

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF TRUST FUND CASH
COLLECTOR-TREASURER

	<u>REF.</u>	<u>ANIMAL CONTROL FUND</u>	<u>OTHER TRUST FUNDS</u>
Balance, December 31, 2011	B	\$ 12,477.26	\$ 824,576.20
Increased by Receipts:			
Contra	B-1		\$
Tax Title Lien Redemption and Premiums	B-2		1,563,186.57
Due Current Fund	B-3;B-14	\$	352,423.44
Due State of New Jersey	B-4;B-18	579.20	2,650.00
Animal Control License Fees	B-5	2,126.80	
Public Defender	B-6		13,641.50
Tax Sale Premiums	B-7		
State Unemployment Insurance	B-8		50,000.00
Payroll Deductions Payable	B-9		6,678,776.82
Community Development Block Grant	B-10		40,740.00
Miscellaneous Trusts	B-13		351,878.22
Parking Offense Adjudication Act	B-19		3,221.48
Special Law Enforcement Trust	B-12		79,752.59
		<u>2,706.00</u>	<u>9,134,070.72</u>
Decreased by Disbursements:		<u>15,183.26</u>	\$ <u>9,958,046.92</u>
Contra	B-1		
Tax Title Lien Redemption and Premiums	B-2		1,180,386.00
Due State of New Jersey	B-4;B-18	775.80	2,151.00
Expenditures Under R.S.4:19-15.11	B-5		
Public Defender	B-6		11,976.60
Payroll Deductions Payable	B-9		6,054,375.24
Community Development Block Grant	B-11		40,740.00
Special Law Enforcement	B-12		62,252.51
Miscellaneous Trusts	B-13		475,366.71
Due Current Fund	B-14		519,262.00
		<u>775.80</u>	<u>8,346,519.96</u>
Balance, December 31, 2012	B	\$ <u>14,407.46</u>	\$ <u>1,612,126.96</u>

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTIONS AND PREMIUMS

	<u>REF.</u>	
Balance, December 31, 2011	B	\$ 909,727.33
Increased by:		
Cash Receipts	B-1	<u>1,563,186.57</u>
		\$ <u>2,472,913.90</u>
Decreased by:		
Cash Disbursements	B-1	<u>1,180,396.00</u>
Balance, December 31, 2012	B	\$ <u><u>1,292,517.90</u></u>

"B-3"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND -
ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, December 31, 2011, and , December 31, 2012, (Due to)	B	\$ <u>7,864.06</u>

"B-4"

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

Balance, December 31, 2011	B	\$ 196.60
Increased by:		
Cash Receipts	B-1	<u>579.20</u>
		\$ 775.80
Decreased by:		
Cash Disbursements	B-1	<u>775.80</u>

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2011	B	\$	4,481.60
Increased by:			
Dog License Fees Collected		\$	2,027.00
Other			99.80
	B-1		<u>2,126.80</u>
Balance, December 31, 2012	B	\$	<u><u>6,608.40</u></u>

"B-6"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

	<u>REF.</u>		
Balance, December 31, 2011	B	\$	14,580.83
Increased by:			
Cash Receipts	B-1		13,641.50
		\$	<u>28,222.33</u>
Decreased by:			
Cash Disbursements	B-1		11,976.50
Balance, December 31, 2012	B	\$	<u><u>16,245.83</u></u>

"B-7"

SCHEDULE OF DUE AFFORDABLE HOUSING UTILITY OPERATING FUND

Balance, December 31, 2011, and December 31, 2012	B	\$	<u><u>19,437.00</u></u>
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"B-8"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF STATE UNEMPLOYMENT INSURANCE

	<u>REF.</u>	
Balance (Deficit), December 31, 2011	B	\$ (37,721.29)
Increased by:		
Cash Receipts	B-1	<u>50,000.00</u>
Balance, December 31, 2012	B	<u>\$ 12,278.71</u>

"B-9"

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Increased by:		
Cash Receipts	B-1	\$ <u>6,676,776.92</u>
		\$ 6,676,776.92
Decreased by:		
Cash Disbursements	B-1	<u>6,054,375.24</u>
Balance, December 31, 2012	B	<u>\$ 622,401.68</u>

"B-10"

BOROUGH OF ROSELLE

TRUST FUND

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

	<u>REF.</u>		
Balance, December 31, 2011	B		\$ 49,527.10
Increased by:			
Grant Awarded in 2012	B-11		29,995.00
			\$ <u>79,522.10</u>
Decreased by:			
Cash Receipts	B-1	\$ 40,740.00	
Canceled	B-11	<u>8,737.00</u>	
			<u>49,477.00</u>
Balance, December 31, 2012	B		\$ <u><u>30,045.10</u></u>

"B-11"

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

Balance, December 31, 2011	B		\$ 49,527.00
Increased by:			
Grant Awarded in 2012	B-10		29,995.00
			\$ <u>79,522.00</u>
Decreased by:			
Cash Disbursements	B-1	\$ 40,740.00	
Canceled	B-11	<u>8,737.00</u>	
			<u>49,477.00</u>
Balance, December 31, 2012	B		\$ <u><u>30,045.00</u></u>

"B-12"

SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT

Balance, December 31, 2011	B		\$ 58,568.65
Increased by:			
Cash Receipts	B-1		79,752.59
			\$ <u>138,321.24</u>
Decreased by:			
Cash Disbursements	B-1		<u>62,252.51</u>
Balance, December 31, 2012	B		\$ <u><u>76,068.73</u></u>

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

	BALANCE DECEMBER 31, 2011	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2012
Recycling	\$ 25,417.20	\$	\$	25,417.20
Centennial Celebration	135.00			135.00
Escrow Deposits		960.00	4,703.30	(3,743.30)
Street Opening Deposits	25,117.15			25,117.15
Police Department Donation	5,097.23			5,097.23
5K Race	360.00			360.00
Lawsuit Settlement	18,107.00			18,107.00
21st Century Gala	1,895.00			1,895.00
Holiday Decorations	691.00			691.00
Cable TV	29,700.00			29,700.00
Summer Program	30.00			30.00
Miscellaneous	18,352.08	25,137.71	5,637.47	37,852.32
Fire Prevention	451.81			451.81
Community Policing Unit	19,402.48	1,150.00	5,497.06	15,055.42
Police Outside Employment	165,637.82	324,430.51	459,528.88	30,539.45
Redevelopment Agency	16,655.00			16,655.00
	<u>\$ 327,048.77</u>	<u>\$ 351,678.22</u>	<u>\$ 475,366.71</u>	<u>\$ 203,360.28</u>

REF.

