

BOROUGH OF CALDWELL

COUNTY OF ESSEX

REPORT OF AUDIT

2012

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

BOROUGH OF CALDWELL
COUNTY OF ESSEX
REPORT OF AUDIT
2012

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BOROUGH OF CALDWELL

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2012

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* - of the various funds of the Borough of Caldwell, in the County of Essex (the "Borough") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements, as listed in the foregoing table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as described in Note 1 to the financial statements. Management is also responsible for 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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 Borough'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 Borough's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to in the first paragraph do not present fairly in conformity with accounting principles generally accepted in the United States of America the financial position of the Borough as of December 31, 2012 and 2011, or the changes in financial position or where applicable, cash flows thereof, for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – *regulatory basis* - referred to above present fairly, in all material respects, the financial position of the various funds of the Borough of Caldwell as of December 31, 2012 and 2011, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the financial reporting provisions prescribed by the Division, as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2013 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.

Mount Arlington, New Jersey
May 24, 2013

NISIVOCCIA LLP

Heidi A. Wohlleb
Certified Public Accountant
Registered Municipal Accountant No. 481

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
CURRENT FUND

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Regular Fund:			
Cash and Cash Equivalents	A-4	\$ 2,130,135.52	\$ 1,941,853.73
Change Fund		150.00	150.00
		<u>2,130,285.52</u>	<u>1,942,003.73</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	352.05	2,474.52
Revenue Accounts Receivable	A-9	91,492.04	29,800.12
Due from Animal Control Fund	B	5,015.40	
Due from Other Trust Funds	B		15,220.29
Due from Water Utility Operating Fund	D	200,038.91	7,499.85
		<u>296,898.40</u>	<u>54,994.78</u>
Deferred Charges:			
Emergency Authorization		55,000.00	155,500.00
		<u>55,000.00</u>	<u>155,500.00</u>
Total Regular Fund		<u>2,482,183.92</u>	<u>2,152,498.51</u>
Federal and State Grant Fund:			
Grants Receivable	A-13	100,852.93	75,931.83
Due From Current Fund	A	323,124.00	310,415.99
		<u>423,976.93</u>	<u>386,347.82</u>
Total Federal and State Grant Fund		<u>423,976.93</u>	<u>386,347.82</u>
TOTAL ASSETS		<u><u>\$ 2,906,160.85</u></u>	<u><u>\$ 2,538,846.33</u></u>

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2012	2011
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Regular Fund:			
Appropriation Reserves:			
Encumbered	A-3;A-11	\$ 15,257.87	\$ 101,380.29
Unencumbered	A-3;A-11	615,814.53	400,832.47
		<u>631,072.40</u>	<u>502,212.76</u>
Other Encumbrances Payable:			
Storm Damage			23,628.01
Community Center Fees Refunds Payable		1,511.58	
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		15,799.62	15,799.62
Marriage License Fees		325.00	300.00
County Added and Omitted Taxes Payable		3,878.90	2,581.46
Prepaid Taxes		85,797.56	81,796.46
Tax Overpayments		30,735.69	
Due to Federal and State Grant Fund	A	323,124.00	310,415.99
Due to Other Trust Funds	B	39,673.16	
Due to General Capital Fund	C	133,102.17	72,661.08
Due to Sewer Utility Operating Fund	E	298,983.69	239,184.84
Reserve for Storm Damage		22,525.68	84,929.06
Reserve for Hurricane Sandy Damage		55,000.00	
Reserve for State Library Aid		3,565.77	3,676.91
		<u>1,645,095.22</u>	<u>1,337,186.19</u>
Reserve for Receivables and Other Assets	A	296,898.40	54,994.78
Fund Balance	A-1	540,190.30	760,317.54
		<u>2,482,183.92</u>	<u>2,152,498.51</u>
Total Regular Fund			
Federal and State Grant Fund:			
Encumbrances Payable	A-15	5,500.00	
Appropriated Reserves	A-15	385,246.52	365,735.47
Unappropriated Reserves	A-14	33,230.41	20,612.35
		<u>423,976.93</u>	<u>386,347.82</u>
Total Federal and State Grant Fund			
		<u>\$ 2,906,160.85</u>	<u>\$ 2,538,846.33</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE			

