



BOROUGH of ROSELAND
ESSEX COUNTY - NEW JERSEY

BOROUGH OF ROSELAND
ESSEX COUNTY, NEW JERSEY
REPORT ON
EXAMINATION OF ACCOUNTS
DECEMBER 31, 2013

BOROUGH OF ROSELAND
COUNTY OF ESSEX, NEW JERSEY

CONTENTS

	<u>PAGE</u>
Roster of Officials	2
Independent Auditor's Report.....	3

FINANCIAL STATEMENTS

CURRENT FUND

EXHIBIT

A	Comparative Balance Sheets	5
A-1	Comparative Statement of Operations and Changes in Fund Balance	7
A-2	Statement of Revenues	8
A-2a	Statement of Revenues - Analysis of Realized Revenue - Taxes.....	9
A-2b	Statement of Revenues - Analysis of Realized Revenue - Other	10
A-2c	Statement of Revenues - Analysis of Nonbudget Revenue	11
A-3	Statement of Expenditures	12

TRUST FUND

B	Comparative Balance Sheets	16
---	----------------------------------	----

GENERAL CAPITAL FUND

C	Comparative Balance Sheets	17
C-1	Statement of Fund Balance	18

WATER/SEWER UTILITY

D	Comparative Balance Sheets	19
D-1	Comparative Statement of Operations and Changes in Fund Balance	20
D-2	Statement of Water Capital Fund Balance	21
D-3	Statement of Revenue - Operating Fund	22
D-4	Statement of Expenditures	23

FINANCIAL STATEMENTS
(Continued)

PAYROLL FUND

<u>EXHIBIT</u>		<u>PAGE</u>
E	Comparative Balance Sheets	24
	<u>NOTES TO FINANCIAL STATEMENTS</u>	25-37

SUPPLEMENTARY INFORMATION

CURRENT FUND

A-4	Schedule of Cash	38
A-5	Schedule of Investments	39
A-6	Petty Cash	39
A-7	Due from (to) State of New Jersey Per Chapter 129, P.L. 1976	40
A-8	Taxes Receivable and Analysis of Property Tax Levy	41
A-9	Tax Title Liens	42
A-10	Other Accounts Receivable	42
A-11	Revenue Accounts Receivable	43
A-12	Interfunds Receivable (Payable)	44
A-13	Deferred Charges	45
A-14	Deferred Charges Special Emergency Appropriation	45
A-15	2011 Appropriation Reserves	46
A-16	Reserve for Developers Agreement	48
A-17	Due to State of New Jersey	49
A-18	Accounts Payable	49
A-19	Tax Overpayments	50
A-20	County Taxes Payable	50
A-21	School Taxes Payable	51
A-22	Prepaid Taxes	52
A-23	Reserve for Tax Appeals	52
A-24	Interfunds Receivable Federal/State Grant Fund	53
A-25	Due to Essex County	53
A-26	Federal and State Grants Receivable	54
A-27	Reserve for Grants Appropriated	55
A-28	Reserve for Unappropriated Reserves	56

SUPPLEMENTARY INFORMATION
(Continued)

TRUST FUND

<u>EXHIBIT</u>		<u>PAGE</u>
B-1	Cash Receipts and Disbursements	57
B-2	Cash Receipts and Disbursements Developers Escrow Account.....	58
B-3	Cash Receipts and Disbursements Money Market Accounts	59
B-4	Cash Receipts and Disbursements Open Space Fund.....	59
B-5	Interfund Accounts.....	60
B-6	Due to State of New Jersey	61
B-7	State Unemployment Compensation Insurance Fund	61
B-8	Due from Essex County Community Development Block Grant.....	62
B-9	Reserve for Animal Control Expenditures	62
B-10	Reserve for Recreation Expenditures	63
B-11	Reserve for Open Space Program	63
B-12	Developer's Escrow.....	64
B-13	Special Deposits	65
B-14	Reserve for Affordable Housing Expenditures	66
B-15	Reserve for Community Development Block Grant Expenditures	66

GENERAL CAPITAL FUND

C-2	Cash Receipts and Disbursements – Checking Account.....	67
C-3	Cash Receipts and Disbursements Investments.....	67
C-4	Analysis of Capital Cash.....	68
C-5	Due to Current Fund.....	69
C-6	Due from State of New Jersey Transportation Trust Fund.....	70
C-7	Deferred Charges to Future Taxation - Funded	71
C-8	Capital Improvement Fund	71
C-9	Reserve for State Grant Receivable.....	71
C-10	Deferred Charges to Future Taxation - Unfunded.....	72
C-11	Improvement Authorizations.....	73
C-12	Bond Anticipation Notes	74
C-13	General Serial Bonds	75
C-14	Bonds and Notes Authorized but Not Issued	76

WATER/SEWER UTILITY

D-5	Statement of Water Utility Cash	77
D-6	Cash Receipts and Disbursements	78
D-7	Analysis of Water/Sewer Capital Cash.....	79
D-8	Water/Sewer Rents Receivable.....	80
D-9	Inventory.....	81
D-10	Fixed Capital.....	81
D-11	Fixed Capital Authorized and Uncompleted	82
D-12	Appropriation Reserves	83
D-13	Accounts Payable	84
D-14	Accrued Interest on Notes	84
D-15	Prepayment of Water/Sewer Rent.....	85
D-16	Water/Sewer Overpayments	85

SUPPLEMENTARY INFORMATION
(Continued)

WATER/SEWER UTILITY

<u>EXHIBIT</u>		<u>PAGE</u>
D-17	Reserve for Amortization	86
D-18	Deferred Reserve for Amortization	86
D-19	Capital Improvement Fund	87
D-20	Improvement Authorizations	88
D-21	Bond Anticipation Notes	89
D-22	Bonds and Notes Authorized but not Issued	90

PAYROLL FUND

E-1	Cash Receipts and Disbursements	91
E-2	Analysis of Payroll Deductions	92

PART II

REPORT ON INTERNAL CONTROL AND SINGLE AUDIT ATTACHMENTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	94
---	----

GENERAL COMMENTS AND RECOMMENDATIONS

EXHIBIT

General Comments	96
Recommendations	99

BOROUGH OF ROSELAND

PART I

ROSTER OF OFFICIALS, INDEPENDENT AUDITORS' REPORT, FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2013

BOROUGH OF ROSELAND
ROSTER OF OFFICIALS
DECEMBER 31, 2013

MAYOR

John Duthie

BOROUGH COUNCIL

Thomas Tsilionis
Peter Smith
Richard Leonard
Mark Vidovich
Michele Tolli
David B. Jacobs

BOROUGH ADMINISTRATOR

Maureen Chumacas

DIRECTOR OF FINANCE

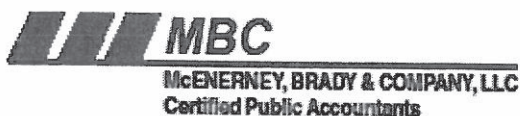
Maureen Chumacas

ACTING BOROUGH CLERK

Margaret McCormack

BOROUGH ATTORNEY

Ethan J. Sheffet



Independent Auditors' Report

The Honorable Mayor and Members
of the Borough Council
Borough of Roseland
Roseland, New Jersey

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds of the Borough of Roseland, County of Essex, New Jersey (the "Borough") as of and for the years ended December 31, 2013 and 2012, the statements of revenues, expenditures and changes in fund balances for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion

Management has prepared the financial statements in conformity with accounting practices prescribed by the Division which 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. These practices differ in certain respects, which in some instances may be material, from accounting principles generally accepted in the United States of America applicable to local government units. The more significant of these practices are described in Note 2 to the financial statements.

293 Eisenhower Parkway, Livingston, NJ 07039
(973) 535-2880

832 McLean Avenue, Yonkers, NY 10704
(914) 237-3676

Qualified Opinion

In our opinion, because of the Borough's policy to prepare its financial statements on the basis of accounting discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2013 or the results of its operations for the year then ended.

Unmodified Opinion

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds of the Borough of Roseland, Essex County, New Jersey, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles and practices prescribed by the Division, as described in Note 1 to the financial statements.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise Borough's basic financial statements. The accompanying supplementary sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

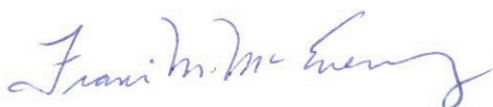
The information included in the supplemental sections is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental sections is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2014 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



Livingston, New Jersey
June 30, 2014



Francis M. McEnerney, CPA, RMA
Licensed Registered Municipal Accountant # 539

BOROUGH OF ROSELAND
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

A
Sheet # 1

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Regular Fund</u>			
Cash:			
Checking Account	A-4	\$ 4,722,870.35	\$ 3,603,633.63
Investments	A-5	66,739.92	419,613.21
Change Fund	Unch.	200.00	200.00
Due from State of New Jersey			
Ch. 129, P.L. 1976	A-7	750.00	
		<u>4,790,560.27</u>	<u>4,023,446.84</u>
Receivables and Other Assets with			
Full Reserves:			
Taxes Receivable	A-8	287,746.99	223,758.25
Tax Title Liens	A-9	27,331.94	1,281.81
Property Acquired for Taxes			
at Assessed Value	Unch.	250,000.00	250,000.00
Other Accounts Receivable	A-10	4,584.39	4,573.17
Revenue Accounts Receivable	A-11	9,760.94	12,886.56
Interfunds Receivable	A-12	1,159.91	7,157.27
		<u>580,584.17</u>	<u>499,657.06</u>
Deferred Charges:			
Emergency Appropriation	A-13		131,272.00
Special Emergency Appropriation	A-14		46,600.00
			<u>177,872.00</u>
		<u>5,371,144.44</u>	<u>4,700,975.90</u>
<u>Federal and State Grant Fund</u>			
Interfunds Receivable	A-24	386,138.94	141,533.72
Federal and State Grants Receivable	A-26	20,834.74	49,836.64
		<u>406,973.68</u>	<u>191,370.36</u>
		<u>\$ 5,778,118.12</u>	<u>\$ 4,892,346.26</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Regular Fund</u>			
Appropriation Reserves:			
Encumbered	A-3, 15	\$ 630,245.46	\$ 886,399.05
Reserved	A-3, 15	780,986.48	642,298.05
Due to State of New Jersey			
Ch. 129, P.L. 1976	A-7		181.34
Interfunds Payable	A-12	386,138.94	135,533.72
Reserve for Developers Agreement	A-16		205,550.00
Due to State of New Jersey			
Construction Training Fees	A-17	5,363.00	5,414.00
Marriage Licenses	A-17	25.00	25.00
Accounts Payable	A-18	136,684.35	287,992.89
Tax Overpayments	A-19	8,636.84	11,878.38
County Taxes Payable	A-20	20,664.28	1,932.27
Prepaid Taxes	A-22	210,492.98	310,896.38
Reserve for Tax Appeals	A-23	267,862.22	18,683.10
		<u>2,447,099.55</u>	<u>2,506,784.18</u>
Reserve for Receivables and Other Assets		580,584.17	499,657.06
Fund Balance	A-1	<u>2,343,460.72</u>	<u>1,694,534.66</u>
		<u>5,371,144.44</u>	<u>4,700,975.90</u>
<u>Federal and State Grant Fund</u>			
Due to State of New Jersey	A-17	40,953.96	40,953.96
Due to Essex County	A-25	2,467.42	2,467.42
Reserve for Grants Appropriated	A-27	320,929.24	115,554.93
Reserve for Unappropriated Reserves	A-28	42,623.06	32,394.05
		<u>406,973.68</u>	<u>191,370.36</u>
		<u>\$ 5,778,118.12</u>	<u>\$ 4,892,346.26</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

COMPARATIVE STATEMENT OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

A-1

<u>Revenue and Other Income</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Fund Balance Utilized	A-2	\$ 937,000.00	\$ 937,000.00
Miscellaneous Revenue Anticipated	A-2	2,389,936.73	2,566,958.56
Receipts from Delinquent Taxes	A-2a	207,661.27	163,222.99
Receipts from Current Taxes	A-2a	34,258,536.99	34,670,900.73
Nonbudget Revenue	A-2c	480,503.77	336,703.76
Other Credits to Income:			
Interfunds Returned	A-12	5,997.36	36,258.98
Reserve for Revaluation			
Unexpended Balance Appropriation			
Reserves	A-15	464,173.46	522,020.74
Accounts Payable Canceled	A-18	126,241.30	
		<u>38,870,050.88</u>	<u>39,233,065.76</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operations		11,195,809.79	9,812,299.80
Debt Service		37,352.09	1,336,099.50
Statutory Expenditures		1,204,138.00	1,256,517.00
Deferred Charges		177,872.00	236,157.00
	A-3	<u>12,615,171.88</u>	<u>12,641,073.30</u>
Municipal Open Space Tax	A-12	337,697.51	342,926.36
County Taxes	A-20	7,678,731.43	8,737,102.93
Local School District Tax	A-21	7,674,053.00	7,604,576.00
Regional High School Tax	A-21	8,976,069.00	8,525,595.32
Other Charges to Income:			
Prior Revenue Refund	A-4	402.00	100.00
Prior Year Senior Citizen Deduction			
Disallowed	A-7	2,000.00	3,000.00
State Tax Court Judgments			239,936.10
		<u>37,284,124.82</u>	<u>38,094,310.01</u>
Excess in Revenue		1,585,926.06	1,138,755.75
Add: Deferred Charges			<u>131,272.00</u>
Statutory Excess in Revenue		1,585,926.06	1,270,027.75
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>1,694,534.66</u>	<u>1,361,506.91</u>
		3,280,460.72	2,631,534.66
Decreased by:			
Utilized As Anticipated Revenue	A-1	<u>937,000.00</u>	<u>937,000.00</u>
Balance, End of Year	A	<u>\$ 2,343,460.72</u>	<u>\$ 1,694,534.66</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF REVENUES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	<u>\$ 937,000.00</u>	<u>\$ 937,000.00</u>	<u>\$</u>
<u>Miscellaneous Revenues</u>				
Licenses:				
Alcoholic Beverages	A-11	3,694.00	3,694.00	
Other	A-2b	16,025.00	18,473.00	2,448.00
Fees and Permits:				
Other	A-2b	92,776.00	104,993.84	12,217.84
Fines and Costs:				
Municipal Court	A-11	202,664.00	152,006.78	(50,657.22)
Interest and Costs on Taxes	A-2b	49,262.00	57,400.81	8,138.81
Interest on Investments and Deposits	A-11	9,452.00	13,397.56	3,945.56
Cablevision Franchise Fees (N.J.S.A. 48:5A-30)	A-11	74,587.00	98,856.43	24,269.43
Cell Tower Lease	A-11	58,000.00	71,709.17	13,709.17
Lease Agreement - Arc of Essex	A-11	80,000.00	96,500.04	16,500.04
Energy Receipts Tax	A-11	837,731.00	837,731.00	
Uniform Construction Code Fees	A-11	282,479.00	411,483.00	129,004.00
FEMA: Hurricane Sandy	A-11	28,690.21	29,847.05	1,156.84
Recycling Tonnage Grant - Unappropriated	A-26	29,704.91	29,704.91	
Municipal Alliance on Alcoholism and Drug Abuse	A-26	5,900.00	5,900.00	
Body Armor Replacement Fund Unappropriated	A-26	2,689.14	2,689.14	
Williams Transco Pipeline Private Grant	A-26	205,550.00	205,550.00	
Utility Operating Surplus	A-11	<u>250,000.00</u>	<u>250,000.00</u>	
Total Miscellaneous Revenue	A-1	<u>2,229,204.26</u>	<u>2,389,936.73</u>	<u>160,732.47</u>
Receipts from Delinquent Taxes	A-1,2a	<u>218,367.98</u>	<u>207,661.27</u>	<u>(10,706.71)</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2a	<u>9,822,079.19</u>	<u>10,100,857.69</u>	<u>278,778.50</u>
Budget Totals		13,206,651.43	13,635,455.69	
Nonbudget Revenue	A-2c		<u>480,503.77</u>	<u>480,503.77</u>
Total Revenue	A-3	<u>\$ 13,206,651.43</u>	<u>\$ 14,115,959.46</u>	<u>\$ 480,503.77</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF REVENUES
ANALYSIS OF REALIZED REVENUE - TAXES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2a

	<u>Ref.</u>		
<u>Receipts from Delinquent Taxes</u>			
2013 Collections	A-8	\$ 207,661.27	
Delinquent Tax Collections	A-1,2,8		<u>\$ 207,661.27</u>
<u>Current Tax Collections</u>			
2013 Collections	A-8	\$ 33,982,772.86	
2012 Collections	A-8	221,014.13	
Due from State of New Jersey (Ch. 129, P.L. 1976)	A-8	<u>54,750.00</u>	
	A-1		\$ 34,258,536.99
Allocated to:			
Municipal Open Space Tax	A-8	337,697.51	
County Taxes	A-20	7,678,731.43	
Local School District Tax	A-21	7,674,053.00	
Regional High School Tax	A-21	<u>8,976,069.00</u>	
			<u>24,666,550.94</u>
Balance for Support of Municipal Budget Appropriations			9,591,986.05
Plus: Appropriations "Reserve for Uncollected Taxes	A-3		<u>508,871.64</u>
Amount for Support of Municipal Budget Appropriation	A-2		<u>\$ 10,100,857.69</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF REVENUES
ANALYSIS OF REALIZED REVENUE - OTHER
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2b

Analysis of Licenses and Permits

	<u>Ref.</u>		
<u>Other Licenses</u>			
Borough Clerk	A-11	\$ 410.00	
Board Of Health	A-11	18,063.00	
	A-2		<u>\$ 18,473.00</u>
<u>Other Fees and Permits</u>			
Registrar of Vital Statistics	A-11	\$ 6,780.00	
Zoning Fees & Permits	A-11	9,228.90	
Tax Search Fees	A-11	970.00	
Administration Fees	A-11	36,748.03	
Recreation	A-11	628.76	
Department of Public Works	A-11	151.00	
Right of Way Fees	A-11	1,100.00	
Borough Clerk	A-11	7,801.15	
Fire Prevention Bureau	A-11	2,206.00	
Zoning CCO	A-11	39,300.00	
Collector-Treasurer	A-11	80.00	
	A-2		<u>\$ 104,993.84</u>
<u>Interests and Costs on Taxes</u>			
Interest on Delinquent Taxes	A-4	\$ 53,916.89	
Other Accounts Receivable	A-10	3,483.92	
	A-2		<u>\$ 57,400.81</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF REVENUES
ANALYSIS OF NONBUDGET REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2c

Ref.

