

Report of Audit

on the

Financial Statements

of the

Borough of Roselle

in the

County of Union
New Jersey

for the

State Transition Year Ended
December 31, 2011



BOROUGH OF ROSELLE

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BOROUGH OF ROSELLE

INDEPENDENT AUDITOR'S REPORT ON
AUDIT OF FINANCIAL STATEMENTS

FINANCIAL STATEMENTS – REGULATORY BASIS

NOTES TO FINANCIAL STATEMENTS – REGULATORY BASIS

TRANSITION YEAR ENDED DECEMBER 31, 2011 AND
FISCAL YEAR ENDED JUNE 30, 2011



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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements - regulatory basis of the various individual funds of the Borough of Roselle, County of Union, New Jersey as of December 31, 2011 and June 30, 2011 and for the Transition year ended December 31, 2011, listed as financial statements - regulatory basis in the foregoing table of contents. These financial statements - regulatory basis are the responsibility of the management of the Borough of Roselle, County of Union. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraph, we conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial statements contained in Government Auditing Standards issued by the Comptroller General of the United States, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, because the Borough of Roselle prepares its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the various individual funds of the Borough of Roselle, County of Union, as of December 31, 2011 and June 30, 2011 or the results of its operations and changes in fund balance for the years then ended or the revenues or expenditures for the Transition year ended December 31, 2011.

SUPLEE, CLOONEY & COMPANY

However, in our opinion, except for such adjustments, if any, as might have been determined to be necessary had we been able to audit the General Fixed Assets Account Group, the financial statements - regulatory basis present fairly, in all material respects, the financial position - regulatory basis of the various individual funds of the Borough of Roselle, County of Union, as of December 31, 2011 and June 30, 2011, and the results of its operations and changes in fund balance - regulatory basis for the Transition year then ended and the revenues, expenditures and changes in fund balance - regulatory basis for the Transition year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated May 16, 2013 on our consideration of the Borough of Roselle's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and is important for assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the financial statements - regulatory basis taken as a whole. The information included in the schedules of federal awards and state financial assistance and the other supplementary schedules and data listed in the table of contents is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. This 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 information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 16, 2013

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CURRENT FUND

BOROUGH OF ROSELLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2011</u>
<u>ASSETS</u>			
Cash	A-4	\$ 3,895,220.27	\$ 4,560,388.36
Change Fund	A-5	400.00	400.00
Investment	A-29	2,434,000.00	2,144,000.00
Prepaid School Tax			
Due From State of New Jersey-Senior Citizens and Veterans Deductions	A-13	105,258.74	137,993.23
		<u>\$ 6,434,879.01</u>	<u>\$ 6,842,781.59</u>
Receivable and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-8	\$ 3,811,911.68	\$ 2,504,935.10
Tax Title Liens Receivable	A-9	59,705.00	54,027.63
Property Acquired For Taxes-Assessed Valuation	A-10	2,027,232.00	2,027,232.00
Revenue Accounts Receivable	A-11	22,196.21	25,210.32
Interfunds Receivable	A-16	7,864.06	7,527.50
Prepaid School Taxes	A-23	468,776.00	
Roselle Public Library Receivable	A-15	113,475.91	57,763.34
	A	<u>\$ 6,511,160.86</u>	<u>\$ 4,676,695.89</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-25	\$ 720,347.99	116,274.21
Overexpenditure of Appropriation Reserves	A-25	222,850.36	21,091.80
Expenditure without an Appropriation	A-25	204,942.25	
Special Emergency 40A:4-53	A-25	425,000.00	
		<u>\$ 1,573,140.60</u>	<u>137,366.01</u>
Grant Fund:			
Cash	A-4	\$ 185,070.14	\$
Due Current Fund	A-19	1,386,898.68	150,218.02
Federal and State Grants Receivable	A-7	1,357,997.43	2,681,245.08
		<u>2,929,966.25</u>	<u>2,831,463.10</u>
		<u>\$ 17,449,146.72</u>	<u>\$ 14,488,306.59</u>

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

BOROUGH OF ROSELLE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>BALANCE</u> <u>JUNE</u> <u>30, 2011</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Liabilities:			
Appropriation Reserves	A-3:A-17	\$ 1,386,959.35	\$ 1,567,061.15
Encumbrances Payable	A-24	958,128.55	595,305.29
Prepaid Taxes	A-21	74,663.97	139,886.01
Tax Overpayments	A-6	251,198.12	173,218.78
School Taxes Payable	A-23		1,875,104.00
Interfunds Payable	A-16	2,014,473.57	597,861.38
Unidentified Deposits	A-12	121,022.84	121,022.84
Due State of New Jersey	A-27	250,000.00	250,000.00
Reserve for Tax Map and Revision and Recodification of Ordinances	A-31	425,000.00	
Due State of New Jersey - DCA Fees	A-28	2,148.00	2,148.00
		\$ 5,483,594.40	\$ 5,321,607.45
Reserve for Receivables and Other Assets	A	6,511,160.86	4,676,695.89
Fund Balance	A-1	2,524,425.21	1,658,540.15
		\$ 14,519,180.47	\$ 11,656,843.49
Grant Fund:			
Due Trust Other Fund	A-20	\$ 440,000.00	\$ 440,000.00
Encumbrances Payable	A-26	67,859.12	124,060.88
Federal and State Grants Appropriated	A-14	1,269,953.55	2,174,895.26
Federal and State Grants Unappropriated	A-18	1,152,153.58	92,506.96
		\$ 2,929,966.25	\$ 2,831,463.10
		\$ 17,449,146.72	\$ 14,488,306.59

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

BOROUGH OF ROSELLECURRENT FUNDSTATEMENTS OF OPERATIONS AND CHANGE
IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	TRANSITION YEAR ENDED DECEMBER <u>31, 2011</u>	FISCAL YEAR ENDED JUNE <u>30, 2011</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance Utilized		\$	975,000.00
Miscellaneous Revenue Anticipated	A-2	2,999,316.72	4,371,057.14
Receipts From Delinquent Taxes	A-2	824,471.37	2,076,139.45
Receipts From Current Taxes	A-2	27,805,040.42	56,470,254.73
Non-Budget Revenue	A-2	419,748.27	413,441.29
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-17	1,196,425.08	1,328,078.18
Canceled Encumbrances Payable			37,527.68
Canceled Tax Overpayments			148,161.78
Animal Control Excess			1,500.84
Interfunds Returned			91,355.37
<u>TOTAL INCOME</u>		<u>\$ 33,245,001.86</u>	<u>\$ 65,912,516.46</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Appropriations Within "CAPS":			
Operations:	A-3	\$ 14,140,343.12	\$ 24,088,151.35
Deferred Charges and Statutory Expenditures	A-3	390,000.00	3,297,103.46
Excluded From "CAPS"			
Other Operations	A-3	1,939,160.66	4,018,517.86
Capital Improvement Fund	A-3	50,000.00	25,000.00
Municipal Debt Service	A-3	136,413.57	1,863,955.23
Deferred Charges	A-3	260,000.00	260,000.00
County Taxes	A-22	3,665,071.16	7,165,042.95
Due County for Added and Omitted Taxes			6,736.81
Local District School Tax	A-23	11,719,400.00	23,438,800.00
Expenditure without Appropriation	A-25	204,942.25	
Overexpenditure of Appropriation Reserves	A-25	201,758.56	21,091.80
Refund Prior Year Revenue	A-4	157,976.94	171,897.95
Interfunds Advanced		336.56	
Prepaid School Tax	A-23	468,776.00	
Library Advanced		55,712.57	37,845.80
<u>TOTAL EXPENDITURES</u>		<u>\$ 33,389,891.39</u>	<u>\$ 64,394,143.21</u>
Excess (Deficit) Revenue		\$ (144,889.53)	\$ 1,518,373.25
Adjustments to Income Before Surplus:			
Expenditures Included above which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-25	1,010,774.59	117,839.14
Statutory Excess to Fund Balance		\$ 865,885.06	\$ 1,636,212.39
<u>Fund Balance</u>			
Balance, July 1	A	1,658,540.15	997,327.76
		\$ 2,524,425.21	\$ 2,633,540.15
Decreased by:			
Utilized As Anticipated Revenue			975,000.00
Balance, December 31/June 30	A	<u>\$ 2,524,425.21</u>	<u>\$ 1,658,540.15</u>

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
TRANSITION YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED BUDGET</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage	A-11	\$ 1,000.00	\$ 1,402.90	\$ 402.90
Other	A-11	5,000.00	5,079.21	79.21
Fees and Permits	A-2	73,000.00	111,682.14	38,682.14
Fines and Costs:				
Municipal Court	A-11	180,000.00	170,886.66	(9,113.34)
Interest and Costs on Taxes	A-11	55,000.00	95,002.22	40,002.22
Parking Meters	A-11	7,500.00	5,349.81	(2,150.19)
Interest on Investments and Deposits	A-11	9,000.00	1,499.97	(7,500.03)
Suburban Cable Franchise Tax		2,500.00		(2,500.00)
Consolidated Municipal Property Tax Relief Act	A-11	582,852.00	582,852.00	
Energy Receipts Tax	A-11	1,805,089.00	1,805,089.00	
Uniform Construction Code Fees	A-11	65,000.00	114,489.00	49,489.00
Uniform Fire Safety Act		3,000.00		(3,000.00)
Ambulance Revenue	A-2	100,000.00	105,983.81	5,983.81
P.I.L.O.T. Senior Housing Corp.		9,600.00		(9,600.00)
	A-1	<u>\$ 2,898,541.00</u>	<u>\$ 2,999,316.72</u>	<u>\$ 100,775.72</u>
Receipts From Delinquent Taxes	A-2:A-8	<u>\$ 600,000.00</u>	<u>\$ 824,471.37</u>	<u>\$ 224,471.37</u>
Property Tax for Support of Municipal Budget Appropriations	A-1:A-8	<u>\$ 14,728,202.25</u>	<u>\$ 14,270,569.26</u>	<u>\$ (457,632.99)</u>
<u>Budget Totals</u>		<u>\$ 18,226,743.25</u>	<u>\$ 18,094,357.35</u>	<u>\$ (132,385.90)</u>
Non-Budget Revenue	A-1:A-2		<u>419,748.27</u>	<u>419,748.27</u>
		<u>\$ 18,226,743.25</u>	<u>\$ 18,514,105.62</u>	<u>\$ 287,362.37</u>
	<u>REF.</u>		<u>A-3</u>	

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
TRANSITION YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	
<u>ANALYSIS OF REALIZED REVENUE</u>		
Allocation of Current Tax Collections:		
Collection on a Cash Basis	A-1:A-8	\$ 27,805,040.42
Allocated To:		
School and County Taxes		<u>15,384,471.16</u>
Support of Municipal Budget Appropriations		\$ 12,420,569.26
Add: Appropriation for Reserve for Uncollected Taxes	A-3	<u>1,850,000.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>\$ 14,270,569.26</u></u>
<u>ANALYSIS OF NON-BUDGET REVENUE</u>		
Miscellaneous Revenue Not Anticipated:		
Miscellaneous		\$ 97,439.31
Library Pension Contribution		38,497.76
Rebate		94,662.60
Senior Citizen and Veterans Administrative Fee		1,758.44
PILOTS		104,771.00
Reimbursement of Costs		<u>82,619.16</u>
	A-2:A-4	<u><u>\$ 419,748.27</u></u>

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
TRANSITION YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVEREXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages	\$ 115,000.00	\$ 127,995.00	\$ 83,608.62	\$ 44,386.38	\$	\$
Other Expenses	70,000.00	71,140.00	58,389.05	12,750.95		
Borough Clerk:						
Salaries and Wages	95,000.00	76,095.00	71,693.94	4,401.06		
Other Expenses	60,000.00	63,300.00	60,053.77	3,246.23		
Borough Council:						
Salaries and Wages	34,000.00	45,220.00	36,090.41	9,129.59		
Other Expenses	22,500.00	35,500.00	35,796.75			296.75
Human Resources:						
Other Expenses	50,000.00	38,780.00	38,388.63	391.37		
Financial Administration:						
Salaries and Wages	120,000.00	120,000.00	95,547.61	24,452.39		
Other Expenses	22,000.00	22,525.00	22,857.47			332.47
Annual Audit	90,000.00	90,000.00	30,300.00	59,700.00		
Assessment of Taxes:						
Salaries and Wages	78,000.00	81,710.00	81,315.48	394.52		
Other Expenses	30,000.00	30,000.00	29,023.44	976.56		
Collection of Taxes (Revenue Administration):						
Salaries and Wages	26,000.00	30,245.00	29,057.69	1,187.31		
Other Expenses	10,000.00	10,000.00	4,649.42	5,350.58		
Legal Services and Costs:						
Salaries and Wages	40,000.00	40,000.00	37,038.50	2,961.50		
Other Expenses	115,000.00	261,705.00	94,114.12	167,590.88		
Prosecutor:						
Salaries and Wages	15,000.00	19,920.00	19,780.68	139.32		
Other Expenses	500.00	600.00		600.00		
Engineering Services and Costs:						
Other Expenses	45,000.00	73,375.00	50,588.80	22,786.20		
Public Buildings and Grounds:						
Salaries and Wages	13,000.00	13,375.00	192,464.78			179,089.78
Other Expenses	80,000.00	87,040.00	79,267.43	7,772.57		
Municipal Land Use Law (N.J.S. 44:55D-1):						
Planning Board:						
Salaries and Wages	5,500.00	11,305.00	10,742.28	562.72		
Other Expenses	2,500.00	2,500.00	83.18	2,416.82		
Zoning Board of Adjustment:						
Salaries and Wages	30,000.00	30,000.00	21,655.51	8,344.49		
Other Expenses	8,000.00	8,000.00	3,894.98	4,105.02		
Redevelopment Agency						
Other Expenses	25,000.00	25,000.00	8,884.79	16,115.21		
Shade Tree Commission:						
Salaries and Wages	8,000.00	31,715.00	4,020.00	27,695.00		
Other Expenses	40,000.00	44,100.00	44,077.01	22.99		
<u>PUBLIC SAFETY</u>						
Fire Department:						
Salaries and Wages	1,575,000.00	1,670,440.00	1,769,314.77			98,874.77
Other Expenses	65,000.00	65,000.00	57,128.76	7,871.24		
Police Department:						
Salaries and Wages	3,201,575.00	3,546,515.00	3,850,758.77			104,243.77
Other Expenses	103,000.00	103,000.00	86,837.73	16,162.27		
Traffic Control-School Crossing Guards:						
Salaries and Wages	97,500.00	118,600.00	124,274.30			5,674.30
Other Expenses	2,750.00	2,750.00	501.60	2,248.40		
Emergency Management Services:						
Salaries and Wages	3,750.00	3,750.00		3,750.00		
Other Expenses	35,000.00	35,000.00	44,947.60			9,947.60
Streets and Roads:						
Salaries and Wages	675,000.00	764,955.00	579,291.25	185,663.75		
Other Expenses	100,000.00	122,890.00	91,218.52	31,671.48		
Union County S.L.A.P. Program:						
Other Expenses	23,000.00	23,000.00	22,779.59	220.41		
Maintenance of Vehicles:						
Other Expenses	87,500.00	87,500.00	70,661.41	16,838.59		
Recycling:						
Other Expenses	131,000.00	139,850.00	139,836.44	13.56		
Solid Waste Collection:						
Other Expenses	925,000.00	777,175.00	691,214.62	85,960.38		
Snow Removal:						
Salaries and Wages	15,000.00	15,000.00		15,000.00		
Other Expenses:	25,000.00	25,295.00	12,740.00	12,555.00		