B

B-1

B-1

B

"B-14"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2011, (Due from)	B	\$ 473,563.99
Increased by:		
Cash Disbursements	B-1	519,262.00
		<u>\$ 992,825.99</u>
Decreased by:		
Cash Receipts	B-1	<u>352,423.44</u>
Balance, December 31, 2012, (Due from)	B	<u>\$ 640,402.55</u>

"B-15"

SCHEDULE OF DUE GENERAL CAPITAL FUND

Balance, December 31, 2011, (Due to), and December 31, 2012, (Due to)	B	<u>\$ 426,188.00</u>
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"B-16"

SCHEDULE OF DUE PUBLIC ASSISTANCE TRUST FUND

Balance, December 31, 2011, (Due to), and December 31, 2018, (Due to)	B	<u>\$ 840.00</u>
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"B-17"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE FEDERAL AND STATE GRANTS FUND

	<u>REF.</u>	
Balance, December 31, 2011, (Due from), and December 31, 2012, (Due from)	B	\$ <u>440,000.00</u>

"B-18"

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance, December 31, 2011, (Due to)	B	\$ 1,450.00
Increased by:		
Cash Receipts	B-1	<u>2,650.00</u>
		\$ <u>4,100.00</u>
Decreased by:		
Cash Disbursements	B-1	<u>2,151.00</u>
Balance, December 31, 2012, (Due to)	B	\$ <u>1,949.00</u>

ANALYSIS OF BALANCE

<u>Description</u>	<u>Amount</u>
Marriage License Fees	\$ 1,874.00
Burial Permit Fees	<u>75.00</u>
	\$ <u>1,949.00</u>

"B-19"

SCHEDULE OF PARKING OFFENSE ADJUDICATION ACT FUND

Balance, December 31, 2011	B	\$ 17,956.00
Increased by:		
Cash Receipts	B-1	<u>3,221.48</u>
Balance, December 31, 2012	B	\$ <u>21,177.48</u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH
TREASURER

	<u>REF.</u>		
Balance, December 31, 2011 - Cash Overdraft	C		\$ (99,008.89)
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-6	\$ 25,000.00	
Grants Accounts Receivable	C-7	315,000.59	
Refund of Improvement Authorizations	C-8	53,679.63	
Premium of Bond Anticipation Notes Issued	C-1	67,865.07	
Bond Anticipation Notes	C-14	13,891,936.00	
Deferred Charges to Future Taxation - Unfunded		410,000.00	
Unidentified Receipts	C-21	6,017.44	
Loans	C-9	50,000.00	
Due Current Fund	C-15	<u>10,270,696.40</u>	
			<u>25,090,195.13</u>
			<u>24,991,186.24</u>
Decreased by Disbursements:			
Due Current Fund	C-15	\$ 10,511,316.09	
Expenditure without an Appropriation	C-17	102,268.27	
Bond Anticipation Notes	C-14	7,550,885.00	
Capital Improvement Fund	C-6	9,951.65	
Due Federal and State Grant Fund	D-20	127,129.00	
Contracts Payable	C-10	<u>6,270,974.59</u>	
			<u>24,572,524.60</u>
Balance, December 31, 2012	C		\$ <u><u>418,661.64</u></u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER <u>31, 2012</u>
Fund Balance	\$ 83,667.97
Capital Improvement Fund	79,056.69
State Aid Accounts Receivable	(6,884,856.41)
Deferred Charges	(258,886.37)
Reserve for State Aid Accounts Receivable	3,055,000.00
Reserve for Basketball Court Improvements	42,500.00
Contracts Payable	3,803.50
Environmental Loan Receivable	(1,545,341.00)
Reserve to Pay Debt	6,118.00
Due Current Fund	(393,982.03)
Due Federal and State Grant Fund	(127,129.00)
Due Other Trust Fund	(426,188.00)
Improvement Authorizations Funded (Listed on "C-8")	1,458,722.11
Unidentified Receipts	6,017.44
Bond Anticipation Notes Issued:	
Excess Note Proceeds as Set Forth on "C-5"	511,970.20
Unexpended Note Proceeds as Set Forth on "C-5"	6,625,511.74
Improvement Authorizations:	
Expended as Set Forth on "C-5"	<u>(1,817,323.20)</u>
	\$ <u><u>418,661.64</u></u>

REF.

C

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2011	C		\$ 5,429,057.00
Increased by:			
Green Trust Loan Payable	C-9	\$ 50,000.00	
Environmental Infrastructure Loan Payable	C-18	<u>1,545,341.00</u>	
			<u>1,595,341.00</u>
			\$ 7,024,398.00
Decreased by:			
Payment of Green Trust Loan by Budget	C-9	\$ 11,748.37	
Bonds Paid	C-11	<u>1,292,000.00</u>	
			<u>1,303,748.37</u>
Balance, December 31, 2012	C		\$ <u><u>5,720,649.63</u></u>

"C-6"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2011	C	\$ 64,008.34
Increased by:		
2012 Appropriations	C-2	<u>25,000.00</u>
		\$ <u>89,008.34</u>
Decreased by:		
Cash Disbursements	C-2	<u>9,951.65</u>
Balance, December 31, 2012	C	\$ <u><u>79,056.69</u></u>

"C-7"

SCHEDULE OF GRANTS ACCOUNTS RECEIVABLE

Balance, December 31, 2011	C	\$ 6,367,189.38
Increased by:		
Green Acres Grant		<u>850,000.00</u>
		\$ <u>7,217,189.38</u>
Decreased by:		
Canceled		\$ 17,332.38
Cash Receipts	C-2	<u>315,000.59</u>
		<u>332,332.97</u>
Balance, December 31, 2012	C	\$ <u><u>6,884,856.41</u></u>
Pledged to:		
Ordinance		\$ 3,829,856.41
Reserve for Receivables	C	<u>3,055,000.00</u>
		\$ <u><u>6,884,856.41</u></u>

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE 12/31/2011		REFUNDS	ENCUMBRANCES CANCELED	EXPENDED	BALANCE 12/31/2012	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
2166	Various Capital Improvements	8/21/02	\$ 350,000.00	\$	\$		2,443.23		2,443.23	
2181	Various Capital Improvements	2/27/03	1,031,738.26	29,968.11			20,960.00		50,928.11	
2206	Various Capital Improvements	4/21/04	2,298,241.00	118,914.95			56,166.64		175,081.59	
2218	Contribution to Storm Water Program	11/10/04	44,110.00	410.00			2,115.00		2,525.00	
2225/2238	Various Capital Improvements	3/16/05	1,743,833.00	384,394.28				324,433.66		225,191.24
2251	Various Capital Improvements	8/20/09	1,989,000.00		690,704.16			465,512.92		21,470.85
2276	Various Road Improvements	6/13/07	1,050,000.00		217,011.19			196,540.34		6,048.83
2282	Improvements to Sylvester Land Field	12/19/07	1,320,000.00		0.25					7,000,000.00
2297	Westbrook Flood Control Project	4/16/08	9,000,000.00	1,470,127.80			6,048.58	751,371.79	718,756.01	1,531,379.09
2300	Various Road Improvements	7/16/08	3,350,000.00		7,000,000.00		22,893.12			35,974.05
2313	Refunding Bend Ordinance	11/12/08	1,300,000.00		1,509,485.97					248,354.11
2340	Various Road Improvements	7/15/09	1,600,000.00					2,440.65		
2342	Various Improvements	8/19/09	95,000.00	2,440.65						8,500.00
2349	Acquisition of Ambulance	10/21/09	160,000.00	8,500.00						15,356.47
2389	Various Improvements	2/16/11	320,000.00		48,780.37			33,423.90		2,407,421.73
2396	Various Improvements	4/20/11	4,574,800.00		3,673,795.92	53,679.63		1,320,053.92		1,128,978.80
2407	Sanitary Sewer System Improvements	9/21/11	2,900,000.00		2,900,000.00			1,771,021.20		759,500.00
2408	Various Park Improvements	8/27/11	1,700,000.00	40,500.00	1,659,500.00			491,472.43	449,027.57	
			\$	2,044,315.14	17,745,192.56	53,679.63	368,980.68	5,355,270.73	1,458,722.11	13,388,175.17

SEE

C-2

C-10

C

C

SEE

C-10

C-C-3

C-C-5

"C-9"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>REF.</u>	
Balance, December 31, 2011	C	\$ 94,057.00
Increased by:		
Loan Payable	C-2:C-4	50,000.00
		<u>\$ 144,057.00</u>
Decreased by:		
Loans Paid by Budget	C-4	11,748.37
		<u>11,748.37</u>
Balance, December 31, 2012	C	<u>\$ 132,308.63</u>