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

<u>Revenue and Other Income Realized</u>	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2012</u>	<u>2011</u>
Fund Balance Utilized		\$ 340,550.00	\$ 340,550.00
Miscellaneous Revenue Anticipated		4,412,478.50	4,056,826.53
Receipts from:			
Delinquent Taxes		12,177.21	1,825.25
Current Taxes		23,918,345.86	23,682,313.70
Nonbudget Revenue		145,321.99	122,008.70
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		200,341.56	345,338.29
Cancellation of Tax Overpayments			0.04
Interfunds Returned		22,720.14	24,409.90
Total Income		<u>29,051,935.26</u>	<u>28,573,272.41</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Municipal Purposes		11,943,752.20	11,501,769.65
County Taxes		4,918,690.09	4,903,853.73
Local School District Taxes		11,796,503.21	11,750,553.98
Municipal Open Space Taxes		102,324.95	103,248.95
Prior Year Senior Citizens Deductions' Disallowed		250.00	
Prior Year Reimbursement			56,998.46
Cancellation of Prior Year Outstanding Check Paid to Water Utility Operating Fund			25,027.25
Refund of Prior Year Revenue Due to Other Trust Funds		13,634.29	
Refund of Prior Year Taxes		6,303.45	
Interfunds Advanced		205,054.31	22,720.14
Total Expenditures		<u>28,986,512.50</u>	<u>28,364,172.16</u>
Excess in Revenue		65,422.76	209,100.25
Adjustments Before Fund Balance:			
Expenditures Included Above Which are by Statute Deferred Charges to Budget of Succeeding Year		55,000.00	155,500.00
Statutory Excess to Fund Balance		120,422.76	364,600.25
<u>Fund Balance</u>			
Balance January 1		<u>760,317.54</u>	<u>736,267.29</u>
Decreased by:		<u>880,740.30</u>	<u>1,100,867.54</u>
Utilized as Anticipated Revenue		340,550.00	340,550.00
Balance December 31	A	<u>\$ 540,190.30</u>	<u>\$ 760,317.54</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 340,550.00		\$ 340,550.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	7,930.00		7,930.00	
Other	51,498.40		52,374.00	\$ 875.60
Fees and Permits	44,223.50		46,207.35	1,983.85
Fines and Costs:				
Other	214,393.52		288,668.06	74,274.54
Interest and Costs on Taxes	39,176.92		42,664.96	3,488.04
Parking Meters	91,539.80		123,569.62	32,029.82
Interest on Investments and Deposits	3,920.01		2,386.36	1,533.65 *
Rent - Grover Cleveland Senior Citizens Center	11,049.96		11,049.96	
Sewer Utility Operating Fund - Administration Charge	99,022.00		99,022.00	
Senior Citizens' Transportation Program - Contributed by West Caldwell and Roseland	51,105.32		51,340.00	234.68
Payment in Lieu of Taxes - Marion Manor Senior Citizens Housing	152,963.00		159,001.00	6,038.00
Lease of Municipal Property - Wastewater Treatment Plant	293,833.00		220,374.75	73,458.25 *
Cablevision Franchise Fees (N.J.S. 48:5A-30)	112,922.40		112,954.96	32.56
Sewer User Charges	152,000.00		152,000.00	
Consolidated Municipal Property Tax Relief Aid	32,525.00		32,525.00	
Energy Receipts Tax	654,350.00		654,350.00	
Uniform Construction Code Fees	154,448.49		156,749.00	2,300.51
Shared Service Agreements:				
Borough of Essex Fells - Library Fees	1,333.00			1,333.00 *
Borough of Essex Fells - Welfare Services	500.00			500.00 *
Township of West Caldwell - Welfare Services	8,000.00		8,000.00	
Community Center - Membership & Program Fees	1,607,778.64		1,551,285.59	56,493.05 *
Recycling Tonnage Grant	4,342.31		4,342.31	
Body Armor Replacement Fund - 2012		\$ 2,338.88	2,338.88	
Clean Communities Program - 2012	11,382.70		11,382.70	
Municipal Alliance on Alcoholism and Drug Abuse:				
State Share	28,500.00		28,500.00	
West Caldwell Match	5,500.00		5,500.00	
Alcohol Education and Rehabilitation Fund		2,158.52	2,158.52	
Comcast Grant - 2012		25,000.00	25,000.00	
Safety Incentive Program Award - 2012		1,000.00	1,000.00	
Utility Operating Surplus of Prior Year (Sewer)	28,212.00		28,212.00	
Water Utility Operating Fund - Administration Charges	27,332.00		27,332.00	
Escrow Fees (Due from Other Trust)	5,600.00		5,600.00	
Additional Parking Meter Fees	20,000.00		20,000.00	
Additional Municipal Court Fines and Costs	71,100.00		71,100.00	
Capital Fund Balance	290,390.00		290,390.00	
Sale of Dispatch Equipment	24,532.50		24,532.50	
Reserve for Open Space Trust to Offset Debt Service	67,080.55		67,080.55	
Reserve for Payment of Debt Service	14,417.17		14,417.17	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012
(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue:				
Additional Sewer User Charges	\$ 6,139.26		\$ 6,139.26	
Additional Cablevision Franchise Fees (N.J.S.48:5A-30)	5,000.00		5,000.00	
Total Miscellaneous Revenue	4,394,041.45	\$ 30,497.40	4,412,478.50	\$ 12,060.35 *
Receipts from Delinquent Taxes	1,825.25		12,177.21	10,351.96
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	6,809,280.35		6,788,268.61	21,011.74 *
Minimum Library Tax	359,559.00		359,559.00	
Budget Totals	11,905,256.05	30,497.40	11,913,033.32	\$ 22,720.13 *
Nonbudget Revenue			145,321.99	
	<u>\$ 11,905,256.05</u>	<u>\$ 30,497.40</u>	<u>\$ 12,058,355.31</u>	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012
(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes	\$ 23,918,345.86
Allocated to County, Local School District and Open Space Taxes	16,817,518.25
Balance for Support of Municipal Budget	7,100,827.61
 Add: Appropriation "Reserve for Uncollected Taxes"	 47,000.00
 Realized for Support of Municipal Budget	 \$ 7,147,827.61

Analysis of Licenses - Other:

Rental Licenses	\$ 39,640.00
Raffle Licenses	370.00
Health Department	8,010.00
Amusement Licenses	1,295.00
Used Car Licenses	1,250.00
Vital Statistics	354.00
Other Licenses	1,455.00
	\$ 52,374.00

Analysis of Fees and Permits:

Gargage Sale Permits	\$ 200.00
Police Report Fees	3,194.85
Vital Statistics Fees	11,970.00
Administrative Traffic Fees	30,767.50
Other Fees	75.00
	\$ 46,207.35