Miscellaneous Revenue Not Anticipated
Collections:

Prior Year Refunds	\$ 54,158.87
Prior Year FEMA Reimbursement	107,581.48
Building Code Violation	4,000.00
State Fire Bureau Reimbursements	12,276.88
Motor Vehicle Inspections	18,211.00
Sale of Borough Assets	64,226.73
Settlement Agreement	168,964.00
Developers Agreement	28,594.34
Police Revenue	2,497.00
Assessor/Board of Health	380.00
Collector/Treasurer	1,341.34
Clerk's Office	2,062.10
Sale of Recycling	5,740.85
Public Works Office	352.84
Other	1.34
Premium Note Sale	10,115.00

A-1,2

\$ 480,503.77

Ref.

Cash Receipts	A-4	\$ 470,387.43
Due From Capital Fund	A-12	10,115.00
Overpayments	A-19	1.34
		<u>\$ 480,503.77</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet 1

APPROPRIATIONS WITHIN "CAPS"	Appropriations		Expended		Cancel
	Budget	Modified Budget	Paid or Charged	Reserved	
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Salaries and Wages	\$ 142,100.00	\$ 142,100.00	\$ 113,383.74	\$ 28,716.26	\$
Other Expenses	43,652.00	34,652.00	25,613.81	9,038.19	
Mayor and Council:					
Salaries and Wages	22,779.00	22,779.00	22,779.00		
Office of Borough Clerk:					
Salaries and Wages	65,700.00	66,532.00	65,744.34	787.66	
Other Expenses	14,059.00	18,711.00	11,131.05	7,579.95	
Financial Administration:					
Salaries and Wages	16,003.00	16,003.00	16,003.00		
Fixed Asset Accounting System - Other Expenses	4,508.00	4,508.00	3,608.00	900.00	
Audit Services:					
Other Expenses	33,500.00	33,500.00		33,500.00	
Computer Data Process:					
Salaries and Wages	30,145.00	28,145.00	23,983.05	4,161.95	
Collection of Taxes:					
Salaries and Wages	42,675.00	42,675.00	38,598.65	4,076.35	
Other Expenses	5,045.00	4,045.00	3,584.00	461.00	
Assessment of Taxes:					
Salaries and Wages	31,620.00	31,620.00	31,619.97	0.03	
Other Expenses	44,700.00	24,700.00	7,874.10	16,825.90	
Legal Services and Costs:					
Salaries and Wages	60,000.00	61,200.00	61,200.00		
Other Expenses	212,300.00	250,165.00	140,080.03	110,084.97	
Engineering Services and Costs:					
Other Expenses	20,000.00	18,000.00	10,817.50	7,182.50	
Historic Preservation Commission:					
Other Expenses	1,200.00	1,200.00		1,200.00	
<u>LAND USE ADMINISTRATION</u>					
Municipal Land Use Law (N.J.S.A. 40:55D-1):					
Planning Board:					
Salaries and Wages	12,590.00	12,590.00	12,478.68	111.32	
Other Expenses	48,125.00	48,125.00	8,734.38	39,390.62	
Board of Adjustment:					
Salaries and Wages	21,800.00	21,800.00	21,797.03	2.97	
Other Expenses	8,200.00	8,200.00	2,903.00	5,297.00	
Affordable Housing:					
Other Expenses	25,000.00	25,000.00	6,019.24	18,980.76	
<u>INSURANCE</u>					
Insurance (N.J.S.A. 40A:4-45.3)					
General Liability	230,941.00	230,941.00	230,940.08	0.92	
Worker's Compensation Insurance	245,852.00	245,852.00	245,694.04	157.96	
Employee Group Health	1,731,420.00	1,731,420.00	1,555,317.73	176,102.27	
Health Waiver	20,000.00	20,000.00	17,833.53	2,166.47	
Unemployment Compensation Insurance	2,600.00	2,600.00	1,294.90	1,305.10	

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet 2

	Appropriations		Expended		
	Budget	Modified Budget	Paid or Charged	Reserved	Cancel
APPROPRIATIONS WITHIN "CAPS"					
PUBLIC SAFETY					
Police:					
Salaries and Wages	\$ 2,924,641.00	\$ 2,924,641.00	\$ 2,772,126.04	\$ 152,514.96	\$
Other Expenses	149,117.00	149,117.00	112,456.77	36,660.23	
Police Dispatch/911:					
Salaries and Wages					
Other Expenses	10,800.00	10,800.00	5,751.00	5,049.00	
Emergency Management Services:					
Salaries and Wages	5,966.00	5,966.00	5,966.00		
Other Expenses	7,144.00	7,144.00	4,475.66	2,668.34	
Aid to Volunteer Fire Companies	40,000.00	40,000.00	40,000.00		
First Aid Organization - Contribution	50,000.00	50,000.00	50,000.00		
Fire Dept:					
Salaries and Wages					
Other Expenses	69,925.00	69,925.00	37,316.98	32,608.02	
Fire Prevention:					
Salaries and Wages	22,426.00	22,426.00	21,156.58	1,269.42	
Other Expenses	4,500.00	4,500.00	1,807.92	2,692.08	
Municipal Prosecutor:					
Salaries and Wages	18,564.00	18,564.00	18,564.00		
Other Expenses	2,000.00	2,000.00	920.00	1,080.00	
PUBLIC WORKS FUNCTIONS					
Road Repairs and Maintenance:					
Salaries and Wages	234,835.00	231,320.00	229,462.02	1,857.98	
Other Expenses	9,900.00	9,900.00	6,958.70	2,941.30	
Storm Clearance:					
Salaries and Wages	20,000.00	20,000.00	16,775.44	3,224.56	
Other Expenses	50,300.00	50,300.00	27,392.40	22,907.60	
Shade Tree Commission:					
Salaries and Wages	2,800.00	2,800.00	2,374.41	425.59	
Other Expenses	30,600.00	30,600.00	14,115.71	16,484.29	
Solid Waste Collection:					
Other Expenses	583,650.00	583,650.00	401,526.09	182,123.91	
Public Building and Grounds:					
Salaries and Wages	338,211.00	338,211.00	314,163.59	24,047.41	
Other Expenses	103,030.00	103,030.00	69,077.26	33,952.74	
Vehicle Maintenance:					
Salaries and Wages	29,460.00	29,460.00	28,969.25	490.75	
Other Expenses	47,180.00	47,180.00	35,339.07	11,840.93	
Condominium Service Act:					
Other Expenses	44,000.00	44,000.00		44,000.00	
HEALTH AND WELFARE					
Board of Health:					
Other Expenses	4,269.00	4,269.00	1,469.66	2,799.34	
Dog Regulation:					
Other Expenses	4,000.00				
Environmental Commission:					
Other Expenses	1,000.00	1,000.00	400.00	600.00	
Contributions to Social Services:					
Other Expenses	2,050.00	2,050.00		2,050.00	
Municipal Youth Guidance:					
Other Expenses	1,242.00	1,242.00	558.26	683.74	

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet 3

	Appropriations		Expended		
	Budget	Modified Budget	Paid or Charged	Reserved	Cancel
APPROPRIATIONS WITHIN "CAPS"					
RECREATION AND EDUCATION					
Public Recreation Program:					
Salaries and Wages	\$ 139,090.00	\$ 139,090.00	\$ 128,984.20	\$ 10,105.80	\$
Other Expenses	27,425.00	32,425.00	27,419.15	5,005.85	
Camp Wyanokie					
Other Miscellaneous Expenses	2,205.00	2,205.00	1,903.00	302.00	
OTHER COMMON OPERATING FUNCTIONS					
Beautification Committee:					
Other Expenses	8,700.00	10,250.45	8,315.86	1,934.59	
City Notification/Cable TV:					
Other Expenses	28,750.00	18,750.00	10,140.92	8,609.08	
Senior Citizens' Transportation:					
Other Expenses	25,553.00	17,553.00	17,500.00	53.00	
Senior Citizens' Advisory Committee:					
Other Expenses	1,470.00	1,470.00	293.92	1,176.08	
MUNICIPAL COURT					
Municipal Court:					
Salaries and Wages	134,745.00	134,745.00	133,778.56	966.44	
Other Expenses	10,600.00	10,600.00	6,887.86	3,712.14	
Public Defender:					
Salaries and Wages	4,243.00	4,243.00	3,263.84	979.16	
Other Expenses	500.00	500.00		500.00	
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS					
OFFSET BY DEDICATED REVENUES N.J.A.C. (5:23-4.17)					
Construction Code Officials:					
Salaries and Wages	41,065.00	41,065.00	26,419.10	14,645.90	
Other Expenses	9,010.00	9,010.00	5,012.70	3,997.30	
UNCLASSIFIED					
Utilities:					
Electricity	110,000.00	125,092.85	79,377.87	45,714.98	
Street Lighting	155,000.00	151,000.00	115,612.75	35,387.25	
Telephone and Telegraph	61,000.00	61,000.00	58,302.05	2,697.95	
Heating	110,000.00	104,056.70	35,006.11	69,050.59	
Fuel Oil	1,500.00	1,500.00		1,500.00	
Gasoline	115,000.00	115,000.00	86,108.87	28,891.13	
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Deferred Charges:					
Prior Year Bills					
Contribution to:					
Public Employees' Retirement System	247,648.00	247,648.00	247,648.00		
Social Security Program (OASI)	175,220.00	173,488.00	137,994.51	35,493.49	
Police and Firemen's Retirement System of NJ	777,270.00	777,270.00	777,270.00		
DCRP	4,000.00	4,000.00	2,047.62	1,952.38	
Total General Appropriations within "CAPS"	10,138,118.00	10,133,120.00	8,807,442.55	1,325,677.45	

BOROUGH OF ROSELAND
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet 4

	Appropriations		Expended		Cancel
	Budget	Modified Budget	Paid or Charged	Reserved	
APPROPRIATIONS EXCLUDED FROM "CAPS"					
<u>OTHER OPERATIONS</u>					
Roseland Free Public Library	\$ 603,055.04	\$ 603,055.04	\$ 523,100.59	\$ 79,954.45	\$
Reserve for Tax Appeals	200,000.00	200,000.00	200,000.00		
Health Benefits	85,130.00	85,130.00	85,130.00		
<u>INTERLOCAL MUNICIPAL SERVICE AGREEMENTS</u>					
Tax Assessor					
Public Health Services	71,664.20	71,664.20	71,664.16	0.04	
Animal Control Services	10,949.00	10,949.00	10,949.00		
Computer System Service	41,000.00	41,000.00	38,600.00	2,400.00	
Building Inspection Service	97,938.00	102,936.00	99,736.00	3,200.00	
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</u>					
Municipal Alliance on Alcoholism and Drug Abuse	7,600.00	7,600.00	7,600.00		
Body Armor Grant	2,689.14	2,689.14	2,689.14		
Recycling Tonnage Grant	29,704.91	29,704.91	29,704.91		
Williams Transco Pipe Line	205,550.00	205,550.00	205,550.00		
<u>CAPITAL IMPROVEMENTS</u>					
Capital Improvement Fund	200,000.00	200,000.00	200,000.00		
<u>DEBT SERVICE</u>					
Payment of Note Principal	706,509.50	706,509.50	706,509.50		
Interest on Note Principal	120,000.00	120,000.00	37,392.09		82,607.91
<u>DEFERRED CHARGES</u>					
Emergency Authorizations	131,272.00	131,272.00	131,272.00		
Special Emergency Authorizations	46,600.00	46,600.00	46,600.00		
Total Appropriations Excluded from "CAPS"	2,559,661.79	2,564,659.79	2,396,497.39	85,554.49	82,607.91
Sub - Total	12,697,779.79	12,697,779.79	11,203,939.94	1,411,231.94	82,607.91
Reserve for Uncollected Taxes	508,871.64	508,871.64	508,871.64		
Total General Appropriations	<u>\$13,206,651.43</u>	<u>\$ 13,206,651.43</u>	<u>\$ 11,712,811.58</u>	<u>\$ 1,411,231.94</u>	<u>\$ 82,607.91</u>
<u>Ref.</u>	A-2, Below	Below	Below	A	Below
<u>Ref.</u>					
Adopted Budget Appropriation	Above	\$ 13,206,651.43	\$	\$	
Reserve for Uncollected Taxes	A-2a	(508,871.64)	508,871.64		
Cash Disbursements	A-4		10,370,523.89		
Capital Improvement Fund	A-12		200,000.00		
Reserve for Tax Appeal	A-23		200,000.00		
Due to Grant Fund	A-12		11,700.00		
Emergency Authorization	A-13		131,272.00		
Special Emergency Authorization	A-14		46,600.00		
Encumbered	A			630,245.46	
Reserved	A			780,986.48	
Canceled	Above	(82,607.91)			
Reserve for Grants	A-27		243,844.05		
	A-1	<u>\$ 12,615,171.88</u>	<u>\$ 11,712,811.58</u>	<u>\$ 1,411,231.94</u>	

BOROUGH OF ROSELAND
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Affordable Housing Trust Fund</u>			
Cash	B-1	\$ 28,508.24	\$ 35,492.01
<u>Animal Control Trust Fund</u>			
Cash	B-1	9,322.66	9,929.56
<u>Open Space Trust Fund</u>			
Cash	B-4	2,809,964.26	2,561,534.46
<u>General Trust Fund</u>			
Cash:			
Checking Accounts	B-1	364,717.19	369,849.90
Developer's Escrow	B-2	587,885.27	584,841.40
Money Market Accounts	B-3	73,614.69	38,500.47
Due From CDBG	B-8	50,506.59	85,500.00
		1,076,723.74	1,078,691.77
		\$ 3,924,518.90	\$ 3,685,647.80
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Affordable Housing Trust Fund</u>			
Reserve for Expenditures	B-14	\$ 28,508.24	\$ 28,492.01
Due to Current Fund			7,000.00
		28,508.24	35,492.01
<u>Open Space Trust Fund</u>			
Due to Grant Fund	B-5		6,000.00
Reserve for Expenditures	B-11	2,809,964.26	2,555,534.46
		2,809,964.26	2,561,534.46
<u>Animal Control Trust Fund</u>			
Due to State of New Jersey	B-6		16.20
Reserve for Expenditures	B-9	9,322.66	9,913.36
		9,322.66	9,929.56
<u>General Trust Fund</u>			
Interfunds	B-5	1,159.92	15.55
Reserve for:			
State Unemployment Compensation			
Insurance Fund	B-7	26,824.42	21,364.77
Developer's Escrow	B-12	587,704.49	584,825.85
Recreation Fund Expenditures	B-10	115,565.09	106,895.64
Community Development Block Grant	B-15	50,799.95	81,593.36
Special Deposits	B-13	294,669.87	283,996.60
		1,076,723.74	1,078,691.77
		\$ 3,924,518.90	\$ 3,685,647.80

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash:			
Checking Accounts	C-2	\$ 739,629.82	\$ 627,163.84
Money Market Accounts	C-3		25,500.00
Investments	C-3	1,025,500.00	490.69
	C-4	<u>1,765,129.82</u>	<u>653,154.53</u>
Due from State of New Jersey			
Transportation Trust Fund	C-6	277,500.00	243,422.77
Deferred Charged to Future Taxation			
Funded	C-7	5,570,000.00	
Unfunded	C-10	<u>6,504,158.50</u>	<u>12,995,508.00</u>
		<u>\$ 14,116,788.32</u>	<u>\$ 13,892,085.30</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Capital Improvement Fund	C-8	\$ 437,994.59	\$ 285,122.89
Due to Current Fund	C-5		141.72
Reserve for State Grant Receivable	C-9	277,500.00	210,000.00
Reserve for Regional Contribution Agreements	Unch.	25,500.00	25,500.00
Improvement Authorizations:			
Funded	C-11	279,884.90	305,821.99
Unfunded	C-11	4,184,065.65	11,441,690.91
Bond Anticipation Notes	C-12	3,298,800.00	1,604,186.00
Serial Bonds	C-13	5,570,000.00	
Fund Balance	C-1	<u>43,043.18</u>	<u>19,621.79</u>
		<u>\$ 14,116,788.32</u>	<u>\$ 13,892,085.30</u>
 Bond and Notes Authorized but Not Issued	 C-14	 <u>\$ 3,205,358.50</u>	 <u>\$ 11,391,322.00</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