"C-10"

SCHEDULE OF CONTRACTS PAYABLE

Balance, December 31, 2011	C	\$ 1,278,488.04
Increased by:		
Charges to Improvement Authorizations	C-8	4,996,290.05
		<u>\$ 6,274,778.09</u>
Decreased by:		
Cash Disbursements	C-2	6,270,974.59
		<u>6,270,974.59</u>
Balance, December 31, 2012	C	<u>\$ 3,803.50</u>

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND

SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING 12/31/2012		INTEREST RATE	BALANCE DECEMBER 31, 2011	DECREASED	BALANCE DECEMBER 31, 2012
			DATE	AMOUNT				
General Improvements	2/15/97	\$ 6,870,000.00				\$ 602,000.00	\$ 602,000.00	
Refunding Bonds - ERIP	4/1/03	145,000.00	4/1/13	\$ 10,000.00	4.89%			
			4/1/14-15	10,000.00	5.29%			
			4/1/16-18	15,000.00	5.29%	85,000.00	10,000.00	75,000.00
General Improvements	06/01/05	4,363,000.00	06/01/13	450,000.00	3.650%			
			06/01/14	450,000.00	3.650%			
			06/01/15	450,000.00	3.650%			
			06/01/16	450,000.00	3.650%			
			06/01/17	450,000.00	3.650%			
			06/01/18	453,000.00	3.650%	3,128,000.00	425,000.00	2,703,000.00
Refunding Bonds	9/15/11	1,520,000.00	3/15/13	260,000.00	2.000%			
			3/15/14	260,000.00	2.000%			
			3/15/15	250,000.00	3.000%			
			3/15/16	250,000.00	3.000%			
			3/15/17	245,000.00	3.000%			
						1,520,000.00	255,000.00	1,265,000.00
						\$ 5,335,000.00	\$ 1,292,000.00	\$ 4,043,000.00

REF.

C-4

C

"C-12"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT

	<u>REF.</u>	
Balance, December 31, 2011 and December 31, 2012	C	\$ <u>6,118.00</u>

"C-13"

SCHEDULE OF DUE OTHER TRUST FUND

Balance, December 31, 2011 and December 31, 2012	C	\$ <u>426,188.00</u>
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BOROUGH OF ROSELLE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORIGINAL AMOUNT ISSUED	DATE OF ISSUE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2011	INCREASED	DECREASED	BALANCE DECEMBER 31, 2012
2251	Various Capital Improvements	\$ 799,000.00	5/22/07	3/17/12	3/17/13	1.500%	\$ 717,300.00	\$ 698,910.00	\$ 717,300.00	\$ 698,910.00
2276	Various 2007 Road Improvements	1,000,000.00	1/15/08	1/13/12	1/13/13	2.000%	1,000,000.00	950,000.00	1,000,000.00	950,000.00
2292	Improvements to Sylvester Land Field	1,254,000.00	5/20/09	3/17/12	3/17/13	1.500%	1,254,000.00	1,210,760.00	1,254,000.00	1,210,760.00
2300	Various Road Improvements	2,337,831.00	5/20/09	3/17/12	3/17/13	1.500%	2,337,831.00	2,257,215.00	2,337,831.00	2,257,215.00
2396	Various Improvements	4,346,060.00	5/22/12	5/22/12	5/22/13	2.000%	4,346,060.00	4,346,060.00		4,346,060.00
2314	Improvements to 911 Communication System	122,591.00	5/22/12	5/22/12	5/22/13	2.000%	122,591.00	122,591.00		122,591.00
2342	Various Improvements	90,250.00	5/22/12	5/22/12	5/22/13	2.000%	90,250.00	90,250.00		90,250.00
2380	Various Improvements	1,782,150.00	5/22/12	5/22/12	5/22/13	2.000%	1,782,150.00	1,782,150.00		1,782,150.00
2297	Westbrook Flood Project	2,144,000.00	12/31/11	12/31/12	12/31/13		2,434,000.00	2,434,000.00		2,434,000.00
							<u>\$ 7,743,131.00</u>	<u>\$ 13,891,936.00</u>	<u>\$ 7,743,131.00</u>	<u>\$ 13,891,936.00</u>

REF.

C-2

C-C-5

Cash Disbursements
Notes Paid by Budget

\$ 7,550,885.00
192,246.00

\$ 7,743,131.00

"C-15"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM CURRENT FUND

	<u>REF.</u>	
Balance, December 31, 2011 (Due From)	C	\$ 153,362.34
Increased by:		
Cash Disbursements	C-2	10,511,316.09
		<u>\$ 10,664,678.43</u>
Decreased by:		
Cash Receipts	C-2	10,270,696.40
		<u>10,270,696.40</u>
Balance, December 31, 2012 (Due From)	C	<u>\$ 393,982.03</u>

"C-16"

SCHEDULE OF RESERVE FOR BASKETBALL COURT IMPROVEMENTS

Balance, December 31, 2011, and December 31, 2012	C	<u>\$ 42,500.00</u>
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"C-17"

SCHEDULE OF DEFERRED CHARGES

Balance, December 31, 2011	C	\$ 156,618.10
Increased by:		
Expenditure Without an Appropriation	C-2	102,268.27
		<u>102,268.27</u>
Balance, December 31, 2012	C	<u>\$ 258,886.37</u>

"C-18"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>		
Increased by:			
Loan Payable	C-19	\$	1,545,341.00
Balance, December 31, 2012	C	\$	<u>1,545,341.00</u>

"C-19"

SCHEDULE OF ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE

Increased by:			
Loan Receivable	C-4:C-18	\$	1,545,341.00
Balance, December 31, 2012	C	\$	<u>1,545,341.00</u>

"C-20"

SCHEDULE OF DUE FEDERAL AND STATE GRANT FUND

Increased by:			
Cash Disbursements	C-2	\$	127,129.00
Balance, December 31, 2012	C	\$	<u>127,129.00</u>

"C-21"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR UNIDENTIFIED RECEIPTS

	<u>REF.</u>		
Increased by:			
Cash Receipts	C-2	\$	6,017.44
Balance, December 31, 2012	C	\$	<u>6,017.44</u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT AUTHORIZATION</u>		<u>BALANCE DECEMBER 31, 2012</u>
2251	Various Capital Improvements	\$	26,000.00
2297	Westbrook Flood Control Project		7,000,000.00
2313	Refunding Bond		260,000.00
2340	Various Road Improvements		1,157,827.63
2349	Acquisition of Ambulance		152,000.00
2389	Various Improvements		304,000.00
2407	Sanitary Sewer System Improvements		1,354,659.00
2408	Various Park Improvements		<u>759,500.00</u>
		\$	<u>11,013,986.63</u>

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>	<u>OPERATING</u>	<u>CAPITAL</u>
Balance, December 31, 2011	D	\$ 110,745.56	\$ 34,509.00
Increased by Receipts:			
Rents	D-5	\$ 248,780.75	\$
Security Deposits	D-7	4,481.45	
Due Current Fund	D-13	115,210.00	
Miscellaneous	D-2	<u>1,080.25</u>	
		\$ 369,552.45	
		<u>\$ 480,298.01</u>	\$ 34,509.00
Decreased by Disbursements:			
2012 Appropriations	D-3	\$ 251,710.23	\$
TY 2011 Appropriations Reserves	D-8	15,283.09	
Due Current Fund	D-13	115,000.00	
Security Deposits	D-7	<u>1,352.89</u>	
		383,346.21	
Balance, December 31, 2012	D	<u>\$ 96,951.80</u>	<u>\$ 34,509.00</u>