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
TRANSITION YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVEREXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>HEALTH AND WELFARE</u>						
Board of Health:						
Salaries and Wages	\$ 95,000.00	\$ 134,620.00	\$ 117,699.54	\$ 33,840.92	\$	\$ 16,920.46
Other Expenses	50,000.00	50,350.00	45,452.82	4,897.18		
<u>RECREATION AND EDUCATION</u>						
Community Services: (Communities Center)						
Salaries and Wages	7,500.00	18,470.00	18,288.10	181.90		
Other Expenses	2,500.00	2,500.00	298.02	2,201.98		
Recreation (Parks and Playground):						
Salaries and Wages	60,000.00	61,970.00	74,283.25			12,313.25
Other Expenses	58,000.00	58,000.00	46,922.81	11,077.19		
Municipal Court:						
Salaries and Wages	150,000.00	150,000.00	142,220.79	10,088.29		2,309.08
Other Expenses	16,000.00	16,000.00	15,880.34	119.66		
Public Employees' Occupational Safety Health Act:						
Other Expenses	5,000.00	5,000.00	4,930.00	70.00		
Public Defender:						
Salaries and Wages	4,000.00	4,000.00	10,372.98			6,372.98
<u>UNIFORM CONSTRUCTION CODE- APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5.23-4.17)</u>						
Construction Code Official:						
Salaries and Wages	85,000.00	85,270.00	99,122.91			13,852.91
Other Expenses	8,000.00	8,000.00	3,265.03	4,734.97		
Insurance:						
Group Insurance Plan for Employees	3,260,000.00	2,590,790.00	2,529,917.10	60,872.90		
Workers' Compensation (Insurance Trust Fund)	275,000.00	275,000.00	221,427.25	53,572.75		
Other Insurance Premiums	575,000.00	575,000.00	552,453.86	22,546.14		
<u>UNCLASSIFIED</u>						
Gasoline	135,000.00	125,000.00	111,688.97	13,311.03		
Electricity	65,000.00	65,000.00	55,093.84	9,906.16		
Natural Gas	30,000.00	30,000.00	12,192.61	17,807.39		
Telephone and Telegraph	85,000.00	103,800.00	103,730.40	69.60		
Street Lighting	135,000.00	118,480.00	79,965.14	38,514.86		
Fire Hydrant Service	137,500.00	127,500.00	98,245.39	29,254.61		
Heating Oil	3,000.00	3,000.00		3,000.00		
Water	5,000.00	5,000.00	4,063.68	936.32		
Accumulated Leave Compensation	50,000.00	50,000.00		50,000.00		
Salary and Wage Adjustment	30,000.00	30,000.00	250.00	29,750.00		
Municipal Services Act	2,500.00	2,500.00		2,500.00		
Contingent	3,000.00	3,000.00		3,000.00		
TOTAL OPERATIONS (INCLUDING CONTINGENT) WITHIN "CAPS"	13,647,075.00	13,690,115.00	12,932,654.53	1,207,688.59		450,228.12
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES MUNICIPAL</u>						
Statutory Expenditures:						
Contribution To						
Social Security System (O.A.S.I.)	250,000.00	250,000.00	237,884.19	12,115.81		
State Unemployment Insurance	30,000.00	30,000.00	140,000.00			110,000.00
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES- MUNICIPAL WITHIN "CAPS"	280,000.00	280,000.00	377,884.19	12,115.81		110,000.00
TOTAL GENERAL APPROPRIATIONS WITHIN "CAPS"	\$ 13,927,075.00	\$ 13,970,115.00	\$ 13,310,538.72	\$ 1,219,804.40	\$	\$ 560,228.12

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

BOROUGH OF ROSELLE

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
TRANSITION YEAR ENDED DECEMBER 31, 2011

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVEREXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>OPERATIONS EXCLUDED FROM "CAPS"</u>						
Maintenance of Free Public Library	\$ 345,000.00	\$ 345,000.00	\$ 301,000.00	\$ 44,000.00	\$	\$
Sewerage Disposal-Linden/Roselle Sewerage Authority	1,400,000.00	1,400,000.00	1,312,332.00	87,668.00		
Police Communication Operators:						
Salaries and Wages	148,005.00	104,965.00	148,810.66			43,845.66
Other Expenses	3,100.00	3,100.00	1,343.05	1,756.95		
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>						
Animal Control Contract - City of Linden	17,250.00	17,250.00	8,520.00	8,730.00		
<u>STATE AND FEDERAL PROGRAMS OFF-SET BY REVENUES</u>						
Matching Funds for Grants	25,000.00	25,000.00		25,000.00		
<u>TOTAL OPERATIONS EXCLUDED FROM "CAPS"</u>	<u>1,938,355.00</u>	<u>1,895,315.00</u>	<u>1,772,005.71</u>	<u>167,154.95</u>		<u>43,845.66</u>
Capital Improvement Fund	50,000.00	50,000.00	50,000.00			
<u>TOTAL CAPITAL IMPROVEMENT EXCLUDED FROM "CAPS"</u>	<u>50,000.00</u>	<u>50,000.00</u>	<u>50,000.00</u>			
<u>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>						
Notes Principle	50,000.00	50,000.00			50,000.00	
Interest on Bonds	123,495.00	123,495.00	108,594.75		14,900.25	
Loan Repayment for Principal and Interest (Green Trust)	6,786.00	6,786.00	6,785.82		0.18	
U.C. Improvement Authority Lease	21,033.00	21,033.00	21,033.00			
<u>TOTAL MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</u>	<u>201,314.00</u>	<u>201,314.00</u>	<u>136,413.57</u>		<u>64,900.43</u>	
<u>DEFERRED CHARGES:</u>						
Deferred Charge to Future Taxation Unfunded: Ordinance #2313	260,000.00	260,000.00	260,000.00			
<u>TOTAL DEFERRED CHARGES</u>	<u>260,000.00</u>	<u>260,000.00</u>	<u>260,000.00</u>			
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	<u>2,449,669.00</u>	<u>2,406,629.00</u>	<u>2,218,419.28</u>	<u>167,154.95</u>	<u>64,900.43</u>	<u>43,845.66</u>
SUB-TOTAL GENERAL APPROPRIATIONS	16,376,744.00	16,376,744.00	15,528,958.00	1,386,959.35	64,900.43	604,073.78
RESERVE FOR UNCOLLECTED TAXES	1,850,000.00	1,850,000.00	1,850,000.00			
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 18,226,744.00</u>	<u>\$ 18,226,744.00</u>	<u>\$ 17,378,958.00</u>	<u>\$ 1,386,959.35</u>	<u>\$ 64,900.43</u>	<u>\$ 604,073.78</u>
	REF.	A-2	A-1	A:A-1		A-25
Reserve for Uncollected Taxes	A-2		\$ 1,850,000.00			
Encumbrances Payable	A-24		800,144.65			
Cash Disbursements	A-4		14,798,459.35			
			\$ 17,448,604.00			
Less: Refunded	A-4		69,646.00			
			<u>\$ 17,378,958.00</u>			

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

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TRUST FUND

BOROUGH OF ROSELLETRUST FUNDBALANCE SHEETS - REGULATORY BASIS

<u>A S S E T S</u>	<u>REF.</u>	BALANCE DECEMBER <u>31, 2011</u>	BALANCE JUNE <u>30, 2011</u>
Animal Control Fund:			
Cash	B-1	\$ 12,477.26	\$ 11,727.06
Due Trust Other Fund	Contra	65.00	65.00
		<u>12,542.26</u>	<u>11,792.06</u>
Other Trust Funds:			
Cash	B-1	\$ 824,576.20	\$ 1,419,240.16
Deficit in State Unemployment Insurance	B-8	37,721.29	
Due From County of Union	B-10	49,527.10	29,473.02
Due Current Fund	B-14	473,563.99	447,548.31
Due Federal and State Grants Fund	B-17	440,000.00	440,000.00
		<u>\$ 1,825,388.58</u>	<u>\$ 2,336,261.49</u>
		<u>\$ 1,837,930.84</u>	<u>\$ 2,348,053.55</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE:</u>			
Animal Control Fund:			
Due Current Fund	B-3	\$ 7,864.06	\$ 7,351.06
Due State of New Jersey	B-4	196.60	174.40
Reserve for Expenditures	B-5	4,481.60	4,266.60
		<u>\$ 12,542.26</u>	<u>\$ 11,792.06</u>
Other Trust Funds:			
Public Defender	B-6	\$ 14,580.83	\$ 19,341.23
Due Animal Control Trust Fund	Contra	65.00	65.00
Tax Sale Redemptions and Premiums	B-2	909,727.33	1,450,947.67
State Unemployment Insurance	B-8		16,420.15
Payroll Deductions Payable	B-9		159,537.97
Community Development Block Grants	B-11	49,527.00	29,472.92
Special Law Enforcement	B-12	58,568.65	63,488.65
Miscellaneous Reserves	B-13	327,048.77	132,807.90
Due General Capital Fund	B-15	426,188.00	426,188.00
Due to Public Assistance Trust Fund	B-16	840.00	840.00
Due State of New Jersey	B-18	1,450.00	1,095.00
Parking Offense Adjudication Act Fund	B-19	17,956.00	16,620.00
Due Affordable Housing Utility Operating Fund	B-7	19,437.00	19,437.00
		<u>\$ 1,825,388.58</u>	<u>\$ 2,336,261.49</u>
		<u>\$ 1,837,930.84</u>	<u>\$ 2,348,053.55</u>

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

GENERAL CAPITAL FUND

BOROUGH OF ROSELLEGENERAL CAPITAL FUNDBALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE JUNE 30, 2011</u>
<u>ASSETS</u>			
Cash		\$	\$
Grants Accounts Receivable	C-7	6,367,189.38	6,690,358.38
Due Other Trust Fund	C-13	426,188.00	426,188.00
Deferred Charges to Future Taxation:			
Funded	C-4	5,429,057.00	5,404,873.00
Unfunded	C-5	25,007,539.43	20,920,276.38
Due Current Fund	C-15	153,362.34	95.05
Deferred Charges:			
Expenditure without an Appropriation	C-17	156,618.10	
		<u>\$ 37,539,954.25</u>	<u>\$ 33,815,233.83</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Cash Overdraft	C-2:C-3	\$ 99,008.89	\$
General Serial Bonds	C-11	5,335,000.00	5,305,000.00
Green Acres Loan Payable	C-9	94,057.00	99,873.00
Bond Anticipation Notes	C-14	7,743,131.00	7,453,131.00
Capital Improvement Fund	C-6	64,008.34	55,197.09
Contracts Payable	C-10	1,278,488.04	1,354,632.64
Reserve for Grants Receivable	C-7	3,072,332.38	3,072,332.38
Reserve for Basketball Court Improvements	C-16	42,500.00	42,500.00
Reserve for the Payment of Debt	C-12	6,118.00	6,118.00
Improvement Authorizations:			
Funded	C-8	2,044,315.14	2,320,498.84
Unfunded	C-8	17,745,192.56	14,090,147.98
Fund Balance	C-1	15,802.90	15,802.90
		<u>\$ 37,539,954.25</u>	<u>\$ 33,815,233.83</u>

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

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, June 30, 2011, and		
Balance, December 31, 2011	C	\$ <u>15,802.90</u>

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

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AFFORDABLE HOUSING UTILITY FUND

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2011</u>	<u>BALANCE JUNE 30, 2011</u>
Operating Fund:			
Cash	D-4	\$ 110,745.56	\$ 106,122.49
Receivables with Full Reserves:			
Rental Income Receivable	D:D-5	52,491.00	47,760.00
Deferred Charges:			
Overexpenditure of Budget Appropriations	D-15	3,099.90	1,259.20
Overexpenditure of Appropriation Reserves	D-15	16,869.27	6,008.23
Due Current Fund	D-13	648.56	
Due Affordable Housing Utility Capital Fund	D-14	14,509.00	14,509.00
Due Trust Other Fund	D-17	19,437.00	19,437.00
<u>Total Operating Fund</u>		<u>\$ 217,800.29</u>	<u>\$ 195,095.92</u>
Capital Fund:			
Cash	D-4	\$ 34,509.00	\$ 34,509.00
Fixed Capital	D-9	5,000.00	5,000.00
<u>Total Capital Fund</u>		<u>\$ 39,509.00</u>	<u>\$ 39,509.00</u>
		<u>\$ 257,309.29</u>	<u>\$ 234,604.92</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Accounts Payable	D-6	\$ 11,094.31	\$ 11,369.31
Prepaid Rents	D-16	1,478.00	1,478.00
Due Current Fund	D-13		176.44
Reserve for Security Deposits	D-12	327.60	327.60
Tenant Security Deposits	D-7	23,425.83	23,569.11
		\$ 36,325.74	\$ 36,920.46
Reserve for Receivables	D	52,491.00	47,760.00
Fund Balance	D-1	128,983.55	110,415.46
<u>Total Operating Fund</u>		<u>\$ 217,800.29</u>	<u>\$ 195,095.92</u>
Capital Fund:			
Capital Improvement Fund	D-11	\$ 20,000.00	\$ 20,000.00
Due Affordable Housing Utility Operating Fund	D-18	14,509.00	14,509.00
Reserve for Amortization	D-10	5,000.00	5,000.00
<u>Total Capital Fund</u>		<u>\$ 39,509.00</u>	<u>\$ 39,509.00</u>
		<u>\$ 257,309.29</u>	<u>\$ 234,604.92</u>

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

BOROUGH OF ROSELLE
AFFORDABLE HOUSING UTILITY OPERATING FUND
STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>TRANSITION</u> <u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2011</u>	<u>FISCAL</u> <u>YEAR ENDED</u> <u>JUNE</u> <u>30, 2011</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Rents	D-2	\$ 119,469.00	\$ 244,579.00
Miscellaneous	D-2	<u>1,774.09</u>	<u>2,493.82</u>
<u>TOTAL INCOME</u>		<u>\$ 121,243.09</u>	<u>\$ 247,072.82</u>
<u>EXPENDITURES</u>			
Budget and Emergency Appropriations:			
Operating	D-3	\$ 70,340.70	\$ 138,259.20
Debt Service	D-3	34,175.00	104,400.00
Overexpenditure of Appropriation Reserves	D-8	<u>10,861.04</u>	<u>6,008.23</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 115,376.74</u>	<u>\$ 248,667.43</u>
Excess in Revenue		\$ 5,866.35	
Deficit in Revenue			\$ (1,594.61)
Adjustments to Income before Surplus:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year		<u>\$ 12,701.74</u>	<u>\$ 7,267.43</u>
Statutory Excess to Surplus		18,568.09	5,672.82
<u>FUND BALANCE</u>			
Balance	D	<u>110,415.46</u>	<u>104,742.64</u>
		\$ 128,983.55	\$ 110,415.46
Decreased by:			
Utilized as Revenue	D-1	<u> </u>	<u> </u>
Balance	D	<u>\$ 128,983.55</u>	<u>\$ 110,415.46</u>

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

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

STATEMENT OF REVENUES - REGULATORY BASIS
TRANSITION YEAR ENDED DECEMBER 31, 2011

	<u>REF.</u>	<u>ANTICIPATED</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Rents	D-1:D-5	\$ 173,500.00	\$ 119,469.00	\$ (54,031.00)
Miscellaneous	D-1:D-2		<u>1,774.09</u>	<u>1,774.09</u>
	D-3	<u>\$ 173,500.00</u>	<u>\$ 121,243.09</u>	<u>\$ (52,256.91)</u>

