

BOROUGH OF ROSELLE PARK

COUNTY OF UNION

NEW JERSEY

REPORT ON

EXAMINATION OF ACCOUNTS

FOR THE YEAR 2013

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

BOROUGH OF ROSELLE PARK
COUNTY OF UNION, NEW JERSEY

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2013

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

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, 2013 and 2012 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 - regulatory basis 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 - regulatory basis 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 - regulatory basis 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 - regulatory basis. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements - regulatory basis, 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 - regulatory basis 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 - regulatory basis.

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 - regulatory basis 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 - regulatory basis 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, 2013 and 2012, 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, 2013 and 2012, 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 - regulatory basis 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 supplementary schedules 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 are fairly stated, in all material respects, in relation to the financial statements - regulatory basis taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2014 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
July 15, 2014

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, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Regular Fund</u>			
Cash	A-4	\$4,219,079.13	\$3,457,515.48
Cash - Change Fund	A-5	450.00	450.00
		<u>4,219,529.13</u>	<u>3,457,965.48</u>
Receivables and Other Assets with Full			
Reserves:			
Taxes Receivable	A-7	649,666.41	572,742.38
Property Acquired for Taxes - Assessed			
Valuation	A-8	163,650.00	163,650.00
Revenue Accounts Receivable	A-10	50,913.61	64,522.69
Interfunds Receivable	A-17	5,000.00	8,800.00
		<u>869,230.02</u>	<u>809,715.07</u>
Special Improvement District	A-9	4,470.89	7,326.88
		<u>5,093,230.04</u>	<u>4,275,007.43</u>
<u>Grant Fund</u>			
Grants Receivable	A-20	52,856.04	57,787.00
Interfunds Receivable	A-22	152,206.36	115,708.08
		<u>205,062.40</u>	<u>173,495.08</u>
		<u>\$5,298,292.44</u>	<u>\$4,448,502.51</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, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Unencumbered	A-3,11	\$ 630,328.30	\$ 596,593.81
Encumbered	A-3,11	526,109.83	426,292.58
Due to State of New Jersey per Ch. 20, P.L. 1971	A-12	3,679.23	3,229.92
Prepaid Taxes	A-13	465,647.72	74,230.13
Tax Overpayments	A-14	620.30	69,943.45
Due to County Added and Omitted Taxes	A-15	4,232.69	1,786.57
Interfunds	A-17	152,206.36	115,708.08
Reserve for Sale of Municipal Assets	A-18	81,611.31	81,611.31
Due to State of New Jersey	A-19	3,587.00	3,648.00
Reserve for Special Improvement District	A-23	8,008.34	7,861.02
Special Improvement District Overpayments	A-24	3,635.00	
Reserve for Tax Appeals	A-25	200,000.00	
		2,079,666.08	1,380,904.87
Reserve for Receivables	Reserve	869,230.02	809,715.07
Fund Balance	A-1	2,144,333.94	2,084,387.49
		5,093,230.04	4,275,007.43
 <u>Grant Fund</u>			
Reserve for Grants - Appropriated	A-21	205,062.40	173,495.08
		\$ 5,298,292.44	\$ 4,448,502.51

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 2013</u>	<u>Year 2012</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	2,810,190.53	2,858,026.14
Receipts from Delinquent Taxes	A-2	577,063.32	658,961.52
Receipts from Current Taxes	A-2a	34,622,624.66	34,213,508.25
Nonbudget Revenue	A-2a	294,462.16	112,508.20
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-11	358,317.86	339,897.88
Tax Overpayment Cancelled	A-14	7,365.75	
Interfunds Returned	A-17	3,800.00	
Reserve for Grants Appropriated Cancelled			14,373.85
		<u>39,973,824.28</u>	<u>39,497,275.84</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operations (Including Contingent)		10,637,990.00	10,305,120.00
Deferred Charges and Statutory Expenditures		1,238,354.00	1,258,869.00
Operations:			
Other Operations		1,084,588.25	985,722.07
Capital Improvements		100,000.00	50,000.00
Municipal Debt Service		1,624,632.41	1,608,448.44
Deferred Charges and Statutory Expenditures		66,000.00	58,000.00
	A-3	<u>14,751,564.66</u>	<u>14,266,159.51</u>
Refund of Prior Year Revenue	A-12	4,750.00	4,910.96
Miscellaneous			20,562.85
Refund of Prior Years Taxes			74,312.02
County Taxes	A-15	5,286,757.17	5,289,051.12
Local School District Tax	A-16	18,370,800.00	18,200,713.00
Cancellation of Grant	A-20	6.00	14,478.85
Reserve for Tax Appeals	A-25	200,000.00	
Total Expenditures		<u>38,613,877.83</u>	<u>37,870,188.31</u>
Excess in Revenue		1,359,946.45	1,627,087.53
<u>Fund Balance</u>			
Balance January 1	A	<u>2,084,387.49</u>	<u>1,757,299.96</u>
		3,444,333.94	3,384,387.49
Decreased by:			
Utilized as Anticipated Revenue	Above	<u>1,300,000.00</u>	<u>1,300,000.00</u>
Balance December 31	A	<u>\$ 2,144,333.94</u>	<u>\$ 2,084,387.49</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2

		Anticipated			
Ref.	Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)	
Fund Balance Anticipated	A-1	\$ 1,300,000.00	\$	\$ 1,300,000.00	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-10	12,000.00		17,191.00	5,191.00
Other	A-2a	7,000.00		27,448.50	20,448.50
Fees and Permits	A-2a	25,000.00		80,560.89	55,560.89
Fines and Costs:					
Municipal Court	A-10	450,000.00		852,109.09	402,109.09
Interest and Costs on Taxes	A-10	45,000.00		138,303.73	93,303.73
Parking Meters	A-10	15,000.00		24,680.78	9,680.78
CMPTRA	A-10	141,496.00		141,496.00	
Energy Receipts Tax	A-10	942,590.00		942,590.00	
Uniform Construction Code Fees	A-10	55,000.00		126,898.00	71,898.00
Uniform Fire Safety Act	A-10	5,055.20		8,441.22	3,386.02
Cable TV Franchise Fee	A-10	154,136.50		154,136.50	
Rental of Borough Property	A-10	44,000.00		65,943.57	21,943.57
Alcohol Education and Rehabilitation Fund	A-20		10,132.74	10,132.74	
Safe and Secure Communities Program	A-20	60,000.00		60,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-20	27,298.00		27,298.00	
Clean Communities Program	A-20		19,794.40	19,794.40	
Recycling Tonnage Grant	A-20		9,331.51	9,331.51	
Police Body Armor Grant	A-20		4,381.61	4,381.61	
Drunk Driving Enforcement Fund	A-20		34,052.99	34,052.99	
Drive Sober or Get Pulled Over	A-20		4,400.00	4,400.00	
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-1,7	2,043,575.70	83,093.25	2,810,190.53	683,521.58
		460,000.00		577,063.32	117,063.32
		<u>2,503,575.70</u>	<u>83,093.25</u>	<u>3,387,253.85</u>	<u>800,584.90</u>
Amount to be Raised by Taxation:					
Local Taxes for Municipal Purposes (Budget)	A-7	11,402,844.00		11,503,015.78	100,171.78
Library Taxes	A-7	354,330.71		354,330.71	
		<u>11,757,174.71</u>		<u>11,857,346.49</u>	<u>100,171.78</u>
Total Budget Revenue		15,560,750.41	83,093.25	16,544,600.34	900,756.68
Nonbudget Revenue	A-2a			294,462.16	294,462.16
		<u>\$ 15,560,750.41</u>	<u>\$ 83,093.25</u>	<u>\$ 16,839,062.50</u>	<u>\$ 1,195,218.84</u>
Reference	A-3		A-3		

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-1,7	\$ 34,622,624.66
Allocated to:		
School and County Taxes		<u>23,657,557.17</u>
Balance for Support of Municipal Budget Appropriations		10,965,067.49
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>892,279.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 11,857,346.49</u>
Licenses:		
Clerk	A-10	\$ 12,621.00
Board of Health	A-10	<u>14,827.50</u>
	A-2	<u>\$ 27,448.50</u>
Fees and Permits:		
Clerk	A-10	\$ 36,009.00
Registrar of Vital Statistics	A-10	16,760.00
Housing Fees	A-10	10,595.00
Board of Health	A-10	760.00
Police Department	A-10	5,660.33
Municipal Land Use Board	A-10	10,381.56
Fire Prevention	A-10	170.00
Farmer's Market	A-10	<u>225.00</u>
	A-2	<u>\$ 80,560.89</u>
<u>Analysis of Nonbudget Budget</u>		
Miscellaneous Revenue Not Anticipated:		
Administration Reimbursement Senior Citizen and Veteran Deductions		\$ 1,864.60
Cancellation of Outstanding Checks		401.00
Police Outside Overtime Administrative Fees		121,657.90
Bad Inspection Fines		4,795.50
Car Auctions		8,680.00
Duplicate Tax Bills		1,045.00
Clerk's Office		491.65
Surrendered LOSAP		9,126.48
FEMA Reimbursement		133,164.21
Prior Year Budget Refunds		7,833.14
Miscellaneous		<u>5,402.68</u>
	A-1,2,4	<u>\$ 294,462.16</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
CURRENT FUND

A-3
Sheet #1

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
APPROPRIATIONS WITHIN "CAPS":					
GENERAL GOVERNMENT					
Mayor and Council:					
Salaries and Wages	\$ 58,960.00	\$ 58,960.00	\$ 58,958.22	\$	1.78
Other Expenses	5,000.00	5,500.00	4,932.79	166.55	400.66
Municipal Clerk:					
Salaries and Wages	246,128.00	246,128.00	240,155.15		5,972.85
Other Expenses	85,575.00	100,575.00	74,267.51	14,187.21	12,120.28
Financial Administration:					
Salaries and Wages	179,890.00	179,890.00	179,869.06		20.94
Other Expenses	33,385.00	33,385.00	22,982.71	7,693.71	2,708.58
Annual Audit	49,450.00	49,450.00		49,450.00	
Assessment of Taxes:					
Salaries and Wages	13,465.00	13,465.00	13,139.11		325.89
Other Expenses	5,650.00	5,650.00	3,405.69	677.24	1,567.07
Revenue Administration:					
Salaries and Wages	72,612.00	72,612.00	72,596.60		15.40
Other Expenses	16,000.00	16,000.00	11,814.65	405.00	3,780.35
Legal Services and Costs:					
Other Expenses:					
Tax Appeals	30,000.00	30,000.00	18,733.25	3,441.75	7,825.00
Miscellaneous	60,000.00	80,000.00	70,000.00		10,000.00
Municipal Court:					
Salaries and Wages	220,293.00	220,293.00	216,708.35		3,584.65
Other Expenses	13,880.00	13,880.00	10,539.18	1,309.04	2,031.78
Engineering Services and Costs:					
Other Expenses	25,974.00	25,974.00	12,986.76	12,986.74	0.50
Human Resources:					
Other Expenses	30,000.00	30,000.00	11,736.92	8,263.08	10,000.00

