

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

**REPORT ON
EXAMINATION OF ACCOUNTS
FOR THE YEAR 2018**

**SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS**

BOROUGH OF ROSELLE PARK
COUNTY OF UNION, NEW JERSEY

CONTENTS

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

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBIT

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

TRUST FUNDS

B	Comparative Balance Sheet - Regulatory Basis	17
B-1	Revenue - Assessment Trust Fund - Regulatory Basis	18
B-2	Expenditures - Assessment Trust Fund - Regulatory Basis.....	18

GENERAL CAPITAL FUND

C	Comparative Balance Sheet - Regulatory Basis	19
C-1	Fund Balance - Regulatory Basis	20

SEWER UTILITY FUND

D	Comparative Balance Sheet - Regulatory Basis	21
D-1	Comparative Operations and Changes in Fund Balance - Sewer Utility Operating Fund - Regulatory Basis	22
D-2	Fund Balance - Sewer Capital Fund - Regulatory Basis	23
D-3	Revenue - Operating Fund - Regulatory Basis.....	24
D-4	Expenditures - Regulatory Basis	25

FINANCIAL STATEMENTS
(Continued)

VETERANS MEMORIAL LIBRARY FUND

<u>EXHIBIT</u>		<u>PAGE</u>
E	Comparative Balance Sheet - Regulatory Basis	26
 <u>CAPITAL FIXED ASSETS</u>		
F	Comparative Balance Sheet - Regulatory Basis	27
	<u>NOTES TO FINANCIAL STATEMENTS</u>	28 - 58

SUPPLEMENTARY INFORMATION

CURRENT FUND

A-4	Cash Receipts and Disbursements - Collector - Treasurer	59
A-5	Change Funds	60
A-6	Cash - Petty Cash Funds.....	60
A-7	Taxes Receivable and Analysis of Property Tax Levy	61
A-8	Property Acquired for Taxes (At Assessed Valuation)	62
A-9	Revenue Accounts Receivable.....	63
A-10	2017 Appropriation Reserves	64
A-11	Due (From)/To State of New Jersey Per Chapter 129, P.L. 1976.....	69
A-12	Prepaid Taxes.....	70
A-13	Tax Overpayments	70
A-14	County Taxes Payable.....	71
A-15	Local School District Tax	71
A-16	Interfunds	72
A-17	Reserve for Sale of Municipal Assets.....	73
A-18	Due to State of New Jersey	73
A-19	Grants Receivable	74
A-20	Reserve for Grants - Appropriated.....	75
A-21	Interfunds	76
A-22	Reserve for Tax Appeals	77

SUPPLEMENTARY INFORMATION
(Continued)

TRUST FUNDS

<u>EXHIBIT</u>		<u>PAGE</u>
B-3	Cash Receipts and Disbursements - Collector - Treasurer.....	78
B-4	Due to Current Fund	79
B-5	Reserve for Animal Control Fund Expenditures	80
B-6	Due from County of Union - Community Development Block Grants.....	81
B-7	Reserve for Community Development Block Grants	81
B-8	Reserve for Retiree Reimbursements	82
B-9	Reserve for State Unemployment Compensation Insurance Fund	82
B-10	Reserve for Expenditures	83
B-11	Assessment Serial Bonds	84
B-12	Animal Control Trust - Reserve for Animal Fees Due State of New Jersey	85
B-13	Trust Other Funds - Payroll Deductions Payable	86
B-14	Recreation - Reserve for Expenditures	87
B-15	Affordable Housing - Reserve for Expenditures	87
B-16	Special Law Enforcement Trust - Reserve for Expenditures.....	88
B-17	Law Enforcement Block Grant - Federal Reserve for Expenditures.....	88
B-18	Premium on Tax Sale	89
B-19	Deferred Charges - Prospective Assessments.....	89

GENERAL CAPITAL FUND

C-2	Cash Receipts and Disbursements - Collector - Treasurer.....	90
C-3	Analysis of Capital Cash and Investments	91
C-4	Deferred Charges to Future Taxation - Funded	92
C-5	Deferred Charges to Future Taxation - Unfunded	93
C-6	Community Development Block Grant Receivable.....	94
C-7	State Aid Receivable	95
C-8	Union County Grant Receivable	96
C-9	Reserve to Pay Bonds	96
C-10	Capital Improvement Fund	97
C-11	Improvement Authorizations	98
C-12	Serial Bonds Payable	99
C-13	Green Acres Loan Payable.....	101
C-14	Bonds and Notes Authorized but Not Issued.....	102

SEWER UTILITY FUND

D-5	Cash Receipts and Disbursements - Collector - Treasurer.....	103
D-6	Consumer Accounts Receivable.....	104
D-7	Sewer Charge Overpayments	104
D-8	Fixed Capital.....	105
D-9	Reserve for Amortization	106
D-10	Reserve for Capital Outlay.....	106

SUPPLEMENTARY INFORMATION
(Continued)

SEWER UTILITY FUND
(Continued)

<u>EXHIBIT</u>	<u>PAGE</u>
D-11 2017 Appropriation Reserves	107
D-12 Accounts Payable	108

VETERANS MEMORIAL LIBRARY FUND

E-1 Library Operating Fund and Library Building Fund - Schedule of Library Cash.....	109
E-2 Library Operating Fund - Schedule of Library Investments.....	109
E-3 Library Operating Fund - Schedule of Library Accounts Payable	110
E-4 Library Operating Fund - Schedule of Reserve for Library Fund Expenditures	111
E-5 Library Building Fund - Schedule of Reserve for Building Fund Expenditures.....	112
E-6 Library Operating Fund - Schedule of Due from Library Building Fund	112
E-7 Library Building Fund - Schedule of Due to Library Operating Fund.....	113
E-8 Library Operating Fund - Schedule of Deferred Outflows	113
E-9 Library Operating Fund - Petty Cash	113

PART II

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING, ROSTER OF OFFICIALS,
GENERAL COMMENTS, FINDINGS AND RECOMMENDATIONS**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	115
Roster of Officials for the Year 2018 and Report on Surety Bonds	117
General Comments and Findings	118
Recommendation	121

PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY EXHIBITS
YEAR ENDED DECEMBER 31, 2018

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

36 WEST MAIN STREET, SUITE 303
FREEHOLD, NJ 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, 2018 and 2017 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 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, 2018 and 2017, and the results of its operations for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 1, the financial statements referred to above include the assets and liabilities of the Borough's Length of Service Award Program Fund ("LOSAP") which have not been audited. We are not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements as of and for the years ended December 31, 2018 and 2017. The LOSAP financial activities are included in the Borough's Trust Fund and represent 40.05% and 33.24% of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2018 and 2017.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph above, 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, 2018 and 2017, 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.

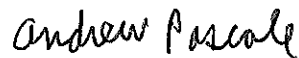
The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements 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 May 6, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Roselle Park's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Roselle Park's internal control over financial reporting and compliance.



SAMUEL KLEIN AND COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



ANDREW PASCALE, CPA, RMA

Newark, New Jersey
May 6, 2019

BOROUGH OF ROSELLE PARK
CURRENT FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2018</u>	<u>Balance Dec. 31, 2017</u>
<u>Regular Fund</u>			
Cash	A-4	\$5,630,923.43	\$5,827,004.98
Cash - Change Funds	A-5	600.00	600.00
Due from State of New Jersey per Ch. 129, P.L. 1976	A-11	<u>3,862.02</u>	<u>3,641.47</u>
		<u>5,635,385.45</u>	<u>5,831,246.45</u>
Receivables and Other Assets with Full Reserves:			
Taxes Receivable	A-7	592,501.45	624,589.55
Property Acquired for Taxes - Assessed Valuation	A-8	163,650.00	163,650.00
Revenue Accounts Receivable	A-9	27,737.38	31,287.44
Interfunds Receivable	A-16	<u>10,000.00</u>	<u>10,000.00</u>
		<u>793,888.83</u>	<u>829,526.99</u>
		<u>6,429,274.28</u>	<u>6,660,773.44</u>
<u>Grant Fund</u>			
Grants Receivable	A-19	82,627.99	84,602.95
Interfunds Receivable	A-21	<u>186,293.30</u>	<u>202,128.08</u>
		<u>268,921.29</u>	<u>286,731.03</u>
		<u>\$6,698,195.57</u>	<u>\$6,947,504.47</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 Dec. 31, 2018</u>	<u>Balance Dec. 31, 2017</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Unencumbered	A-3,10	\$ 698,035.73	\$ 568,246.80
Encumbered	A-3,10	678,216.28	668,996.70
Prepaid Taxes	A-12	174,963.41	910,342.59
Tax Overpayments	A-13	19,637.80	9,958.20
Due to County Added and Omitted Taxes	A-14	2,768.06	21,263.23
Interfunds Payable	A-16	186,293.30	202,128.08
Reserve for Sale of Municipal Assets	A-17	11,994.81	11,994.81
Due to State of New Jersey	A-18	5,314.00	5,533.00
Reserve for Tax Appeals	A-22	1,000,000.00	800,000.00
		<u>2,777,223.39</u>	<u>3,198,463.41</u>
Reserve for Receivables	Reserve	793,888.83	829,526.99
Fund Balance	A-1	<u>2,858,162.06</u>	<u>2,632,783.04</u>
		<u>6,429,274.28</u>	<u>6,660,773.44</u>
<u>Grant Fund</u>			
Reserve for Grants - Appropriated	A-20	<u>268,921.29</u>	<u>286,731.03</u>
		<u>\$6,698,195.57</u>	<u>\$6,947,504.47</u>

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 2018</u>	<u>Year 2017</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	A-2	\$ 1,620,000.00	\$ 1,550,000.00
Miscellaneous Revenue Anticipated	A-2	2,979,928.71	2,797,473.48
Receipts from Delinquent Taxes	A-2	626,339.55	694,298.88
Receipts from Current Taxes	A-2a	41,248,227.08	40,791,821.35
Nonbudget Revenue	A-2	262,325.71	248,806.05
Other Credits to Income:			
Increase in Change Fund			100.00
Unexpended Balance of Appropriation Reserves	A-10	516,535.07	664,551.81
Tax Overpayments	A-13	2,969.00	
		<u>47,256,325.12</u>	<u>46,747,051.57</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operations (Including Contingent)		12,049,030.00	11,851,941.00
Deferred Charges and Statutory Expenditures		1,623,730.00	1,512,655.00
Operations:			
Other Operations		1,067,522.55	1,108,516.62
Capital Improvements		100,000.00	100,000.00
Municipal Debt Service		2,118,911.15	2,105,385.47
Deferred Charges and Statutory Expenditures		20,000.00	20,000.00
	A-3	<u>16,979,193.70</u>	<u>16,698,498.09</u>
Refund of Prior Years Taxes	A-11	1,750.00	2,000.00
Tax Overpayments	A-13	2,364.34	71,042.38
County Taxes	A-14	5,888,427.65	5,955,681.67
Local School District Tax	A-15	22,338,912.00	21,992,706.00
Cancellation of Grant	A-16	298.41	15.10
Reserve for Tax Appeals	A-22	200,000.00	200,000.00
Total Expenditures		<u>45,410,946.10</u>	<u>44,919,943.24</u>
Excess in Revenue		1,845,379.02	1,827,108.33
<u>Fund Balance</u>			
Balance January 1	A	<u>2,632,783.04</u>	<u>2,355,674.71</u>
		4,478,162.06	4,182,783.04
Decreased by:			
Utilized as Anticipated Revenue	Above	<u>1,620,000.00</u>	<u>1,550,000.00</u>
Balance December 31	A	<u>\$ 2,858,162.06</u>	<u>\$ 2,632,783.04</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS

A-2

		Anticipated			
	<u>Ref.</u>	<u>Budget</u>	Special N.J.S. <u>40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	<u>\$ 1,620,000.00</u>	\$	<u>\$ 1,620,000.00</u>	\$
Miscellaneous Revenues:					
Licenses:					
Alcoholic Beverages	A-9	12,000.00		18,292.00	6,292.00
Other	A-2a	7,000.00		25,001.00	18,001.00
Fees and Permits	A-2a	25,000.00		85,499.44	60,499.44
Fines and Costs:					
Municipal Court	A-9	315,000.00		414,180.75	99,180.75
Interest and Costs on Taxes	A-9	45,000.00		174,543.03	129,543.03
Parking Meters	A-9	10,000.00		7,899.16	(2,100.84)
CMPTRA	A-9	84,609.00		84,609.00	
Energy Receipts Tax	A-9	999,477.00		999,477.00	
Uniform Construction Code Fees	A-9	274,000.00		631,016.00	357,016.00
Uniform Fire Safety Act	A-9	5,055.20		12,508.60	7,453.40
Cable TV Franchise Fee	A-9	174,185.18		174,185.18	
Rental of Borough Property	A-9	44,000.00		67,181.00	23,181.00
Sewer Utility Operating Surplus	A-9	125,000.00		125,000.00	
Reserve for Payment of Debt	A-9	20,000.00		20,000.00	
Alcohol Education and Rehabilitation Fund	A-19		7,469.71	7,469.71	
Safe and Secure Communities Program	A-19	60,000.00		60,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-19	18,582.00		18,582.00	
Clean Communities Program	A-19		20,974.11	20,974.11	
Recycling Tonnage Grant	A-19	11,505.69		11,505.69	
Bulletproof Vest Partnership Grant	A-19		3,405.04	3,405.04	
Drive Sober or Get Pulled Over	A-19		5,500.00	5,500.00	
Distracted Driver Statewide Crackdown	A-19	6,600.00		6,600.00	
Click It or Ticket	A-19		5,500.00	5,500.00	
Union County Heart Grant	A-19		1,000.00	1,000.00	
	A-1	<u>2,237,014.07</u>	<u>43,848.86</u>	<u>2,979,928.71</u>	<u>699,065.78</u>
Receipts from Delinquent Taxes	A-1,7	<u>460,000.00</u>		<u>626,339.55</u>	<u>166,339.55</u>
		<u>2,697,014.07</u>	<u>43,848.86</u>	<u>3,606,268.26</u>	<u>865,405.33</u>
Amount to be Raised by Taxation:					
Local Taxes for Municipal Purposes (Budget)	A-7	13,252,155.12		13,654,711.77	402,556.65
Library Taxes	A-7	368,807.66		368,807.66	
	A-2a	<u>13,620,962.78</u>		<u>14,023,519.43</u>	<u>402,556.65</u>
Total Budget Revenue		<u>17,937,976.85</u>	<u>43,848.86</u>	<u>19,249,787.69</u>	<u>1,267,961.98</u>
Nonbudget Revenue	A-1,2a			<u>262,325.71</u>	<u>262,325.71</u>
		<u>\$ 17,937,976.85</u>	<u>\$ 43,848.86</u>	<u>\$ 19,512,113.40</u>	<u>\$ 1,530,287.69</u>
	<u>Reference</u>	<u>A-3</u>	<u>A-3</u>		

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
CURRENT FUND

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

A-2a

	<u>Ref.</u>	
<u>Allocation of Current Tax Collections</u>		
Collected on a Cash Basis	A-1,7	\$ 41,248,227.08
Allocated to:		
School, County and Special District Taxes		<u>28,227,339.65</u>
Balance for Support of Municipal Budget Appropriations		13,020,887.43
Add: Appropriation Reserve for Uncollected Taxes	A-3	<u>1,002,632.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 14,023,519.43</u>
Licenses:		
Clerk	A-9	\$ 9,571.00
Board of Health	A-9	15,200.00
Housing	A-9	50.00
Registrar of Vital Statistics	A-9	<u>180.00</u>
	A-2	<u>\$ 25,001.00</u>
Fees and Permits:		
Clerk	A-9	\$ 34,356.25
Board of Health	A-9	1,625.00
Farmer's Market	A-9	525.00
Fire Prevention	A-9	585.00
Housing Fees	A-9	19,500.00
Municipal Land Use Board	A-9	4,908.64
Police Department	A-9	2,690.55
Public Works	A-9	4,595.00
Registrar of Vital Statistics	A-9	15,864.00
Tax Collector	A-9	<u>850.00</u>
	A-2	<u>\$ 85,499.44</u>
<u>Analysis of Nonbudget Revenue</u>		
Miscellaneous Revenue Not Anticipated:		
Administration Reimbursement Senior Citizen and Veteran Deductions		\$ 1,202.49
Police Outside Overtime Administrative Fees		96,854.51
Bad Inspection Fees		2,707.00
Car Auction		12,642.00
Prior Year Budget Refunds		74,075.59
Clerk's Office		46,483.39
Miscellaneous		<u>28,360.73</u>
	A-2,4	<u>\$ 262,325.71</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #1