ANALYSIS OF REALIZED REVENUE

Miscellaneous:		
Laundry Fees		\$ 565.50
Miscellaneous		<u>1,208.59</u>
	D-2:D-4	<u>\$ 1,774.09</u>

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

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
TRANSITION YEAR ENDED DECEMBER 31, 2011

	<u>APPROPRIATIONS</u>		<u>EXPENDED PAID OR CHARGED</u>	<u>OVEREXPENDED</u>	<u>UNEXPENDED BALANCE CANCELED</u>
	<u>BUDGET</u>	<u>BUDGET AFTER MODIFICATION</u>			
Operating:					
Other Expenses	\$ <u>68,500.00</u>	\$ <u>68,500.00</u>	\$ <u>70,340.70</u>	\$ <u>1,840.70</u>	\$ _____
<u>Total Operating</u>	<u>68,500.00</u>	<u>68,500.00</u>	<u>70,340.70</u>	<u>1,840.70</u>	_____
Debt Service:					
UCIA: Principal and Interest on Lease Payments	<u>105,000.00</u>	<u>105,000.00</u>	<u>34,175.00</u>	_____	<u>70,825.00</u>
<u>Total Debt Service</u>	<u>105,000.00</u>	<u>105,000.00</u>	<u>34,175.00</u>	_____	<u>70,825.00</u>
	\$ <u><u>173,500.00</u></u>	\$ <u><u>173,500.00</u></u>	\$ <u><u>104,515.70</u></u>	\$ <u><u>1,840.70</u></u>	\$ <u><u>70,825.00</u></u>
<u>REF.</u>	D-2		D-1, D-4	D-15	

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

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PUBLIC ASSISTANCE TRUST FUND

BOROUGH OF ROSELLE
PUBLIC ASSISTANCE TRUST FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2011</u>	BALANCE JUNE <u>30, 2011</u>
<u>ASSETS</u>			
Cash-P.A.T.F. I	E-1	\$ 12,960.34	\$ 12,960.34
Due Trust Other Fund		<u>840.00</u>	<u>840.00</u>
		<u>\$ 13,800.34</u>	<u>\$ 13,800.34</u>
<u>LIABILITIES</u>			
Reserve for Public Assistance - P.A.T.F. I		\$ <u>13,800.34</u>	\$ <u>13,800.34</u>
		<u>\$ 13,800.34</u>	<u>\$ 13,800.34</u>

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

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ROSELLE

NOTES TO FINANCIAL STATEMENTS
TRANSITION YEAR ENDED DECEMBER 31, 2011
AND FISCAL YEAR ENDED JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Roselle is an instrumentality of the State of New Jersey, established to function as a municipality. The Borough Council consists of elected officials and is responsible for the fiscal control of the Borough.

Except as noted below, the financial statements of the Borough of Roselle include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Roselle, as required by N.J.S.A.40A:5-5. Accordingly, the financial statements of the Borough of Roselle do not include the operations of the municipal library or the board of education, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

The accounting policies of the Borough of Roselle conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the financial transactions and accounts of the Borough of Roselle are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services the Borough accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

Current Fund - resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

Trust Fund - receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

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

Affordable Housing Utility Operating and Capital Fund - account for the operations of the municipally owned Affordable Housing Utility.

Public Assistance Fund - receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey statutes.

General Fixed Assets Account Group - Utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant accounting policies and differences in the State of New Jersey are as follows:

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

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Grants are realized as revenue when anticipated in the Borough's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Borough, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. General expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at June 30 are reported as a cash liability in the financial statements and constitute part of the Borough's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at June 30th of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at June 30, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Borough as part of its basic financial statements. General fixed assets are defined as non-expendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$5,000.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. General fixed assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on general fixed assets or reported in the financial statements.

The Borough has developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal. However the fixed assets records have not been currently maintained and are incomplete, and, accordingly, have not included such information in its financial statements.

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

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

D. Basic Financial Statements

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Reporting Period

On June 22, 2011, the Borough Council adopted Ordinance 2400-11, which authorized the Borough to revert to a calendar fiscal year ending December 31 from a state fiscal year ending June 30. This report represents the six month "transition year" for the period from July 1, 2011 to December 31, 2011, as required by the State of New Jersey Division of Local Government Services for any municipalities electing to change its fiscal year. Starting in calendar year 2012, the Borough's futures fiscal accounting years will be from January 1 to December 31 of each year.

NOTE 2: CASH AND CASH EQUIVALENTS

The Borough considers petty cash, change funds, cash in banks, deposits in the C.L.A.S.S. and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in institutions which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA) or the State of New Jersey Cash Management Fund. GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation.

The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

The Borough of Roselle had the following cash and cash equivalents at December 31, 2011:

<u>Fund Type</u>	<u>Bank</u>	<u>Reconciling Items</u>		<u>Reconciled</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Current Fund	\$7,612,692.85	\$353,512.35	\$4,070,984.93	\$3,895,220.27
Federal and State				
Grant Fund	185,070.14			185,070.14
Animal Control Trust Fund	12,477.26			12,477.26
Other Trust Fund	950,712.48	25,908.68	152,044.96	824,576.20
General Capital Fund	17,992.10		117,000.99	(99,008.89)
Low Income Housing Utility				
Operating Fund	117,893.46		7,147.90	110,745.56
Low Income Housing Utility				
Capital Fund	34,509.00			34,509.00
Public Assistance Fund	12,960.34			12,960.34
	<u>\$8,944,307.63</u>	<u>\$379,421.03</u>	<u>\$4,347,178.78</u>	<u>\$4,976,549.88</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The Borough does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2011, based upon the coverage provided by FDIC and NJ GUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank \$8,656,674.56 was covered by Federal Depository Insurance and \$250,000.00 was covered by NJ GUDPA and \$37,633.07 was on deposit in the Municipal Investors Service Corporation Assets Management Program (MBIA Class).

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments

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

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

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 P.L. 1970, c.236 (C.17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Roselle's investment activities during the year were in accordance with the above New Jersey Statute.

As of December 31, 2011, the Borough had \$37,633.07 on deposit with the Municipal Investors Service Corporation Assets Management Program (MBIA Class). Based upon the limitation set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

NOTE 3: MUNICIPAL DEBT

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds. A summary of bond and loan transactions for the year ended December 31, 2011 are detailed on Exhibits "C-11" and "C-14".

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT OPERATING DEBT AND TYPE II SCHOOL DEBT)

	TRANSITION YEAR DECEMBER 31, <u>2011</u>	STATE FISCAL YEAR JUNE 30, <u>2011</u>	STATE FISCAL YEAR JUNE 30, <u>2010</u>
<u>Issued:</u>			
General:			
Bonds, Notes and Loans	\$ 13,172,188.00	\$ 12,858,004.00	\$ 12,038,257.00
Less Funds Temporarily Held to Pay Bonds and Notes	<u>213,118.00</u>	<u>213,118.00</u>	<u>213,118.00</u>
Net Debt Issued	<u>\$ 12,959,070.00</u>	<u>\$ 12,644,886.00</u>	<u>\$ 11,825,139.00</u>
<u>Authorized But Not Issued</u>			
General:			
Bonds and Notes	<u>\$ 17,471,408.43</u>	<u>\$ 13,674,145.38</u>	<u>\$ 9,718,048.80</u>
Net Bonds and Notes Issued and and Authorized But Not Issued	<u>\$ 30,430,478.43</u>	<u>\$ 26,319,031.38</u>	<u>\$ 21,543,187.80</u>

SUMMARY OF STATUTORY DEBT CONDITION
(ANNUAL DEBT STATEMENT AS OF DECEMBER 31, 2011)

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 1.84%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
General Debt	\$ <u>30,643,596.43</u>	\$ <u>213,118.00</u>	<u>\$30,430,478.43</u>
	<u>\$ 30,643,596.43</u>	<u>\$ 213,118.00</u>	<u>\$ 30,430,478.43</u>

NET DEBT \$30,430,478.43 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, \$1,648,710,350.00 EQUALS 1.84 %.

NOTE 3: MUNICIPAL DEBT (CONTINUED)

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

Equalized Valuation Basis* - December 31, 2011	\$ 1,767,213,803.33
3-1/2 of Equalized Valuation Basis	61,852,483.12
Net Debt	<u>30,430,478.43</u>
Remaining Borrowing Power	\$ <u><u>31,422,004.69</u></u>

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

CALCULATION OF SELF-LIQUIDATING PURPOSE –
AFFORDABLE HOUSING UTILITY PER N.J.S. 40A:2-45

Surplus Anticipated and Total Cash Receipts from Fees, Rents, or Other Charges for the Year	\$	121,243.09
Deductions:		
Operating and Maintenance Cost	\$	68,500.00
Debt Service		<u>34,175.00</u>
Total Deductions		<u>102,675.00</u>
Excess in Revenue	\$	<u><u>18,568.09</u></u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

LONG TERM DEBT

General Serial Bonds:

<u>ISSUE</u>	OUTSTANDING BALANCE DECEMBER 31, 2011
\$6,870,000.00 in 1997 General Improvement Bonds, due in a remaining installment of \$602,000.00 through February 2012 at an interest rate of 4.95%.	\$602,000.00
\$1,520,000.00 in 2011 Refunding Bonds, due in remaining installments ranging between \$255,000.00 and \$260,000.00 through September 2017 at interest rates between 2.00% and 3.00%.	1,520,000.00
\$145,000.00 2003 Refunding ERIP Bonds, due in annual remaining installments of \$10,000.00 to \$15,000.00 through April 2018 at interest rates between 3.66% and 5.29%.	85,000.00
\$4,363,000.00 in 2005 General Improvement Bonds, due in remaining installments ranging between \$425,000.00 and \$453,000.00 through June 2018 at an interest rate of 3.65%.	<u>3,128,000.00</u>
	<u>\$5,335,000.00</u>

New Jersey Green Acres Loans:

<u>ISSUE</u>	OUTSTANDING BALANCE DECEMBER 31, 2011
Green Acres Loan due in annual remaining installments of \$6,689.87 to \$13,238.36 through Fiscal Year 2019 at various interest rates	<u>\$94,057.00</u>

NOTE 3: MUNICIPAL DEBT (CONTINUED)

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST
FOR BONDED DEBT ISSUED AND OUTSTANDING AS OF DECEMBER 31, 2011

CALENDAR YEAR	GENERAL CAPITAL		TOTAL
	PRINCIPAL	INTEREST	
2012	\$ 1,292,000.00	\$ 160,172.78	\$ 1,452,172.78
2013	720,000.00	124,524.50	844,524.50
2014	720,000.00	102,410.50	822,410.50
2015	710,000.00	79,106.50	789,106.50
2016	715,000.00	54,652.50	769,652.50
2017-2019	1,178,000.00	39,069.75	1,217,069.75
	<u>\$ 5,335,000.00</u>	<u>\$ 559,936.53</u>	<u>\$ 5,894,936.53</u>

SCHEDULE OF GREEN TRUST LOAN PAYABLE
AS OF DECEMBER 31, 2011

CALENDAR YEAR	PRINCIPAL	INTEREST	TOTAL
2012	\$ 11,748.37	\$ 1,823.27	\$ 13,571.64
2013	11,984.52	1,587.12	13,571.64
2014	12,225.41	1,346.24	13,571.65
2015	12,471.14	1,100.50	13,571.64
2016	12,721.81	849.83	13,571.64
2017-2019	32,905.75	1,023.37	33,929.12
	<u>\$ 94,057.00</u>	<u>\$ 7,730.33</u>	<u>\$ 101,787.33</u>

BOND ANTICIPATION NOTES

	Interest Rate	Issue and Maturity Dates	Amount
General Capital	1.840%	1/13/11 to 1/13/12	\$ 1,000,000.00
General Capital	1.500%	3/18/11 to 3/17/12	4,309,131.00
General Capital	0.000%	12/31/11 to 12/31/12	2,434,000.00
			<u>\$ 7,743,131.00</u>

NOTE 4: FUND BALANCES APPROPRIATED

Fund balance, at December 31, 2011, which was appropriated and included as anticipated revenue in its own respective fund for the transition year ending December 31, 2012 was as follows:

Current Fund	\$1,516,783.00
Affordable Housing Utility Operating Fund	\$ -0-

NOTE 5: PROPERTY TAXES

Property Taxes attach as an enforceable lien on property as of January 1. Taxes are levied based on the final adoption of the current year municipal budget, and payable in four installments on February 1, May 1, August 1 and November 1. The Borough bills and collects its own property taxes and also the taxes for the County and the Local School Districts. The collections and remittance of county and school taxes are accounted for in the current Fund. Borough property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, <u>2011</u>	BALANCE JUNE 30, <u>2011</u>
Prepaid Taxes	\$ <u>74,663.97</u>	\$ <u>139,886.01</u>

NOTE 6: PENSION PLANS

Borough employees, who are eligible for a pension plan, are enrolled in one of three pension systems administered by the Division of Pensions, Treasury Department of the State of New Jersey. The plans are: the Public Employees' Retirement System, the Police and Firemen's Retirement System, and Consolidated Police and Firemen's Pension Fund of New Jersey. The Division annually charges participating government units for their respective contributions to the plans based upon actuarial methods. Certain portions of the costs are contributed by the employees. The Borough's share of pension, which is based upon the annual billings received from the state, amounted to \$2,648,624.00 for SFY2011, \$2,287,038.00, for SFY2010, and \$1,151,532.25 for SFY2009.

Borough employees are also covered by Federal Insurance Contribution Act.

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

NOTE 6: PENSION PLANS (CONTINUED)

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2009, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2009. If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The Borough has elected to defer a portion of its pension contributions.

NOTE 7: COMPENSATED ABSENCES

Under the existing policy of the Borough, employees are allowed to accumulate unused sick pay over the life of their working careers, which may be taken as time off, or paid at a later date, at an agreed upon rate. A reasonable estimate of such unpaid compensation is not readily available from the Borough but is probably material. Under accounting principals and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, accumulated cost of such paid compensation is not required to be reported in the financial statements as presented and any amounts required to be paid are raised in that year's budget and no liability is accrued on December 31, 2011.

NOTE 8: LITIGATION

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

NOTE 9: CONTINGENT LIABILITIES

The Borough participated in several financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. The grants received and expended in State Transition Year 2011 were subject to a Single Audit under U.S. Office of Management and Budget (OMB) Circular A-133 and State of New Jersey OMB 04-04, which mandates that grant revenues and expenditures be audited in conjunction with the Borough's annual audit. Findings and questioned costs, if any, relative to financial assistance programs will be discussed in detail in Part II, Report Section of the 2011 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2011, the Borough does not believe that any material liabilities will result from such audits.

NOTE 10: RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Borough. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State. Below is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the Borough's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Borough Contributions</u>	<u>Interest/Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
TY 2011	\$ 150,000.00	\$	\$ 204,141.44	\$ (37,721.29)
SFY 2011	35,000.00	83.47	58,786.48	16,420.15
SFY 2010	54,515.50	36.75	73,086.04	40,123.16

NOTE 11: DEFERRED COMPENSATION PLAN

The Borough offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Borough employees does not make any contribution to the plan. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardship.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Borough's Plan was amended to require that all amounts of compensation deferred under the Plan are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plan are held in trust, in annuity contracts or custodial accounts.

All assets of the plan are held by an independent administrator.

The accompanying financial statements do not include the Borough's Deferred Compensation Plan activities.