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
APPROPRIATIONS WITHIN "CAPS"					
<u>GENERAL GOVERNMENT</u>					
Historical Society:					
Other Expenses	\$ 10,000.00	\$ 10,000.00	\$ 7,865.03	\$ 60.00	\$ 2,054.97
Municipal Land Use Law (N.J.S. 40:55D-1):					
Municipal Land Use Board:					
Salaries and Wages	2,250.00	2,250.00	2,200.81		49.19
Other Expenses	9,850.00	9,850.00	6,999.37	144.63	2,706.00
Insurance:					
General Liability	305,000.00	305,000.00	303,722.00		1,278.00
Worker's Compensation	446,500.00	446,500.00	446,493.53		6.47
Group Health	1,720,000.00	1,601,700.00	1,496,914.16	41.66	104,744.18
Health Benefit Waiver	65,000.00	65,000.00	48,333.30		16,666.70
	<u>3,704,862.00</u>	<u>3,622,062.00</u>	<u>3,335,374.15</u>	<u>98,826.61</u>	<u>187,861.24</u>
<u>PUBLIC SAFETY</u>					
Uniform Fire Safety:					
Fire Official:					
Salaries and Wages	39,050.00	39,050.00	39,028.86		21.14
Other Expenses	89,285.00	92,285.00	82,578.07	7,221.08	2,485.85
Fire:					
Salaries and Wages	12,465.00	12,465.00	12,456.52		8.48
Other Expenses	1,500.00	1,500.00	552.55	947.45	
Police:					
Salaries and Wages	3,149,230.00	3,149,230.00	3,096,918.85		52,311.15
Other Expenses	302,850.00	312,850.00	238,806.42	69,035.07	5,008.51
Traffic Control Schools:					
Salaries and Wages	241,861.00	241,861.00	234,741.12		7,119.88
Other Expenses	15,200.00	15,200.00	6,781.52	1,928.74	6,489.74

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	\$ 12,950.00	\$ 11,206.53	\$ 899.44	\$ 844.03
Emergency Management:					
Salaries and Wages	7,980.00	7,980.00	7,974.83		5.17
Other Expenses	4,000.00	4,000.00	3,095.57	904.43	
	<u>3,876,371.00</u>	<u>3,889,371.00</u>	<u>3,734,140.84</u>	<u>80,936.21</u>	<u>74,293.95</u>
<u>PUBLIC WORKS</u>					
Road Repairs and Maintenance:					
Salaries and Wages	659,825.00	659,825.00	571,893.87		87,931.13
Other Expenses	145,000.00	145,000.00	84,325.08	52,305.50	8,369.42
Sanitation:					
Garbage and Trash Removal:					
Disposal Tipping Fees	330,000.00	330,000.00	263,369.95	30,000.00	36,630.05
Collection	350,000.00	350,000.00	304,363.67	25,832.17	19,804.16
Recycling:					
Salaries and Wages	3,725.00	3,725.00	3,721.12		3.88
Other Expenses	258,000.00	258,000.00	185,159.05	48,010.23	24,830.72
Public Buildings and Grounds:					
Other Expenses	115,000.00	135,000.00	88,336.38	28,369.24	18,274.38
Maintenance of Vehicles:					
Other Expenses	117,000.00	137,000.00	104,100.08	14,560.89	18,339.03
	<u>1,978,550.00</u>	<u>2,018,550.00</u>	<u>1,605,269.20</u>	<u>199,098.03</u>	<u>214,182.77</u>
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Salaries and Wages	4,490.00	4,490.00	4,468.36		21.64
Other Expenses	131,654.00	131,654.00	130,431.79	125.00	1,097.21

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		
	<u>140,944.00</u>	<u>140,944.00</u>	<u>139,700.15</u>	<u>125.00</u>	<u>\$ 1,118.85</u>
<u>RECREATION AND EDUCATION</u>					
Parks and Playgrounds:					
Salaries and Wages	2,245.00	2,245.00	2,244.06		0.94
Other Expenses	17,900.00	17,900.00	17,626.22		273.78
Community Center:					
Salaries and Wages	39,750.00	39,750.00	28,703.41		11,046.59
Other Expenses	2,600.00	2,900.00	2,543.47	78.81	277.72
Youth Center:					
Other Expenses	72,000.00	72,000.00	72,000.00		
Other Common Operating Functions:					
Celebration of Public Events:					
Other Expenses	2,050.00	2,050.00	213.36		1,836.64
Farmer's Market:					
Salaries and Wages	3,460.00	3,460.00	3,458.00		2.00
Other Expenses	1,200.00	1,200.00	1,192.56		7.44
	<u>141,205.00</u>	<u>141,505.00</u>	<u>127,981.08</u>	<u>78.81</u>	<u>13,445.11</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

A-3
Sheet #5

STATEMENT OF EXPENDITURES - REGULATORY BASIS

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	\$ 131,560.00	\$ 139,060.00	\$ 139,043.92	\$ 83.85	\$ 16.08
Other Expenses	33,900.00	33,900.00	16,284.11	83.85	17,532.04
	<u>165,460.00</u>	<u>172,960.00</u>	<u>155,328.03</u>	<u>83.85</u>	<u>17,548.12</u>
<u>UNCLASSIFIED</u>					
Utilities:					
Natural Gas	40,000.00	40,000.00	26,518.67	9,000.00	4,481.33
Electricity	100,000.00	100,000.00	76,417.43	23,000.00	582.57
Water	16,000.00	16,000.00	10,514.35	4,000.00	1,485.65
Telephone	72,000.00	72,000.00	56,744.09	1,897.44	13,358.47
Street Lighting	206,000.00	206,000.00	160,121.98	40,000.00	5,878.02
Fire Hydrant Services	117,000.00	117,000.00	92,585.70	18,517.14	5,897.16
Cable TV - Channel 34	3,000.00	5,000.00	2,750.00	1,312.00	938.00
Gasoline	145,000.00	145,000.00	102,263.84	39,169.72	3,566.44
	<u>699,000.00</u>	<u>701,000.00</u>	<u>527,916.06</u>	<u>136,896.30</u>	<u>36,187.64</u>
<u>CONTINGENT</u>					
	2,000.00	2,000.00			2,000.00
Total Operations	10,708,392.00	10,688,392.00	9,625,709.51	516,044.81	546,637.68
<u>STATUTORY EXPENDITURES</u>					
Contributions to:					
Public Employees' Retirement System	257,378.00	257,378.00	257,378.00		
Social Security System	218,000.00	218,000.00	216,665.12		1,334.88
Police and Firemen's Retirement System of N.J.	699,356.00	699,356.00	699,356.00		
State Unemployment Insurance	59,220.00	59,220.00	59,220.00		
Compensated Absences	30,000.00	30,000.00	30,000.00		
DCRP	4,400.00	4,400.00	3,544.83	118.98	736.19
	<u>1,268,354.00</u>	<u>1,268,354.00</u>	<u>1,266,163.95</u>	<u>118.98</u>	<u>2,071.07</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
<u>APPROPRIATIONS WITHIN "CAPS"</u>					
Total Appropriations Within "CAPS"	\$11,976,746.00	\$11,956,746.00	\$10,891,873.46	\$516,163.79	\$ 548,708.75
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>OTHER OPERATIONS</u>					
Maintenance of Free Public Library	380,000.00	380,000.00	380,000.00		
Police 911 Command and Dispatch Center:					
Salaries and Wages	76,700.00	76,700.00	68,290.18		8,409.82
Other Expenses	45,300.00	45,300.00	39,930.68	2,699.90	2,669.42
Length of Service Awards - (LOSAP)	63,250.00	63,250.00			63,250.00
Implementation of Fair Housing Plan:					
Other Expenses	30,000.00	50,000.00	36,963.55	7,246.14	5,790.31
Recycling Tax:	1,500.00	1,500.00			1,500.00
Other Expenses	596,750.00	616,750.00	525,184.41	9,946.04	81,619.55
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Clean Community Grant	19,794.40	19,794.40	19,794.40		
Municipal Alliance Committee Anti-Drug and Alcoholism Program - Match	6,825.00	6,825.00	6,825.00		
Municipal Alliance Fund	27,298.00	27,298.00	27,298.00		
Safe and Secure Program - Grant	270,220.00	270,220.00	270,220.00		
Alcohol Education and Rehabilitation Program	10,132.74	10,132.74	10,132.74		
Body Armor Grant	4,381.61	4,381.61	4,381.61		

BOROUGH OF ROSELLE PARK
CURRENT FUND

A-3
Sheet #7

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Appropriation	Appropriations		Paid or Charged	Reserved	
	Budget	Modified Budget		Encumbered	Unencumbered
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Recycling Tonnage Grant	\$ 9,331.51	9,331.51	\$ 9,331.51		\$
Union County Heart Grant	1,000.00	1,000.00	1,000.00		
Drunk Driver Enforcement Fund	34,052.99	34,052.99	34,052.99		
Drive Sober or Get Pulled Over	4,400.00	4,400.00	4,400.00		
	<u>387,436.25</u>	<u>387,436.25</u>	<u>387,436.25</u>		
Total Operations	984,186.25	1,004,186.25	912,620.66	9,946.04	81,619.55
<u>CAPITAL IMPROVEMENTS</u>					
Capital Improvement Fund	100,000.00	100,000.00	100,000.00		
<u>DEBT SERVICE</u>					
Payment of Bond Principal	1,139,000.00	1,139,000.00	1,139,000.00		
Interest on Bonds	473,972.75	473,972.75	473,972.75		
Green Trust Loan Program	11,659.66	11,659.66	11,659.66		
	<u>1,624,632.41</u>	<u>1,624,632.41</u>	<u>1,624,632.41</u>		
<u>DEFERRED CHARGES</u>					
Deficit in Dedicated Assessment Trust Fund	66,000.00	66,000.00	66,000.00		
Total Appropriations Excluded from "CAPS"	<u>2,774,818.66</u>	<u>2,794,818.66</u>	<u>2,703,253.07</u>	<u>9,946.04</u>	<u>81,619.55</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>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
Sub-Total	\$ 14,751,564.66	\$ 14,751,564.66	\$ 13,595,126.53	\$ 526,109.83	\$ 630,328.30
Reserve for Uncollected Taxes	892,279.00	892,279.00	892,279.00		
Total Appropriations	<u>\$ 15,643,843.66</u>	<u>\$ 15,643,843.66</u>	<u>\$ 14,487,405.53</u>	<u>\$ 526,109.83</u>	<u>\$ 630,328.30</u>
		Below	A-1, Below	A, A-1	A, A-1
	Ref.				
Adopted Budget	A-2	\$ 15,560,750.41	\$		
Added by N.J.S. 40A:4-87	A-2	83,093.25			
Reserve for Uncollected Taxes	A-2a	(892,279.00)	892,279.00		
Cash Expenditures	A-4		13,207,690.28		
Local Match	A-17		217,045.00		
Reserve for Federal and State Grants	A-21		170,391.25		
	A-1, Above	<u>\$ 14,751,564.66</u>	<u>\$ 14,487,405.53</u>		

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, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Assessment Fund</u>			
Cash	B-4	\$ 25,220.50	\$ 25,220.50
Deferred Charges:			
Prospective Assessments	B-13	137,000.00	203,000.00
		162,220.50	228,220.50
<u>Animal Control Fund</u>			
Cash	B-4	14,560.44	11,094.04
<u>Trust Other Fund</u>			
Cash	B-4	1,021,344.94	908,686.07
Due from County of Union Community Development Grant	B-8	18,510.42	24,490.00
		1,039,855.36	933,176.07
		\$ 1,216,636.30	\$ 1,172,490.61
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Assessment Fund</u>			
Assessment Bonds Payable	B-13	137,000.00	\$ 203,000.00
Fund Balance	B-1	25,220.50	25,220.50
		162,220.50	228,220.50
<u>Animal Control Fund</u>			
Reserve for Animal Control Trust Fund	B-7	14,556.84	11,092.84
Due to State of New Jersey	B-14	3.60	1.20
		14,560.44	11,094.04
<u>Trust Other Fund</u>			
Due to Current Fund	B-6	5,000.00	8,800.00
Reserve for:			
State Unemployment Compensation Insurance Fund	B-11	95,530.46	93,124.82
Community Development Block Grants	B-9	16,458.63	17,670.85
Retiree Reimbursements	B-10	36,557.58	
Various Reserves	B-12	301,697.62	163,791.32
Payroll Deductions Payable	B-15	47,308.75	55,678.39
Recreation Reserves	B-16	66,051.31	49,731.10
Affordable Housing Reserves	B-17	3,584.30	1,650.63
Special Law Enforcement Reserves	B-18	19,424.18	45,834.99
Law Enforcement Block Grant - Federal Reserves	B-19	142.53	1,493.97
Premium on Tax Sale	B-20	448,100.00	495,400.00
		1,039,855.36	933,176.07
		\$ 1,216,636.30	\$ 1,172,490.61