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012
(Continued)

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$	1,412.66
Due from General Capital Fund		808.91
Due from Other Trust Funds		164.79
		164.79
	\$	2,386.36

Analysis of Uniform Construction Code Fees:

Collected/Received by Treasurer	\$	145,397.00
Due from Other Trust Funds		11,352.00
		11,352.00
	\$	156,749.00

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Federal Emergency Management Agency Reimbursements:

Hurricane Irene	\$	44,227.88
October Snowstorm		19,176.15
State of New Jersey Motor Vehicle Inspections		24,766.00
State of New Jersey - Senior Citizens' and Veterans'		
Deductions Administrative Reimbursement		945.00
Essex County Economic Development Corporation		
Hurricane Irene Reimbursement		16,997.20
Other Miscellaneous		19,948.42
		19,948.42

\$ 126,060.65

Adjustment - Prior Year Municipal Alliance Grant Receipts -

Federal and State Grant Fund		14,165.94
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Statutory Excess Due from Animal Control Fund

5,015.40

Collector:

Other Miscellaneous		80.00
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\$ 145,321.99

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
GENERAL GOVERNMENT:					
General Administration:					
Salaries and Wages	\$ 96,942.00	\$ 96,942.00	\$ 85,953.71	\$ 10,988.29	
Other Expenses	111,300.00	111,300.00	108,214.96	3,085.04	
Mayor and Council:					
Salaries and Wages	9,900.00	9,900.00	9,900.00		
Other Expenses	2,500.00	2,500.00	1,934.30	565.70	
Municipal Clerk:					
Salaries and Wages	24,900.00	24,900.00	23,997.31	902.69	
Other Expenses	2,500.00				
Elections:					
Other Expenses	3,000.00	3,500.00	3,364.67	135.33	
Financial Administration:					
Salaries and Wages	71,280.00	57,280.00	56,909.42	370.58	
Other Expenses	4,650.00	4,650.00	2,255.36	2,394.64	
Annual Audit	26,493.00	26,493.00	17,701.04	8,791.96	
Collection of Taxes:					
Salaries and Wages	40,996.00	40,996.00	40,996.00		
Other Expenses	6,300.00	7,300.00	6,525.93	774.07	
Assessment of Taxes:					
Salaries and Wages	30,429.00	30,429.00	29,282.09	1,146.91	
Other Expenses	4,600.00	6,200.00	5,603.72	596.28	
Legal Services and Costs:					
Other Expenses	51,300.00	51,300.00	48,536.00	2,764.00	
Engineering Services and Costs:					
Salaries and Wages	24,000.00	24,000.00	24,000.00		