NOTE 12: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheets of the various funds at December 31, 2011:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$7,864.06	\$2,014,473.57
Federal and State Grant Fund	1,386,898.68	440,000.00
Animal Control Fund	65.00	7,864.06
Trust Other Fund	913,563.99	446,530.00
General Capital Fund	579,550.34	
Low Income Housing Utility Operating Fund	34,594.56	
Low Income Housing Utility Capital Fund		14,509.00
Public Assistance Fund	840.00	
	<u>\$2,923,376.63</u>	<u>\$2,923,376.63</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 13: GASB 45: OTHER POST-RETIREMENT BENEFITS

The Borough provides Post Retirement Benefits to certain employees, per the terms of their various labor agreements, who have retired from the Borough.

The Borough is required to implement the note disclosure provision of GASB Statement 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement which was adopted during 2004 by the Governmental Accounting Standard Board (GASB) requires the Borough to disclose in the notes of the financial statements the future cost of the other post employment benefits (OPEB) on a present value basis instead of the present pay as you go method. OPEB obligations are non-pension benefits that the Borough has contractually agreed to provide employees once they have retired.

The future value of benefits paid is not required to be reported in the financial statements as presented and has not been determined, but is probably material. Under current New Jersey budget and financial reporting requirements, the Borough will not have to provide any amounts in excess of their current cash costs or recognized any long-term obligations on their balance sheets. The Borough has not determined its OPEB obligations as of December 31, 2011; therefore, no amount is disclosed herein.

NOTE 14: DEFERRED CHARGES

	BALANCE DECEMBER 31, <u>2011</u>	2012 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Current Fund:			
Expenditure without an Appropriation	\$ 204,942.25	\$ 96,748.00	\$ 108,194.25
Overexpenditure of Appropriation Reserves	222,850.36	21,092.00	201,758.36
Overexpenditure of Appropriations	720,347.99	-0-	720,347.99
Special Emergency 40A:4-53	<u>425,000.00</u>	<u>-0-</u>	<u>425,000.00</u>
	<u>\$ 1,573,140.60</u>	<u>\$ 117,840.00</u>	<u>\$ 1,455,300.60</u>

	BALANCE DECEMBER 31, <u>2011</u>	2012 BUDGET <u>APPROPRIATION</u>	BALANCE TO SUCCEEDING <u>YEARS</u>
Affordable Housing Utility Operating Fund:			
Overexpenditure of Appropriation Reserves	\$ 16,869.27	\$ 6,008.23	\$ 10,861.04
Overexpenditure of Appropriations	<u>3,099.90</u>	<u>1,259.20</u>	<u>1,840.70</u>
	<u>\$ 19,969.17</u>	<u>\$ 7,267.43</u>	<u>\$ 12,701.74</u>

NOTE 15: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.A. 40A:2-51.

BOROUGH OF ROSELLE
SUPPLEMENTARY SCHEDULES
FISCAL YEAR ENDED DECEMBER 31, 2011

BOROUGH OF ROSELLECURRENT FUNDSCHEDULE OF CASH COLLECTOR-TREASURER

	<u>REF.</u>		<u>CURRENT FUND</u>		<u>GRANT FUND</u>
Balance, June 30, 2011	A		\$ 4,560,388.36		\$ -0-
Increased by Receipts:					
Grants Receivable	A-7	\$		553,896.89	
Taxes Receivable	A-8		28,434,438.28		
Revenue Accounts Receivable	A-11		2,999,316.72		
State of New Jersey, Chapter 20, P.L. 1971	A-13		87,921.99		
Tax Anticipation Note	A-30		5,000,000.00		
Grants-Unappropriated	A-18			1,059,646.62	
Prepaid Taxes	A-21		74,663.97		
Tax Overpayments	A-6		81,277.68		
Due Current Fund	A-19			191,792.71	
Interfunds	A-16		2,667,799.68		
Miscellaneous Revenue Not Anticipated	A-2		419,748.27		
Appropriation Refunds	A-3		69,646.00		
Due Roselle Public Library	A-15		<u>140,736.57</u>		
			\$ <u>39,975,549.16</u>		\$ <u>1,805,336.22</u>
			\$ 44,535,937.52		\$ 1,805,336.22
Decreased by Disbursements:					
T.Y. 2011 Appropriations	A-3	\$	14,798,459.35		\$
S.F.Y. 2011 Appropriation Reserves	A-17		989,716.02		
Reserve for Grants Appropriated	A-14			67,731.83	
Interfunds	A-16		1,251,524.05		
Investment	A-29		290,000.00		
Refund of Tax Overpayments	A-6		3,298.34		
County Taxes	A-22		3,665,071.16		
Local District School Tax	A-23		14,063,280.00		
Due Current Fund	A-19			1,428,473.37	
Expenditure without an Appropriation	A-25		204,942.25		
Tax Anticipation Note	A-30		5,000,000.00		
Encumbrances Payable	A-24:A-26		20,000.00	124,060.88	
Refund of Prior Year Revenues	A-1		157,976.94		
Due Roselle Public Library	A-15		<u>196,449.14</u>		
			<u>40,640,717.25</u>		<u>1,620,266.08</u>
Balance, December 31, 2011	A		\$ <u><u>3,895,220.27</u></u>		\$ <u><u>185,070.14</u></u>

BOROUGH OF ROSELLE
CURRENT FUND
SCHEDULE OF CHANGE FUND

<u>OFFICE</u>	BALANCE JUNE 30, 2011, and DECEMBER 31, 2011
Collector	\$ 200.00
Municipal Court	<u>200.00</u>
	\$ <u><u>400.00</u></u>
<u>REF.</u>	A

SCHEDULE OF TAX OVERPAYMENTS

Balance, June 30, 2011	A	\$ 173,218.78
Increased by:		
Tax Overpayments Received	A-4	<u>81,277.68</u>
		\$ <u>254,496.46</u>
Decreased by:		
Cash Disbursements	A-4	<u>3,298.34</u>
Balance, December 31, 2011	A	\$ <u><u>251,198.12</u></u>

BOROUGH OF ROSELLEGRANT FUNDSCHEDULE OF GRANTS RECEIVABLE

	BALANCE			BALANCE
	JUNE			DECEMBER
	<u>30, 2011</u>	<u>RECEIPTS</u>	<u>CANCELED</u>	<u>31, 2011</u>
Municipal Alliance Grant - Prior Years	\$ 29,192.60	\$	\$	\$ 29,192.60
Pandemic Influenza	90.00			90.00
Green Communities	2,000.00			2,000.00
Bulletproof Vest Partnership Grant	12,859.00			12,859.00
Edward Brynes Memorial Justice Grant	48,350.57			48,350.57
Greening Union County	9,318.00			9,318.00
Statewide Livable Communities Local Library Aid	50,000.00			50,000.00
County of Union Homeland Security	672.00			672.00
Union County Kids Recreation	51,250.00			51,250.00
UEZ Administration Grant	1,160,234.89	390,884.13	769,350.76	
Municipal Stormwater Regulation	10,583.00			10,583.00
You Drink You Drive You Lose	304.00			304.00
Operation Safe Streets	4,000.00			4,000.00
Brownfields Assessment	191,314.50	75,881.89		115,432.61
Alcohol Education and Rehab Fund	589.00			589.00
Safe Route to School -09	4,600.00			4,600.00
Click it or Ticket - 09	339.05			339.05
Body Armor Replacement Grant	0.23			0.23
Local Public Health Emergency H1N1	5,164.96			5,164.96
NJ Stabilization Grant	1,044,904.45	70,344.00		974,560.45
Summer Food Program	55,478.83	16,786.87		38,691.96
	<u>\$ 2,681,245.08</u>	<u>\$ 553,896.89</u>	<u>\$ 769,350.76</u>	<u>\$ 1,357,997.43</u>

REF.

A

A-4

A-14

A

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>YEAR</u>	<u>BALANCE</u>	<u>T. Y. 2011</u>	<u>COLLECTED</u>		<u>CANCELED</u>	<u>TRANSFERRED</u>	<u>BALANCE</u>
	<u>JUNE</u>		<u>LEVY</u>	<u>S.F.Y. 2011</u>			
	<u>30, 2011</u>					<u>TITLE LIENS</u>	<u>31, 2011</u>
FISCAL 2009	\$ 63,247.24	\$	\$	\$ 4,095.81	\$	\$	\$ 59,151.43
FISCAL 2010	347,047.81			34,029.99			313,017.82
FISCAL 2011	2,094,640.05			786,345.57			1,308,294.48
	<u>\$ 2,504,935.10</u>	<u>\$</u>	<u>\$</u>	<u>\$ 824,471.37</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,680,463.73</u>
TRANSITION 2012		30,112,673.41	139,886.01	27,665,154.41	170,507.67	5,677.37	2,131,447.95
	<u>\$ 2,504,935.10</u>	<u>\$ 30,112,673.41</u>	<u>\$ 139,886.01</u>	<u>\$ 28,489,625.78</u>	<u>\$ 170,507.67</u>	<u>\$ 5,677.37</u>	<u>\$ 3,811,911.68</u>

<u>REF.</u>	A	A-2:A-21	A-2	A-9	A
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REF.

Cash	A-4	\$ 28,434,438.28
Citizens and Veterans Deductions Allowed	A-13	<u>55,187.50</u>
		<u>\$ 28,489,625.78</u>

Analysis of Property Tax Levy:

Tax Yield:		
General Purpose Tax		\$ <u>30,112,673.41</u>
		\$ <u>30,112,673.41</u>
Tax Levy:		
Local District School Tax (Abstract)	A-23	\$ 11,719,400.00
County Taxes (Abstract)	A-22	3,665,071.16
Local Tax for Municipal Purposes (Abstract)	A-2	\$ <u>14,728,202.25</u>
Local Tax for Municipal Purposes Levied		<u>14,728,202.25</u>
		\$ <u>30,112,673.41</u>

"A-9"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, June 30, 2011	A	\$	54,027.63
Increased by:			
Transfer From Taxes Receivable	A-8		<u>5,677.37</u>
Balance, December 31, 2011	A	\$	<u><u>59,705.00</u></u>

"A-10"

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, June 30, 2011 and, December 31, 2011	A	\$	<u><u>2,027,232.00</u></u>
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BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	<u>REF.</u>	<u>BALANCE JUNE 30, 2011</u>	<u>ACCRUED IN T.Y. 2011</u>	<u>COLLECTED BY TREASURER</u>	<u>BALANCE DECEMBER 31, 2011</u>
Clerk:					
Licenses:					
ABC	A-2	\$	\$ 1,402.90	\$ 1,402.90	
Construction Code Official:					
Fees and Permits	A-2		114,489.00	114,489.00	
Municipal Court:					
Fines and Costs	A-2	25,210.32	167,872.55	170,886.66	22,196.21
Interest and Cost on Taxes	A-2		95,002.22	95,002.22	
Other Fess and Permits	A-2		111,682.14	111,682.14	
Other Licenses	A-2		5,079.21	5,079.21	
Parking Meters	A-2		5,349.81	5,349.81	
Interest on Investments and Deposits	A-2		1,499.97	1,499.97	
Consolidated Municipal Purpose Tax Relief Act	A-2		582,852.00	582,852.00	
Energy Receipts Tax	A-2		1,805,089.00	1,805,089.00	
Ambulance Revenue	A-2		105,983.81	105,983.81	
		\$ <u>25,210.32</u>	\$ <u>2,996,302.61</u>	\$ <u>2,999,316.72</u>	<u>22,196.21</u>
	<u>REF.</u>	A		A-4	A

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF UNIDENTIFIED DEPOSITS

REF.

Balance, June 30, 2011 and
December 31, 2011

A

\$ 121,022.84

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE FROM STATE OF NEW JERSEY
FOR SENIOR CITIZENS AND VETERANS DEDUCTIONS

	<u>REF.</u>		
Balance, June 30, 2011	A	\$	137,993.23
Charged:			
Senior Citizens Deductions Per Tax Billings		\$	24,375.00
Veterans Deductions Per Tax Billings			51,562.50
Senior Citizens and Veterans Deductions Allowed by Tax Collector			<u>3,000.00</u>
			78,937.50
			<u>216,930.73</u>
Decreased by:			
Cash Receipts	A-4		87,921.99
Senior Citizens Deductions Disallowed by Tax Collector			<u>23,750.00</u>
			111,671.99
Balance, December 31, 2011	A	\$	<u>105,258.74</u>
 <u>ANALYSIS OF STATE SHARE OF T.Y. 2011</u>			
<u>SENIOR CITIZENS AND VETERANS DEDUCTIONS ALLOWED</u>			
Senior Citizens Deductions Per Tax Billings		\$	24,375.00
Veterans Deductions Per Tax Billings			51,562.50
Senior Citizens Deductions Allowed by Tax Collector			3,000.00
Senior Citizens Deductions Disallowed by Tax Collector			<u>(23,750.00)</u>
State Share Realized	A-8	\$	<u>55,187.50</u>

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS APPROPRIATED

	BALANCE JUNE 30, 2011	EXPENDED	CANCELED	BALANCE DECEMBER 31, 2011
Body Armor Replacement Fund	\$ 137.55	\$	\$	\$ 137.55
Municipal Alliance Grant	17,160.84	10,433.89		6,726.95
Municipal Alliance Grant - Match	2,312.39			2,312.39
Pandemic Influenza	88.00			88.00
Pandemic Influenza	2.10			2.10
Click it or Ticket	4,000.00			4,000.00
Edward Brynes Memorial Justice Grant	39.50			39.50
UEZ	769,350.76		769,350.76	
Municipal Stormwater Regulation	10,583.00			10,583.00
You Drink, You Drive, You Lose	304.00			304.00
Operation Safe Streets	4,000.00			4,000.00
Drunk Driving Enforcement Fund	14,396.09	759.90		13,636.19
Alcohol Education and Rehab. Fund	6,383.11			6,383.11
Development of Elderly Programs	190.60			190.60
Enhanced 911 Grant	112,409.00			112,409.00
Safe Routes to Schools	313.44			313.44
Clean Communities Program	110,362.28			110,362.28
Recycling Tonnage Grant	36,555.26	36,555.26		
Local Public Health Emergency H1N1	9,222.97			9,222.97
NJ Stabilization Grant	1,029,808.66	70,344.00		959,464.66
Summer Food Program	47,275.71	17,497.90		29,777.81
	<u>\$ 2,174,895.26</u>	<u>\$ 135,590.95</u>	<u>\$ 769,350.76</u>	<u>\$ 1,269,953.55</u>
	<u>REF.</u>	A	A-7	A
Cash Disbursements	A-4	\$ 67,731.83		
Encumbrances	A-26	<u>67,859.12</u>		
		<u>\$ 135,590.95</u>		

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE FROM ROSELLE PUBLIC LIBRARY

	<u>REF.</u>		
Balance, June 30, 2011	A	\$	57,763.34
Increased by:			
Cash Disbursements	A-4		<u>196,449.14</u>
			254,212.48
Decreased by:			
Cash Receipts	A-4		<u>140,736.57</u>
Balance, December 31, 2011	A	\$	<u><u>113,475.91</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF INTERFUNDS

	REF.	TOTAL	TRUST OTHER FUND	AFFORDABLE HOUSING UTILITY OPERATING FUND	GENERAL CAPITAL FUND	ANIMAL CONTROL TRUST FUND	GRANT FUND
Balance, June 30, 2011:							
Due To	A	\$ 597,861.38	\$ 447,548.31	\$	95.05	\$	150,218.02
Due From	A	7,527.50		176.44		7,351.06	
Cash Receipts	A-4	2,667,799.68	378,920.36	35,000.00	672,236.95		1,581,642.37
Cash Disbursements	A-4	<u>1,251,524.05</u>	<u>352,904.68</u>	<u>34,175.00</u>	<u>672,138.66</u>	<u>513.00</u>	<u>191,792.71</u>
Balance, December 31, 2011:							
Due To	A	\$ 2,014,473.57	\$ 473,563.99	\$ 648.56	193.34	\$	1,540,067.68
Due From	A	<u>\$ 7,864.06</u>	<u></u>	<u></u>	<u></u>	<u>7,864.06</u>	<u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF FISCAL YEAR 2011 APPROPRIATION RESERVES