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
GENERAL GOVERNMENT						
Mayor and Council:						
Salaries and Wages	\$ 58,960.00	\$ 58,960.00	\$ 58,958.38	\$ 833.46	\$ 1.62	\$
Other Expenses	11,000.00	11,000.00	9,674.44		492.10	
Municipal Clerk:						
Salaries and Wages	245,101.00	245,101.00	240,436.98		4,664.02	
Other Expenses	85,575.00	132,075.00	69,206.89	53,338.05	9,530.06	
Economic Business:						
Salaries and Wages	45,000.00	45,000.00	23,907.71		21,092.29	
Other Expenses	1,000.00	1,600.00	1,311.11		288.89	
Financial Administration:						
Salaries and Wages	294,355.00	294,355.00	290,922.88		3,432.12	
Other Expenses	35,000.00	35,000.00	28,497.07	5,540.16	962.77	
Annual Audit	44,000.00	44,000.00	5,000.00	39,000.00		
Assessment of Taxes:						
Salaries and Wages	19,928.00	19,928.00	19,926.40		1.60	
Other Expenses	5,650.00	5,650.00	1,910.64		3,739.36	
Revenue Administration:						
Salaries and Wages	25,835.00	25,835.00	25,827.10		7.90	
Other Expenses	16,000.00	16,000.00	11,867.94	1,000.00	3,132.06	
Legal Services and Costs:						
Other Expenses:						
Tax Appeals	40,000.00	40,000.00	22,282.49	15,717.51	2,000.00	
Miscellaneous	70,000.00	70,000.00	56,184.50	3,270.50	10,545.00	
Municipal Court:						
Salaries and Wages	225,490.00	225,490.00	219,741.46		5,748.54	
Other Expenses	13,880.00	13,880.00	7,934.12	287.78	5,758.10	
Engineering Services and Costs:						
Other Expenses	21,000.00	21,000.00	17,500.00	3,500.00		
Public Defender:						
Other Expenses	5,000.00	5,000.00	5,000.00			
Human Resources:						
Other Expenses	30,000.00	30,000.00	5,974.40	14,025.60	10,000.00	

BOROUGH OF ROSELLE PARK
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #2

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Historical Society:						
Other Expenses						
Municipal Land Use Law (N.J.S. 40:55D-1):						
Municipal Land Use Board:						
Salaries and Wages	\$ 10,000.00	\$ 10,000.00	\$ 8,996.45	\$ 1,003.55	\$	
Other Expenses	2,475.00	2,475.00	2,469.74		5.26	
Insurance:	15,000.00	15,000.00	8,437.04	2,365.40	4,197.56	
General Liability	642,500.00	642,500.00	642,072.00		428.00	
Group Health	1,716,000.00	1,586,000.00	1,550,097.79	293.66	35,608.55	
Health Benefit Waiver	85,000.00	70,000.00	61,426.46		8,573.54	
	<u>3,763,749.00</u>	<u>3,665,849.00</u>	<u>3,395,463.99</u>	<u>139,172.12</u>	<u>131,212.89</u>	
<u>PUBLIC SAFETY</u>						
Uniform Fire Safety:						
Fire Official:						
Salaries and Wages	15,990.00	15,990.00	15,984.02		5.98	
Other Expenses	2,700.00	2,700.00	1,205.50	1,479.93	14.57	
Fire:						
Salaries and Wages	43,000.00	43,000.00	41,515.50		1,484.50	
Other Expenses	89,285.00	89,285.00	65,682.95	21,860.79	1,741.26	
Police:						
Salaries and Wages	3,609,434.00	3,609,434.00	3,486,637.46		122,796.54	
Other Expenses	271,800.00	271,800.00	145,799.84	116,241.95	9,758.21	
Traffic Control Schools:						
Salaries and Wages	266,044.00	266,044.00	254,132.78		11,911.22	
Other Expenses	15,200.00	15,200.00	7,347.00	839.82	7,013.18	

BOROUGH OF ROSELLE PARK
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #3

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>PUBLIC SAFETY</u>						
Emergency Management:						
Salaries and Wages	\$ 8,790.00	\$ 8,790.00	\$ 8,775.52	\$ 3,806.17	\$ 14.48	\$
Other Expenses	14,500.00	14,500.00	10,266.10		427.73	
Borough Prosecutor:						
Other Expenses	2,000.00	2,000.00	2,000.00			
	<u>4,338,743.00</u>	<u>4,338,743.00</u>	<u>4,039,346.67</u>	<u>144,228.66</u>	<u>155,167.67</u>	
<u>PUBLIC WORKS</u>						
Road Repairs and Maintenance:						
Salaries and Wages	939,640.00	939,640.00	840,650.93		98,989.07	
Other Expenses	85,000.00	120,000.00	55,135.38	53,828.09	11,036.53	
Sanitation:						
Garbage and Trash Removal:						
Disposal Tipping Fees	366,000.00	366,000.00	321,817.13	32,000.00	12,182.87	
Collection	484,000.00	499,000.00	453,134.41	42,500.00	3,365.59	
Recycling:						
Salaries and Wages	4,105.00	4,105.00	4,104.62		0.38	
Other Expenses	371,500.00	371,500.00	308,219.88	39,018.12	24,262.00	
Public Buildings and Grounds:						
Other Expenses	130,000.00	190,000.00	148,536.75	28,833.50	12,629.75	
Maintenance of Vehicles:						
Other Expenses	130,000.00	165,000.00	120,636.59	32,367.25	11,996.16	
	<u>2,510,245.00</u>	<u>2,655,245.00</u>	<u>2,252,235.69</u>	<u>228,546.96</u>	<u>174,462.35</u>	
<u>HEALTH AND WELFARE</u>						
Board of Health:						
Salaries and Wages	4,945.00	4,945.00	4,939.48		5.52	
Other Expenses	142,531.00	142,531.00	141,395.00	227.36	908.64	
	<u>147,476.00</u>	<u>147,476.00</u>	<u>146,334.48</u>	<u>227.36</u>	<u>914.16</u>	

BOROUGH OF ROSELLE PARK
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #4

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>RECREATION AND EDUCATION</u>						
Parks and Playgrounds:						
Salaries and Wages	\$ 5,725.00	\$ 5,725.00	\$ 5,575.87	\$	\$ 149.13	\$
Other Expenses	19,900.00	19,900.00	18,284.91		1,615.09	
Community Center:						
Salaries and Wages	47,570.00	47,570.00	38,824.32		8,745.68	
Other Expenses	13,800.00	13,800.00	10,946.83	211.98	2,641.19	
Youth Center:						
Other Expenses	72,000.00	72,000.00	72,000.00			
Other Common Operating Functions:						
Celebration of Public Events:						
Other Expenses	34,000.00	34,000.00	31,340.36		2,659.64	
Farmer's Market:						
Salaries and Wages	3,810.00	3,810.00	3,808.48		1.52	
Other Expenses	1,500.00	1,500.00	1,482.90		17.10	
	<u>198,305.00</u>	<u>198,305.00</u>	<u>182,263.67</u>	<u>211.98</u>	<u>15,829.35</u>	
<u>UNIFORM CONSTRUCTION CODE -</u>						
<u>APPROPRIATIONS OFFSET BY</u>						
<u>DEDICATED REVENUES</u>						
Construction Code Officials:						
Salaries and Wages	329,412.00	269,412.00	266,563.24		2,848.76	
Other Expenses	15,100.00	80,100.00	8,003.42	70,739.41	1,357.17	
	<u>344,512.00</u>	<u>349,512.00</u>	<u>274,566.66</u>	<u>70,739.41</u>	<u>4,205.93</u>	
<u>UNCLASSIFIED</u>						
Utilities:						
Natural Gas	40,000.00	40,000.00	21,298.37	2,500.00	16,201.63	
Electricity	100,000.00	100,000.00	73,761.71	8,700.00	17,538.29	
Water	30,000.00	30,000.00	21,766.15	2,000.00	6,233.85	
Telephone	99,000.00	87,000.00	73,347.86	4,324.92	9,327.22	
Street Lighting	218,200.00	197,900.00	163,231.01	15,000.00	19,668.99	
Fire Hydrant Services	122,000.00	122,000.00	105,490.25	10,157.40	6,352.35	
Cable TV - Channel 34	15,000.00	15,000.00	11,457.80	798.00	2,744.20	
Gasoline	100,000.00	100,000.00	78,052.50	15,618.01	6,329.49	
	<u>724,200.00</u>	<u>691,900.00</u>	<u>548,405.65</u>	<u>59,098.33</u>	<u>84,396.02</u>	

BOROUGH OF ROSELLE PARK
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #5

<u>Appropriation</u>	<u>Appropriations</u>		<u>Paid or Charged</u>	<u>Reserved</u>		<u>Unexpended Balance Cancelled</u>
	<u>Budget</u>	<u>Modified Budget</u>		<u>Encumbered</u>	<u>Unencumbered</u>	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>CONTINGENT</u>						
Total Operations	\$ 2,000.00	\$ 2,000.00	\$ 22.86	\$	\$ 1,977.14	\$
	12,029,230.00	12,049,030.00	10,838,639.67	642,224.82	568,165.51	
<u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Public Employees' Retirement System	284,146.00	284,346.00	284,280.75		65.25	
Social Security System	285,000.00	265,000.00	253,803.48		11,196.52	
Police and Firemen's Retirement System of N.J.	870,284.00	870,284.00	870,284.00			
State Unemployment Insurance	60,000.00	60,000.00	60,000.00			
Compensated Absences	131,100.00	131,100.00	131,100.00			
DCRP	13,000.00	13,000.00	5,052.08		7,947.92	
	1,643,530.00	1,623,730.00	1,604,520.31		19,209.69	
Total Appropriations Within "CAPS"	13,672,760.00	13,672,760.00	12,443,159.98	642,224.82	587,375.20	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library	405,000.00	405,000.00	405,000.00			
Police 911 Command and Dispatch Center:						
Salaries and Wages	81,040.00	81,040.00	76,054.89		4,985.11	
Other Expenses	30,245.00	30,245.00	27,108.23		3,136.77	
Length of Service Awards - (LOSAP)	63,250.00	63,250.00			63,250.00	
Implementation of Fair Housing Plan:						
Other Expenses	90,000.00	90,000.00	16,219.89		37,788.65	
Recycling Tax:				35,991.46		
Other Expenses	1,500.00	1,500.00			1,500.00	
	671,035.00	671,035.00	524,383.01	35,991.46	110,660.53	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>						
Clean Community Grant	20,974.11	20,974.11	20,974.11			
Municipal Alliance Committee Anti-Drug and Alcoholism Program	18,582.00	18,582.00	18,582.00			
Municipal Alliance Committee Anti-Drug and Alcoholism Program - Match	4,645.00	4,645.00	4,645.00			
Safe and Secure Program - Grant	311,306.00	311,306.00	311,306.00			
Bulletproof Vest Partnership Program	3,405.04	3,405.04	3,405.04			
Alcohol Education and Rehabilitation Program	7,469.71	7,469.71	7,469.71			

BOROUGH OF ROSELLE PARK
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #6

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET</u>						
<u>BY REVENUES</u>						
Drive Sober or Get Pulled Over	\$ 5,500.00	\$ 5,500.00	\$ 5,500.00	\$	\$	\$
Distracted Driving	6,600.00	6,600.00	6,600.00			
Click It or Ticket	5,500.00	5,500.00	5,500.00			
Recycling Tonnage Grant	11,505.69	11,505.69	11,505.69			
Union County Heart Grant	1,000.00	1,000.00	1,000.00			
	<u>396,487.55</u>	<u>396,487.55</u>	<u>396,487.55</u>			
Total Operations	<u>1,067,522.55</u>	<u>1,067,522.55</u>	<u>920,870.56</u>	<u>35,991.46</u>	<u>110,660.53</u>	
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	<u>100,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>			
<u>DEBT SERVICE</u>						
Payment of Bond Principal	1,590,000.00	1,590,000.00	1,590,000.00			
Interest on Bonds	517,251.50	517,251.50	517,251.50			
Green Trust Loan Program:						
Principal and Interest on Loan	<u>11,659.66</u>	<u>11,659.66</u>	<u>11,659.65</u>			0.01
	<u>2,118,911.16</u>	<u>2,118,911.16</u>	<u>2,118,911.15</u>			0.01
<u>DEFERRED CHARGES</u>						
Deficit in Dedicated Assessment Trust Fund	<u>20,000.00</u>	<u>20,000.00</u>	<u>20,000.00</u>			
Total Appropriations Excluded from "CAPS"	<u>3,306,433.71</u>	<u>3,306,433.71</u>	<u>3,159,781.71</u>	<u>35,991.46</u>	<u>110,660.53</u>	<u>0.01</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

A-3
Sheet #7

Appropriation	Appropriations		Paid or Charged	Reserved		Unexpended Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered	
Sub-Total	\$ 16,979,193.71	\$ 16,979,193.71	\$ 15,602,941.69	\$ 678,216.28	\$ 698,035.73	\$ 0.01
Reserve for Uncollected Taxes	1,002,632.00	1,002,632.00	1,002,632.00			
Total Appropriations	\$ 17,981,825.71	\$ 17,981,825.71	\$ 16,605,573.69	\$ 678,216.28	\$ 698,035.73	\$ 0.01
		Below	Below	A	A	Below
Reference	Ref.					
Adopted Budget	A-2	\$ 17,937,976.85	\$			
Added by N.J.S. 40A:4-87	A-2	43,848.86				
Reserve for Uncollected Taxes	A-2a	(1,002,632.00)	1,002,632.00			
Cancelled	Above	(0.01)				
Cash Disbursements	A-4		15,206,454.14			
Local Match	A-16		255,951.00			
Reserve for Federal and State Grants	A-20		140,536.55			
		\$ 16,979,193.70	\$ 16,605,573.69			
Reference	A-1	Above	Above			

APPROPRIATIONS EXCLUDED FROM "CAPS"

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
TRUST FUNDS

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

B

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance Dec. 31, 2018</u>	<u>Balance Dec. 31, 2017</u>
<u>Assessment Fund</u>			
Prospective Assessments	B-19	<u>\$ 37,000.00</u>	<u>\$ 57,000.00</u>
<u>Animal Control Fund</u>			
Cash	B-3	<u>11,672.95</u>	<u>9,209.86</u>
<u>Trust Other Fund</u>			
Cash	B-3	1,526,867.89	2,214,558.33
Due from County of Union Community Development Grant	B-6	<u>17,500.00</u>	<u>13,283.82</u>
		<u>1,544,367.89</u>	<u>2,227,842.15</u>
<u>Length of Service Award Programs - Unaudited Investments</u>		<u>1,064,143.57</u>	<u>1,142,171.12</u>
		<u>\$ 2,657,184.41</u>	<u>\$ 3,436,223.13</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Assessment Fund</u>			
Assessment Bonds Payable	B-11	<u>\$ 37,000.00</u>	<u>\$ 57,000.00</u>
<u>Animal Control Fund</u>			
Reserve for Animal Control Trust Fund	B-5	11,672.95	9,204.46
Due to State of New Jersey	B-12	<u>11,672.95</u>	<u>5.40</u>
		<u>11,672.95</u>	<u>9,209.86</u>
<u>Trust Other Fund</u>			
Due to Current Fund	B-4	10,000.00	10,000.00
Reserve for:			
State Unemployment Compensation			
Insurance Fund	B-9	158,939.43	164,841.85
Community Development Block Grants	B-7	11,187.43	11,420.49
Retiree Reimbursements	B-8	135,959.00	118,992.73
Various Reserves	B-10	875,926.39	770,843.93
Payroll Deductions Payable	B-13	58,308.71	1,314.87
Recreation Reserves	B-14	36,475.99	68,555.54
Affordable Housing Reserves	B-15	36,581.60	26,680.62
Special Law Enforcement Reserves	B-16	13,589.31	11,292.09
Law Enforcement Block Grant - Federal Reserves	B-17	0.03	0.03
Premium on Tax Sale	B-18	<u>207,400.00</u>	<u>1,043,900.00</u>
		<u>1,544,367.89</u>	<u>2,227,842.15</u>
<u>Length of Service Award Programs - Unaudited Reserve for Length of Service Award Programs</u>		<u>1,064,143.57</u>	<u>1,142,171.12</u>
		<u>\$ 2,657,184.41</u>	<u>\$ 3,436,223.13</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
TRUST FUNDS