C-1

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 19,621.79
Increased by:			
Cancellation of Improvement Authorizations	C-12	\$ 23,421.39	
Premium on Bond Sale	C-2	<u>358,374.90</u>	
			<u>381,796.29</u>
			401,418.08
Decreased by:			
Applied to Deferred Charges - Unfunded	C-10	348,259.90	
Due to Current Fund	C-5	<u>10,115.00</u>	
			<u>358,374.90</u>
Balance, December 31, 2013	C		<u><u>\$ 43,043.18</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

D

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Operating Fund</u>			
Cash:			
Checking Account	D-5	\$ 1,589,671.74	\$ 1,425,451.94
Investments	D-6	51,012.56	200,912.13
		<u>1,640,684.30</u>	<u>1,626,364.07</u>
Receivables and Inventory with Full Reserves:			
Water/Sewer Rents Receivable	D-8	174,338.46	97,865.45
Inventory	D-9	59,328.65	59,328.65
		<u>233,667.11</u>	<u>157,194.10</u>
Total Operating Fund		<u>1,874,351.41</u>	<u>1,783,558.17</u>
<u>Capital Fund</u>			
Cash - Checking Account:	D-5	316,777.00	319,220.76
Fixed Capital	D-10	8,982,967.13	8,982,967.13
Fixed Capital Authorized and Uncompleted	D-11	1,444,879.15	1,444,879.15
Total Capital Fund		<u>10,744,623.28</u>	<u>10,747,067.04</u>
		<u>\$ 12,618,974.69</u>	<u>\$ 12,530,625.21</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
Appropriation Reserves			
Encumbered	D-4, 12	\$ 584,407.59	\$ 674,294.82
Reserved	D-4, 12	245,030.08	166,058.20
Accounts Payable	D-13	84,475.00	334,573.34
Accrued Interest on Notes	D-14	6,936.06	1,198.84
Water/Sewer Rent Prepayments	D-15	829.23	537.36
Water/Sewer Rent Overpayments	D-16	9,323.84	13,242.34
		<u>931,001.80</u>	<u>1,189,904.90</u>
Reserve For Receivables and Inventory		233,667.11	157,194.10
Fund Balance	D-1	<u>709,682.50</u>	<u>436,459.17</u>
Total Operating Fund		<u>1,874,351.41</u>	<u>1,783,558.17</u>
<u>Capital Fund:</u>			
Reserve for Amortization	D-17	8,352,490.02	8,042,775.02
Deferred Reserve for Amortization	D-18	661,113.00	661,113.00
Capital Improvement Fund	D-19	23,857.80	23,857.80
Improvement Authorizations			
Funded	D-20	142,792.68	143,397.08
Unfunded	D-20	1,047,379.67	1,049,219.03
Bond Anticipation Notes	D-21	366,806.00	676,521.00
Fund Balance	D-2	150,184.11	150,184.11
Total Capital Fund		<u>10,744,623.28</u>	<u>10,747,067.04</u>
		<u>\$ 12,618,974.69</u>	<u>\$ 12,530,625.21</u>
Bonds and Notes Authorized but Not Issued	D-22	<u>\$ 1,047,437.36</u>	<u>\$ 1,047,437.36</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGES IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

D-1

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income</u>			
Water/Sewer Rents	D-3	\$ 2,770,895.47	\$2,895,423.69
Miscellaneous Revenue	D-3	30,999.76	32,092.22
Interfund Liquidated			111.44
Accounts Payable Canceled	D-13	259,573.34	
Other Credits to Income:			
Unexpended Balance of			
Appropriation Reserves	D-12	389,490.07	197,430.13
		<u>3,450,958.64</u>	<u>3,125,057.28</u>
<u>Expenditures</u>			
Budget Appropriations:			
Operating:			
Salaries and Wages		434,540.00	434,540.00
Other Expenses		1,235,460.00	1,125,461.00
Debt Service		322,065.00	317,665.61
Statutory Expenditures		34,935.00	34,935.00
Share of Joint Service Sewer		900,000.00	900,000.00
	D-4	<u>2,927,000.00</u>	<u>2,812,601.61</u>
Prior Year Overpayment	D-16	735.31	
Excess in Revenue		523,223.33	312,445.67
Fund Balance, December 31, 2012	D	<u>436,459.17</u>	<u>374,003.50</u>
		959,682.50	686,459.17
Decreased by:			
Anticipated as Revenue in Current Fund	D-5	<u>250,000.00</u>	<u>250,000.00</u>
Fund Balance, December 31, 2013	D	<u>\$ 709,682.50</u>	<u>\$ 436,459.17</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

STATEMENT OF WATER CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

D-2

	<u>Ref.</u>	
Balance, December 31, 2012	D	<u>\$ 150,184.11</u>
Balance, December 31, 2013	D	<u><u>\$ 150,184.11</u></u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

D-3

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Rents	D-1, 8	\$ 2,895,000.00	\$ 2,770,895.47	\$ (124,104.53)
Miscellaneous	D-1, Below	<u>32,000.00</u>	<u>30,999.76</u>	<u>(1,000.24)</u>
Total Budget Revenue	D-4	<u>\$ 2,927,000.00</u>	<u>\$ 2,801,895.23</u>	<u>\$ (125,104.77)</u>
<u>Miscellaneous Revenue</u>				
Interest Income:				
Checking Account	D-5	\$ 6,438.55		
Investments	D-6	<u>100.43</u>		
			\$ 6,538.98	
Other Revenue:				
Interest on Delinquent Rents		14,293.64		
Meter Fee		1,350.00		
Sewer Connection Fee		4,642.14		
Water Construction Fee		175.00		
Connection Fee		<u>4,000.00</u>		
	D-5		<u>24,460.78</u>	
	Above		<u>\$ 30,999.76</u>	

See accompanying notes to financial statements.

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

D-4

	Appropriation		Paid or Charged	Expended		
	Budget	Budget After Modification		Encumbered	Canceled	Reserved
<u>Operating</u>						
Salaries and Wages	\$ 434,540.00	\$ 434,540.00	\$ 414,649.02	\$	\$	\$ 19,890.98
Other Expenses	1,235,460.00	1,235,460.00	630,849.39	584,407.59		20,203.02
Roseland's Share of Joint Service User's Fees:						
Share of Joint User Fees - Caldwell	900,000.00	900,000.00	699,121.36			200,878.64
	2,570,000.00	2,570,000.00	1,744,619.77	584,407.59		240,972.64
<u>Debt Service:</u>						
Payment of Bond Anticipation Notes and						
Capital Notes	309,715.00	309,715.00	309,715.00			
Interest on Notes	12,350.00	12,350.00	12,350.00			
	322,065.00	322,065.00	322,065.00			
<u>Statutory Expenditures</u>						
Contribution to:						
Social Security System (OASI)	34,435.00	34,435.00	30,702.02			3,732.98
Unemployment Compensation Insurance						
(N.J.S.A. 43:21-3 et seq.)	500.00	500.00	175.54			324.46
	34,935.00	34,935.00	30,877.56			4,057.44
	\$ 2,927,000.00	\$ 2,927,000.00	\$ 2,097,562.33	\$ 584,407.59	\$	\$ 245,030.08

Ref

Below

D

Below

D

Ref

Adopted Budget
Cash Disbursed
Accrued Interest on Notes

\$ 2,927,000.00

\$

2,085,212.33
12,350.00

\$

\$ 2,097,562.33

\$

2,097,562.33

\$

2,097,562.33

\$

2,097,562.33

\$

BOROUGH OF ROSELAND
PAYROLL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

E

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>			
Cash	E-1	<u>\$ 11,954.76</u>	<u>\$ 17,382.87</u>
<u>LIABILITIES AND FUND BALANCE</u>			
Accounts Payable	E-2	\$ 1,755.77	\$ 1,757.56
Payroll Deductions Payable	E-2	<u>10,198.99</u>	<u>15,625.31</u>
		<u>\$ 11,954.76</u>	<u>\$ 17,382.87</u>

See accompanying notes to financial statements.

BOROUGH OF ROSELAND

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2013

NOTE 1 – REPORTING ENTITY SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Borough of Roseland (the "Borough") is organized as a Mayor-Council municipality under the provisions of N.J.S.A. 40:69A-81 et seq. The Borough is "governed by an elected Council and Mayor, and by such other officers and employees as may be duly appointed. The Council shall consist of six members elected at large by voters of the municipality and shall serve for three years beginning on the first day of January next year following their election and that the mayor shall be elected to a four year term. Each member of the Council carries a legislative vote. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, water and sewer, and general administrative services.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles (GAAP).

The accounting policies of the Borough of Roseland ("Borough") conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than generally accepted accounting principles. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the separate funds, which differ from the fund structure required by GAAP.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by the provisions of N.J.S.A. 40A:5-5. The financial statements of the Borough, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

Basis of Accounting

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account groups:

Current Fund – This fund is used to account for resources and expenditures for governmental operations of a general nature, including Federal and State grants which are reflected in a segregated section of the Current Fund.

Trust Funds – Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds. These include the Animal Control Trust Fund, Open Space Trust Fund, Affordable Housing Trust Fund and the General Trust Fund. The Animal Control Fund is used to account for fees collected from dog licenses and expenditures which are regulated by N.J.S.A. 4:19-15.11.

The Affordable Housing Trust Fund is used to account for funds collected in connection with the Borough's affordable housing program in accordance with P.L. 2009, c.46 (C 52:27D-329.1 et al) and the regulations of COAH at N.J.A.C. 5:97-8.1. The General Trust Fund encompasses accounts of activity for Federal Community Development Block Grants, Recreation Commission, Developer's Escrow and Other Special Deposits.

Open Space Trust Fund – This fund is used to account for the receipts and disbursement of funds used for acquisition of land for recreation and conservation purposes, development of land acquired for recreation and conservation purposes; maintenance of land acquired for recreation and conservation purposes; acquisition of farmland for farmland preservation purposes; historic preservation of historic properties, structures, facilities, sites, areas, or objects, and the acquisition of such properties, structures, facilities, sites, areas or objects for historic preservation purposes or payment of debt service on indebtedness issued or incurred by municipality as set for purposes stated above.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund, as well as the long-term debt accounts.

Water and Sewer Utility Fund – This fund is used to account for the revenues and expenditures for the operation of the Borough's Water and Sewer Utility activities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities for the Water and Sewer Utility, as well as the related long-term debt accounts, is accounted for in the capital section of the fund.

Free Public Library – This fund is used to account for the revenues and expenditures for the operation of the Borough's Free Public Library (the "Library") is subject to a separate examination.

Payroll Fund – This fund is used to account for the net salaries, payroll deductions and social security contributions of municipal and utility operations, which are deposited into various bank accounts of the Payroll Fund. A Payroll Fund does not exist under GAAP.

Capital Fixed Assets – These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the Borough.

Accounting Principles

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local government units. The more significant differences are as follows:

Miscellaneous Revenues – Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues – Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough budget. GAAP requires such revenues to be recognized in the accounting period when they are earned and the expenditures to be recognized when the liability is incurred.

Property Tax Revenues – Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. Taxes are payable in four quarterly installments on August 1, November 1, February 1 and May 1. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500.00. The Borough also imposes a 6% year end penalty for a delinquency over \$10,000.00 as of December 31. The School levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on May 1 in the year following the calendar year levy when the same became in arrears, the collector of the municipality shall (subject to the provisions of the New Jersey Statutes) enforce the lien by placing the property on a tax sale. The Borough institutes annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of the property. In accordance with the accounting principles prescribed by the Division, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has

been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Budget and Budgetary Accounting – An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the Division per N.J.S.A. 40A:4 et seq. The Borough is not required to adopt budgets for the following funds:

- General Capital Funds
- Trust Funds

The governing body shall introduce and approve the annual budget not later than February 10, of the year. The budget shall be adopted not later than April 20, and prior to adoption must be certified by the Division. The Director of the Division, with the approval of the Local Finance Board, may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

Expenditures – Are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations at December 31 are reported as expenditures through the establishment of appropriation reserves, unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt, which should be recognized when due.

Encumbrances – Contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

Property Acquired for Taxes – Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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.

General – Capital fixed assets used in governmental operations are accounted for in the Capital Fixed Assets. Public domain (infrastructure) general capital fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost. The Borough has adopted the policy of recording fixed assets valued at \$5,000 or greater and has adjusted their records during the year to remove assets previously recorded below the threshold amount. Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities – Capital acquisitions, including utility infrastructure costs of the Water and Sewer Utility are recorded at cost upon purchase or project completion in the Fixed Asset Account of the Utility. The Fixed Asset account is adjusted for dispositions or abandonments. Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital. Fixed Capital of the Utilities are offset by accumulations in the Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer's contributions or liquidations of bonded debt and other liabilities incurred upon fixed asset acquisition.

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

Inventories– An annual inventory of materials and supplies for the Water and Sewer Utility is required, by regulation, to be prepared by Borough personnel for inclusion on the Water Sewer Utility Operating Funds balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. The costs of inventories of supplies for other funds are recorded as expenditures at the time individual items are purchased and are not inventoried nor included on their respective balance sheets.

Cash and Investments – Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by N.J.S.A. 40A:5-15.1 to bonds or obligations of, or guaranteed by, the Federal Government and bonds or other obligations of Federal or local its having a maturity date not more than twelve months from the date of purchase. GAAP requires that investments be reported at fair value.

Tax Appeal and Other Contingent Losses – Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Basic Financial Statements

Use of Estimates – The preparation of financial statements in conformity with the accounting principles and practices prescribed by the Division requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data – Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion could make certain statements unduly complex and difficult to understand.

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

NOTE 2 –CASH, CASH EQUIVALENTS AND INVESTMENTS

Deposits:

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

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

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

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The Market Value of the collateral must equal five percent of the average daily balance of public funds; or

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

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. At December 31, 2013, the book value of the Borough's deposits was \$10,222,134.00 and bank balances of the Borough's cash and deposits amounted to \$10,455,365.92. The Borough's deposits which are displayed on the combined balance sheet as "cash" are categorized as:

Category 1 – Insured or collateralized with securities held by the Borough's or its agent in the Borough's name.

Category 2 – Collateralized with securities held by the pledging financial institutions trust department or agent in the Borough's name.

Category 3 – Uncollateralized or collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Borough's name.

Investments:

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

- a. Bonds or other obligations of the United States or obligations guaranteed by the United States.
- b. Government Money Market Mutual Funds
- c. Any obligations that a federal agency or a federal instrumentality has issued, with 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
- d. Bonds or other obligations of the Borough or bonds or other obligations of school districts, which are a part of the Borough or school districts located within the Borough.
- e. Bonds or other obligations having a maturity date of not more than 397 days from the date of purchase that are approved by the New Jersey Department of Treasury, Division of Investments.
- f. Local Government investment pools.
- g. Agreements for the repurchase of fully collateralized securities, if transacted in accordance with N.J.S.A. 40A:5-15.1 (8a-8e).

NOTE 3 – TAXES RECEIVABLE AND TAX TITLE LIENS

Taxes receivable and tax title liens are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible.

For the year ended December 31, 2013, the Borough collected \$207,661.27 from delinquent taxes. One property was not included in the tax sale. A resolution was adopted by the Borough Council approving installment payments.

NOTE 4 –MUNICIPAL DEBT

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

Summary of Municipal Debt (Excluding School, Current and Operating Debt)

	<u>2013</u>	<u>2012</u>
<u>Bonds and Notes Issued:</u>		
General Capital:		
Serial Bonds	\$ 5,570,000.00	\$
Bond Anticipation Notes	3,298,800.00	1,604,186.00
Water/Sewer Utility:		
Bond Anticipation Notes	366,806.00	676,521.00
	<u>9,235,606.00</u>	<u>2,280,707.00</u>
<u>Bonds and Notes Authorized but Not Issued:</u>		
General Capital	3,205,358.50	11,391,322.00
Water/Sewer Utility	1,047,437.36	1,047,437.36
Total Authorized but Not Issued	<u>4,252,795.86</u>	<u>12,438,759.36</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 13,488,401.86</u>	<u>\$ 14,719,466.36</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .727% at December 31, 2013.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Water/Sewer Utility Debt	\$ 1,414,243.36	\$	\$ 1,414,243.36
Other Bonds and Notes	<u>12,074,158.50</u>		<u>12,074,158.50</u>
	<u>\$ 13,488,401.86</u>	<u>\$</u>	<u>\$ 13,488,401.86</u>

Net Debt, \$13,488,401.86 divided by Equalized Valuation Basis per N.J.S.A. 40:A2-2 as amended, \$1,855,939,245 equals .727%.

The Borough's remaining borrowing power under N.J.S.A. 40A:2-6, as amended, at December 31, 2013 was as follows:

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 64,957,873.60
Net Debt	<u>13,488,401.86</u>
Remaining Borrowing Power	<u>\$ 51,469,471.74</u>

School Debt Deductions

School debt is deductible up to the extent of 2.5% of the Average Equalized Assessed Valuations of real property for the Local School District and entirely for the Regional High School.