"D-5"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF RENTAL INCOME ACCOUNTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	52,491.00
Increased by:			
Rents Levied			<u>204,726.75</u>
		\$	<u>257,217.75</u>
Decreased by:			
Collection	D-4	\$	248,780.75
Prepaid Rents Applied	D-16		<u>1,478.00</u>
	D-1		<u>250,258.75</u>
Balance, December 31, 2012	D	\$	<u><u>6,959.00</u></u>

"D-6"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, December 31, 2011	D	\$	11,094.31
Decreased by:			
Transferred to Reserves	D-8	\$	<u>11,094.31</u>

"D-7"

SCHEDULE OF TENANT SECURITY DEPOSITS

Balance, December 31, 2011	D	\$	23,425.83
Increased by:			
Cash Receipts	D-4		<u>4,481.45</u>
		\$	<u>27,907.28</u>
Decreased by:			
Cash Disbursements	D-4		<u>1,352.89</u>
Balance, December 31, 2012	D	\$	<u><u>26,554.39</u></u>

BOROUGH OF ROSELLE
AFFORDABLE HOUSING UTILITY OPERATING FUND
SCHEDULE OF T.Y. 2011 APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>OVEREXPENDED</u>
Operating:				
Other Expenses	\$ <u>-0-</u>	\$ <u>11,094.31</u>	\$ <u>15,283.09</u>	\$ <u>4,188.78</u>
	\$ <u>-0-</u>	\$ <u>11,094.31</u>	\$ <u>15,283.09</u>	\$ <u>4,188.78</u>
<u>REF.</u>		D-6	D-4	D-1:D-15

"D-9"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>Account</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011 AND DECEMBER 31, 2012</u>
Affordable Housing Improvements	D	\$ <u>5,000.00</u>

"D-10"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2011 and December 31, 2012	D	\$ <u>5,000.00</u>
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"D-11"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2011 and December 31, 2012	D	\$ <u>20,000.00</u>
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"D-12"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF OPERATING SECURITY DEPOSITS

	<u>REF.</u>	
Balance, December 31, 2011, and December 31, 2012	D	\$ <u>327.60</u>

"D-13"

SCHEDULE OF DUE CURRENT FUND

Balance, December 31, 2011 (Due From)	D	\$ 648.56
Increased by:		
Cash Disbursements	D-4	<u>115,000.00</u>
		\$ <u>115,648.56</u>
Decreased by:		
Cash Receipts	D-4	<u>115,210.00</u>
Balance, December 31, 2012 (Due From)	D	\$ <u>438.56</u>

"D-14"

SCHEDULE OF DUE AFFORDABLE HOUSING UTILITY CAPITAL FUND

Balance, December 31, 2011, and Balance, December 31, 2012 (Due From)	D	\$ <u>14,509.00</u>
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BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2011	ADDED DECEMBER 31, 2012	RAISED IN 2012 BUDGET	BALANCE DECEMBER 31, 2012
<u>REF.</u>				
Overexpenditure of Appropriations	\$ 3,099.90	\$ 43,977.86	\$ 1,259.20	\$ 45,818.36
Overexpenditure of Appropriation Reserves	<u>16,869.27</u>	<u>4,188.78</u>	<u>6,008.23</u>	<u>15,048.82</u>
	<u>\$ 19,969.17</u>	<u>\$ 48,166.44</u>	<u>\$ 7,267.43</u>	<u>\$ 60,888.18</u>
<u>REF.</u>	D	D-1	D-3	D

"D-16"

BOROUGH OF ROSELLE
AFFORDABLE HOUSING UTILITY OPERATING FUND
SCHEDULE OF PREPAID RENTS

	<u>REF.</u>		
Balance, December 31, 2011	D	\$	1,478.00
Decreased by:			
Application to Rental Income Receivable	D-5	\$	<u>1,478.00</u>

"D-17"

SCHEDULE OF TRUST OTHER FUND

Balance, December 31, 2011 and December 31, 2012 (Due From)	D	\$	<u>19,437.00</u>
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"D-18"

AFFORDABLE HOUSING UTILITY CAPITAL FUND
SCHEDULE OF DUE AFFORDABLE HOUSING UTILITY OPERATING FUND

Balance, December 31, 2011 and December 31, 2012 (Due To)	D	\$	<u>14,509.00</u>
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BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH-TREASURER

	<u>REF.</u>	<u>P.A.T.F. I ACCOUNT</u>	<u>FUND TOTAL</u>
Balance, December 31, 2012 and December 31, 2011	E:E-2	\$ <u>12,960.34</u>	\$ <u>12,960.34</u>

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

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

	<u>REF.</u>		
Balance, December 31, 2012 and July 31, 2013	E-1		\$ <u>12,960.34</u>
<u>Reconciliation, July 31, 2013</u>		<u>P.A.T.F. I ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of: TD Bank Account #7861791270		\$ <u>12,960.34</u>	\$ <u>12,960.34</u>
Balance, July 31, 2013		\$ <u>12,960.34</u>	\$ <u>12,960.34</u>

BOROUGH OF ROSELLE

PUBLIC ASSISTANCE TRUST FUND

SCHEDULE OF PUBLIC ASSISTANCE CASH AND
RECONCILIATION AS OF DECEMBER 31, 2012

Balance, December 31, 2011 and December 31, 2012	<u>REF.</u> E-1	\$ <u><u>12,960.34</u></u>
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Reconciliation, December 31, 2012

	<u>P.A.T.F. I ACCOUNT</u>	<u>TOTAL</u>
Balance on Deposit Per Statement of: TD Bank Account #7861791270	\$ <u>12,960.34</u>	\$ <u>12,960.34</u>
Balance, December 31, 2012	\$ <u><u>12,960.34</u></u>	\$ <u><u>12,960.34</u></u>

BOROUGH OF ROSELLE

PART II

SINGLE AUDIT SECTION

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

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL FINANCIAL
ASSISTANCE PROGRAMS AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH U.S. OMB CIRCULAR NO. A-133
AND NEW JERSEY OMB CIRCULAR 04-04

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND
STATE FINANCIAL ASSISTANCE

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Borough of Roselle, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's regulatory financial statements, and have issued our report thereon dated December 30, 2013. Our report disclosed that, as described in Note 1 to the financial statements, the Borough of Roselle prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is other reporting framework other than U.S. generally accepted accounting principles. Our report also disclosed that our opinion on the regulatory financial statements as of December 31, 2012 was qualified due to the omission of a Statement of General Fixed Assets.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies that we consider to be material weaknesses. We also noted other matters involving internal control that we have reported to the Borough of Roselle in the General Comments and Recommendations Section of this report.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis. We consider deficiency 2012-02 which is described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings as item 2012-01. We also noted other instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of this report.

Borough of Roselle's Response to Findings

The Borough of Roselle's response to the findings identified in our audit will be described in the Borough's Corrective Plan on file in the Borough Clerk's Office. We did not audit the Borough's response and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough'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.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

December 30, 2013



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

We have audited the Borough of Roselle's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Borough of Roselle's major federal programs for the year ended December 31, 2012. The Borough's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Roselle's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Borough of Roselle's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Borough of Roselle's compliance.