STATEMENT OF REVENUE
ASSESSMENT TRUST FUND - REGULATORY BASIS

B-1

	<u>Budget Revenue</u>	<u>Realized</u>
Deficit (General Budget)	<u>\$ 20,000.00</u>	<u>\$20,000.00</u>
<u>Reference</u>	<u>B-2</u>	<u>Reserve</u>

STATEMENT OF EXPENDITURES
ASSESSMENT TRUST FUND - REGULATORY BASIS

B-2

	<u>Budget Appropriations</u>	<u>Expended</u>
Payment of Bond Principal	<u>\$ 20,000.00</u>	<u>\$20,000.00</u>
<u>Reference</u>	<u>B-1,19</u>	<u>B-11</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>	Balance <u>Dec. 31, 2018</u>	Balance <u>Dec. 31, 2017</u>
Cash	C-2	\$ 7,062,678.43	\$ 4,696,629.66
Deferred Charges to Future Taxation:			
Funded	C-4	18,322,892.16	16,221,760.72
Unfunded	C-5	462.37	2,245,000.00
Community Development Block Grant Receivable	C-6	160,000.00	
State of New Jersey Grant Receivable	C-7	354,045.00	148,750.00
County Grant Receivable	C-8	120,470.00	25,000.00
		<u>\$26,020,547.96</u>	<u>\$23,337,140.38</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds	C-12	\$18,190,000.00	\$16,080,000.00
Green Acres Loan Payable	C-13	132,892.16	141,760.72
Capital Improvement Fund	C-10	124,668.07	41,023.07
Improvement Authorizations:			
Funded	C-11	6,907,998.87	4,977,836.57
Unfunded	C-11	462.37	1,552,656.83
Reserve:			
To Pay Serial Bonds	C-9	311,597.91	121,597.91
Fund Balance	C-1	352,928.58	422,265.28
		<u>\$26,020,547.96</u>	<u>\$23,337,140.38</u>
 Bonds and Notes Authorized but Not Issued	 C-14	 <u>\$ 462.37</u>	 <u>\$ 2,245,000.00</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, 2017	C		\$422,265.28
Increased by:			
Premium on Bond Sale		\$48,113.30	
Cancellation of Reconciling Item		<u>2,550.00</u>	
	C-2		<u>50,663.30</u>
			472,928.58
Decreased by:			
Appropriated to Finance Improvement			
Authorizations	C-11		<u>120,000.00</u>
Balance December 31, 2018	C		<u><u>\$352,928.58</u></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>	Balance <u>Dec. 31, 2018</u>	Balance <u>Dec. 31, 2017</u>
<u>Operating Fund</u>			
Cash	D-5	\$1,435,741.32	\$1,248,740.85
Receivables and Inventories with Full Reserves:			
Consumer Accounts Receivable	D-6	123,291.25	116,888.09
		<u>1,559,032.57</u>	<u>1,365,628.94</u>
<u>Capital Fund</u>			
Cash	D-5	76,661.44	76,661.44
Fixed Capital	D-8	853,316.96	853,316.96
		<u>929,978.40</u>	<u>929,978.40</u>
		<u>\$2,489,010.97</u>	<u>\$2,295,607.34</u>

LIABILITIES, RESERVES AND FUND BALANCE

<u>Operating Fund</u>			
Appropriation Reserves:			
Encumbered	D-4,11	\$ 12,449.94	\$ 10,500.00
Reserved	D-4,11	125,568.43	116,050.54
Sewer User Charge Overpayment	D-7	2,854.51	2,663.69
Accounts Payable	D-12	96,234.00	96,234.00
		<u>237,106.88</u>	<u>225,448.23</u>
Reserve for Receivables and Inventory	Reserve	123,291.25	116,888.09
Fund Balance	D-1	1,198,634.44	1,023,292.62
		<u>1,559,032.57</u>	<u>1,365,628.94</u>
<u>Capital Fund</u>			
Reserve for:			
Amortization	D-9	853,316.96	853,316.96
Capital Outlay	D-10	11,594.76	11,594.76
Fund Balance	D-2	65,066.68	65,066.68
		<u>929,978.40</u>	<u>929,978.40</u>
		<u>\$2,489,010.97</u>	<u>\$2,295,607.34</u>

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 2018</u>	<u>Year 2017</u>
<u>Revenue and Other Income</u>			
Collection of Sewer User Charges	D-3	\$1,373,266.27	\$1,443,001.31
Interest on Rent	D-3	16,897.49	14,349.30
Other Credits to Income:			
Cancellation			73.92
Reserves Lapsed	D-11	117,981.06	101,742.56
		<u>1,508,144.82</u>	<u>1,559,167.09</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating		1,202,803.00	1,219,983.00
Capital Improvements		5,000.00	5,000.00
Total Expenditures	D-4	<u>1,207,803.00</u>	<u>1,224,983.00</u>
Excess in Revenue		300,341.82	334,184.09
<u>Fund Balance</u>			
Balance January 1	D	<u>1,023,292.62</u>	<u>814,108.53</u>
		1,323,634.44	1,148,292.62
Decreased by:			
Utilized as Anticipated Revenue:			
Current Fund Budget	D-5	<u>125,000.00</u>	<u>125,000.00</u>
Balance December 31	D	<u>\$1,198,634.44</u>	<u>\$1,023,292.62</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, 2017	D	<u>\$65,066.68</u>
Balance December 31, 2018	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>
Rents	D-1,6	\$1,207,803.00	\$1,373,266.27	\$165,463.27
Miscellaneous Revenue	D-1,Below	<u> </u>	<u>16,897.49</u>	<u>16,897.49</u>
Total Budget Revenue	D-4	<u>\$1,207,803.00</u>	<u>\$1,390,163.76</u>	<u>\$182,360.76</u>
<u>Analysis of Miscellaneous Revenue</u>				
Interest on Rents	D-5,Above		<u>\$ 16,897.49</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>Expended</u>	
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Encumbered</u> <u>Reserved</u>
<u>Operating</u>				
Other Expenses	\$ 100,000.00	\$ 100,000.00	\$ 46,115.06	\$ 41,435.00
Maintenance of Vehicles	5,000.00	5,000.00		5,000.00
Share of Costs:				
Rahway Valley Sewerage Authority	396,938.00	396,938.00	396,938.00	
Joint Meeting Sewer	700,865.00	700,865.00	626,731.57	74,133.43
<u>Capital Improvements</u>				
Capital Outlay	5,000.00	5,000.00		5,000.00
Total Sewer Utility Appropriations	<u>\$ 1,207,803.00</u>	<u>\$ 1,207,803.00</u>	<u>\$ 1,069,784.63</u>	<u>\$ 125,568.43</u>
<u>Reference</u>	<u>D-3</u>	<u>D-1</u>	<u>D-5</u>	<u>D</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELLE PARK
VETERANS MEMORIAL LIBRARY FUND

COMPARATIVE BALANCE SHEET - REGULATORY BASIS

E

<u>ASSETS</u>	<u>Ref.</u>	Balance <u>Dec. 31, 2018</u>	Balance <u>Dec. 31, 2017</u>
Cash	E-1	\$ 677,166.65	\$ 154,464.08
Investments	E-2	1,930.62	2,148.10
Due from Library Building Fund to Library Operating Fund	E-6	9,924.49	9,924.49
		<u>689,021.76</u>	<u>166,536.67</u>
Deferred Outflows: Prepayments	E-8	5,180.52	6,660.90
		<u>\$ 694,202.28</u>	<u>\$ 173,197.57</u>
 <u>LIABILITIES AND RESERVES</u>			
Library Operating Fund:			
Accounts Payable	E-3	\$ 1,767.27	\$ 2,255.06
Reserve for Expenditures	E-4	143,309.82	149,433.77
Library Building Fund:			
Due to Library Operating Fund from Library Building Fund	E-7	9,924.49	9,924.49
Reserve for Building Fund Expenditures	E-5	539,200.70	11,584.25
		<u>\$ 694,202.28</u>	<u>\$ 173,197.57</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, 2018</u>	Balance <u>Dec. 31, 2017</u>
Land and Buildings	\$ 6,138,700.00	\$ 6,138,700.00
Vehicles, Machinery and Equipment	<u>7,814,040.00</u>	<u>7,848,708.00</u>
	<u>\$ 13,952,740.00</u>	<u>\$ 13,987,408.00</u>
 <u>RESERVE</u>		
Investment in Capital Fixed Assets	<u>\$ 13,952,740.00</u>	<u>\$ 13,987,408.00</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ROSELLE PARK

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2018

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. Measurement Focus, Basis of Accounting and Basis of Presentation

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 three fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (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. These principles are a "Modified Accrual Basis of Accounting" which differs from accounting principles generally accepted in the United States of America (GAAP) for governmental entities. 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 GAAP.

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 Assessment 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. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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.

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Basis of Accounting (Continued)

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Basis of Accounting (Continued)

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 GAAP, the Borough of Roselle Park has developed a fixed asset accounting and reporting system.

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.

Volunteer Length of Service Award Plan (LOSAP)

The Borough has established a Volunteer Length of Service Award Plan ("LOSAP") ("Plan") to ensure retention of the Borough's volunteer fire department. The Plan shall be construed under the laws of the State of New Jersey and is established with the intent that it meets the requirements of a "Length of Service Award Plan under Section 457(c)11 of the Internal Revenue Code". The LOSAP financial statements have not been nor are they required to be audited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. 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.

D. Recent Accounting Pronouncements Not Yet Effective

In January 2017, the Governmental Accounting Standards Board issued GASB Statement No. 84, "Fiduciary Activities". The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported and is effective for reporting periods beginning after December 15, 2018. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, "Leases". The object of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract and is effective for reporting periods beginning after December 15, 2019. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In April 2018, the Governmental Accounting Standards Board issued GASB Statement No. 88, "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements". The primary objective of this Statement is to improve the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt and is effective for reporting periods beginning after June 15, 2018. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In June 2018, the Governmental Accounting Standards Board issued GASB Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period". The primary objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period and is effective for reporting periods beginning after December 15, 2019. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

In August 2018, the Governmental Accounting Standards Board issued GASB Statement No. 90, "Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61". The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units and is effective for reporting periods beginning after December 15, 2018. The Borough is currently reviewing what effect, if any, this Statement might have on future financial statements.

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 (5%) of the average daily balance of public funds or

If the public funds deposited exceed seventy-five percent (75%) of the capital funds of the depository, the depository must provide collateral having a market value equal to one hundred percent (100%) of the amount exceeding seventy-five percent (75%).

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.

Cash equivalents include money market funds, mutual funds, cash management funds and certificates of deposit with maturity dates of less than three months. Investments include certificates of deposit with maturity dates of more than three months. Cash equivalents and investments are stated at cost, which approximates market. Cash equivalents and investments were held by the Borough's Trustee in the Borough's name.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Borough will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Borough does not have a policy for custodial credit risk. Federal depository insurance and New Jersey's Governmental Unit Deposit Protection Act mitigate this risk.

Interest Rate Risk - This is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in market interest rates. The Borough's investment policy does not include limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentrations - The Borough's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Cash and Cash Equivalents

As of December 31, 2018 and 2017, the Borough's cash, cash equivalents and investments consisted of:

	<u>2018</u>	<u>2017</u>
Bank of America - Checking Accounts	\$ 3,221,996.26	\$ 3,320,323.31
Bank of America - Money Market Accounts	13,473,758.24	10,928,443.81
New Jersey Cash Management Account	<u>12,217.76</u>	<u>11,997.32</u>
Total Cash, Cash Equivalents and Investments	<u>\$16,707,972.26</u>	<u>\$14,260,764.44</u>

The carrying amount of the Borough's cash, cash equivalents and investments at December 31, 2018 was \$16,707,972.26. Of the bank balance, \$250,000.00 was covered by Federal Depository Insurance and \$16,457,972.26 was covered by the Governmental Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:9-41, et seq., for all New Jersey governmental units' deposits in excess of the Federal deposit maximums.

During the year the Borough had none of its idle funds invested in repurchase agreements collateralized by eligible securities. At the close of 2018 and 2017, no such investments were held by the Borough.

As of December 31, 2018 and 2017, the Borough's investments consisted of:

	<u>2018</u>	<u>2017</u>
Donated to the Veterans Memorial Library:		
50 Shares of Hewlett-Packard Stock	\$1,023.00	\$1,050.50
50 Shares of Hewlett-Packard Enterprise Stock	660.50	718.00
4 Shares of DXE Technology Stock	212.68	379.60
2 Shares of Perspecta Inc. Stock	<u>34.44</u>	<u> </u>
Balance December 31	<u>\$1,930.62</u>	<u>\$2,148.10</u>

Fair Value Measurements

Pursuant to the requirements of the accounting standard related to fair value measurements, the Borough has provided fair value disclosure information for relevant assets and liabilities in these financial statements. The following table summarizes assets which have been accounted for at fair value on a recurring basis as of December 31, 2018 and 2017, along with the basis for the determination of fair value:

	<u>Basis for Valuation</u>
	<u>Observable</u>
	<u>Measurement</u>
	<u>(Level 1)</u>
Criteria:	
Stock - 2018	<u>\$ 1,930.62</u>
Stock - 2017	<u>\$ 2,148.10</u>

For applicable assets and liabilities subject to this pronouncement, the Borough will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible (Level 1). To the extent that such market prices are not available, the Borough will next attempt to value such assets and liabilities in active and inactive markets and other corroborated factors (Level 2). In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Borough will develop measurement criteria based on the best information available (Level 3).

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.

3. TAXES AND TAX TITLE LIENS RECEIVABLE

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

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

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

Taxes unpaid on the 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.

3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

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>2018</u>	<u>2017</u>	<u>2016*</u>	<u>2015</u>	<u>2014</u>
Tax Rate	<u>\$3.979</u>	<u>\$3.934</u>	<u>\$3.811</u>	<u>\$13.587</u>	<u>\$12.907</u>
Apportionment of Tax Rate:					
Municipal	\$1.296	\$1.276	\$1.227	\$ 4.427	\$ 4.273
County	0.559	0.565	0.550	1.950	1.879
Local School	2.124	2.093	2.034	7.210	6.755

*Revaluation effective January 2016.

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2018	\$1,051,778,057.00
2017	1,050,803,779.00
2016	1,054,177,601.00 *
2015	283,426,810.00
2014	283,829,128.00

*Revaluation effective January 2016.

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2018	\$41,869,930.43	\$41,248,227.08	98.52 %
2017	41,486,671.19	40,791,821.35	98.33
2016	40,187,998.67	39,447,876.47	98.16
2015	38,536,330.27	37,839,385.57	98.19
2014	36,662,116.39	36,008,661.17	98.21

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>
2018	\$ -	\$592,501.45	\$592,501.45	1.42 %
2017	-	624,589.55	624,589.55	1.51
2016	-	692,298.88	692,298.88	1.72
2015	-	649,703.28	649,703.28	1.69
2014	-	586,998.75	586,998.75	1.60

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>
2018	\$163,650.00
2017	163,650.00
2016	163,650.00
2015	163,650.00
2014	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>
2018	\$1,379,669.43	\$1,373,266.27
2017	1,441,497.85	1,443,001.31
2016	1,451,869.93	1,483,979.44
2015	1,459,468.76	1,415,935.86
2014	1,435,593.24	1,464,976.89

*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:	2018	\$2,858,162.06	\$1,725,000.00
	2017	2,632,783.04	1,620,000.00
	2016	2,355,674.71	1,550,000.00
	2015	2,262,183.86	1,400,000.00
	2014	2,181,585.16	1,400,000.00
Sewer Utility Operating Fund:	2018	1,198,634.44	380,000.00 **
	2017	1,023,292.62	125,000.00 **
	2016	814,108.53	125,000.00 **
	2015	510,667.14 **	-
	2014	345,099.44	-

**Utilized as Current Fund Revenue.

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). 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 are considered a cost-sharing multiple-employer plan.