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

Surplus and Cash Receipts from Fees, Rent or Other Charges for Year and Fund Balance Anticipated	\$ 2,801,895.23
--	-----------------

Deductions:

Operating and Maintenance Costs	\$ 2,604,935.00	
Debt Service per Water/Sewer Utility Operating Fund	<u>322,065.00</u>	<u>2,927,000.00</u>

Deficit in Revenue	<u>\$ (125,104.77)</u>
--------------------	------------------------

There being a deficit in revenue, not all Water/Sewer Debt is deductible for Debt Statement Purposes. The deficit of \$135,666.64 is capitalized at 5% which results in all Water Sewer debt being subject to net debt.

The foregoing debt information is in agreement with the Annual Debt Statement as filed by the Chief Financial Officer.

As of December 31, 2013, the Borough long-term debt is as follows:

Schedule of Annual Debt Service for Principle and Interest of Bonded Issued and Outstanding

<u>Year</u>	<u>Total</u>	<u>Cash Basis</u>	
		<u>General Capital</u>	
		<u>Principal</u>	<u>Interest</u>
2014	\$ 803,187.50	\$ 575,000.00	\$ 228,187.50
2015	726,050.00	555,000.00	171,050.00
2016	709,400.00	555,000.00	154,400.00
2017	692,750.00	555,000.00	137,750.00
2018	676,100.00	555,000.00	121,100.00
2019	659,450.00	555,000.00	104,450.00
2020	637,250.00	555,000.00	82,250.00
2021	610,500.00	555,000.00	55,500.00
2022	588,300.00	555,000.00	33,300.00
2023	<u>571,650.00</u>	<u>555,000.00</u>	<u>16,650.00</u>
	<u>\$ 6,674,637.50</u>	<u>\$ 5,570,000.00</u>	<u>\$ 1,104,637.50</u>

NOTE 5 –FEDERAL AND STATE AWARDS

The Borough participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Borough has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2013 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the operating agency. As of December 31, 2013, there were no significant amounts of grant expenditure that have not been audited by the various grantor agencies and the Borough believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on any of the individual governmental funds on the overall financial position of the Borough.

NOTE 6 –FUND BALANCES APPROPRIATED

Fund balances at December 31st that were appropriated and included as anticipated revenue in their own respective funds for the succeeding years were as follows:

Schedule of Fund Balances Appropriated:

	Year	Balance December 31	Utilized in Budgets of Succeeding Year
Current Fund:	2013	\$ 2,343,460.72	\$ 937,000.00
	2012	1,694,534.66	937,000.00
	2011	1,361,506.91	937,000.00
	2010	1,076,977.60	839,000.00
	2009	800,894.21	614,000.00
Water/Sewer Utility	2013	\$ 709,682.50	\$ 232,802.00
Operating Fund:	2012	436,459.17	250,000.00 (4)
	2011	374,003.50	250,000.00 (3)
	2010	390,277.36	230,000.00 (2)
	2009	324,542.67	324,000.00 (1)

(1) Includes \$324,000 as Anticipated Revenue in the Current Fund

(2) Includes \$230,000 as Anticipated Revenue in the Current Fund

(3) Includes \$250,000 as Anticipated Revenue in the Current Fund

(4) Includes \$250,000 as Anticipated Revenue in the Current Fund

NOTE 7 – DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. As of December 31, 2013 there were no deferred charges shown on the balance sheets.

NOTE 8 –ACCUMULATED VACATION AND SICK PAY

The Borough has an Accrued Sick Policy Plan, whereby eligible employees, upon retirement, will receive no more than sixty (60) days of accumulated sick time. Certain employees us of unused sick leave as retirement leave may be limited by the provisions of N.J.S., A. 11A:6-19.1. Police officers hired on or after January 1, 2007 will receive no more than thirty (30) days of accumulated sick time. Police officers who retire with twenty-five (25) years of service in the New Jersey pension system and with at least ten (10) years of service to the Borough are also granted sixty (60) days of terminal leave.

The Borough has an Accrued Vacation Policy Plan, whereby eligible employees shall not be entitled to carry over unused vacation days into the following year. Employees who do not take their vacation days shall be entitled to receive compensation for those unused vacation days at the rate of pay the employees is earning. .

Provisions for the above are not reflected on the Financial Statements of the Borough. It is estimated that the current cost of such unpaid compensation, which is unaudited, approximate \$286,654.05 at December 31, 2013. In accordance with New Jersey principles, these amounts, which are considered material to the financial statements, are not reported either as an expenditure or liability.

NOTE 9 –PENSION PLANS

Description of Systems

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

Public Employees Retirement System

PERS was established January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage, including postretirement health care, to substantially all full-time employees of the State or any County, Municipality, School district or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after ten years of service and 25 years for health care coverage. The Borough does not provide health benefits to employees after 25 years.

Tier 1 Members (members enrolled prior to July 1, 2007) are eligible for retirement at age sixty with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 60 with 25 or more years of credited service. Members who retire early and are under age 55 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/4$ of 1% for each month the member lacks of attaining age 55). Tier 2 Members (members enrolled July 1, 2007 to November 2, 2008) are eligible for retirement at age 66 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to these under age 60 with 25 or more years of credited service. Members who retire early and are under age 60 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12^{\text{th}}$ of 1% each month the member lacks attaining age 60, but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55).

Chapter 89, P.L. 2008, established a minimum base salary of \$7,700 per year to be eligible for enrollment in Tier 3 of the PERS (members enrolled on or after November 2, 2008 and prior to May 21, 2010) are eligible for retirement at age 62 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 62 with 25 or more years of credited service. Members who retire early and are under age 62 receives retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12$ of 1% for each month the member lacks of attaining age 62, but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55).

Chapter 1, P.L. 2010, requires a minimum of 32 hours per week to be eligible to enroll in Tier 4 of PERS (members enrolled after May 21, 2010) and are eligible for retirement at age 62 with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 62 with 25 of more years of credited service. Members who retire early and are under age 62, receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12$ of 1% for each month the member lacks of attaining age 62 but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55). Chapter 1, P.L.2010 imposes a maximum compensation limits for PERS pension contributions for those who become members after May 21, 2010. For 2010, that amount is \$106,800.00. Any members hired after May 21, 2010 whose annual maximum compensation will be reached in any year, become a participant of the Defined Contribution Retirement Program ("DCRP") with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5 % will be deducted as a contribution for the purposes of the DCRP. The Borough will be responsible for the DCRP's matching 3% contribution. (See Note 9)

Tier 5 became effective as of June 28, 2011 and requires a minimum of 32 hours per week for local and school employees and 35 hours per week for state employees. Employees who do not work the minimum hours of work but earn over \$5,000.00 may participate in the DCRP. PERS salary is limited to the Social Security maximum wage. The minimum age to retire is 65 and the annual retirement benefit equals years of service divided by 60 times average of last five years salary. Additional requirements and limitations apply for early retirements and veteran retirements.

Police and Firemen's Retirement System

The PFRS was established July 1, 1944 under the provisions of N.J.S.A. 43:16A, to provide coverage to substantially all full-time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service. Chapter 1, P.L. 2010 imposes a maximum compensation limit for officers who become members after May 21, 2010 is \$106,800.00. Any member hired after May 21, 2010, whose annual maximum compensation is reached in any year will become a participant of the DCRP with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5% will be deducted as a contribution for the purposes of the DCRP. The Borough will be responsible for the DCRP's matching 3% contribution. Tier 5 requirements for PFRS enrollers after June 28, 2011 are the same as those under PERS.

Deferred Compensation Plan (Un-audited) (See Note 8)

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

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

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

Consolidated Police and Firemen's Pension Fund

The Consolidated Police and Firemen's Pension Fund (CPFPPF) is a defined benefit pension fund established in 1952 to replace, on an actuarial basis, 212 local police and firemen pension funds. The CPFPPF membership is limited to policemen and firemen appointed prior to July 1, 1944. The liabilities of these funds were shared by two-thirds of the participating municipalities and one-third by the State. The CPFPPF Board of Trustees has the responsibility for the proper administration of the CPFPPF.

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 6.78% and 10% of their base wages, respectively. Employer contributions are actuarially determined on an annual basis by the Division of Pensions and Benefits. Contributions to the Plan for the past year are as follows:

<u>Year</u>	<u>Borough</u>	<u>Employees</u>	<u>Borough</u>	<u>Employees</u>
2013	\$ 247,648.00	\$ 119,181.68	\$ 777,270.00	\$ 251,673.40

For PERS participants, the contribution rate will increase 1.0% over the next seven years beginning July 1, 2013.

NOTE 10 - HEALTH BENEFITS

P.L. 2011 Ch. 78 Section 39 established guidelines for implementing employee contributions to the cost of their health insurance coverage.

The benefit cost of coverage is the premium. For State Health Benefit Plan (the "SHBP") employers, the cost of coverage is the cost of medical and prescription coverage. For non-SHBP employers, the law requires that the cost of coverage includes all health care benefits; medical, prescription, dental, vision etc.

The base salary of the employees determines the percent of premium cost that is contributed.

The contribution is phased in at 25% per year:

- a) For employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement ("CNA") that is in effect, contributions are effective on the date of hire
- b) When a CNA that was in effect on June 28, 2011 expires or is in almost any way modified;

Full contribution (Year 4) takes effect immediately for employees hired after June 28, 2011, who are not covered by a CNA or would be covered by a CNA that has expired.

When contributions begin, if the 1.5% of base salary calculation under Ch. 2 is greater than the standard contribution, that amount is paid until the new contribution percentage is greater.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Borough contributes to the State Health Benefits Program ("SHBP"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1982, the Borough of Roseland authorized participation in the SHBP's post-retirement benefit program through resolution number adopted March 23, 1982. The Borough agrees to pay the premium or periodic charges for the benefits provided to all eligible retired employees and their dependents covered under the program, but not including survivors, if such employees retired from the State or locally administered retirement system, effective after the date, the employer adopted the State Health Benefits Program on a benefit based on 25 years or more of service credited in such retirement system, except employees who elected deferred retirement, but including the employees who retired on disability pensions based on fewer years of service credited in such retirement system and also to reimburse such retired employees for their premium charges under Part B of the Federal Medicare Program covering the retired employees and their spouses in accordance with the regulations of the State Health Benefits Commission.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/gasb-43-sept2009.pdf.

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough on a monthly basis. The Borough adopted Chapter 88, public laws of 1974 and adheres to the rules and regulations promulgated by the State Health Benefits Commission. These rules apply to all eligible present and future pensioners of the employer and their dependents and continues as long as the State is paying the cost of its eligible pensioners and their dependents in accordance with the provisions of Chapter 75, public laws of 1972, provide for local employer reimbursement of Federal Medicare premiums for eligible pensioners and/or their spouses, as well as the payment of health insurance premiums required by the program, on a basis comparable to the reimbursement made by the State to its eligible pensioners and their spouses in accordance with the provisions of Chapter 75, Public Laws of 1972 and require the local employer to pay the full cost of such premiums and Medicare charges. All funds are budgeted in the year they are incurred.

Chapter 78 of the Laws of 2011 requires all public employees that retire after June 28, 2011, who does not have 20 years or more of service in the retirement system as of June 28, 2011 and retire after 25 years of service, to make a standard contribution, paid to their employer as a deduction from their retirement benefit.

The Borough's contributions to the SHBP for the years ended December 31, 2013, 2012, and 2011, were \$710,567.78, \$595,532.11, and \$581,849.22, respectively, which equaled the required contributions for each year. There were approximately 36, 35 and 37 retired participants eligible at December 31, 2013, 2012, and 2011, respectively.

NOTE 12-RISK MANAGEMENT

The Borough is a member of the Statewide Excess Liability Insurance for various insurance coverage excluding health benefits where they are part of the State of New Jersey Health Insurance Plan.

Interfund Receivables and Payables

The following are reflected as interfund receivables and payables on the various balance sheets:

	<u>Receivables</u>	<u>Payables</u>
Current	\$ 1,159.91	\$ 386,138.94
Federal and State Grant	386,138.94	
Trust Funds		1,159.91
	<u>\$ 387,298.85</u>	<u>\$ 387,298.85</u>

Schedule of Comparative Tax Rates:

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$ 2.042</u>	<u>\$ 2.037</u>	<u>\$ 1.873 *</u>	<u>\$ 1.833 *</u>	<u>\$ 12.821</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.546	\$ 0.528	\$ 0.507	\$ 0.518	\$ 3.362
Minimum Library Tax	0.036	0.038	0.033		
Local Open Space	0.020	0.020	0.040	0.040	0.040
County	0.439	0.493	0.416	0.419	3.092
County Open Space	0.014	0.017	0.015	0.017	0.124
Local School	0.455	0.444	0.414	0.407	3.009
Regional School	<u>0.532</u>	<u>0.497</u>	<u>0.448</u>	<u>0.432</u>	<u>3.194</u>

* Revaluation

Schedule of Assessed Valuations:

2013	\$ 1,688,487,552.00
2012	1,714,631,808.00
2011	1,806,065,920.00
2010	1,817,466,392.00 *
2009	237,410,798.00

* Revaluation

Schedule of Tax Levies and Collections:

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$ 34,572,064.57	\$ 34,258,536.99	99.09 %
2012	34,934,768.63	34,670,900.73	99.24
2011	33,837,995.83	33,649,830.75	99.44
2010	33,331,237.84	32,982,072.71	98.95
2009	30,497,733.33	30,192,616.92	99.00

Schedule of Taxes and Tax Title Liens:

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$ 27,331.94	\$ 287,746.99	\$ 315,078.93	0.91 %
2012	1,281.81	223,758.25	225,040.06	0.64
2011	1,072.00	164,138.15	165,210.15	0.49
2010	879.08	255,794.64	256,673.72	0.77
2009	690.28	259,839.05	260,529.33	0.85

Schedule of Property Acquired by Tax Title Lien Liquidation:

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

<u>Year</u>	<u>Amount</u>
2013	\$ 250,000.00
2012	250,000.00
2011	250,000.00
2010	250,000.00
2009	250,000.00

Schedule of Water/Sewer Consumer Accounts Receivable:

The Borough combined their Water and Sewer Utility Funds into one combined fund for the calendar year 2013. The combined fund is used for the billing and collection of rents. The Borough's billings are done on a quarterly basis. The billing and collections for the previous five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2013	\$ 2,847,368.48	\$ 2,770,895.47
2012	2,918,324.61	2,895,423.69
2011	2,815,718.58	2,784,662.50
2010	3,064,573.88	3,053,119.97
2009	2,776,629.50	2,828,065.87

NOTE 13 - SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2013 through the date of June 30, 2014, which is the date the financial statements were available to be issued. Based on this evaluation, the Borough has determined that no subsequent events have occurred which require disclosure in the financial statements.