SUPLEE, CLOONEY & COMPANY

Opinion on Each Major Federal Program

In our opinion, the Borough of Roselle complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items #2012-03, and #2012-04. Our opinion on each major federal program is not modified with respect to these matters. The Borough's response to the noncompliance findings identified in our audit will be described in the Borough's corrective action plan on file in the Borough Clerk's office. We did not audit the Borough's response and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Management of the Borough of Roselle is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Roselle's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Roselle's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items #2012-03, and #2012-04. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

SUPLEE, CLOONEY & COMPANY

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

December 30, 2013

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2012

FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	GRANT PERIOD FROM	TO	GRANT AWARD AMOUNT	2012 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2012
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT							
<u>Passed Through County of Union:</u>							
14.218	004-161	Community Development Block Grant Program:	09/01/04	08/31/05	\$ 220,000.00	\$	\$ 194,042.00
14.218	004-164	Chestnut Streetscape (Ord. 2225)	09/01/04	08/31/05	40,000.00		
14.218	005-059	Demolition of Property for Community Center (Ord. 2225)	09/01/05	08/31/06	90,000.00		
14.218	005-163	Senior Citizen Community Center Program (Ord. 2251)	09/01/05	08/31/06	90,000.00		
14.218	009-446	Street Reconstruction (Ord. 2251)	09/01/09	08/31/10	28,000.00		
14.218	009-059	Code Enforcement Program	09/01/09	08/31/10	60,000.00		
14.218	008-163	Senior Citizen Community Center Renovations Program	09/01/09	08/31/10	125,000.00		
14.218	010-059	Roselle Street Improvement	09/01/10	08/31/11	25,000.00	19,297.80	27,998.90
14.218	011-275	Senior Citizen Community Center Renovations Program	09/01/11	08/31/12	9,572.00	9,572.00	42,667.62
14.218	011-277	Senior Citizen Bus	09/01/11	08/31/12	7,168.00	7,168.00	25,000.00
14.218	011-446	Senior Citizen Community Center Program	09/01/11	08/31/12	24,000.00	24,000.00	9,572.00
14.218	011-059	Code Enforcement Program	09/01/11	08/31/12	17,000.00	17,000.00	7,168.00
14.218	011-163	Senior Citizen Community Center Renovations Program	09/01/11	08/31/12	175,000.00	14,720.00	24,000.00
14.218	012-276	Roselle Street Improvement	09/01/12	08/31/13	7,480.00		14,720.00
14.218	012-277	Senior Citizen Bus	09/01/12	08/31/13	5,565.00		
14.218	012-446	Roselle Senior Citizens Program Coordination	09/01/12	08/31/13	17,000.00		
14.218	012-059	Code Enforcement Program	09/01/12	08/31/13	23,500.00		
14.218	012-163	Senior Citizen Community Center Renovations Program	09/01/12	08/31/13	140,000.00		
<u>Passed Through State of New Jersey:</u>							
14.264		Neighborhood Stabilization Grant			2,500,000.00	341,212.88	1,866,652.43
UNITED STATES DEPARTMENT OF HOMELAND AGRICULTURE							
<u>Passed Through State of New Jersey:</u>							
10.559	3350-100-033-2012-2012	Summer Food Service Program for Children			55,631.83	12,068.00	48,063.02
10.559	3350-100-033-2012-2012	Summer Food Service Program for Children			36,069.00		
UNITED STATES DEPARTMENT OF ENVIRONMENTAL PROTECTION							
<u>Brownfields Cooperative Assessment Agreement</u>							
66.818	N/A			8/4/09	200,000.00		200,000.00
U.S. Department of Homeland Security							
<u>Pass through State of New Jersey</u>							
97.036		FEMA Disaster Grant		Continuous	438,814.39	438,814.39	438,814.39

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2012

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	GRANT PERIOD	GRANT AWARD AMOUNT	2012 FUNDS RECEIVED	2012 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2012
DEPARTMENT OF TRANSPORTATION							
Passed Through State of New Jersey							
Central Business Midtown Grant	20.205		Continuous	500,000.00		449,944.60	429,944.60
SRTS Pedestrian Walkway	20.205		Continuous	233,965.00		178,381.40	178,381.40
Chestnut Streetcape - Ord. 2251	20.205		Continuous	500,000.00			
Various Streets - Ord 2251	20.205		Continuous	360,000.00			135,000.00
Various Streets - Ord 2276	20.205	6320-480-078-6320-AJZ-TCAP-6010	Continuous	207,000.00			207,000.00
Various Streets - Ord 2297 - Westbrook Flood Control Project	20.205	6320-480-078-6320-AJAH-TCAP-6010	Continuous	5,055,000.00			17,611.00
Various Streets - Ord 2300	20.205	6320-460-078-6320-AK5-TCAP-6010	Continuous	729,000.00			400,800.25
Various Streets - Ord 2340	20.205		Continuous	57,266.75	69,763.25		57,266.75
Various Streets - Ord 2380	20.205		Continuous	279,053.00			279,053.00
Various Streets - Ord 2380	20.205		Continuous	187,024.00			140,244.00
Various Streets - Ord 2380	20.205		Continuous	12,000.00			9,024.00
					69,763.25	698,089.25	1,854,525.00
DEPARTMENT OF LABOR							
Pass Through County of Union							
Workforce Investment Act Youth Works Program	17.258		Continuous	224,000.00	52,000.00	180,408.70	180,408.70
Workforce Investment Act National Emergency	17.258		Continuous	88,546.00			
					52,000.00	180,408.70	180,408.70
UNITED STATES DEPARTMENT OF JUSTICE							
Justice Assistance Program	16.579		Continuous	10,531.00			10,492.00
Justice Assistance Program	16.579		Continuous	48,281.00			48,280.50
Bulletproof Vest Partnership Program	16.607	N/A	Continuous	3,997.00			3,997.00
Bulletproof Vest Partnership Program	16.607	N/A	Continuous	9,497.00			9,497.00
Bulletproof Vest Partnership Program	16.607	N/A	Continuous	3,987.00			3,987.00
					1,012,917.98 \$	1,730,196.23 \$	5,130,895.55
							72,266.50
							5,130,895.55