The amount of the Borough's contribution is certified each year by PERS and PFRS on the recommendation of the actuary, who makes an annual actuarial valuation. The valuation is based on a determination of the financial condition of the retirement system. It includes the computation of the present dollar value of benefits payable to former and present members and the present dollar value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal, former service, salary and interest. In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Specific information on actuarial assumptions and rates of return can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS the employer contribution includes funding for post-retirement medical premiums.

	PERS		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Covered Employee Payroll	\$2,084,979	\$2,024,482	\$2,046,251
Total Payroll	7,098,905	6,775,485	6,528,624
Actuarial Contribution			
Requirements	314,928	275,400	268,467
Total Contributions	479,199	423,997	413,477
Employer Share	314,928	275,400	268,467
% of Covered Payroll	15.10%	13.60%	13.12%
Employee's Share	164,271	148,597	145,010
% of Covered Payroll	7.88%	7.34%	7.09%
	PFRS		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Covered Employee Payroll	\$3,332,126	\$3,189,073	\$3,126,386
Total Payroll	7,098,905	6,775,485	6,528,624
Actuarial Contribution			
Requirements	925,045	870,284	782,521
Total Contributions	1,259,398	1,182,770	1,095,007
Employer Share	925,045	870,284	782,521
% of Covered Payroll	27.76%	27.29%	25.03%
Employee's Share	334,353	312,486	312,486
% of Covered Payroll	10.03%	9.80%	10.00%

7. PENSION PLANS (Continued)

Assumptions

The total PERS and PFRS pension liability for June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 using an actuarial experience study for the period July 1, 2011 to June 30, 2014. The pension liability was rolled forward to June 30, 2018. The actuarial valuation used an inflation rate of 2.25%, projected salary increases through 2026 of 1.65% to 4.15% for PERS and 2.10% to 8.98% for PFRS based on age and thereafter 2.65% to 5.15% for PERS and 3.10% to 9.98% for PFRS based on age and an investment rate of return of 7.00%.

For PERS, preretirement mortality rates were based on the RP-2000 Employee Preretirement Mortality Table for male and female active participants. For State employees, mortality tables are set back 4 years for males and females. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and using a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward 1 year for females.)

For PFRS, preretirement mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scale thereafter. For preretirement accidental mortality, a custom table with representative rates was used and there is no mortality improvement assumed. Post-retirement mortality rates for male service retirements are based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis using Projection Scale AA from the base year of 2012 to 2013 and the Conduent modified 2014 projection scale thereafter. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected on a generational basis from the base year of 2000 to 2013 using Projection Scale BB and the Conduent modified 2014 projection scales thereafter. Disability mortality rates were based on a custom table with representative rates and no mortality improvement assumed.

The discount rate used to measure the total pension liability was 5.66% for PERS and 6.51% for PFRS as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 50% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through June 30, 2046 for PERS and June 30, 2062 for PFRS. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046 for PERS and June 30, 2062 for PFRS, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability. More information on mortality rates and other assumptions and investment policies can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System:

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

7. PENSION PLANS (Continued)

Public Employees' Retirement System: (Continued)

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 $\frac{1}{4}$ 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.
- 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).

The following presents the Borough's proportionate share of the collective PERS net pension liability calculated using the discount rate of 5.66% and 5.00% as of June 30, 2018 and 2017, respectively, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Borough's Proportionate Share of the Collective PERS Net Pension Liability to Changes in the Discount Rate

	At 1% Decrease (4.66%)	At Current Discount Rate (5.66%)	At 1% Increase (6.66%)
2018	<u>\$7,838,485</u>	<u>\$6,233,959</u>	<u>\$4,887,864</u>
	At 1% Decrease (4.00%)	At Current Discount Rate (5.00%)	At 1% Increase (6.00%)
2017	<u>\$8,585,039</u>	<u>\$6,920,249</u>	<u>\$6,593,589</u>

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 and 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.

7. PENSION PLANS (Continued)

Police and Firemen's Retirement System: (Continued)

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.

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

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

- The annual benefit under special retirement for new PRFS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus one percent for each year of creditable service over 25 years but not to exceed 30 years.

The following presents the Borough's proportionate share of the Collective PFRS net pension liability calculated using the discount rate of 6.51% and 6.14% as of June 30, 2018 and 2017, respectively, as well as what the PFRS net pension liability would be if it were calculated using a discount rate of one percentage point lower or one percentage point higher than the assumed rate.

Sensitivity of the Borough's Proportionate Share of the Collective PFRS Net Pension Liability to Changes in the Discount Rate

	At 1% Decrease (5.51%)	At Current Discount Rate (6.51%)	At 1% Increase (7.51%)
2018	<u>\$19,463,643</u>	<u>\$14,542,732</u>	<u>\$10,483,878</u>
	At 1% Decrease (5.14%)	At Current Discount Rate (6.14%)	At 1% Increase (7.14%)
2017	<u>\$22,242,696</u>	<u>\$16,881,447</u>	<u>\$12,476,571</u>

7. PENSION PLANS (Continued)

Special Funding Situation

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

	<u>2018</u>	<u>2017</u>
Employer Net Pension Liability	\$12,803,578.00	\$15,181,042.00
Nonemployer Proportional Share of the Net Pension Liability	<u>1,739,154.00</u>	<u>1,700,405.00</u>
	<u>\$14,542,732.00</u>	<u>\$16,881,447.00</u>

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarially determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amount by employer. The allocation percentages for each group as of June 30, 2018 and 2017 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2018 and 2017, respectively.

Following is the total of the Borough's portion of the PERS and PFRS net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and the pension expense and expenditures for the fiscal year ended June 30, 2018:

	<u>PERS</u>	<u>PFRS</u>
Net Pension Liabilities	\$6,233,959	\$12,803,578
Deferred Outflow of Resources	1,819,632	2,726,025
Deferred Inflow of Resources	2,219,639	3,946,434
Pension Expense	46,313	286,765
Contributions Made After Measurement Date	314,928	925,045

7. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collected deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the PERS schedule of employer allocations and applied to amounts presented in the PERS schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the years ended June 30, 2018 and 2017. The Borough's proportionate share of the collective net pension liability as of June 30, 2018 and 2017 was 0.0316613359% and 0.0297281978% for PERS and 0.0946194981% and 0.0983351242% for PFRS, respectively.

It is important to note that New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements.

At June 30, 2018, the amount determined as the Borough's proportionate share of the PERS net pension liability was \$6,233,959. For the year ended June 30, 2018, the Borough would have recognized PERS pension expense of \$46,313. At June 30, 2018, deferred outflows of resources and related to the PERS pension are as follows:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences Between Expected and Actual Experience	\$ 118,883	\$ 32,144
Change in Assumptions	1,027,253	1,993,289
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		58,475
Change in Proportion	358,568	135,731
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>314,928</u>	
	<u>\$1,819,632</u>	<u>\$2,219,639</u>

7. PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

At June 30, 2018, the amount determined as the Borough's proportionate share of the PFRS net pension liability was \$12,803,578. For the year ended June 30, 2018, the Borough would have recognized PFRS pension expense of \$286,765. At June 30, 2018, deferred outflows of resources and deferred inflows of resources related to the PFRS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 130,260	\$ 52,984
Change in Assumptions	1,099,015	3,281,336
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		70,047
Change in Proportion	571,705	542,067
Total Contributions and Proportionate Share of Contributions After the Measurement Date	<u>925,045</u>	
	<u>\$2,726,025</u>	<u>\$3,946,434</u>

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

7. PENSION PLANS (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyout/Venture Capital	8.25%	13.08%

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 7.50% as of July 1, 2018 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 three years is as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Borough</u>	<u>Employees</u>	<u>Borough</u>	<u>Employees</u>
2018	\$284,281	\$164,271	\$870,284	\$334,353
2017	275,471	157,030	782,521	322,515
2016	266,500	145,010	787,458	312,486

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. The program 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. 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.

As of May 21, 2010, the minimum base salary required for eligibility in the DCRP was increased to \$5,000.00.

8. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)

Description of System (Continued)

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.

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 PFRS 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 join or remain in PERS.

Contributions Required and Made

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. Contributions to the plan for the past three years is as follows:

<u>Year</u>	<u>Borough</u>	<u>Employees</u>
2018	\$ 5,052.08	\$
2017		
2016		

9. POST-RETIREMENT BENEFITS

General Information About the OPEB Plan

Plan Description and Benefits Provided

The State Health Benefit Local Government Retired Employees' Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in Paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

9. POST-RETIREMENT BENEFITS (Continued)

General Information About the OPEB Plan (Continued)

Plan Description and Benefits Provided (Continued)

The Plan provides medical and prescription drugs to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide post-retirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of post-retirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide post-retirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for post-retirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the Collective Net OPEB Liability that is associated with the local participating employer.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases: Through 2016	1.65 - 8.98% Based on Years of Service
Thereafter	2.65 - 9.98% Based on Years of Service

9. POST-RETIREMENT BENEFITS (Continued)

Total Nonemployer OPEB Liability (Continued)

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the July 1, 2016 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan - the Police and Firemen's Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

For Pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total OPEB Liability Reported by the State of New Jersey

	<u>Increase/(Decrease)</u>
	<u>Total OPEB</u>
	<u>Liability</u>
Balance as of June 30, 2016 Measurement Date	\$ 21,867,849,603
Changes Recognized for the Fiscal Year:	
Service Cost	1,064,525,862
Interest on the Total OPEB Liability	648,423,508
Changes of Assumptions	(2,587,850,974)
Gross Benefit Payments ¹	(417,488,848)
Contributions from the Nonemployer	N/A
Contributions from the Member	53,585,505
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	(1,238,804,947)
Balance as of June 30, 2017 Measurement Date	\$ 20,629,044,656

¹Employer benefit payments and employee contributions were provided by the State.

9. POST-RETIREMENT BENEFITS (Continued)

Changes in the Total OPEB Liability Reported by the State of New Jersey (Continued)

At June 30, 2018, the State's proportionate share of the OPEB liability attributable to the Borough is \$11,246,126. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the Borough at June 30, 2017 to the total OPEB liability of the State Health Benefit Local Government Retired Employees' Plan at June 30, 2017. At June 30, 2017, the State's share of the OPEB liability attributable to the Borough was .08673 percent, which was a decrease of .00912 percent from its proportionate share measured as of June 30, 2016 of .09585 percent.

There were no changes of benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Discount Rate

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	June 30, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
Total OPEB Liability	\$20,886,682	\$17,707,634	\$15,185,113

	June 30, 2016		
	At 1% Decrease (1.85%)	At Discount Rate (2.85%)	At 1% Increase (3.85%)
Total OPEB Liability	\$24,809,616	\$20,816,407	\$17,679,496

Sensitivity of the Total Nonemployer OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB liability as of June 30, 2017 and 2016, respectively, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is one percentage point lower or one percentage point higher than the current rate.

	June 30, 2017		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$14,715,561	\$17,707,634	\$21,603,660

	June 30, 2016		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$17,252,115	\$20,816,407	\$25,492,694

9. POST-RETIREMENT BENEFITS (Continued)

OPEB Expense and Deferred Outflows Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the Borough recognized OPEB expense of \$804,841 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in Paragraph 4 of GASB's No. 75 and in which there is a special funding situation.

In accordance with GASB's No. 75, the Borough's proportionate share of OPEB is \$17,707,634, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources. At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
(1) Difference Between Actual and Expected Experience	\$ -	\$ -
(2) Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	\$ 3,498,679	
(3) Assumption Changes		\$2,265,078,962
(4) Sub-Total	<u>\$ 3,498,679</u>	<u>\$2,265,078,962</u>
(5) Contributions Made in Fiscal Year Ending 2018 After June 30, 2017 Measurement Date ¹	474,742,974	N/A
(6) Total	<u>\$ 478,241,653</u>	<u>\$2,265,078,962</u>

¹Employer contributions made after June 30, 2017 are reported as a deferred outflow of resources but are not amortized in expense.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2018	\$ (320,997,342)
2019	(320,997,342)
2020	(320,997,342)
2021	(320,997,342)
2022	(321,872,012)
Thereafter	<u>(656,618,903)</u>
	<u>\$ (2,262,480,283)</u>

10. MUNICIPAL DEBT

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

10. MUNICIPAL DEBT (Continued)

Summary of Municipal Debt (Excluding Current and Operating Debt)

	<u>Year 2018</u>	<u>Year 2017</u>	<u>Year 2016</u>
Issued:			
General:			
Bonds, Notes and Loans	\$18,322,892.16	\$16,221,760.72	\$17,770,454.54
Assessments:			
Bonds and Loans	<u>37,000.00</u>	<u>57,000.00</u>	<u>77,000.00</u>
	18,359,892.16	16,278,760.72	17,847,454.54
Less:			
Funds Held to Pay Bonds -			
General Capital	<u>311,597.91</u>	<u>121,597.91</u>	<u>181,597.91</u>
Total Issued	18,048,294.25	16,157,162.81	17,665,856.63
Authorized but Not Issued:			
General:			
Bonds and Notes	<u>462.37</u>	<u>2,245,000.00</u>	
Bonds and Notes Issued and			
Authorized but Not Issued	<u>\$18,048,756.62</u>	<u>\$18,402,162.81</u>	<u>\$17,665,856.63</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.596%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 3,885,000.00	\$3,885,000.00	\$
General Debt	<u>18,360,354.53</u>	<u>311,597.91</u>	<u>18,048,756.62</u>
	<u>\$22,245,354.53</u>	<u>\$4,196,597.91</u>	<u>\$18,048,756.62</u>

Net debt of \$18,048,756.62 divided by the Equalized Valuation Basis per N.J.S. 40:2-2 as amended, \$1,130,652,724.33 equals 1.596%.

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

3 1/2% of Equalized Valuation Basis	\$ 39,572,845.35
Net Debt	<u>18,048,756.62</u>
Remaining Borrowing Power	<u>\$ 21,524,088.73</u>

School Debt Deductions

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

10. MUNICIPAL DEBT (Continued)

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

Fund Balance and Cash Receipts from Fees, Rents or Other Charges for Year	\$1,390,163.76
Deductions:	
Operating, Maintenance Costs and Debt Service	<u>1,207,803.00</u>
Excess in Revenue	<u>\$ 182,360.76</u>

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

As of December 31, 2018, the Borough's long-term debt is as follows:

General Obligation Bonds

\$4,084,000, 2008 Bonds due in annual installments of \$399,000 to \$400,000 through January 2023, interest at 3.50% to 3.60%	\$ 1,999,000.00
\$7,607,000, 2010 Bonds due in annual installments of \$375,000 to \$500,000 through October 2030, interest at 3.00% to 4.00%	5,272,000.00
\$3,640,000, 2013 Bonds due in annual installments of \$250,000 to \$300,000 through November 2028, interest at 2.00% to 4.00%	2,744,000.00
\$4,925,000, 2016 Bonds due in annual installments of \$275,000 to \$450,000 through November 2030, interest at 2.00% to 3.00%	4,475,000.00
\$3,700,000, 2018 Bonds due in annual installments of \$230,000 to \$310,000 through October 2032, interest at 3.00% to 5.00%	<u>3,700,000.00</u>
	<u>\$18,190,000.00</u>

Assessment Bonds

\$197,000, 2010 Bonds due in annual installments of \$17,000 to \$20,000 through October 2020, interest at 2.00% to 3.00%	<u>\$ 37,000.00</u>
--	---------------------

10. MUNICIPAL DEBT (Continued)

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

Year	General		Assessment Trust		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 1,530,000.00	\$ 606,741.50	\$ 20,000.00	\$ 1,110.00	\$ 1,550,000.00	\$ 607,851.50
2020	1,580,000.00	558,241.50	17,000.00	510.00	1,597,000.00	558,751.50
2021	1,645,000.00	507,241.50			1,645,000.00	507,241.50
2022	1,530,000.00	453,360.25			1,530,000.00	453,360.25
2023	1,619,000.00	403,490.75			1,619,000.00	403,490.75
2024	1,395,000.00	353,308.75			1,395,000.00	353,308.75
2025	1,450,000.00	306,208.75			1,450,000.00	306,208.75
2026	1,505,000.00	257,408.75			1,505,000.00	257,408.75
2027	1,510,000.00	206,058.75			1,510,000.00	206,058.75
2028	1,524,000.00	154,508.75			1,524,000.00	154,508.75
2029	1,217,000.00	100,542.50			1,217,000.00	100,542.50
2030	1,185,000.00	58,387.50			1,185,000.00	58,387.50
2031	250,000.00	17,187.50			250,000.00	17,187.50
2032	250,000.00	8,750.00			250,000.00	8,750.00
Totals	<u>\$ 18,190,000.00</u>	<u>\$ 3,991,436.75</u>	<u>\$ 37,000.00</u>	<u>\$ 1,620.00</u>	<u>\$ 18,227,000.00</u>	<u>\$ 3,993,056.75</u>

The interest reflected above is on the cash basis for all funds.

