

BOROUGH OF WOODCLIFF LAKE

BERGEN COUNTY, NEW JERSEY

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2007

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2007</u>		<u>Year 2006</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,600,000	4.35 %	\$ 1,000,000	2.98 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,617,217	7.11	2,569,378	7.65
Collection of Delinquent Taxes and Tax Title Liens	895,830	2.43	422,024	1.26
Collection of Current Tax Levy	31,324,466	85.13	29,384,972	87.52
Other Credits	<u>359,797</u>	<u>0.98</u>	<u>198,000</u>	<u>0.59</u>
 Total Income	 <u>36,797,310</u>	 <u>100.00</u> %	 <u>33,574,374</u>	 <u>100.00</u> %
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	10,326,427	29.10 %	9,203,000	28.92 %
Municipal Open Space Preservation Trust Fund Taxes	167,362	0.47	155,674	0.49
County Taxes	4,046,985	11.40	3,397,993	10.68
Regional School Taxes	8,811,523	24.83	7,757,452	24.38
Local District School Taxes	11,872,274	33.45	11,292,231	35.48
Other Expenditures	<u>265,964</u>	<u>0.75</u>	<u>16,293</u>	<u>0.05</u>
 Total Expenditures	 <u>35,490,535</u>	 <u>100.00</u> %	 <u>31,822,643</u>	 <u>100.00</u> %
 Excess in Revenue	 1,306,775		 1,751,731	
 Fund Balance, January 1	 <u>2,255,573</u>		 <u>1,503,842</u>	
	3,562,348		3,255,573	
 Less Utilization as Anticipated Revenue	 <u>1,600,000</u>		 <u>1,000,000</u>	
 Fund Balance, December 31	 <u>\$ 1,962,348</u>		 <u>\$ 2,255,573</u>	

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Tax Rate</u>	<u>\$1.98</u>	<u>\$1.87</u>	<u>\$1.75</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.441	.425	.402
Municipal Open Space Preservation	.010	.010	.010
County (Including Open Space Tax)	.239	.211	.211
Regional School	.550	.498	.455
Local School	.740	.726	.672
<u>Assessed Valuation</u>			
2007	<u>\$1,603,445,695</u>		
2006		<u>\$1,556,747,124</u>	
2005			<u>\$1,552,518,524</u>

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2007	\$ 32,283,576	\$ 31,324,466	97.03%
2006	29,607,753	29,384,972	99.25%
2005	27,303,745	27,132,835	99.37%

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Taxes</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2007	\$ 2,618	\$ 197,242	\$ 199,860	.62%
2006	2,483	147,694	150,177	.51%
2005	2,356	162,672	165,028	.60%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2007	None
2006	None
2005	None

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2007	\$1,962,348	\$1,350,000
	2006	2,255,573	1,600,000
	2005	1,503,842	1,000,000

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Joseph T. LaPaglia	Mayor		
Paul C. Camella	Council President		
John J. Glaser	Councilman		
Jeffrey Bader	Councilman		
Josephine Higgins	Councilwoman – 11/5/07-12/31/07		
Robert Rosenblatt	Councilman – 1/1/07-11/5/07		
Joanne C. Howley	Councilwoman		
Frederick Singer	Councilman		
Edward Sandve	Borough Administrator		
Harold Laufeld III	Chief Financial Officer	\$150,000	
Lori Sciara	Borough Clerk		
Lois Frezza	Tax Collector, Tax Search Officer	\$150,000	C
Kathleen Rizza	Deputy Treasurer	\$10,000	D
Maureen Mayer	Registrar, Accounts Payable, Purchasing		
Barbara Potash	Tax Assessor		
Linda Campion	Court Administrator	\$5,000	
Susan Keenan	Deputy Court Administrator		A
Patrick Randazzo	Judge	\$3,500	B
Mark Madaio	Borough Attorney		
Stephen Boswell	Borough Engineer		

A – Western Surety Company - Bond No. 69447442

B – Western Surety Company - Bond No. 69447447

C – Western Surety Company - Bond No. 69447439

D – Western Surety Company - Bond No. 69447421

All other employees were insured by Public Employees Dishonesty coverage in the amount of \$1,000,000 each loss.