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2012

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	2012 FUNDS RECEIVED	2012 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2012
DEPARTMENT OF HUMAN SERVICES H1N1 Local Public Health Emergency			\$ 71,068.00	\$	\$	\$ 61,835.03
DEPARTMENT OF ENVIRONMENTAL PROTECTION Clean Communities Program	4900-765-042-4900-004-YCMC-6020	Continuous	130,476.52		110,362.28	130,476.52
Clean Communities Program	4900-765-042-4900-004-YCMC-6020	Continuous	53,448.00		27,507.72	27,507.72
Recycling Tomnago Grant - Unappropriated	4900-752-042-4900-001-V42Y-6020	Continuous	36,648.00	26,507.83	7,648.00	7,648.00
Wastewater Management		Continuous	15,000.00		15,000.00	15,000.00
Stormwater Grant		Continuous	10,583.00			
				26,507.83	160,518.00	180,632.24
DEPARTMENT OF COMMUNITY AFFAIRS Statewide Livable Communities - Local Library Aid	05-100-022-5030-654-FFFF-6120	5/1/05 4/30/07	50,000.00			50,000.00
						50,000.00
GOVERNOR'S COUNCIL ON ALCOHOL AND DRUG ABUSE Pass Through County of Union Alliance Grant	08-ALL-105	1/1/08 12/31/08	20,346.00	3,444.40	1,750.25	17,218.39
Pass Through County of Union Alliance Grant	09-ALL-105	1/1/09 12/31/09	16,498.00	5,306.28		14,648.91
Pass Through County of Union Alliance Grant	10-ALL-105	1/1/10 12/31/10	17,654.26	3,989.32		17,654.28
Pass Through County of Union Alliance Grant	12-ALL-105	1/1/12 12/31/12	16,498.00	403.85	17,506.98	17,506.98
				12,537.85	19,257.23	67,028.55
DEPARTMENT OF LAW AND PUBLIC SAFETY Drunk Driving Enforcement Fund-Prior Year	6400-100-078-6400-YYY	Continuous	25,652.19		155.00	12,171.00
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	Continuous	11,908.00			
Alcohol Education and Rehabilitation	9735-760-098-4900-001-X100-6020	Continuous	6,383.11			
Alcohol Education and Rehabilitation	9735-760-098-4900-001-X100-6020	Continuous	3,524.00			
Alcohol Education and Rehabilitation	9735-760-098-4900-001-X100-6020	Continuous	1,156.28			
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	Continuous	1,867.40			1,729.85
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	Continuous	10,666.00	5,573.00		
Safe and Secure Community	066-1020-100-232-06	Continuous	60,000.00		60,000.00	60,000.00
Safe Routes to Schools			4,600.00			
Click It or Ticket			4,000.00			4,296.56
Click It or Ticket			3,590.85			3,590.85
Pandemic Influenza			8,652.00			
Pandemic Influenza			7,472.00			
Operation Safe Streets			4,000.00			
Over the Limit Under Arrest			5,624.00			
Drive Sober Get Pulled Over			4,000.00			
Enhanced 911 Grant			112,409.00		112,409.00	112,409.00
You Drink, You Drive You Lose	AL05-63-11-16		304.00			
				5,573.00	172,564.00	210,221.16
DEPARTMENT OF TREASURY Development of Elderly Programs	05-100-094-9420-047	7/1/04 6/30/06	10,000.00			9,809.40
				44,618.68	352,339.23	579,526.99

BOROUGH OF ROSELLE

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

YEAR ENDED DECEMBER 31, 2012

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the Borough of Roselle's regulatory basis financial statements. These amounts are reported in the Grant Fund, Trust Fund or General Capital Fund.

Revenues

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 438,814.39	\$	\$ 438,814.39
Grant Fund	429,642.54	44,618.68	474,261.22
Trust Other Fund	74,757.80		74,757.80
General Capital Fund	<u>69,763.25</u>	<u></u>	<u>69,763.25</u>
	\$ <u>1,012,977.98</u>	\$ <u>44,618.68</u>	<u>1,057,596.66</u>

Expenditures

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 438,814.39	\$	\$ 438,814.39
Grant Fund	1,146,860.79	352,339.23	1,499,200.02
Trust Other Fund	74,757.80		74,757.80
General Capital Fund	<u>69,763.25</u>	<u></u>	<u>69,763.25</u>
	\$ <u>1,730,196.23</u>	\$ <u>352,339.23</u>	<u>2,082,535.46</u>

NOTE 5. OTHER

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

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

Section I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| (1) Type of Auditor Report Issued: | Qualified |
| (2) Internal Control Over Financial Reporting: | |
| (a) Material weaknesses identified during the audit? | Yes |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | None Reported |
| (3) Noncompliance material to the financial statements noted during the audit? | Yes |

Federal Programs

- | | |
|---|-------------|
| (1) Internal Control Over Major Federal Programs: | |
| (a) Material weaknesses identified during the audit? | No |
| (b) Significant deficiencies identified that are not considered to be material weaknesses? | Yes |
| (2) Type of Auditor's Report issued on compliance for major federal program(s)? | Unqualified |
| (3) Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133 and listed in Section III of this schedule? | Yes |

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Federal Programs (Continued)

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

<u>Program</u>	<u>Grant Number</u>
Department of Transportation	20.205
Neighborhood Preservation Program	14.264
Disaster Assistance - FEMA Hurricane Irene	97.036

(5) Program Threshold Determination:

Type A Federal Program Threshold > \$300,000.00

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

(6) Auditee qualified as a low-risk auditee under OMB Circular A-133? No

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

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

State Programs – Not Applicable

Section II - Reported Findings Under Government Auditing Standards

Compliance

#(12-01)

Per Local Finance Notice 2003-14, Municipalities are required to maintain general ledgers for all funds. During 2012 the Borough did not completely maintained a Current Fund General Ledger. In addition, General Ledgers were not maintained for any of the other funds. General Ledgers are the permanent fiscal records which provide a summary of all financial transactions as they have been recorded in the books of original entry utilizing a double entry accounting system. Through the use of general ledgers, the books of original entry and supporting subsidiary ledgers, the financial statements would be prepared.

We recommend that general ledgers be completely and currently maintained for all funds.

#(12-02)

The General Fixed Assets Ledger has not been updated to reflect the purchase, retirement or sale of general fixed assets that occurred during the past several years. Accordingly, we are unable to satisfy ourselves as to the amount of General Fixed Assets to be reported in the financial statements.

We recommend that a complete record of general fixed assets be maintained.

Internal Control

#(12-03)

As discussed in detail in #12-01 and #12-02, the Borough of Roselle has deficiencies in the design and operation of its internal control over financial reporting.

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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

Federal Programs

State of New Jersey Department of Economic Development

Neighborhood Stabilization Grant – CFDA #14.264

#12-04

During our audit of the Neighborhood Stabilization Grant we noted that the Borough did not adequately monitor the subgrantee. The Borough did not obtain copies of the single audit reports from the subrecipients.

We recommend that the Borough obtain and review single audit reports for subrecipients.

Summary Schedule of Prior Audit Findings

Finding #TY 2011-01

Per N.J.A.C. 5:30-5.7, Municipalities are required to maintain general ledgers for all funds. During Transition Year 2011 the Borough did not completely maintain General Ledgers for any funds. General Ledgers are the permanent fiscal records which provide a summary of all financial transactions as they have been recorded in the books of original entry utilizing a double entry accounting system. Through the use of general ledgers, the books of original entry and supporting subsidiary ledgers, the financial statements would be prepared

Current Status

This finding is repeated in the current year as finding 2012-1.

BOROUGH OF ROSELLE
UNION COUNTY, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012

Finding #TY 2011-02

Pursuant to N.J.A.C. 5:30-5.6, Municipalities shall have and maintain a fixed assets accounting and reporting system. The Borough's General Fixed Assets Ledger has not been updated to reflect the purchase, retirement or sale of general fixed assets that occurred during the past several years. Accordingly, we are unable to satisfy ourselves as to the amount of General Fixed Assets to be reported in the financial statements.

Current Status

This finding is repeated in the current year as finding 2012-2.

Finding #TY 2011-03

As discussed in detail in #TY 2011-01 and #TY 2011-02, the Borough of Roselle has deficiencies in the design and operation of its internal control over financial reporting.

Current Status

This finding is repeated in the current year as finding 12-03 as it relates to the maintenance of general ledgers for all funds.