BOROUGH OF ROSELAND
CURRENT FUND

SCHEDULE OF CASH
YEAR ENDED DECEMBER 31, 2013

A-4

	<u>Ref.</u>	<u>Current Fund</u>	
Balance, December 31, 2012	A		\$ 3,603,633.63
Increased by Receipts:			
Interest and Costs on Taxes	A-2b	\$ 53,916.89	
Nonbudget Revenue	A-2c	470,387.43	
Transfer from Investments	A-5	1,359,518.16	
Petty Cash	A-6	300.00	
Due from State of New Jersey per Ch. 129, P.L. 1976	A-7	51,818.66	
Taxes Receivable	A-8	34,190,434.13	
Other Accounts Receivable	A-10	3,483.92	
Revenue Accounts Receivable	A-11	2,083,896.94	
Interfunds Receivable	A-12	238,024.96	
Due to State of New Jersey	A-17	26,948.00	
Tax Overpayments	A-19	42,506.95	
Prepaid Taxes	A-22	118,289.44	
			<u>38,639,525.48</u>
			42,243,159.11
Decreased by Disbursements:			
Budget Appropriations	A-3	10,370,523.89	
Transfer to Investments	A-5	1,002,015.42	
Petty Cash	A-6	300.00	
2012 Appropriation Reserves	A-15	914,358.87	
Interfunds Payable	A-12	726,089.41	
Due to State of New Jersey	A-17	26,999.00	
Revenue Refund	A-1	402.00	
Reserve for Tax Appeals	A-23	55,426.30	
Accounts Payable	A-18	70,626.59	
Tax Overpayments	A-19	43,425.86	
County Taxes Payable	A-20	7,659,999.42	
School Taxes Payable	A-21	16,650,122.00	
			<u>37,520,288.76</u>
Balance, December 31, 2013	A		<u>\$ 4,722,870.35</u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
CURRENT FUND

SCHEDULE OF INVESTMENTS
YEAR ENDED DECEMBER 31, 2013

A-5

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 419,613.21
Increased by:			
Transfer from Checking Account	A-4	\$ 1,002,015.42	
Interest Earned	A-11	<u>4,629.45</u>	
			1,006,644.87
			<u>1,426,258.08</u>
Decreased by:			
Transfer to Checking Account	A-4		<u>1,359,518.16</u>
Balance, December 31, 2013	A		<u><u>\$ 66,739.92</u></u>

PETTY CASH
DECEMBER 31, 2013

A-6

	<u>Ref.</u>		
Increased by:			
Fund Established	A-4		\$ 300.00
Decreased by:			
Fund Returned	A-4		<u>300.00</u>
Balance, December 31, 2013			<u><u>\$</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
CURRENT FUND

DUE FROM (TO) STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
YEAR ENDED DECEMBER 31, 2013

A-7

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ (181.34)
Increased by:			
Deductions per Tax Billings:			
Senior Citizens		\$ 8,500.00	
Veterans		45,500.00	
Deductions Allowed by Tax			
Collector:			
2013 Senior Citizens		<u>750.00</u>	
	A-8		<u>54,750.00</u>
			54,568.66
Decreased by:			
Deductions Disallowed by Tax			
Collector:			
2012 Senior Citizens Deductions			
Disallowed	A-1	2,000.00	
2013 Collections	A-4	<u>51,818.66</u>	
			<u>53,818.66</u>
Balance, December 31, 2013	A		<u>\$ 750.00</u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2013

A-8

<u>Year</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Levy</u>	<u>Added Taxes</u>	<u>Collected</u>		<u>Due From State of New Jersey</u>	<u>Transferred to Tax Title Liens</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2013</u>
				<u>2012</u>	<u>2013</u>				
2012	\$ 223,758.25	\$	\$ 2,000.00	\$	\$ 207,661.27	\$	\$ 8,581.60	\$	\$ 9,515.38
2013		34,572,064.57		221,014.13	33,982,772.86	54,750.00	15,478.36	19,817.61	278,231.61
	\$ 223,758.25	\$ 34,572,064.57	\$ 2,000.00	\$ 221,014.13	\$ 34,190,434.13	\$ 54,750.00	\$ 24,059.96	\$ 19,817.61	\$ 287,746.99
<u>Ref.</u>	A	Below	Reserve	A-2a, 22	A-2a, A-4	A-2a, A-7	A-9	Reserve	A

Analysis of 2013 Property Tax Levy

<u>Tax Yield:</u>	<u>Ref.</u>
General Purpose Tax (Abstract)	\$ 34,467,965.86
Added Taxes	93,148.89
Rounding	10,949.82
	<u>\$ 34,572,064.57</u>
<u>Tax Levy:</u>	
County Tax	A-20
County Open Space	A-20
County Added Tax	A-20
	<u>20,664.27</u>
	\$ 7,678,731.43
Local School District Tax (Abstract)	A-21
Regional High School District Tax (Abstract)	A-21
	<u>8,976,069.00</u>
	16,650,122.00
Local Tax for Municipal Purposes	
Local Taxes	A-2
Minimum Library Tax	A-2
Open Space Tax	A-2a, A-12
Add Additional Tax Levied	
Rounding	<u>10,949.82</u>
	10,243,211.14
	<u>\$ 34,572,064.57</u>
	Above

See Independent Auditors' Report

BOROUGH OF ROSELAND
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2013

A-9

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	1,281.81
Increased by:			
Transfers from Taxes Receivable	A-8	\$	24,059.96
Interest and Cost on Sale	Reserve		<u>1,990.17</u>
			<u>26,050.13</u>
Balance, December 31, 2013	A	\$	<u><u>27,331.94</u></u>

OTHER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-10

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	4,573.17
Increased by:			
6% Interest Penalty on Delinquent Taxes	Reserve		<u>3,495.14</u>
			8,068.31
Decreased by:			
Cash Received	A-2b, A-4		<u>3,483.92</u>
Balance, December 31, 2013	A	\$	<u><u>4,584.39</u></u>

BOROUGH OF ROSELAND
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-11

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued</u>	<u>Realized</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
<u>Budget Revenue</u>					
Clerk:					
Alcoholic Beverage License	A-2	\$	\$ 3,694.00	\$ 3,694.00	\$
Other Licenses	A-2b		410.00	410.00	
Other Fees and Permits	A-2b		7,801.15	7,801.15	
Health Officer:					
Health Licenses	A-2b		18,063.00	18,063.00	
Other Fees and Permits	A-2b				
Registrar:					
Other Fees and Permits	A-2b		6,780.00	6,780.00	
Collector-Treasurer:					
Tax Search	A-2b		970.00	970.00	
Other Fees and Permits	A-2b		80.00	80.00	
Administration Fees	A-2b		36,748.03	36,748.03	
Right of Way Fees	A-2b		1,100.00	1,100.00	
Public Works	A-2b		151.00	151.00	
Zoning Board	A-2b		9,228.90	9,228.90	
Recreation:					
Other Fees and Permits	A-2b		628.76	628.76	
Construction Code Official:					
Building Permits	A-2		411,483.00	411,483.00	
Other Fees and Permits	A-2b		39,300.00	39,300.00	
Fire Prevention Bureau	A-2b		2,206.00	2,206.00	
Municipal Court:					
Fines and Costs	A-2	12,886.56	148,881.16	152,006.78	9,760.94
State of New Jersey:					
Energy Receipts Tax	A-2		837,731.00	837,731.00	
Cablevision Franchise Fee	A-2		98,856.43	98,856.43	
Interest on Investments	A-2		13,397.56	13,397.56	
Lease Agreement	A-2		96,500.04	96,500.04	
Cell Tower Lease	A-2		71,709.17	71,709.17	
Utility Operating Surplus	A-2		250,000.00	250,000.00	
FEMA: Hurricane Sandy	A-2		29,847.05	29,847.05	
		<u>\$ 12,886.56</u>	<u>\$ 2,085,566.25</u>	<u>\$ 2,088,691.87</u>	<u>\$ 9,760.94</u>
	<u>Ref.</u>	<u>A</u>	<u>Reserve</u>	<u>Below</u>	<u>A</u>
Cash Collections:					
Checking Account	A-4			\$ 2,083,896.94	
Investments	A-5			4,629.45	
Due from General Capital Fund	A-12			0.26	
Due from General Trust Fund	A-12			165.22	
				<u>\$ 2,088,691.87</u>	
Above					

See Independent Auditors' Report

BOROUGH OF ROSELAND
CURRENT FUND

INTERFUNDS RECEIVABLE (PAYABLE)
YEAR ENDED DECEMBER 31, 2013

A-12

	Ref.	From (To)	Total	General Trust Fund	General Capital Fund	Federal and State Grant Fund	Animal Control Fund	Payroll Fund	Open Space Trust Fund
Balance, December 31, 2012									
	A		\$ 7,157.27	\$ 7,015.55	\$ 141.72	\$ (135,533.72)	\$		\$
	A		(135,533.72)						
Increased by:									
Cash Disbursement:									
Checking	A-4		726,089.41	979.14	347,243.02	40,169.74			337,697.51
Non Budget Revenue	A-2c		10,115.00		10,115.00				
Anticipated Revenue	A-11		165.48	165.22	0.26				
			<u>736,369.89</u>	<u>1,144.36</u>	<u>357,358.28</u>	<u>40,169.74</u>			<u>337,697.51</u>
			607,993.44	8,159.91	357,500.00	(95,363.98)			337,697.51
Decreased by:									
Cash Receipts									
Checking	A-4		238,024.96	7,000.00	157,500.00	73,524.96			
Appropriations			211,700.00		200,000.00	11,700.00			
Open Space Tax			337,697.51						337,697.51
Reserve for Developers Agreement	A-16		205,550.00			205,550.00			
			<u>992,972.47</u>	<u>7,000.00</u>	<u>357,500.00</u>	<u>290,774.96</u>			<u>337,697.51</u>
Balance, December 31, 2013									
	A	From	\$ 1,159.91	\$ 1,159.91	\$	\$	\$	\$	\$
	A	(To)	(386,138.94)			(386,138.94)			
Net Credit to Operations	Ref.								
Balance, December 31, 2012	Above		\$ 7,157.27						
Balance, December 31, 2013	Above		<u>1,159.91</u>						
Net Credit	A-1		<u>\$ 5,997.36</u>						

BOROUGH OF ROSELAND
CURRENT FUND

DEFERRED CHARGES
EMERGENCY APPROPRIATION
YEAR ENDED DECEMBER 31, 2013

A-13

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 131,272.00
Decreased by:		
Budget Appropriation	A-3	<u>131,272.00</u>
Balance, December 31, 2013		<u>\$</u>

DEFERRED CHARGES
SPECIAL EMERGENCY APPROPRIATION
YEAR ENDED DECEMBER 31, 2013

A-14

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
11/25/2008	Complete Revaluation of all Properties	<u>\$</u>	<u>\$</u>	<u>\$ 46,600.00</u>	<u>\$ 46,600.00</u>	<u>\$</u>
			<u>Ref.</u>	A	A-3	A

BOROUGH OF ROSELAND
CURRENT FUND

2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

A-15
Sheet 1

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Balance</u> <u>After</u> <u>Transfer</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>Salaries and Wages</u>				
Administrative and Executive	\$ 741.15	\$ 741.15	\$	\$ 741.15
Office of Borough Clerk	3,928.91	3,088.91		3,088.91
Collection of Taxes	65.98	65.98		65.98
Legal Services and Costs	0.04	0.04		0.04
Planning Board	0.80	0.80		0.80
Board of Adjustment	0.12	0.12		0.12
Construction Code Official	3,435.43	3,435.43	357.82	3,077.61
Police	52,960.77	52,960.77	39,264.94	13,695.83
Emergency Management	1.02	1.02		1.02
Fire Prevention Bureau	211.02	622.25	622.25	
Road Repairs and Maintenance	5,391.20	5,391.20		5,391.20
Storm Clearance	12,547.22	12,547.22	1,860.11	10,687.11
Shade Tree Commission	1,111.19	1,111.19	106.26	1,004.93
Building and Grounds	6,629.88	6,629.88		6,629.88
Vehicle Maintenance	318.72	318.72		318.72
Public Recreation Program	11,626.47	1,336.47	921.00	415.47
Municipal Court	3,554.27	3,554.27		3,554.27
Public Defender	320.00	320.00		320.00
<u>Other Expenses</u>				
Administrative and Executive	12,587.65	12,587.65	607.43	11,980.22
Office of Borough Clerk	5,907.20	6,747.20	6,608.61	138.59
Financial Administration	700.00	700.00	564.00	136.00
Audit Services	32,000.00	32,000.00	30,000.00	2,000.00
Computer Data Service	8,457.25	8,457.25	4,900.88	3,556.37
Collection of Taxes	940.00	940.00	624.00	316.00
Assessment of Taxes	19,894.42	3,894.42	2,125.00	1,769.42
Legal Services and Costs	159,103.68	159,103.68	85,040.28	74,063.40
Engineering Services and Costs	17,200.00	17,200.00	15,645.00	1,555.00
Historic Preservation Commission	1,200.00	1,200.00		1,200.00
Planning Board	22,099.63	22,099.63	2,068.78	20,030.85
Board of Adjustment	5,617.99	5,617.99	1,322.99	4,295.00
Affordable Housing	23,694.37	23,694.37	605.05	23,089.32
Construction Code	2,458.60	2,458.60	157.56	2,301.04
Insurance - Employee Group	157,269.50	157,269.50	155,999.01	1,270.49
Health Benefit Waiver	2,666.52	2,666.52		2,666.52
Unemployment Compensation	1,333.41	1,333.41	192.09	1,141.32
Police	86,031.94	86,031.94	63,455.46	22,576.48
Police Dispatch/911	10,128.00	10,128.00	2,730.67	7,397.33
Emergency Management Services	6,688.26	6,688.26	2,112.32	4,575.94
Fire	32,370.18	32,370.18	30,916.39	1,453.79
Fire Prevention Bureau	2,797.71	2,797.71	810.25	1,987.46
Prosecutor	1,156.00	1,156.00		1,156.00

See Independent Auditors' Report

BOROUGH OF ROSELAND
CURRENT FUND

2012 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

A-15
Sheet 2

	Balance Dec. 31, 2012	Balance After Transfer	Paid or Charged	Balance Lapsed
Road Repairs and Maintenance	\$ 4,854.86	\$ 4,854.86	\$ 629.17	\$ 4,225.69
Storm Clearance	89,412.51	89,412.51	72,023.00	17,389.51
Shade Tree Commission	36874.98	36874.98	36,088.24	786.74
Solid Waste Collection	169,198.17	169,198.17	116,799.46	52,398.71
Public Building and Grounds	45,716.76	45,716.76	32,743.90	12,972.86
Vehicle Maintenance	12,862.34	7,862.34	5,503.90	2,358.44
Condominium Service Act	48,000.00	48,000.00	24,986.79	23,013.21
Board of Health	3,380.58	3,380.58	670.86	2,709.72
Municipal Youth Guidance	1,242.00	1,242.00		1,242.00
Environmental Commission	600.00	600.00		600.00
Contribution to:				
Social Service Agencies	2,050.00	2,050.00		2,050.00
Public Recreation Program:				
Other Miscellaneous Expenses	13,368.37	13,368.37	10,736.65	2,631.72
Camp Wyanokie	1,903.00	1,903.00	1,897.50	5.50
Roseland Free Public Library	96,266.03	96,266.03	96,266.03	
Beautification Committee	3,639.92	3,639.92	3,302.25	337.67
Citizen Notifications	5,954.60	5,954.60	3,142.31	2,812.29
Senior Citizens' Advisory Committee	1,420.00	1,420.00		1,420.00
Reserve for Tax Appeals	104,605.42	104,605.42	104,605.42	
Utilities:				
Fuel Oil	1,500.00	1,500.00		1,500.00
Gasoline	17,428.92	17,428.92	12,035.63	5,393.29
Electricity	38,957.58	38,957.58	24,010.79	14,946.79
Telephone and Telegraph	6,892.91	6,892.91	4,941.29	1,951.62
Heating	63,203.04	63,203.04	11,407.73	51,795.31
Street Lighting	27,225.09	59,000.00	51,609.62	7,390.38
DCRP	1,268.88	1,268.88	90.57	1,178.31
Social Security	4,147.28	3,251.14	718.69	2,532.45
Interlocal Agreement Animal Control	5,053.44	5,053.44		5,053.44
Municipal Court	6,023.92	6,023.92	695.69	5,328.23
Public Defender	500.00	500.00		500.00
	<u>\$ 1,528,697.10</u>	<u>\$ 1,528,697.10</u>	<u>\$ 1,064,523.64</u>	<u>\$ 464,173.46</u>

Ref

A

Below

A-1

Ref

Cash Disbursements
Transfer to Reserve for Tax Appeal
Transferred to Accounts Payable

A-4

A-23

A-18

\$ 914,358.87

104,605.42

45,559.35

Above

\$ 1,064,523.64

BOROUGH OF ROSELAND
CURRENT FUND

RESERVE FOR DEVELOPERS AGREEMENT
YEAR ENDED DECEMBER 31, 2013

A-16

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 205,550.00
Decreased by:		
Due to Grant Fund	A-12	<u>205,550.00</u>
Balance, December 31, 2013		<u><u>\$</u></u>

BOROUGH OF ROSELAND
CURRENT FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2013

A-17

	<u>Ref.</u>	<u>Current Fund</u>			<u>Federal and State Grant Fund</u>
		<u>Total</u>	<u>Marriage Lic Fees</u>	<u>State Training Fees</u>	
Balance, December 31, 2012	A	\$ 5,439.00	\$ 25.00	\$ 5,414.00	\$ 40,953.96
Increased by:					
Collections	A-4	<u>26,948.00</u>	<u>525.00</u>	<u>26,423.00</u>	
		32,387.00	550.00	31,837.00	40,953.96
Decreased by:					
Payments	A-4	<u>26,999.00</u>	<u>525.00</u>	<u>26,474.00</u>	
Balance, December 31, 2013	A	<u>\$ 5,388.00</u>	<u>\$ 25.00</u>	<u>\$ 5,363.00</u>	<u>\$ 40,953.96</u>

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-18

	<u>Ref.</u>		
Balance, December 31, 2012	A		\$ 287,992.89
Increased by:			
Transferred from Appropriation	A-15		<u>45,559.35</u>
			333,552.24
Decreased by:			
Cash Disbursements	A-4	\$ 70,626.59	
Canceled	A-1	<u>126,241.30</u>	
			196,867.89
Balance, December 31, 2013	A		<u>\$ 136,684.35</u>

BOROUGH OF ROSELAND
CURRENT FUND

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2013

A-19

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	11,878.38
Increased by:			
Collections	A-4		42,506.95
			<u>54,385.33</u>
Decreased by:			
Refunded	A-4	\$	43,425.86
Applied to Prepaid Taxes	A-22		2,321.29
Canceled	A-2c		<u>1.34</u>
			<u>45,748.49</u>
Balance, December 31, 2013	A	\$	<u><u>8,636.84</u></u>

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-20

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	1,932.27
Increased by:			
2013 Levy:			
General County	A-8	\$	7,416,146.49
Open Space Preservation	A-8		241,920.67
Added Assessments	A-8		<u>20,664.27</u>
	A-1,2a		<u>7,678,731.43</u>
			<u>7,680,663.70</u>
Decreased by:			
Payments	A-4		<u>7,659,999.42</u>
Balance, December 31, 2013	A	\$	<u><u>20,664.28</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
CURRENT FUND