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (Continued):					
Municipal Land Use Law (NJSA 40:55D-1):					
Planning Board:					
Other Expenses	\$ 3,403.00	\$ 3,403.00	\$ 3,085.00	\$ 318.00	
Zoning Board of Adjustment:					
Other Expenses	3,403.00	3,403.00	3,010.00	393.00	
Rent Review Board:					
Other Expenses	2,000.00	2,000.00	2,000.00		
PUBLIC SAFETY:					
Police:					
Salaries and Wages	1,959,576.00	1,923,476.00	1,909,753.40	13,722.60	
Other Expenses	265,190.00	257,190.00	235,433.06	21,756.94	
Public Defender:					
Other Expenses	4,050.00	4,050.00	4,050.00		
Parking Meter Maintenance:					
Other Expenses	3,275.00	3,275.00	2,260.18	1,014.82	
Office of Emergency Management:					
Other Expenses	855.00	855.00		855.00	
PUBLIC SAFETY:					
Aid to West Essex First Aid Squad:					
Other Expenses	11,502.00	11,502.00	6,501.20	5,000.80	
Fire Department:					
Other Expenses	45,202.00	45,202.00	35,503.50	9,698.50	
Municipal Prosecutor:					
Other Expenses	9,000.00	9,000.00	9,000.00		
Municipal Court:					
Salaries and Wages	124,739.52	124,739.52	120,639.48	4,100.04	
Other Expenses	20,925.00	20,925.00	17,040.27	3,884.73	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
GENERAL GOVERNMENT (Continued):					
STREETS AND ROADS:					
Road Repair and Maintenance:					
Salaries and Wages	\$ 342,937.00	\$ 342,937.00	\$ 340,494.07	\$ 2,442.93	
Other Expenses	43,705.00	43,705.00	36,864.95	6,840.05	
Other Expenses - Hurricane Sandy (N.J.S.A.40A:4-55 Emergency + \$55,000.00)		55,000.00	55,000.00		
Recycling:					
Other Expenses	47,783.00	47,783.00	45,146.95	2,636.05	
Solid Waste Collection:					
Other Expenses	577,501.00	559,501.00	532,482.07	27,018.93	
Building and Grounds:					
Other Expenses	59,750.00	59,750.00	47,251.78	12,498.22	
Shade Tree Division:					
Other Expenses	26,700.00	37,200.00	30,430.00	6,770.00	
Vehicle Repair/Maintenance (Including Police):					
Other Expenses	54,500.00	54,500.00	48,410.18	6,089.82	
Snow Removal:					
Salaries and Wages	5,000.00	5,000.00	5,000.00		
Other Expenses	20,000.00	20,000.00	12,860.42	7,139.58	
HEALTH AND WELFARE:					
Public Health Service (Board of Health):					
Other Expenses	95,361.00	80,361.00	75,992.32	4,368.68	
Environmental Commission:					
Other Expenses	1,200.00	1,200.00	895.91	304.09	
Animal Control:					
Other Expenses	15,346.00	15,346.00	15,345.00	1.00	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
HEALTH AND WELFARE: (Continued)					
Welfare/Administration of Public Assistance:					
Salaries and Wages	\$ 6,694.00	\$ 6,694.00	\$ 6,693.44	\$ 0.56	
Other Expenses	150.00	150.00		150.00	
RECREATION AND EDUCATION:					
Recreation Services and Programs:					
Other Expenses	402,590.00	402,590.00	402,590.00		
Senior Citizens' Transportation:					
Salaries and Wages	43,768.00	43,768.00	42,715.42	1,052.58	
Other Expenses	26,541.53	26,541.53	26,481.53	60.00	
Special Events:					
Other Expenses	6,000.00	2,000.00	1,156.21	843.79	
UNIFORM CONSTRUCTION CODE:					
Salaries and Wages	87,657.00	87,657.00	84,305.84	3,351.16	
Other Expenses	24,500.00	24,500.00	20,950.09	3,549.91	
UTILITY EXPENSES AND BULK PURCHASES:					
Electric & Gas	62,000.00	71,000.00	65,205.41	5,794.59	
Street Lighting	145,000.00	145,000.00	123,218.60	21,781.40	
Telephone (excluding equipment acquisition)	40,500.00	51,500.00	51,377.34	122.66	
Gasoline	76,200.00	84,200.00	76,002.70	8,197.30	
INSURANCE:					
Workers Compensation/General Liability	202,798.80	202,798.80	202,703.66	95.14	
Employee Group Health	1,092,588.65	1,092,588.65	1,072,366.28	20,222.37	
Total Operations Within "CAPS"	6,470,981.50	6,469,981.50	6,235,390.77	234,590.73	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
Detail:					
Salaries and Wages	\$ 2,868,818.52	\$ 2,818,718.52	\$ 2,780,640.18	\$ 38,078.34	
Other Expenses	3,602,162.98	3,651,262.98	3,454,750.59	196,512.39	
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS":					
Deferred Charges:					
Prior Year Bills:					
2010 Fells Manor Condo Association Reimbursements	10,827.04	10,827.04	10,827.04		
2010 Magnolida Lane Condo Association Reimbursements	4,268.50	4,268.50	4,268.50		
Statutory Expenditures:					
Contribution to:					
Public Employees Retirement System	89,818.00	89,818.00	89,818.00		
Social Security System (O.A.S.I.)	129,000.00	154,000.00	150,395.06	3,604.94	
Police and Firemen's Retirement System of NJ	421,347.00	421,347.00	421,347.00		
Defined Contribution Retirement Program	3,100.00	3,100.00	3,079.89	20.11	
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	658,360.54	683,360.54	679,735.49	3,625.05	
Total General Appropriations for Municipal Purposes Within "CAPS"	7,129,342.04	7,153,342.04	6,915,126.26	238,215.78	
Operations Excluded from "CAPS":					
Refund Tax Appeals:					
Other Expenses	105,000.00	105,000.00		105,000.00	
Sewerage Treatment:					
Other Expenses	1,053,000.00	1,084,000.00	1,083,666.40	333.60	

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Length of Service Awards Program:					
Fire Department	\$ 48,300.00	\$ 48,300.00		\$ 48,300.00	
West Essex First Aid Squad	15,000.00	15,000.00		15,000.00	
Municipal Library:					
Salaries and Wages	240,239.00	240,239.00	\$ 230,354.01	9,884.99	
Other Expenses	151,928.00	151,928.00	140,766.20	11,161.80	
Employee Group Health	47,732.00	47,732.00	47,732.00		
Shared Service Agreements:					
Borough of Essex Fells - Library:					
Other Expenses	1,333.00	1,333.00		1,333.00	
Borough of Essex Fells - Welfare:					
Salaries and Wages	500.00	500.00		500.00	
Township of West Caldwell - Welfare:					
Salaries and Wages	8,000.00	8,000.00	8,000.00		
Community Center:					
Salaries and Wages	1,030,650.00	1,030,650.00	937,089.16	93,560.84	
Other Expenses	475,875.00	475,875.00	383,350.48	92,524.52	
State and Federal Programs Offset by Revenue:					
Body Armor Replacement Fund - 2012					
(N.J.S.A. 40A:4-87 + \$2,338.88)		2,338.88	2,338.88		
Alcohol Education Grant (N.J.S.A. 40A:4-87 + \$2,158.52)		2,158.52	2,158.52		
Municipal Alliance on Alcohol & Drug Abuse					
State Share	28,500.00	28,500.00	28,500.00		
Local Share - Cash Match	5,500.00	5,500.00	5,500.00		
West Caldwell Match	5,500.00	5,500.00	5,500.00		
Clean Communities Grant	11,382.70	11,382.70	11,382.70		

