	<u>3,834,326.85</u>
 <u>Grant Fund</u>			
Reserve for Grants - Appropriated	A-21	173,495.08	205,200.37
		<u>\$4,448,502.51</u>	<u>\$4,039,527.22</u>

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See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

A-1

	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,300,000.00	\$ 1,300,000.00
Miscellaneous Revenue Anticipated	A-2	2,858,026.14	2,735,656.61
Receipts from Delinquent Taxes	A-2	658,961.52	683,680.46
Receipts from Current Taxes	A-2a	34,213,508.25	33,582,766.34
Nonbudget Revenue	A-2a	112,508.20	169,512.01
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	339,897.88	403,659.29
Reserve for Grants Appropriated Cancelled	A-21	14,373.85	250,828.77
		<u>39,497,275.84</u>	<u>39,126,103.48</u>
 <u>Expenditures</u>			
Budget Expenditures:			
Operations (Including Contingent)		10,305,120.00	10,000,525.00
Deferred Charges and Statutory Expenditures		1,258,869.00	1,284,254.00
Operations:			
Other Operations		985,722.07	1,027,775.65
Capital Improvements		50,000.00	50,000.00
Municipal Debt Service		1,608,448.44	1,582,758.00
Deferred Charges and Statutory Expenditures		58,000.00	58,000.00
	A-3	<u>14,266,159.51</u>	<u>14,003,312.65</u>
Refund of Prior Year Revenue	A-12	4,910.96	6,000.00
Miscellaneous	A-4	20,562.85	1,797.00
Refund of Prior Years Taxes	A-4	74,312.02	11,855.43
County Taxes	A-15	5,289,051.12	5,251,324.82
Local School District Tax	A-16	18,200,713.00	18,200,732.00
Cancellation of Grant	A-20	14,478.85	301,672.23
Total Expenditures		<u>37,870,188.31</u>	<u>37,776,694.13</u>
Excess in Revenue		1,627,087.53	1,349,409.35
 <u>Fund Balance</u>			
Balance January 1	A	<u>1,757,299.96</u>	<u>1,707,890.61</u>
		<u>3,384,387.49</u>	<u>3,057,299.96</u>
 Decreased by:			
Utilized as Anticipated Revenue	Above	<u>1,300,000.00</u>	<u>1,300,000.00</u>
Balance December 31	A	<u>\$ 2,084,387.49</u>	<u>\$ 1,757,299.96</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated	A-1	\$ 1,300,000.00	\$	\$ 1,300,000.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	12,000.00		16,914.00	4,914.00
Other	A-2a	7,000.00		18,982.50	11,982.50
Fees and Permits	A-2a	25,000.00		64,300.55	39,300.55
Fines and Costs:					
Municipal Court	A-10	450,000.00		890,129.49	440,129.49
Interest and Costs on Taxes	A-2a	45,000.00		165,225.97	120,225.97
Parking Meters	A-10	15,000.00		34,150.74	19,150.74
CMPTRA	A-10	164,068.00		164,068.00	
Energy Receipts Tax	A-10	920,018.00		920,018.00	
Uniform Construction Code Fees	A-10	55,000.00		135,613.00	80,613.00
Uniform Fire Safety Act	A-10	5,055.20		5,681.32	626.12
Cable TV Franchise Fee	A-10	148,638.06		148,638.06	
Rental of Borough Property	A-10	44,000.00		75,970.44	31,970.44
Alcohol Education and Rehabilitation Fund	A-20	6,907.27		6,907.27	
Safe and Secure Communities Program	A-20	60,000.00		60,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-20	31,438.00		31,438.00	
Clean Communities Program	A-20	16,859.48		16,859.48	
Recycling Tonnage Grant - Unappropriated	A-20		9,505.22	9,505.22	
Police Body Armor Grant	A-20		3,477.24	3,477.24	
Drunk Driving Enforcement Fund	A-20	16,346.86		16,346.86	
Drive Sober or Get Pulled Over	A-20		8,800.00	8,800.00	
Click It or Ticket	A-20	4,000.00		4,000.00	
Union County Heart Grant	A-20		1,000.00	1,000.00	
Reserve for Payment of Debt	A-10	60,000.00		60,000.00	
Receipts from Delinquent Taxes	A-1	2,086,330.87	22,782.46	2,858,026.14	748,912.81
Amount to be Raised by Taxation	A-1,7	460,000.00		658,961.52	198,961.52
	A-2a,7	11,419,846.18		11,746,544.13	326,697.95
Total Budget Revenue		15,266,177.05	22,782.46	16,563,531.79	1,274,572.28
Nonbudget Revenue	A-2a			112,508.20	112,508.20
		<u>\$ 15,266,177.05</u>	<u>\$ 22,782.46</u>	<u>\$ 16,676,039.99</u>	<u>\$ 1,387,080.48</u>
	<u>Reference</u>	<u>A-3</u>	<u>A-3</u>		

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF REALIZED REVENUE - REGULATORY BASIS

A-2a

	<u>Ref.</u>	
<u>Allocation of Current Tax Collections</u>		
Collected on a Cash Basis	A-1	\$34,213,508.25
Allocated to:		
School and County Taxes		<u>23,489,764.12</u>
Balance for Support of Municipal Budget Appropriations		10,723,744.13
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>1,022,800.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$11,746,544.13</u>
Licenses:		
Clerk	A-10	\$ 8,685.00
Board of Health	A-10	<u>10,297.50</u>
	A-2	<u>\$ 18,982.50</u>
Fees and Permits:		
Clerk	A-10	\$ 22,047.00
Registrar of Vital Statistics	A-10	17,051.00
Housing Fees	A-10	7,805.00
Tax Search	A-10	10.00
Board of Health	A-10	3,580.00
Police Department	A-10	10,527.55
Municipal Land Use Board	A-10	2,800.00
Fire Prevention	A-10	125.00
Fire	A-10	55.00
Farmer's Market	A-10	<u>300.00</u>
	A-2	<u>\$ 64,300.55</u>
<u>Interest and Cost on Taxes</u>		
Interest on Taxes	A-2,10	<u>\$ 165,225.97</u>
<u>Analysis of Nonbudget Budget</u>		
Miscellaneous Revenue Not Anticipated:		
Administration Reimbursement Senior Citizen and Veteran Deductions		\$ 2,036.15
Cancellation of Outstanding Checks		2,488.70
Police Outside Overtime Administrative Fees		33,236.57
Prior Year Budget Refund		9,306.73
Car Auctions		10,025.00
Duplicate Tax Bills		1,248.04
Clerk's Office		362.27
Miscellaneous		<u>53,804.74</u>
	A-1,2,4	<u>\$ 112,508.20</u>

STATEMENT OF EXPENDITURES - REGULATORY BASIS  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #1

Appropriation	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
<u>GENERAL GOVERNMENT</u>					
Mayor and Council:					
Salaries and Wages	\$ 67,750.00	\$ 67,750.00	\$ 61,908.08	\$	\$ 5,841.92
Other Expenses	5,000.00	5,000.00	3,901.30	138.85	959.85
Municipal Clerk:					
Salaries and Wages	233,282.00	233,282.00	232,284.99		997.01
Other Expenses	85,575.00	85,575.00	62,635.19	16,356.76	6,583.05
Financial Administration:					
Salaries and Wages	169,300.00	169,300.00	169,283.62		16.38
Other Expenses	33,385.00	33,385.00	17,703.53	11,628.79	4,052.68
Annual Audit	49,100.00	49,100.00		49,100.00	
Assessment of Taxes:					
Salaries and Wages	13,105.00	13,105.00	12,783.77		321.23
Other Expenses	7,750.00	7,750.00	2,797.43		4,952.57
Revenue Administration:					
Salaries and Wages	69,100.00	69,100.00	69,087.81		12.19
Other Expenses	14,205.00	14,205.00	11,985.95		2,219.05
Legal Services and Costs:					
Other Expenses:					
Tax Appeals	60,000.00	60,000.00	50,000.00		10,000.00
Miscellaneous	30,000.00	30,000.00	19,048.11	5,951.89	5,000.00
Municipal Court:					
Salaries and Wages	200,200.00	200,200.00	189,501.30		10,698.70
Other Expenses	13,880.00	13,880.00	9,528.68	1,008.40	3,342.92
Engineering Services and Costs:					
Other Expenses	25,974.00	25,974.00	17,315.68	8,657.84	0.48
Human Resources:					
Other Expenses	40,000.00	45,000.00	35,790.29	7,986.11	1,223.60

APPROPRIATIONS WITHIN "CAPS"

BOROUGH OF ROSELLE PARK  
CURRENT FUND

A-3  
Sheet #2

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
<b>APPROPRIATIONS WITHIN "CAPS"</b>					
<b>GENERAL GOVERNMENT</b>					
Historical Society:					
Other Expenses	\$ 10,000.00	\$ 10,000.00	\$ 8,784.94	\$ 543.60	\$ 671.46
Municipal Land Use Law (N.J.S. 40:55D-1):					
Municipal Land Use Board:					
Salaries and Wages	2,185.00	2,185.00	2,183.83		1.17
Other Expenses	10,300.00	10,300.00	6,382.53	2,220.47	1,697.00
Insurance:					
General Liability	289,000.00	289,000.00	288,380.00		620.00
Worker's Compensation	404,650.00	404,650.00	404,618.53		31.47
Group Health	1,686,200.00	1,546,200.00	1,540,950.26		5,249.74
Health Benefit Waiver	72,500.00	72,500.00	72,500.00		
	<u>3,592,441.00</u>	<u>3,457,441.00</u>	<u>3,289,355.82</u>	<u>103,592.71</u>	<u>64,492.47</u>
<b>PUBLIC SAFETY</b>					
Uniform Fire Safety:					
Fire Official:					
Salaries and Wages	38,000.00	38,000.00	37,943.43		56.57
Other Expenses	89,285.00	89,285.00	78,850.87	7,105.37	3,328.76
Fire:					
Salaries and Wages	12,125.00	12,125.00	12,122.27		2.73
Other Expenses	1,500.00	1,500.00	603.87	847.92	48.21
Police:					
Salaries and Wages	2,993,500.00	3,053,500.00	2,947,374.16		106,125.84
Other Expenses	302,850.00	302,850.00	241,268.00	57,494.01	4,087.99
Traffic Control Schools:					
Salaries and Wages	235,100.00	235,100.00	220,679.07		14,420.93
Other Expenses	13,650.00	21,650.00	9,098.16	10,214.00	2,337.84



BOROUGH OF ROSELLE PARK  
CURRENT FUND

A-3  
Sheet #3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>PUBLIC SAFETY</u>					
First Aid Contribution:					
Other Expenses	\$ 12,950.00	\$ 13,450.00	\$ 8,351.69	\$ 4,631.72	\$ 466.59
Emergency Management:					
Salaries and Wages	7,765.00	7,765.00	7,756.84		8.16
Other Expenses	4,000.00	4,000.00	1,489.75	2,430.00	80.25
	<u>3,710,725.00</u>	<u>3,779,225.00</u>	<u>3,565,538.11</u>	<u>82,723.02</u>	<u>130,963.87</u>
<u>PUBLIC WORKS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	649,000.00	649,000.00	617,335.33		31,664.67
Other Expenses	64,200.00	84,200.00	45,423.93	35,164.71	3,611.36
Sanitation:					
Garbage and Trash Removal:					
Disposal Tipping Fees	330,000.00	300,000.00	264,317.58	30,842.34	4,840.08
Collection	340,000.00	340,000.00	298,627.01	29,764.56	11,608.43
Recycling:					
Salaries and Wages	3,625.00	3,625.00	3,624.70		0.30
Other Expenses	214,800.00	214,800.00	177,673.48	30,652.70	6,473.82
Public Buildings and Grounds:					
Other Expenses	104,500.00	232,500.00	60,502.96	9,297.45	162,699.59
Maintenance of Vehicles:					
Other Expenses	117,000.00	117,000.00	78,790.15	19,258.20	18,951.65
	<u>1,823,125.00</u>	<u>1,941,125.00</u>	<u>1,546,295.14</u>	<u>154,979.96</u>	<u>239,849.90</u>
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Salaries and Wages	4,450.00	4,450.00	4,374.10		75.90
Other Expenses	128,811.00	128,811.00	127,303.99	187.50	1,319.51

BOROUGH OF ROSELLE PARK  
CURRENT FUND

A-3  
Sheet #4

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
<u>HEALTH AND WELFARE</u>					
Animal Control:					
Other Expenses	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$	\$ 1,395.41
	<u>138,061.00</u>	<u>138,061.00</u>	<u>136,478.09</u>	<u>187.50</u>	<u>1,395.41</u>
<u>RECREATION AND EDUCATION</u>					
Parks and Playgrounds:					
Salaries and Wages	2,185.00	2,185.00	2,184.00		1.00
Other Expenses	17,900.00	17,900.00	17,099.67		800.33
Community Center:					
Salaries and Wages	33,620.00	33,620.00	26,853.06		6,766.94
Other Expenses	2,600.00	2,600.00	2,399.79	84.00	116.21
Youth Center:					
Other Expenses	78,800.00	78,800.00	78,799.98		0.02
Other Common Operating Functions:					
Celebration of Public Events:					
Other Expenses	2,050.00	2,050.00	188.91		1,861.09
Union County S.L.A.P. Program:					
Other Expenses	18,983.00	18,983.00	18,982.95		0.05
Farmer's Market:					
Salaries and Wages	3,370.00	3,370.00	3,365.18		4.82
Other Expenses	1,200.00	1,200.00	1,125.72		74.28
	<u>160,708.00</u>	<u>160,708.00</u>	<u>150,999.26</u>	<u>84.00</u>	<u>9,624.74</u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3  
Sheet #5

Appropriation	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
UNIFORM CONSTRUCTION CODE -					
APPROPRIATIONS OFFSET BY					
DEDICATED REVENUES					
Construction Code Officials:					
Salaries and Wages	\$ 128,910.00	\$ 128,910.00	\$ 128,628.39	\$	\$ 281.61
Other Expenses	33,900.00	33,900.00	30,598.57		3,301.43
	<u>162,810.00</u>	<u>162,810.00</u>	<u>159,226.96</u>		<u>3,583.04</u>
<u>UNCLASSIFIED</u>					
Utilities:					
Natural Gas	50,000.00	30,000.00	14,914.63	9,000.00	6,085.37
Electricity	111,000.00	101,000.00	84,545.52	8,500.00	7,954.48
Water	20,000.00	16,500.00	9,061.75	4,000.00	3,438.25
Telephone	68,000.00	70,000.00	66,720.11	1,903.81	1,376.08
Street Lighting	224,000.00	204,000.00	177,646.10	20,000.00	6,353.90
Fire Hydrant Services	111,000.00	111,000.00	101,203.74	9,200.34	595.92
Cable TV - Channel 34	3,250.00	3,250.00	2,270.00		980.00
Gasoline	128,000.00	128,000.00	104,844.07	20,515.57	2,640.36
	<u>715,250.00</u>	<u>663,750.00</u>	<u>561,205.92</u>	<u>73,119.72</u>	<u>29,424.36</u>
<u>CONTINGENT</u>					
	2,000.00	2,000.00			2,000.00
Total Operations	10,305,120.00	10,305,120.00	9,409,099.30	414,686.91	481,333.79
<u>STATUTORY EXPENDITURES</u>					
Contributions to:					
Public Employees' Retirement System	261,440.00	261,440.00	261,440.00		
Social Security System	211,000.00	211,000.00	201,312.63		9,687.37
Police and Firemen's Retirement System of NJ	696,229.00	696,229.00	696,229.00		
State Unemployment Insurance	55,800.00	55,800.00	55,800.00		
Compensated Absences	30,000.00	30,000.00			30,000.00
DCRP	4,400.00	4,400.00	3,347.34		1,052.66
	<u>1,258,869.00</u>	<u>1,258,869.00</u>	<u>1,218,128.97</u>		<u>40,740.03</u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