SCHOOL TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-21

	<u>Ref.</u>	<u>Total</u>	<u>Local School District</u>	<u>Regional High School District</u>
Increased by:				
2013 Levy	A-1,2a,8	\$ 16,650,122.00	\$ 7,674,053.00	\$ 8,976,069.00
Decreased by:				
Payments	A-4	<u>16,650,122.00</u>	<u>7,674,053.00</u>	<u>8,976,069.00</u>
Balance, December 31, 2013		<u>\$</u>	<u>\$</u>	<u>\$</u>

BOROUGH OF ROSELAND
CURRENT FUND

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2013

A-22

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	310,896.38
Increased by:			
Cash Collections	A-4	\$	118,289.44
Overpayments	A-19		<u>2,321.29</u>
			120,610.73
			<u>431,507.11</u>
Decreased by:			
Applied to Taxes Receivable	A-8		<u>221,014.13</u>
Balance, December 31, 2013	A	\$	<u><u>210,492.98</u></u>

RESERVE FOR TAX APPEALS
YEAR ENDED DECEMBER 31, 2013

A-23

	<u>Ref.</u>		
Balance, December 31, 2012	A	\$	18,683.10
Increased by:			
Transferred from Appropriation	A-3	\$	200,000.00
Transfer from Appropriation Reserves	A-15		<u>104,605.42</u>
			304,605.42
			<u>323,288.52</u>
Decreased by:			
Cash Disbursed	A-4		<u>55,426.30</u>
Balance, December 31, 2013	A	\$	<u><u>267,862.22</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
CURRENT FUND

INTERFUNDS RECEIVABLE
FEDERAL/STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2013

A-24

	<u>Ref.</u>	<u>Total</u>	<u>Open Space Trust Fund</u>	<u>Current Fund</u>
Balance, December 31, 2012	A	\$ 141,533.72	\$ 6,000.00	\$ 135,533.72
Increased by:				
Cash Receipts in Current Fund:				
Grant Receivables	A-26	240,451.90		240,451.90
Grant Match	A-27	1,700.00		1,700.00
Trust Fund Interfund		6,000.00		6,000.00
Unappropriated Reserves	A-28	42,623.06		42,623.06
		<u>290,774.96</u>		<u>290,774.96</u>
		432,308.68	6,000.00	426,308.68
Decreased by:				
Received Thru Current Fund	Above	6,000.00	6,000.00	
Expenditures Paid in Current Fund	A-27	40,169.74		40,169.74
		<u>46,169.74</u>	<u>6,000.00</u>	<u>40,169.74</u>
Balance, December 31, 2013	A	<u>\$ 386,138.94</u>	<u>\$</u>	<u>\$ 386,138.94</u>

DUE TO ESSEX COUNTY
YEAR ENDED DECEMBER 31, 2013

A-25

	<u>Ref.</u>	
Balance, December 31, 2012	A	<u>\$ 2,467.42</u>
Balance, December 31, 2013	A	<u>\$ 2,467.42</u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-26

	Balance Dec. 31, 2012	Anticipated Revenue	Realized	Balance Dec. 31, 2013
Body Armor Replacement Fund	\$	\$ 2,689.14	\$ 2,689.14	\$
Bulletproof Vest Program	7,290.00		4,050.00	3,240.00
Environmental Sustainable Jersey	10,000.00		10,000.00	
Municipal Alliance on Alcoholism and Drug Abuse	6,406.05	5,900.00	2,545.15	9,760.90
PSE&G Susquehanna	8,890.84		1,557.00	7,333.84
Recreation Open Space Grant	14,249.75		14,249.75	
Recycling Tonnage Grant		29,704.91	29,704.91	
Green Communities Grant	3,000.00		2,500.00	500.00
Williams Transco Pipeline		205,550.00	205,550.00	
	<u>\$ 49,836.64</u>	<u>\$ 243,844.05</u>	<u>\$ 272,845.95</u>	<u>\$ 20,834.74</u>
Ref.	A	A-2	Below	A
Ref.				
Due from Current Fund	A-24		\$ 240,451.90	
Unappropriated Revenue Applied	A-28		32,394.05	
	Above		<u>\$ 272,845.95</u>	

BOROUGH OF ROSELAND
CURRENT FUND

RESERVE FOR GRANTS APPROPRIATED
YEAR ENDED DECEMBER 31, 2013

A-27

<u>Grant Title</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget</u>	<u>Expended</u>	<u>Balance Dec. 31, 2013</u>
Alcohol Education and Rehabilitation Aid	\$ 1,277.00	\$	\$ 1,271.28	\$ 5.72
Body Armor Replacement Fund - 2010	1,696.33		1,625.00	71.33
Body Armor Replacement Fund - 2011	2,800.60			2,800.60
Body Armor Replacement Fund - 2012		2,689.14		2,689.14
Clean Communities Program:				
2009	3,435.81			3,435.81
2010	5,263.09			5,263.09
2012	5,746.47			5,746.47
2013	8,431.68		744.00	7,687.68
Drunk Driving Enforcement Fund	628.28			628.28
Bullet Proof Vest Program	7,290.00		4,050.00	3,240.00
Environmental Sustainable Jersey	171.26			171.26
Green Community Grant	4,000.00		2,500.00	1,500.00
Municipal Alliance on Alcoholism and Drug Abuse - 2011	2,135.30			2,135.30
Municipal Alliance on Alcoholism and Drug Abuse - 2012	4,477.14		698.54	3,778.60
Municipal Alliance on Alcoholism and Drug Abuse - 2013		7,600.00	1,416.71	6,183.29
Old Eagle Rock Ave DOT				
PSE&G Susquehanna	20,578.44		20,430.48	147.96
Recreation Open Space	40.00			40.00
Recycling Tonnage Grant	30,836.78	29,704.91	7,433.73	53,107.96
Shade Tree	2,003.75			2,003.75
Williams Transco Pipe Line		205,550.00		205,550.00
Storm Water Regulation Program	14,743.00			14,743.00
	<u>\$ 115,554.93</u>	<u>\$ 245,544.05</u>	<u>\$ 40,169.74</u>	<u>\$ 320,929.24</u>

<u>Ref</u>	A	Below	A-24	A
------------	---	-------	------	---

Ref.

Budget Appropriation	A-3	\$ 243,844.05
Local Match	A-24	1,700.00
		<u>\$ 245,544.05</u>

BOROUGH OF ROSELAND
CURRENT FUND

RESERVE FOR UNAPPROPRIATED RESERVES
YEAR ENDED DECEMBER 31, 2013

A-28

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 32,394.05
Increased by:		
Due from Current Fund	A-24	42,623.06
		<u>75,017.11</u>
Decreased by:		
Realized Revenue	A-26	32,394.05
		<u>32,394.05</u>
Balance, December 31, 2013	A	<u>\$ 42,623.06</u>
<u>Analysis of Balance</u>		
Shate Tree		\$ 10,000.00
Clean Communities		9,899.47
Recycling Tonnage Grant		19,597.79
Body Armor Grant		3,125.80
		<u>42,623.06</u>
		<u>\$ 42,623.06</u>

See Independent Auditors' Report

TOWNSHIP OF ROSELAND
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2013

B-1

	Ref.	Animal Control Fund	Affordable Housing Trust Fund	General Trust Fund
Balance, December 31, 2012	B	\$ 9,929.56	\$ 35,492.01	\$ 369,849.90
Increased by Receipts:				
Due to State of New Jersey:		\$		\$
Dog License Fees	B-6	417.60		
2013 Dog License Fees	B-9	2,529.40		
2013 Cat License Fees	B-9	200.00		
Late Fees	B-9	245.00		
Recreation Fund Collections	B-10			105,251.46
Unemployment	B-7			12,825.84
Special Deposits	B-13		16.23	207,526.74
COAH Interest	B-14			
		3,392.00	16.23	325,604.04
		13,321.56	35,508.24	695,453.94
Decreased by Disbursements:				
Interfunds	B-5		7,000.00	
Due to State of New Jersey:				
Dog License Fees	B-6	433.80		7,477.88
State Unemployment Insurance Fund	B-7			
Expenditures under N.J.S.A. 40A:4-39	B-9	3,565.10		96,582.01
Recreation Fund Expenditures	B-10			195,883.45
Special Deposits	B-13			30,793.41
Reserve for Community Development	B-15			
		3,998.90	7,000.00	330,736.75
Balance, December 31, 2013	B	\$ 9,322.66	\$ 28,508.24	\$ 364,717.19

BOROUGH OF ROSELAND
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
DEVELOPER'S ESCROW ACCOUNT
YEAR ENDED DECEMBER 31, 2013

B-2

	<u>Ref.</u>	<u>General Trust Fund</u>	
Balance, December 31, 2012	B		\$ 584,841.40
Increased by Receipts:			
Accrued Interest	B-5	\$ 165.23	
Reserve for Developer's Escrow	B-12	<u>95,538.36</u>	
			<u>95,703.59</u>
			680,544.99
Decreased by Disbursements:			
Reserve for Developer's Escrow	B-12	<u>92,659.72</u>	
			<u>92,659.72</u>
Balance, December 31, 2013	B		<u><u>\$ 587,885.27</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
MONEY MARKET ACCOUNTS
YEAR ENDED DECEMBER 31, 2013

B-3

	<u>Ref.</u>	<u>General Trust Fund</u>	
Balance, December 31, 2012	B		\$ 38,500.47
Increased by Receipts:			
Interest Earned:			
Unemployment Insurance	B-7	\$ 111.69	
Community Development	B-8	34,993.41	
Special Deposits	B-13	<u>9.12</u>	
			<u>35,114.22</u>
Balance, December 31, 2013	B		<u><u>\$ 73,614.69</u></u>

CASH RECEIPTS AND DISBURSEMENTS
OPEN SPACE FUND
YEAR ENDED DECEMBER 31, 2013

B-4

	<u>Ref.</u>		
Balance, December 31, 2012	B		\$ 2,561,534.46
Increased by:			
Due from Current Fund	B-5	\$ 337,697.51	
Interest Earned	B-11	<u>9,545.02</u>	
			<u>347,242.53</u>
			2,908,776.99
Decrease by:			
Payments	B-11	92,812.73	
Due to Current Fund	B-5	<u>6,000.00</u>	
			<u>98,812.73</u>
Balance, December 31, 2013	B		<u><u>\$ 2,809,964.26</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
TRUST FUND

INTERFUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2013

B-5

Ref.	General Trust Fund		Open Space Trust Fund Grant Fund	Open Space Trust Fund Current Fund	Affordable Housing Current Fund
	Total	Current Fund			
B	\$ (15.55)	\$ (15.55)	\$ (6,000.00)	\$	\$ (7,000.00)
Balance, December 31, 2012: (Due To)					
Increased by:					
Cash Disbursements					
Trust Fund					7,000.00
Investment Account			6,000.00		
Open Space Program - Tax Levy				337,697.51	
				337,697.51	7,000.00
				337,697.51	
Decreased by:					
Accrued Interest:					
Special Deposits	979.14	979.14			
Developer's Escrow Account	165.23	165.23			
	1,144.37	1,144.37			
B	\$ (1,159.92)	\$ (1,159.92)	\$	\$	\$
Balance, December 31, 2013: (To)					

BOROUGH OF ROSELAND
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2013

B-6

Dog
License
Fees

	<u>Ref.</u>		
Balance, December 31, 2012	B	\$	16.20
Increased by:			
Collections:			
2013 Dog License Fees	B-1		417.60
			<u>468.00</u>
Decreased by:			
Payments	B-1		433.80
			<u>433.80</u>
Balance, December 31, 2013		\$	<u><u> </u></u>

STATE UNEMPLOYMENT COMPENSATION INSURANCE FUND
YEAR ENDED DECEMBER 31, 2013

B-7

	<u>Ref.</u>		
Balance, December 31, 2012	B	\$	21,364.77
Increased by:			
Interest on:			
Money Market Account	B-3	\$	111.69
Payroll Deductions	B-1		12,825.84
			<u>12,937.53</u>
			34,302.30
Decreased by:			
Cash Disbursements	B-1		7,477.88
			<u>7,477.88</u>
Balance, December 31, 2013	B	\$	<u><u>26,824.42</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
TRUST FUND

DUE FROM ESSEX COUNTY
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2013

B-8

	<u>Ref.</u>		
Balance, December 31, 2012	B	\$	85,500.00
Decreased by:			
Receipts	B-3		<u>34,993.41</u>
Balance, December 31, 2013	B	\$	<u><u>50,506.59</u></u>

RESERVE FOR ANIMAL CONTROL EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

B-9

	<u>Ref.</u>		
Balance, December 31, 2012	B	\$	9,913.36
Increased by:			
Dog License Fees	B-1	\$	2,529.40
Cat License Fees	B-1		200.00
Late Fees	B-1		<u>245.00</u>
			<u>2,974.40</u>
			12,887.76
Decreased by:			
Expenditures Under N.J.S.A.			
40A: 4-39	B-1		<u>3,565.10</u>
Balance, December 31, 2013	B	\$	<u><u>9,322.66</u></u>

BOROUGH OF ROSELAND
TRUST FUND

RESERVE FOR RECREATION EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

B-10

	<u>Ref.</u>		
Balance, December 31, 2012	B	\$	106,895.64
Increased by:			
Collections	B-1		105,251.46
			<u>212,147.10</u>
Decreased by:			
Payments	B-1		96,582.01
			<u>96,582.01</u>
Balance, December 31, 2013	B	\$	<u><u>115,565.09</u></u>

RESERVE FOR OPEN SPACE PROGRAM
YEAR ENDED DECEMBER 31, 2013

B-11

	<u>Ref.</u>		
Balance, December 31, 2012	B	\$	2,555,534.46
Increased by:			
Interest Earned	B-4	\$	9,545.02
2013 Tax Levy	B-5		<u>337,697.51</u>
			<u>347,242.53</u>
			2,902,776.99
Decrease by:			
Payments	B-4		92,812.73
			<u>92,812.73</u>
Balance, December 31, 2013	B	\$	<u><u>2,809,964.26</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
TRUST FUND

DEVELOPER'S ESCROW
YEAR ENDED DECEMBER 31, 2013

B-12

<u>Account</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Maintenance and Performance				
Bonds	\$ 380,463.88	\$ 23,809.36	\$ 2,000.00	\$ 402,273.24
Inspection Fees	94,380.85	15,049.77	17,150.00	92,280.62
Site Plan Fees	102,225.28	53,922.57	70,025.52	86,122.33
Subdivision Fees	7,755.84	1,756.66	2,501.70	7,010.80
Other		1,000.00	982.50	17.50
	<u>\$ 584,825.85</u>	<u>\$ 95,538.36</u>	<u>\$ 92,659.72</u>	<u>\$ 587,704.49</u>
<u>Ref.</u>	B	B-2	B-2	B

BOROUGH OF ROSELAND
TRUST FUND

SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2013

B-13

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Police Side Jobs	\$ 71,082.52	\$ 153,030.00	\$ 181,681.23	\$ 42,431.29
Premium Tax Sale	900.00	37,600.00	700.00	37,800.00
Youth Week/Municipal Youth Council	5,331.15	805.00	93.39	6,042.76
Celebration of Public Events	18,187.47			18,187.47
Emergency Management	2,333.43		152.29	2,181.14
Police Donations	8,593.63	6,375.00	3,462.45	11,506.18
Bucco Settlements	30,500.00			30,500.00
Donations to Environmental Comm	62.41			62.41
Senior Advisory Board	402.75			402.75
Accumulated Absences	1,648.05			1,648.05
Parking Offense Adjudication Act	3,596.58	158.00		3,754.58
Public Defender	527.60	600.00	979.14	148.46
Snow Removal	85,317.45			85,317.45
Lien Redemption		8,294.09	8,294.09	
Forfeited Property		664.65		664.65
Security Deposit	13,333.34			13,333.34
9/11 Scholarship Fund	16,218.22	9.12	1,500.00	14,727.34
Tsunami Relief Fund	962.00			962.00
Sidewalk Contribution	25,000.00			25,000.00

<u>\$ 283,996.60</u>	<u>\$ 207,535.86</u>	<u>\$ 196,862.59</u>	<u>\$ 294,669.87</u>
----------------------	----------------------	----------------------	----------------------

<u>Ref.</u> B	Below	Below	B
---------------	-------	-------	---

Ref.