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
State and Federal Programs Offset by Revenue:					
Recycling Tonnage Grant	\$ 4,342.31	\$ 4,342.31	\$ 4,342.31		
Comcast Grant - 2012 (N.J.S.A. 40A:4-87 + \$25,000.00)		25,000.00	25,000.00		
Safety Incentive Program Award - 2011 (N.J.S.A. 40A:4-87 + \$1,000.00)		1,000.00	1,000.00		
Total Operations Excluded from "CAPS"	3,232,782.01	3,294,279.41	2,916,680.66	\$ 377,598.75	
Detail:					
Salaries and Wages	1,279,389.00	1,279,389.00	1,175,443.17	103,945.83	
Other Expenses	1,953,393.01	2,014,890.41	1,741,237.49	273,652.92	
Capital Improvements-Excluded from "CAPS":					
Capital Improvement Fund	61,395.00	61,395.00	61,395.00		
Total Capital Improvements Excluded from "CAPS"	61,395.00	61,395.00	61,395.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	830,000.00	830,000.00	830,000.00		
Interest on Bonds	449,237.00	449,237.00	449,235.75		\$ 1.25
Total Municipal Debt Service Excluded from "CAPS"	1,279,237.00	1,279,237.00	1,279,235.75		1.25
Deferred Charges - Municipal - Excluded from "CAPS":					
Emergency Authorizations	155,500.00	155,500.00	155,500.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	155,500.00	155,500.00	155,500.00		

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Appropriations		Expended By		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total General Appropriations Excluded from "CAPS"	\$ 4,728,914.01	\$ 4,790,411.41	\$ 4,412,811.41	\$ 377,598.75	\$ 1.25
Subtotal General Appropriations	11,858,256.05	11,943,753.45	11,327,937.67	615,814.53	1.25
Reserve for Uncollected Taxes	47,000.00	47,000.00	47,000.00		
Total General Appropriations	\$ 11,905,256.05	\$ 11,990,753.45	\$ 11,374,937.67	\$ 615,814.53	\$ 1.25

Ref.

A

BOROUGH OF CALDWELL
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012
(Continued)

	Analysis of	
	Budget After Modification	Paid or Charged
Adopted Budget	\$ 11,905,256.05	
Appropriation by NJSA 40A:4-87	30,497.40	
Emergency Appropriations	55,000.00	
	\$ 11,990,753.45	
	<u>Ref.</u>	
Cash Disbursed		\$ 11,239,035.27
Reserve for Uncollected Taxes		47,000.00
Reserve for Encumbrances	A	15,257.87
Reserve for Hurricane Sandy Damages		55,000.00
Deferred Charges - Emergency Authorization		155,500.00
Due Federal and State Grant Fund:		
Grants		80,222.41
Local Match		5,500.00
Due to Other Trust Funds:		
Reserve for Debt Service - 2005 Sinking Fund Bonds		20,000.00
		11,617,515.55
Less: Appropriation Refunds		242,577.88
		\$ 11,374,937.67

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
TRUST FUNDS

BOROUGH OF CALDWELL
COMPARATIVE BALANCE SHEET - TRUST FUNDS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents	B-4	\$ 8,940.00	\$ 559.00
Change Fund		25.00	25.00
		<u>8,965.00</u>	<u>584.00</u>
Other Trust Funds:			
Cash and Cash Equivalents	B-4	515,849.67	605,070.31
Due from Current Fund	A	39,673.16	
		<u>555,522.83</u>	<u>605,070.31</u>
TOTAL ASSETS		<u>\$ 564,487.83</u>	<u>\$ 605,654.31</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due to State Board of Health		\$ 65.60	\$ 68.00
Due to Current Fund	A	5,015.40	
Reserve for Animal Control Fund Expenditures	B-6	3,884.00	516.00
		<u>8,965.00</u>	<u>584.00</u>
Other Trust Funds:			
Due to State of New Jersey - DCA Fees		6,160.00	7,469.00
Due to Current Fund	A		15,220.29
Reserve for:			
State Unemployment Insurance		13,663.96	19,495.53
Open Space		255,477.02	238,750.27
Municipal Alliance - Caldwell/West Caldwell			12,497.81
Escrow Fees		62,093.58	48,309.68
Tax Sale Premiums		55,900.00	53,800.00
Outside Tax Liens		511.95	
Parking Offense Adjudication Act		14,855.70	13,876.70
Police Outside Duty Traffic Assignment		7,120.00	
Recycling		22,274.47	39,639.17
Confiscated Funds		2,441.36	4,286.00
LOSAP Surrendered Funds		10,758.55	10,758.55
Accumulated Leave		39,266.24	95,967.31
Debt Service - 2005 Sinking Fund Bonds		65,000.00	45,000.00
		<u>555,522.83</u>	<u>605,070.31</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 564,487.83</u>	<u>\$ 605,654.31</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
GENERAL CAPITAL FUND

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 498,487.12	\$ 1,488,309.99
Due from Current Fund	A	133,102.17	72,661.08
Due from Water Utility Operating Fund	D	34,425.00	34,425.00
Grants Receivable:			
New Jersey Department of Community Affairs		150,000.00	150,000.00
Township of West Caldwell - Shared Services Agreement		30,618.60	30,618.60
Community Development Block Grants Receivable		224.06	224.06
New Jersey Department of Transportation Grants Receivable		66,827.43	128,077.43
Deferred Charges to Future Taxation:			
Funded		10,991,900.00	11,816,900.00
Unfunded	C-4	1,935,965.00	452,617.00
<u>TOTAL ASSETS</u>		<u>\$ 13,841,549.38</u>	<u>\$ 14,173,833.16</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Serial Bonds Payable	C-8	\$ 10,991,900.00	\$ 11,816,900.00
Improvement Authorizations:			
Funded	C-5	1,047,984.33	1,660,022.52
Unfunded	C-5	1,651,012.07	245,990.49
Due to Water Utility Capital Fund	D	36,168.00	36,168.00
Capital Improvement Fund	C-6	37,568.00	33,718.00
Reserve for:			
Encumbrances	C-5	690.00	
Payment of Debt Service		68,032.83	82,450.00
Fund Balance	C-1	8,194.15	298,584.15
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 13,841,549.38</u>	<u>\$ 14,173,833.16</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 298,584.15
Decreased by:		
Payment to Current Fund as Anticipated Revenue - 2012 Budget		290,390.00
Balance December 31, 2012	C	\$ 8,194.15