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

GENERAL COMMENTS

Prior Year Unresolved

Our audit of the Recreation Department revealed that a cash receipt ledger of all revenues collected was not provided for audit. In addition, copies of the transmittals of cash receipts turned over to the Treasurer were not available for audit. It is recommended that the Recreation Department maintain a cash receipt ledger that includes all revenues collected, include monthly sub-totals and year-to-date totals and maintain copies of all transmittals of cash receipts turned over to the Treasurer.

Current Year Comments

Our audit of the developer's escrow trust fund revealed the following:

- Bank reconciliations were not being performed on a timely basis and therefore the information was not posted to the general ledger.
- Certain bank reconciliations contained the incorrect amount of outstanding checks.
- Certain amounts of transactions were recorded incorrectly on the monthly analysis of cash receipts and disbursements.

It is recommended that:

- The bank reconciliations be performed on a timely basis and include the correct amount of outstanding checks.
- The monthly analysis of cash receipts and disbursements include all the correct transactions.

Our audit of the payroll account revealed that there is only one authorized signature on the manually issued checks from the payroll account. It is recommended that all the manually issued checks from the payroll account include two authorized signatures.

Our audit of the disbursements revealed that the Police are paid a \$900 clothing allowance however, there were no receipts supporting this payment. The Police contract indicates that the \$900 clothing allowance will be paid to the employee upon the submission of receipts. It is recommended that all payments made for police clothing allowances be supported with receipts.

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

GENERAL COMMENTS (Continued)

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

NJS 40A:11-4 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 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 \$21,000 except by contract or agreement."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

Learning Place Water System Improvements
2007 Road Resurfacing Program
Woodcliff Lake Ave Culvert Project

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

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

Our examination of expenditures except as previously noted, did not reveal instances whereby individual payments were made in excess of the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 1, 2007 adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED, by the Mayor and Council that the rate of interest on delinquent taxes for the year 2007 be fixed at the rate of 8% per annum on delinquent amounts up to \$1,500 and at 18% per annum on delinquent amounts on \$1,500 or more; and

BE IT FURTHER RESOLVED that an additional penalty be charged for delinquency in the excess of \$10,000 that is not paid prior to the end of the year, the additional penalty so fixed shall not exceed 6% of the amount of delinquency.

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

GENERAL COMMENTS (Continued)

Delinquent Taxes and Tax Title Liens

The last tax sale was held on December 11, 2007 and was complete.

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

<u>Year</u>	<u>Number of Liens</u>
2007	1
2006	1
2005	1

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

RECOMMENDATIONS

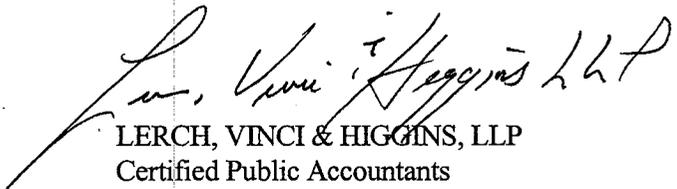
It is recommended that:

- * 1. The Recreation Department maintain a cash receipt ledger that includes all revenues collected, include monthly sub-totals and year-to-date totals and maintain copies of all transmittals of cash receipts turned over to the Treasurer.
- 2. The bank reconciliations for the developers' escrow trust fund be performed on a timely basis and include the correct amount of outstanding checks. The monthly analysis of cash receipts and disbursements include all the correct transactions.
- 3. All the manually issued checks from the payroll account include two authorized signatures.
- 4. All payments made for police clothing allowances be supported with receipts.

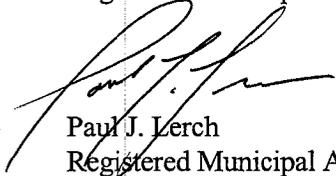
A review was performed on all prior year recommendations and corrective action was taken on all except for those recommendations denoted with an asterisk (*).

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Paul J. Lerch
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RMA Number CR00457