10. MUNICIPAL DEBT (Continued)

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
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	11,487.08	172.59	
	<u>\$132,892.16</u>	<u>\$18,683.41</u>	

Bonds and Notes Authorized but Not Issued

Bonds and Notes Authorized but Not Issued as of December 31, 2018 are as follows:

General Capital Fund	<u>\$462.37</u>
----------------------	-----------------

11. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2018, 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	\$ 10,000.00	\$186,293.30
Federal and State Grant Fund	186,293.30	
General Trust Fund		10,000.00
	<u>\$196,293.30</u>	<u>\$196,293.30</u>

12. DEFERRED COMPENSATION PLAN

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

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

12. DEFERRED COMPENSATION PLAN (Continued)

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

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

13. LENGTH OF SERVICE AWARDS PROGRAM

During 2001, the Borough of Roselle Park adopted an ordinance establishing a Length of Service Awards Program for the members of the Roselle Park Fire Department and the Roselle Park First Aid Squad pursuant to N.J.S.A. 40A:14-183 et seq. Effective July 20, 2017, the Borough modified its shared service agreement for emergency medical services with the County of Union to twenty-four (24) hours a day, seven (7) days a week, every day of the year, including coverage for special events where required. This modification effectively ended the Borough's use of the Roselle Park First Aid Squad for medical coverage within the Borough. Therefore, LOSAP funding FOR Roselle Park First Aid Squad members has ceased.

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. The cost amounted to \$26,450.00 for 2018.

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

14. RISK MANAGEMENT

The Borough of Roselle Park is a member of the New Jersey Intergovernmental Insurance Fund with respect to General Liability, Property, Workers' Compensation and Employer Liability.

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, 2018, the sum of \$653,374.53, based upon 2018 salary rates, has accrued to the benefit of 74 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

The Borough is defending approximately 20 - 25 tax appeals in the Union County Board of Tax Appeals and New Jersey Tax Court.

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).

15. RISK MANAGEMENT (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; refunds of any money received may be required and the collectability of any related receivable at December 31, 2018 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 indicated the following:

1. Bozzi v. Borough of Roselle Park, et al

- This litigation involves an OPRA dispute in which the Plaintiff/Appellant is seeking Attorney's fees and costs.
- This matter is in the Appellate Division.
- The Borough intends to contest this case vigorously.
- The likelihood of an unfavorable outcome exists, and the range of a potential loss would be between \$25,000.00 to \$100,000.00.

2. Youssef v. Roselle Park Municipal Court, et al

- This litigation involves alleged Constitutional violations against the Roselle Park Municipal Court and the Honorable Gary Bundy, J.M.. (the "Roselle Park Defendants") in which the Plaintiff is seeking compensatory damages, punitive damages as well as other equitable relief.
- This matter is in the United States District Court. The Roselle Park Defendants filed a Motion to Dismiss the Complaint. Plaintiff filed opposition to the Motion to dismiss. The parties are now awaiting the Court's decision.
- The Borough intends to contest this case vigorously.
- The likelihood of an unfavorable outcome is limited.

16. 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").

17. SUBSEQUENT EVENT

The Borough of Roselle Park has evaluated subsequent events that occurred after the balance sheet date, but before May 6, 2019. No items were determined to require disclosure.

BOROUGH OF ROSELLE PARK
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

A-4

	<u>Ref.</u>		
Balance December 31, 2017	A		\$ 5,827,004.98
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2a	\$ 262,325.71	
Petty Cash	A-6	100.00	
Taxes Receivable	A-7	40,899,610.83	
Revenue Accounts Receivable	A-10	2,839,392.16	
Due from State of New Jersey per			
Ch. 129, P.L. 1976	A-11	60,124.66	
Prepaid Taxes	A-12	174,963.41	
Tax Overpayments	A-13	19,536.32	
Interfunds	A-16	431,415.21	
Due to State of New Jersey	A-18	<u>22,723.00</u>	
			<u>44,710,191.30</u>
			50,537,196.28
Decreased by Disbursements:			
2018 Budget Appropriations	A-3	15,206,454.14	
Petty Cash	A-6	100.00	
2017 Appropriation Reserves	A-11	720,708.43	
Tax Overpayments	A-13	6,734.06	
County Taxes	A-14	5,906,922.82	
Local District School Taxes	A-15	22,338,912.00	
Interfunds	A-16	703,499.40	
Due to State of New Jersey	A-18	<u>22,942.00</u>	
			<u>44,906,272.85</u>
Balance December 31, 2018	A		<u>\$ 5,630,923.43</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

CHANGE FUNDS

A-5

	<u>Ref.</u>	
Balance December 31, 2017	A	<u>\$ 600.00</u>
Balance December 31, 2018	A	<u>\$ 600.00</u>
 <u>Analysis of Balance</u>		
Office:		
Collector		\$ 300.00
Clerk		100.00
Municipal Court		<u>200.00</u>
	Above	<u>\$ 600.00</u>

CASH
PETTY CASH FUNDS

A-6

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

BOROUGH OF ROSELLE PARK
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-7

<u>Year</u>	<u>Balance Dec. 31, 2017</u>	<u>2018 Levy</u>	<u>Added Taxes</u>	<u>Collected</u>	<u>2018</u>	<u>Due from State of New Jersey</u>	<u>Over- payments Applied</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2018</u>
2017	\$ 624,589.55		\$ 1,750.00		\$ 626,272.55	\$	\$ 67.00	\$ 29,201.90	\$ 592,501.45
2018		41,869,930.43		910,342.59	40,273,338.28	62,095.21	2,451.00		
	\$ 624,589.55	\$ 41,869,930.43	\$ 1,750.00	\$ 910,342.59	\$ 40,899,610.83	\$ 62,095.21	\$ 2,518.00	\$ 29,201.90	\$ 592,501.45
<u>Reference</u>	<u>A</u>	<u>Below</u>	<u>Reserve</u>	<u>A-2a.12</u>	<u>A-2.2a.4</u>	<u>A-2a.11</u>	<u>A-2a.13</u>	<u>Reserve</u>	<u>A</u>

ANALYSIS OF PROPERTY TAX LEVY

<u>Tax Yield</u>	<u>Ref.</u>	<u>Tax Levy</u>	<u>Ref.</u>
General Property Tax		County Taxes (Abstract)	\$ 5,885,659.59
Business Personal Tax - Utilities		County Added Taxes (N.J.S.A. 54:4-63.1 et seq.)	2,768.06
Added Taxes		Local School District Tax (Abstract)	A-14
		Local Taxes for Municipal Purposes (Budget)	A-15
		Library Taxes	A-2
		Plus: Additional Tax Levied	A-2
		Reserve	13,620,962.78
		Above	21,628.00
			13,642,590.78
			\$ 41,869,930.43

BOROUGH OF ROSELLE PARK
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

A-8

	<u>Ref.</u>	
Balance December 31, 2017	A	<u>\$163,650.00</u>
Balance December 31, 2018	A	<u><u>\$163,650.00</u></u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-9

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Accrued</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 18,292.00	\$ 18,292.00	\$
Other Licenses	A-2a		9,571.00	9,571.00	
Other Fees and Permits	A-2a		34,356.25	34,356.25	
Construction Code Official:					
Uniform Construction Code Fees	A-2		631,016.00	631,016.00	
Board of Health:					
Other Licenses	A-2a		15,200.00	15,200.00	
Other Fees and Permits	A-2a		1,625.00	1,625.00	
Registrar of Vital Statistics:					
Other Licenses	A-2a			180.00	
Other Fees and Permits	A-2a		15,864.00	15,864.00	
Public Works:					
Other Fees and Permits	A-2a		4,595.00	4,595.00	
Tax Collector:					
Other Fees and Permits	A-2a		850.00	850.00	
Police Department:					
Other Fees and Permits	A-2a		2,690.55	2,690.55	
Municipal Court:					
Fines and Costs	A-2	31,287.44	410,630.69	414,180.75	27,737.38
Fire Prevention:					
Other Fees and Permits	A-2a		585.00	585.00	
Housing:					
Other Licenses	A-2a		50.00	50.00	
Other Fees and Permits	A-2a		19,500.00	19,500.00	
Municipal Land Use Board:					
Other Fees and Permits	A-2a		4,908.64	4,908.64	
Farmer's Market:					
Other Fees and Permits	A-2a		525.00	525.00	
State of New Jersey:					
Energy Receipts Tax	A-2		999,477.00	999,477.00	
Consolidated Municipal Property Tax					
Relief Aid	A-2		84,609.00	84,609.00	
Interest and Costs on Taxes	A-2		174,543.03	174,543.03	
Parking Meters	A-2		7,899.16	7,899.16	
Uniform Fire Safety Act	A-2		12,508.60	12,508.60	
Cable TV Franchise Fee	A-2		174,185.18	174,185.18	
Reserve to Pay Debt Service	A-2		20,000.00	20,000.00	
Sewer Utility Operating Surplus	A-2		125,000.00	125,000.00	
Rental of Borough Property	A-2		67,181.00	67,181.00	
		<u>\$ 79,439.64</u>	<u>\$ 2,835,662.10</u>	<u>\$ 2,839,392.16</u>	<u>\$ 27,737.38</u>
<u>Reference</u>		<u>A</u>	<u>Reserve</u>	<u>A-4</u>	<u>A</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

2017 APPROPRIATION RESERVES

A-10
Sheet #1

	Balance Dec. 31, 2017		Modified Balance	Paid and Committed	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>Appropriations</u>					
<u>GENERAL GOVERNMENT</u>					
Mayor and Council:					
Salaries and Wages		\$ 1.62	\$ 1.62	\$	\$ 1.62
Other Expenses	255.52	2,701.77	2,957.29	362.67	2,594.62
Municipal Clerk:					
Salaries and Wages		4,492.75	4,492.75		4,492.75
Other Expenses	86,353.11	11,122.44	97,475.55	57,833.89	39,641.66
Financial Administration:					
Salaries and Wages		173.60	173.60		173.60
Other Expenses	9,623.17	1,861.56	11,484.73	4,899.38	6,585.35
Audit Services	39,375.00		39,375.00	39,375.00	
Insurance:					
Group Insurance Plans for Employees	231.66	16,248.26	1,479.92	231.66	1,248.26
General Liability		2,215.00	2,215.00		2,215.00
Worker's Compensation		678.00	678.00		678.00
Health Benefit Waiver		1,068.90	1,068.90		1,068.90
Revenue Administration:					
Salaries and Wages		27.22	27.22		27.22
Other Expenses	1,000.00	4,311.88	5,311.88	500.00	4,811.88
Assessor of Taxes:					
Salaries and Wages		6.29	6.29		6.29
Other Expenses	17.82	3,275.02	3,292.84	17.82	3,275.02
Legal Services and Costs:					
Tax Appeals	16,467.58		16,467.58	2,574.04	13,893.54
Miscellaneous	875.00	9,125.00	10,000.00	875.00	9,125.00

BOROUGH OF ROSELLE PARK
CURRENT FUND

2017 APPROPRIATION RESERVES

A-10
Sheet #2

Appropriations	Balance Dec. 31, 2017		Modified Balance	Paid and Committed	Balance Lapsed
	<u>Encumbered</u>	<u>Unencumbered</u>			
<u>GENERAL GOVERNMENT</u>					
Municipal Court:					
Salaries and Wages		\$ 4,241.77	\$ 4,241.77	\$	\$ 4,241.77
Other Expenses	405.48	3,771.92	4,177.40	231.28	3,946.12
Engineering Services and Costs:					
Other Expenses	1,750.00		1,750.00	1,750.00	
Human Resources:					
Other Expenses	8,462.60	10,000.00	8,462.60	842.40	7,620.20
Historical Society:					
Other Expenses	115.00	216.79	331.79	22.36	309.43
Land Use Administration:					
Municipal Land Use:					
Salaries and Wages		245.45	245.45		245.45
Other Expenses	1,316.87	3,739.17	5,056.04	935.00	4,121.04
<u>PUBLIC SAFETY</u>					
Uniform Fire Safety (P.L. 1983, Ch. 383):					
Fire Official:					
Salaries and Wages		17.18	17.18		17.18
Other Expenses		426.72	426.72	350.00	76.72
Fire:					
Salaries and Wages		622.61	622.61		622.61
Other Expenses	20,988.16	10,160.42	31,148.58	21,083.57	10,065.01
Police:					
Salaries and Wages		126,354.26	71,354.26		71,354.26
Other Expenses	48,000.41	370.63	48,371.04	45,265.02	3,106.02

BOROUGH OF ROSELLE PARK
CURRENT FUND

2017 APPROPRIATION RESERVES

A-10
Sheet #3

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2017</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>					
Traffic Control Schools:					
Salaries and Wages		\$ 11,060.85	\$ 11,060.85	\$ -	\$ 11,060.85
Other Expenses	920.00	6,053.82	6,973.82	920.00	6,053.82
First Aid Organizations:					
Other Expenses	2,376.14	8,546.97	10,923.11		10,923.11
Emergency Management:					
Salaries and Wages		10.82	10.82		10.82
Other Expenses	8,413.21	22.79	8,436.00	8,387.21	48.79
Borough Prosecutor:					
Other Expenses		313.00	313.00		313.00
<u>PUBLIC WORKS</u>					
Road Repair and Maintenance:					
Salaries and Wages		39,219.73	39,219.73		39,219.73
Other Expenses	67,018.40	9,373.49	76,391.89	45,725.61	30,666.28
Sanitation:					
Garbage and Trash Removal:					
Disposal - Tipping Fees	32,000.00	7,303.99	39,303.99	28,641.55	10,662.44
Collection	39,623.74	939.69	40,563.43	34,352.62	6,210.81
Recycling:					
Salaries and Wages		27.46	27.46		27.46
Other Expenses	41,988.12	1,289.00	43,277.12	33,173.12	10,104.00
Public Buildings and Grounds:					
Other Expenses	17,176.14	10,543.91	27,720.05	10,573.72	17,146.33
Maintenance of Vehicles:					
Other Expenses	18,356.92	9,905.16	28,262.08	9,018.15	19,243.93

BOROUGH OF ROSELLE PARK
CURRENT FUND

A-10
Sheet #4

2017 APPROPRIATION RESERVES

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2017</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>HEALTH AND WELFARE</u> (Board of Health - Local Health Agency):					
Board of Health:					
Salaries and Wages	\$	\$ 1,176.77	\$ 1,176.77	\$	\$ 1,176.77
Other Expenses		671.60	671.60		671.60
Animal Control:					
Other Expenses		0.25	0.25		0.25
<u>RECREATION AND EDUCATION</u> Parks and Playgrounds:					
Salaries and Wages		4,781.41	4,781.41		4,781.41
Other Expenses		807.77	807.77		807.77
Community Center:					
Salaries and Wages		7,481.90	7,481.90		7,481.90
Other Expenses		3,362.84	4,057.80	430.98	3,626.82
Other Common Operating Functions:	694.96				
Celebration of Public Events, Anniversary or Holiday:					
Other Expenses	1,999.87	4,927.02	6,926.89	2,649.87	4,277.02
Farmer's Market:					
Salaries and Wages		1.14	1.14		1.14
Other Expenses		37.82	37.82		37.82
<u>CODE ENFORCEMENT</u> State Uniform Construction Code Official:					
Salaries and Wages		16,371.90	4,371.90		4,371.90
Other Expenses	81,772.78	6,574.52	88,347.30	81,772.78	6,574.52