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
TRUST FUNDS

STATEMENT OF FUND BALANCE ASSESSMENT TRUST FUND - REGULATORY BASIS

B-1

	<u>Ref.</u>	
Balance December 31, 2012	B	<u>\$ 25,220.50</u>
Balance December 31, 2013	B	<u>\$ 25,220.50</u>

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>\$ 66,000.00</u>	<u>\$ 66,000.00</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>\$ 66,000.00</u>	<u>\$ 66,000.00</u>
<u>Reference</u>	<u>B-2</u>	<u>B-4</u>

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 Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
Cash	C-2	\$ 5,209,300.02	\$ 3,783,178.46
Deferred Charges to Future Taxation:			
Funded	C-4	16,965,521.62	14,468,550.22
Unfunded	C-5		1,720,000.00
Community Development Block Grant Receivable	C-6	56,000.00	85,000.00
State of New Jersey Grant Receivable	C-7	505,000.00	305,000.00
County Grant Receivable	C-8	167,106.01	152,352.01
ARRA Grant Receivable	C-9		135,743.12
		<u>\$ 22,902,927.65</u>	<u>\$ 20,649,823.81</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-13	\$ 16,790,000.00	\$ 14,285,000.00
Green Acres Loan Payable	C-14	175,521.62	183,550.22
Capital Improvement Fund	C-11	97,220.57	107,666.57
Improvement Authorizations:			
Funded	C-12	5,406,721.70	3,924,481.10
Unfunded	C-12		1,720,000.00
Reserve:			
To Pay Serial Bonds	C-10	361,597.91	421,597.91
Fund Balance	C-1	71,865.85	7,528.01
		<u>\$ 22,902,927.65</u>	<u>\$ 20,649,823.81</u>
 Bonds and Notes Authorized but Not Issued		<u>\$ -</u>	<u>\$ 1,720,000.00</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, 2012	C	\$ 7,528.01
Increased by:		
Premium on Bond Sale	C-2	<u>64,337.84</u>
Balance December 31, 2013	C	<u>\$ 71,865.85</u>

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, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 723,092.84	\$ 611,049.14
Receivables and Inventories with Full Reserves:			
Consumer Accounts Receivable	D-6	136,351.81	112,543.58
		859,444.65	723,592.72
<u>Capital Fund</u>			
Cash	D-5	76,661.44	76,661.44
Fixed Capital	D-9	853,316.96	853,316.96
		929,978.40	929,978.40
		\$1,789,423.05	\$1,653,571.12
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	D-4,13	\$ 8,545.20	\$ 8,541.80
Reserved	D-4,13	26,644.14	41,458.56
Account Payable	D-14	195,000.00	195,000.00
Accrued Interest on Bonds	D-8	375.00	575.00
Sewer User Charge Overpayment	D-7	534.83	497.88
		231,099.17	246,073.24
Reserve for Receivables and Inventory	Reserve	136,351.81	112,543.58
Fund Balance	D-1	491,993.67	364,975.90
		859,444.65	723,592.72
<u>Capital Fund</u>			
Serial Bonds Payable	D-12	75,000.00	115,000.00
Reserve for:			
Capital Outlay	D-11	11,594.76	11,594.76
Reserve for Amortization	D-10	778,316.96	738,316.96
Fund Balance	D-2	65,066.68	65,066.68
		929,978.40	929,978.40
		\$1,789,423.05	\$1,653,571.12

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

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

D-1

	<u>Ref.</u>	<u>Year 2013</u>	<u>Year 2012</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	D-3	\$ 100,000.00	\$ 100,000.00
Collection of Sewer User Charges	D-3	1,505,417.69	1,514,322.61
Penalty on Delinquent Accounts	D-3	15,987.52	18,357.65
Other Credits to Income:			
Unexpended Balance of Appropriation			
Reserves Lapsed	D-13	43,932.56	12,309.92
		<u>1,665,337.77</u>	<u>1,644,990.18</u>
 <u>Expenditures</u>			
Budget Appropriations:			
Operating		1,380,900.00	1,441,009.00
Capital Improvements		5,000.00	5,000.00
Debt Service		41,750.00	42,600.00
Deferred Charges and Statutory Expenditures		10,670.00	43,878.00
	D-4	<u>1,438,320.00</u>	<u>1,532,487.00</u>
Statutory Excess to Fund Balance		227,017.77	112,503.18
 <u>Fund Balance</u>			
Balance January 1	D	364,975.90	352,472.72
		<u>591,993.67</u>	<u>464,975.90</u>
 Decreased by:			
Amount Utilized in Operating Budget	Above	100,000.00	100,000.00
Balance December 31	D	<u>\$ 491,993.67</u>	<u>\$ 364,975.90</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

STATEMENT OF FUND BALANCE
SEWER CAPITAL FUND - REGULATORY BASIS

D-2

	<u>Ref.</u>	
Balance December 31, 2012	D	<u>\$65,066.68</u>
Balance December 31, 2013	D	<u><u>\$65,066.68</u></u>

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	1,338,520.00	1,505,417.69	166,897.69
Miscellaneous Revenue	D-1,Below	<u> </u>	<u>15,987.52</u>	<u>15,987.52</u>
 Total Budget Revenue	 D-4	 <u>\$1,438,520.00</u>	 <u>\$1,621,405.21</u>	 <u>\$182,885.21</u>
 <u>Analysis of Miscellaneous Revenue</u>				
Cash Collections:				
Penalty on Delinquent Accounts	D-5,Above		<u>\$ 15,987.52</u>	

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>Reserved</u>	<u>Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>					
<u>Operating</u>							
Salaries and Wages	\$ 71,650.00	\$ 71,650.00	\$ 71,541.33	\$ 108.67	\$ 108.67	\$	
Other Expenses	72,500.00	72,500.00	57,869.14	8,545.20	6,085.66		
Maintenance of Vehicles	5,000.00	5,000.00			5,000.00		
Share of Costs:							
Rahway Valley Sewerage Authority	631,828.00	631,828.00	631,828.00			10,449.81	
Joint Meeting Sewer	599,922.00	599,922.00	589,472.19				
<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				
Interest on Notes	1,950.00	1,950.00	1,750.00				200.00
<u>Statutory Expenditures</u>							
Contribution to:							
Social Security System	6,500.00	6,500.00	6,500.00				
Public Employees' Retirement System	3,390.00	3,390.00	3,390.00				
Unemployment Compensation	780.00	780.00	780.00				
<u>Total Sewer Utility Appropriations</u>	<u>\$1,438,520.00</u>	<u>\$1,438,520.00</u>	<u>\$1,403,130.66</u>	<u>\$8,545.20</u>	<u>\$26,644.14</u>	<u>\$200.00</u>	
<u>Reference</u>	D-3	Below	Below	D	D	D	Below
<u>Ref.</u>							
Modified Budget	Above	\$1,438,520.00	\$				
Cancelled	Above	(200.00)					
Accrued Interest on Notes	D-8		1,750.00				
Disbursements	D-5		1,401,380.66				
D-1, Above		<u>\$1,438,320.00</u>	<u>\$1,403,130.66</u>				

27 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, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Cash	E-1	\$126,052.09	\$ 130,262.47
Petty Cash		50.00	50.00
Investments		1,399.00	712.50
Due from Library Building Fund to Library Operating Fund	E-5	<u>9,924.49</u>	<u>8,877.82</u>
		<u>137,425.58</u>	<u>139,902.79</u>
Deferred Outflows: Prepayments	E-7	<u>27,275.74</u>	<u> </u>
		<u>\$164,701.32</u>	<u>\$ 139,902.79</u>
<u>LIABILITIES AND RESERVES</u>			
Library Operating Fund:			
Commitments Payable	E-2	\$ 12,960.97	\$ 3,631.37
Reserve for Expenditures	E-3	129,370.67	123,892.44
Library Building Fund:			
Due to Library Operating Fund from Library Building Fund	E-6	<u>9,924.49</u>	<u>8,877.82</u>
Reserve for Building Fund Expenditures	E-4	<u>12,445.19</u>	<u>3,501.16</u>
		<u>\$164,701.32</u>	<u>\$ 139,902.79</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
CAPITAL FIXED ASSETS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

F

<u>ASSETS</u>	Balance <u>Dec. 31, 2013</u>	Balance <u>Dec. 31, 2012</u>
Land and Buildings	\$ 6,138,700.00	\$ 6,138,700.00
Vehicles, Machinery and Equipments	<u>6,908,272.00</u>	<u>6,560,618.00</u>
	<u>\$ 13,046,972.00</u>	<u>\$ 12,699,318.00</u>
 <u>RESERVE</u>		
Investment in Capital Fixed Assets	<u>\$ 13,046,972.00</u>	<u>\$ 12,699,318.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ROSELLE PARK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2013

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Description of Funds (Continued)

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.

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 31st of each year, under the title of "Appropriation Reserves".

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Expenditures (Continued)

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 31st 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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough 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.

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.

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.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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, 2013, 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, 2013 was \$11,416,760.40. 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.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Taxes unpaid on the 11th 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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$12.406</u>	<u>\$11.989</u>	<u>\$11.982</u>	<u>\$11.626</u>	<u>\$11.263</u>
Apportionment of Tax Rate:					
Municipal	\$ 4.119	\$ 3.851	\$ 3.835	\$ 3.684	\$ 3.530
County	1.851	1.785	1.823	1.713	1.666
Local School	6.436	6.353	6.324	6.229	6.067

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2013	\$ 285,450,474.00
2012	286,524,148.00
2011	287,805,187.00
2010	288,153,250.00
2009	289,431,586.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$ 35,291,891.76	\$ 34,622,624.66	98.12 %
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

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>
2013	\$ -	\$ 649,666.83	\$ 649,666.83	1.83 %
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

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>
2013	\$ 163,650.00
2012	163,650.00
2011	163,650.00
2010	163,650.00
2009	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 five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2013	\$ 1,529,225.92	\$ 1,505,417.69
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>Utilized in Budgets of Succeeding Year</u>
Current Fund:	2013	\$2,144,339.94	\$ 1,450,000.00
	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
Sewer Utility Operating Fund:	2013	491,993.67	-
	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

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.

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 1/55th 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 1/60th 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 or 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).

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. 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.
- The annual benefit under special retirement for new PFRS 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 2013, the member contribution rates increased in July 2013. 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, the method for amortizing the pension systems' unfunded accrued liability changed (from a level percent of pay method to a level dollar of pay).

7. PENSION PLANS (Continued)

Significant Legislation (Continued)

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.

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:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Normal and Accrued</u>	<u>Employees</u>	<u>Normal and Accrued</u>	<u>Employees</u>
2013	\$ 257,378.00	\$ 142,370.38	\$ 699,356.00	\$ 302,995.71
2012	261,440.00	185,005.14	696,229.00	374,885.41

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 (Continued)

Description of System (Continued)

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 PERS 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>
2013	\$7,546.96	\$ 3,544.83
2012	510.94	3,347.34

9. 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.