PART III

BOROUGH OF ROSELLE

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

FISCAL YEAR ENDED DECEMBER 31, 2012

STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - CURRENT FUND

	2012		TRANSITION YEAR 2011	
	AMOUNT	%	AMOUNT	%
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,516,783.00	2.22%	\$	
Miscellaneous - From Other Than Local Property Tax Levies	7,652,191.01	11.18%	4,615,490.07	13.88%
Collection of Delinquent Taxes and Tax Title Liens	56,413,076.06	82.46%	27,805,040.42	83.64%
Collection of Current Tax Levy	<u>2,833,551.17</u>	<u>4.14%</u>	<u>824,471.37</u>	<u>2.48%</u>
Total Income	\$ <u>68,415,601.24</u>	<u>100.00%</u>	\$ <u>33,245,001.86</u>	<u>100.00%</u>
EXPENDITURES				
Budget Expenditures:				
Municipal Purposes	\$ 37,073,956.32	54.72%	\$ 16,915,917.35	50.66%
County Taxes	6,800,234.70	10.04%	3,665,071.16	10.98%
Local School Taxes	23,438,800.00	34.60%	11,719,400.00	35.10%
Other Expenditures	<u>436,596.54</u>	<u>0.64%</u>	<u>1,089,502.88</u>	<u>3.26%</u>
Total Expenditures	\$ <u>67,749,587.56</u>	<u>100.00%</u>	\$ <u>33,389,891.39</u>	<u>100.00%</u>
Excess (Deficit) in Revenue	\$ 666,013.68		\$ (144,889.53)	
Adjustments to Income Before Surplus:				
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	<u>894,673.99</u>		<u>1,010,774.59</u>	
Statutory Excess to Fund Balance	\$ 1,560,687.67		\$	
Fund Balance, July 1	<u>2,524,425.21</u>		<u>1,658,540.15</u>	
	\$ 4,085,112.88		\$ 2,524,425.21	
Decreased by:				
Utilization as Anticipated Revenue	<u>1,516,783.00</u>			
Fund Balance, June 30	\$ <u>2,568,329.88</u>		\$ <u>2,524,425.21</u>	

STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - AFFORDABLE HOUSING UTILITY FUND

	<u>YEAR 2012</u>		<u>TRANSITION YEAR 2011</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Collection of Rents	\$ 250,258.75	99.57%	\$ 119,469.00	98.54%
Miscellaneous - From Other Than Rents	<u>1,080.25</u>	<u>0.43%</u>	<u>1,774.09</u>	<u>1.46%</u>
<u>TOTAL INCOME</u>	<u>\$ 251,339.00</u>	<u>100.00%</u>	<u>\$ 121,243.09</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 144,000.23	54.72%	\$ 70,340.70	60.97%
Deferred Charges and Statutory Expenditures	7,267.43	2.76%		
Debt Service	107,710.00	40.93%	34,175.00	29.62%
Overexpenditure of Appropriation Reserves	<u>4,188.78</u>	<u>1.59%</u>	<u>10,861.04</u>	<u>4.46%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 263,166.44</u>	<u>100.00%</u>	<u>\$ 115,376.74</u>	<u>95.05%</u>
Excess in Revenue			\$ 5,866.35	
Deficit in Revenue	\$ (11,827.44)			
Adjustments to Income Before Surplus:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>\$ 48,166.44</u>		<u>\$ 12,701.74</u>	
Statutory Excess to Fund Balance	36,339.00		18,568.09	
Fund Balance:				
Balance	<u>128,983.55</u>		<u>110,415.46</u>	
Balance	<u>\$ 165,322.55</u>		<u>\$ 128,983.55</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	CALENDAR YEAR <u>2012</u>	TRANSITION YEAR <u>2011</u>	FISCAL YEAR <u>2011</u>
Tax Rate	<u>\$7.614</u>	<u>\$3.841</u>	<u>\$7.515</u>
Apportionment of Tax Rate:			
Municipal	3.649	1.885	3.605
Library	0.064		
County	0.876	0.456	0.912
Local School	3.025	1.500	2.998

Assessed Valuations:

2012	<u>\$774,998,542.00</u>	
2011		<u>\$781,311,070.00</u>
2010		<u>\$781,813,635.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

	<u>TAX LEVY</u>	<u>CASH COLLECTION</u>	<u>CURRENTLY PERCENTAGE OF COLLECTIONS</u>
CALENDAR YEAR 2012	\$59,075,620.10	\$56,413,076.06	95.49%
TRANSITION YEAR 2011	\$30,112,673.41	\$27,739,323.14	92.12%
FISCAL YEAR 2011	\$58,847,085.37	\$56,470,254.73	95.96%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	AMOUNT OF TAX TITLE LIENS	AMOUNT OF DELINQUENT TAXES	TOTAL DELINQUENT	PERCENTAGE OF TAX LEVY
CALENDAR YEAR 2012	\$167,385.36	\$3,190,243.54	\$3,357,628.90	5.68%
TRANSITION YEAR 2011	\$59,705.00	\$3,811,911.68	\$3,871,616.68	12.86%
FISCAL YEAR 2011	\$54,027.63	\$2,504,935.10	\$2,558,962.73	4.35%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

	AMOUNT
CALENDAR YEAR 2012	\$2,027,232.00
TRANSITION YEAR 2011	\$2,027,232.00
FISCAL YEAR 2011	\$2,027,232.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	YEAR END BALANCE	UTILIZED IN BUDGET OF SUCCEEDING YEAR
Current Fund	CALENDAR YEAR 2012	\$1,021,655.00
	TRANSITION YEAR 2011	1,516,783.00
	FISCAL YEAR 2011	-0-
	FISCAL YEAR 2010	975,000.00
	FISCAL YEAR 2009	1,300,000.00
Affordable Housing Utility Operating Fund	CALENDAR YEAR 2012	\$82,613.18
	TRANSITION YEAR 2011	-0-
	FISCAL YEAR 2011	-0-
	FISCAL YEAR 2010	-0-
	FISCAL YEAR 2009	975,000.00

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF CORPORATE OR PERSONAL SURETY</u>
Jamel Holley	Mayor	*	
Yves Aubourg	Council President	*	
Randy Sandifer	Councilman	*	
Christine Dansereau	Councilwoman	*	
Kim Shaw	Councilwoman	*	
Roy Locke	Councilman (from 1/25/12)	*	
Sylvia Turnage	Councilwoman	*	
David Brown	Administrator	*	
Rhona Bluestein	Clerk	*	
Donna Mauer	CFO	*	
Carl Marshall	Magistrate	*	
Stella Fellner	Court Administrator	*	
John Hudak	Attorney	*	
Rachel LaSpina	Tax Collector (to July 2012)	*	
Sharon Curran	Tax Collector (from July 2012)	*	
Pamela Steele	Tax Assessor	*	
Gerard Orlando	Police Chief	*	
Paul Mucha	Fire Chief	*	

*Bonds were not available for review at audit.

GENERAL COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

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

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

Effective January 1, 2012, the bid threshold was \$17,500.00. The Borough increased the bid threshold to \$36,000.00 by appointing a Qualified Purchasing Agent (QPA).

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

Road Improvements
Flood Project
Park Improvement

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

The minutes indicate that resolutions authorizing contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 were awarded during 2012 for the professional services:

Labor Counsel
Municipal Auditor
Engineering Services
Other Legal Services
Consultants
Tax Appeal Counsel
Special Counsel
Insurance Counsel
Architects
Physicians

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

The governing body on January 25, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED by the Mayor and Council of the Borough of Roselle that the Tax Collector is required to collect interest on delinquent taxes at the rate of eight (8%) percent per annum upon delinquent taxes, assessments and other municipal charges on the first One Thousand Five Hundred (\$1,500.00) dollars of the delinquency and at the rate of eighteen (18%) percent on any amount in excess of One Thousand Five Hundred (\$1,500.00) dollars.

BE IT FURTHER RESOLVED that the Tax Collector shall grant a grace period of ten days within which an installment of taxes, assessment or municipal charge may be received without an additional charge for interest, and

BE IT FURTHER RESOLVED that any installment received after the expiration date of this grace period would bear interest from the due date.”

It appears from our examination of the records that interest was collected in accordance with the foregoing resolution.