A-3  
Sheet #6

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
Total Appropriations Within "CAPS"	\$ 11,563,989.00	\$ 11,563,989.00	\$ 10,627,228.27	\$ 414,686.91	\$ 522,073.82
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>OTHER OPERATIONS</u>					
Maintenance of Free Public Library	400,000.00	400,000.00	400,000.00		1,753.17
Police 911 Command and Dispatch Center:					
Salaries and Wages	77,200.00	77,200.00	75,446.83		5,353.22
Other Expenses	36,060.00	36,060.00	30,706.78		63,250.00
Length of Service Awards - (LOSAP)	63,250.00	63,250.00			
Implementation of Fair Housing Plan:					
Other Expenses	30,000.00	30,000.00	15,730.73	11,605.67	2,663.60
Recycling Tax:					
Other Expenses	1,500.00	1,500.00			1,500.00
	<u>608,010.00</u>	<u>608,010.00</u>	<u>521,884.34</u>	<u>11,605.67</u>	<u>74,519.99</u>

PUBLIC AND PRIVATE PROGRAMS OFFSET

BY REVENUES

Clean Community Grant	16,859.48	16,859.48	16,859.48		
Municipal Alliance Committee Anti-Drug and Alcoholism Program - Grant	31,438.00	31,438.00	31,438.00		
Municipal Alliance Fund	7,860.00	7,860.00	7,860.00		
Safe and Secure Program - Grant	271,518.00	271,518.00	271,518.00		
Alcohol Education and Rehabilitation Program	6,907.27	6,907.27	6,907.27		
Body Armor Grant		3,477.24	3,477.24		

BOROUGH OF ROSELLE PARK  
CURRENT FUND

A-3  
Sheet #7

STATEMENT OF EXPENDITURES - REGULATORY BASIS

<u>Appropriation</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>	
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Unencumbered</u>
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Recycling Tonnage Grant	\$	\$ 9,505.22	\$ 9,505.22	\$	\$
Union County Heart Grant		1,000.00	1,000.00		
Drunk Driver Enforcement Fund	16,346.86	16,346.86	16,346.86		
Click It or Ticket	4,000.00	4,000.00	4,000.00		
Drive Sober or Get Pulled Over	8,800.00	8,800.00	8,800.00		
	<u>354,929.61</u>	<u>377,712.07</u>	<u>377,712.07</u>		
Total Operations	962,939.61	985,722.07	899,596.41	11,605.67	74,519.99
<u>CAPITAL IMPROVEMENTS</u>					
Capital Improvement Fund	50,000.00	50,000.00	50,000.00		
<u>DEBT SERVICE</u>					
Payment of Bond Principal	1,097,000.00	1,097,000.00	1,097,000.00		
Interest on Bonds	504,660.25	504,660.25	504,660.25		
Green Trust Loan Program	6,788.19	6,788.19	6,788.19		
	<u>1,608,448.44</u>	<u>1,608,448.44</u>	<u>1,608,448.44</u>		
<u>DEFERRED CHARGES</u>					
Deficit in Dedicated Assessment Trust Fund	58,000.00	58,000.00	58,000.00		
Total Appropriations Excluded from "CAPS"	<u>2,679,388.05</u>	<u>2,702,170.51</u>	<u>2,616,044.85</u>	<u>11,605.67</u>	<u>74,519.99</u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

A-3  
Sheet #8

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
<u>Sub-Total</u>	\$ 14,243,377.05	\$ 14,266,159.51	\$ 13,243,273.12	\$ 426,292.58	\$ 596,593.81
Reserve for Uncollected Taxes	1,022,800.00	1,022,800.00	1,022,800.00		
<u>Total Appropriations</u>	<u>\$ 15,266,177.05</u>	<u>\$ 15,288,959.51</u>	<u>\$ 14,266,073.12</u>	<u>\$ 426,292.58</u>	<u>\$ 596,593.81</u>
		Below	Below	A	A
	<u>Ref.</u>		\$		
Adopted Budget	A-2	\$ 15,266,177.05			
Added by N.J.S. 40A:4-87	A-2	22,782.46			
Reserve for Uncollected Taxes	A-2a	(1,022,800.00)	1,022,800.00		
Cash Expenditures	A-4		12,865,561.05		
Local Match	A-22		219,378.00		
Reserve for Federal and State Grants	A-21		158,334.07		
	A-1, Above	\$ 14,266,159.51	\$ 14,266,073.12		

APPROPRIATIONS EXCLUDED FROM "CAPS"

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Assessment Fund</u>			
Cash	B-4	\$ 25,220.50	\$ 25,220.50
Deferred Charges:			
Prospective Assessments	B-13	<u>203,000.00</u>	<u>261,000.00</u>
		<u>228,220.50</u>	<u>286,220.50</u>
<u>Animal Control Fund</u>			
Cash	B-4	11,094.04	12,375.04
Prepaid Expense	B-21		1,600.00
		<u>11,094.04</u>	<u>13,975.04</u>
<u>Trust Other Fund</u>			
Cash	B-4	908,686.07	596,117.02
Due from County of Union Community Development Grant	B-8	<u>24,490.00</u>	<u>31,256.00</u>
		<u>933,176.07</u>	<u>627,373.02</u>
		<u>\$ 1,172,490.61</u>	<u>\$ 927,568.56</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Assessment Fund</u>			
Assessment Bonds Payable	B-13	\$ 203,000.00	\$ 261,000.00
Fund Balance	B-1	<u>25,220.50</u>	<u>25,220.50</u>
		<u>228,220.50</u>	<u>286,220.50</u>
<u>Animal Control Fund</u>			
Reserve for Animal Control Trust Fund	B-7	11,092.84	13,970.84
Due to State of New Jersey	B-14	1.20	4.20
		<u>11,094.04</u>	<u>13,975.04</u>
<u>Trust Other Fund</u>			
Due to Current Fund	B-6	8,800.00	8,800.00
Accounts Payable	B-10		5,587.99
Reserve for:			
State Unemployment Compensation Insurance Fund	B-11	93,124.82	86,890.39
Community Development Block Grants	B-9	17,670.85	22,470.71
Various Reserves	B-12	163,791.32	160,217.22
Payroll Deductions Payable	B-15	55,678.39	47,885.00
Recreation Reserves	B-16	49,731.10	32,326.67
Affordable Housing Reserves	B-17	1,650.63	
Special Law Enforcement Reserves	B-18	45,834.99	50,701.87
Law Enforcement Block Grant - Federal Reserves	B-19	1,493.97	2,493.17
Premium on Tax Sale	B-20	<u>495,400.00</u>	<u>210,000.00</u>
		<u>933,176.07</u>	<u>627,373.02</u>
		<u>\$ 1,172,490.61</u>	<u>\$ 927,568.56</u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

STATEMENT OF FUND BALANCE ASSESSMENT TRUST FUND - REGULATORY BASIS

B-1

	<u>Ref.</u>	
Balance December 31, 2011	B	<u>\$ 25,220.50</u>
Balance December 31, 2012	B	<u>\$ 25,220.50</u>

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See accompanying notes to financial statements.



BOROUGH OF ROSELLE PARK  
TRUST FUNDS

STATEMENT OF REVENUE  
ASSESSMENT TRUST FUND - REGULATORY BASIS

B-2

	<u>Budget Revenue</u>	<u>Realized</u>
Deficit (General Budget)	<u>\$ 58,000.00</u>	<u>\$ 58,000.00</u>
<u>Reference</u>	<u>B-3</u>	<u>B-4</u>

STATEMENT OF EXPENDITURES  
ASSESSMENT TRUST FUND - REGULATORY BASIS

B-3

	<u>Budget Appropriations</u>	<u>Expended</u>
Payment of Bond Principal	<u>\$ 58,000.00</u>	<u>\$ 58,000.00</u>
<u>Reference</u>	<u>B-2</u>	<u>B-4</u>

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See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Cash	C-2;3	\$ 3,783,178.46	\$ 4,697,106.42
Deferred Charges to Future Taxation:			
Funded	C-4	14,468,550.22	15,569,505.00
Unfunded	C-5	1,720,000.00	700,000.00
Community Development Block Grant Receivable	C-6	85,000.00	100,000.00
State of New Jersey Grant Receivable	C-7	305,000.00	250,000.00
County Grant Receivable	C-8	152,352.01	161,545.57
ARRA Grant Receivable	C-9	135,743.12	135,743.12
		<u>\$ 20,649,823.81</u>	<u>\$ 21,613,900.11</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-13	\$ 14,285,000.00	\$ 15,382,000.00
Green Acres Loan Payable	C-14	183,550.22	187,505.00
Capital Improvement Fund	C-11	107,666.57	117,906.57
Improvement Authorizations:			
Funded	C-12	3,924,481.10	4,682,362.62
Unfunded	C-12	1,720,000.00	700,000.00
Reserve:			
To Pay Serial Bonds	C-10	421,597.91	481,597.91
Fund Balance	C-1	7,528.01	62,528.01
		<u>\$ 20,649,823.81</u>	<u>\$ 21,613,900.11</u>
 Bonds and Notes Authorized but Not Issued	 C-15	 <u>\$ 1,720,000.00</u>	 <u>\$ 700,000.00</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 62,528.01
Decreased by:		
Improvement Authorizations	C-12	<u>55,000.00</u>
Balance December 31, 2012	C	<u>\$ 7,528.01</u>

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See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 611,049.14	\$ 574,366.24
Receivables and Inventories with Full Reserves:			
Consumer Accounts Receivable	D-6	112,543.58	107,755.34
		<u>723,592.72</u>	<u>682,121.58</u>
<u>Capital Fund</u>			
Cash	D-5	76,661.44	76,661.44
Fixed Capital	D-9	853,316.96	853,316.96
		<u>929,978.40</u>	<u>929,978.40</u>
		<u>\$ 1,653,571.12</u>	<u>\$ 1,612,099.98</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	D-4,13	\$ 8,541.80	\$ 6,800.00
Unencumbered	D-4,13	41,458.56	214,216.12
Account Payable	D-14	195,000.00	
Accrued Interest on Bonds	D-8	575.00	775.00
Sewer User Charge Overpayment	D-7	497.88	102.40
		<u>246,073.24</u>	<u>221,893.52</u>
Reserve for Receivables and Inventory	Reserve	112,543.58	107,755.34
Fund Balance	D-1	364,975.90	352,472.72
		<u>723,592.72</u>	<u>682,121.58</u>
<u>Capital Fund</u>			
Serial Bonds Payable	D-12	115,000.00	155,000.00
Reserve for:			
Capital Outlay	D-11	11,594.76	11,594.76
Reserve for Amortization	D-10	738,316.96	698,316.96
Fund Balance	D-2	65,066.68	65,066.68
		<u>929,978.40</u>	<u>929,978.40</u>
		<u>\$ 1,653,571.12</u>	<u>\$ 1,612,099.98</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES  
IN FUND BALANCE - OPERATING FUND - REGULATORY BASIS

D-1

	<u>Ref.</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 100,000.00	\$ 200,000.00
Collection of Sewer Use Charges	D-3	1,514,322.61	1,672,634.48
Penalty on Delinquent Accounts	D-3	18,357.65	19,571.08
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves Lapsed	D-13	12,309.92	44,704.53
		<u>1,644,990.18</u>	<u>1,936,910.09</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating		1,441,009.00	1,694,902.00
Capital Improvements		5,000.00	5,000.00
Debt Service		42,600.00	42,825.00
Deferred Charges and Statutory Expenditures		43,878.00	51,303.00
	D-4	<u>1,532,487.00</u>	<u>1,794,030.00</u>
Statutory Excess to Fund Balance		112,503.18	142,880.09
<u>Fund Balance</u>			
Balance January 1	D	352,472.72	409,592.63
		<u>464,975.90</u>	<u>552,472.72</u>
Decreased by:			
Amount Utilized in Operating Budget	Above	<u>100,000.00</u>	<u>200,000.00</u>
Balance December 31	D	<u>\$ 364,975.90</u>	<u>\$ 352,472.72</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

STATEMENT OF FUND BALANCE  
CAPITAL FUND - REGULATORY BASIS

D-2

	<u>Ref.</u>	
Balance December 31, 2011	D	<u>\$ 65,066.68</u>
Balance December 31, 2012	D	<u>\$ 65,066.68</u>

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See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

STATEMENT OF REVENUE - OPERATING FUND - REGULATORY BASIS

D-3

	<u>Ref.</u>	<u>Anticipated Revenue</u>	<u>Realized</u>	<u>Excess</u>
Fund Balance	D-1	\$ 100,000.00	\$ 100,000.00	\$
Rents	D-1,6	1,432,687.00	1,514,322.61	81,635.61
Miscellaneous Revenue	D-1,Below	<u>                    </u>	<u>18,357.65</u>	<u>18,357.65</u>
Total Budget Revenue	D-4	<u>\$1,532,687.00</u>	<u>\$1,632,680.26</u>	<u>\$ 99,993.26</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Cash Collections:				
Penalty on Delinquent Accounts	D-5,Above		<u>\$ 18,357.65</u>	

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See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

D-4

<u>Appropriation</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>				
<u>Operating</u>						
Salaries and Wages	\$ 245,730.00	\$ 245,730.00	\$ 235,265.90	\$ 8,541.80	\$ 10,464.10	\$
Other Expenses	126,500.00	126,500.00	96,963.80		20,994.40	
Maintenance of Vehicles	5,000.00	5,000.00			5,000.00	
Share of Costs:						
Rahway Valley Sewerage Authority	584,711.00	584,711.00	584,711.00		0.06	
Joint Meeting Sewer	479,068.00	479,068.00	479,067.94			
<u>Capital Improvements</u>						
Capital Outlay	5,000.00	5,000.00			5,000.00	
<u>Debt Service</u>						
Payment of Bond Anticipation Note	40,000.00	40,000.00	40,000.00			200.00
Interest on Notes	2,800.00	2,800.00	2,600.00			
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System	20,000.00	20,000.00	20,000.00			
Public Employees' Retirement System	19,678.00	19,678.00	19,678.00			
Unemployment Compensation	4,200.00	4,200.00	4,200.00			
<u>Total Sewer Utility Appropriations</u>	<u>\$1,532,687.00</u>	<u>\$1,532,687.00</u>	<u>\$1,482,486.64</u>	<u>\$ 8,541.80</u>	<u>\$ 41,458.56</u>	<u>\$ 200.00</u>
<u>Reference</u>	<u>D-3</u>	<u>Below</u>	<u>Below</u>	<u>D</u>	<u>D</u>	<u>Below</u>
<u>Ref.</u>						
Modified Budget	Above	\$ 1,532,687.00	\$			
Cancelled	Above	(200.00)				
Accrued Interest on Notes	D-8		2,600.00			
Disbursements	D-5		1,479,886.64			
	D-1, Above	<u>\$1,532,487.00</u>	<u>\$1,482,486.64</u>			

See accompanying notes to financial statements.