	<u>BALANCE, JUNE 30, 2011</u>		<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	<u>OVEREXPENDED</u>
	<u>COMMITMENTS PAYABLE</u>	<u>RESERVED</u>				
<u>SALARIES AND WAGES</u>						
Borough Clerk	\$	\$ 5,437.82	\$ 5,437.82	\$	\$ 5,437.82	
Financial Administration		15,135.54	15,135.54		15,135.54	
Assessment of Taxes		5,821.01	5,821.01		5,821.01	
Collection of Taxes		5,795.74	5,795.74		5,795.74	
Legal Services and Costs		2,959.89	2,959.89		2,959.89	
Public Buildings and Grounds		2,395.47	2,395.47		2,395.47	
Planning Board		5,534.57	5,534.57		5,534.57	
Zoning Board of Adjustment		259.40	259.40		259.40	
Shade Tree Commission		2,161.30	2,161.30		2,161.30	
Snow Removal		25,000.00	25,000.00		25,000.00	
Fire Department		77,239.54	77,239.54		77,239.54	
Emergency Management Services		757.88	757.88		757.88	
Street and Road Maintenance		84,790.39	84,790.39		84,790.39	
Board of Health		5,957.43	5,957.43		5,957.43	
Recreation		10,294.58	10,294.58		10,294.58	
Municipal Court		27,136.08	27,136.08		27,136.08	
Construction Code Official		7,649.22	7,649.22		7,649.22	
<u>OTHER EXPENSES</u>						
Administrative and Executive	13,434.53	3,442.66	70,960.34	68,517.68	2,442.66	
Borough Clerk	18,833.42	30,893.01	(19,356.72)	28,286.70		47,643.42
Borough Council	2,362.88	31,921.74	34,284.62	11,171.80	23,112.82	
Financial Administration	5,104.01	3,737.93	8,841.94	7,297.37	1,544.57	
Annual Audit		52,235.00	52,235.00	400.00	51,835.00	
Assessment of Taxes	576.50		576.50	19,014.00		18,437.50
Collection of Taxes	266.84	5,467.00	5,733.84	383.68	5,350.16	
Legal Services and Costs	22,003.92	123,297.95	145,301.87	65,870.65	79,431.22	
Prosecutor		1,000.00	1,000.00		1,000.00	
Engineering Services and Costs	5,696.45	3,290.76	8,987.21	8,626.08	361.13	
Public Buildings and Grounds	32,823.31	78.55	32,901.86	37,563.93		4,662.07
Planning Board	1,430.20	2,333.48	3,763.68	1,306.40	2,457.28	
Zoning Board of Adjustments		13,515.00	13,515.00		13,515.00	
Redevelopment Agency		20,660.19	20,660.19		20,660.19	
Shade Tree Commission	10,026.00	19,875.57	29,901.57	10,026.00	19,875.57	
Group Insurance for Employees				11,882.16		11,882.16
Workers' Compensation		94,338.00	94,338.00		94,338.00	
Other Insurance Premiums	34,454.79	61,066.24	95,521.03	20,082.78	75,438.25	
Fire Department	28,389.43	9,744.18	38,133.61	36,801.99	1,331.62	
Police Department	58,395.23	3,471.53	61,866.76	63,307.54		1,440.78
Traffic Control-School Crossing Guards	3,839.45	381.34	4,220.79	3,839.45	381.34	
Emergency Management Services	9,745.70	521.43	10,267.13	10,079.59	187.54	
Street and Road Maintenance	71,734.80		86,734.80	71,529.75	15,205.05	
Union County S.L.A.P. Program		14,881.64	14,881.64		14,881.64	
Maintenance of Vehicles	5,054.36	60,131.34	65,185.70	22,712.52	42,473.18	
Recycling	16,647.38	5,619.82	22,267.20	25,823.78		3,556.58
Solid Waste Collection	182,619.24	298,735.00	481,354.24	318,755.22	162,599.02	

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF FISCAL YEAR 2011 APPROPRIATION RESERVES

	<u>BALANCE, JUNE 30, 2011</u>		<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>BALANCE LAPSED</u>	<u>OVEREXPENDEE</u>
	<u>COMMITMENTS PAYABLE</u>	<u>RESERVED</u>				
<u>OTHER EXPENSES (CONTINUED)</u>						
Snow Removal	\$	\$ 2,334.37	\$ 2,334.37	\$	\$ 2,334.37	
Board of Health	16,905.35	1,314.97	18,220.32	15,997.75	2,222.57	
Community Services		4,791.52	4,791.52	208.94	4,582.58	
Recreation	6,897.73		6,897.73	12,571.54		5,673.81
Municipal Court	2,282.11	11,614.43	13,896.54	2,985.38	10,911.16	
Public Employee Occupational Safety Health Act		4,536.00	4,536.00		4,536.00	
Construction Code Official	60.00	7,552.25	7,612.25	2,555.25	5,057.00	
Gasoline	10,306.60	54,764.58	65,071.18	55,004.28	10,066.90	
Electricity				19,945.41		19,945.41
Natural Gas		20,547.79	20,547.79	2,495.38	18,052.41	
Telephone and Telegraph	5,950.68	299.20	6,249.88	31,957.73		25,707.85
Heating Oil		6,000.00	6,000.00		6,000.00	
Street Lighting		41,317.79	41,317.79	23,517.20	17,800.59	
Fire Hydrant Service		83,574.65	83,574.65	41,096.51	42,478.14	
Water		1,291.01	1,291.01	1,771.22		480.21
Municipal Services Act		5,000.00	5,000.00		5,000.00	
Animal Control Contract - City of Linden	2,840.00	762.00	3,602.00	2,840.00	762.00	
Contingent		5,000.00	5,000.00		5,000.00	
Social Security System (O.A.S.I.)		18,796.47	18,796.47		18,796.47	
State Unemployment Insurance		10,000.00	10,000.00	10,000.00		
Public Employee's Retirement System				60,000.00		60,000.00
Sewer Disposal		1,019.00	1,019.00		1,019.00	
Prior Year Bills:						
Great Northern		15,242.58	15,242.58		15,242.58	
Bartlett Tree		10,069.54	10,069.54		10,069.54	
Police Communication Operators	40.80	3,746.67	3,787.47	40.80	3,746.67	
Matching Funds for Grants		100,000.00	100,000.00		100,000.00	
	\$ <u>575,305.29</u>	\$ <u>1,567,061.15</u>	\$ <u>2,142,366.44</u>	\$ <u>1,147,699.92</u>	\$ <u>1,196,425.08</u>	\$ <u>201,758.56</u>
<u>REF.</u>	A-24	A			A-1	A-25
Cash Disbursements	A-4			\$ 989,716.02		
Encumbrance	A-24			<u>157,983.90</u>		
				\$ <u>1,147,699.92</u>		

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF RESERVE FOR GRANTS -
UNAPPROPRIATED

	<u>REF.</u>		
Balance, June 30, 2011	A	\$	92,506.96
Increased by:			
Cash Receipts	A-4		<u>1,059,646.62</u>
Balance, December 31, 2011	A	\$	<u><u>1,152,153.58</u></u>
 <u>ANALYSIS OF BALANCE:</u>			
Recycling Tonnage Grant		\$	49,921.13
Drunk Driving Enforcement Fund			11,907.48
Clean Communities Program			26,941.10
Alcohol Education Rehabilitation			970.82
Body Armor Replacement Fund			10,272.26
Union County Recycling Enhancement			7,500.00
UEZ			1,041,017.01
Over the Limit Under Arrest			<u>3,623.78</u>
		\$	<u><u>1,152,153.58</u></u>

"A-19"

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, June 30, 2011 (Due From)	A	\$ 150,218.02
Increased by:		
Cash Disbursements	A-4	<u>1,428,473.37</u>
		1,578,691.39
Decreased by:		
Cash Receipts	A-4	<u>191,792.71</u>
Balance, December 31, 2011 (Due From)	A	\$ <u><u>1,386,898.68</u></u>

"A-20"

SCHEDULE OF DUE TRUST OTHER FUND

Balance, June 30, 2011 and December 31, 2011	A	\$ <u><u>440,000.00</u></u>
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BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF PREPAID TAXES

	<u>REF.</u>		
Balance, June 30, 2011	A	\$	139,886.01
Increased by:			
Collection of Calendar Year 2012 Taxes	A-4		<u>74,663.97</u>
		\$	<u>214,549.98</u>
Decreased by:			
Applied to Transition 2011 Taxes	A-8		<u>139,886.01</u>
Balance, December 31, 2011	A	\$	<u><u>74,663.97</u></u>

"A-22"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF COUNTY TAXES

	<u>REF.</u>		
Increased by:			
Tax Levy for TY 2011	A:A-8-1	\$	3,665,071.16
Decreased by:			
Cash Disbursements	A-4	\$	<u>3,665,071.16</u>

"A-23"

SCHEDULE OF LOCAL DISTRICT SCHOOL TAX

Balance, June 30, 2011 (Payable)	A	\$	1,875,104.00
Increased by:			
School Tax Levy - TY 2011	A-1:A-8		11,719,400.00
		\$	<u>13,594,504.00</u>
Decreased by:			
Cash Disbursements	A-4		<u>14,063,280.00</u>
Balance, December 31, 2011 (Prepaid)	A:A-1	\$	<u>(468,776.00)</u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2011	A		\$ 595,305.29
Increased by:			
Transition Year 2011 Appropriations	A-3	\$ 800,144.65	
Fiscal Year 2011 Appropriations Reserves	A-17	<u>157,983.90</u>	
			<u>958,128.55</u>
			1,553,433.84
Decreased by:			
Transferred to Appropriation Reserves	A-17	575,305.29	
Cash Disbursements	A-4	<u>20,000.00</u>	
			<u>595,305.29</u>
Balance, December 31, 2011	A		\$ <u><u>958,128.55</u></u>

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

		BALANCE JUNE 30, 2011	INCREASE	BALANCE DECEMBER 31, 2011
Overexpenditure of Appropriations	A-3	\$ 116,274.21	\$ 604,073.78	\$ 720,347.99
Overexpenditure of Appropriation Reserves	A-17	21,091.80	201,758.56	222,850.36
Expenditure without an Appropriation	A-4		204,942.25	204,942.25
Special Emergency 40A:4-53	A-31		425,000.00	425,000.00
		<u>\$ 137,366.01</u>	<u>\$ 1,435,774.59</u>	<u>\$ 1,573,140.60</u>
	<u>REF.</u>	A	A-1:A-3	A

BOROUGH OF ROSELLE

GRANT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, June 30, 2011	A	\$	124,060.88
Increased by:			
Federal and State Grants Appropriated	A-14		67,859.12
		\$	<u>191,920.00</u>
Decreased by:			
Cash Disbursements	A-4		<u>124,060.88</u>
Balance, December 31, 2011	A	\$	<u><u>67,859.12</u></u>

"A-27"

BOROUGH OF ROSELLE

CURRENT FUND

SCHEDULE OF DUE STATE OF NEW JERSEY

	<u>REF.</u>		
Balance, June 30, 2011 and December 31, 2011	A	\$	<u><u>250,000.00</u></u>

"A-28"

SCHEDULE OF DCA FEES - DUE STATE OF NEW JERSEY

Balance, June 30, 2011 and December 31, 2011	A	\$	<u><u>2,148.00</u></u>
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"A-29"

BOROUGH OF ROSELLE
CURRENT FUND
SCHEDULE OF INVESTMENT

	<u>REF.</u>		
Balance, June 30, 2011	A	\$	2,144,000.00
Increased by:			
Cash Disbursements	A-4		<u>290,000.00</u>
Balance, December 31, 2011	A	\$	<u><u>2,434,000.00</u></u>

"A-30"

SCHEDULE OF TAX ANTICIPATION NOTE PAYABLE

Increased by:			
Cash Receipts	A-4	\$	5,000,000.00
Decreased by:			
Cash Disbursements	A-4	\$	<u><u>5,000,000.00</u></u>

"A-31"

SCHEDULE OF RESERVE FOR TAX MAP AND REVISION
AND RECODIFICATION OF ORDINANCES

Increased by:			
Special Emergency 40A:4-53	A-4	\$	425,000.00
Balance, December 31, 2011	A	\$	<u><u>425,000.00</u></u>

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF TRUST FUND CASH
COLLECTOR-TREASURER

	REF.	ANIMAL CONTROL FUND	OTHER TRUST FUNDS
Balance, June 30, 2011	B	\$ 11,727.06	\$ 1,419,240.16
Increased by Receipts:			
Contra	B-1		\$ 11,021.84
Tax Title Lien Redemption and Premiums	B-2		424,742.61
Due Current Fund	B-3;B-14	\$ 513.00	352,904.68
Due State of New Jersey	B-4;B-18	57.00	1,330.00
Animal Control License Fees	B-5	215.00	
Public Defender	B-6		2,585.34
Tax Sale Premiums	B-7		0.00
State Unemployment Insurance	B-8		150,000.00
Payroll Deductions Payable	B-9		3,063,073.91
Community Development Block Grant	B-10		29,472.92
Miscellaneous Trusts	B-13		270,328.12
Parking Offense Adjudication Act	B-19		1,832.00
		785.00	4,307,291.42
Decreased by Disbursements:		12,512.06	\$ 5,726,531.58
Contra	B-1		11,021.84
Tax Title Lien Redemption and Premiums	B-2		965,962.95
Due State of New Jersey	B-4;B-18	34.80	975.00
Public Defender	B-6		7,345.74
Tax Sale Premiums	B-7		0.00
State Unemployment Insurance	B-8		204,141.44
Payroll Deductions Payable	B-9		3,222,611.88
Community Development Block Grant	B-11		29,472.92
Special Law Enforcement	B-12		4,920.00
Miscellaneous Trusts	B-13		76,087.25
Due Current Fund	B-14		378,920.36
Parking Offense Adjudication Act	B-19		496.00
		34.80	4,901,955.38
Balance, December 31, 2011	B	\$ 12,477.26	\$ 824,576.20

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR TAX TITLE LIEN REDEMPTIONS AND PREMIUMS

	<u>REF.</u>	
Balance, June 30, 2011	B	\$ 1,450,947.67
Increased by:		
Cash Receipts	B-1	<u>424,742.61</u>
		\$ 1,875,690.28
Decreased by:		
Cash Disbursements	B-1	<u>965,962.95</u>
Balance, December 31, 2011	B	<u><u>\$ 909,727.33</u></u>

"B-3"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND -
ANIMAL CONTROL TRUST FUND

	<u>REF.</u>	
Balance, June 30, 2011, (Due to)	B	\$ 7,351.06
Increased by:		
Cash Receipts	B-1	<u>513.00</u>
Balance, December 31, 2011, (Due to)	B	\$ <u><u>7,864.06</u></u>

"B-4"

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

Balance, June 30, 2011	B	\$ 174.40
Increased by:		
Cash Receipts	B-1	<u>57.00</u>
		\$ 231.40
Decreased by:		
Cash Disbursements	B-1	<u>34.80</u>
Balance, December 31, 2011	B	\$ <u><u>196.60</u></u>