9. 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	\$ 1,521,405.21
Deductions:	
Operating, Maintenance Costs and Debt Service	<u>1,438,320.00</u>
Excess in Revenue	<u>\$ 83,085.21</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 no Bonds and Notes Authorized but Not Issued as of December 31, 2013.

9. MUNICIPAL DEBT (Continued)

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

Year	General		Assessment Trust		Sewer Utilities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 1,380,000.00	\$ 542,085.25	\$ 20,000.00	\$ 3,510.00	\$ 40,000.00	\$ 1,100.00	\$ 1,440,000.00	\$ 546,695.25
2015	1,420,000.00	505,866.50	20,000.00	3,110.00	35,000.00	350.00	1,475,000.00	509,326.50
2016	1,295,000.00	468,529.00	20,000.00	2,710.00			1,315,000.00	471,239.00
2017	1,315,000.00	430,279.00	20,000.00	2,310.00			1,335,000.00	432,589.00
2018	1,365,000.00	388,291.50	20,000.00	1,710.00			1,385,000.00	390,001.50
2019	1,025,000.00	344,622.75	20,000.00	1,110.00			1,045,000.00	345,732.75
2020	1,025,000.00	313,122.75	17,000.00	510.00			1,042,000.00	313,632.75
2021	1,035,000.00	281,622.75					1,035,000.00	281,622.75
2022	1,045,000.00	249,241.50					1,045,000.00	249,241.50
2023	1,049,000.00	214,622.00					1,049,000.00	214,622.00
2024	750,000.00	185,940.00					750,000.00	185,940.00
2025	755,000.00	158,190.00					755,000.00	158,190.00
2026	770,000.00	130,240.00					770,000.00	130,240.00
2027	775,000.00	100,940.00					775,000.00	100,940.00
2028	789,000.00	71,440.00					789,000.00	71,440.00
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
Totals	\$ 16,790,000.00	\$ 4,444,913.00	\$ 137,000.00	\$ 14,970.00	\$ 75,000.00	\$ 1,450.00	\$ 17,002,000.00	\$ 4,461,333.00

9. 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>
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>\$ 175,521.62</u>	<u>\$ 34,352.24</u>	

10. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2013, 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	\$ 5,000.00	\$152,206.36
Federal and State Grant Fund	152,206.36	
General Trust Fund		5,000.00
	<u>\$157,206.36</u>	<u>\$157,206.36</u>

11. 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.

11. 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.

12. 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 \$49,450.00 for 2013.

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.

13. 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, 2013, the sum of \$610,313.33, based upon 2013 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).

13. CONTINGENT LIABILITIES (Continued)

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, 2013 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.

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.

14. 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").

15. SUBSEQUENT EVENT

The Borough of Roselle Park has evaluated subsequent events that occurred after the balance sheet date, but before July 15, 2014. 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, 2012	A			\$ 3,457,515.48
Increased by Receipts:				
Miscellaneous Revenue Not Anticipated	A-2a	\$ 294,462.16		
Petty Cash	A-6	200.00		
Taxes Receivable	A-7	35,000,557.40		
Special District Improvement	A-9	22,418.13		
Revenue Accounts Receivable	A-10	2,639,799.28		
Due from State of New Jersey per Ch. 129, P.L. 1976	A-12	93,230.14		
Prepaid Taxes	A-13	465,647.72		
Tax Overpayments	A-14	75,018.00		
Interfunds	A-17	348,161.37		
Due to State of New Jersey	A-19	7,431.00		
Special District Improvement Overpayments	A-24	3,635.00		
				<u>38,950,560.20</u>
				42,408,075.68
Decreased by Disbursements:				
2013 Budget Appropriations	A-3	13,207,690.28		
Petty Cash	A-6	200.00		
2012 Appropriation Reserves	A-11	664,568.53		
Refund of Tax Overpayments	A-14	109,605.78		
County Taxes	A-15	5,284,311.05		
Local District School Taxes	A-16	18,370,800.00		
Interfunds	A-17	524,914.09		
Due to State of New Jersey	A-19	7,492.00		
Special District Improvement	A-23	19,414.82		
				<u>38,188,996.55</u>
Balance December 31, 2013	A			<u>\$ 4,219,079.13</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

CHANGE FUNDS

A-5

	<u>Ref.</u>	
Balance December 31, 2012	A	<u>\$ 450.00</u>
Balance December 31, 2013	A	<u><u>\$ 450.00</u></u>
 <u>Analysis of Balance</u>		
Office:		
Collector		\$ 300.00
Municipal Court		<u>150.00</u>
	Above	<u><u>\$ 450.00</u></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>\$ -</u></u>
 Office:		
Police Department		\$ 100.00
Borough Clerk		50.00
Community Center		<u>50.00</u>
		<u><u>\$ 200.00</u></u>

**BOROUGH OF ROSELLE PARK
CURRENT FUND**

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-Z

Year	Balance	2013 Levy	Added Taxes	Collected		Due from State of New Jersey	Over-payments Applied	Cancelled	Balance Dec. 31, 2013
	Dec. 31, 2012			2012	2013				
2012	\$ 572,742.38	\$ 35,441,348.99	\$ 4,750.00	\$ 74,230.13	\$ 568,983.35	\$ 97,530.83	\$ 6,079.97	\$ 383.87	45.19
2013	\$ 572,742.38	\$ 35,441,348.99	\$ 4,750.00	\$ 74,230.13	\$ 34,431,574.05	\$ 97,530.83	\$ 19,289.65	\$ 189,103.11	649,621.22
Reference	A	Below	A-12	A-2a.13	A-2,2a.4	A-2a.12	A-2,2a.14	Reserve	A
									\$ 649,666.41
									\$ 649,666.41

ANALYSIS OF PROPERTY TAX LEVY

Ref.	Tax Levy	Ref.
General Property Tax	County Taxes (Abstract)	
Business Personal Tax - Utilities	County Added Taxes (N.J.S.A. 54-4-63.1 et seq.)	\$ 5,282,524.48
Added Taxes	Local School District Tax (Abstract)	4,232.69
	Local Taxes for Municipal Purposes (Budget)	
	Library Taxes	11,402,844.00
	Plus: Additional Tax Levied	354,330.71
		11,757,174.71
		28,617.11
		11,783,791.82
		\$ 5,286,757.17
		18,370,800.00
		\$ 35,441,348.99
		Above

BOROUGH OF ROSELLE PARK
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

A-8

	<u>Ref.</u>	
Balance December 31, 2012	A	<u>\$ 163,650.00</u>
Balance December 31, 2013	A	<u><u>\$ 163,650.00</u></u>

RECEIVABLE FOR SPECIAL IMPROVEMENT DISTRICT

A-9

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 7,326.88
Increased by:		
Billing	A-23	<u>19,562.14</u>
		26,889.02
Decreased by:		
Receipt	A-4	<u>22,418.13</u>
Balance December 31, 2013	A	<u><u>\$ 4,470.89</u></u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-10

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 17,191.00	\$ 17,191.00	\$
Other Licenses	A-2a		12,621.00	12,621.00	-
Other Fees and Permits	A-2a		36,009.00	36,009.00	-
Construction Code Official:					-
Uniform Construction Code Fees	A-2		126,898.00	126,898.00	-
Board of Health:					-
Other Licenses	A-2a		14,827.50	14,827.50	-
Other Fees and Permits	A-2a		760.00	760.00	-
Registrar of Vital Statistics:					-
Other Fees and Permits	A-2a		16,760.00	16,760.00	-
Police Department:					-
Other Fees and Permits	A-2a		5,660.33	5,660.33	-
Municipal Court:					-
Fines and Costs	A-2	64,522.69	838,500.01	852,109.09	50,913.61
Fire Department:					-
Fire Prevention	A-2a		170.00	170.00	-
Housing:					-
Other Fees and Permits	A-2a		10,595.00	10,595.00	-
Municipal Land Use Board	A-2a		10,381.56	10,381.56	-
Farmer's Market:					-
Other Fees and Permits	A-2a		225.00	225.00	-
State of New Jersey:					-
Energy Receipts Tax	A-2		942,590.00	942,590.00	-
Consolidated Municipal Property Tax					-
Relief Aid	A-2		141,496.00	141,496.00	-
Interest and Costs on Taxes	A-2		138,303.73	138,303.73	-
Parking Meters	A-2		24,680.78	24,680.78	-
Uniform Fire Safety Act	A-2		8,441.22	8,441.22	-
Cable TV Franchise Fee	A-2		154,136.50	154,136.50	-
Reserve to Pay Debt Service	A-2		60,000.00	60,000.00	-
Rental of Borough Property	A-2		65,943.57	65,943.57	-
		<u>\$64,522.69</u>	<u>\$2,626,190.20</u>	<u>\$2,639,799.28</u>	<u>\$50,913.61</u>
<u>Reference</u>		<u>A</u>	<u>Reserve</u>	<u>A-4</u>	<u>A</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

2012 APPROPRIATION RESERVES

A-11
Sheet #1

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2012</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>GENERAL GOVERNMENT</u>					
Mayor and Council:					
Salaries and Wages	\$	\$ 5,841.92	\$ 5,841.92	\$	\$ 5,841.92
Other Expenses	138.85	959.85	1,098.70	121.88	976.82
Municipal Clerk:					
Salaries and Wages		997.01	997.01		997.01
Other Expenses	16,356.76	6,583.05	22,939.81	10,214.29	12,725.52
Financial Administration:					
Salaries and Wages		16.38	16.38		16.38
Other Expenses	11,628.79	4,052.68	15,681.47	9,838.60	5,842.87
Audit Services	49,100.00		49,100.00	49,100.00	
Insurance:					
Group Insurance Plans for Employees		5,249.74	5,249.74		5,249.74
Other Insurance		620.00	620.00		620.00
Worker's Compensation		31.47	31.47		31.47
Revenue Administration:					
Salaries and Wages		12.19	12.19		12.19
Other Expenses		2,219.05	2,219.05	90.00	2,129.05
Assessor of Taxes:					
Salaries and Wages		321.23	321.23		321.23
Other Expenses		4,952.57	4,952.57		4,952.57
Legal Services and Costs:					
Other Expenses		10,000.00	10,000.00		10,000.00
Tax Appeals	5,951.89	5,000.00	10,951.89	1,212.00	9,739.89
Municipal Court:					
Salaries and Wages		10,698.70	10,698.70		10,698.70
Other Expenses	1,008.40	3,342.92	4,351.32	116.42	4,234.90
Engineering Services and Costs:					
Other Expenses	8,657.84	0.48	8,658.32	8,657.84	0.48
Human Resources:					
Other Expenses	7,986.11	1,223.60	9,209.71	1,908.00	7,301.71
Historical Society:					
Other Expenses	543.60	671.46	1,215.06	535.07	679.99
Land Use Administration:					
Municipal Land Use:					
Salaries and Wages		1.17	1.17		1.17
Other Expenses	2,220.47	1,697.00	3,917.47	629.74	3,287.73
<u>PUBLIC SAFETY</u>					
Uniform Fire Safety (P.L. 1983, Ch. 383):					
Fire Official:					
Salaries and Wages		2.73	2.73		2.73
Other Expenses	847.92	48.21	896.13	814.87	81.26