BOROUGH OF ROSELLE PARK
CURRENT FUND

2017 APPROPRIATION RESERVES

A-10
Sheet #5

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2017</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>UNCLASSIFIED</u>					
Natural Gas	\$ 4,000.00	\$ 14,189.99	\$ 8,189.99	\$ 5,708.23	\$ 2,481.76
Electricity	16,000.00	18,238.17	14,238.17	10,709.53	3,528.64
Water	1,500.00	3,047.97	4,547.97	1,923.07	2,624.90
Telephone	2,819.90	5,179.07	2,998.97	2,707.73	291.24
Street Lighting	36,000.00	5,792.96	43,792.96	43,015.19	777.77
Fire Hydrant Services	19,215.90	6,704.60	20,920.50	19,215.90	1,704.60
Cable TV - Channel 34		5,534.77	5,534.77		5,534.77
Gasoline	7,631.49	19,878.98	7,510.47	3,066.91	4,443.56
<u>CONTINGENT</u>		1,650.00	1,650.00		1,650.00
<u>STATUTORY EXPENDITURES</u>					
Contribution to:					
Social Security System (OASI)		6,240.74	6,240.74		6,240.74
Public Employees' Retirement System		62.56	62.56		62.56
DCRP	69.74	3,267.28	3,337.02	101.21	3,235.81
Compensated Absences			50,000.00	50,000.00	
Other Operations:					
Police 911 Command and Dispatch Center:					
Salaries and Wages		1,674.52	1,674.52		1,674.52
Other Expenses	4,962.61	97.69	5,060.30	4,962.61	97.69
Length of Service Award Program (LOSAP)		57,500.00	57,500.00	26,450.00	31,050.00
Implementation of Fair Housing Plan					
Ch. 222, P.L. 1985 (COAH):					
Other Expenses	29,219.40	49,405.65	78,625.05	20,053.35	58,571.70
Recycling Tax (N.J.S.A. 13:1e-96.5):					
Other Expenses		1,500.00	1,500.00		1,500.00
Capital Improvement Fund			100,000.00	100,000.00	
	<u>\$ 668,996.70</u>	<u>\$ 568,246.80</u>	<u>\$ 1,237,243.50</u>	<u>\$ 720,708.43</u>	<u>\$ 516,535.07</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 (FROM)/TO STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976

A-11

	<u>Ref.</u>		
Balance December 31, 2017	A		\$ (3,641.47)
Increased by:			
Prior Year Deductions Disallowed	A-1	\$ 1,750.00	
Received Cash from State	A-4	60,124.66	
Senior Citizens' Deductions Disallowed by Tax Collector	Below	<u>904.79</u>	
			<u>62,779.45</u>
			59,137.98
Decreased by:			
Senior Citizens' Deductions per Tax Duplicate	Below	12,250.00	
Veterans' Deductions per Tax Duplicate	Below	49,250.00	
Senior Citizens' Deductions Allowed by Tax Collector	Below	500.00	
Veterans' Deductions Allowed	Below	<u>1,000.00</u>	
			<u>63,000.00</u>
Balance December 31, 2018	A		<u>\$ (3,862.02)</u>
Calculation of State Share of 2018 Senior Citizens' <u>and Veterans' Deductions Allowed by Collector</u>			
Senior Citizens' Deductions per Tax Billings	Above	\$ 12,250.00	
Veterans' Deductions per Tax Billings	Above	49,250.00	
Collector	Above	500.00	
Veterans' Deductions Allowed	Above	<u>1,000.00</u>	
			\$ 63,000.00
Less: Senior Citizen Deductions Disallowed by Tax Collector	Above		<u>904.79</u>
	A-7		<u>\$ 62,095.21</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

PREPAID TAXES

A-12

	<u>Ref.</u>		
Balance December 31, 2017	A		\$ 910,342.59
Increased by:			
Collections	A-4	174,963.41	<u>1,085,306.00</u>
Decreased by:			
Applied	A-7	910,342.59	<u>910,342.59</u>
Balance December 31, 2018	A		<u>\$ 174,963.41</u>

TAX OVERPAYMENTS

A-13

	<u>Ref.</u>			
Balance December 31, 2017	A			\$ 9,958.20
Increased by:				
Operations	A-1	\$ 2,364.34		
Overpayments	A-4	<u>19,536.32</u>		
			21,900.66	
			<u>31,858.86</u>	
Decreased by:				
Cancelled	A-1	2,969.00		
Refunds	A-4	6,734.06		
Applied	A-7	<u>2,518.00</u>		
			12,221.06	
Balance December 31, 2018	A			<u>\$ 19,637.80</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

COUNTY TAXES PAYABLE

A-14

	<u>Ref.</u>	
Balance December 31, 2017	A	\$ 21,263.23
Increased by:		
2018 Tax Levy	A-1,7	<u>5,888,427.65</u>
		5,909,690.88
Decreased by:		
Cash Disbursements	A-4	<u>5,906,922.82</u>
Balance December 31, 2018	A	<u>\$ 2,768.06</u>

LOCAL SCHOOL DISTRICT TAX

A-15

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year 2018	A-1,7	\$ 22,338,912.00
Decreased by:		
Cash Disbursements	A-4	<u>22,338,912.00</u>
		<u>\$ -</u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

INTERFUNDS

A-16

	<u>Ref.</u>	<u>Total</u>	<u>Federal/State Grant Fund</u>	<u>General Trust Fund</u>	<u>General Capital Other</u>
Balance December 31, 2017:					
Due From	A	\$ 10,000.00		\$10,000.00	
(Due To)	A	<u>\$(202,128.08)</u>	<u>\$(202,128.08)</u>		
Increased by:					
Cash Disbursements	A-4	\$ 703,499.40	\$ 412,211.77	\$10,000.00	\$281,287.63
Decreased by:					
Cancellation of Grants Receivable	A-1	298.41	298.41		
Budget Appropriations - Local Match	A-3	255,951.00	255,951.00		
Cash Receipts	A-4	<u>431,415.21</u>	<u>140,127.58</u>	<u>10,000.00</u>	<u>281,287.63</u>
		<u>687,366.21</u>	<u>396,376.99</u>	<u>10,000.00</u>	<u>281,287.63</u>
Balance December 31, 2018:					
Due From	A	\$ 10,000.00		\$10,000.00	
(Due To)	A	<u>\$(186,293.30)</u>	<u>\$(186,293.30)</u>		\$ -
Balance December 31, 2017	Above	\$ 10,000.00			
Balance December 31, 2018	Above	<u>10,000.00</u>			
Net Change to Operations		<u>\$ -</u>			

BOROUGH OF ROSELLE PARK
CURRENT FUND

RESERVE FOR SALE OF MUNICIPAL ASSETS

A-17

	<u>Ref.</u>	
Balance December 31, 2017	A	<u>\$11,994.81</u>
Balance December 31, 2018	A	<u><u>\$11,994.81</u></u>

DUE TO STATE OF NEW JERSEY

A-18

	<u>Ref.</u>	
Balance December 31, 2017	A	\$ 5,533.00
Increased by:		
Cash Receipts	A-4	<u>22,723.00</u>
		28,256.00
Decreased by:		
Cash Disbursements	A-4	<u>22,942.00</u>
Balance December 31, 2018	A,Below	<u><u>\$ 5,314.00</u></u>
<u>Analysis of Balance</u>		
DCA Fees		\$ 4,639.00
Marriage Licenses		<u>675.00</u>
	Above	<u><u>\$ 5,314.00</u></u>

BOROUGH OF ROSELLE PARK
GRANT FUND

GRANTS RECEIVABLE

A-19

	Balance Dec. 31, 2017	2018 Grants	Collections	Cancelled	Balance Dec. 31, 2018
Municipal Alliance - 2018	\$ -	\$ 18,582.00	\$ 2,260.95	\$	\$ 16,321.05
Municipal Alliance - 2017	15,981.05		15,875.53	105.52	
Safe and Secure Communities - 2018	25,000.00	60,000.00	35,000.00		25,000.00
Safe and Secure Communities - 2017	5,720.00		25,000.00		
Bulletproof Vest Partnership Grant - 2016	2,401.90		5,421.59	298.41	
Bulletproof Vest Partnership Grant - 2017					2,401.90
Bulletproof Vest Partnership Grant - 2018					3,405.04
Drive Sober or Get Pulled Over - 2018		3,405.04			5,500.00
Drive Sober or Get Pulled Over - 2017	5,500.00	5,500.00		1,980.00	
Recycling Tonnage Grant			3,520.00		
Clean Communities Program		11,505.69	11,505.69		
Alcohol Education and Rehabilitation Fund		20,974.11	20,974.11		
Union County Heart Grant - 2018		7,469.71	7,469.71		
Distracted Driving Crackdown Grant		1,000.00	1,000.00		
Click It or Ticket - 2018		6,600.00	6,600.00		
Union County Kids Recreation Trust Fund Grant	30,000.00	5,500.00	5,500.00		30,000.00
	<u>\$ 84,602.95</u>	<u>\$ 140,536.55</u>	<u>\$ 140,127.58</u>	<u>\$ 2,383.93</u>	<u>\$ 82,627.99</u>
Reference	A	A-2	A-21	Below	A
			Ref.		
		Reserve for Grants - Appropriated	A-20	\$2,085.52	
		Interfunds	A-21	298.41	
			Above	<u>\$2,383.93</u>	

BOROUGH OF ROSELLE PARK
GRANT FUND

RESERVE FOR GRANTS - APPROPRIATED

A-20

	Balance Dec. 31, 2017	2018 Budget Appropriation	Charged	Cancelled	Balance Dec. 31, 2018
Clean Communities Grant	\$ 44,504.48	\$ 20,974.11	\$ 20,571.10	\$	\$ 44,907.49
Safe and Secure Communities		60,000.00	60,000.00		
Safe and Secure Communities Program - Match	68,529.55	251,306.00	248,100.12		71,735.43
Municipal Alliance on Alcoholism and Drug Abuse Fund Grant	13,214.29	18,582.00	18,061.41	105.52	13,629.36
Municipal Alliance on Alcoholism and Drug Abuse Fund Grant - Matching Funds	3,715.95	4,645.00	4,645.00		3,715.95
Drunk Driving Enforcement	28,886.00		1,759.91		27,126.09
Special Legislative Grant	4,275.00				4,275.00
Body Armor Grant	3,247.83		3,247.83		(0.00)
Recycling Grant	59,627.62	11,505.69	7,635.60		63,497.71
Alcohol Education and Rehabilitation	6,670.62	7,469.71	4,417.50		9,722.83
Downtown Development Planning Grant	960.00				960.00
Greening Union County - Match	1,620.00				1,620.00
Field Dreams	11,662.08				11,662.08
Drive Sober or Get Pulled Over - Holiday	4,400.00	5,500.00	3,588.75		
Bulletproof Vest Partnership Grant	5,417.61	3,405.04	3,582.05		
Union County Heart Grant		1,000.00	1,000.00	1,980.00	
Click It or Ticket		5,500.00	5,500.00		
Distracted Driving Statewide Crackdown Grant		6,600.00	6,600.00		
Kids Recreation Trust Grant	30,000.00		23,502.50		6,497.50
	<u>\$ 286,731.03</u>	<u>\$ 396,487.55</u>	<u>\$ 412,211.77</u>	<u>\$ 2,085.52</u>	<u>\$ 268,921.29</u>
Reference	A	Below	A-21	A-20	A
Ref.					
Budget Appropriations	A-3	\$ 140,536.55			
Local Match	A-21	255,951.00			
	Above	<u>\$ 396,487.55</u>			

BOROUGH OF ROSELLE PARK
GRANT FUND

INTERFUNDS

A-21

	<u>Ref.</u>	<u>Current Fund</u>	
Balance December 31, 2017	A		\$ 202,128.08
Increased by:			
Grants Receivable	A-19	\$ 140,127.58	
Cancelled	A-19	298.41	
Matching Funds	A-20	<u>255,951.00</u>	
			<u>396,376.99</u>
			598,505.07
Decreased by:			
Cash Disbursements	A-20		<u>412,211.77</u>
Balance December 31, 2018	A		<u><u>\$ 186,293.30</u></u>

BOROUGH OF ROSELLE PARK
CURRENT FUND

RESERVE FOR TAX APPEALS

A-22

	<u>Ref.</u>	
Balance December 31, 2017	A	\$ 800,000.00
Increased by:		
Transferred from Operations	A-1	<u>200,000.00</u>
Balance December 31, 2018	A	<u><u>\$1,000,000.00</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

B-3

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Trust Other Fund</u>
Balance December 31, 2017	B	\$ 9,209.86	\$ 2,214,558.33
Increased by Receipts:			
Due from Current Fund	B-4		\$ 10,000.00
Animal Control Fees	B-5	\$ 14,322.40	
Due from County of Union Community	B-6		13,283.82
Development Block Grants	B-8		30,118.91
Retirees' Reimbursement	B-9		69,681.50
State Unemployment Insurance	B-10		1,615,124.79
Various Reserves	B-12		
Animal Fees Due State of New Jersey	B-13	1,188.00	10,507,262.15
Payroll Deductions Payable	B-14		30,479.00
Recreation	B-15		9,900.98
Affordable Housing	B-16		2,297.22
Special Law Enforcement	B-18		47,800.00
Premium on Tax Sale			
		<u>15,510.40</u>	<u>12,335,948.37</u>
		<u>24,720.26</u>	<u>14,550,506.70</u>
Decreased by Disbursements:			
Due to Current Fund	B-4		10,000.00
Reserve for Animal Control Trust Fund	B-5		
Expenditures	B-7	11,853.91	17,733.06
Community Development Block Grants	B-8		13,152.64
Retirees' Reimbursement	B-9		75,583.92
State Unemployment Insurance	B-10		1,510,042.33
Various Reserves	B-12		
Animal Fees Due State of New Jersey	B-13	1,193.40	10,450,268.31
Payroll Deductions Payable	B-14		62,558.55
Recreation - Reserves	B-18		884,300.00
Premium on Tax Sale			
		<u>13,047.31</u>	<u>13,023,638.81</u>
Balance December 31, 2018	B	<u>\$ 11,672.95</u>	<u>\$ 1,526,867.89</u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

DUE TO CURRENT FUND

B-4

	<u>Ref.</u>	Other Trust Fund <u>HUD</u>
Balance December 31, 2017	B	\$10,000.00
Increased by:		
Cash Receipts	B-3	<u>10,000.00</u> 20,000.00
Decreased by:		
Cash Disbursements	B-3	<u>10,000.00</u>
Balance December 31, 2018	B	<u><u>\$10,000.00</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

B-5

	<u>Ref.</u>		
Balance December 31, 2017	B		\$ 9,204.46
Increased by:			
Collections:			
Dog License Fees Collected		\$ 12,006.40	
Cat Licenses/Miscellaneous Fees		<u>2,316.00</u>	
	B-3		14,322.40
			<u>23,526.86</u>
Decreased by:			
Expenditures Under N.J.S. 40A:4-39	B-3		<u>11,853.91</u>
Balance December 31, 2018	B		<u><u>\$ 11,672.95</u></u>

License Fees Collected

<u>Year</u>	Amount
2017	\$ 11,220.00
2016	<u>11,735.00</u>
	<u><u>\$ 22,955.00</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

DUE FROM COUNTY OF UNION
COMMUNITY DEVELOPMENT BLOCK GRANTS

B-6

	<u>Ref.</u>	
Balance December 31, 2017	B	\$ 13,283.82
Increased by:		
Project Award	B-7	<u>17,500.00</u> 30,783.82
Decreased by:		
Cash Receipts	B-3	<u>13,283.82</u>
Balance December 31, 2018	B	<u>\$ 17,500.00</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANTS

B-7

	<u>Ref.</u>	
Balance December 31, 2017	B	\$ 11,420.49
Increased by:		
Project Award	B-6	<u>17,500.00</u> 28,920.49
Decreased by:		
Cash Disbursements	B-3	<u>17,733.06</u>
Balance December 31, 2018	B	<u>\$ 11,187.43</u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