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, June 30, 2011	B	\$	4,266.60
Increased by:			
Dog License Fees Collected		\$	195.00
Late Fees Collected			20.00
	B-1		<u>215.00</u>
Balance, December 31, 2011	B	\$	<u><u>4,481.60</u></u>

"B-6"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF RESERVE FOR PUBLIC DEFENDER

	<u>REF.</u>		
Balance, June 30, 2011	B	\$	19,341.23
Increased by:			
Cash Receipts	B-1		<u>2,585.34</u>
		\$	<u>21,926.57</u>
Decreased by:			
Cash Disbursements	B-1		<u>7,345.74</u>
Balance, December 31, 2011	B	\$	<u><u>14,580.83</u></u>

"B-7"

SCHEDULE OF DUE AFFORDABLE HOUSING UTILITY OPERATING FUND

Balance, June 30, 2011, and December 31, 2011	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, June 30, 2011	B	\$ 16,420.15
Increased by:		
Cash Receipts	B-1	150,000.00
		<u>\$ 166,420.15</u>
Decreased by:		
Cash Disbursements	B-1	204,141.44
Balance (Deficit), December 31, 2011	B	<u>\$ (37,721.29)</u>

"B-9"

SCHEDULE OF PAYROLL DEDUCTIONS PAYABLE

Balance, June 30, 2011	B	\$ 159,537.97
Increased by:		
Cash Receipts	B-1	3,063,073.91
		<u>\$ 3,222,611.88</u>
Decreased by:		
Cash Disbursements	B-1	3,222,611.88
		<u>\$ 3,222,611.88</u>

"B-10"

BOROUGH OF ROSELLE

TRUST FUND

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

	<u>REF.</u>	
Balance, June 30, 2011	B	\$ 29,473.02
Increased by:		
Grant Awarded in Fiscal Year 2011	B-11	49,527.00
		\$ <u>79,000.02</u>
Decreased by:		
Cash Receipts	B-1	<u>29,472.92</u>
Balance, December 31, 2011	B	\$ <u><u>49,527.10</u></u>

"B-11"

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

Balance, June 30, 2011	B	\$ 29,472.92
Increased by:		
Grant Awarded in Transition Year 2011	B-10	49,527.00
		\$ <u>78,999.92</u>
Decreased by:		
Cash Disbursements	B-1	<u>29,472.92</u>
Balance, December 31, 2011	B	\$ <u><u>49,527.00</u></u>

"B-12"

SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT

Balance, June 30, 2011	B	\$ 63,488.65
Decreased by:		
Cash Disbursements	B-1	<u>4,920.00</u>
Balance, December 31, 2011	B	\$ <u><u>58,568.65</u></u>

BOROUGH OF ROSELLE

TRUST OTHER

SCHEDULE OF RESERVE FOR MISCELLANEOUS RESERVES

	BALANCE JUNE <u>30, 2011</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	BALANCE DECEMBER <u>31, 2011</u>
Recycling	\$ 25,417.20	\$	\$	\$ 25,417.20
Centennial Celebration	135.00			135.00
Escrow Deposits	(24,684.50)	31,388.25	6,703.75	
Street Opening Deposits	19,517.15	5,600.00		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	4,354.29	13,997.79		18,352.08
Fire Prevention	1,795.81		1,344.00	451.81
Community Policing Unit	10,899.33	14,065.00	5,561.85	19,402.48
Police Outside Employment	22,838.39	205,277.08	62,477.65	165,637.82
Redevelopment Agency	16,655.00			16,655.00
	<u>\$ 132,807.90</u>	<u>\$ 270,328.12</u>	<u>\$ 76,087.25</u>	<u>\$ 327,048.77</u>
<u>REF.</u>	B	B-1	B-1	B

"B-14"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE CURRENT FUND

	<u>REF.</u>	
Balance, June 30, 2011, (Due from)	B	\$ 447,548.31
Increased by:		
Cash Disbursements	B-1	<u>378,920.36</u>
		\$ 826,468.67
Decreased by:		
Cash Receipts	B-1	<u>352,904.68</u>
December 31, 2011, (Due to)	B	<u><u>\$ 473,563.99</u></u>

"B-15"

SCHEDULE OF DUE GENERAL CAPITAL FUND

Balance, June 30, 2011, (Due to), and December 31, 2011, (Due to)	B	\$ <u><u>426,188.00</u></u>
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"B-16"

SCHEDULE OF DUE PUBLIC ASSISTANCE TRUST FUND

Balance, June 30, 2011, (Due to), and December 31, 2011, (Due to)	B	\$ <u><u>840.00</u></u>
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"B-17"

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE FEDERAL AND STATE GRANTS FUND

	<u>REF.</u>	
Balance, June 30, 2011, (Due from), and December 31, 2011, (Due from)	B	\$ <u>440,000.00</u>

"B-18"

SCHEDULE OF DUE STATE OF NEW JERSEY

Balance, June 30, 2011, (Due to)	B	\$ 1,095.00
Increased by:		
Cash Receipts	B-1	<u>1,330.00</u>
		\$ <u>2,425.00</u>
Decreased by:		
Cash Disbursements	B-1	<u>975.00</u>
Balance, December 31, 2011, (Due to)	B	\$ <u>1,450.00</u>

ANALYSIS OF BALANCE

<u>Description</u>	<u>Amount</u>
Marriage License Fees	\$ 1,375.00
Burial Permit Fees	<u>75.00</u>
	\$ <u>1,450.00</u>

"B-19"

SCHEDULE OF PARKING OFFENSE ADJUDICATION ACT FUND

Balance, June 30, 2011	B	\$ 16,620.00
Increased by:		
Cash Receipts	B-1	<u>1,832.00</u>
		\$ <u>18,452.00</u>
Decreased by:		
Cash Disbursements	B-1	<u>496.00</u>
Balance, December 31, 2011	B	\$ <u>17,956.00</u>

BOROUGH OF ROSELLE

TRUST FUND

SCHEDULE OF DUE AFFORDABLE HOUSING UTILITY OPERATING FUND

	<u>REF.</u>	
Balance, June 30, 2011, and December 31, 2011	B	\$ <u>19,437.00</u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH
TREASURER

	<u>REF.</u>		
Balance, June 30, 2011	C		\$ 373,443.02
Increased by Receipts:			
Budget Appropriations:			
Capital Improvement Fund	C-6	\$ 50,000.00	
Grants Accounts Receivable	C-7	323,169.00	
Refund of Improvement Authorizations	C-8	2,627.07	
Bond Anticipation Notes	C-14	290,000.00	
Deferred Charges to Future Taxation - Unfunded		472,236.95	
Due Current Fund	C-15	<u>982,138.66</u>	
			<u>2,120,171.68</u>
			2,493,614.70
Decreased by Disbursements:			
Due Current Fund	C-15	\$ 1,135,405.95	
Expenditure without an Appropriation	C-17	156,618.10	
Capital Improvement Fund	C-6	688.75	
Contracts Payable	C-10	<u>1,299,910.79</u>	
			<u>2,592,623.59</u>
Balance, December 31, 2011 - Cash Overdraft	C		\$ <u><u>(99,008.89)</u></u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL CASH AND INVESTMENTS

	BALANCE DECEMBER 31, 2011
Fund Balance	\$ 15,802.90
Capital Improvement Fund	64,008.34
State Aid Accounts Receivable	(6,367,189.38)
Deferred Charges	(156,618.10)
Reserve for State Aid Accounts Receivable	3,072,332.38
Reserve for Basketball Court Improvements	42,500.00
Contracts Payable	1,278,488.04
Reserve to Pay Debt	6,118.00
Due Current Fund	(153,362.34)
Due Other Trust Fund	(426,188.00)
Improvement Authorizations Funded (Listed on "C-8")	2,044,315.14
Bond Anticipation Notes Issued:	
Excess Note Proceeds as Set Forth on "C-5"	207,000.00
Unexpended Note Proceeds as Set Forth on "C-5"	4,151,937.49
Improvement Authorizations:	
Expended as Set Forth on "C-5"	<u>(3,878,153.36)</u>
	\$ <u><u>(99,008.89)</u></u>
<u>REF.</u>	C

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO
FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, June 30, 2011	C	\$	5,404,873.00
Increased by:			
Refunding Bonds Issued	C-11		<u>1,520,000.00</u>
		\$	6,924,873.00
Decreased by:			
Payment of Green Trust Loan by Budget	C-9	\$	5,816.00
Bonds Refunded	C-11		<u>1,490,000.00</u>
			<u>1,495,816.00</u>
Balance, December 31, 2011	C	\$	<u><u>5,429,057.00</u></u>

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE
TAXATION - UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2011	ANALYSIS OF BALANCE DECEMBER 31, 2011		
			FINANCED BY BOND ANTICIPATION NOTES	EXPENDITURES	UNEXPENDED IMPROVEMENT AUTHORIZATIONS
GENERAL IMPROVEMENTS					
2251 - 06	Various Capital Improvements	\$ 743,300.00	\$ 717,300.00	\$	26,000.00
2276	Various 2007 Road Improvements	793,000.00	793,000.00		
2292 - 07	Improvements to Sylvester Land Field	1,254,000.00	1,254,000.00		
2297	Westbrook Flood Control Project	7,000,000.00			7,000,000.00
2300 - 08	Various Road Improvements	2,337,831.00	2,337,831.00		
2313	Refunding Bond	520,000.00		484,025.95	35,974.05
2314	Improvements to 911 Comm. Syst.	122,591.00		122,591.00	
2340	Various Road Improvements	1,157,827.63		1,157,827.63	
2342	Various Improvements	90,250.00		87,809.35	2,440.65
2349	Acquisition of Ambulance	152,000.00		143,500.00	8,500.00
2380	Various Improvements	1,627,179.80		1,627,179.80	
2389	Various Improvements	304,000.00		255,219.63	48,780.37
2396	Various Improvements	4,346,060.00	2,434,000.00		1,912,060.00
2407	Sanitary Sewer System Improvements	2,900,000.00			2,900,000.00
2408	Various Park Improvements	1,659,500.00			1,659,500.00
		<u>\$ 25,007,539.43</u>	<u>\$ 7,536,131.00</u>	<u>\$ 3,878,153.36</u>	<u>\$ 13,593,255.07</u>
		REF.	C	C-3	
	Bond Anticipation Notes	C-14	\$ 7,743,131.00		
	Less: Cash on Hand to Pay Notes - Ord. 2276	C-3	<u>207,000.00</u>		
			<u>\$ 7,536,131.00</u>		
	Improvement Authorizations Unfunded	C-8		\$	17,745,192.56
	Less: Unexpended Proceeds of Bond Anticipation Notes Issued	C-3			<u>4,151,937.49</u>
				\$	<u>13,593,255.07</u>

"C-6"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, June 30, 2011	C		\$ 55,197.09
Increased by:			
TY 2011 Appropriations	C-2		<u>50,000.00</u>
			\$ <u>105,197.09</u>
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-8	\$ 40,500.00	
Cash Disbursements	C-2	<u>688.75</u>	
			<u>41,188.75</u>
Balance, December 31, 2011	C		\$ <u><u>64,008.34</u></u>

"C-7"

SCHEDULE OF GRANTS ACCOUNTS RECEIVABLE

Balance, June 30, 2011	C		\$ 6,690,358.38
Decreased by:			
Cash Receipts	C-2		<u>323,169.00</u>
Balance, December 31, 2011	C		\$ <u><u>6,367,189.38</u></u>
Pledged to:			
Ordinance		\$ 3,294,857.00	
Reserve for Receivables	C	<u>3,072,332.38</u>	
			\$ <u><u>6,367,189.38</u></u>

BOROUGH OF ROSELLE
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE 6/30/2011		T Y -2011 AUTHORIZATIONS	REFUNDS	PAID OR CHARGED	BALANCE 12/31/2011	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
2181	Various Capital Improvements	2/27/03	\$ 1,031,738.26	\$ 27,341.04			\$ 2,627.07	\$	\$ 29,968.11	
2206	Various Capital Improvements	4/21/04	2,298,241.00	151,339.95				32,425.00	118,914.95	
2218	Contribution to Storm Water Program	11/10/04	44,110.00	410.00					410.00	
2225/2238	Various Capital Improvements	3/16/05	1,743,833.00	432,242.28				47,848.00	384,394.28	
2251	Various Capital Improvements	9/20/09	1,999,000.00		699,204.16			8,500.00		690,704.16
2276	Various Road Improvements	6/13/07	1,050,000.00		217,011.19					217,011.19
2292	Improvements to Sylvester Land Field	12/19/07	1,320,000.00		0.25					0.25
2297	Westbrook Flood Control Project	4/16/08	9,000,000.00	1,480,425.57	7,000,000.00			10,297.77	1,470,127.80	7,000,000.00
2300	Various Road Improvements	7/16/08	3,350,000.00		1,508,485.97					1,508,485.97
2313	Refunding Bond Ordinance	11/12/08	1,300,000.00		35,974.05					35,974.05
2342	Various Improvements	8/19/09	95,000.00		2,440.65					2,440.65
2349	Acquisition of Ambulance	10/21/09	160,000.00		8,500.00					8,500.00
2380	Various Improvements	8/18/10	2,325,000.00		218,646.43			218,646.43		
2389	Various Improvements	2/16/11	320,000.00		53,825.28			5,044.91		48,780.37
2396	Various Improvements	4/20/11	4,574,800.00	228,740.00	4,346,060.00			901,004.08		3,673,795.92
2407	Sanitary Sewer System Improvements	9/21/11	2,900,000.00			2,900,000.00				2,900,000.00
2408	Various Park Improvements	8/27/11	1,700,000.00			1,700,000.00			40,500.00	1,659,500.00
				\$ 2,320,498.84	\$ 14,090,147.98	\$ 4,600,000.00	\$ 2,627.07	\$ 1,223,766.19	\$ 2,044,315.14	\$ 17,745,192.56
REF.				C	C		C-2	C-10	C:C-3	C:C-5
Deferred Charges to Future Taxation-Unfunded Capital Improvement Fund				C-5		\$ 4,559,500.00				
				C-6		40,500.00				
						\$ 4,600,000.00				

"C-9"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF GREEN TRUST LOANS PAYABLE

	<u>REF.</u>	
Balance, June 30, 2011	C	\$ 99,873.00
Decreased by:		
Loans Paid by Budget	C-4	<u>5,816.00</u>
Balance, December 31, 2011	C	<u>\$ 94,057.00</u>

"C-10"

SCHEDULE OF CONTRACTS PAYABLE

Balance, June 30, 2011	C	\$ 1,354,632.64
Increased by:		
Charges to Improvement Authorizations	C-8	<u>1,223,766.19</u>
		\$ 2,578,398.83
Decreased by:		
Cash Disbursements	C-2	<u>1,299,910.79</u>
Balance, December 31, 2011	C	<u>\$ 1,278,488.04</u>

BOROUGH OF ROSELLE
 GENERAL CAPITAL FUND
 SCHEDULE OF GENERAL SERIAL BONDS

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING 12/31/2011		INTEREST RATE	BALANCE JUNE 30, 2011	INCREASED	DECREASED	BALANCE DECEMBER 31, 2011
			DATE	AMOUNT					
General Improvements	2/15/97	\$ 6,870,000.00	2/15/12	\$ 602,000.00	4.95%	\$ 602,000.00	\$	\$	\$ 602,000.00
General Improvements	3/15/02	3,080,000.00				1,490,000.00		1,490,000.00	
Refunding Bonds - ERIP	4/1/03	145,000.00	4/1/12	10,000.00	3.66%	85,000.00			85,000.00
			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%				
General Improvements	06/01/05	4,363,000.00	06/01/12	425,000.00	3.650%	3,128,000.00			3,128,000.00
			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%				
Refunding Bonds	9/15/11	1,520,000.00	3/15/12	255,000.00	2.000%				
			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			1,520,000.00
						\$ 5,305,000.00	\$ 1,520,000.00	\$ 1,490,000.00	\$ 5,335,000.00
REF.						C	C-4	C-4	C