BOROUGH OF ROSELLE PARK
CURRENT FUND

2012 APPROPRIATION RESERVES

A-11
Sheet #2

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2012</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>PUBLIC SAFETY</u>					
Fire:					
Salaries and Wages	\$	\$ 56.57	\$ 56.57	\$	\$ 56.57
Other Expenses	7,105.37	3,328.76	10,434.13	6,815.96	3,618.17
Police:					
Salaries and Wages		106,125.84	106,125.84	84,376.29	21,749.55
Other Expenses	57,494.01	4,087.99	61,582.00	47,836.89	13,745.11
Traffic Control Schools:					
Salaries and Wages		14,420.93	14,420.93		14,420.93
Other Expenses	10,214.00	2,337.84	16,051.84	13,906.00	2,145.84
First Aid Organizations:					
Other Expenses	4,631.72	466.59	5,098.31	4,453.57	644.74
Emergency Management:					
Salaries and Wages		8.16	8.16		8.16
Other Expenses	2,430.00	80.25	2,510.25	2,430.00	80.25
<u>PUBLIC WORKS</u>					
Road Repair and Maintenance:					
Salaries and Wages		31,664.67	31,664.67	21,890.64	9,774.03
Other Expenses	35,164.71	3,611.36	38,776.07	36,502.64	2,273.43
Sanitation:					
Garbage and Trash Removal:					
Disposal - Tipping Fees	30,842.34	4,840.08	35,682.42	29,817.26	5,865.16
Collection	29,764.56	11,608.43	41,372.99	24,396.58	16,976.41
Recycling:					
Salaries and Wages		0.30	0.30		0.30
Other Expenses	30,652.70	6,473.82	37,126.52	14,667.70	22,458.82
Public Buildings and Grounds:					
Other Expenses	9,297.45	162,699.59	221,997.04	145,582.58	76,414.46
Maintenance of Vehicles:					
Other Expenses	19,258.20	18,951.65	38,209.85	17,939.57	20,270.28
<u>HEALTH AND WELFARE</u>					
(Board of Health - Local Health Agency):					
Board of Health:					
Salaries and Wages		75.90	75.90		75.90
Other Expenses	187.50	1,319.51	1,507.01	187.50	1,319.51
<u>RECREATION AND EDUCATION</u>					
Parks and Playgrounds:					
Salaries and Wages		1.00	1.00		1.00
Other Expenses		800.33	800.33		800.33
Community Center:					
Salaries and Wages		6,766.94	6,766.94		6,766.94
Other Expenses	84.00	116.21	200.21		200.21
Youth Center:					
Other Expenses		0.02	0.02		0.02

BOROUGH OF ROSELLE PARK
CURRENT FUND

2012 APPROPRIATION RESERVES

A-11
Sheet #3

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2012</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>RECREATION AND EDUCATION</u>					
Other Common Operating Functions:					
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	\$	\$ 1,861.09	\$ 1,861.09	\$	\$ 1,861.09
Union County S.L.A.P. Program:					
Other Expenses		0.05	0.05		0.05
Farmer's Market:					
Salaries and Wages		4.82	4.82		4.82
Other Expenses		74.28	74.28		74.28
<u>CODE ENFORCEMENT</u>					
State Uniform Construction Code Official:					
Salaries and Wages		281.61	281.61		281.61
Other Expenses		3,301.43	3,301.43		3,301.43
<u>UNCLASSIFIED</u>					
Natural Gas	9,000.00	6,085.37	9,085.37	8,467.10	618.27
Electricity	8,500.00	7,954.48	9,454.48	8,511.58	942.90
Water	4,000.00	3,438.25	2,438.25	1,846.95	591.30
Telephone	1,903.81	1,376.08	3,279.89	1,559.35	1,720.54
Street Lighting	20,000.00	6,353.90	19,353.90	18,441.26	912.64
Fire Hydrant Services	9,200.34	595.92	9,796.26	9,258.57	537.69
Cable TV - Channel 34		980.00	980.00		980.00
Gasoline	20,515.57	2,640.36	3,655.93	2,958.33	697.60
Compensated Absences		30,000.00	30,000.00	30,000.00	
<u>CONTINGENT</u>		2,000.00	2,000.00		2,000.00
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Social Security System (OASI)		9,687.37	687.37		687.37
DCRP		1,052.66	1,052.66		1,052.66
Police 911 Command and Dispatch Center:					
Salaries and Wages		1,753.17	1,753.17		1,753.17
Other Expenses		5,353.22	5,353.22		5,353.22
Length of Service Award Program (LOSAP)		63,250.00	63,250.00	49,450.00	13,800.00
Implementation of Fair Housing Plan Ch. 222, P.L. 1985 (COAH):					
Other Expenses	11,605.67	2,663.60	14,269.27	33.50	14,235.77
Recycling Tax (N.J.S.A. 13:1e-96.5):					
Other Expenses		1,500.00	1,500.00		1,500.00
	<u>\$426,292.58</u>	<u>\$596,593.81</u>	<u>\$1,022,886.39</u>	<u>\$664,568.53</u>	<u>\$358,317.86</u>
<u>Reference</u>	<u>A</u>	<u>A</u>		<u>A-4</u>	<u>A-1</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

DUE TO STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976

A-12

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 3,229.92
Increased by:			
Received Cash from State	A-4	\$93,230.14	
Senior Citizen Deductions Disallowed by Tax Collector		1,469.17	
Prior Year Deductions Disallowed	A-1,7	<u>4,750.00</u>	
			<u>99,449.31</u>
			102,679.23
Decreased by:			
Senior Citizens' Deductions per Tax Duplicate	Below	24,000.00	
Veterans' Deductions per Tax Duplicate	Below	74,500.00	
Senior Citizens' Deductions Allowed by Tax Collector	Below	<u>500.00</u>	
			<u>99,000.00</u>
Balance December 31, 2013	A		<u>\$ 3,679.23</u>
 <u>Calculation of State Share of 2012 Senior Citizens'</u> <u>and Veterans' Deductions Allowed by Collector</u>			
Senior Citizens' Deductions Per Tax Billings	Above	\$24,000.00	
Veterans' Deductions per Tax Billings	Above	74,500.00	
Senior Citizens' Deductions Allowed by Tax Collector	Above	<u>500.00</u>	
			\$ 99,000.00
Less: Senior Citizen Deductions Disallowed by Tax Collector		<u>1,469.17</u>	
			<u>1,469.17</u>
	A-7		<u>\$ 97,530.83</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

PREPAID TAXES

A-13

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 74,230.13
Increased by:		
Collections	A-4	<u>465,647.72</u>
		539,877.85
Decreased by:		
Applied	A-7	<u>74,230.13</u>
Balance December 31, 2013	A	<u><u>\$ 465,647.72</u></u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

TAX OVERPAYMENTS

A-14

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 69,943.45
Increased by:			
Overpayments	A-4		<u>75,018.00</u>
			144,961.45
Decreased by:			
Applied	A-7	\$ 27,369.62	
Refunds	A-4	109,605.78	
Cancelled	A-1	<u>7,365.75</u>	
			<u>144,341.15</u>
Balance December 31, 2013	A		<u>\$ 620.30</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

COUNTY TAXES PAYABLE

A-15

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 1,786.57
Increased by:		
2013 Tax Levy	A-1,7	5,286,757.17
		<u>5,288,543.74</u>
Decreased by:		
Payments	A-4	5,284,311.05
		<u>5,284,311.05</u>
Balance December 31, 2013	A	<u>\$ 4,232.69</u>

LOCAL SCHOOL DISTRICT TAX

A-16

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year 2013	A-1,7	\$ 18,370,800.00
Decreased by:		
Payments	A-4	18,370,800.00
		<u>18,370,800.00</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 Trust Fund Other</u>
Balance December 31, 2012:						
Due From	A	\$ 8,800.00	\$	\$8,800.00	\$	\$
(Due To)	A	<u>\$(115,708.08)</u>	<u>\$(115,708.08)</u>			
Increased by:						
Cash Disbursements	A-4	<u>524,914.09</u>	<u>353,218.50</u>	<u>5,000.00</u>	<u>16,695.59</u>	<u>150,000.00</u>
Decreased by:						
Cash Receipts	A-4	348,161.37	172,665.78	8,800.00	16,695.59	150,000.00
Budget Appropriations	A-3	217,045.00	217,045.00			
Cancellation of Grants Receivable	A-1,20	6.00	6.00			
		<u>565,212.37</u>	<u>389,716.78</u>	<u>8,800.00</u>	<u>16,695.59</u>	<u>150,000.00</u>
Balance December 31, 2013:						
Due From	A	\$ 5,000.00		\$5,000.00	\$	\$
(Due To)	A	<u>\$(152,206.36)</u>	<u>\$(152,206.36)</u>			
Balance December 31, 2012	Above	\$ 8,800.00				
Balance December 31, 2013	Above	<u>5,000.00</u>				
Net Change to Operations	A-1	<u>\$ 3,800.00</u>				

BOROUGH OF ROSELLE PARK
CURRENT FUND

RESERVE FOR SALE OF MUNICIPAL ASSETS

A-18

	<u>Ref.</u>	
Balance December 31, 2012	A	<u>\$81,611.31</u>
Balance December 31, 2013	A	<u>\$81,611.31</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

DUE TO STATE OF NEW JERSEY

A-19

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 3,648.00
Increased by:		
Receipts	A-4	7,431.00
		<u>11,079.00</u>
Decreased by:		
Payments	A-4	7,492.00
		<u>7,492.00</u>
Balance December 31, 2013	A,Below	<u>\$ 3,587.00</u>
 <u>Analysis of Balance</u>		
DCA Fees		\$ 3,187.00
Marriage Licenses		<u>400.00</u>
	Above	<u>\$ 3,587.00</u>

BOROUGH OF ROSELLE PARK
GRANT FUND

GRANTS RECEIVABLE

A-20

	Balance Dec. 31, 2012	2013 Grants	Collections	Cancelled	Balance Dec. 31, 2013
Municipal Alliance - 2012	\$ 18,387.00		\$ 15,730.57	\$ 2,656.43	\$ 17,481.04
Municipal Alliance - 2013		27,298.00	9,816.96		
Clean Communities - 2013		19,794.40	19,794.40		
Recycling Tonnage Grant - 2013		9,331.51	9,331.51		
Safe and Secure Communities - 2012	25,000.00		25,000.00		
Safe and Secure Communities - 2013		60,000.00	35,000.00		
Alcohol Education and Rehabilitation - 2013		10,132.74	10,132.74		
Body Armor Grant - 2013		4,381.61	4,381.61		
Drive Sober or Get Pulled Over - 2012	4,400.00		4,400.00		
Drive Sober or Get Pulled Over - 2013		4,400.00	4,400.00		
Drunk Driving Enforcement Fund - 2013		34,052.99	34,052.99		
Union County Heart Grant - 2013		750.00	375.00		375.00
Union County Heart Grant Match - 2013		250.00	250.00		
Greening Union County	10,000.00				10,000.00
	<u>\$ 57,787.00</u>	<u>\$ 170,391.25</u>	<u>\$ 172,665.78</u>	<u>\$ 2,656.43</u>	<u>\$ 52,856.04</u>
<u>Reference</u>	A	A-2	A-22	Below	A
			Ref.		
		Reserve for Grants - Appropriated		\$ 2,650.43	
		Interfunds		<u>6.00</u>	
			Above	<u>\$ 2,656.43</u>	