RESERVE FOR RETIREE REIMBURSEMENTS

B-8

	<u>Ref.</u>	
Balance December 31, 2017	B	\$118,992.73
Increased by:		
Budget Appropriation		\$30,000.00
Interest on Deposit		<u>118.91</u>
	B-3	<u>30,118.91</u>
		<u>149,111.64</u>
Decreased by:		
Disbursements	B-3	<u>13,152.64</u>
Balance December 31, 2018	B	<u><u>\$135,959.00</u></u>

RESERVE FOR STATE UNEMPLOYMENT COMPENSATION INSURANCE FUND

B-9

	<u>Ref.</u>	
Balance December 31, 2017	B	\$ 164,841.85
Increased by:		
Receipts:		
Payroll Deductions		\$ 9,473.17
Budget Appropriation (Current and Sewer)		60,000.00
Interest on Deposits		<u>208.33</u>
	B-3	<u>69,681.50</u>
		<u>234,523.35</u>
Decreased by:		
Disability Benefits		13,759.92
Unemployment Benefits		61,581.00
Other		<u>243.00</u>
	B-3	<u>75,583.92</u>
Balance December 31, 2018	B	<u><u>\$ 158,939.43</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

RESERVE FOR EXPENDITURES

B-10

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2018</u>
Miscellaneous	\$ 338.42	\$	\$	\$ 338.42
Parking Offense Adjudication Act	9,152.21	990.00		10,142.21
Downtown Renovations	1,405.00			1,405.00
9/11 Memorial	3,822.40			3,822.40
Security Deposits	3,548.00			3,548.00
Police Outside Services	48,690.00	382,385.05	423,575.05	7,500.00
Police Outside Services - Administrative Cost	10,102.00	92,007.01	96,854.51	5,254.50
Roller Skating	500.00			500.00
Founders Day Celebration	538.08			538.08
Secure a Child Program	50.00			50.00
Public Defender	10,799.45	8,655.00	8,900.00	10,554.45
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		666.25	633.75
Union County Health Administration Act	5,757.74			5,757.74
Youth Center	5,100.00			5,100.00
Downtown Banners	66.00			66.00
Zoning/Planning Escrow	14,039.79			14,039.79
Tree Program	63.75		63.75	
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	500.00	1,250.00	1,500.00	250.00
Municipal Land Use BD Escrow	41,138.22	7,950.42	12,160.24	36,928.40
Street Opening Escrow	11,256.53	822.86	3,091.64	8,987.75
Fireworks Donations	74,505.61	11,181.00	8,700.00	76,986.61
Relocation Assistance	3,300.00			3,300.00
Recycling	37,333.01	3,208.16		40,541.17
Snow Removal	214,262.62			214,262.62
Accumulated Absences	258,358.82	181,100.00	60,098.60	379,360.22
Tax Lien Redemptions	2,077.22	820,575.29	822,652.51	
Developer's Escrow Fee	-	105,000.00	71,779.78	33,220.22
	<u>\$770,843.93</u>	<u>\$1,615,124.79</u>	<u>\$1,510,042.33</u>	<u>\$875,926.39</u>

Reference

B

B-3

B-3

B

BOROUGH OF ROSELLE PARK
TRUST FUNDS

ASSESSMENT SERIAL BONDS

B-11

<u>Purpose</u>	<u>Original Issue</u>		<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2017</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2018</u>
	<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>				
Special Assessment Bonds	10/15/10	\$ 197,000.00	10/15/19	\$ 20,000.00	3.00%	\$ 57,000.00		
			10/15/20	17,000.00	3.00%	\$ 20,000.00	\$ 20,000.00	\$ 37,000.00
					<u>Reference</u>	<u>B</u>	<u>B-2</u>	<u>B</u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

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

B-12

	<u>Ref.</u>	
Balance December 31, 2017	B	\$ 5.40
Increased by:		
Cash Receipts	B-3	<u>1,188.00</u>
		1,193.40
Decreased by:		
Cash Disbursements	B-3	<u>1,193.40</u>
		<u>\$ -</u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

TRUST OTHER FUNDS
PAYROLL DEDUCTIONS PAYABLE

B-13

	<u>Ref.</u>	
Balance December 31, 2017	B	\$ 1,314.87
Increased by:		
Employee Payroll Deductions	B-3	<u>10,507,262.15</u> 10,508,577.02
Decreased by:		
Cash Disbursements	B-3	<u>10,450,268.31</u>
Balance December 31, 2018	B,Below	<u>\$ 58,308.71</u>
 <u>Analysis of Balance</u>		
PERS Supplemental Annuity		\$ 229.20
PERS Contributory Insurance		918.25
PERS Loan		4,210.27
PERS Back Pension		1,765.24
PFRS Loan		8,080.85
PFRS Pension		27,229.78
PERS Pension		14,240.31
Disability		511.46
Other		<u>1,123.35</u>
Total	Above	<u>\$ 58,308.71</u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

RECREATION
RESERVE FOR EXPENDITURES

B-14

	<u>Ref.</u>	
Balance December 31, 2017	B	\$ 68,555.54
Increased by:		
Cash Receipts	B-3	30,479.00
		<u>99,034.54</u>
Decreased by:		
Cash Disbursements	B-3	<u>62,558.55</u>
Balance December 31, 2018	B	<u><u>\$ 36,475.99</u></u>

AFFORDABLE HOUSING
RESERVE FOR EXPENDITURES

B-15

	<u>Ref.</u>		
Balance December 31, 2017	B		\$ 26,680.62
Increased by:			
Cash Receipts		\$ 9,866.00	
Interest on Deposits		<u>34.98</u>	
	B-3		<u>9,900.98</u>
Balance December 31, 2018	B		<u><u>\$ 36,581.60</u></u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

SPECIAL LAW ENFORCEMENT TRUST
RESERVE FOR EXPENDITURES

B-16

	<u>Ref.</u>	
Balance December 31, 2017	B	\$11,292.09
Increased by:		
Cash Receipts	B-3	<u>2,297.22</u>
Balance December 31, 2018	B	<u>\$13,589.31</u>

LAW ENFORCEMENT BLOCK GRANT - FEDERAL
RESERVE FOR EXPENDITURES

B-17

	<u>Ref.</u>	
Balance December 31, 2017	B	<u>\$ 0.03</u>
Balance December 31, 2018	B	<u>\$ 0.03</u>

BOROUGH OF ROSELLE PARK
TRUST FUNDS

PREMIUM ON TAX SALE

B-18

	<u>Ref.</u>	
Balance December 31, 2017	B	\$1,043,900.00
Increased by:		
Cash Receipts	B-3	<div style="text-align: right;">47,800.00</div> <div style="text-align: right; border-top: 1px solid black;">1,091,700.00</div>
Decreased by:		
Cash Disbursements	B-3	<div style="text-align: right;">884,300.00</div> <div style="text-align: right; border-top: 1px solid black;"></div>
Balance December 31, 2018	B	<div style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 207,400.00</div>

DEFERRED CHARGES - PROSPECTIVE ASSESSMENTS

B-19

	<u>Ref.</u>	
Balance December 31, 2017	B	\$ 57,000.00
Decreased by:		
Budget Appropriation	B-2	<div style="text-align: right;">20,000.00</div> <div style="text-align: right; border-top: 1px solid black;"></div>
Balance December 31, 2018	B	<div style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 37,000.00</div>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER

C-2

	<u>Ref.</u>			
Balance December 31, 2017	C			\$ 4,696,629.66
Increased by Receipts:				
Fund Balance	C-1	\$ 50,663.30		
Deferred Charges - Unfunded	C-5	127,537.63		
State Aid Receivable	C-7	103,750.00		
County Grant Receivable	C-8	25,000.00		
Reserve for Payment of Bonds	C-9	210,000.00		
Capital Improvement Fund	C-10	200,000.00		
Serial Bonds Issued	C-12	<u>3,700,000.00</u>		
	C-3			<u>4,416,950.93</u>
				9,113,580.59
Decreased by Expenditures:				
Reserve for Payment of Bonds	C-9	20,000.00		
Improvement Authorizations	C-11	<u>2,030,902.16</u>		
	C-3			<u>2,050,902.16</u>
Balance December 31, 2018	C			<u><u>\$ 7,062,678.43</u></u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

C-3

Ordinance Number	Description	Balance Dec. 31, 2017	Receipts	Disbursements	Transfers		Balance Dec. 31, 2018
					From	To	
	Fund Balance	\$ 422,265.28	\$ 50,663.30	\$	\$ 120,000.00	\$	\$ 352,928.58
	Capital Improvement Fund	41,023.07	200,000.00		116,355.00		124,668.07
	State Aid Receivable	(148,750.00)	103,750.00		309,045.00		(354,045.00)
	Community Development Block Grant Receivable				160,000.00		(160,000.00)
	County Grant Receivable	(25,000.00)	25,000.00		120,470.00		(120,470.00)
	Reserve to Pay Serial Bonds	121,597.91	210,000.00	20,000.00			311,597.91
	Serial Bonds Payable		3,700,000.00		3,700,000.00		
	Improvement Authorizations:						
2220	Various Capital Improvements	2,112.03		1,393.02			719.01
2249	Various Capital Improvements	44,026.35					44,026.35
2300	Various Capital Improvements	1,786,803.56		123,082.00			1,663,721.56
2337	Various Capital Improvements	137,690.00		127,694.00			9,996.00
2367	Various Capital Improvements	729.44		729.44			
2386	Various Capital Improvements	871,533.02		27,872.93			843,660.09
2412	Various Capital Improvements	439,012.07		93,841.33			345,170.74
2415	Radio Communication System	1,593.78		1,593.78			
2443	Various Capital Improvements	953,827.44		69,209.10			884,618.34
2466	Various Capital Improvements	740,508.88		146,382.53			594,126.35
2494	Various Capital Improvements	(692,343.17)	127,537.63	975,785.29		2,117,000.00	576,409.17
2528	Various Capital Improvements			475.00		900,000.00	899,525.00
2531	Various Capital Improvements			462,843.74		1,348,870.00	886,026.26
2559	Various Capital Improvements					160,000.00	160,000.00
		<u>\$4,696,629.66</u>	<u>\$4,416,950.93</u>	<u>\$2,050,902.16</u>	<u>\$4,525,870.00</u>	<u>\$4,525,870.00</u>	<u>\$7,062,678.43</u>
	Reference	C	C-2	C-2	Contra	Contra	C

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-4

	<u>Ref.</u>		
Balance December 31, 2017	C		\$16,221,760.72
Increased by:			
Serial Bonds Issued	C-5		3,700,000.00
			<u>19,921,760.72</u>
Decreased by:			
Serial Bonds	C-12	\$1,590,000.00	
Green Acres Loan	C-13	<u>8,868.56</u>	
			<u>1,598,868.56</u>
Balance December 31, 2018	C		<u><u>\$18,322,892.16</u></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, 2017</u>	<u>2018 Authorizations</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2018</u>	<u>Analysis of Balance Unfunded Authorization</u>
2494	Various Capital Improvements	\$2,245,000.00	\$	\$2,244,537.63	\$ 462.37	\$ 462.37
2528	Various Capital Improvements		855,000.00	855,000.00		
2532	Various Capital Improvements		728,000.00	728,000.00		
		<u>\$2,245,000.00</u>	<u>\$1,583,000.00</u>	<u>\$3,827,537.63</u>	<u>\$ 462.37</u>	<u>\$ 462.37</u>
	<u>Reference</u>	<u>C</u>	<u>C-11</u>	<u>Below</u>	<u>C</u>	<u>C-11</u>
	<u>Ref.</u>					
	Cash Receipts		C-2	\$ 127,537.63		
	Deferred Charges to Future Taxation - Funded		C-4	<u>3,700,000.00</u>		
			Above	<u>\$3,827,537.63</u>		

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

C-6

	<u>Ref.</u>	
Increased by:		
Grant Award	C-11	<u>\$160,000.00</u>
Balance December 31, 2018	C	<u><u>\$160,000.00</u></u>

Analysis of Balance

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>
Resurfacing of Various Streets	2531	<u><u>\$160,000.00</u></u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

STATE AID RECEIVABLE

C-7

	<u>Ref.</u>	
Balance December 31, 2017	C	\$148,750.00
Increased by:		
Award	C-11	<u>309,045.00</u> 457,795.00
Decreased by:		
Cash Receipts	C-2	<u>103,750.00</u>
Balance December 31, 2018	C	<u>\$354,045.00</u>

Reference

Below

Analysis of Balance

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>
West Colfax Avenue	2466	\$ 45,000.00
West Clay Avenue	2531	<u>309,045.00</u>
		<u>\$354,045.00</u>

Reference

Above

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

UNION COUNTY GRANT RECEIVABLE

C-8

	<u>Ref.</u>	
Balance December 31, 2017	C	\$ 25,000.00
Increased by:		
Grant Awards	C-11	120,470.00
		<u>145,470.00</u>
Decreased by:		
Cash Receipts	C-2	25,000.00
Balance December 31, 2018	C	<u>\$ 120,470.00</u>

Reference

Below

Analysis of Balance

<u>Description</u>	<u>Ordinance Number</u>	<u>Amount</u>
Level the Playing Field Grant	2531	\$ 25,470.00
Infrastructure and Municipal Aid Grant	2531	55,000.00
Kids Recreation Trust Fund Grant	2559	35,000.00
Greening Union County	2559	5,000.00
		<u>\$ 120,470.00</u>

Reference

Above

RESERVE TO PAY BONDS

C-9

	<u>Ref.</u>	
Balance December 31, 2017	C	\$121,597.91
Increased by:		
Cash Receipt	C-2	210,000.00
		<u>331,597.91</u>
Decreased by:		
Anticipated as Current Fund Revenue	C-2	20,000.00
Balance December 31, 2018	C	<u>\$311,597.91</u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-10

	<u>Ref.</u>	
Balance December 31, 2017	C	\$ 41,023.07
Increased by:		
Budget Appropriations	C-2	<u>200,000.00</u>
		241,023.07
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-11	<u>116,355.00</u>
Balance December 31, 2018	C	<u><u>\$ 124,668.07</u></u>

**BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND**

IMPROVEMENT AUTHORIZATIONS

C-11

General Improvements	Ordinance Number Date	Amount	Balance Dec. 31, 2017		2018 Authorizations	Paid or Charged	Balance Dec. 31, 2018	
			Funded	Unfunded			Funded	Unfunded
Various Capital Improvements	2220	1/06/07 \$ 1,815,219.00	\$ 2,112.03	\$	\$	\$ 1,393.02	\$ 719.01	\$
Various Capital Improvements	2249	8/21/08 2,128,255.00	44,026.35				44,026.35	
Various Capital Improvements	2300	6/03/10 4,582,000.00	1,786,803.56			123,082.00	1,663,721.56	
Various Capital Improvements	2337	8/11/11 1,991,343.12	137,690.00			127,694.00	9,396.00	
Various Capital Improvements	2367	7/19/12 1,405,240.00	729.44			729.44		
Various Capital Improvements	2386	7/18/13 2,305,200.00	871,533.02			27,872.93	843,660.09	
Various Capital Improvements	2412	6/19/14 1,765,000.00	439,012.07			93,841.33	345,170.74	
Various Capital Improvements	2415	10/16/14 100,000.00	1,593.78			1,593.78		
Various Capital Improvements	2443	7/30/15 2,856,545.00	953,827.44			69,209.10	884,618.34	
Various Capital Improvements	2466	7/21/16 2,162,400.00	740,508.88			146,382.53	594,126.35	
Various Capital Improvements	2494	6/15/17 2,468,000.00		1,552,656.83		975,785.29	576,409.17	462.37
Various Capital Improvements	2528	5/24/18 900,000.00			900,000.00	475.00	899,525.00	
Various Capital Improvements	2531	6/28/18 1,348,870.00			1,348,870.00	462,843.74	886,026.26	
Various Capital Improvements	2559	12/27/18 160,000.00			160,000.00		160,000.00	
			<u>\$ 4,977,836.57</u>	<u>\$ 1,552,656.83</u>	<u>\$ 2,408,870.00</u>	<u>\$ 2,030,902.16</u>	<u>\$ 6,907,998.87</u>	<u>\$ 462.37</u>
		Reference	<u>C</u>	<u>C</u>	Below	<u>C-2</u>	<u>C</u>	<u>C</u>