BOROUGH OF ROSELLE PARK  
VETERANS MEMORIAL LIBRARY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Cash	E-1	\$130,262.47	\$ 126,554.18
Petty Cash		50.00	50.00
Investments		712.50	817.00
Due from Library Building Fund to Library Operating Fund	E-5	<u>8,877.82</u>	<u>8,877.82</u>
		<u>\$139,902.79</u>	<u>\$ 136,299.00</u>
 <u>LIABILITIES AND RESERVES</u>			
Library Operating Fund:			
Commitments Payable	E-2	\$ 3,631.37	\$ 4,583.11
Reserve for Expenditures	E-3	123,892.44	118,675.36
Library Building Fund:			
Due to Library Operating Fund from Library Building Fund	E-6	8,877.82	8,877.82
Reserve for Building Fund Expenditures	E-4	<u>3,501.16</u>	<u>4,162.71</u>
		<u>\$139,902.79</u>	<u>\$ 136,299.00</u>

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See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK  
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

Exhibit F

	Balance <u>Dec. 31, 2012</u>	Balance <u>Dec. 31, 2011</u>
<u>Capital Assets</u>		
Land and Buildings	\$ 6,138,700.00	\$ 6,138,700.00
Vehicles, Machinery and Equipments	<u>6,560,618.00</u>	<u>6,319,643.00</u>
	<u>\$ 12,699,318.00</u>	<u>\$ 12,458,343.00</u>
 <u>Reserve</u>		
Investment in Capital Assets	<u>\$ 12,699,318.00</u>	<u>\$ 12,458,343.00</u>

**NOTES TO FINANCIAL STATEMENTS**

## BOROUGH OF ROSELLE PARK

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2012

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

The Borough of Roselle Park is organized as a Mayor-Council municipality under the provisions of N.J.S. 40:69A-81 et seq. The Borough is "governed by an elected Mayor-Council and by such other officers and employees as may be duly appointed. The Council shall consist of six members elected at large by voters of the municipality and shall serve for a term of three years beginning on the first day of January next following their election. The Mayor shall be elected by the voters of the municipality, and shall serve for a term of four years beginning on the first day of January next following the election".

Each member of the Council carries a legislative vote.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

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, as required by the provisions of N.J.S. 40A:5-5.

##### B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. The GASB establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with 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 Borough of Roselle Park accounts for its financial transactions through the following separate funds which differ from the fund structure required by generally accepted accounting principles.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Description of Funds (Continued)

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal Control Trust Fund, General Trust Fund and State Unemployment Insurance Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this fund, as well as related long-term debt accounts.

Sewer Utility Fund - The Sewer Utility is treated as a separate entity. It maintains its own Operating and Capital Fund which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity.

Public Assistance Trust Fund - Receipts and disbursements of funds that provide assistance to certain residents of the Borough of Roselle Park pursuant to the provisions of Title 44 of the New Jersey statutes are maintained in the Public Assistance Trust Fund.

Capital Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the Borough as discussed under the caption "Basis of Accounting".

Veterans Memorial Library Fund - This account consists of receipts and disbursements of funds for the operations of the Library.

### C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from generally accepted accounting principles. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

#### Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

#### Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough of Roselle Park's budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

#### Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31<sup>st</sup> of each year, under the title of "Appropriation Reserves".

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **C. Basis of Accounting (Continued)**

#### **Expenditures (Continued)**

Grant appropriations are charged upon budget adoption to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget Appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

#### **Encumbrances**

As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31<sup>st</sup> are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

#### **Appropriation Reserves**

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

#### **Compensated Absences**

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

#### **Property Acquired for Taxes**

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital fixed assets account group at market value on the date of acquisition.

#### **Self-Insurance Contributions**

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Basis of Accounting (Continued)

#### Interfunds Receivable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the corresponding fund. GAAP does not require the establishment of an offsetting reserve.

#### Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Sewer Utility is required, by regulation, to be prepared by Borough personnel for inclusion on the Sewer Utility Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

#### Capital Fixed Assets

##### General:

In accordance with 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.

GAAP requires that capital fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Capital fixed assets used in governmental operations (capital fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") capital 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.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed assets record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

##### Utilities:

Capital acquisitions, including utility infrastructure costs of the Sewer Utility, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utility. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include movable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Accounting (Continued)**

**Capital Fixed Assets (Continued)**

Utilities: (Continued)

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utility is offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Fixed Capital Accounts reflected herein are as recorded in the records of the municipality and do not necessarily reflect the true condition of such Fixed Capital. The records consist of a control account only. Detailed records are not maintained.

**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 of Roselle Park presents the financial statements listed in the table of contents which are required by the Division of Local Government Services and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

The December 31, 2011 ending balances were adjusted to conform with the December 31, 2012 presentation.

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**A. Cash and Cash Equivalents**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.



## **2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

### **A. Cash and Cash Equivalents (Continued)**

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board 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.

### **B. Investments**

New Jersey statutes permit the Borough to purchase the following types of securities:

- . Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- . Government money market mutual funds.
- . Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund.
- . Repurchase agreements of fully collateralized securities, subject to special conditions.

### **C. Risk Category**

A variety of state laws permit local governments to invest in a wide range of obligations issued by state governments and its agencies.

As of December 31, 2012, the Borough had funds on deposit in checking accounts, New Jersey Cash Management Accounts and Certificates of Deposit. The carrying amount of the Borough's cash and cash equivalents and investments as of December 31, 2012 was \$8,873,405.13. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investments as defined by GASB Statement No. 40.

### 3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency as billed prior to the end of the fiscal year. The penalty so fixed shall not exceed 6% of the amount of the delinquency with respect to each most recent fiscal year only. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	<u>\$ 11.989</u>	<u>\$ 11.982</u>	<u>\$ 11.626</u>	<u>\$ 11.263</u>	<u>\$ 10.940</u>
Apportionment of Tax Rate:					
Municipal	\$ 3.851	\$ 3.835	\$ 3.684	\$ 3.530	\$ 3.341
County	1.785	1.823	1.713	1.666	1.596
Local School	6.353	6.324	6.229	6.067	6.003

#### Assessed Valuations

<u>Year</u>	<u>Amount</u>
2012	\$ 286,524,148.00
2011	287,805,187.00
2010	288,153,250.00
2009	289,431,586.00
2008	290,171,089.00

### 3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

#### Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2012	\$ 34,921,899.34	\$ 34,202,403.51	98.33 %
2011	34,518,457.92	33,582,766.34	97.28
2010	33,535,570.61	32,804,580.95	97.82
2009	32,620,843.20	31,925,960.58	97.86
2008	31,802,107.45	30,974,661.07	97.39

#### Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2012	\$ -	\$ 572,742.38	\$ 572,742.38	1.67 %
2011	-	728,769.47	728,769.47	2.11
2010	-	692,068.28	663,039.47	1.97
2009	-	562,542.54	562,542.54	1.72
2008	-	145,634.13	745,634.13	2.34

### 4. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2012	\$ 163,650.00
2011	163,650.00
2010	163,650.00
2009	163,650.00
2008	163,650.00

**5. SEWER CONSUMER ACCOUNTS RECEIVABLE**

The Borough of Roselle Park maintains a utility fund for the billing and collection of sewer charges. The Borough's billings are done on an annual basis.

A comparison of Sewer Utility billings and collections for the past four years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2012	\$ 1,519,110.85	\$ 1,514,322.61
2011	1,623,467.59	1,672,634.48
2010	1,668,948.89	1,678,937.70
2009	1,768,674.87	1,718,123.75

\*Cash collections include realization of prior year uncollected balances.

**6. FUND BALANCES APPROPRIATED**

	<u>Year</u>	<u>Balance December 31,</u>	<u>Budgets of Succeeding Year</u>
Current Fund:	2012	\$ 2,084,387.49	\$ 1,300,000.00 *
	2011	1,757,299.96	1,300,000.00
	2010	1,707,890.61	1,300,000.00
	2009	1,841,028.14	1,300,000.00
	2008	1,797,806.25	1,300,000.00
Sewer Utility Operating Fund:	2012	364,975.50	100,000.00 *
	2011	352,472.72	100,000.00
	2010	409,592.63	200,000.00
	2009	258,390.84	50,000.00
	2008	134,898.78	50,000.00

\*Introduced Budget

**7. PENSION PLANS**

**Description of Systems**

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State Statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). In addition, the Borough contributes to the Consolidated Police and Firemen's Pension Fund (CPFPPF). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System is considered a cost sharing multiple-employer plan.

## 7. PENSION PLANS (Continued)

### Description of Systems (Continued)

#### Public Employees' Retirement System:

The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15 to provide coverage, including post-retirement health care, to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Pension benefits for members enrolled in the system after May 21, 2010 would be based on 1/60<sup>th</sup> of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member of the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

#### Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July, 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and, if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

### Significant Legislation

P.L. 2011, c. 78, effective June 28, 2011, made various changes to the manner in which PERS operates and to the benefit provisions of that system.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of ¼ to 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.

## 7. PENSION PLANS (Continued)

### Significant Legislation (Continued)

- The annual benefit under special retirement for new PERS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

### Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 6.5% and 10.0% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past two years is as follows:

Year	PERS		PFRS	
	Normal and Accrued	Employees	Normal and Accrued	Employees
2012	\$ 261,440.00	\$ 185,005.14	\$ 696,229.00	\$ 374,885.41
2011	249,806.00	129,216.87	778,748.00	252,216.87

## 8. DEFINED CONTRIBUTION RETIREMENT PROGRAM

### Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. As of May 21, 2010, the Municipal Base Salary required for eligibility in DCRP was increased to \$5,000.00. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

## 8. DEFINED CONTRIBUTION RETIREMENT PROGRAM

### Description of System

The law requires that three classes of employees enroll in the DCRP, detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Employees enrolled in the PERS on or after July 1, 2007 or employees enrolled in the PFR&S after May 21, 2010 who earn salary in excess of established "maximum compensation" limits.
- Employees otherwise eligible to enroll in the PERS on or after November 2, 2008 who do not earn the minimum salary for PERS Tier 3, but who earn salary of at least \$5,000.00.
- Employees otherwise eligible to enroll in the PERS after May 21, 2010, who do not work the minimum number of hours per week required for PERS Tier 4 or Tier 5 enrollment (32 hours per week) but who earn salary of at least \$5,000.00 annually.

Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

### Contributions Required

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

<u>Year</u>	<u>Employee</u>	<u>Employer</u>
2012	<u>\$132,382.22</u>	<u>\$ 3,347.34</u>

## 9. POST-RETIREMENT BENEFITS OTHER THAN PENSION

### A. Plan Overview

The Borough of Roselle Park ("Borough") provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. As a result of offering such benefits, Roselle Park is required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting "by Employers for Post-Employment Benefits Other Than Pensions" ("GASB 45").

The Borough provides medical benefits to retirees and their covered eligible dependents. The Borough pays a portion of the cost for eligible retirees, spouses and dependents. All active employees who retire directly from the Borough and meet eligibility criteria may participate.

**9. POST-RETIREMENT BENEFITS OTHER THAN PENSION (Continued)**

**A. Plan Overview (Continued)**

The summary below identifies the value of benefits at December 31, 2010 according to the accounting requirements of GASB 45 and summarizes the actuarial valuation results by Roselle Park's active and retired employee groups:

	December 31, 2010	
	Funded 6%	Unfunded 3%
Present Value of Future Benefits	\$ 19,787,185	\$ 31,745,246
Actuarial Accrued Liability:		
Inactives	9,135,690	12,208,131
Actives Fully Eligible	2,762,427	3,975,166
Actives Not Fully Eligible	4,455,983	8,228,751
Total	16,354,100	24,412,048
Annual Required Contributions	1,550,585	1,986,265
Annual OPEB Cost	1,550,585	1,986,265
Employer Contributions (Pay-As-You-Go)	689,405	689,405

**B. Liabilities and Normal Cost**

The Actuarial Accrued Liability is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions.

	December 31, 2010	
	Funded 6%	Unfunded 3%
Liabilities and Normal Cost:		
Actuarial Accrued Liability	\$ 16,354,100	\$ 24,412,048
Plan Assets	-	-
Unfunded Actuarial Accrued Liability	16,354,100	24,412,048
Normal Cost Component	\$ 396,593	\$ 759,053

The Normal Cost for the plan is the amount that the liabilities are expected to increase during the year based on increased eligibility and service.

Normal Cost is the value of benefits expected to be earned during the year, again, based on certain actuarial methods and assumptions.



**9. POST-RETIREMENT BENEFITS OTHER THAN PENSION (Continued)**

**C. Demographic Information**

	<u>Dec. 31, 2010</u>	
Participant Information:		
Active Participants	72	
Inactive Participants	34	
	106	
	<u>Dec. 31, 2010</u>	
	Funded	Unfunded
	6%	3%
Employer Contributions:		
Expected OPEB Contributions	\$ 1,550,585	\$ 1,986,265

**D. Funding Policy**

The Borough of Roselle Park currently accounts for these post-retirement benefits in a pay-as-you-go basis.

**E. Accounting and Actuarial Information**

The effective date of the GASB OPEB Accounting Standard for Phase 2 employers is the Fiscal Year beginning after December 15, 2006. For Roselle Park, this is the period from January 1, 2010 through December 31, 2010. The following exhibits show the Annual Required Contribution (ARC), Annual OPEB Cost (AOC), and projected December 31, 2010 Net OPEB Obligation (NOO), assuming the accounting standards were first adopted for the 2010-2011 Fiscal Year:

1. Development of Normal Cost

The Unit Credit cost method was selected. The cumulative Normal Cost across all active participants is \$396,593 at 6% Funded and \$759,053 at 3% Unfunded.

**9. POST-RETIREMENT BENEFITS OTHER THAN PENSION (Continued)**

**E. Accounting and Actuarial Information (Continued)**

**2. Development of Annual Required Contribution**

The Standard sets the method for determining the Borough's post-employment benefits accrual, the Annual Required Contribution (ARC), to include both the value of benefits earned during the year (Normal Cost) and a supplemental cost based on an amortization of the Unfunded Actuarial Accrued Liability. Accordingly, the following table shows the Borough's 2010 - 2011 FY ARC based on a 30-year amortization of the Unfunded Actuarial Accrued Liability as a level dollar amount:

	Fiscal Year Ending Dec. 31, 2010	
	Funded 6%	Unfunded 3%
Preliminary ARC:		
a) Normal Cost	\$ 396,593	\$ 759,053
b) Amortization Payment	1,120,856	1,209,208
c) Beginning of Year Contribution	1,517,449	1,968,261
d) Interest on Contributions	33,136	18,004
e) Preliminary ARC	<u>\$ 1,550,585</u>	<u>\$ 1,986,265</u>
ARC reflecting maximum amortization period:		
a) Normal Cost	<u>\$ 396,593</u>	<u>\$ 759,053</u>
b) Unfunded Liability	<u>\$ 16,354,100</u>	<u>\$ 24,412,048</u>
c) Amortization Payment Using Maximum Amortization Period	<u>\$ 1,120,856</u>	<u>\$ 1,209,208</u>
d) ARC Reflecting Maximum Amortization Period	\$ 1,517,449	\$ 1,968,261
e) Interest of Contributions	33,136	18,004
f) ARC Reflecting Maximum Amortization Period Adjusted for Interest	<u>\$ 1,550,585</u>	<u>\$ 1,986,265</u>
Annual Required Contribution	<u>\$ 1,550,585</u>	<u>\$ 1,986,265</u>

**3. Development of Annual OPEB Cost**

If there is no OPEB obligation on the Borough's financial statements at transition, then the Annual OPEB Cost is equal to the Annual Required Contribution. However, if there is an initial liability at transition, the Annual OPEB Cost should reflect an adjustment for the transition obligation. Note that GASB 45, in general, directs plan sponsors to set their Initial OPEB Obligation to zero at transition.