BOROUGH OF ROSELLE PARK
GRANT FUND

A-21

RESERVE FOR GRANTS - APPROPRIATED

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013 Budget</u> <u>Appropriation</u>	<u>Paid or</u> <u>Charged</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Clean Communities Grant	\$ 12,986.06	\$ 19,794.40	\$ 17,573.90	\$	\$ 15,206.56
Safe and Secure Communities		60,000.00	60,000.00		
Safe and Secure Communities Program - Match	53,265.03	210,220.00	207,613.54		55,871.49
Municipal Alliance on Alcoholism and Drug Abuse Fund Grant	6,771.74	27,298.00	17,479.02	2,650.43	13,940.29
Municipal Alliance on Alcoholism and Drug Abuse Fund Grant - Matching Funds	352.20	6,825.00	5,660.05		1,517.15
Drunk Driving Enforcement	13,623.64	34,052.99	12,970.43		34,706.20
Special Legislative Grant	4,275.00				4,275.00
Body Armor Grant	6,215.30	4,381.61	6,215.30		4,381.61
Recycling Grant	36,902.46	9,331.51	4,497.85		41,736.12
Alcohol Education and Rehabilitation	16,541.57	10,132.74	10,868.41		15,805.90
Downtown Development Planning Grant	6,500.00		540.00		5,960.00
Field Dreams	11,662.08				11,662.08
Drive Sober or Get Pulled Over	4,400.00	4,400.00	8,800.00		
Union County Heart Grant		1,000.00	1,000.00		
	<u>\$ 173,495.08</u>	<u>\$ 387,436.25</u>	<u>\$ 353,218.50</u>	<u>\$ 2,650.43</u>	<u>\$ 205,062.40</u>
<u>Reference</u>	A	Below	A-22	A-20	A
<u>Ref.</u>					
Budget Appropriations		\$ 170,391.25			
Local Match		217,045.00			
	Above	<u>\$ 387,436.25</u>			

BOROUGH OF ROSELLE PARK
GRANT FUND

INTERFUNDS

A-22

	<u>Ref.</u>		
Balance December 31, 2012	A		\$ 115,708.08
Increased by:			
Matching Funds	A-21	\$217,045.00	
Grants Receivable	A-20	172,665.78	
Cancelled	A-20	<u>6.00</u>	
			<u>389,716.78</u>
			505,424.86
Decreased by:			
Expended	A-21		<u>353,218.50</u>
Balance December 31, 2013	A		<u><u>\$ 152,206.36</u></u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

RESERVE FOR SPECIAL DISTRICT IMPROVEMENT

A-23

	<u>Ref.</u>	
Balance December 31, 2012	A	\$ 7,861.02
Increased by:		
Billing	A-9	<u>19,562.14</u>
		27,423.16
Decreased by:		
Disbursement	A-4	<u>19,414.82</u>
Balance December 31, 2013	A	<u><u>\$ 8,008.34</u></u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

SPECIAL IMPROVEMENT DISTRICT OVERPAYMENTS

A-24

	<u>Ref.</u>	
Increased by:		
Receipts	A-4	<u>\$ 3,635.00</u>
Balance December 31, 2013	A	<u><u>\$ 3,635.00</u></u>

RESERVE FOR TAX APPEALS

A-25

	<u>Ref.</u>	
Increased by:		
Transferred from Operations	A-1	<u>\$200,000.00</u>
Balance December 31, 2013	A	<u><u>\$200,000.00</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

B-4

	<u>Ref.</u>	<u>Assessment Fund</u>	<u>Animal Control Fund</u>	<u>Trust Other Fund</u>
Balance December 31, 2012	B	\$ 25,220.50	\$ 11,094.04	\$ 908,686.07
Increased by Receipts:				
Animal Control Fees	B-7		\$ 13,365.00	
Animal Fees Due State of New Jersey	B-14		1,285.20	
Budget Appropriation:				
Deficit (General Budget)	B-2			
Due from Current Fund	B-6	66,000.00		
Due from County of Union Community	B-8			5,000.00
Development Block Grants	B-10			30,244.42
Retirees' Reimbursement	B-11			50,027.55
State Unemployment Insurance	B-12			69,560.37
Various Reserves	B-15			1,276,421.18
Payroll Deductions Payable	B-16			9,420,169.48
Recreation	B-17			42,631.00
Affordable Housing	B-18			1,933.67
Special Law Enforcement	B-19			8,845.54
Law Enforcement Block Grant	B-20			0.56
Premium on Tax Sale				248,200.00
		<u>66,000.00</u>	<u>14,650.20</u>	<u>11,153,033.77</u>
		91,220.50	25,744.24	12,061,719.84
Decreased by Disbursements:				
Assessment Serrat Bond	B-3			
Expenditure Under R.S.4:19-15.11	B-7		9,901.00	
Animal Fees Due State of New Jersey	B-14		1,282.80	
Due to Current Fund	B-6			
Community Development Block Grants	B-9	66,000.00		
Retirees' Reimbursement	B-10			8,800.00
State Unemployment Insurance	B-11			25,477.06
Various Reserves	B-12			13,469.97
Payroll Deductions Payable	B-15			67,154.73
Recreation - Reserves	B-16			1,138,514.88
Special Law Enforcement - Reserves	B-18			9,428,539.12
Law Enforcement Block Grant - Reserves	B-19			26,310.79
Premium on Tax Sale	B-20			35,256.35
				1,352.00
		<u>66,000.00</u>	<u>11,183.80</u>	<u>11,040,374.90</u>
Balance December 31, 2013	B	\$ 25,220.50	\$ 14,560.44	\$ 1,021,344.94

BOROUGH OF ROSELLE PARK
TRUST FUNDS

ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS

B-5

	<u>Ref.</u>	
Balance December 31, 2012	B	<u>\$25,220.50</u>
Balance December 31, 2013	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, 2012: (Due To)	B	\$ 8,800.00
Increased by: Receipts	B-4	<u>5,000.00</u> 13,800.00
Decreased by: Disbursements	B-4	<u>8,800.00</u>
Balance December 31, 2013: (Due To)	B	<u><u>\$ 5,000.00</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

B-7

	<u>Ref.</u>	
Balance December 31, 2012	B	\$11,092.84
Increased by:		
Collections:		
Fees Collected	B-4	13,365.00
		<u>24,457.84</u>
Decreased by:		
Expenditures Under N.J.S. 40A:4-39	B-4	<u>9,901.00</u>
Balance December 31, 2013	B	<u><u>\$14,556.84</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 13,423.00
2013	<u>13,365.00</u>
	<u><u>\$ 26,788.00</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

DUE FROM COUNTY OF UNION
COMMUNITY DEVELOPMENT BLOCK GRANTS

B-8

	<u>Ref.</u>		
Balance December 31, 2012	B		\$ 24,490.00
Increased by:			
Project Award	B-9		24,490.00
			<u>48,980.00</u>
Decreased by:			
Receipts	B-4	\$ 30,244.42	
Cancelled - Community Development Block Grants Receivable	B-9	<u>225.16</u>	
			<u>30,469.58</u>
Balance December 31, 2013	B		<u>\$ 18,510.42</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

B-9

	<u>Ref.</u>		
Balance December 31, 2012	B		\$ 17,670.85
Increased by:			
Project Award	B-8		24,490.00
			<u>42,160.85</u>
Decreased by:			
Expenditures	B-4	\$ 25,477.06	
Cancelled	B-8	<u>225.16</u>	
			<u>25,702.22</u>
Balance December 31, 2013	B		<u>\$ 16,458.63</u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

RESERVE FOR RETIREE REIMBURSEMENTS

B-10

	<u>Ref.</u>		
Increased by:			
Budget Appropriation		\$ 50,000.00	
Interest		<u>27.55</u>	
	B-4		\$ 50,027.55
Decreased by:			
Paid	B-4		<u>13,469.97</u>
Balance December 31, 2013	B		<u><u>\$ 36,557.58</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

RESERVE FOR STATE UNEMPLOYMENT COMPENSATION INSURANCE FUND

B-11

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 93,124.82
Increased by:		
Receipts:		
Payroll Deductions		\$ 9,260.75
Budget Appropriation (Current and Sewer)		60,000.00
Interest on Deposits		211.42
Other		<u>88.20</u>
	B-4	<u>69,560.37</u>
		<u>162,685.19</u>
Decreased by:		
Disability Benefits		5,247.35
Unemployment Benefits		61,677.88
Other		<u>229.50</u>
	B-4	<u>67,154.73</u>
Balance December 31, 2013	B	<u><u>\$ 95,530.46</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

RESERVE FOR EXPENDITURES

B-12

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Miscellaneous	\$ 326.54	\$	\$	\$ 326.54
Parking Offense Adjudication Act	7,147.13	994.00		8,141.13
Downtown Renovations	1,405.00			1,405.00
9/11 Memorial	712.50	3,000.00	390.10	3,322.40
Security Deposits	3,548.00			3,548.00
Board of Health	234.96			234.96
Police Outside Services	10,485.68	635,510.75	599,500.50	46,495.93
Police Outside Services - Administrative Cost	1,168.50	129,555.15	121,657.90	9,065.75
Roller Skating	500.00			500.00
Founders Day Celebration	538.08			538.08
Secure a Child Program	50.00			50.00
Public Defender	16,796.45	14,825.00	15,850.00	15,771.45
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 Administrative Cost	6,713.58		452.17	6,261.41
Youth Center	5,100.00			5,100.00
Downtown Banners	66.00			66.00
Zoning/Planning Escrow	14,287.29			14,287.29
Tree Program	575.00		135.00	440.00
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	2,500.00	2,000.00	750.00
Municipal Land Use BD Escrow	26,191.67	30,365.39	29,128.56	27,428.50
Sewer Opening Escrow	5,643.75	1,600.00		7,243.75
Fireworks Donations	15,997.95	6,031.10	10,000.00	12,029.05
Relocation Assistance	3,300.00			3,300.00
Recycling	27,775.64	3,477.68		31,253.32
Snow Removal		30,000.00		30,000.00
Accumulated Absences		60,000.00		60,000.00
Tax Lien Redemptions	838.54	358,562.11	359,400.65	
	<u>\$163,791.32</u>	<u>\$1,276,421.18</u>	<u>\$1,138,514.88</u>	<u>\$301,697.62</u>

Reference

B

B-4

B-4

B

BOROUGH OF ROSELLE PARK
TRUST FUNDS

B-13

ASSESSMENT SERIAL BONDS

Purpose	Original Issue		Loan Maturities Outstanding Dec. 31, 2013		Interest Rate	Balance Dec. 31, 2012	Decrease	Balance Dec. 31, 2013
	Date	Amount	Date	Amount				
Special Assessment Bonds	10/01/03	\$ 253,000.00		\$	3.50%	\$ 43,000.00	\$ 43,000.00	\$
Special Assessment Bonds	1/15/08	15,000.00			3.50%	3,000.00	3,000.00	
Special Assessment Bonds	10/15/10	197,000.00	10/15/14-19	20,000.00	Various	157,000.00	20,000.00	137,000.00
			10/15/20	17,000.00	3.00%			
						<u>\$ 203,000.00</u>	<u>\$ 66,000.00</u>	<u>\$ 137,000.00</u>

Reference

B

B-3

B

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, 2012	B	\$ 1.20
Increased by:		
Receipts	B-4	<u>1,285.20</u>
		<u>1,286.40</u>
Decreased by:		
Disbursements	B-4	<u>1,282.80</u>
Balance December 31, 2013	B	<u>\$ 3.60</u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

TRUST OTHER FUNDS
PAYROLL DEDUCTIONS PAYABLE

B-15

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 55,678.39
Increased by:		
Employee Payroll Deductions	B-4	<u>9,420,169.48</u> 9,475,847.87
Decreased by:		
Cash Disbursements	B-4	<u>9,428,539.12</u>
Balance December 31, 2013	B	<u>\$ 47,308.75</u>
 <u>Analysis of Balance</u>		
PFRS Back Pension		\$ 657.21
PERS Supplemental Annuity		155.28
PERS Contributory Insurance		802.73
PERS Loan		1,758.46
PERS Back Pension		0.01
PFRS Loan		6,830.07
PFRS Pension		24,299.71
PERS Pension		10,990.67
Disability		844.80
PFRS Supplemental Annuity		10.59
Other		<u>959.22</u>
Total		<u>\$ 47,308.75</u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