TAX TITLE LIENS

The last tax sale was held on November 12, 2012.

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

<u>FISCAL YEAR</u>	<u>NUMBER OF LIENS</u>
Calendar Year 2012	5
Transition Year 2011	5
Fiscal Year 2011	5

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

	<u>TYPE</u>
Payment of 2013	25
Payment of 2012	25
Delinquent Taxes	25

OTHER COMMENTS

Interfund Balances

As a general rule, all interfund balances should be closed out before the end of the year. Transactions invariably occur in one fund which require a corresponding entry to be made in another fund, thus creating interfund balances. There are interfund balances open at December 31, 2012 on the balance sheets of the Borough.

Municipal Court

The fines and costs bank account was not properly reconciled with the ATS/ACS computer system.

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

Payroll

The Net Payroll and Payroll Agency Bank Accounts were not reconciled on a timely basis.

An analysis of the balance on account in the Payroll Agency account was not maintained.

We noted that the Borough does not have a contract with their outside payroll service provider, did not designate a responsible individual to authorize and supervise the activities of the provider and did not monitor the internal controls of the provider as required by N.J.A.C. 5:30-17.6.

Pension withholdings were not always remitted to the State on a timely basis.

The Borough was not reimbursed on a timely basis by the Borough Library for payroll expenditures.

We noted several deductions withheld were not remitted to agencies in a timely manner.

Our examination of the internal controls over payroll revealed that the payroll was not always formally reviewed and approved by an individual not involved in the payrolls preparation.

OTHER COMMENTS (CONTINUED)

Tax Collector

We noted a lack of segregation of duties in the tax office. The tax clerk is the only employee responsible for accepting payments, recording receipts, preparing deposit slips and proving daily batch totals.

Monthly tax reports were not generated and reconciled with the Current Fund General Ledger.

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

We noted that a Borough Council approved resolution canceling taxes was not recognized on the tax records.

Departments

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

An official schedule of fees to be charged by the various departments was not maintained.

Clerks Department:

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

An adequate detailed cash receipts ledger was not maintained.

Departmental revenue records did not always agree with the records of the Finance Department

Board of Health/Vital Statistics Department:

Departmental revenue records did not always agree with the records of the Finance Department

Finance Department

OTHER COMMENTS (CONTINUED)

Departments (Continued)

Police Department:

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

An adequate detailed cash receipts ledger was not maintained.

Departmental revenue records did not always agree with the records of the

Construction Code Department:

Departmental revenue records did not always agree with the records of the Finance Department

Recreation Public Works and Zoning Departments:

No adequate records were provided for audit.

Surety Bonds

The individual surety bonds and a blanket bond for other employees were not on file and available for audit.

Affordable Housing Utility

The third party management company did not provide an accurate report of accounts receivable to the Finance Department.

The third party management company did not reconcile the Security Deposit Escrow Account to a listing of required Escrow Deposits..

Fixed Assets

A complete record of General Fixed Assets was not currently maintained.

Treasurer

Prior year audit balances were not adjusted on the financial records of the Borough.

Several Miscellaneous Trust Deposits maintained by the Borough do not have Dedications by Rider approved by the State of New Jersey.

The General Ledgers for the Current Fund, Trust Fund, General Capital Fund and Affordable Housing Utility Fund were not completely maintained and not in agreement with subsidiary records.

OTHER COMMENTS (CONTINUED)

Treasurer (Continued)

Numerous cash receipts and disbursements were not promptly posted and/or were incorrectly posted in the Current, Trust, Affordable Housing Utility and Capital cash receipts and disbursement ledgers.

Fees collected on behalf of the State of New Jersey for State Training Fees were not separately accounted for.

Bank accounts were not always reconciled accurately and reconciliations were not completed in a timely basis.

We noted numerous grants receivable and appropriated grant reserves from prior years which should be reviewed and cleared of record.

A detailed analysis of trust deposits was not reconciled to the reconciled bank balance in the Trust Other Account.

Purchasing

We note several vendors paid in excess of the bid threshold with no evidence that bids were solicited or that the vendors were exempt from bidding procedures. In addition, we noted that several vendors were paid in excess of the bid threshold without being awarded a contract by board resolution.

The Borough has not maintained a complete encumbrance accounting system in accordance with the minimum requirements as promulgated by the Division of Local Government Services. We noted that numerous purchase orders are not charged as financial obligations to the amounts appropriated when issued; instead, the amounts appropriated are charged when the bills are actually paid. As a result, several overexpenditures occurred

Post-Retirement Benefits - GASB #45

The Township has not reported the actuarially determined liabilities of its other Post-Employment Benefits (OPEB) as required by GASB Statement No. 45 and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

RECOMMENDATIONS

That the Municipal Court:

- *Reconcile the fines and costs bank account with the ATS/ACS computer system on a monthly basis.
 - *Investigate and clear all tickets on the "Assigned but not Issued Report."
 - *That the Net Payroll and Payroll Agency Bank Accounts be accurately reconciled on a monthly basis and that old outstanding checks be reviewed for proper disposition.
 - *That the balance on deposit in the Payroll Agency Bank Account be analyzed monthly.
 - *That pension withholdings be remitted to the State on a timely basis.
 - *That the Borough's use of third party payroll processing and disbursement services be in accordance with the requirements of N.J.A.C. 5:30-17 and Local Finance Notice 2003-15.
 - *That the Borough request reimbursement from the Borough Library for payroll expenditures on a timely basis.
 - *That all payrolls be formally reviewed and approved by an individual not involved in payroll preparation.
- That all payroll deductions be remitted to their respective agencies on a timely basis.
- *That monthly tax reports be generated and reconciled with the Current Fund General Ledger.
 - *That the balance in the Tax Title Redemption Bank Account be reconciled with the records maintained in the Tax Collector's office.
- That the lack of segregation of duties in the tax department be addressed.
- That all approved resolutions of the Borough Council canceling taxes be recorded on the tax records.

*That all Borough Departments:

- *Either Deposit or remit all receipts to the Treasurer within 48 hours per N.J.S.A. 40A:5-15.
 - *Maintain adequate records for of all cash receipts collected and that they be reconciled with the Treasurer on a monthly basis.
 - *Maintain and utilize an official schedule of fees.
- *That evidence of surety bond coverage for Borough employees be made available for audit.

RECOMMENDATIONS (CONTINUED)

*That financial records be obtained from the Borough's housing management company in order to determine past due rents.

*That the Balance on Deposit in the Security Escrow Trust Account be reconciled and analyzed monthly.

*That a complete and accurate record of general fixed assets be maintained.

That opening balances on the financial records of the Borough be adjusted to prior year audit balances.

*That written approval from the Director of the Division of Local Government Services be obtained for all funds expended as dedicated revenue.

*That General Ledgers be currently and completely maintained for all funds and reconciled to subsidiary records on a monthly basis.

*That greater care be exercised by the Treasurer in maintaining cash receipts and disbursements records.

*That State Training Fees be identified and separately accounted for in the Treasurer's records.

*That the Treasurer's bank accounts be reconcile on a timely basis.

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

*That a detailed analysis of trust deposits be reconciled to the Trust Other bank account.

*That a complete encumbrance accounting system be maintained as required by Technical Accounting Directive No. 85-1.

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

That proper bidding procedures be followed for all contracts that are in excess of the bid threshold

That all contracts in excess of the bid threshold be awarded by resolution of the governing body.

*That the Borough obtain actuarial information required to report Other Post-Employment Benefit liabilities (OPEB) in the "Notes to the Financial Statements."

*Prior Year Recommendations