**9. POST-RETIREMENT BENEFITS OTHER THAN PENSION (Continued)**

**E. Accounting and Actuarial Information (Continued)**

**3. Development and Annual OPEB Cost (Continued)**

The following table shows the Borough's Annual OPEB Cost projected to the end of the 2010-2011 Fiscal Year:

<u>Fiscal Year Ending</u>	Dec. 31, 2010	
	<u>Funded 6%</u>	<u>Unfunded 3%</u>
Annual Required Contribution (ARC)	\$ 1,550,585	\$ 1,986,265
Interest on Net OPEB Obligation		
Adjustment to Annual Required Contribution		
<b>Total Annual OPEB (AOC)</b>	<b><u>\$ 1,550,585</u></b>	<b><u>\$ 1,986,265</u></b>

**4. Development of Net OPEB Obligation**

Assuming there is no transitional OPEB Obligation at adoption of GASB 45 for the 2010-2011 Fiscal Year, the following table shows an estimated development of the Borough's Net OPEB Obligation as of the end of the 2010-2011 Fiscal Year:

<u>Fiscal Year Ending</u>	Dec. 31, 2010	
	<u>Funded 6%</u>	<u>Unfunded 3%</u>
1. Net OPEB Obligation (NOO) as of January 1, 2009	\$	\$
2. Annual OPEB Cost	1,550,585	1,986,265
3. Annual Employer Contribution	<u>(689,405)</u>	<u>(689,405)</u>
4. Net OPEB Obligation as of December 31, 2009 (Estimated)	<u>\$ -</u>	<u>\$ 1,296,860</u>

GASB 45 paragraph 26(a) requires the following elements to be listed in the report. Below is the projected schedule of funding progress:

	<u>Valuation Date</u>	<u>Actuarial Value of Assets - Unit Credit</u> (a)	<u>Actuarial Accrued Liability</u> (b)	<u>Unfunded Actuarial Accrued Liability</u> (b) - (a)	<u>Funded Ratio</u> (a)/(b)	<u>Covered Payroll</u> (c)	<u>Accrued Liability as a Percentage of Covered Payroll</u> {(b)-(a)}/(c)
Funded 6%	12/31/10	0	\$ 16,354,100	\$ 16,354,100	0.00%	N/A	N/A
Unfunded 3%	12/31/10	0	24,412,048	24,412,048	0.00%	N/A	N/A

## 9. POST-RETIREMENT BENEFITS OTHER THAN PENSION (Continued)

### F. Plan Provisions

The following summary of plan provisions represents our understanding of the Borough's substantive plan.

Employees who retire from the Borough may be eligible for post-employment medical benefits pursuant to the provisions below:

#### Eligibility

Eligibility Requirements:

PBA: 25 years of pensionable service that includes 20 years of service with the Borough or when a member of the PBA becomes disabled in the line of duty.

SOA: 25 years of pensionable service that includes 20 years of service with the Borough or when a member of the Roselle Park Police Supervisors' Group becomes disabled in the line of duty.

Public Works: For employees hired prior to January 1, 2006, 15 years of service and at least age 62. For employees hired January 1, 2006 and later, 20 years of service and at least age 62.

Clerical, Clerk and Dispatchers: 15 years of service and at least age 62.

Benefits:

PBA and SOA: The Borough pays the full premium for medical/drug coverage including coverage for spouse and children until the retiree reaches age 65. The coverage shall be for the least expensive plan offered. Retirees who wish to participate in a more expensive plan must pay the difference in cost. This choice is not available to those employed after September 1, 2007. Upon reaching age 65, the retiree may continue coverage by paying 100% of the premium.

Public Works and Clerical: The Borough will pay ½ of the premium for medical coverage until the retiree has reached age 65. Once the retiree has reached age 65, the Borough will pay the full premium. Employees hired on or before December 31, 2005 are entitled to continue medical coverage for their spouse. Employees hired on or after January 1, 2006 are only entitled to coverage for the retiree.

Dispatchers: The Borough will pay ½ of the premium for medical coverage for retiree and spouse until the retiree has reached age 65. Once the retiree has reached age 65, the Borough will pay the full premium for retiree and spouse.

Clerk, CFO and Tax Collector: The Borough pays the full premium for medical/drug coverage including coverage for spouse and children.

Police Chief: The Borough pays the full premium for medical/drug and dental coverage including coverage for spouse and children.

#### Survivor Eligibility

Survivors are covered but pay for the full cost of coverage.

## 9. POST-RETIREMENT BENEFITS OTHER THAN PENSION (Continued)

### F. Plan Provisions (Continued)

#### Types of Plans

Health Plan Options:

- Prescription
- Dental
- Horizon Blue
- Aetna

#### Waiving Coverage

Any retired member can elect to waive coverage.

The Borough retained Willis North America to perform a valuation of its post-retirement welfare benefit plans for the purpose of determining its annual cost in accordance with GASB Statement No. 45 - Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions. This valuation has been conducted in accordance with generally accepted actuarial principles and practices.

Information for this note was obtained from excerpts from Willis North America's report dated August 29, 2011.

## 10. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legally required installment is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

**10. MUNICIPAL DEBT (Continued)**

**Summary of Municipal Debt (Excluding Current and Operating Debt)**

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
Issued:			
General:			
Bonds, Notes and Loans	\$ 14,468,550.22	\$ 15,382,000.00	\$ 16,444,000.00
Assessments:			
Bonds and Loans	203,000.00	261,000.00	319,000.00
Sewer Utility:			
Bonds and Loans	115,000.00	155,000.00	195,000.00
	<u>14,786,550.22</u>	<u>15,798,000.00</u>	<u>16,958,000.00</u>
Less:			
Funds Held to Pay Bonds - General Capital	<u>421,597.91</u>	<u>481,597.91</u>	<u>399,097.91</u>
Total Issued	14,364,952.31	15,316,402.09	16,558,902.09
Authorized but Not Issued:			
General:			
Bonds and Notes	<u>1,720,000.00</u>	<u>700,000.00</u>	<u>                    </u>
Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 16,084,952.31</u>	<u>\$ 16,016,402.09</u>	<u>\$ 16,558,902.09</u>

**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 1.39%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 8,568,480.50	\$ 8,568,480.50	\$
Sewer Utility Debt	115,000.00	115,000.00	
General Debt	<u>16,391,550.22</u>	<u>421,597.91</u>	<u>15,969,952.31</u>
	<u>\$ 25,075,030.72</u>	<u>\$ 9,105,078.41</u>	<u>\$ 15,969,952.31</u>

Net debt of \$15,969,952.31 divided by the Equalized Valuation Basis per N.J.S. 40:2-2 as amended, \$1,149,673,519.33 equals 1.39%.

**Borrowing Power Under N.J.S. 40A:2-6 as Amended**

3 1/2% of Equalized Valuation Basis	\$ 40,238,573.18
Net Debt	<u>15,969,952.31</u>
Remaining Borrowing Power	<u>\$ 24,268,620.87</u>

**School Debt Deductions**

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

**10. MUNICIPAL DEBT (Continued)**

**Calculation of "Self-Liquidating Purposes" Sewer Utility per N.J.S. 40A:2-45**

Fund Balance and Cash Receipts from Fees, Rents or Other Charges for Year	\$ 1,632,680.26
Deductions:	
Operating, Maintenance Costs and Debt Service	<u>1,532,487.00</u>
Excess in Revenue	<u>\$ 100,193.26</u>

There being an excess in revenue, all Sewer Utility Debt is deductible for Debt Statement purposes.

**Bonds and Notes Authorized but Not Issued**

There were Bonds and Notes Authorized but Not Issued in the following amount:

	Balance
	<u>Dec. 31, 2012</u>
General Capital Fund:	
Various General Improvements	<u>\$1,720,000.00</u>

10. MUNICIPAL DEBT (Continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt

Year	Current		Assessment Trust		Sewer Utilities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	1,139,000.00	468,505.25	66,000.00	5,467.50	40,000.00	1,950.00	1,245,000.00	475,922.75
2014	1,230,000.00	438,075.25	20,000.00	3,510.00	40,000.00	1,100.00	1,290,000.00	442,685.25
2015	1,270,000.00	404,856.50	20,000.00	3,110.00	35,000.00	350.00	1,325,000.00	408,316.50
2016	1,095,000.00	370,519.00	20,000.00	2,710.00			1,115,000.00	373,229.00
2017	1,115,000.00	336,269.00	20,000.00	2,310.00			1,135,000.00	338,579.00
2018	1,165,000.00	298,281.50	20,000.00	1,710.00			1,185,000.00	299,991.50
2019	775,000.00	258,612.75	20,000.00	1,110.00			795,000.00	259,722.75
2020	775,000.00	233,362.75	17,000.00	510.00			792,000.00	233,872.75
2021	785,000.00	208,112.75					785,000.00	208,112.75
2022	795,000.00	181,981.50					795,000.00	181,981.50
2023	799,000.00	154,862.00					799,000.00	154,862.00
2024	450,000.00	133,680.00					450,000.00	133,680.00
2025	455,000.00	115,680.00					455,000.00	115,680.00
2026	470,000.00	97,480.00					470,000.00	97,480.00
2027	475,000.00	78,680.00					475,000.00	78,680.00
2028	495,000.00	59,680.00					495,000.00	59,680.00
2029	497,000.00	39,880.00					497,000.00	39,880.00
2030	500,000.00	20,000.00					500,000.00	20,000.00
<b>Totals</b>	<b>\$ 14,285,000.00</b>	<b>\$ 3,898,518.25</b>	<b>\$ 203,000.00</b>	<b>\$ 20,437.50</b>	<b>\$ 115,000.00</b>	<b>\$ 3,400.00</b>	<b>\$ 14,603,000.00</b>	<b>\$ 3,922,355.75</b>



**10. MUNICIPAL DEBT (Continued)**

**Schedule of Annual Debt Service for Principal and Interest - Green Acres Grant (Acker Park)**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2012	\$ -	\$ -	\$ 183,550.22
2013	8,028.60	3,631.06	175,521.62
2014	8,189.97	3,469.69	167,331.65
2015	8,354.59	3,305.07	158,977.06
2016	8,522.52	3,137.14	150,454.54
2017	8,693.82	2,965.84	141,760.72
2018	8,868.57	2,791.09	132,892.15
2019	9,046.82	2,612.83	123,845.33
2020	9,228.67	2,430.99	114,616.66
2021	9,414.16	2,245.50	105,202.50
2022	9,603.39	2,056.27	95,599.11
2023	9,796.41	1,863.24	85,802.70
2024	9,993.32	1,666.34	75,809.38
2025	10,194.20	1,465.47	65,615.18
2026	10,399.09	1,260.57	55,216.09
2027	10,608.12	1,051.54	44,607.97
2028	10,821.34	838.32	33,786.63
2029	11,038.84	620.82	22,747.79
2030	11,260.72	398.93	11,487.07
2031	11,487.07	172.59	-
	<u>\$ 183,550.22</u>	<u>\$ 37,983.30</u>	

**11. INTERFUND RECEIVABLES AND PAYABLES**

As of December 31, 2012, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 8,800.00	\$ 115,708.08
Federal and State Grant Fund	115,708.08	
General Trust Fund		8,800.00
	<u>\$ 124,508.08</u>	<u>\$ 124,508.08</u>

**12. DEFERRED COMPENSATION PLAN**

The Borough of Roselle Park offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 43:15B-1 et seq. and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

## **12. DEFERRED COMPENSATION PLAN (Continued)**

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Administrator for the Borough of Roselle Park's Deferred Compensation Plan is Metlife Retirement Services and the Variable Annuity Life Insurance Company. The Borough's Deferred Compensation Plan financial statements are contained in a separate review report.

## **13. 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 2012.

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.

## **14. CONTINGENT LIABILITIES**

### **a. Compensated Absences**

The Borough's "vacation policy" does not permit employees to accrue vacation pay.

Unused sick days are allowed to accrue and may be taken by the employee as compensatory time or payment at a later date at an agreed upon rate. Borough officials estimate that as of December 31, 2012, the sum of \$573,623.06, based upon 2012 salary rates, has accrued to the benefit of 66 employees and officials.

Provisions for the above are not reflected on the financial statements of the Borough.

The above amount has not been audited.

### **b. Tax Appeals**

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Borough to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

### **c. Federal and State Awards**

The Borough participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Borough has not complied with the rules and regulations of the grantor agencies; therefore to the extent that the Borough has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2012 may be impaired. In the opinion of management, there are no significant liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

#### **14. CONTINGENT LIABILITIES (Continued)**

##### **d. Arbitrage Rebate Calculation**

In 1985, under the Tax Reform Act, the Arbitrage Rebate Law went into effect requiring issuers of tax exempt debt obligations to rebate to the Federal Government all of the earnings in excess of the yield on investments of proceeds of such debt issuances (the "rebate arbitrage"). The Rebate Regulations apply to obligations issued after August 31, 1986. The arbitrage rebate liability must be calculated every installment computation date (last day of the fifth bond year) or earlier if the bonds are retired, defeased or refunded and pay at least 90% of the rebatable arbitrage (plus any earnings thereon) within 60 days after such date.

##### **e. Payments in Lieu of Taxes (PILOT)**

Under N.J.S.A. 40A:20-12, each municipality is required to annually remit to the County five percent (5%) of the annual service charge for each long-term PILOT financial agreement entered into by the municipality.

##### **f. Litigation**

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

#### **15. SECONDARY MARKET DISCLOSURE**

Solely for purposes of complying with Rule 1602-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), and provided that the Bonds are not exempt from the Rule and provided that the Bonds are not exempt from the requirements in accordance with Paragraph (d) of the Rule, for so long as the Bonds remain outstanding (unless the Bonds have been wholly defeased), the municipality shall provide for the benefit of the holders of the Bonds and the beneficial owners thereof various financial documents relating to the financial conditions of the Municipal Securities Rulemaking Board through the Electronic Municipal Access Data Port (the "MSRB").

#### **16. SUBSEQUENT EVENT**

The Borough of Roselle Park has evaluated subsequent events that occurred after the balance sheet date, but before April 19, 2013. No items were determined to require disclosure.

BOROUGH OF ROSELLE PARK  
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS  
COLLECTOR - TREASURER

A-4

	<u>Ref.</u>			<u>Regular Fund</u>
Balance December 31, 2011	A			\$ 2,848,358.61
Increased by Receipts:				
Miscellaneous Revenue Not Anticipated	A-2a	\$ 112,508.20		
Petty Cash	A-6	200.00		
Taxes Receivable	A-7	34,695,308.40		
Special District Improvement	A-9	32,190.34		
Revenue Accounts Receivable	A-10	2,699,692.07		
Ch. 129, P.L. 1976	A-12	101,807.53		
Prepaid Taxes	A-13	74,230.13		
Tax Overpayments	A-14	69,535.40		
Interfunds	A-17	398,745.11		
Due to State of New Jersey	A-19	<u>7,510.00</u>		
				<u>38,191,727.18</u>
				41,040,085.79
Decreased by Disbursements:				
Miscellaneous	A-1	20,562.85		
Refund of Prior Years Taxes	A-1	74,312.02		
2012 Budget Appropriations	A-3	12,865,561.05		
Petty Cash	A-6	200.00		
2011 Appropriation Reserves	A-11	440,936.90		
Refund of Tax Overpayments	A-14	5,462.60		
County Taxes	A-15	5,291,915.19		
Local District School Taxes	A-16	18,200,713.00		
Interfunds	A-17	643,682.50		
Due to State of New Jersey	A-19	7,568.00		
Special District Improvement	A-23	<u>31,656.20</u>		
				<u>37,582,570.31</u>
Balance December 31, 2012	A			<u>\$ 3,457,515.48</u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

CHANGE FUNDS

A-5

	<u>Ref.</u>	
Balance December 31, 2011	A	<u>\$ 450.00</u>
Balance December 31, 2012	A	<u>\$ 450.00</u>
 <u>Analysis of Balance</u>		
Office:		
Collector		\$ 300.00
Municipal Court		<u>150.00</u>
	Above	<u>\$ 450.00</u>

CASH  
PETTY CASH FUNDS

A-6

	<u>Ref.</u>	
Increased by:		
Cash Receipts	A-4	\$ 200.00
Decreased by:		
Cash Disbursements	A-4	<u>200.00</u>
		<u>\$ -</u>
 Office:		
Police Department		\$ 100.00
Borough Clerk		50.00
Community Center		<u>50.00</u>
		<u>\$ 200.00</u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-Z