"C-12"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT

	<u>REF.</u>	
Balance, June 30, 2011 and December 31, 2011	C	\$ <u>6,118.00</u>

"C-13"

SCHEDULE OF DUE OTHER TRUST FUND

Balance, June 30, 2011 and December 31, 2011	C	\$ <u>426,188.00</u>
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BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>ORIGINAL AMOUNT ISSUED</u>	<u>DATE OF ISSUE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>INTEREST RATE</u>	<u>BALANCE JUNE 30, 2011</u>	<u>INCREASED</u>	<u>BALANCE DECEMBER 31, 2011</u>
2251-06	Various Capital Improvements	\$ 799,000.00	5/22/07	3/17/11	3/17/12	1.500%	\$ 717,300.00	\$	\$ 717,300.00
2276-07	Various 2007 Road Improvements	1,000,000.00	1/15/08	1/18/11	1/13/12	1.500%	1,000,000.00		1,000,000.00
2292-07	Improvements to Sylvester Land Field	1,254,000.00	5/20/09	3/17/11	3/17/12	1.500%	1,254,000.00		1,254,000.00
2300-08	Various Road Improvements	2,337,831.00	5/20/09	3/17/11	3/17/12	1.500%	2,337,831.00		2,337,831.00
2396-11	Various Improvements	2,144,000.00	6/30/11	12/31/11	12/31/12	0.000%	2,144,000.00	290,000.00	2,434,000.00
							<u>\$ 7,453,131.00</u>	<u>\$ 290,000.00</u>	<u>\$ 7,743,131.00</u>
						<u>REF.</u>	C	C-2	C:C-5

"C-15"

BOROUGH OF ROSELLE

GENERAL CAPITAL FUND

SCHEDULE OF DUE FROM/TO CURRENT FUND

	<u>REF.</u>		
Balance, June 30, 2011 (Due From)	C	\$	95.05
Increased by:			
Cash Disbursements	C-2		<u>1,135,405.95</u>
		\$	<u>1,135,501.00</u>
Decreased by:			
Cash Receipts	C-2		<u>982,138.66</u>
Balance, December 31, 2011 (Due From)	C	\$	<u><u>153,362.34</u></u>

"C-16"

SCHEDULE OF RESERVE FOR BASKETBALL COURT IMPROVEMENTS

Balance, June 30, 2011, and Balance, December 31, 2011	C	\$	<u><u>42,500.00</u></u>
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"C-17"

SCHEDULE OF DEFERRED CHARGES

Increased by:			
Expenditure Without an Appropriation	C-2	\$	156,618.10
Balance, December 31, 2011	C	\$	<u><u>156,618.10</u></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, 2011</u>
2251	Various Capital Improvements	\$	26,000.00
2297	Westbrook Flood Control Project		7,000,000.00
2313	Refunding Bond		520,000.00
2314	Improvements to 911 Communications System		122,591.00
2340	Various Road Improvements		1,157,827.63
2342	Various Improvements		90,250.00
2349	Acquisition of Ambulance		152,000.00
2380	Various Improvements		1,627,179.80
2389	Various Improvements		304,000.00
2396	Various Improvements		1,912,060.00
2407	Sanitary Sewer System Improvements		2,900,000.00
2408	Various Park Improvements		<u>1,659,500.00</u>
		\$	<u>17,471,408.43</u>

"D-5"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF RENTAL INCOME ACCOUNTS RECEIVABLE

	<u>REF.</u>	
Balance, June 30, 2011	D	\$ 47,760.00
Increased by:		
Rents Levied		124,200.00
		\$ <u>171,960.00</u>
Decreased by:		
Collection	D-2:D-4	<u>119,469.00</u>
Balance, December 31, 2011	D	\$ <u><u>52,491.00</u></u>

"D-6"

SCHEDULE OF ACCOUNTS PAYABLE

Balance, June 30, 2011	D	\$ 11,369.31
Increased by:		
Transferred from Reserves	D-8	11,094.31
		\$ <u>22,463.62</u>
Decreased by:		
Transferred to Reserves	D-8	<u>11,369.31</u>
Balance, December 31, 2011	D	\$ <u><u>11,094.31</u></u>

"D-7"

SCHEDULE OF TENANT SECURITY DEPOSITS

Balance, June 30, 2011	D	\$ 23,569.11
Increased by:		
Cash Receipts	D-4	818.13
		\$ <u>24,387.24</u>
Decreased by:		
Cash Disbursements	D-4	<u>961.41</u>
Balance, December 31, 2011	D	\$ <u><u>23,425.83</u></u>

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF S.F.Y. 2011 APPROPRIATION RESERVES

	<u>BALANCE JUNE 30, 2011</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>OVEREXPENDED</u>
Operating:				
Other Expenses	\$ <u>-0-</u>	\$ <u>11,369.31</u>	\$ <u>22,230.35</u>	\$ <u>10,861.04</u>
	\$ <u>-0-</u>	\$ <u>11,369.31</u>	\$ <u>22,230.35</u>	\$ <u>10,861.04</u>
<u>REF.</u>		D-6		D-15
Accounts Payable	D-6		\$ 11,094.31	
Cash Disbursements	D-4		<u>11,136.04</u>	
			\$ <u>22,230.35</u>	

"D-9"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY CAPITAL FUND

SCHEDULE OF FIXED CAPITAL

<u>Account</u>	<u>REF.</u>	BALANCE JUNE 30, 2011 AND DECEMBER 31, 2011
Affordable Housing Improvements	D	\$ <u>5,000.00</u>

"D-10"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, June 30, 2011 and December 31, 2011	D	\$ <u>5,000.00</u>
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"D-11"

SCHEDULE OF CAPITAL IMPROVEMENT FUND

Balance, June 30, 2011 and December 31, 2011	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, June 30, 2011, and December 31, 2011	D	\$ <u>327.60</u>

"D-13"

SCHEDULE OF DUE CURRENT FUND

Balance, June 30, 2011 (Due to)	D	\$ 176.44
Decreased by:		
Cash Disbursements	D-4	<u>35,000.00</u>
		\$ <u>34,823.56</u>
Increased by:		
Cash Receipts	D-4	<u>34,175.00</u>
Balance, December 31, 2011 (Due From)	D	\$ <u>648.56</u>

"D-14"

SCHEDULE OF DUE AFFORDABLE HOUSING UTILITY CAPITAL FUND

Balance, June 30, 2011, and Balance, December 31, 2011 (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 JUNE 30, 2011	ADDED IN T.Y. DECEMBER 31, 2011	BALANCE DECEMBER 31, 2011
Overexpenditure of Appropriations	D-3	\$ 1,259.20	\$ 1,840.70	\$ 3,099.90
Overexpenditure of Appropriation Reserves	D-8	<u>6,008.23</u>	<u>10,861.04</u>	<u>16,869.27</u>
		<u>\$ 7,267.43</u>	<u>\$ 12,701.74</u>	<u>\$ 19,969.17</u>
	<u>REF.</u>	D		D

"D-16"

BOROUGH OF ROSELLE

AFFORDABLE HOUSING UTILITY OPERATING FUND

SCHEDULE OF PREPAID RENTS

REF.

Balance, June 30, 2011 and December 31, 2011	D	\$ <u>1,478.00</u>
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"D-17"

SCHEDULE OF TRUST OTHER FUND

Balance, June 30, 2011 and December 31, 2011 (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, June 30, 2011 and December 31, 2011 (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, June 30, 2011 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, 2011 and November 30, 2012	E-1	\$	<u>12,960.34</u>
<u>Reconciliation, November 30, 2012</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, November 30, 2012		\$ <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, 2011

	<u>REF.</u>		
Balance, June 30, 2011 and December 31, 2011	E-1	\$	<u><u>12,960.34</u></u>
 <u>Reconciliation, December 31, 2011</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, December 31, 2011		\$ <u><u>12,960.34</u></u>	\$ <u><u>12,960.34</u></u>

BOROUGH OF ROSELLE

PART II

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

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



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 the accompanying financial statements - regulatory basis of the Borough of Roselle, County of Union, New Jersey as of and for the transition year ended December 31, 2011, and have issued our report thereon dated May 16, 2013 in which we expressed a qualified opinion due to the omission of a Statement of General Fixed Assets. Our report also 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 a comprehensive basis of accounting other than U.S. generally accepted accounting principles. We conducted our audit in accordance with U.S. generally accepted auditing standards, audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 the deficiency described in the accompanying Schedule of Findings and Questioned Costs, and referenced as #TY 11-3, to be a material weakness. In addition, we noted other deficiencies which are discussed in Part III, General Comments and Recommendations Section of this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Roselle's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic 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 and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which are described in the accompanying Schedule of Findings and Questioned Costs as items #TY11-1 and #TY11-2. In addition, we noted other instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of this report.

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.

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 50

May 16, 2013

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TRANSITION YEAR ENDED DECEMBER 31, 2011

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	STATE TRANSITION YEAR 2011 FUNDS RECEIVED	STATE TRANSITION YEAR 2011 EXPENDITURES	CUMULATIVE EXPENDITURES DECEMBER 31, 2011
			FROM	TO				
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>								
<u>Passed Through County of Union:</u>								
Community Development Block Grant Program:								
Chestnut Streetscape (Ord. 2225)	14.218	004-161	09/01/04	08/31/05	\$ 220,000.00	\$	\$	194,042.00
Demolition of Property for Community Center (Ord. 2225)	14.218	004-164	09/01/04	08/31/05	40,000.00			
Senior Citizen Community Center Program (Ord. 2251)	14.218	005-059	09/01/05	08/31/06	90,000.00			
Street Reconstruction (Ord. 2251)	14.218	005-163	09/01/05	08/31/06	90,000.00			
Code Enforcement Program	14.218	009-446	09/01/09	08/31/10	28,000.00			27,999.90
Senior Citizen Community Center Renovations Program	14.218	009-059	09/01/09	08/31/10	60,000.00			42,667.62
Roselle Street Improvement	14.218	009-163	09/01/09	08/31/10	125,000.00			125,000.00
After School Program	14.218	010-275	09/01/10	08/31/11	9,763.00	9,763.00	9,763.00	9,763.00
Senior Citizen Bus	14.218	010-276	09/01/10	08/31/11	10,636.00	5,076.00	5,076.00	10,636.00
Senior Citizen Community Center Program	14.218	009-277	09/01/10	08/31/11	7,964.00	4,864.00	4,864.00	7,964.00
Code Enforcement Program	14.218	010-446	09/01/10	08/31/11	27,000.00	9,769.92	9,769.92	27,000.00
Senior Citizen Community Center Renovations Program	14.218	010-163	09/01/10	08/31/11	170,000.00	170,000.00	170,000.00	170,000.00
Senior Citizen Community Center Renovations Program	14.218	010-059	09/01/10	08/31/11	25,000.00	5,702.20	5,702.20	5,702.20
After School Program	14.218	011-275	09/01/11	08/31/12	8,787.00			
Senior Citizen Bus	14.218	011-276	09/01/11	08/31/12	9,572.00			
Senior Citizen Community Center Program	14.218	011-277	09/01/11	08/31/12	7,168.00			
Code Enforcement Program	14.218	011-446	09/01/11	08/31/12	24,000.00			
Senior Citizen Community Center Renovations Program	14.218	011-059	09/01/11	08/31/12	17,000.00			
Roselle Street Improvement	14.218	011-163	09/01/11	08/31/12	175,000.00			
<u>Passed Through State of New Jersey</u>								
Neighborhood Stabilization Grant	14.264				2,500,000.00	70,344.00	70,344.00	1,540,535.34
						275,519.12	275,519.12	2,161,310.06
<u>UNITED STATES DEPARTMENT OF HOMELAND AGRICULTURE</u>								
<u>Passed Through State of New Jersey</u>								
Summer Food Service Program for Children	10.559	3350-100-033-2011-2011			65,831.83	16,786.87	17,497.90	36,054.02
						16,786.87	17,497.90	36,054.02
<u>UNITED STATES DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>								
Brownfields Cooperative Assessment Agreement	66.818	N/A		8/4/09	200,000.00	75,881.89		200,000.00
						75,881.89		200,000.00
<u>UNITED STATES DEPARTMENT OF JUSTICE</u>								
Justice Assistance Program	16.579				10,531.00			10,492.00
Justice Assistance Program	16.579				48,281.00			48,280.50
Bulletproof Vest Partnership Program	16.607	N/A			4,451.05			4,451.05
Bulletproof Vest Partnership Program	16.607	N/A			9,497.00			9,497.00
								72,720.55
						\$ 368,187.88	\$ 293,017.02	\$ 2,470,084.63

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

TRANSITION YEAR ENDED DECEMBER 31, 2011

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	STATE	STATE	CUMULATIVE EXPENDITURES DECEMBER 31, 2011
		FROM	TO		TRANSITION YEAR 2011 FUNDS RECEIVED	TRANSITION YEAR 2011 EXPENDITURES	
<u>DEPARTMENT OF HUMAN SERVICES</u>							
H1N1 Local Public Health Emergency				\$ 71,058.00	\$	\$	61,835.03
<u>DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>							
Clean Communities Program	4900-765-042-4900-004-VCMC-6020		Continuous	63,378.00			20,114.24
Clean Communities Program	4900-765-042-4900-004-VCMC-6020		Continuous	11,036.00			
Clean Communities Program	4900-765-042-4900-004-VCMC-6020		Continuous	27,464.38			
Clean Communities Program	4900-765-042-4900-004-VCMC-6020		Continuous	28,598.14			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020		Continuous	6,430.00		6,430.00	6,430.00
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020		Continuous	4,736.00		4,736.00	4,736.00
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020		Continuous	10,879.85		10,879.85	10,879.85
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020		Continuous	14,509.41		14,509.41	14,509.41
Recycling Tonnage Grant - Unappropriated	4900-752-042-4900-001-V42Y-6020		Continuous	13,272.78	13,272.78		
Stormwater Grant				10,583.00			
					<u>13,272.78</u>	<u>36,555.26</u>	<u>56,669.50</u>
<u>DEPARTMENT OF TRANSPORTATION</u>							
Chestnut Streetscape - Ord. 2251			Continuous	500,000.00			
Various Streets - Ord 2251			Continuous	360,000.00			135,000.00
Various Streets - Ord 2276	6320-480-078-6320-AJZ-TCAP-6010		Continuous	207,000.00			207,000.00
Various Streets - Ord 2297 - Westbrook Flood Control Project			Continuous	5,055,000.00			17,811.00
Various Streets - Ord 2300	6320-480-078-6320-AIJ/AIH-TCAP-6010		Continuous	729,000.00			400,800.25
Various Streets - Ord 2340	6320-480-078-6320-AKE-TCAP-6010		Continuous	57,266.75	57,266.75	57,266.75	57,266.75
Various Streets - Ord 2380			Continuous	279,053.00			209,289.75
Various Streets - Ord 2380	6320-480-078-6320-AK3-TCAP-6010		Continuous	187,024.00	140,244.00	140,244.00	140,244.00
Various Streets - Ord 2380	6320-480-078-6320-AK1-TCAP-6010		Continuous	12,000.00	9,024.00	9,024.00	9,024.00
					<u>206,534.75</u>	<u>206,534.75</u>	<u>1,176,435.75</u>
<u>DEPARTMENT OF COMMUNITY AFFAIRS</u>							
Statewide Livable Communities - Local Library Aid	05-100-022-8030-654-FFFF-6120	5/1/05	4/30/07	50,000.00			50,000.00
							<u>50,000.00</u>
<u>DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT</u>							
Enterprise Zone	VARIOUS			2,175,308.37	544,053.13		2,175,308.37
Enterprise Zone - Unappropriated	VARIOUS			1,194,186.01	1,041,017.01		
					<u>1,585,070.14</u>		<u>2,175,308.37</u>
<u>GOVERNOR'S COUNCIL ON ALCOHOL AND DRUG ABUSE</u>							
Pass Through County of Union Alliance Grant	07-ALL-105	1/1/07	12/31/07	20,723.00		3,775.00	20,723.00
Pass Through County of Union Alliance Grant	08-ALL-105	1/1/08	12/31/08	20,346.00		3,638.09	15,468.14
Pass Through County of Union Alliance Grant	09-ALL-105	1/1/09	12/31/09	16,498.00			14,648.91
Pass Through County of Union Alliance Grant	10-ALL-105	1/1/10	12/31/10	17,654.28		3,020.80	17,654.28
						<u>10,433.89</u>	<u>68,494.33</u>