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
WATER UTILITY FUND

BOROUGH OF CALDWELL
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 1,193,408.57	\$ 660,591.72
Due from Water Utility Capital Fund	D	52,935.18	52,313.38
		<u>1,246,343.75</u>	<u>712,905.10</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	574.39	1,001.30
Total Receivables and Inventory with Full Reserves		<u>574.39</u>	<u>1,001.30</u>
Total Operating Fund		<u>1,246,918.14</u>	<u>713,906.40</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	759,071.76	207,944.81
Due from General Capital Fund	C	36,168.00	36,168.00
Fixed Capital	D-7	1,896,296.12	1,890,961.12
Fixed Capital Authorized and Uncompleted	D-8	2,761,000.00	1,611,000.00
Total Capital Fund		<u>5,452,535.88</u>	<u>3,746,073.93</u>
TOTAL ASSETS		<u><u>\$ 6,699,454.02</u></u>	<u><u>\$ 4,459,980.33</u></u>

BOROUGH OF CALDWELL
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2012	2011
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-9	\$ 647,103.09	\$ 249,068.84
Encumbered	D-3;D-9	1,140.64	12,549.66
		<u>648,243.73</u>	<u>261,618.50</u>
Due to Current Fund	A	200,038.91	7,499.85
Due to General Capital Fund	C	34,425.00	34,425.00
Due to Sewer Utility Operating Fund	E	120,725.33	108,981.46
Accrued Interest on Bonds		16,141.67	17,204.17
Accrued Interest on Notes		520.83	
Water Rent Overpayments		2,932.45	3,149.60
		<u>1,023,027.92</u>	<u>432,878.58</u>
Reserve for Receivables	D	574.39	1,001.30
Fund Balance	D-1	223,315.83	280,026.52
		<u>223,315.83</u>	<u>280,026.52</u>
Total Operating Fund		<u>1,246,918.14</u>	<u>713,906.40</u>
Capital Fund:			
Serial Bonds Payable	D-14	1,140,000.00	1,255,000.00
Bond Anticipation Notes Payable	D-13	800,000.00	
Due to Water Utility Operating Fund	D	52,935.18	52,313.38
Improvement Authorizations:			
Funded	D-10	80,351.63	98,484.93
Unfunded	D-10	1,205,980.95	297,342.50
Capital Improvement Fund	D-11	80,000.00	70,000.00
Reserve to Pay Debt Service		11,300.00	11,300.00
Reserve for Amortization	D-12	2,026,446.12	1,906,111.12
Deferred Reserve for Amortization	D-12A	9,900.00	9,900.00
Fund Balance	D-1A	45,622.00	45,622.00
		<u>45,622.00</u>	<u>45,622.00</u>
Total Capital Fund		<u>5,452,535.88</u>	<u>3,746,073.93</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 6,699,454.02</u>	<u>\$ 4,459,980.33</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2012	2011
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 125,000.00	
Water Rents/Additional Water Billing		1,533,849.64	\$ 1,552,045.94
Miscellaneous Revenue Anticipated		23,787.85	52,502.14
Cancellation of Appropriation Reserves			238,000.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		82,605.67	49,852.83
		<u>1,765,243.16</u>	<u>1,892,400.91</u>
<u>Expenditures</u>			
Operating		1,438,743.00	1,352,618.08
Capital Improvements		50,000.00	50,000.00
Debt Service		157,650.85	170,205.92
Deferred Charges and Statutory Expenditures		50,560.00	64,911.10
		<u>1,696,953.85</u>	<u>1,637,735.10</u>
Excess in Revenue/Statutory Excess to Fund Balance		68,289.31	254,665.81
<u>Fund Balance</u>			
Balance January 1		280,026.52	25,360.71
		348,315.83	280,026.52
Decreased by:			
Utilization as Anticipated Revenue:			
Water Utility Operating Budget		125,000.00	
Balance December 31	D	<u>\$ 223,315.83</u>	<u>\$ 280,026.52</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE

	<u>Ref.</u>	
Balance December 31, 2011	D	<u>\$ 45,622.00</u>
Balance December 31, 2012	D	<u>\$ 45,622.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Operating Surplus Anticipated	\$ 125,000.00	\$ 125,000.00	
Water Rents	1,539,160.62	1,533,849.64	\$ 5,310.98 *
Miscellaneous Revenue	28,365.38	23,787.85	4,577.53 *
Additional Water Billing	<u>10,490.00</u>		<u>10,490.00 *</u>
Budget Totals	<u>\$ 1,703,016.00</u>	<u>\$ 1,682,637.49</u>	<u>\$ 20,378.51 *</u>

Analysis of Water Rents

Water Rent Collections	\$ 1,530,700.04
Prior Year Overpayments Applied	<u>3,149.60</u>
	<u>\$ 1,533,849.64</u>

Analysis of Miscellaneous Revenue

Treasurer:

Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 291.48	
Due from Water Utility Capital Fund	<u>100.97</u>	
		\$ 392.45

Collector:

Miscellaneous Revenue	200.00	
Meter Sales	300.00	
Meter Test	30.00	
Penalties/Interest on Water Charges	<u>22,865.40</u>	
		<u>23,395.40</u>
		<u>\$ 23,787.85</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended by		Unexpended Balance Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 288,076.00	\$ 287,076.00	\$ 231,702.93	\$ 55,373.07	
Other Expenses	1,151,667.00	1,151,667.00	594,781.34	556,885.66	
Capital Improvements:					
Capital Improvement Fund	10,000.00	10,000.00	10,000.00		
Capital Outlay	40,000.00	40,000.00	5,335.00	34,665.00	
Debt Service:					
Payment of Bond Principal	115,000.00	115,000.00	115,000.00		
Interest on Bonds	48,713.00	48,713.00	42,650.85		\$ 6,062.15
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	27,360.00	27,360.00	27,360.00		
Social Security System (O.A.S.I.)	22,100.00	22,100.00	22,100.00		
Defined Contribution Retirement Plan	100.00	1,100.00	920.64	179.36	
	<u>\$ 1,703,016.00</u>	<u>\$ 1,703,016.00</u>	<u>\$ 1,049,850.76</u>	<u>\$ 647,103.09</u>	<u>\$ 6,062.15</u>
				D	
Cash Disbursed			\$ 976,890.96		
Due to Current Fund			34,399.80		
Accrued Interest on Bonds			42,650.85		
Encumbrances Payable			1,140.64		
			<u>1,055,082.25</u>		
Less: Appropriation Refunds			5,231.49		
			<u>\$ 1,049,850.76</u>		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
SEWER UTILITY FUND

BOROUGH OF CALDWELL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET

	Ref.	December 31,	
		2012	2011
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	E-4	\$ 363,915.62	\$ 209,465.92
Due from Current Fund	A	298,983.69	239,184.84
Due from Water Utility Operating Fund	D	120,725.33	108,981.46
Due from Sewer Utility Capital Fund	E	15,797.27	14,956.23
		<u>799,421.91</u>	<u>572,588.45</u>
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	E-6	<u>130,318.36</u>	<u>161,279.81</u>
Total Receivables and Inventory with Full Reserves		<u>130,318.36</u>	<u>161,279.81</u>
Deferred Charges:			
Deficit in Operations	E-1		<u>88,546.29</u>
Total Operating Fund		<u>929,740.27</u>	<u>822,414.55</u>
Capital Fund:			
Cash and Cash Equivalents	E-4	1,123,623.21	1,099,821.14
Due from New Jersey Environmental Infrastructure Trust			386,560.00
Fixed Capital	E-7	28,882,151.97	28,882,151.97
Fixed Capital Authorized and Uncompleted	E-8	16,480,300.00	16,480,300.00
Total Capital Fund		<u>46,486,075.18</u>	<u>46,848,833.11</u>
TOTAL ASSETS		<u>\$ 47,415,815.45</u>	<u>\$ 47,671,247.66</u>

BOROUGH OF CALDWELL
SEWER UTILITY FUND
COMPARATIVE BALANCE SHEET
(Continued)

	Ref.	December 31,	
		2012	2011
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-3;E-9	\$ 248,727.67	\$ 47,901.05
Encumbered	E-9		291.72
		<u>248,727.67</u>	<u>48,192.77</u>
Prepaid Sewer Rents		879.68	62.01
Accrued Interest on Bonds		6,789.55	7,689.55
Accrued Interest on Loans		119,919.79	124,169.79
		<u>376,316.69</u>	<u>180,114.12</u>
Reserve for Receivables	E	130,318.36	161,279.81
Fund Balance	E-1	423,105.22	481,020.62
		<u>929,740.27</u>	<u>822,414.55</u>
Total Operating Fund			
Capital Fund:			
Serial Bonds Payable	E-14	549,580.00	619,580.00
New Jersey Environmental Infrastructure Trust			
Loans Payable	E-15	12,262,653.70	12,952,093.81
Improvement Authorizations:			
Funded	E-10	329,940.53	742,709.37
Unfunded	E-10	707,389.87	902,220.00
Due to Sewer Utility Operating Fund	E	15,797.27	14,956.23
Capital Improvement Fund	E-11	930,215.54	729,715.54
Reserve for Amortization	E-12	31,510,947.16	30,708,007.05
Deferred Reserve for Amortization	E-12A	179,551.11	179,551.11
		<u>46,486,075.18</u>	<u>46,848,833.11</u>
Total Capital Fund			
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 47,415,815.45</u>	<u>\$ 47,671,247.66</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2012	2011
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 72,432.00	\$ 55,000.00
Sewer Rents		4,246,973.22	4,246,973.22
Additional Sewer Rents		368,130.05	
Interest Income		946.94	1,675.83
KMOS Lease of Wastewater Plant Property		162,998.25	217,331.00
Sewer Connection Fees		118,400.00	14,400.00
Sewer Application Fees			250.00
Nonbudget Revenue		46,435.50	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		35,031.60	166,127.47
		<u>5,051,347.56</u>	<u>4,701,757.52</u>
<u>Expenditures</u>			
Operating		3,560,106.86	3,255,924.19
Capital Improvements		200,500.00	200,500.00
Debt Service		1,075,567.81	1,291,073.62
Deferred Charges and Statutory Expenditures		172,444.29	42,806.00
		<u>5,008,618.96</u>	<u>4,790,303.81</u>
Excess/(Deficit) in Revenue		42,728.60	(88,546.29)
Operating Deficit to be Raised in Budget in Succeeding Year			<u>\$ 88,546.29</u>
Excess in Revenue/Statutory Excess to Fund Balance		42,728.60	
<u>Fund Balance</u>			
Balance January 1		481,020.62	\$ 564,232.62
		<u>523,749.22</u>	<u>564,232.62</u>
Decreased by:			
Utilization as Anticipated Revenue		72,432.00	55,000.00
Surplus Anticipated in Current Fund		28,212.00	28,212.00
		<u>100,644.00</u>	<u>83,212.00</u>
Balance December 31	E	<u>\$ 423,105.22</u>	<u>\$ 481,020.62</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
STATEMENT OF CAPITAL FUND BALANCE
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2012