<u>Year</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012 Levy</u>	<u>Added</u> <u>Taxes</u>	<u>Collected</u> <u>2012</u>	<u>Due from</u> <u>State of</u> <u>New Jersey</u>	<u>Over-</u> <u>payments</u> <u>Applied</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
2010	\$ 5,312.55		\$ 4,910.96	\$ 5,312.55	\$	\$	\$ 74,718.91	\$
2011	723,456.92		4,910.96	653,648.97			74,718.91	
	<u>728,769.47</u>			<u>658,961.52</u>			<u>135,648.71</u>	
2012		34,921,899.34		34,036,346.88	106,435.67	11,104.74		572,742.38
	<u>\$ 728,769.47</u>	<u>\$ 34,921,899.34</u>	<u>\$ 4,910.96</u>	<u>\$ 34,695,308.40</u>	<u>\$ 106,435.67</u>	<u>\$ 11,104.74</u>	<u>\$ 210,367.62</u>	<u>\$ 572,742.38</u>
<u>Reference</u>	A	<u>Below</u>	A-12	A-4	A-12	A-14	<u>Reserve</u>	A

ANALYSIS OF PROPERTY TAX LEVY

<u>Tax Yield</u>	<u>Ref.</u>	<u>Tax Levy</u>	<u>Ref.</u>
General Property Tax		County Taxes (Abstract)	\$ 5,287,264.55
Business Personal Tax - Utilities		County Added Taxes (N.J.S.A. 54:4-63.1 et seq.)	<u>1,786.57</u>
Added Taxes		Local School District Tax (Abstract)	18,200,713.00
		Local Taxes for Municipal Purposes (Budget)	11,419,846.18
		Plus: Additional Tax Levied	<u>12,289.04</u>
			\$ 5,289,051.12
			<u>29,632,848.22</u>
			<u>\$ 34,921,899.34</u>
<u>Reference</u>	A	<u>Above</u>	

BOROUGH OF ROSELLE PARK  
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)

A-8

	<u>Ref.</u>	
Balance December 31, 2011	A	<u>\$ 163,650.00</u>
Balance December 31, 2012	A	<u><u>\$ 163,650.00</u></u>

RECEIVABLE FOR SPECIAL IMPROVEMENT DISTRICT

A-9

	<u>Ref.</u>	
Increased by:		
Billing	A-23	\$ 42,133.28
Interest	A-23	<u>64.26</u>
		\$ 42,197.54
Decreased by:		
Receipt	A-4	32,190.34
Cancelled	A-23	<u>2,680.32</u>
		<u>34,870.66</u>
Balance December 31, 2012	A	<u><u>\$ 7,326.88</u></u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-10

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued</u>	<u>Collections</u> <u>2012</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 16,914.00	\$ 16,914.00	\$
Other Licenses	A-2a		8,685.00	8,685.00	
Other Fees and Permits	A-2a		22,047.00	22,047.00	
Construction Code Official:					
Uniform Construction Code Fees	A-2		135,613.00	135,613.00	
Board of Health:					
Other Licenses	A-2a		10,297.50	10,297.50	
Other Fees and Permits	A-2a		3,580.00	3,580.00	
Registrar of Vital Statistics:					
Other Fees and Permits	A-2a		17,051.00	17,051.00	
Tax Collector:					
Other Fees and Permits	A-2a		10.00	10.00	
Police Department:					
Other Fees and Permits	A-2a		10,527.55	10,527.55	
Municipal Court:					
Fines and Costs	A-2	84,298.77	870,353.41	890,129.49	64,522.69
Fire Department:					
Fire Prevention	A-2a		55.00	55.00	
Other Fees and Permits	A-2a		125.00	125.00	
Housing:					
Other Fees and Permits	A-2a		7,805.00	7,805.00	
Municipal Land Use Board	A-2a		2,800.00	2,800.00	
Farmer's Market:					
Other Fees and Permits	A-2a		300.00	300.00	
State of New Jersey:					
Energy Receipts Tax	A-2		920,018.00	920,018.00	
Consolidated Municipal Property Tax					
Relief Aid	A-2		164,068.00	164,068.00	
Interest and Cost on Taxes	A-2a		165,225.97	165,225.97	
Parking Meters	A-2		34,150.74	34,150.74	
Uniform Fire Safety Act	A-2		5,681.32	5,681.32	
Cable TV Franchise Fee	A-2		148,638.06	148,638.06	
Reserve to Pay Debt Service	A-2		60,000.00	60,000.00	
Rental of Borough Property	A-2		75,970.44	75,970.44	
		<u>\$ 84,298.77</u>	<u>\$ 2,679,915.99</u>	<u>\$ 2,699,692.07</u>	<u>\$ 64,522.69</u>
<u>Reference</u>		<u>A</u>	<u>Reserve</u>	<u>A-4</u>	<u>A</u>



BOROUGH OF ROSELLE PARK  
CURRENT FUND

2011 APPROPRIATION RESERVES

A-11  
Sheet #1

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2011</u>		<u>Modified</u> <u>Balance</u> <u>Dec. 31, 2011</u>	<u>Paid and</u> <u>Committed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>GENERAL GOVERNMENT</u>					
Mayor and Council:					
Salaries and Wages	\$	\$ 6,273.26	\$ 6,273.26	\$	\$ 6,273.26
Other Expenses	125.00	229.79	354.79	121.10	233.69
Municipal Clerk:					
Salaries and Wages		2,180.74	2,180.74		2,180.74
Other Expenses	13,456.87	1,400.05	14,856.92	10,627.29	4,229.63
Financial Administration:					
Salaries and Wages		13.73	13.73		13.73
Other Expenses	7,390.89	3,507.16	10,898.05	4,327.67	6,570.38
Audit Services	49,100.00		49,100.00	49,100.00	
Insurance:					
Group Insurance Plans for Employees		566.59	566.59		566.59
Other Insurance	75.00	534.00	609.00		609.00
Worker's Compensation		161.47	161.47		161.47
Revenue Administration:					
Salaries and Wages		6.10	6.10		6.10
Other Expenses		2,607.86	2,607.86		2,607.86
Assessor of Taxes:					
Salaries and Wages		367.71	367.71		367.71
Other Expenses	536.40	112.38	648.78	542.81	105.97
Legal Services and Costs:					
Other Expenses	5,582.85	5,476.62	11,059.47	5,308.37	5,751.10
Tax Appeals	7,231.23	500.00	7,731.23	2,272.43	5,458.80
Municipal Court:					
Salaries and Wages		3,425.74	3,425.74		3,425.74
Other Expenses	1,436.29	537.81	1,974.10	1,144.79	829.31
Engineering Services and Costs:					
Other Expenses		0.50	0.50		0.50
Human Resources:					
Other Expenses	12,835.49	5,975.00	18,810.49	10,229.00	8,581.49
Historical Society:					
Other Expenses	60.00	25.63	85.63	54.16	31.47
Land Use Administration:					
Planning Board:					
Salaries and Wages		2.06	2.06		2.06
Other Expenses	793.77	3,267.24	4,061.01	766.66	3,294.35
<u>PUBLIC SAFETY</u>					
Uniform Fire Safety (P.L. 1983, Ch. 383):					
Fire Official:					
Salaries and Wages		234.11	234.11		234.11
Other Expenses	5,323.00	11,798.63	17,121.63	10,749.29	6,372.34

BOROUGH OF ROSELLE PARK  
CURRENT FUND

2011 APPROPRIATION RESERVES

A-11  
Sheet #2

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2011</u>		<u>Modified</u> <u>Balance</u>	<u>Paid and</u> <u>Committed</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Unencumbered</u>	<u>Dec. 31, 2011</u>		
<u>PUBLIC SAFETY</u>					
Fire:					
Salaries and Wages	\$ 1,005.37	\$ 4.18	\$ 4.18	\$ 1,005.37	\$ 4.18
Other Expenses	1,005.37		1,005.37	1,005.37	
Police:					
Salaries and Wages		79,833.56	79,833.56	35,263.96	44,569.60
Other Expenses	75,536.67	6,533.52	82,070.19	79,025.14	3,045.05
Traffic Control Schools:					
Salaries and Wages		12,813.56	12,813.56		12,813.56
Other Expenses	285.61	1,225.79	1,511.40	285.61	1,225.79
First Aid Organizations:					
Other Expenses	4,360.82	1,069.14	5,429.96	4,273.53	1,156.43
Emergency Management:					
Salaries and Wages		6.98	6.98		6.98
Other Expenses	2,177.78	1,370.18	3,547.96	2,459.42	1,088.54
<u>PUBLIC WORKS</u>					
Road Repair and Maintenance:					
Salaries and Wages		20,997.23	20,997.23		20,997.23
Other Expenses	21,117.28	3,925.55	25,042.83	7,731.55	17,311.28
Sanitation:					
Garbage and Trash Removal:					
Disposal - Tipping Fees	31,643.24	2,221.84	33,865.08	29,464.80	4,400.28
Collection	28,906.03	4,936.41	33,842.44	25,267.76	8,574.68
Recycling:					
Salaries and Wages		1.19	1.19		1.19
Other Expenses	22,241.67	22,064.82	44,306.49	18,719.17	25,587.32
Public Buildings and Grounds:					
Other Expenses	6,647.43	25,538.61	32,186.04	5,492.36	26,693.68
Maintenance of Vehicles:					
Other Expenses	15,668.96	7,567.29	23,236.25	15,191.08	8,045.17
<u>HEALTH AND WELFARE</u>					
(Board of Health - Local Health Agency):					
Board of Health:					
Salaries and Wages		38.84	38.84		38.84
Other Expenses	62.50	1,202.33	1,264.83	62.50	1,202.33
<u>RECREATION AND EDUCATION</u>					
Parks and Playgrounds:					
Salaries and Wages		2.58	2.58		2.58
Other Expenses	275.00	192.47	467.47	275.00	192.47
Community Center:					
Salaries and Wages		6,285.40	6,285.40		6,285.40
Other Expenses	98.10	520.83	618.93	376.42	242.51

BOROUGH OF ROSELLE PARK  
CURRENT FUND

2011 APPROPRIATION RESERVES

A-11  
Sheet #3

<u>Appropriations</u>	Balance Dec. 31, 2011		Modified Balance Dec. 31, 2011	Paid and Committed	Balance Lapsed
	Encumbered	Unencumbered			
<u>RECREATION AND EDUCATION</u>					
Other Common Operating Functions:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	\$	\$ 2.37	\$ 2.37	\$	\$ 2.37
Union County S.L.A.P. Program:					
Other Expenses		0.82	0.82		0.82
Farmer's Market:					
Salaries and Wages		3.10	3.10		3.10
Other Expenses		8.34	8.34		8.34
<u>CODE ENFORCEMENT</u>					
State Uniform Construction Code Official:					
Salaries and Wages		239.69	239.69		239.69
Other Expenses	1,929.31	3,964.46	5,893.77	3,277.61	2,616.16
<u>UNCLASSIFIED</u>					
Natural Gas	4,000.00	9,613.16	13,613.16	10,831.68	2,781.48
Electricity	9,500.00	2,380.80	11,880.8	7,021.97	4,858.83
Water	4,000.00	3,262.32	7,262.32	1,929.96	5,332.36
Telephone	2,151.80	563.41	2,715.21	2,589.59	125.62
Street Lighting	20,000.00	2,150.77	22,150.77	18,901.88	3,248.89
Fire Hydrant Services	9,200.34	95.92	9,296.26	9,200.34	95.92
Cable TV - Channel 34		1,166.56	1,166.56	345.00	821.56
Gasoline	23,514.06	3,519.32	27,033.38	8,261.52	18,771.86
<u>CONTINGENT</u>		2,000.00	2,000.00		2,000.00
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Social Security System (OASI)		461.36	461.36		461.36
DCRP		10.01	10.01		10.01
Police 911 Command and Dispatch Center:					
Salaries and Wages		49.40	49.40		49.40
Other Expenses	2,888.00	1,756.47	4,644.47	2,888.00	1,756.47
Length of Service Award Program (LOSAP)					
Implementation of Fair Housing Plan Ch. 222, P.L. 1985 (COAH):		86,250.00	86,250.00	54,050.00	32,200.00
Other Expenses	4,249.50	18,873.76	23,123.26	1,502.11	21,621.15
Recycling Tax (N.J.S.A. 13:1e-96.5):					
Other Expenses		1,500.00	1,500.00		1,500.00
	<u>\$ 395,406.26</u>	<u>\$ 385,428.52</u>	<u>\$ 780,834.78</u>	<u>\$ 440,936.90</u>	<u>\$ 339,897.88</u>
Reference	A	A		A-4	A-1

BOROUGH OF ROSELLE PARK  
CURRENT FUND

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

A-12

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 2,947.10
Increased by:			
Received Cash from State	A-4	\$ 101,807.53	
Senior Citizen Deductions Disallowed by Tax Collector		1,314.33	
Veteran Deductions Disallowed by Tax Collector	Below	756.71	
Prior Year Deductions Disallowed	A-1	<u>4,910.96</u>	
			<u>108,789.53</u>
			111,736.63
Decreased by:			
Senior Citizens' Deductions per Tax Duplicate	Below	27,000.00	
Veterans' Deductions per Tax Duplicate	Below	79,500.00	
Senior Citizens' Deductions Allowed by Tax Collector	Below	500.00	
Veterans' Deductions Allowed	Below	<u>1,506.71</u>	
			<u>108,506.71</u>
Balance December 31, 2012	A		<u>\$ 3,229.92</u>
 <u>Calculation of State Share of 2011 Senior Citizens'</u> <u>and Veterans' Deductions Allowed by Collector</u>			
Senior Citizens' Deductions Per Tax Billings	Above	\$ 27,000.00	
Veterans' Deductions per Tax Billings	Above	79,500.00	
Senior Citizens' Deductions Allowed by Tax Collector	Above	500.00	
Veterans' Deductions Allowed	Above	<u>1,506.71</u>	
			\$ 108,506.71
Less: Senior Citizen Deductions Disallowed by Tax Collector		1,314.33	
Veteran Deductions Disallowed by Tax Collector	Above	<u>756.71</u>	
			<u>2,071.04</u>
	A-7		<u>\$ 106,435.67</u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

PREPAID TAXES

A-13

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 59,620.96
Increased by:		
Collections	A-4	<u>74,230.13</u>
		133,851.09
Decreased by:		
Applied	A-7	<u>59,620.96</u>
Balance December 31, 2012	A	<u>\$ 74,230.13</u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

TAX OVERPAYMENTS

A-14

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 16,975.39
Increased by:			
Overpayments	A-4		<u>69,535.40</u>
			86,510.79
Decreased by:			
Applied	A-7	\$ 11,104.74	
Refunds	A-4	<u>5,462.60</u>	
			<u>16,567.34</u>
Balance December 31, 2012	A		<u><u>\$ 69,943.45</u></u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

COUNTY TAXES PAYABLE

A-15

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 4,650.64
Increased by:		
2012 Tax Levy	A-1,7	<u>5,289,051.12</u>
		5,293,701.76
Decreased by:		
Payments	A-4	<u>5,291,915.19</u>
Balance December 31, 2012	A	<u>\$ 1,786.57</u>

LOCAL SCHOOL DISTRICT TAX

A-16

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year 2012	A-1,7	\$ 18,200,713.00
Decreased by:		
Payments	A-4	<u>18,200,713.00</u>
		<u>\$ -</u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