Ref.	
	Fund Balance
C-1	Deferred Charges - Unfunded
C-5	Community Development Block Grant Receivable
C-6	State Aid Receivable
C-7	Union County Grant Receivable
C-8	Capital Improvement Fund
C-10	
	Above
	\$ 120,000.00
	1,583,000.00
	160,000.00
	309,045.00
	120,470.00
	116,355.00
	\$ 2,408,870.00

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE

C-12
Sheet #1

Purpose	Original Issue		Loan Maturities Outstanding		Interest Rate	Balance Dec. 31, 2017	Increase	Decrease	Balance Dec. 31, 2018
	Date	Amount	Date	Amount					
General Improvement Bonds	10/01/03	\$ 3,657,000.00				\$ 425,000.00	\$	\$ 425,000.00	\$
General Improvement Bonds	1/15/08	4,084,000.00	1/15/2019-2021	\$ 400,000.00	3.500%				
			1/15/2022	400,000.00	3.550				
			1/15/2023	399,000.00	3.600	2,394,000.00		395,000.00	1,999,000.00
General Improvement Bonds	10/15/10	7,607,000.00	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	5,617,000.00		345,000.00	5,272,000.00
			10/15/2030	500,000.00	4.000				

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

SERIAL BONDS PAYABLE

C-12
Sheet #2

Purpose	Original Issue		Loan Maturities Outstanding		Interest Rate	Balance Dec. 31, 2017	Increase	Decrease	Balance Dec. 31, 2018
	Date	Amount	Date	Amount					
General Improvement Bonds	11/15/13	\$ 3,640,000.00	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	2,944,000.00		200,000.00	2,744,000.00
General Obligation Bonds	11/01/16	4,925,000.00	11/01/2019-2020	275,000.00	2.000				
			11/01/2021-2022	300,000.00	2.000				
			11/01/2023-2024	350,000.00	3.000				
			11/01/2025	400,000.00	3.000				
			11/01/2026-2029	450,000.00	3.000	4,700,000.00		225,000.00	4,475,000.00
			11/01/2030	425,000.00	3.000				
General Improvement Bonds	10/1/2018	3,700,000.00	10/1/2019	230,000.00	5.000				
			10/1/2020	280,000.00	5.000				
			10/1/2021	310,000.00	5.000				
			10/1/2022	185,000.00	5.000				
			10/1/2023	220,000.00	5.000				
			10/1/2024	295,000.00	3.000				
			10/1/2025	295,000.00	3.000				
			10/1/2026	285,000.00	3.000				
			10/1/2027	285,000.00	3.000				
			10/1/2028	285,000.00	3.125				
			10/1/2029	270,000.00	3.250				
			10/1/2030	260,000.00	3.250				
			10/1/2031	250,000.00	3.375				
			10/1/2032	250,000.00	3.500				
							3,700,000.00		3,700,000.00
						\$ 16,080,000.00	\$ 3,700,000.00	\$ 1,590,000.00	\$ 18,190,000.00
					Reference	C	C-2	C-4	C

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

GREEN ACRES LOAN PAYABLE

C-13

	<u>Ref.</u>	
Balance December 31, 2017	C	\$141,760.72
Decreased by:		
Payment	C-4	<u>8,868.56</u>
Balance December 31, 2018	C	<u><u>\$132,892.16</u></u>

BOROUGH OF ROSELLE PARK
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-14

<u>Ordinance Number</u>	<u>Balance Dec. 31, 2017</u>	<u>Increased By</u>	<u>Decreased By</u>	<u>Balance Dec. 31, 2018</u>
Various Capital Improvements				
2494	\$ 2,245,000.00	\$	\$2,244,537.63	\$ 462.37
Various Capital Improvements		855,000.00	855,000.00	
2528		728,000.00	728,000.00	
Various Capital Improvements				
2531				
	<u>\$2,245,000.00</u>	<u>\$1,583,000.00</u>	<u>\$3,827,537.63</u>	<u>\$ 462.37</u>
<u>Reference</u>	<u>C</u>	<u>C-11</u>	<u>C-5</u>	<u>C</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, 2017	D	\$ 1,248,740.85	\$ 76,661.44
Increased by Receipts:			
Interest on Rents	D-3	\$ 16,897.49	
Consumer Accounts Receivable	D-6	1,370,602.58	
Sewer Charge Overpayments	D-7	<u>2,854.51</u>	
		<u>1,390,354.58</u>	
		2,639,095.43	<u>76,661.44</u>
Decreased by Disbursements:			
Interfund Current Fund	D-1	125,000.00	
2018 Budget Appropriations	D-4	1,069,784.63	
2017 Appropriation Reserves	D-11	<u>8,569.48</u>	
		<u>1,203,354.11</u>	
Balance December 31, 2018	D	<u>\$ 1,435,741.32</u>	<u>\$ 76,661.44</u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

CONSUMER ACCOUNTS RECEIVABLE

D-6

	<u>Ref.</u>		
Balance December 31, 2017	D		\$ 116,888.09
Increased by:			
Sewer User Charges Levied - Net	Reserve		1,379,669.43
			<u>1,496,557.52</u>
Decreased by:			
Collections	D-5	\$1,370,602.58	
Overpayments Applied	D-7	<u>2,663.69</u>	
	D-3		<u>1,373,266.27</u>
Balance December 31, 2018	D		<u><u>\$ 123,291.25</u></u>

SEWER CHARGE OVERPAYMENTS

D-7

	<u>Ref.</u>		
Balance December 31, 2017	D		\$ 2,663.69
Increased by:			
Cash Receipts	D-5		2,854.51
			<u>5,518.20</u>
Decreased by:			
Applied to Consumer Accounts Receivable	D-6		<u>2,663.69</u>
Balance December 31, 2018	D		<u><u>\$ 2,854.51</u></u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

FIXED CAPITAL

D-8

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2018</u>	<u>Balance</u> <u>Dec. 31, 2017</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>
<u>Reference</u>	<u>D</u>	<u>D</u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

RESERVE FOR AMORTIZATION

D-9

	<u>Ref.</u>	
Balance December 31, 2017	D	<u>\$853,316.96</u>
Balance December 31, 2018	D	<u><u>\$853,316.96</u></u>

RESERVE FOR CAPITAL OUTLAY

D-10

	<u>Ref.</u>	
Balance December 31, 2017	D	<u>\$ 11,594.76</u>
Balance December 31, 2018	D	<u><u>\$ 11,594.76</u></u>

BOROUGH OF ROSELLE PARK
SEWER UTILITY FUND

2017 APPROPRIATION RESERVES

D-11

	<u>Balance</u> <u>Dec. 31, 2017</u>		<u>Balance</u> <u>After</u> <u>Transfer</u>	<u>Expenditures</u>	<u>Balance</u> <u>Lapsed</u>
	<u>Encumbered</u>	<u>Reserved</u>			
<u>Operating</u>					
Other Expenses	\$10,500.00	\$ 15,060.67	\$ 25,560.67	\$ 8,569.48	\$ 16,991.19
Maintenance of Vehicles		5,000.00	5,000.00		5,000.00
Share of Costs:					
Joint Meeting Sewer		90,989.87	90,989.87		90,989.87
<u>Capital Improvements</u>					
Capital Outlay		5,000.00	5,000.00		5,000.00
	<u>\$10,500.00</u>	<u>\$116,050.54</u>	<u>\$126,550.54</u>	<u>\$ 8,569.48</u>	<u>\$117,981.06</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-12

	<u>Ref.</u>	
Balance December 31, 2017	D	<u>\$ 96,234.00</u>
Balance December 31, 2018	D	<u><u>\$ 96,234.00</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, 2017	E		\$ 154,464.08
Increased by:			
Operating Fund	E-4	\$432,493.50	
Reserve for Building Fund Expenditures	E-5	527,616.45	
Petty Cash Returned	E-9	<u>78.71</u>	
			960,188.66
			<u>1,114,652.74</u>
Decreased by:			
Accounts Payable	E-3	2,255.06	
Operating Expenses	E-4	429,850.51	
Prepaid Expenses	E-8	5,180.52	
Petty Cash	E-9	<u>200.00</u>	
			<u>437,486.09</u>
Balance December 31, 2018	E		<u><u>\$ 677,166.65</u></u>

LIBRARY OPERATING FUND
SCHEDULE OF LIBRARY INVESTMENTS

E-2

	<u>Ref.</u>	
Balance December 31, 2017	E	\$ 2,148.10
Decreased by:		
Loss in Market Value	E-4	<u>(217.48)</u>
Balance December 31, 2018	E	<u><u>\$ 1,930.62</u></u>

BOROUGH OF ROSELLE PARK
VETERANS MEMORIAL LIBRARY FUND

LIBRARY OPERATING FUND
SCHEDULE OF LIBRARY ACCOUNTS PAYABLE

E-3

	<u>Ref.</u>	
Balance December 31, 2017	E	\$ 2,255.06
Increased by:		
Accounts Payable	E-4	<u>1,767.27</u> 4,022.33
Decreased by:		
Cash Disbursements	E-1	<u>2,255.06</u>
Balance December 31, 2018	E	<u>\$ 1,767.27</u>

BOROUGH OF ROSELLE PARK
VETERANS MEMORIAL LIBRARY FUND

LIBRARY OPERATING FUND
SCHEDULE OF RESERVE FOR LIBRARY FUND EXPENDITURES

E-4

	<u>Ref.</u>		
Balance December 31, 2017	E		\$ 149,433.77
Increased by:			
2018 Budget Appropriation		\$ 405,000.00	
State Aid		6,984.00	
Fines		2,767.79	
Lost Cards		121.25	
Lost Materials		339.00	
A/V Income		141.50	
Miscellaneous		3,613.57	
Grant		11,249.99	
Fax		755.45	
Out of Town Registration		25.00	
Copy Machine		<u>1,495.95</u>	
	E-1		<u>432,493.50</u>
			581,927.27
Decreased by:			
Operating Expenses	E-1	429,850.51	
Accounts Payable	E-3	1,767.27	
Prepaid Expenses Applied	E-8	6,660.90	
Petty Cash	E-9	<u>121.29</u>	
			<u>438,399.97</u>
			143,527.30
Other Changes in Fund Balance:			
Net Loss on Investment	E-2		<u>(217.48)</u>
Balance December 31, 2018	E		<u><u>\$ 143,309.82</u></u>

BOROUGH OF ROSELLE PARK
VETERANS MEMORIAL LIBRARY FUND

LIBRARY BUILDING FUND
SCHEDULE OF RESERVE FOR BUILDING FUND EXPENDITURES

E-5

	<u>Ref.</u>	
Balance December 31, 2017	E	\$ 11,584.25
Increased by:		
Cash Receipts	E-1	<u>527,616.45</u>
Balance December 31, 2018	E	<u>\$ 539,200.70</u>

LIBRARY OPERATING FUND
SCHEDULE OF DUE FROM LIBRARY BUILDING FUND

E-6

	<u>Ref.</u>	
Balance December 31, 2017	E	<u>\$ 9,924.49</u>
Balance December 31, 2018	E	<u>\$ 9,924.49</u>

BOROUGH OF ROSELLE PARK
VETERANS MEMORIAL LIBRARY FUND

LIBRARY BUILDING FUND
SCHEDULE OF DUE TO LIBRARY OPERATING FUND

E-7

	<u>Ref.</u>	
Balance December 31, 2017	E	<u>\$ 9,924.49</u>
Balance December 31, 2018	E	<u><u>\$ 9,924.49</u></u>

LIBRARY OPERATING FUND
SCHEDULE OF DEFERRED OUTFLOWS

E-8

	<u>Ref.</u>	
Balance December 31, 2017	E	\$ 6,660.90
Increased by:		
Cash Disbursements	E-1	<u>5,180.52</u>
		11,841.42
Decreased by:		
Applied	E-4	<u>6,660.90</u>
Balance December 31, 2018	E	<u><u>\$ 5,180.52</u></u>

LIBRARY OPERATING FUND
PETTY CASH

E-9

	<u>Ref.</u>		
Increased by:			
Cash Disbursements	E-1		\$ 200.00
Decreased by:			
Petty Cash Returned	E-1	\$ 78.71	
Applied	E-4	<u>121.29</u>	
			<u>200.00</u>
			<u><u>\$ -</u></u>

PART II

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING**

ROSTER OF OFFICIALS

GENERAL COMMENTS, FINDINGS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2018

SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

The Honorable Mayor and Members
of the Borough Council
Borough of Roselle Park
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, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 6, 2019. 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 - regulatory basis 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

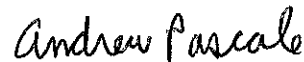
As part of obtaining reasonable assurance about whether the Borough's financial statements - regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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



ANDREW PASCALE, CPA, RMA

Newark, New Jersey
May 6, 2019

ROSTER OF OFFICIALS FOR THE YEAR 2018 AND REPORT ON SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Carl Hokanson	Mayor	*
William Fahoury	President of the Council	*
Michael Connelly	Councilman	*
Joseph R. Delorio	Councilman	*
Jayne Lynn Negron	Councilwoman	*
Joseph Petrosky	Councilman	*
Thos Shipley	Councilman	*
Richard Huxford	Attorney	*
Michael Neglia	Engineer	*
Frank Genova	Construction Code Official	*
Gary Bundy	Judge	*
Katy L. Andaluz	Court Administrator (January 16, 2018 - July 27, 2018)	*
Nicole Nunes	Court Administrator (January 1, 2018 - January 15, 2018 and October 1, 2018 - Present)	*
Rose Cooper	Deputy Court Administrator	*
Andrew Casais	Borough Clerk Assessment Search Officer Qualified Purchasing Agent from October 1, 2018	*
Donna L. Corrigan	Deputy Clerk	*
Kenneth Blum	Chief Financial Officer	*
Maria Pereira	Tax Collector	*
Gail Scaglione	Assessor	*
Paul Morrison	Police Chief	*
Madeline Colandro	Registrar of Vital Statistics	*
Audra Osorio	Library Director	*

All of the bonds were examined and were properly executed.

*\$1,000,000.00 Blanket Position Bond - The Garden State Municipal Joint Insurance Fund

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

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 as of July 1, 2015 was the sum of \$40,000.00.

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 \$6,000.00, 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 7, 2018, adopted Resolution #28-17 authorizing interest to be charged on delinquent taxes and sewer charges:

BE IT RESOLVED by the Council of the Borough of Roselle Park that the interest rate on delinquent taxes and sewer charges 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 or sewer charges not paid when due shall be called delinquent ten days after due date.

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

The last tax sale was held on November 20, 2018 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.

Municipal Court

A statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Revenue Department

Fire Safety Permits

Finding 2018-01:

It appears that annual fees are not being collected from all establishments required to pay such fee in accordance with Chapter XXII Fire Prevention and Protections Section 22-1.13 New Jersey Uniform Fire Safety Code - Required Inspections and Fees. We requested a list of establishments required to have annual inspections and none was provided however, we were provided with a schedule of fees paid and copies of Fire Permit Request forms. Eleven establishments paid the required annual fee however, a review of 22-1.13 reveal various types of establishments such as business/professional buildings, retail, manufacturing, storage and residential which are required to have an annual inspection and pay an annual fee. We could not determine if an inspection was performed and there is no indication a fee was collected.

Recommendation:

That the Fire Prevention Department prepare or maintain a list of all establishments as specified under Chapter XXII Fire Prevention and Protections Section 22-1.13 New Jersey Uniform Fire Safety Code - Required Inspections and Fees as it relates to nonlife hazard use fees and ensure the annual fee is collected and properly recorded.

Corrective Action Plan

In accordance with regulations promulgated by the Single Audit Act and 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.

Status of Prior Years' Audit Recommendations

Findings with an asterisk are repeated from the prior year.

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.

The Uniform Construction Code Enforcement Fee Report has been prepared and filed with the New Jersey Department of Community Affairs.

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.

RECOMMENDATION

Fire Safety Permits

- * That the Fire Prevention Department prepare or maintain a list of all establishments as specified under Chapter XXII Fire Prevention and Protections Section 22-1.13 New Jersey Uniform Fire Safety Code - Required Inspections and Fees as it relates to nonlife hazard use fees and ensure the annual fee is collected and properly recorded.

*Repeated from the prior year.

* * *

The foregoing comments and resultant recommendation 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 "Andrew Pascale".

ANDREW PASCALE, CPA, RMA

Newark, New Jersey
May 6, 2019