Checking Account - Regular
Account
Money Market Account
Due from Current Fund

B-1	\$ 207,526.74	\$ 195,883.45	
B-3	9.12		
B-5		979.14	
Above	<u>\$ 207,535.86</u>	<u>\$ 196,862.59</u>	

BOROUGH OF ROSELAND
TRUST FUND

RESERVE FOR AFFORDABLE HOUSING EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

B-14

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 28,492.01
Increased by:		
COAH Developer Fee:		
Interest	B-1	<u>16.23</u>
Balance, December 31, 2013	B	<u>\$ 28,508.24</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

B-15

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 81,593.36
Decreased by:		
Payments	B-1	<u>30,793.41</u>
Balance, December 31, 2013	B	<u>\$ 50,799.95</u>

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS - CHECKING ACCOUNT C-2
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 627,163.84
Increased by Receipts:			
Deferred Charges - Unfunded	C-10	\$ 36,740.10	
Transfer from Investment	C-3	1,000,490.95	
Due From Current Fund	C-5	347,243.02	
Premium on Bond Sale	C-1	358,374.90	
Serial Bonds	C-13	5,570,000.00	
Bond Anticipation Notes	C-12	<u>9,253,800.00</u>	
			<u>16,566,648.97</u>
			17,193,812.81
Decreased by Disbursements:			
Transfer to Investment Account	C-3	2,000,000.00	
Improvement Authorizations	C-10	7,601,506.49	
Bond Anticipation Notes	C-12	<u>6,852,676.50</u>	
			<u>16,454,182.99</u>
Balance, December 31, 2013	C		<u><u>\$ 739,629.82</u></u>

CASH RECEIPTS AND DISBURSEMENTS - INVESTMENTS
YEAR ENDED DECEMBER 31, 2013

C-3

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 25,990.69
Increased by:			
Transferred From Checking	C-2	\$ 2,000,000.00	
Interest Earned	C-5	<u>0.26</u>	
			<u>2,000,000.26</u>
			2,025,990.95
Decreased by:			
Transfers to Checking	C-2		<u>1,000,490.95</u>
Balance, December 31, 2013	C		<u><u>\$ 1,025,500.00</u></u>

See Independent Auditors' Report

**BOROUGH OF ROSELAND
GENERAL CAPITAL FUND**

**ANALYSIS OF CAPITAL CASH
YEAR ENDED DECEMBER 31, 2013**

C-4

General Improvement Authorizations Ordinance:	Balance Dec. 31, 2012	Receipts Other	Disbursements		Transfers		Balance Dec. 31, 2013
			Improvement Authorizations	Other	From	To	
15-89	\$ 43,500.00						\$ 43,500.00
12-03/5-04	26,185.22	1,020,676.50	316,303.72	215,676.50			514,881.50
15-04	24,388.55				23,421.39		967.16
21-06	2,034.00		2,034.00				
12-09	2,800.00				2,740.63		59.37
13-10	4,650.00				4,650.00		
2-11	52,821.00						
4-11	47.43	106,500.00	51,310.00				1,511.00
6-11	1,672.81		556.47	106,500.00			(509.04)
9-11	11,558.26				1,672.81		0.00
10-11	(29,289.30)				11,558.26		
3-12	(4,385.76)	1,135,500.00	479,900.13	575,500.00		157,500.00	50,810.57
9-12	43,290.34	120,000.00	265,866.76				7,247.48
10-12	28,099.08	503,705.00	524,890.95				43,290.34
11-12	36,132.18		2,897.79				6,913.13
12-12	19,264.32		8,050.99				33,234.39
15-12	20,000.00	227,168.50	600.00				11,213.33
16-12	40,000.00		39,141.84				246,568.50
17-12		11,561,740.10	5,891,153.91	5,955,000.00		348,259.90	858.16
2-13		95,000.00	17,927.47			5,000.00	63,846.09
5-13		90,250.00	257.08			4,750.00	82,072.53
7-13			133.64				94,742.92
9-13			127.52			33,000.00	32,866.36
10-13			354.22			25,000.00	(127.52)
							24,645.78
Other Accounts							
Due to Current Fund	141.72	347,243.28			357,500.00	10,115.00	
Capital Improvement Fund	285,122.89				67,750.00	220,621.70	437,994.59
Premium on Sale of Bonds		358,374.90			358,374.90		
Reserve - Regional Contribution							
Agreement	25,500.00						25,500.00
Fund Balance	19,621.79					23,421.39	43,043.18
	<u>\$ 653,154.53</u>	<u>\$ 15,566,158.28</u>	<u>\$ 7,601,506.49</u>	<u>\$ 6,852,676.50</u>	<u>\$ 827,667.99</u>	<u>\$ 827,667.99</u>	<u>\$ 1,765,129.82</u>

Ref.

Below

C-2

C-2

C

Ref.

C-2

Cash - Checking

Cash - Investment

Above

\$ 15,566,158.02

0.26

\$ 15,566,158.28

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

DUE TO CURRENT FUND
YEAR ENDED DECEMBER 31, 2013

C-5

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ (141.72)
Increased by:			
DOT Receivable	C-6	\$ 157,500.00	
Budget Appropriation			
Capital Improvement Fund	C-8	<u>200,000.00</u>	
			<u>357,500.00</u>
			357,358.28
Decreased by:			
Cash Receipts:			
Interest on Investments	C-3	0.26	
Premium on Note Sale	C-1	10,115.00	
Cash Settlement	C-2	<u>347,243.02</u>	
			<u>357,358.28</u>
Balance, December 31, 2013			<u><u>\$</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY TRANSPORTATION TRUST FUND
YEAR ENDED DECEMBER 31, 2013

C-6

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 243,422.77
Increased by:			
Grant Award	C-9		225,000.00
			<u>468,422.77</u>
Decreased by:			
Collections	C-5	\$ 157,500.00	
Cancelations	C-11	<u>33,422.77</u>	
			<u>190,922.77</u>
Balance, December 31, 2013	C		<u><u>\$ 277,500.00</u></u>
<u>Analysis of Balance</u>			
Transportation Trust Fund:			
Davenport Road and Williamsburg Drive			\$ 52,500.00
Cedar and Beech Tree			<u>225,000.00</u>
Balance, December 31, 2013			<u><u>\$ 277,500.00</u></u>

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2013

C-7

	<u>Ref.</u>	
Increased by:		
Serial Bonds Issued	C-10	\$ 5,570,000.00
Balance, December 31, 2013	C	<u>\$ 5,570,000.00</u>

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013

C-8

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 285,122.89
Increased by:			
2013 Budget Appropriation	C-5	\$ 200,000.00	
Improvement Authorizations Canceled	C-11	<u>20,621.70</u>	
			<u>220,621.70</u>
			505,744.59
Decreased by:			
Appropriation to Finance Improvement			
Authorizations	C-11		<u>67,750.00</u>
Balance, December 31, 2013	C		<u>\$ 437,994.59</u>

RESERVE FOR STATE GRANT RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

C-9

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 210,000.00
Increase by:			
DOT Receivable	C-6		<u>225,000.00</u>
			435,000.00
Decreased by:			
Applied to Deferred Charges - Unfunded	C-10		<u>157,500.00</u>
Balance, December 31, 2013	C		<u>\$ 277,500.00</u>

See Independent Auditors' Report

**BOROUGH OF ROSELAND
GENERAL CAPITAL FUND**

**DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2013**

C-10

<u>Improvement</u>	<u>Balance Dec. 31, 2012</u>	<u>2013 Authorizations</u>	<u>2013 Decreased</u>	<u>Notes Paid By Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>	<u>Analysis of Balance Dec. 31, 2013</u>		
						<u>Bond Anticipation Notes</u>	<u>Expenditures</u>	<u>Unexpended Improvement Authorizations</u>
Streetscape	\$ 602,616.00	\$	\$ 224,000.00	\$ 378,616.00	\$	\$	\$	\$
Improvement Municipal Building	2,608,570.00			327,893.50	2,280,676.50	1,020,676.50		1,260,000.00
Improvements to Oak Drive and Evelyn Road	215,730.00				215,730.00	106,500.00		109,230.00
Various Improvements	2,347,592.00				2,347,592.00	1,135,500.00		1,212,092.00
Improvements to Davenport Ave Williamsburg Drive	335,000.00		157,500.00		177,500.00	120,000.00		57,500.00
Fire Pumper Truck	551,000.00				551,000.00	503,705.00		47,295.00
Narrow Band Communication System	380,000.00				380,000.00	227,168.50		152,831.50
Refunding Tax Bond	5,955,000.00		5,955,000.00					
Improvements to First Aid Squad		95,000.00			95,000.00	95,000.00		
Turn Out Gear		90,250.00			90,250.00	90,250.00		
2013 Road Program		366,410.00			366,410.00		127.52	366,282.48
	<u>\$ 12,995,508.00</u>	<u>\$ 551,660.00</u>	<u>\$ 6,336,500.00</u>	<u>\$ 706,509.50</u>	<u>\$ 6,504,158.50</u>	<u>\$ 3,298,800.00</u>	<u>\$ 127.52</u>	<u>\$ 3,205,230.98</u>
Reference	C	C-11	Below	C-12	C	C-12	Below	C
Transferred to Deferred Charges - Funded		Ref.						
Applied from:		C-7	\$ 5,570,000.00					
Capital Surplus		C-1	348,259.90					
Reserve for State Grants Receivable		C-9	157,500.00					
Canceled		C-11	224,000.00					
Budget Appropriation - Unfunded Improvement Authorization		C-2	36,740.10					
			<u>\$ 6,336,500.00</u>					

**BOROUGH OF ROSELAND
GENERAL CAPITAL FUND**

**IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013**

C-11

Ordinance Number	Improvement Description	Balance Dec. 31, 2012		2013 Authorizations	Expended	Canceled	Balance Dec. 31, 2013	
		Funded	Unfunded				Funded	Unfunded
General Improvements								
15-89	Regional Contribution Agreement - City of Newark	\$ 43,500.00	\$	\$	\$	\$	\$ 43,500.00	\$
12-03, 5-04	Improvements - Municipal Building		2,091,185.22		316,303.72			1,774,881.50
15-04	Streetscape		248,388.55			247,421.39	967.16	
21-06/11-08	Improvements to Holmehill Roads				2,034.00			
12-09	Fire Alarm System	2,034.00						
13-10	Public Works Vehicles & Equipment	2,800.00				2,740.63	59.37	
2-11	Improvements to Free Public Library	4,650.00				4,650.00		
4-11	Improvements to Oak Drive and Evelyn Road	52,821.00			51,310.00		1,511.00	
6-11	Computer System		142,700.20		556.47	33,422.77		108,720.96
9-11	Digital Copiers	1,672.81				1,672.81		
		11,558.26				11,558.26		
10-11/5-12	Various Improvements		1,742,802.70		479,900.13			1,262,902.57
3-12	Improvements to Davenport Avenue and Williamsburg Drive		330,614.24		265,866.76			64,747.48
9-12	Stream Embankment Stability	43,290.34					43,290.34	
10-12	Fire Pumper	28,099.08			524,890.95			
11-12	School Path Bridge	36,132.18	551,000.00		2,897.79		33,234.39	54,208.13
12-12	HVAC Fire Department	19,264.32			8,050.99		11,213.33	
15-12	Narrow Band Communication System	20,000.00	380,000.00		600.00		19,400.00	380,000.00
16-12	Digital In Car Video System	40,000.00			39,141.84		858.16	
17-12	Refunding Tax Appeal Bond		5,955,000.00		589,153.91		63,846.09	82,072.53
2-13	Improvements to First Aid Squad Building			100,000.00	17,927.47			90,250.00
5-13	Turn Out Gear			95,000.00	257.08		4,492.92	
7-13	Live Scan Technology			33,000.00	133.64		32,866.36	
9-13	2013 Road Program			366,410.00	127.52			366,282.48
10-13	Computers and Related Supplies			25,000.00	354.22		24,645.78	
		\$ 305,821.99	\$ 11,441,690.91	\$ 619,410.00	\$ 7,601,506.49	\$ 301,465.86	\$ 279,884.90	\$ 4,184,065.65
		Ref	C	Below	C-2	Below	C	C
Ref								
Grant Receivable								
Capital Improvement Fund				\$		\$	33,422.77	
Capital Surplus							20,621.70	
Deferred Charges to Future Taxation - Unfunded Debt Authorized							23,421.39	
							224,000.00	
			Above	\$ 619,410.00		\$	301,465.86	

**BOROUGH OF ROSELAND
GENERAL CAPITAL FUND**

**BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013**

C-12

Ordinance Number	Improvement/Authorization	Original Issue	Issue	Maturity	Interest Rate	Balance Dec. 31, 2012	Increase	Decrease	Balance Dec. 31, 2013
12-03, 5-04	Improvement Municipal Building	8/22/08				\$ 88,570.00	\$	\$ 88,570.00	\$
15-04	Streetscape	8/22/08				378,616.00		378,616.00	
12-03, 5-04	Improvement Municipal Building	8/19/10				100,000.00		100,000.00	
	Improvement Municipal Building	8/18/12	7/31/13	7/30/14	1.25%	355,000.00	215,676.50	355,000.00	215,676.50
4-11	Improvements to Oak Drive and Evelyn Road	12/21/12	7/31/13	7/30/14	1.25%	106,500.00	106,500.00	106,500.00	106,500.00
10-11, 5-12	Various Improvements	12/21/12	7/31/13	7/30/14	1.25%	575,500.00	575,500.00	575,500.00	575,500.00
17-12	Refunding Tax Appeal Bond						5,955,000.00	5,955,000.00	
12-03, 5-04	Improvement Municipal Building	7/31/13	7/31/13	7/30/14	1.25%		805,000.00		805,000.00
10-11, 5-12	Various Improvements	7/31/13	7/31/13	7/30/14	1.25%		560,000.00		560,000.00
3-12	Improvements to Davenport Road	7/31/13	7/31/13	7/30/14	1.25%		120,000.00		120,000.00
10-12	Fire Pumper	7/31/13	7/31/13	7/30/14	1.25%		503,705.00		503,705.00
15-12	Narrow Band Communication	7/31/13	7/31/13	7/30/14	1.25%		227,168.50		227,168.50
2-13	Improvements to First Aid Squad	7/31/13	7/31/13	7/30/14	1.25%		95,000.00		95,000.00
6-13	Turn Out Gear	7/31/13	7/31/13	7/30/14	1.25%		90,250.00		90,250.00
						<u>\$ 1,604,186.00</u>	<u>\$ 9,253,800.00</u>	<u>\$ 7,559,186.00</u>	<u>\$ 3,298,800.00</u>
						Ref.	C	Below	C
						Ref			
						Cash Disbursed	C-2	\$ 6,852,676.50	
						Paid by Budget Appropriation	C-10	706,509.50	
								<u>\$ 7,559,186.00</u>	

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

GENERAL SERIAL BONDS
YEAR ENDED DECEMBER 31, 2013

C-13

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2013</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Bonds Issued</u>	<u>Balance Dec. 31, 2013</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Tax Appeals	8/15/2013	\$ 5,570,000.00	11/15/2014	\$ 575,000.00	3.00%	\$	\$ 5,570,000.00	\$ 5,570,000.00
			11/15/15-23	555,000.00				
					<u>Reference</u>		C-2	C

BOROUGH OF ROSELAND
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

C-14

<u>Ordinance No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance Dec. 31, 2013</u>
12-03, 5-04	Improvement Municipal Building	\$ 2,065,000.00	\$	\$ 805,000.00	\$ 1,260,000.00
15-04	Streetscape	224,000.00		224,000.00	
4-11	Improvements to Oak Drive and Evelyn Road	109,230.00			109,230.00
10-11, 5-12	Various Improvements	1,772,092.00		560,000.00	1,212,092.00
3-12	Improvements to Davenport Road and Williamsburg Drive	335,000.00		277,500.00	57,500.00
10-12	Fire Pumper Truck	551,000.00		503,705.00	47,295.00
15-12	Narrow Band Communication System	380,000.00		227,168.50	152,831.50
17-12	Refunding Tax Bond	5,955,000.00		5,955,000.00	
2-13	Improvements to First Aid Squad		95,000.00	95,000.00	
5-13	Turn Out Gear		90,250.00	90,250.00	
9-13	2013 Road Improvement		366,410.00		366,410.00
		<u>\$ 11,391,322.00</u>	<u>\$ 551,660.00</u>	<u>\$ 8,737,623.50</u>	<u>\$ 3,205,358.50</u>

Ref.

C

C

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

STATEMENT OF WATER UTILITY CASH
YEAR ENDED DECEMBER 31, 2013

D-5

	Ref.	Operating Fund	Capital Fund
Balance, December 31, 2012	D	\$ 1,425,451.94	\$ 319,220.76
Increased by Receipts:			
Premium on Bond Anticipation Notes			
Interest Earned	D-3	\$ 6,438.55	\$
Miscellaneous Revenue	D-3	24,460.78	
Investment Fund Withdrawals	D-6	150,000.00	
Water/Sewer Rents Receivable	D-8	2,753,645.56	
Water/Sewer Prepaid Rents	D-15	829.23	
Water/Sewer Overpayments	D-16	12,058.74	
Bond Anticipation Notes Issued	D-21		366,806.00
		<u>2,947,432.86</u>	<u>366,806.00</u>
		4,372,884.80	686,026.76
Decreased by Disbursements:			
Budget Appropriations	D-4	2,085,212.33	
2012 Appropriation Reserves	D-12	441,387.95	
Accrued Interest on Notes	D-14	6,612.78	
Anticipated Revenue Current Fund	D-1	250,000.00	
Improvement Authorizations	D-20		2,443.76
Bond Anticipation Notes Redeemed	D-21		366,806.00
		<u>2,783,213.06</u>	<u>369,249.76</u>
Balance, December 31, 2013	D	<u>\$ 1,589,671.74</u>	<u>\$ 316,777.00</u>

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

CASH RECEIPTS AND DISBURSEMENTS
INVESTMENTS
YEAR ENDED DECEMBER 31, 2013

D-6

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 200,912.13
Increased by:		
Interest Earned	D-3	100.43
		<hr/> 201,012.56
Decreased by:		
Transfers to Checking Account	D-5	150,000.00
		<hr/> 150,000.00
Balance, December 31, 2013	D	<u><u>\$ 51,012.56</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

ANALYSIS OF WATER/SEWER CAPITAL CASH
YEAR ENDED DECEMBER 31, 2013

D-7

	Balance Dec. 31, 2012	Disbursements	Balance Dec. 31, 2013
<u>Improvement Authorizations</u>			
Ordinance Number:			
9-97/8-98/8-99/13-08	\$ 1,781.67	\$ 1,839.36	\$ (57.69)
01-11	39,864.32		39,864.32
11-11	103,532.76	604.40	102,928.36
<u>Other Accounts</u>			
Fund Balance	150,184.21		150,184.21
Capital Improvement Fund	23,857.80		23,857.80
	<u>\$ 319,220.76</u>	<u>\$ 2,443.76</u>	<u>\$ 316,777.00</u>

Ref.