INTERFUNDS

A-17

	<u>Ref.</u>	<u>Total</u>	<u>Federal/State Grant Fund</u>	<u>General Trust Fund</u>	<u>Sewer Operating Fund</u>	<u>General Capital Fund</u>
Balance December 31, 2011:						
Due From	A	\$ 8,800.00	\$	\$ 8,800.00	\$	\$
(Due To)	A	\$ (141,162.47)	\$ (141,162.47)			
Increased by:						
Cash Disbursements	A-4	643,682.50	395,043.51	38,628.75	60,010.24	150,000.00
Cancellation of Grant Reserves	A-1,21	14,373.85	14,373.85			
		<u>658,056.35</u>	<u>409,417.36</u>	<u>38,628.75</u>	<u>60,010.24</u>	<u>150,000.00</u>
Decreased by:						
Cash Receipts	A-4	398,745.11	150,106.12	38,628.75	60,010.24	150,000.00
Budget Appropriations	A-3	219,378.00	219,378.00			
Cancellation of Grants Receivable	A-1,20	14,478.85	14,478.85			
		<u>632,601.96</u>	<u>383,962.97</u>	<u>38,628.75</u>	<u>60,010.24</u>	<u>150,000.00</u>
Balance December 31, 2011:						
Due From	A	\$ 8,800.00		\$ 8,800.00	\$	\$
(Due To)	A	\$ (115,708.08)	\$ (115,708.08)			



BOROUGH OF ROSELLE PARK  
CURRENT FUND

RESERVE FOR SALE OF MUNICIPAL ASSETS

A-18

	<u>Ref.</u>	
Balance December 31, 2011	A	<u>\$81,611.31</u>
Balance December 31, 2012	A	<u><u>\$81,611.31</u></u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

DUE TO STATE OF NEW JERSEY

A-19

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 3,706.00
Increased by:		
Receipts	A-4	<u>7,510.00</u>
		11,216.00
Decreased by:		
Payments	A-4	<u>7,568.00</u>
Balance December 31, 2012	A,Below	<u>\$ 3,648.00</u>
 <u>Analysis of Balance</u>		
DCA Fees		\$ 3,148.00
Marriage Licenses		<u>500.00</u>
	Above	<u>\$ 3,648.00</u>

BOROUGH OF ROSELLE PARK  
GRANT FUND

A-20

GRANTS RECEIVABLE

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012</u> <u>Grants</u>	<u>Collections</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Bulletproof Vest Partnership Grant	\$ 5,000.00			\$ 5,000.00	\$ 18,387.00
Municipal Alliance	21,649.52	31,438.00	25,221.67	9,478.85	
Clean Communities		16,859.48	16,859.48		
Recycling Tonnage Grant		9,505.22	9,505.22		
Safe and Secure Communities		60,000.00	57,388.38		25,000.00
Alcohol Education and Rehabilitation	22,388.38	6,907.27	6,907.27		
Body Armor Grant		3,477.24	3,477.24		
Drive Sober or Get Pulled Over	5,000.00	8,800.00	9,400.00		4,400.00
Click It or Ticket Grant		4,000.00	4,000.00		
Drunk Driving Enforcement Fund - Unappropriated		16,346.86	16,346.86		
Union County Heart Grant		1,000.00	1,000.00		
Greening Union County	<u>10,000.00</u>				<u>10,000.00</u>
	<u>\$ 64,037.90</u>	<u>\$ 158,334.07</u>	<u>\$ 150,106.12</u>	<u>\$ 14,478.85</u>	<u>\$ 57,787.00</u>

Reference

A

A-2

A-22

A-1,17,22

A

BOROUGH OF ROSELLE PARK  
GRANT FUND

RESERVE FOR GRANTS - APPROPRIATED

A-21

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>2012 Budget</u> <u>Appropriation</u>	<u>Paid or</u> <u>Charged</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Clean Communities Grant	\$ 24,916.04	\$ 16,859.48	\$ 28,789.46	\$	\$ 12,986.06
Safe and Secure Communities		60,000.00	60,000.00		-
Safe and Secure Communities Program - Match	50,718.30	211,518.00	208,971.27		53,265.03
Municipal Alliance on Alcoholism and Drug Abuse Fund Grant	11,094.22	31,438.00	26,386.63	9,373.85	6,771.74
Municipal Alliance on Alcoholism and Drug Abuse Fund Grant - Matching Funds	2,385.91	7,860.00	9,893.71		352.20
Drunk Driving Enforcement	9,505.61	16,346.86	12,228.83		13,623.64
Special Legislative Grant	4,275.00				4,275.00
Body Armor Grant	5,598.06	3,477.24	2,860.00		6,215.30
Recycling Grant	30,802.66	9,505.22	3,405.42		36,902.46
Alcohol Education and Rehabilitation	17,129.99	6,907.27	7,495.69		16,541.57
Downtown Development Planning Grant	10,500.00		4,000.00		6,500.00
Field Dreams	11,662.08			5,000.00	11,662.08
Bulletproof Vest Partnership Grant	5,000.00				
Greening Union County	10,000.00		10,000.00		
Greening Union County - Match	10,000.00		10,000.00		
Drive Sober or Get Pulled Over	1,612.50	8,800.00	6,012.50		4,400.00
Union County Heart Grant		1,000.00	1,000.00		
Click It Or Ticket Grant		4,000.00	4,000.00		
	<u>\$ 205,200.37</u>	<u>\$ 377,712.07</u>	<u>\$ 395,043.51</u>	<u>\$ 14,373.85</u>	<u>\$ 173,495.08</u>

Reference      A

Below

A-22

A-17.22

A

Ref.

Budget Appropriatio  
Interfunds

\$ 158,334.07  
219,378.00

Above

\$ 377,712.07

BOROUGH OF ROSELLE PARK  
GRANT FUND

INTERFUNDS

A-22

	<u>Ref.</u>		
Balance December 31, 2011	A		\$ 141,162.47
Increased by:			
Matching Funds	A-21	\$ 219,378.00	
Grants Receivable	A-20	150,106.12	
Cancelled	A-20	<u>14,478.85</u>	
			<u>383,962.97</u>
			525,125.44
Decreased by:			
Expended	A-21	395,043.51	
Cancelled	A-21	<u>14,373.85</u>	
			<u>409,417.36</u>
Balance December 31, 2012	A		<u>\$ 115,708.08</u>

BOROUGH OF ROSELLE PARK  
CURRENT FUND

RESERVE FOR SPECIAL DISTRICT IMPROVEMENT

A-23

	<u>Ref.</u>		
Increased by:			
Billing	A-9	\$ 42,133.28	
Interest	A-9	<u>64.26</u>	
			\$ 42,197.54
Decreased by:			
Disbursement	A-4	31,656.20	
Cancelled	A-9	<u>2,680.32</u>	
			<u>34,336.52</u>
Balance December 31, 2012	A		<u>\$ 7,861.02</u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

B-4

CASH RECEIPTS AND DISBURSEMENTS  
COLLECTOR - TREASURER

	<u>Ref.</u>	<u>Assessment Fund</u>	<u>Animal Control Fund</u>	<u>Trust Other Fund</u>
Balance December 31, 2011	B	\$ 25,220.50	\$ 12,375.04	\$ 596,117.02
Increased by Receipts:				
Animal Control Fees	B-7	\$	\$ 13,423.00	
Animal Fees Due State of New Jersey	B-14		1,285.80	
Budget Appropriation:				
Deficit (General Budget)	B-2			
Due from Current Fund	B-6	58,000.00		8,800.00
Due from County of Union Community				
Development Block Grants	B-8			30,772.66
State Unemployment Insurance	B-11			70,314.56
Various Reserves	B-12			528,297.03
Payroll Deductions Payable	B-15			7,155,266.98
Recreation	B-16			46,690.00
Affordable Housing	B-17			1,650.63
Special Law Enforcement	B-18			2,986.96
Law Enforcement Block Grant	B-19			0.80
Premium on Tax Sale	B-20			403,300.00
		<u>58,000.00</u>	<u>14,708.80</u>	<u>8,248,079.62</u>
		<u>83,220.50</u>	<u>27,083.84</u>	<u>8,844,196.64</u>
Decreased by Disbursements:				
Assessment Serial Bond	B-3			
Expenditure Under R.S.4:19-15.11	B-7		14,701.00	
Animal Fees Due State of New Jersey	B-14		1,288.80	
Due to Current Fund	B-6			8,800.00
Community Development Block Grants	B-9			28,836.52
State Unemployment Insurance	B-11			64,080.13
Various Reserves	B-12			526,132.40
Payroll Deductions Payable	B-15			7,147,473.59
Recreation - Reserves	B-16			33,434.09
Special Law Enforcement - Reserves	B-18			7,853.84
Law Enforcement Block Grant - Reserves	B-19			1,000.00
Premium on Tax Sale	B-20			117,900.00
		<u>58,000.00</u>	<u>15,989.80</u>	<u>7,935,510.57</u>
Balance December 31, 2012	B	<u>\$ 25,220.50</u>	<u>\$ 11,094.04</u>	<u>\$ 908,686.07</u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS

B-5

	<u>Ref.</u>	
Balance December 31, 2011	B	<u>\$ 25,220.50</u>
Balance December 31, 2012	B	<u><u>\$ 25,220.50</u></u>



BOROUGH OF ROSELLE PARK  
TRUST FUNDS

DUE TO CURRENT FUND

B-6

Other  
Trust  
Fund  
HUD

Ref.

Balance December 31, 2011:  
(Due To)

B

\$ 8,800.00

Decreased by:  
Receipts

B-4

8,800.00

-

Increased by:  
Disbursements

B-4

8,800.00

Balance December 31, 2012:  
(Due To)

B

\$ 8,800.00

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

B-7

	<u>Ref.</u>	
Balance December 31, 2011	B	\$13,970.84
Increased by:		
Collections:		
Fees Collected	B-4	13,423.00
		<u>27,393.84</u>
Decreased by:		
Expenditures Under N.J.S. 40A:4-39	B-4	\$ 14,701.00
Prepaid Expenses Applied	B-21	<u>1,600.00</u>
		<u>16,301.00</u>
Balance December 31, 2012	B	<u>\$11,092.84</u>

License Fees Collected

	<u>Year</u>	<u>Amount</u>
	2011	\$ 13,826.00
	2012	<u>13,423.00</u>
		<u>\$ 27,249.00</u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

DUE FROM COUNTY OF UNION  
COMMUNITY DEVELOPMENT BLOCK GRANTS

B-8

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 31,256.00
Increased by:			
Project Award	B-9		<u>24,490.00</u>
			55,746.00
Decreased by:			
Receipts	B-4	\$ 30,772.66	
Cancelled - Community Development Block Grants Receivable	B-9	<u>483.34</u>	
			<u>31,256.00</u>
Balance December 31, 2012	B		<u><u>\$ 24,490.00</u></u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

B-9

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 22,470.71
Increased by:			
Project Award	B-8	\$ 24,490.00	
Accounts Payable	B-10	<u>30.00</u>	
			<u>24,520.00</u>
			46,990.71
Decreased by:			
Expenditures	B-4	28,836.52	
Cancelled	B-8	<u>483.34</u>	
			<u>29,319.86</u>
Balance December 31, 2012	B		<u><u>\$ 17,670.85</u></u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

ACCOUNTS PAYABLE

B-10

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 5,587.99
Decreased by:			
Reserve for Community Development			
Block Grant	B-9	\$ 30.00	
Various Reserves	B-12	1,409.47	
Recreation Reserve	B-16	<u>4,148.52</u>	
			<u>5,587.99</u>
			<u>\$ -</u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

RESERVE FOR STATE UNEMPLOYMENT COMPENSATION INSURANCE FUND

B-11

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 86,890.39
Increased by:		
Receipts:		
Payroll Deductions		\$ 7,178.08
Budget Appropriation (Current and Sewer)		60,000.00
Interest on Deposits		211.80
Other		<u>2,924.68</u>
	B-4	<u>70,314.56</u>
		<u>157,204.95</u>
Decreased by:		
Disability Benefits		45,605.68
Unemployment Benefits		18,237.45
Other		<u>237.00</u>
	B-4	<u>64,080.13</u>
Balance December 31, 2012	B	<u><u>\$ 93,124.82</u></u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

RESERVE FOR EXPENDITURES

B-12

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Miscellaneous	\$ 326.54	\$	\$	\$ 326.54
Parking Offense Adjudication Act	7,172.13	674.00	699.00	7,147.13
Downtown Renovations	1,405.00			1,405.00
9/11 Memorial	10.80	4,850.00	4,148.30	712.50
Firehouse Donations		2.78	2.78	
Security Deposits	3,548.00			3,548.00
Board of Health	234.96			234.96
Police Outside Services	14,260.91	136,870.50	140,645.73	10,485.68
Police Outside Services - Administrative Cost	2,943.65	31,461.42	33,236.57	1,168.50
Roller Skating	500.00			500.00
Founders Day Celebration	538.08			538.08
Secure a Child Program	50.00			50.00
Public Defender	12,166.45	17,380.00	12,750.00	16,796.45
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	1,300.00			1,300.00
Union County Health Administration Act	8,930.46		2,216.88	6,713.58
Youth Center	5,100.00			5,100.00
Fire Protection		58.73	58.73	
Downtown Banners	66.00			66.00
Zoning/Planning Escrow	14,287.29			14,287.29
Tree Program	575.00			575.00
Zoning Stenographer	500.00			500.00
Zoning Board Escrow	3,800.00			3,800.00
Planning Board Escrow	4,594.06			4,594.06
Municipal Land Use BD Stenographer	250.00	500.00	500.00	250.00
Municipal Land Use BD Escrow	21,890.69	16,482.00	12,181.02	26,191.67
Sewer Opening Escrow	5,643.75			5,643.75
Fireworks Donations	18,907.95	7,090.00	10,000.00	15,997.95
Relocation Assistance	5,800.00	200.00	2,700.00	3,300.00
Recycling	21,470.50	6,305.14		27,775.64
Tax Lien Redemptions		307,831.93	306,993.39	838.54
	<u>\$ 160,217.22</u>	<u>\$ 529,706.50</u>	<u>\$ 526,132.40</u>	<u>\$ 163,791.32</u>

Reference

B

Below

B-4

B

Ref.