RECREATION
RESERVE FOR EXPENDITURES

B-16

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 49,731.10
Increased by:		
Receipts	B-4	<u>42,631.00</u>
		92,362.10
Decreased by:		
Disbursements	B-4	<u>26,310.79</u>
Balance December 31, 2013	B	<u><u>\$ 66,051.31</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

AFFORDABLE HOUSING
RESERVE FOR EXPENDITURES

B-17

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 1,650.63
Increased by:		
Receipts	B-4	<u>1,933.67</u>
Balance December 31, 2013	B	<u><u>\$ 3,584.30</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

SPECIAL LAW ENFORCEMENT TRUST
RESERVE FOR EXPENDITURES

B-18

	<u>Ref.</u>	
Balance December 31, 2012	B	\$45,834.99
Increased by:		
Receipts	B-4	<u>8,845.54</u>
		54,680.53
Decreased by:		
Disbursements	B-4	<u>35,256.35</u>
Balance December 31, 2013	B	<u><u>\$19,424.18</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

LAW ENFORCEMENT BLOCK GRANT - FEDERAL
RESERVE FOR EXPENDITURES

B-19

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 1,493.97
Increased by:		
Receipts	B-4	0.56
		<u>1,494.53</u>
Decreased by:		
Disbursements	B-4	<u>1,352.00</u>
Balance December 31, 2013	B	<u>\$ 142.53</u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

PREMIUM ON TAX SALE

B-20

	<u>Ref.</u>	
Balance December 31, 2012	B	\$ 495,400.00
Increased by:		
Receipts	B-4	<u>248,200.00</u>
		743,600.00
Decreased by:		
Disbursements	B-4	<u>295,500.00</u>
Balance December 31, 2013	B	<u><u>\$ 448,100.00</u></u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

C-2

	<u>Ref.</u>		
Balance December 31, 2012	C		\$3,783,178.46
Increased by Receipts:			
Premium on Serial Bonds	C-1	\$ 64,337.84	
Community Development Block Grant Receivable	C-6	85,000.00	
Serial Bonds	C-14	3,644,000.00	
Capital Improvement Fund	C-11	<u>100,000.00</u>	
			<u>3,893,337.84</u>
			7,676,516.30
Decreased by Expenditures:			
Improvement Authorizations	C-12	2,407,216.28	
Reserve for Payment of Bonds	C-10	<u>60,000.00</u>	
			<u>2,467,216.28</u>
Balance December 31, 2013	C		<u><u>\$5,209,300.02</u></u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

C-3

Ordinance Number	Description	Balance Dec. 31, 2012	Receipts	Disbursements	Transfers		Balance Dec. 31, 2013
					From	To	
	Fund Balance	\$ 7,528.01	\$ 64,337.84	\$	\$	\$	\$ 71,865.85
	Capital Improvement Fund	107,666.57	100,000.00		110,446.00		97,220.57
	State Aid Receivable	(305,000.00)			200,000.00		(505,000.00)
	Community Development Block Grant Receivable	(85,000.00)	85,000.00		56,000.00		(56,000.00)
	County Grant Receivable	(152,352.01)			14,754.00	135,743.12	(167,106.01)
	ARRA Grant Receivable	(135,743.12)					
	Serial Bonds Issued		3,644,000.00		3,644,000.00		
	Reserve to Pay Serial Bonds	421,597.91		60,000.00			361,597.91
	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	1,108.42		881.82			226.60
2211	Various Capital Improvements	4,037.44					4,037.44
2220	Various Capital Improvements	110,619.56		86,096.11			24,523.45
2249	Various Capital Improvements	69,127.35		4,225.00			64,902.35
2268	Acquisition of Recreation Equipment	9,189.20					9,189.20
2272	Various Capital Improvements	1,178,501.65		1,152,064.34			26,437.31
2297	Various Capital Improvements	7,129.66		5,123.00			2,006.66
2300	Various Capital Improvements	2,143,728.69		69,608.25			2,074,120.44
2337	Various Capital Improvements	229,163.26		357,721.39	135,743.12	700,000.00	435,698.75
2367	Various Capital Improvements	9,570.66		265,174.15	1,020,000.00	1,020,000.00	764,396.51
2374	Various Capital Improvements	55,000.00		29,422.12			25,577.88
2386	Various Capital Improvements			436,900.10		2,305,200.00	1,868,299.90
		<u>\$ 3,763,178.46</u>	<u>\$ 3,893,337.84</u>	<u>\$ 2,467,216.28</u>	<u>\$ 4,160,943.12</u>	<u>\$ 4,160,943.12</u>	<u>\$ 5,209,300.02</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, 2012	C		\$14,468,550.22
Increased by:			
Serial Bonds Issued	C-13		<u>3,644,000.00</u>
			18,112,550.22
Decreased by:			
2013 Budget Appropriation:			
Bonds	C-13	\$1,139,000.00	
Green Acres Loan	C-14	<u>8,028.60</u>	
			<u>1,147,028.60</u>
Balance December 31, 2013	C		<u>\$16,965,521.62</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>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>Serial Bonds Issued</u>
2337	Various Capital Improvements	\$ 700,000.00	\$	\$ 700,000.00
2367	Various Capital Improvements	1,020,000.00		1,020,000.00
2386	Various Capital Improvements	<u> </u>	<u>1,924,000.00</u>	<u>1,924,000.00</u>
		<u>\$1,720,000.00</u>	<u>\$1,924,000.00</u>	<u>\$3,644,000.00</u>
	<u>Reference</u>	<u>C</u>	<u>C-12</u>	<u>C-13</u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

C-6

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 85,000.00
Increased by:		
Grant Award	C-12	56,000.00
		<u>141,000.00</u>
Decreased by:		
Cash Receipts	C-2	<u>85,000.00</u>
Balance December 31, 2013	C	<u><u>\$ 56,000.00</u></u>

Analysis of Balance

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>
Various Capital Improvements	2386	<u><u>\$ 56,000.00</u></u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

STATE AID RECEIVABLE

C-7

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 305,000.00
Increased by:		
DOT Award	C-12	<u>200,000.00</u>
Balance December 31, 2013	C	<u>\$ 505,000.00</u>

Reference

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	205,000.00
Various Capital Improvements	2386	<u>200,000.00</u>
		<u>\$ 505,000.00</u>

Reference

Above

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

COUNTY GRANT RECEIVABLE

C-8

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 152,352.01
Increased by:		
Grant Awards	C-12	<u>14,754.00</u>
Balance December 31, 2013	C	<u><u>\$ 167,106.01</u></u>

Reference

Below

<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	35,000.00
Various Capital Improvements	2386	<u>14,754.00</u>
		<u><u>\$167,106.01</u></u>

Reference

Above

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

ARRA GRANT RECEIVABLE

C-9

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 135,743.12
Decreased by:		
Cancelled	C-12	<u>135,743.12</u>
		<u>\$ -</u>

RESERVE TO PAY BONDS

C-10

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 421,597.91
Decreased by:		
Anticipated as Current Fund Revenue	C-2	<u>60,000.00</u>
Balance December 31, 2013	C	<u>\$ 361,597.91</u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-11

	<u>Ref.</u>	
Balance December 31, 2012	C	\$107,666.57
Increased by:		
Budget Appropriation	C-2	<u>100,000.00</u>
		207,666.57
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-12	<u>110,446.00</u>
Balance December 31, 2013	C	<u>\$ 97,220.57</u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS

C-12

	Ordinance Number	Date	Amount	Balance Dec. 31, 2012		2013 Authorizations	Paid or Chartered	Cancelled	Balance Dec. 31, 2013	
				Funded	Unfunded				Funded	Unfunded
General Improvements										
Various Capital Improvements	1953, 1973, 1982, 2032	4/15/98	\$ 1,280,000.00	\$ 5,305.21	\$	\$	\$	\$	\$ 5,305.21	\$
Various Capital Improvements	2121	6/17/04	1,367,336.00	102,000.00					102,000.00	
Various Capital Improvements	2184	8/03/06	809,420.00	1,108.42		881.82			226.60	
Various Capital Improvements	2211	11/19/07	270,000.00	4,037.44					4,037.44	
Various Capital Improvements	2220	1/06/07	1,815,219.00	110,619.56		86,096.11			24,523.45	
Various Capital Improvements	2249	8/21/08	2,128,255.00	69,127.35		4,225.00			64,902.35	
Acquisition of Recreational Equipment and Field House Improvements	2268	5/21/09	62,924.00	9,189.20					9,189.20	
Various Capital Improvements	2272	6/06/09	3,014,880.00	1,178,501.65		1,152,064.34			26,437.31	
Various Capital Improvements	2297	4/01/10	412,293.00	7,129.66		5,123.00			2,006.66	
Various Capital Improvements	2300	6/03/10	4,582,000.00	2,143,728.69		69,608.25			2,074,120.44	
Various Capital Improvements	2337	8/11/11	1,991,343.12	229,163.26		357,721.39		135,743.12	435,698.75	
Various Capital Improvements	2367	7/19/12	1,405,240.00	9,570.66		265,174.15			764,396.51	
Resurfacing of West Grant Avenue - Section 2	2375	10/04/12	55,000.00	55,000.00		29,422.12			25,577.88	
Various Capital Improvements	2386	7/18/13	2,305,200.00		2,305,200.00	436,900.10			1,868,299.90	
				<u>\$ 3,924,481.10</u>	<u>\$ 1,720,000.00</u>	<u>\$ 2,407,216.28</u>		<u>\$ 135,743.12</u>	<u>\$ 5,406,721.70</u>	<u>\$ -</u>
			Reference	C	Ω	C-2	Below	Below	C	
			County Grant Receivable		Ref.					
			Capital Improvement Fund		C-8	\$ 14,754.00		\$		
			Community Development Block Grant Receivable		C-11	110,446.00				
			State Aid Receivable		C-6	56,000.00				
			ARRA Grant Receivable		C-7	200,000.00				
			Deferred Charges - Unfunded		C-9			135,743.12		
					C-5	1,924,000.00				
					Above	\$ 2,305,200.00		\$ 135,743.12		

**BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND**

SERIAL BONDS PAYABLE

C-13
Sheet #1

<u>Purpose</u>	<u>Original Issue</u>		<u>Loan Maturities Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2013</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	10/01/03	\$ 3,657,000.00	10/01/2014	\$ 375,000.00	3.625%	\$ 2,307,000.00	\$ 307,000.00	\$ 2,000,000.00	
			10/01/2015-2017	400,000.00	3.625%				
			10/01/2018	425,000.00	3.625%				
General Improvement Bonds	1/15/08	4,084,000.00	1/15/2014-2015	175,000.00	3.500%	3,671,000.00	147,000.00	3,524,000.00	
			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%				
Refunding Bonds	10/01/10	2,060,000.00	10/01/2014	405,000.00	2.000%	1,215,000.00	415,000.00	800,000.00	
			10/01/2015	395,000.00	2.000%				
General Improvement Bonds	10/15/10	7,607,000.00	10/15/2014	275,000.00	2.000%	7,092,000.00	270,000.00	6,822,000.00	
			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%					

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE

C-13
Sheet #2

Purpose	Original Issue		Date	Amount	Loan Maturities Outstanding Dec. 31, 2013	Interest Rate	Amount	Balance Dec. 31, 2012	Increase	Decrease	Balance Dec. 31, 2013
	Date	Amount									
General Improvement Bonds	11/15/13	\$ 3,640,000.00						\$	\$	\$	\$
			11/15/2014-2015	\$ 150,000.00	2.000%						
			11/15/2016-2018	200,000.00	2.000%						
			11/15/2019-2021	250,000.00	2.500%						
			11/15/2022-2023	250,000.00	3.000%						
			11/15/2024-2025	300,000.00	3.250%						
			11/15/2026-2027	300,000.00	3.500%						
			11/15/2028	294,000.00	4.000%						
								<u>\$ 14,285,000.00</u>	<u>\$ 3,644,000.00</u>	<u>\$ 1,139,000.00</u>	<u>\$ 16,790,000.00</u>
								C	C-2	C-4	C