D

D-5

D

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

WATER/SEWER RENTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

D-8

	<u>Ref.</u>		
Balance, December 31, 2012	D	\$	97,865.45
Increased by:			
Water/Sewer Rents Levied - Net	Reserve		<u>2,847,368.48</u>
			2,945,233.93
Decreased by:			
Collections	D-5	\$	2,753,645.56
Prepayments Applied	D-15		537.36
Overpayment Applied	D-16		<u>16,712.55</u>
	D-3		<u>2,770,895.47</u>
Balance, December 31, 2013	D	\$	<u><u>174,338.46</u></u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

INVENTORY
YEAR ENDED DECEMBER 31, 2013

D-9

	<u>Ref.</u>	<u>Operating Fund</u>
Balance, December 31, 2012	D	\$ 59,328.65
		<hr/>
Balance, December 31, 2013	D	<u>\$ 59,328.65</u>

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2013

D-10

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 8,982,967.13
		<hr/>
Balance, December 31, 2013	D	<u>\$ 8,982,967.13</u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2013

D-11

Improvement Description	Ordinance		Amount	Balance	
	Number	Date		Dec. 31, 2012	Balance Dec. 31, 2013
Inflow and Infiltration Study - Sections 1, 2 and 3 and the making of Any Improvements Indicated by Such Study to be Necessary or Desirable	9-97/8-98/				
	8-99/13-08/6-10	2/11/1997	\$ 1,020,960.00	\$ 275,479.15	\$ 275,479.15
Gas Alarm Detector Pump Stations	1-11	2/15/2013	40,000.00	40,000.00	40,000.00
Various Improvements	11-11	9/20/2013	1,129,400.00	1,129,400.00	1,129,400.00
				<u>\$ 1,444,879.15</u>	<u>\$ 1,444,879.15</u>
				Ref.	D
				D	D

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

APPROPRIATION RESERVES
DECEMBER 31, 2013

D-12

	<u>Encumbered</u> <u>Dec. 31, 2012</u>	<u>Reserved</u> <u>Dec. 31, 2012</u>	<u>Charged</u>	<u>Lapsed</u>
<u>Operating</u>				
Salaries and Wages	\$	\$ 16,990.93	\$	\$ 16,990.93
Other Expenses	674,294.82	15,677.90	450,847.35	239,125.37
User's Fee Operations		128,812.15		128,812.15
<u>Statutory Expenditures</u>				
Contribution to:				
Social Security System (OASI)		4,251.17		4,251.17
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)		326.05	15.60	310.45
	<u>\$ 674,294.82</u>	<u>\$ 166,058.20</u>	<u>\$ 450,862.95</u>	<u>\$ 389,490.07</u>
<u>Ref.</u>	D	D	Below	D-1
		<u>Ref.</u>		
Cash Disbursements		D-5	\$ 441,387.95	
Transfer to Accounts Payable		D-13	<u>9,475.00</u>	
			<u>\$ 450,862.95</u>	

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2013

D-13

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 334,573.34
Increased by:		
Transferred from 2012 Appropriation Reserves	D-12	9,475.00
		<u>344,048.34</u>
Decreased by:		
Canceled	D-1	<u>\$ 259,573.34</u>
		<u>259,573.34</u>
Balance, December 31, 2013	D	<u>\$ 84,475.00</u>

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2013

D-14

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 1,198.84
Increased by:		
Budget Appropriation	D-4	12,350.00
		<u>13,548.84</u>
Decreased by:		
Payments	D-5	<u>6,612.78</u>
Balance, December 31, 2013	D	<u>\$ 6,936.06</u>

Analysis of Balance

<u>Notes Outstanding</u> <u>December 31, 2013</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Period</u>	<u>Amount</u>
\$ 366,806.00	1.875%	10/23/2013	12/31/2013	68 Days	<u>\$ 1,299.10</u>

Note: The excess has been used to reduce the 2014 budget appropriation

See Independent Auditors' Report

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

PREPAYMENT OF WATER/SEWER RENT
YEAR ENDED DECEMBER 31, 2013

D-15

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 537.36
Increased by:		
Cash Receipts	D-5	829.23
		<u>1,366.59</u>
Decreased by:		
Prepayments Applied	D-8	537.36
		<u>537.36</u>
Balance, December 31, 2013	D	<u>\$ 829.23</u>

WATER/SEWER OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2013

D-16

	<u>Ref.</u>		
Balance, December 31, 2012	D		\$ 13,242.34
Increased by:			
Cash Receipts	D-5	\$ 12,058.74	
Prior Year Overpayment	D-1	<u>735.31</u>	
			12,794.05
			<u>26,036.39</u>
Decreased by:			
Overpayments Applied	D-8		16,712.55
			<u>16,712.55</u>
Balance, December 31, 2013	D		<u>\$ 9,323.84</u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

D-17

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 8,042,775.02
Increased by:		
Budget Appropriations:		
Payment of Bond Anticipation Notes	D-21	<u>309,715.00</u>
Balance, December 31, 2013	D	<u><u>\$ 8,352,490.02</u></u>

DEFERRED RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

D-18

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Balance Dec. 31, 2012</u>	<u>Balance Dec. 31, 2013</u>
Inflow and Infiltration Study - Sections 1, 2 and 3	9-97/8-98/ 8-99/13-08	2/11/1997	\$ 316,097.00	\$ 316,097.00
Replace Water Mains	09-04	6/22/2004	201,166.00	201,166.00
Gas Alarm System	1-11	2/15/2013	40,000.00	40,000.00
Various Improvements	11-11	9/20/2013	<u>103,850.00</u>	<u>103,850.00</u>
			<u><u>\$ 661,113.00</u></u>	<u><u>\$ 661,113.00</u></u>
		<u>Ref.</u>	D	<u>D</u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013

D-19

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 23,857.80
		<hr/>
Balance, December 31, 2013	D	<u>\$ 23,857.80</u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

D-20

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Amount</u>	<u>Balance Dec. 31, 2012</u>		<u>Balance Dec. 31, 2013</u>	
				<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
Inflow and Infiltration Study - Sections 1, 2 and 3 Improvements to Sewer System	9-97/8-98/ 8-99/13-08/6-10	2/11/1997	\$ 1,020,960.00	\$	\$ 23,669.03	\$ 1,839.36	\$ 21,829.67
Gas Alarm Detector System Pump Stations	1-11	2/15/2013	40,000.00	39,864.32		39,864.32	
Various Improvements	11-11	9/20/2013	1,129,400.00	103,532.76	1,025,550.00	604.40	1,025,550.00
				<u>\$ 143,397.08</u>	<u>\$ 1,049,219.03</u>	<u>\$ 2,443.76</u>	<u>\$ 1,047,379.67</u>
	<u>Ref.</u>			D	D	D-5	D

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

D-21

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>	<u>Notes Issued</u>	<u>Notes Paid</u>	<u>Balance Dec. 31, 2013</u>
Replacement of Water Mains	09-04	12/22/2005	10/23/2014	1.875%	\$ 257,145.00	\$ 128,574.00	\$ 257,145.00	\$ 128,574.00
Inflow and Infiltration Study - Sections 1, 2 and 3 and Radio Water Meter System	9-97/8-98/8-99/13-08	10/30/2009	10/23/2014	1.875%	164,994.00	82,497.00	164,994.00	82,497.00
Inflow and Infiltration Study - Sections 1, 2 and 3 and Radio Water Meter System	9-97/8-98/8-99/13-08/6-10	10/28/2012	10/23/2014	1.875%	254,382.00	155,735.00	254,382.00	155,735.00
				<u>Ref.</u>	<u>D</u>	<u>D-5</u>	<u>Below</u>	<u>D</u>
					\$ 676,521.00	\$ 366,806.00	\$ 676,521.00	\$ 366,806.00
				<u>Renewals</u>				
				<u>Paid by Budget Appropriation</u>				
						\$ 366,806.00		
						309,715.00		
						\$ 676,521.00		

BOROUGH OF ROSELAND
WATER/SEWER UTILITY

BOND AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

D-22

<u>Improvement Description</u>	<u>Ordinance Number</u>	<u>Date</u>	<u>Debt Authorized</u>	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
Inflow and Infiltration Study - Sections 1, 2 and 3	9-97/8-98	2/11/1997	\$ 969,912.00	\$ 21,887.36	\$ 21,887.36
	8-99/1-07				
	13-08/6-10				
Various Improvements	11-11	9/20/2013	1,025,550.00	1,025,550.00	1,025,550.00
				<u>\$ 1,047,437.36</u>	<u>\$ 1,047,437.36</u>
		<u>Ref.</u>		D	D

BOROUGH OF ROSELAND
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED DECEMBER 31, 2013

E-1

	<u>Ref.</u>		
Balance December 31, 2012	E		\$ 17,382.87
Increased by:			
Employer Contributions	E-2	\$ 204,080.10	
Gross Payroll	E-2	<u>5,031,697.69</u>	
			<u>5,235,777.79</u>
			5,253,160.66
Decreased by:			
Payroll Deductions Payable	E-2	<u>5,241,205.90</u>	
			<u>5,241,205.90</u>
Balance December 31, 2013	E		<u>\$ 11,954.76</u>

See Independent Auditors' Report

BOROUGH OF ROSELAND
PAYROLL FUND

E-2

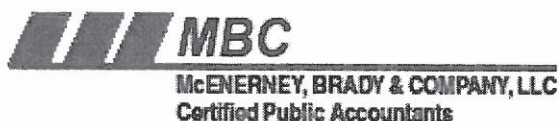
ANALYSIS OF PAYROLL DEDUCTIONS
YEAR ENDED DECEMBER 31, 2013

	Balance Dec. 31, 2012	Payroll Deductions	Other Receipts	Disbursements	Transfers	Balance Dec. 31, 2013
Net Salaries and Wages	\$	\$ 3,151,742.53	\$	\$ 3,151,742.53	\$	\$
Deductions:						
Federal Income Tax		648,262.80		648,262.80		
New Jersey Gross Income Tax		178,980.61		178,980.61		
Social Security		128,994.40	129,017.07	258,011.48		(0.01)
Medicare		66,592.86	66,627.94	133,220.80		
State Unemployment Insurance	13,352.42	17,711.99	1,974.43	26,322.08		6,716.76
Mass Mutual		84,378.04		84,378.04		
AFLAC		15,258.39		15,203.27		55.12
Fidelity Advisor Plan		2,400.00		2,400.00		
Aflac Cancer Protection		8,933.90		8,864.30		69.60
DCRP	262.12	6,735.99	3,674.20	10,399.42		272.89
FSA Plan		466.64		466.64		
Employee Health Cong		89,888.33	481.26	90,232.37		137.22
Teamsters Dues		4,104.00		4,104.00		
Income Withholding Support		59,917.92		59,917.92		
Garnishment		14,826.07		14,908.44		(82.37)
PBA Dues		3,620.25		3,620.25		
FOP #184		7,880.00		7,880.00		
FOP/PBA		3,340.00		3,340.00		
PERS Pension	574.04	121,059.84		119,181.68		2,452.20
PERS Back Pension	67.92	(67.92)				(0.00)
PERS Loans	99.15	44,626.29		44,571.67		153.77
PERS Arrears						
PERS Insurance	55.08	9,022.84		8,882.68		195.24
P&F Pension	350.06	250,417.05	1,165.90	251,673.40		259.61
P&F Back Pension						
P&F Loans	704.22	112,765.14		113,500.43		(31.07)
P&F Arrears	160.30	(160.27)				0.03
Workman's Comp			925.71	925.71		
Misc.			213.59	213.58		
	1,757.56					1,755.77
	17,382.87	1,879,955.16	204,080.10	2,089,463.37		11,954.76
	\$ 17,382.87	\$ 5,031,697.69	\$ 204,080.10	\$ 5,241,205.90	\$	\$ 11,954.76
Total	E	E-1	E-1	E-1		E, Below
	Ref.		Analysis of Balance	Ref.		
			Payroll Deductions Payable	E		\$ 10,198.99
			Accounts Payable	E		1,755.77
						\$ 11,954.76

BOROUGH OF ROSELAND

PART II

DECEMBER 31, 2013



**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
the Borough Council
Borough of Roseland
Roseland, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds of the Borough of Roseland, Essex County, New Jersey (the "Borough"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise Borough's basic financial statements, and have issued our report thereon dated June 30, 2014.

Internal Control Over Financial Reporting

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

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

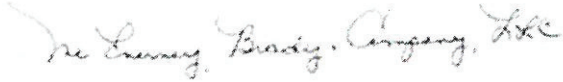
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

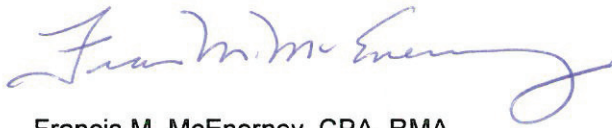
As part of obtaining reasonable assurance about whether the Borough's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Purpose of this Report

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



Livingston, New Jersey
June 30, 2014



Francis M. McEnerney, CPA, RMA
Licensed Registered Municipal Accountant # 539

BOROUGH OF ROSELAND
GENERAL COMMENTS
DECEMBER 31, 2013

Scope of Audit

The audit of the financial statements of the Borough of Roseland, County of Essex, New Jersey, as required by the Division of Local Government Services, covered the financial transactions of the Treasurer, Tax Collector, and the activities of the Borough and the records of the various outside departments.

The audit did not and could not determine the character of services rendered for which payment had been made or for which reserves had been set up, nor could it determine the character, proper price or quantity of materials supplied for which claims had been passed. These details were necessarily covered by the internal review and control before approval of such claims by the governing body.

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

N.J.S.A. 40A:11-4, as amended, states "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 (N.J.S.A. 40A:11-3c), except by contract or agreement."

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

The bidding threshold for the period January 1, 2013 until December, 31 2013, under audit is \$36,000.00 in accordance with the provisions of N.J.S.A. 40A:11-3a.

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

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

Bonded Officials

The following officials were bonded during the year ended December 31, 2013 through policies issued by the New Jersey Intergovernmental Insurance Fund:

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Maureen Chumacas	Chief Financial Officer.	\$1,000,000
Maureen Chumacas	Tax Collector	1,000,000
William T. Connell	Municipal Court Judge	1,000,000

All employees, other than the Tax Collector and Municipal Court personnel, were covered by a Public Employee Dishonesty Blanket Bond in the amount of \$250,000 issued by the New Jersey Intergovernmental Insurance Fund.

Collection of Interest on Delinquent Taxes and Assessments

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

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

"Not to exceed 8% per annum on the first \$1,500 of the delinquency and 18% on any amount in excess of \$1,500."

"The Borough Council by resolution instructed the Tax Collector to permit a ten (10) day grace period in the collection of taxes before a charge of interest is made."

"Be it further resolved that an additional 6% penalty be charged for delinquencies in excess of \$10,000 remaining unpaid at the end of the calendar year in accordance with the amended provisions of N.J.S.A. 54:4-67."

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

Administrative Procedures

Pension Eligibility

The State of New Jersey enacted legislation under Ch. 92 P.L. 2007 and codified under N.J.S.A. 43:15A-7.2 and 43:15c-2b(4). The law established that individuals performing professional services 1) under a contract awarded pursuant to N.J.S.A. 40A:11.5 and 1 or 2) under an independent contract as determined in accordance with rules an policy of the IRS are ineligible for membership in the State's Pension System (PERS). There was no "grandfathering" provisions under N.J.S.A. 43:15A-7.2. The municipalities were required to remove them from the pension rolls.

It appears that two individuals, one who is enrolled in PERS (Board of Adjustment Attorney) and one who is enrolled in the Defined Contribution Retirement Program (Borough Attorney), do not meet the requirements under the statutes. It is noted that the Borough Attorney is appointed each year through a RFP. The Borough has submitted documentation to the State Division of Pensions and is awaiting an opinion for both positions.

BOROUGH OF ROSELAND
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2013

**BOROUGH OF ROSELAND
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2013**

Recreation Department

Finding:

The approved fee schedule has different rates for residents and non-residents. There was no proof of residency attached to the applications tested.

Finding:

There were some applicants in different Borough run activities who did not pay registration fees. Documentation was not supplied to explain the "no fee" charge.

Recommendation:

That documentation be maintained and criteria be established to justify when recreation participants do not pay a registration fee.

That all applicants provide proof of residency when registering for recreation activities.