Cash Receipts  
Accounts Payable

B-4      \$528,297.03

B-10      1,409.47

Above      \$ 529,706.50

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

B-13

ASSESSMENT SERIAL BONDS

Purpose	Original Issue		Loan Maturities Outstanding Dec. 31, 2012		Interest Rate	Balance Dec. 31, 2011	Decrease	Balance Dec. 31, 2012
	Date	Amount	Date	Amount				
Special Assessment Bonds	10/01/03	\$ 253,000.00	10/01/13	43,000.00	3.50%	\$ 58,000.00	\$ 15,000.00	\$ 43,000.00
Special Assessment Bonds	1/15/08	15,000.00	1/15/13	3,000.00	3.50%	6,000.00	3,000.00	3,000.00
Special Assessment Bonds	10/15/10	197,000.00	10/15/19 10/15/20	20,000.00 17,000.00	Various 3.00%	197,000.00	40,000.00	157,000.00
						<u>\$ 261,000.00</u>	<u>\$ 58,000.00</u>	<u>\$ 203,000.00</u>
					<u>Reference</u>	<u>B</u>	<u>B-3</u>	<u>B</u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

ANIMAL CONTROL TRUST  
RESERVE FOR ANIMAL FEES DUE STATE OF NEW JERSEY

B-14

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 4.20
Increased by:		
Receipts	B-4	<u>1,285.80</u>
		1,290.00
Decreased by:		
Disbursements	B-4	<u>1,288.80</u>
Balance December 31, 2012	B	<u>\$ 1.20</u>



BOROUGH OF ROSELLE PARK  
TRUST FUNDS

TRUST OTHER FUNDS  
PAYROLL DEDUCTIONS PAYABLE

B-15

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 47,885.00
Increased by:		
Employee Payroll Deductions	B-4	7,155,266.98
		<u>7,203,151.98</u>
Decreased by:		
Cash Disbursements	B-4	7,147,473.59
		<u>7,147,473.59</u>
Balance December 31, 2012	B	<u>\$ 55,678.39</u>
 <u>Analysis of Balance</u>		
PFRS Back Pension		\$ 2,124.00
PERS Supplemental Annuity		349.24
PERS Contributory Insurance		956.50
PERS Loan		2,839.04
PERS Back Pension		536.21
PFRS Loan		8,091.56
PRRS Pension		26,168.04
PERS Pension		12,845.11
Disability		709.48
Disability		99.99
Other		959.22
		<u>959.22</u>
Total		<u>\$ 55,678.39</u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

RECREATION  
RESERVE FOR EXPENDITURES

B-16

	<u>Ref.</u>		
Balance December 31, 2011	B		\$ 32,326.67
Increased by:			
Receipts	B-4	\$ 46,690.00	
Accounts Payable	B-10	<u>4,148.52</u>	
			<u>50,838.52</u>
			<u>83,165.19</u>
Decreased by:			
Disbursements	B-4		<u>33,434.09</u>
Balance December 31, 2012	B		<u><u>\$ 49,731.10</u></u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

AFFORDABLE HOUSING  
RESERVE FOR EXPENDITURES

B-17

	<u>Ref.</u>	
Increased by:		
Receipts	B-4	<u>\$ 1,650.63</u>
Balance December 31, 2012	B	<u><u>\$ 1,650.63</u></u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

SPECIAL LAW ENFORCEMENT TRUST  
RESERVE FOR EXPENDITURES

B-18

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 50,701.87
Increased by:		
Receipts	B-4	<u>2,986.96</u>
		53,688.83
Decreased by:		
Disbursements	B-4	<u>\$ 7,853.84</u>
Balance December 31, 2012	B	<u><u>\$ 45,834.99</u></u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

LAW ENFORCEMENT BLOCK GRANT - FEDERAL  
RESERVE FOR EXPENDITURES

B-19

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 2,493.17
Increased by:		
Receipts	B-4	<u>0.80</u>
		2,493.97
Decreased by:		
Disbursements	B-4	<u>1,000.00</u>
Balance December 31, 2012	B	<u>\$ 1,493.97</u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

PREMIUM ON TAX SALE

B-20

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 210,000.00
Increased by:		
Receipts	B-4	<u>403,300.00</u>
		613,300.00
Decreased by:		
Disbursements	B-4	<u>117,900.00</u>
Balance December 31, 2012	B	<u><u>\$ 495,400.00</u></u>

BOROUGH OF ROSELLE PARK  
TRUST FUNDS

PREPAID EXPENSE FOR ANIMAL CONTROL FUND

B-21

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 1,600.00
Decreased by:		
Applied	B 7	<u>1,600.00</u>
		<u>\$ -</u>

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS  
COLLECTOR - TREASURER

C-2

	<u>Ref.</u>		
Balance December 31, 2011	C		\$ 4,697,106.42
Increased by Receipts:			
Community Development Block Grant			
Receivable	C-6	\$ 100,000.00	
State Aid Receivable	C-7	150,000.00	
County Grant Receivable	C-8	12,500.00	
Capital Improvement Fund	C-11	<u>50,000.00</u>	
	C-3		<u>312,500.00</u>
			<u>5,009,606.42</u>
Decreased by Expenditures:			
Improvement Authorizations	C-12	1,166,427.96	
Reserve for Payment of Bonds	C-10	<u>60,000.00</u>	
	C-3		<u>1,226,427.96</u>
Balance December 31, 2012	C		<u><u>\$ 3,783,178.46</u></u>



BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

C-3

Ordinance Number	Description	Balance Dec. 31, 2011	Receipts	Disbursements	Transfers		Balance Dec. 31, 2012
					From	To	
	Fund Balance	\$ 62,528.01	\$	\$	\$	\$	\$ 7,528.01
	Capital Improvement Fund	117,906.57	50,000.00		60,240.00		107,666.57
	State Aid Receivable	(250,000.00)	150,000.00		205,000.00		(305,000.00)
	Community Development Block Grant Receivable	(100,000.00)	100,000.00		85,000.00		(85,000.00)
	County Grant Receivable	(161,545.57)	12,500.00		35,000.00	31,693.56	(152,352.01)
	ARRA Grant Receivable	(135,743.12)		60,000.00			(135,743.12)
	Reserve to Pay Serial Bonds	481,597.91					421,597.91
	Improvement Authorizations:						
2032	Various Capital Improvements	5,305.21					5,305.21
2121	Various Capital Improvements	102,000.00					102,000.00
2184	Various Capital Improvements	7,236.83		6,128.41			1,108.42
2211	Various Capital Improvements	20,000.00			15,962.56		4,037.44
2220	Various Capital Improvements	148,241.47		37,621.91			110,619.56
2249	Various Capital Improvements	89,961.64		20,834.29			69,127.35
2268	Acquisition of Recreation Equipment	24,920.20			15,731.00		9,189.20
2272	Various Capital Improvements	1,187,052.15		8,550.50			1,178,501.65
2297	Various Capital Improvements	7,129.66					7,129.66
2300	Various Capital Improvements	2,256,423.61		112,694.92			2,143,728.69
2337	Various Capital Improvements	834,091.85		604,928.59			229,163.26
2367	Various Capital Improvements			375,669.34		385,240.00	9,570.66
2374	Various Capital Improvements					55,000.00	55,000.00
		<u>\$ 4,697,106.42</u>	<u>\$ 312,500.00</u>	<u>\$ 1,226,427.96</u>	<u>\$ 471,933.56</u>	<u>\$ 471,933.56</u>	<u>\$ 3,783,178.46</u>
	Reference	C	C-2	C-2	Contra	Contra	C

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION

C-4

	<u>Ref.</u>		
Balance December 31, 2011	C		\$ 15,569,505.00
Decreased by:			
2012 Budget Appropriation to Pay:			
Bonds	C-13	\$ 1,097,000.00	
Green Acres Loan	C-14	<u>3,954.78</u>	
			<u>1,100,954.78</u>
Balance December 31, 2012	C		<u>\$ 14,468,550.22</u>

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-5

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Analysis of Balance Dec. 31, 2011</u>	<u>2012 Authorizations</u>	<u>Balance Dec. 31, 2012</u>	<u>Analysis of Balance Dec. 31, 2012 Unexpended Improvement Authorization</u>
2337	Various Capital Improvements	\$ 700,000.00	\$	\$ 700,000.00	\$ 700,000.00
2367	Various Capital Improvements	_____	1,020,000.00	1,020,000.00	1,020,000.00
		<u>\$ 700,000.00</u>	<u>\$ 1,020,000.00</u>	<u>\$ 1,720,000.00</u>	<u>\$ 1,720,000.00</u>
	<u>Reference</u>	<u>C</u>	<u>C-12</u>	<u>C</u>	<u>C-12</u>

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

C-6

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 100,000.00
Increased by:		
Grant Award	C-12	85,000.00
		<u>185,000.00</u>
Decreased by:		
Cash Receipts	C-2	<u>100,000.00</u>
Balance December 31, 2012	C	<u>\$ 85,000.00</u>

Analysis of Balance

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>
Colonial Road	2367	<u>\$ 85,000.00</u>

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

STATE AID RECEIVABLE

C-7

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 250,000.00
Increased by:		
DOT Award	C-12	205,000.00
		<u>455,000.00</u>
Decreased by:		
Cash Receipts	C-2	<u>150,000.00</u>
Balance December 31, 2012	C	<u>\$ 305,000.00</u>

Below

Analysis of Balance

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>
East Grant Avenue	2272	\$ 50,000.00
West Grant Avenue	2337	50,000.00
West Grant Avenue	2367	<u>205,000.00</u>
		<u>\$ 305,000.00</u>

Above

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

COUNTY GRANT RECEIVABLE

C-8

	<u>Ref.</u>		
Balance December 31, 2011	C		\$ 161,545.57
Increased by:			
Grant Awards	C-12		35,000.00
			<u>196,545.57</u>
Decreased by:			
Cash Receipts	C-2	\$ 12,500.00	
Cancelled	C-12	<u>31,693.56</u>	
			<u>44,193.56</u>
Balance December 31, 2012	C		<u>\$ 152,352.01</u>

<u>Description</u>	<u>Ordinance Number</u>		<u>Amount</u>
Various Capital Improvements	2337		\$ 50,000.00
Various Capital Improvements	2297		67,352.01
Various Capital Improvements	2367		<u>35,000.00</u>
			<u>\$152,352.01</u>

Reference

Above

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

ARRA GRANT RECEIVABLE

C-9

	<u>Ref.</u>	
Balance December 31, 2011	C	<u>\$ 135,743.12</u>
Balance December 31, 2012	C	<u><u>\$ 135,743.12</u></u>
<u>Analysis of Balance</u>	<u>Ordinance Number</u>	<u>Amount</u>
Various Capital Improvements	2337	<u><u>\$ 135,743.12</u></u>

RESERVE TO PAY BONDS

C-10

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 481,597.91
Decreased by:		
Anticipated as Current Fund Revenue	C-2	<u>60,000.00</u>
Balance December 31, 2012	C	<u><u>\$ 421,597.91</u></u>

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-11

	<u>Ref.</u>	
Balance December 31, 2011	C	\$117,906.57
Increased by:		
Budget Appropriation	C-2	<u>50,000.00</u>
		167,906.57
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-12	<u>60,240.00</u>
Balance December 31, 2012	C	<u><u>\$107,666.57</u></u>



BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-12

Number	Ordinance Date	Amount	Balance Dec. 31, 2011		2012 Authorizations	Paid or Charged	Cancelled	Balance Dec. 31, 2012	
			Funded	Unfunded				Funded	Unfunded
<u>General Improvements</u>									
1953, 1973, 1982, 2032	4/15/98	\$ 1,280,000.00	\$ 5,305.21	\$	\$	\$	\$	5,305.21	\$
Various Capital Improvements									
2121	6/17/04	1,367,339.00	102,000.00					102,000.00	
Various Capital Improvements									
2184	8/03/06	809,420.00	7,236.83		6,128.41			1,108.42	
Various Capital Improvements									
2211	11/19/07	270,000.00	20,000.00			15,962.56		4,037.44	
Various Capital Improvements									
2220	1/06/07	1,815,219.00	148,241.47		37,621.91			110,619.56	
Various Capital Improvements									
2249	8/21/08	2,128,255.00	89,961.64		20,834.29			69,127.35	
Various Capital Improvements									
2268	5/21/09	62,924.00	24,920.20			15,731.00		9,189.20	
Acquisition of Recreational Equipment and Field House Improvements									
2272	8/06/09	3,014,880.00	1,187,052.15		8,550.50			1,178,501.65	
Various Capital Improvements									
2297	4/01/10	412,293.00	7,129.66					7,129.66	
Various Capital Improvements									
2300	6/09/10	4,582,000.00	2,256,423.61		112,694.92			2,143,728.69	
Various Capital Improvements									
2337	8/11/11	1,991,343.12	834,091.85	700,000.00	604,928.59			229,163.26	700,000.00
Various Capital Improvements									
2367	7/19/12	1,405,240.00		1,405,240.00	375,689.34			9,570.66	1,020,000.00
Various Capital Improvements									
2375	10/04/12	55,000.00		55,000.00				55,000.00	
Resurfacing of West Grant Avenue - Section 2									
			\$ 4,682,362.62	\$ 700,000.00	\$ 1,460,240.00	\$ 1,166,427.96	\$ 31,693.56	\$ 3,924,481.10	\$ 1,720,000.00
			C	C	C-2	C-2	Sheet #2	C	C

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-12  
Sheet #2

	<u>Ref.</u>	2012 <u>Authorizations</u>	<u>Cancelled</u>
Capital Surplus	C-1	\$ 55,000.00	\$
Union County Kids Recreation Trust Fund Grant	C-8	35,000.00	31,693.56
Capital Improvement Fund	C-11	60,240.00	
Community Development Block Grant Receivable	C-6	85,000.00	
State Aid Receivable	C-9	205,000.00	
Deferred Charges - Unfunded	C-5	<u>1,020,000.00</u>	
	Sheet #1	<u>\$ 1,460,240.00</u>	<u>\$ 31,693.56</u>

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE

C-13  
Sheet #1

Purpose	Original Issue		Date	Loan Maturities Outstanding Dec. 31, 2012	Amount	Interest Rate	Balance Dec. 31, 2011	Decrease	Balance Dec. 31, 2012
	Date	Amount							
General Improvement Bonds	10/01/03	\$ 3,657,000.00	10/01/2013	\$ 307,000.00	3.500%	\$	\$		
			10/01/2014	375,000.00	3.625%				
			10/01/2015-2017	400,000.00	3.625%				
			10/01/2018	425,000.00	3.625%		2,597,000.00	290,000.00	2,307,000.00
General Improvement Bonds			1/15/2013	147,000.00	3.500%				
		4,084,000.00	1/15/2014-2015	175,000.00	3.500%				
			1/15/2016-2017	390,000.00	3.500%				
			1/15/2018	395,000.00	3.500%				
			1/15/2019-2021	400,000.00	3.500%				
			1/15/2022	400,000.00	3.550%		3,793,000.00	122,000.00	3,671,000.00
Refunding Bonds			1/15/2023	399,000.00	3.600%				
			10/01/2013	325,000.00	2.000%				
		2,060,000.00	10/01/2013	90,000.00	3.000%				
			10/01/2014	405,000.00	2.000%				
			10/01/2015	395,000.00	2.000%		1,635,000.00	420,000.00	1,215,000.00

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

C-13  
Sheet #2

SERIAL BONDS PAYABLE

<u>Purpose</u>	<u>Original Issue</u>		<u>Date</u>	<u>Amount</u>	<u>Loan Maturities Outstanding Dec. 31, 2011</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2012</u>
	<u>Date</u>	<u>Amount</u>								
General Improvement Bonds	10/15/10	\$ 7,607,000.00	10/15/2013	\$ 270,000.00	2.000%	\$	\$			
			10/15/2014	275,000.00	2.000%					
			10/15/2015	300,000.00	2.000%					
			10/15/2016	305,000.00	2.000%					
			10/15/2017	325,000.00	3.000%					
			10/15/2018	345,000.00	3.000%					
			10/15/2019-2020	375,000.00	3.000%					
			10/15/2021	385,000.00	3.125%					
			10/15/2022	395,000.00	3.250%					
			10/15/2023	400,000.00	3.500%					
			10/15/2024	450,000.00	4.000%					
			10/15/2025	455,000.00	4.000%					
			10/15/2026	470,000.00	4.000%					
		10/15/2027	475,000.00	4.000%						
		10/15/2028	495,000.00	4.000%						
		10/15/2029	497,000.00	4.000%						
		10/15/2030	500,000.00	4.000%						
							7,357,000.00	265,000.00	7,092,000.00	
							\$ 15,382,000.00	\$ 1,097,000.00	\$ 14,285,000.00	

Reference

C

C-4

C

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE

C-14

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 187,505.00
Decreased by: Payment	C-4	<u>3,954.78</u>
Balance December 31, 2012	C	<u>\$ 183,550.22</u>

BOROUGH OF ROSELLE PARK  
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-15

	<u>Ordinance Number</u>	<u>Balance Dec. 31, 2011</u>	<u>Increase</u>	<u>Balance Dec. 31, 2012</u>
Various Capital Improvements	2337	\$ 700,000.00	\$	\$ 700,000.00
Various Capital Improvements	2367	<u>                    </u>	<u>1,020,000.00</u>	<u>1,020,000.00</u>
		<u>\$ 700,000.00</u>	<u>\$ 1,020,000.00</u>	<u>\$ 1,720,000.00</u>
	<u>Reference</u>	<u>C</u>	<u>C-12</u>	<u>C</u>