Reference

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE

C-14

	<u>Ref.</u>	
Balance December 31, 2012	C	\$ 183,550.22
Decreased by:		
Payment	C-4	<u>8,028.60</u>
Balance December 31, 2013	C	<u>\$ 175,521.62</u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

D-5

	<u>Ref.</u>	<u>Operating Fund</u>	<u>Capital Fund</u>
Balance December 31, 2012	D	\$ 611,049.14	\$76,661.44
Increased by Receipts:			
Penalty on Delinquent Accounts	D-3	\$ 15,987.52	
Consumer Accounts Receivable	D-6	1,504,919.81	
Sewer User Charge Overpayments	D-7	<u>534.83</u>	
		<u>1,521,442.16</u>	
		2,132,491.30	<u>76,661.44</u>
Decreased by Disbursements:			
2013 Budget Appropriations	D-4	1,401,380.66	
2012 Appropriation Reserves	D-13	6,067.80	
Accrued Interest	D-8	<u>1,950.00</u>	
		<u>1,409,398.46</u>	
Balance December 31, 2013	D	<u>\$ 723,092.84</u>	<u>\$76,661.44</u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

CONSUMER ACCOUNTS RECEIVABLE

D-6

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 112,543.58
Increased by:		
Sewer User Charges Levied - Net	Reserve	<u>1,529,225.92</u> 1,641,769.50
Decreased by:		
Collections	D-5	\$1,504,919.81
Overpayments Applied	D-7	<u>497.88</u>
	D-3	<u>1,505,417.69</u>
Balance December 31, 2013	D	<u><u>\$ 136,351.81</u></u>

SEWER CHARGE OVERPAYMENTS

D-7

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 497.88
Increased by:		
Receipts	D-5	<u>534.83</u> 1,032.71
Decreased by:		
Application to Consumer Accounts Receivable	D-6	<u>497.88</u>
Balance December 31, 2013	D	<u><u>\$ 534.83</u></u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

ACCRUED INTEREST ON BONDS

D-8

	<u>Ref.</u>	
Balance December 31, 2012	D	\$ 575.00
Increased by:		
Budget Appropriations	D-4	1,750.00
		<u>2,325.00</u>
Decreased by:		
Payments	D-5	1,950.00
		<u>1,950.00</u>
Balance December 31, 2013	D	<u>\$ 375.00</u>

Analysis of Balance

Bonds Outstanding <u>Dec. 31, 2013</u>	<u>Interest Rate</u>	<u>Accrued</u>		<u>Period</u>	<u>Amount</u>
		<u>From</u>	<u>To</u>		
<u>\$ 75,000.00</u>	2%	10/1/2013	12/31/2013	91 Days	<u>\$ 375.00</u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

FIXED CAPITAL

D-9

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>Dec. 31, 2013</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, 2012	D	\$738,316.96
Increased by:		
Serial Bond Paid by Budget	D-12	<u>40,000.00</u>
Balance December 31, 2013	D	<u>\$ 778,316.96</u>

RESERVE FOR CAPITAL OUTLAY

D-11

	<u>Ref.</u>	
Balance December 31, 2012	D	<u>\$ 11,594.76</u>
Balance December 31, 2013	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, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2013</u>
			<u>Date</u>	<u>Amount</u>				
Sewer Utility Refunding Bonds	4/01/2010	\$ 195,000.00	2014	\$ 40,000.00	2.000%			
			2015	35,000.00	2.000%	\$ 115,000.00	\$ 40,000.00	\$ 75,000.00
							<u>D-10</u>	<u>D</u>
								<u>D</u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

2012 APPROPRIATION RESERVES

D-13

	<u>Encumbered</u>	<u>Balance Dec. 31, 2012 Reserved</u>	<u>Balance After Transfer</u>	<u>Expenditures</u>	<u>Balance Lapsed</u>	
<u>Operating</u>						
Salaries and Wages	\$ 8,541.80	\$ 10,464.10	\$ 10,464.10	\$ 6,067.80	\$ 10,464.10	
Other Expenses		20,994.40	29,536.20		23,468.40	
Maintenance of Vehicles		5,000.00	5,000.00		5,000.00	
Share of Costs:						
Joint Meeting Sewer		0.06	0.06		0.06	
<u>Capital Improvements</u>						
Capital Outlay		5,000.00	5,000.00		5,000.00	
	<u>\$ 8,541.80</u>	<u>\$ 41,458.56</u>	<u>\$ 50,000.36</u>	<u>\$ 6,067.80</u>	<u>\$ 43,932.56</u>	
<u>Reference</u>	<u>D</u>	<u>D</u>		<u>D-5</u>		<u>D-1</u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

ACCOUNTS PAYABLE

D-14

	<u>Ref.</u>	
Balance December 31, 2012	D	<u>\$ 195,000.00</u>
Balance December 31, 2013	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, 2012	E		\$ 130,262.47
Increased by:			
Operating Fund	E-3	\$ 394,570.28	
Reserve for Building Fund Expenditures	E-4	10,022.62	
Due from Library Building Fund	E-5	<u>31.92</u>	
			<u>404,624.82</u>
			534,887.29
Decreased by:			
Accounts Payable	E-2	3,588.72	
Operating Expenses	E-3	376,860.23	
Due from Library Building Fund	E-5	1,078.59	
Due to Library Operating Fund	E-6	31.92	
Prepaid Expenses	E-7	<u>27,275.74</u>	
			<u>408,835.20</u>
Balance December 31, 2013	E		<u>\$ 126,052.09</u>

LIBRARY OPERATING FUND
SCHEDULE OF LIBRARY ACCOUNTS PAYABLE

E-2

	<u>Ref.</u>		
Balance December 31, 2012	E		\$ 3,631.37
Increased by:			
Accounts Payable	E-3		<u>12,960.97</u>
			16,592.34
Decreased by:			
Disbursements	E-1	\$ 3,588.72	
Cancelled	E-3	<u>42.65</u>	
			<u>3,631.37</u>
Balance December 31, 2013	E		<u>\$ 12,960.97</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, 2012	E		\$ 123,892.44
Increased by:			
2012 Budget Appropriation		\$ 380,000.00	
State Aid		6,991.00	
Fines		3,123.29	
Grants		400.00	
Lost Card		222.00	
Lost Materials		164.90	
A/V Income		262.25	
Miscellaneous		2,278.54	
Fax		600.00	
Out of Town Registration		26.00	
Copy Machine		<u>502.30</u>	
	E-1	<u>394,570.28</u>	
Due from Library Building Fund:			
Prior Year Accounts Payable			
Cancelled	E-2	<u>42.65</u>	
			<u>394,612.93</u>
			<u>518,505.37</u>
Decreased by:			
Operating Expenses	E-1	376,860.23	
Commitments Payable	E-2	<u>12,960.97</u>	
			<u>389,821.20</u>
			<u>128,684.17</u>
Other Changes in Fund Balance:			
Net Gain on Investment			<u>686.50</u>
Balance December 31, 2013	E		<u><u>\$ 129,370.67</u></u>

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, 2012	E	\$ 3,501.16
Increased by:		
Receipts	E-1	<u>10,022.62</u>
		13,523.78
Decreased by:		
Disbursements	E-6	<u>1,078.59</u>
Balance December 31, 2013	E	<u><u>\$12,445.19</u></u>

LIBRARY OPERATING FUND
SCHEDULE OF DUE FROM LIBRARY BUILDING FUND

E-5

	<u>Ref.</u>	
Balance December 31, 2012	E	\$ 8,877.82
Increased by:		
Disbursements	E-1	<u>1,078.59</u>
		9,956.41
Decreased by:		
Reimbursement	E-1	<u>31.92</u>
Balance December 31, 2013	E	<u><u>\$ 9,924.49</u></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, 2012	E	\$ 8,877.82
Increased by:		
Paid by Operating Fund	E-4	1,078.59
		<u>9,956.41</u>
Decreased by:		
Disbursements	E-5	31.92
		<u>31.92</u>
Balance December 31, 2013	E	<u>\$ 9,924.49</u>

LIBRARY OPERATING FUND
SCHEDULE OF DEFERRED OUTFLOWS

E-7

	<u>Ref.</u>	
Increased by:		
Disbursements	E-1	\$ 27,275.74
		<u>\$ 27,275.74</u>
Balance December 31, 2013	E	<u>\$ 27,275.74</u>

PART II
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2013

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR
NEWARK, N.J. 07102-9969
PHONE (973) 624-6100
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 303
FREEHOLD, N.J. 07728-2291
PHONE (732) 780-2600
FAX (732) 780-1030

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 the 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, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated July 15, 2014. These financial statements - regulatory basis 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 - regulatory basis, 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.

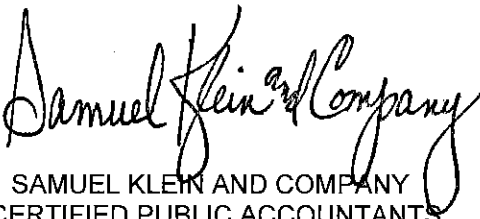

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did 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 - regulatory basis 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
July 15, 2014

ROSTER OF OFFICIALS FOR THE YEAR 2013 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	*
Charlene Komar Storey	Councilwoman	*
Tanya Torres	Councilwoman	*
Richard Huxford	Attorney	*
Michael Neglia	Engineer	*
Jesse Atwell	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	*
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 2013 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 or 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, 2013, 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 26, 2013 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.

Board of Health

Finding #2013-1:

48 Hour Test:

Condition:

Four (4) out of twenty-four (24) receipts collected for revenue were not turned over within 48 hours.

Criteria:

Revenue collected should be deposited within 48 hours of receipt.

Recommendation:

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

Construction Code

Finding #2013-2:

Receipt Analysis:

Condition:

We noted an immaterial difference between the amount collected and the amount that was recorded by the Finance Department.

Criteria:

Turnovers should agree to the amount recorded by the Finance Department.

Recommendation:

That all revenue remitted agree to the amounts recorded by the Finance Department.

Police

Finding #2013-3:

48 Hour Test:

Condition:

Six (6) out of the twenty-four (24) receipts collected for revenue were not deposited within 48 hours.

Criteria:

Revenue collected should be deposited within 48 hours of receipt.

Recommendation:

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

Recreation

Finding #2013-4:

Receipt Analysis:

Condition:

A difference was noted between the amount collected in the receipt book and the amount that was remitted to the Finance Department.

Criteria:

The fees collected should agree to the amounts remitted to the Finance Department.

Recommendation:

That the amounts collected agree with the amounts recorded by the Finance Department.

Recreation (Continued)

Finding #2013-5:

Soccer:

Condition:

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

Recommendation:

That all records be available for review at the time of the audit.

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

Board of Health

48 Hour Test:

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

Construction Code

Receipt Analysis:

That all revenue remitted agree to the amounts recorded by the Finance Department.

Police

48 Hour Test:

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

Recreation

Receipt Analysis:

That the amounts collected agree with the amounts recorded by the Finance Department.

Soccer:

That all records be available for review at the time of the audit.

* * *

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.

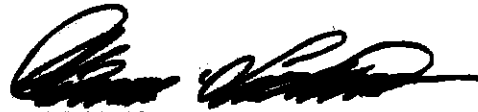
We shall be pleased to confer on any questions that might arise with respect to any matters in this report.

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
July 15, 2014