BOROUGH OF ROSELLE

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

TRANSITION YEAR ENDED DECEMBER 31, 2011

STATE GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	STATE	STATE	CUMULATIVE EXPENDITURES DECEMBER 31, 2011
		FROM	TO		TRANSITION YEAR 2011 FUNDS RECEIVED	TRANSITION YEAR 2011 EXPENDITURES	
<u>DEPARTMENT OF LAW AND PUBLIC SAFETY</u>							
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	Continuous		\$ 15,616.00	\$	\$ 759.90	\$ 8,202.00
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	Continuous		5,669.00			3,814.00
Drunk Driving Enforcement Fund	6400-100-078-6400-YYY	Continuous		4,367.19			
Alcohol Education and Rehabilitation	9735-760-098-4900-001-XI00-6020	Continuous		1,702.83			
Alcohol Education and Rehabilitation	9735-760-098-4900-001-XI00-6020	Continuous		3,524.00			
Alcohol Education and Rehabilitation	9735-760-098-4900-001-XI00-6020	Continuous		1,156.28			
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	Continuous		4,099.00			4,099.00
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	Continuous		5,619.00			5,619.00
Body Armor Replacement Fund	1020-718-066-1020-001-YCJS-6120	Continuous		1,867.40			1,729.85
Body Armor Replacement Fund - Unappropriated	1020-718-066-1020-001-YCJS-6120	Continuous		5,356.83	5,356.83		
Safe Routes to Schools				4,600.00			4,286.56
Click It or Ticket				4,000.00			3,590.85
Click It or Ticket				3,590.85			
Pandemic Influenza				8,652.00			8,564.00
Pandemic Influenza				7,472.00			7,469.90
Operation Safe Streets				4,000.00			
Over the Limit Under Arrest				5,000.00			5,000.00
Enhanced 911 Grant				112,409.00			
You Drink, You Drive You Lose	AL05-63-11-16			304.00			
					<u>5,356.83</u>	<u>759.90</u>	<u>52,375.16</u>
<u>DEPARTMENT OF TREASURY</u>							
Development of Elderly Programs	05-100-094-9420-047	7/1/04	6/30/06	10,000.00			9,809.40
					<u>\$ 1,810,234.50</u>	<u>\$ 254,283.80</u>	<u>\$ 3,650,927.54</u>

BOROUGH OF ROSELLE

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

TRANSITION YEAR ENDED DECEMBER 31, 2011

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>
Grant Fund	\$ 163,012.76	\$ 1,603,699.75	\$ 1,766,712.51
Trust Other Fund	205,175.12		205,175.12
General Capital Fund		206,534.75	206,534.75
	<u>\$ 368,187.88</u>	<u>\$ 1,810,234.50</u>	<u>2,178,422.38</u>

Expenditures

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Grant Fund	\$ 87,841.90	\$ 47,749.05	\$ 135,590.95
Trust Other Fund	205,175.12		205,175.12
General Capital Fund		206,534.75	206,534.75
	<u>\$ 293,017.02</u>	<u>\$ 254,283.80</u>	<u>\$ 547,300.82</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 RECOMMENDATIONS REPORTED
UNDER GOVERNMENT AUDITING STANDARDS
FOR THE TRANSITION YEAR ENDED DECEMBER 31, 2011

Compliance 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.

Recommendation

That the Borough maintain general ledgers for all funds in compliance with N.J.A.C 5:30-5.7.

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.

Recommendation

That the Borough maintain a General Fixed Asset Ledger in compliance with N.J.A.C 5:30-5.6.

Internal Control Findings

Finding #TY 2011-03

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

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PART III

BOROUGH OF ROSELLE

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

FISCAL YEAR ENDED DECEMBER 31, 2011

STATEMENT OF OPERATIONS AND CHANGE
IN FUND BALANCE - CURRENT FUND

	TRANSITION YEAR 2011		FISCAL YEAR 2011		
	AMOUNT	%	AMOUNT	%	
<u>REVENUE AND OTHER INCOME REALIZED</u>					
Fund Balance Utilized	\$		\$	975,000.00	1.48%
Miscellaneous - From Other Than Local Property Tax Levies	4,615,490.07	13.88%	6,391,122.28	9.70%	
Collection of Delinquent Taxes and Tax Title Liens	27,805,040.42	83.64%	56,470,254.73	85.67%	
Collection of Current Tax Levy	824,471.37	2.48%	2,076,139.45	3.15%	
<u>Total Income</u>	\$ <u>33,245,001.86</u>	<u>100.00%</u>	\$ <u>65,912,516.46</u>	<u>100.00%</u>	
<u>EXPENDITURES</u>					
Budget Expenditures:					
Municipal Purposes	\$ 16,915,917.35	50.66%	\$ 33,552,727.90	52.11%	
County Taxes	3,665,071.16	10.98%	7,171,779.76	11.14%	
Local School Taxes	11,719,400.00	35.10%	23,438,800.00	36.40%	
Other Expenditures	1,089,502.88	3.26%	230,835.55	0.36%	
<u>Total Expenditures</u>	\$ <u>33,389,891.39</u>	<u>100.00%</u>	\$ <u>64,394,143.21</u>	<u>100.00%</u>	
Excess (Deficit) in Revenue	\$ (144,889.53)		\$ 1,518,373.25		
Adjustments to Income Before Surplus:					
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year	1,010,774.59		117,839.14		
Statutory Excess to Fund Balance	\$ 865,885.06		\$		
Fund Balance, July 1	1,658,540.15		997,327.76		
	\$ 2,524,425.21		\$ 2,633,540.15		
Decreased by:					
Utilization as Anticipated Revenue			975,000.00		
Fund Balance, June 30	\$ <u>2,524,425.21</u>		\$ <u>1,658,540.15</u>		

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

	<u>TRANSITION YEAR 2011</u>		<u>FISCAL YEAR 2011</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Collection of Rents	\$ 119,469.00	98.54%	\$ 244,579.00	98.99%
Miscellaneous - From Other Than Rents	<u>1,774.09</u>	<u>1.46%</u>	<u>2,493.82</u>	<u>1.01%</u>
<u>TOTAL INCOME</u>	<u>\$ 121,243.09</u>	<u>100.00%</u>	<u>\$ 247,072.82</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Operating	\$ 70,340.70	60.97%	\$ 138,259.20	55.60%
Deferred Charges and Statutory Expenditures				
Debt Service	34,175.00	29.62%	104,400.00	41.98%
Other Expenditures	<u>10,861.04</u>	<u>9.41%</u>	<u>6,008.23</u>	<u>2.47%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 115,376.74</u>	<u>100.00%</u>	<u>\$ 248,667.43</u>	<u>100.05%</u>
Excess in Revenue	\$ 5,866.35			
Deficit in Revenue			\$ (1,594.61)	
Adjustments to Income Before Surplus:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>\$ 12,701.74</u>		<u>\$ 7,267.43</u>	
Statutory Excess to Fund Balance	18,568.09		5,672.82	
Fund Balance:				
Balance	<u>110,415.46</u>		<u>104,742.64</u>	
Balance	<u>\$ 128,983.55</u>		<u>\$ 110,415.46</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	TRANSITION YEAR <u>2011</u>	FISCAL YEAR <u>2011</u>	FISCAL YEAR <u>2010</u>
Tax Rate	<u>\$3.841</u>	<u>\$7.515</u>	<u>\$7.220</u>
Apportionment of Tax Rate:			
Municipal	1.885	3.605	3.393
County	0.456	0.912	0.826
Local School	1.500	2.998	3.001

Assessed Valuations:

2011	<u>\$781,311,070.00</u>	
2010		<u>\$781,813,635.00</u>
2009		<u>\$781,136,336.00</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.

		CURRENTLY	
	<u>TAX LEVY</u>	<u>CASH COLLECTION</u>	<u>PERCENTAGE OF COLLECTIONS</u>
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%
FISCAL YEAR 2010	\$56,754,582.42	\$54,316,052.37	95.70%

DELINQUENT TAXES AND TAX TITLE LIENS

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

	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
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%
FISCAL YEAR 2010	\$10,825.01	\$2,585,485.32	\$2,596,310.33	4.57%

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:

	<u>AMOUNT</u>
TRANSITION YEAR 2011	\$2,027,232.00
FISCAL YEAR 2011	\$2,027,232.00
FISCAL YEAR 2010	\$2,027,232.00

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund		
TRANSITION YEAR 2011	\$2,524,425.21	\$1,516,783.00
FISCAL YEAR 2011	1,658,540.15	-0-
FISCAL YEAR 2010	997,327.76	975,000.00
FISCAL YEAR 2009	1,636,214.76	1,300,000.00
FISCAL YEAR 2008	571,889.00	360,000.00

	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Affordable Housing		
Utility Operating		
Fund		
TRANSITION YEAR 2011	\$128,983.55	\$ -0-
FISCAL YEAR 2011	110,415.46	-0-
FISCAL YEAR 2010	1,658,540.15	-0-
FISCAL YEAR 2009	997,327.76	975,000.00
FISCAL YEAR 2008	1,636,214.76	1,300,000.00

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>
Garret B. Smith	Mayor		
Jamel Holley	Council President		
Yves Aubourg	Councilman		
Christine Dansereau	Councilwoman		
Kim Shaw	Councilwoman		
Cecilia Dallis-Ricks	Councilwoman		
Sylvia Turnage	Councilwoman		
David Brown	Administrator		
Rhona Bluestein	Clerk	\$100,000.00	Western Surety Co.
Donna Mauer	CFO - From 9/21/11	\$100,000.00	Western Surety Co.
Carl Marshall	Magistrate	\$50,000.00	Western Surety Co.
Stella Fellner	Court Administrator	\$100,000.00	Hartford Insurance Co.
John Hudak	Attorney		
Rachel LaSpina	Tax Collector From 7/31/11	\$100,000.00	Western Surety Co.
Pamela Steele	Tax Assessor		
Gerard Orlando	Police Chief		
Paul Mucha	Fire Chief		

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 July 1, 2010, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$26,000.00. Effective January 1, 2011 Municipalities that had not appointed a Qualified Purchasing Agent had the bid threshold reduced to \$17,500.00. The Borough has not appointed a Qualified Purchasing Agent and therefore at January 1, 2011 their bid threshold became \$17,500.00

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

- Road Improvements
- Sewer Improvements
- Security Equipment
- Vehicles
- Sidewalk Improvements
- Traffic Signal Maintenance
- Kitchen Improvements

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 Fiscal Year 2010 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 21, 2011 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 May 27, 2011.

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>
Transition Year 2011	5
Fiscal Year 2011	5
Fiscal Year 2010	2

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 2011	25
Payment of 2010	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, 2011 on the balance sheets of the Borough.

Municipal Court

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

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.

We noted that the approval signature generated by the Payroll company on Net Payroll checks was for a previous employee no longer employed by the Borough.

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.

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.

A 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

A adequate detailed cash receipts ledger was not maintained.

Police Department:

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

A adequate detailed cash receipts ledger was not maintained.

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

OTHER COMMENTS (CONTINUED)

Departments (Continued)

Construction Code Department:

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

We noted 2 fees charged per the construction computer system that were not in agreement with the Borough Ordinance.

Recreation Department:

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

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

Public Works Department:

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

A adequate detailed cash receipts ledger was not maintained.

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

Zoning/Planning Board:

A adequate detailed cash receipts ledger was not maintained.

We noted 2 fees charged that were not in agreement with the Borough Ordinance.

Surety Bonds

The surety bond for the Tax Collector office was not available for audit.

A blanket bond covering employees not separately bonded was not 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.

OTHER COMMENTS (CONTINUED)

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.

Numerous cash receipts and disbursements were not promptly posted and/or 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 reconciled on a timely basis. This resulted in two accounts being overdrawn.

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

A detailed Vendor History Report was not made available for audit.

We selected two bids and two professional service contracts awarded by resolution for testing that were not awarded in compliance with N.J.S.A. 40A:11-5 and 19:44A-20-5. Documentation supporting these awards such as copies of contracts and proof of publications in the official Borough newspaper were not made available for audit

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 and expenditures without an appropriation occurred. In addition, invoices and signatures were not always present when reviewing voucher packages.

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:

*Properly reconcile the fines and costs bank accounts with the computer system on a monthly basis.

*That tickets on the "Assigned but not Issued Report" be investigated and cleared of record.

*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 payroll processing and disbursement services be brought in accordance with the requirements of N.J.A.C. 5:30-17 and Local Finance Notice 2003-15.

*That the Borough be reimbursed on a timely basis by the Borough Library for payroll expenditures.

*That the payroll be formally reviewed and approved by an individual not involved in the payrolls preparation.

*That the approval signature generated by the Payroll company on Net Payroll checks be the current Chief Financial Officer's signature.

That monthly tax reports be generated and reconciled with the Current Fund General Ledger.

*That the balance on account 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 reviewed.

*That the Borough's Municipal Departments:

*Deposit or remit all receipts collected to the Treasurer within 48 hours per N.J.S.A. 40A:5-15.

*Maintain an adequate record of all cash receipts collected and reconcile monthly.

*Maintain and follow an official schedule of fees to be charged by the various departments.

*That all surety coverage for Borough employees be made available for audit.

RECOMMENDATIONS (CONTINUED)

*That accurate financial records be obtained from the Borough's housing management company in an effort to collect past due rents.

That the Security Deposit Escrow Account be re reconciled to a listing of required security escrow deposits.

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

*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 proven to subsidiary records on a monthly basis.

*That greater care be exercised in posting of cash receipts and disbursements.

*That bank accounts be reconciled on a timely basis.

That the Borough obtain the necessary actuarial information required to report the long-term liabilities related to its Other Post-Employment Benefits (OPEB) Programs.

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

*That all grant receivables and appropriated reserves from prior years be reviewed and cleared of record, eligible grant costs be drawn down on a timely basis.

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

That fees collected on behalf of the State of New Jersey for State Training Fees be separately accounted for.

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

That a detailed Vendor History Report be made available for audit.

*That documentation supporting the award of contracts through professional services and bids be made available for audit.

That the Borough obtain the necessary actuarial information required to report the long-term liabilities related to its Other Post-Employment Benefits (OPEB) Programs.

*Prior Year Recommendations