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

CASH RECEIPTS AND DISBURSEMENTS  
COLLECTOR - TREASURER

	<u>Ref.</u>	<u>Operating Fund</u>	<u>D-5</u> <u>Capital Fund</u>
Balance December 31, 2011	D	\$ 574,366.24	\$ 76,661.44
Increased by Receipts:			
Fund Balance	D-14		
Penalty on Delinquent Accounts	D-3	\$ 18,357.65	
Consumer Accounts Receivable	D-6	1,514,220.21	
Sewer User Charge Overpayments	D-7	<u>834.00</u>	
		<u>1,533,411.86</u>	
		2,107,778.10	<u>76,661.44</u>
Decreased by Disbursements:			
2012 Budget Appropriations	D-4	1,479,886.64	
2011 Appropriation Reserves	D-13	13,706.20	
Refund on Sewer User Charge	D-7	336.12	
Accrued Interest	D-8	<u>2,800.00</u>	
		<u>1,496,728.96</u>	
Balance December 31, 2012	D	<u>\$ 611,049.14</u>	<u>\$ 76,661.44</u>

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

CONSUMER ACCOUNTS RECEIVABLE

D-6

	<u>Ref.</u>		
Balance December 31, 2011	D		\$ 107,755.34
Increased by:			
Sewer User Charges Levied - Net	Reserve		<u>1,519,110.85</u>
			1,626,866.19
Decreased by:			
Collections	D-5	\$1,514,220.21	
Overpayments Applied	D-7	<u>102.40</u>	
	D-3		<u>1,514,322.61</u>
Balance December 31, 2012	D		<u><u>\$ 112,543.58</u></u>

SEWER CHARGE OVERPAYMENTS

D-7

	<u>Ref.</u>		
Balance December 31, 2011	D		\$ 102.40
Increased by:			
Receipts	D-5		<u>834.00</u>
			936.40
Decreased by:			
Refunds	D-5	\$ 336.12	
Application to Consumer Accounts Receivable	D-6	<u>102.40</u>	
			<u>438.52</u>
Balance December 31, 2012	D		<u><u>\$ 497.88</u></u>



BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

ACCRUED INTEREST ON BONDS

D-8

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 775.00
Increased by:		
Budget Appropriations	D-4	<u>2,600.00</u>
		<u>3,375.00</u>
Decreased by:		
Payments	D-5	<u>2,800.00</u>
Balance December 31, 2012	D	<u><u>\$ 575.00</u></u>

Analysis of Balance

Bonds Outstanding Dec. 31, 2012	Interest Rate	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
<u>\$ 115,000.00</u>	2%	10/1/2012	12/31/2012	91 Days	<u><u>\$ 575.00</u></u>

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

FIXED CAPITAL

D-9

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Purchase of a Sewer Truck and Van	\$ 140,000.00	\$ 140,000.00
Purchase of Vacuum Sweeper	71,599.00	71,599.00
Sewer Television Surveillance	3,500.00	3,500.00
Reconstruction of Sewers and Related Road Work	479,109.72	479,109.72
Providing for Reconstruction of Sanitary Sewers	118,000.00	118,000.00
Acquisition of a Mini Computer	3,402.00	3,402.00
Reconstruction and Repair of Sewers on Roselle Avenue	<u>37,706.24</u>	<u>37,706.24</u>
	<u>\$ 853,316.96</u>	<u>\$ 853,316.96</u>

Reference

D

D

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

RESERVE FOR AMORTIZATION

D-10

	<u>Ref.</u>	
Balance December 31, 2011	D	\$698,316.96
Increased by:		
Payment of Bond	D-12	<u>40,000.00</u>
Balance December 31, 2012	D	<u>\$ 738,316.96</u>

RESERVE FOR CAPITAL OUTLAY

D-11

	<u>Ref.</u>	
Balance December 31, 2011	D	<u>\$ 11,594.76</u>
Balance December 31, 2012	D	<u>\$ 11,594.76</u>

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

SEWER UTILITY SERIAL BONDS

D-12

<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Amount of Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2011</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2011</u>	<u>Bonds Paid</u>	<u>Balance Dec. 31, 2012</u>	<u>Reference</u>
			<u>Date</u>	<u>Amount</u>					
Sewer Utility Refunding Bonds	4/01/2010	\$ 195,000.00	2013	\$ 30,000.00	2.000%				D
			2014	40,000.00	2.000%	\$ 155,000.00	\$ 40,000.00	\$ 115,000.00	D-10
			2015	35,000.00	2.000%				D

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

D-13

2011 APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Transfer</u>	<u>Expenditures</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Commitment</u> <u>Payable</u>	<u>Reserved</u>		
<u>Operating</u>				
Salaries and Wages	\$ 239.57	\$ 239.57		\$ 239.57
Other Expenses	6,800.00	203,976.25	\$ 208,706.20	2,070.05
Maintenance of Vehicles		5,000.00		5,000.00
Share of Costs:				
Joint Meeting Sewer		0.30		0.30
<u>Capital Improvements</u>				
Capital Outlay		<u>5,000.00</u>		<u>5,000.00</u>
	<u>\$ 6,800.00</u>	<u>\$ 214,216.12</u>	<u>\$ 208,706.20</u>	<u>\$ 12,309.92</u>
<u>Reference</u>	<u>D</u>	<u>D</u>	<u>Below</u>	<u>D-1</u>
		<u>Ref.</u>		
		2011 Appropriation Reserves	\$ 13,706.20	
		Accounts Payable	195,000.00	
		Above	<u>\$ 208,706.20</u>	

BOROUGH OF ROSELLE PARK  
SEWER UTILITY FUND

ACCOUNTS PAYABLE

D-14

	<u>Ref.</u>	
Increased by:		
Reserved	D-4	<u>\$ 195,000.00</u>
Balance December 31, 2012	D	<u><u>\$ 195,000.00</u></u>

BOROUGH OF ROSELLE PARK  
VETERANS MEMORIAL LIBRARY FUND

LIBRARY OPERATING FUND AND LIBRARY BUILDING FUND  
SCHEDULE OF LIBRARY CASH

E-1

	<u>Ref.</u>		
Balance December 31, 2011	E		\$ 126,554.18
Increased by:			
Operating Fund	E-3	\$ 415,772.31	
Reserve for Building Fund Expenditures	E-4	<u>80.13</u>	
			<u>415,852.44</u>
			542,406.62
Decreased by:			
Commitments Payable	E-2	4,583.11	
Operating Expenses	E-3	406,819.36	
Reserve for Building Fund Expenditures	E-4	<u>741.68</u>	
			<u>412,144.15</u>
Balance December 31, 2012	E		<u>\$ 130,262.47</u>

LIBRARY OPERATING FUND  
SCHEDULE OF LIBRARY COMMITMENTS PAYABLE

E-2

	<u>Ref.</u>		
Balance December 31, 2011	E		\$ 4,583.11
Increased by:			
Commitments Payable	E-3		<u>3,631.37</u>
			8,214.48
Decreased by:			
Disbursements	E-1		<u>4,583.11</u>
Balance December 31, 2012	E		<u>\$ 3,631.37</u>

BOROUGH OF ROSELLE PARK  
VETERANS MEMORIAL LIBRARY FUND

LIBRARY OPERATING FUND  
SCHEDULE OF RESERVE FOR LIBRARY FUND EXPENDITURES

E-3

	<u>Ref.</u>		
Balance December 31, 2011	E		\$ 118,675.36
Increased by:			
2012 Budget Appropriation		\$ 400,000.00	
State Aid		5,885.00	
Fines		4,085.72	
Rental		426.00	
Lost Card		292.00	
Lost Materials		287.90	
Postage		0.45	
Miscellaneous		2,805.89	
Book Donation		13.00	
Fax		1,254.00	
Out of Town Registration		30.00	
Copy Machine		692.35	
	E-1	415,772.31	534,447.67
Decreased by:			
Operating Expenses	E-1	406,819.36	
Commitments Payable	E-2	3,631.37	
		410,450.73	123,996.94
Other Changes in Fund Balance:			
Net Loss on Investment			(104.50)
Balance December 31, 2012	E		\$ 123,892.44



BOROUGH OF ROSELLE PARK  
VETERANS MEMORIAL LIBRARY FUND

LIBRARY BUILDING FUND  
SCHEDULE OF RESERVE FOR BUILDING FUND EXPENDITURES

E-4

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 4,162.71
Increased by:		
Receipts	E-1	80.13
		<u>4,242.84</u>
Decreased by:		
Disbursements	E-1,3	741.68
		<u>741.68</u>
Balance December 31, 2012	E	<u>\$ 3,501.16</u>

LIBRARY OPERATING FUND  
SCHEDULE OF DUE FROM LIBRARY BUILDING FUND

E-5

	<u>Ref.</u>	
Balance December 31, 2011	E	<u>\$ 8,877.82</u>
Balance December 31, 2012	E	<u>\$ 8,877.82</u>

BOROUGH OF ROSELLE PARK  
VETERANS MEMORIAL LIBRARY FUND

LIBRARY BUILDING FUND  
SCHEDULE OF DUE TO LIBRARY OPERATING FUND

E-6

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 8,877.82
Balance December 31, 2012	E	<u>\$ 8,877.82</u>

**PART II**  
**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**  
**ROSTER OF OFFICIALS**  
**COMMENTS AND RECOMMENDATIONS**  
**YEAR ENDED DECEMBER 31, 2012**

# SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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## 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

### INDEPENDENT AUDITOR'S REPORT

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

We have audited financial statements - regulatory basis of the various funds of the Borough of Roselle Park, in the County of Union, as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated April 19, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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



SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS



MARVIN LUSTBADER, CPA, RMA

Newark, New Jersey  
April 19, 2013

**ROSTER OF OFFICIALS FOR THE YEAR 2012 AND REPORT ON SURETY BONDS**

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Joseph Accardi	Mayor	*
Modesto Miranda, Jr.	President of the Council	*
Michael Yakubov	Councilman	*
Andrew Casais	Councilman	*
Carl Hokanson	Councilman	*
Marc Caswell	Councilman to August 20, 2012	*
Scott Nicol	Councilman from August 20, 2012	*
Tanya Torres	Councilwoman	*
Richard Huxford	Attorney	*
Michael Neglia	Engineer	*
Richard Belluscio	Construction Code Official	*
Gary Bundy	Judge	*
Maria Stender	Court Administrator	*
Tracy Zengewald	Deputy Court Administrator	*
Rose Cooper	Deputy Court Administrator	*
Doreen Cali	Borough Clerk Assessment Search Officer	*
Donna L. Corrigan	Deputy Clerk	*
Kenneth Blum	Chief Financial Officer	*
Rachel Pompei	Tax Collector	*
Maria Pereira	Assistant Treasurer	*
Gail Scaglione	Assessor	*
Paul Morrison	Police Chief	*
Vincent Cahill	Superintendent of Public Works	*
Nancy Caliendo	Clerk - Board of Health/Registrar	*
Susan Calantone	Librarian	*

All of the bonds were examined and were properly executed.

\*\$1,000,000.00 Blanket Position Bond - New Jersey Intergovernmental Insurance Fund

### **Contracts and Agreements Required to be Advertised for (N.J.S. 40A:11-4)**

N.J.S.A. 40A:11-4a states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

It is pointed out that the Borough Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Borough Attorney should be sought before a commitment is made.

The statutory bidding threshold for the year 2012 was the sum of \$26,000.00 effective July 1, 2010.

Notwithstanding N.J.S.A. 40:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5 known as the "Pay to Play Law" provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

The minutes indicate that bids were requested by public advertising.

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

The minutes indicate that proposals were solicited for "Professional Services" in accordance with N.J.S.A. 19:44:20.5.

It is also noted that certain contracts were awarded under the provisions of N.J.S.A. 40A:11-12, New Jersey State purchasing contracts.

### **Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S. 40A:11-6.1)**

N.J.S. 40A:11-6.1 states "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$3,150.00, at least two quotations as to the cost of price are required. Quotations, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder." The Borough has adopted a policy of requesting quotes for all expenditures in excess of \$2,000.00.

### **Collection of Interest on Delinquent Taxes**

N.J.S. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body, on January 2, 2012, adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED by the Council of the Borough of Roselle Park that the interest rate on delinquent taxes be fixed as follows:

- 8% per annum up to \$1,500.00 delinquency
- 18% per annum over \$1,500.00 delinquency
- 6% additional penalty for a delinquency over \$10,000.00 if not paid prior to the end of the calendar year

Any taxes not paid when due shall be called delinquent taxes ten days after due date.

Tests of the Tax Collector's records indicate that interest was collected in accordance with the provisions of the foregoing resolution.

The last tax sale was held on November 20, 2012 and was complete.

### **Payroll Account**

The propriety of deductions from employee salaries for pensions, Social Security, withholding tax and other purposes from employee payrolls were not verified as part of this audit. Remittances of deductions and withholdings to authorized agencies, however, were ascertained.

### **Capital Fixed Assets**

The Division of Local Government Services in the Department of Community Affairs of the State of New Jersey requires all municipalities in the State to establish and maintain sets of accounts and inventories reflecting costs of other valuations of all of its fixed assets, including land, buildings, improvements, machinery, furniture and equipment. Such accounts, to be included under "Capital Fixed Assets", would insure complete fiscal reliability of records, establish a basis for claims of losses and other insurance purposes, augment protective measures against the misuse or theft of property and furnish data on aging, anticipated life and other information on assets. Failure to maintain fixed asset records could jeopardize the Borough's eligibility for future Federal and State Grants.

### **Vital Statistics**

#### ***Finding #2012-1:***

##### *Condition*

Five (5) out of the twenty-four (24) receipts collected for revenue were not turned over within 48 hours.

##### *Criteria:*

Revenue collected should be turned over within 48 hours of receipt.

##### *Recommendation:*

That revenue collected should be turned over within 48 hours of receipt of funds in accordance with the provisions of N.J.S.A. 40A:5-15.



## **Recreation**

### ***Finding #2012-2:***

#### *Condition:*

##### ***Casano Community Center:***

We were provided with attendance sheets for zumba classes, car show donation sheets with copies of donations and copies of donations made for fireworks. We used the documentation provided and compared it to the receipts recorded in the Finance Department. There was no prenumbered duplicate receipt book, cash receipt ledger or turnover sheets available for review.

##### ***Wrestling:***

We noted differences between the fees charged and the fees found in the fee ordinance. There was no prenumbered duplicate receipt book, cash receipt ledger or turnover sheets.

##### ***Basketball:***

We were provided with registration receipts for half a year. There was a difference noted between what was collected from registrations and the amount shown as being turned over to the Finance Department. There was no use of a prenumbered duplicate receipt book, receipt ledger or turnover sheets.

##### ***Soccer:***

No information was made available for review of the Soccer Program.

#### *Criteria:*

All prenumbered duplicate receipt books, cash receipt ledgers and turnover sheets be complete and available for review. Fees charged for all activities should coincide with those stated in the fee ordinance.

#### *Recommendation:*

That all prenumbered duplicate receipt books, cash receipt ledgers and turnover sheets be complete and available for review and fees charged for all activities should coincide with those stated in the fee ordinance.

## **Corrective Action Plan**

In accordance with regulations promulgated by the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received.

## **Miscellaneous**

A report summarizing collections of Dog License Fees and remittances of State Registration Fees has been prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

A copy of this report was filed with the New Jersey Division of Local Government Services.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

## **RECOMMENDATIONS**

### **Vital Statistics**

That revenue collected should be turned over within 48 hours of receipt of funds in accordance with the provisions of N.J.S.A. 40A:5-15.

### **Recreation**

That all prenumbered duplicate receipt books, cash receipt ledgers and turnover sheets be complete and available for review and fees charged for all activities should coincide with those stated in the fee ordinance.

The foregoing comments and resulting recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer on any questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the assistance and courtesies rendered by the Borough officials and employees during the course of the examination.

Respectfully submitted,

A handwritten signature in cursive script that reads "Samuel Klein and Company".

SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

A handwritten signature in cursive script that reads "Marvin Lustbader".

MARVIN LUSTBADER, CPA, RMA

Newark, New Jersey  
April 19, 2013