	Anticipated	Realized	Excess or Deficit *
Operating Surplus Anticipated	\$ 72,432.00	\$ 72,432.00	
Sewer Rents	4,246,973.22	4,246,973.22	
Additional Sewer Rents	460,709.10	368,130.05	\$ 92,579.05 *
Interest Income	1,675.83	946.94	728.89 *
KMOS Lease of Wastewater Plant Property	217,331.00	162,998.25	54,332.75 *
Sewer Connection Fees	14,400.00	118,400.00	104,000.00
Sewer Application Fees	250.00		250.00 *
	\$ 5,013,771.15	\$ 4,969,880.46	\$ 43,890.69 *
Budget Totals			
Nonbudget Revenue		46,435.50	
	\$ 5,013,771.15	\$ 5,016,315.96	
 <u>Analysis of Interest Income</u>			
Treasurer:			
Collected/Received by Treasurer	\$ 105.90		
Due from Sewer Utility Capital Fund	841.04		
		\$ 946.94	
 KMOS Lease of Wastewater Plant Property:			
Due from Current Fund		\$ 162,998.25	
 Sewer Rents:			
Collected in Sewer Utility Operating Fund		\$ 4,604,177.07	
Overpayments Applied		62.01	
Due from Water Utility Operating Fund		10,864.19	
		\$ 4,615,103.27	
 Nonbudget Revenue:			
Cancellation of Prior Year Outstanding Check		\$ 15,540.10	
Appropriation Credits - NJ Environmental Infrastructure Trust Loans		30,895.40	
		\$ 46,435.50	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2012

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 444,004.00	\$ 444,004.00	\$ 335,042.34	\$ 108,961.66	
Other Expenses	3,116,102.86	3,116,102.86	2,976,436.85	139,666.01	
Capital Improvements:					
Capital Improvement Fund	200,500.00	200,500.00	200,500.00		
Debt Service:					
Bond Principal	759,441.00	759,441.00	759,440.11		\$ 0.89
Interest on Bonds	321,279.00	321,279.00	316,127.70		5,151.30
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	62,798.00	62,798.00	62,798.00		
Social Security System (O.A.S.I.)	21,000.00	21,000.00	21,000.00		
Defined Contribution Retirement Plan	100.00	100.00		100.00	
Deferred Charges:					
Deficit in Operations in Prior Year	88,546.29	88,546.29	88,546.29		
	<u>\$ 5,013,771.15</u>	<u>\$ 5,013,771.15</u>	<u>\$ 4,759,891.29</u>	<u>\$ 248,727.67</u>	<u>\$ 5,152.19</u>

	<u>Ref.</u>		<u>E</u>
Cash Disbursed		\$ 4,588,623.10	
Accrued Interest on Bonds		22,370.20	
Accrued Interest on Loans		293,757.50	
Due to Current Fund		103,199.40	
Deferred Charges:			
Deficit in Operations in Prior Year		88,546.29	
		<u>5,096,496.49</u>	
Less: Appropriation Refunds		<u>336,605.20</u>	
		<u>\$ 4,759,891.29</u>	

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
PUBLIC ASSISTANCE FUND

BOROUGH OF CALDWELL
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2012</u>	<u>2011</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	<u>\$ 27,753.29</u>	<u>\$ 26,015.04</u>
TOTAL ASSETS		<u><u>\$ 27,753.29</u></u>	<u><u>\$ 26,015.04</u></u>
 <u>RESERVES</u>			
Reserve for Public Assistance		<u>\$ 27,753.29</u>	<u>\$ 26,015.04</u>
TOTAL RESERVES		<u><u>\$ 27,753.29</u></u>	<u><u>\$ 26,015.04</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
BOND AND INTEREST FUND

NOT APPLICABLE

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
GENERAL FIXED ASSETS ACCOUNT GROUP

BOROUGH OF CALDWELL
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET

	December 31,	
	2012	2011
<u>ASSETS</u>		
Land and Land Improvements		\$ 10,125,613.00
Buildings and Building Improvements		38,141,628.00
Machinery and Equipment		4,488,752.00
Construction in Progress		14,726,940.00
<u>TOTAL ASSETS</u>	\$	\$ 67,482,933.00
<u>RESERVES</u>		
Reserve for General Fixed Assets	\$	\$ 67,482,933.00
<u>TOTAL RESERVES</u>	\$	\$ 67,482,933.00

*Need
additions
from
Paul*

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Caldwell include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough of Caldwell, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Borough of Caldwell do not include the operations of the municipal library, or volunteer fire and first aid squads.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of Governmental Accounting Standards Board's Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Borough of Caldwell conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough of Caldwell accounts for its financial transactions through the following separate funds:

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

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

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

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water utility.

Sewer Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

Public Assistance Fund – Receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. The operations of the State funded welfare program were transferred to the County effective July 1, 2011.

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The accounting policies of the Borough of Caldwell conform to the accounting principles applicable to municipalities which have been prescribed by the Division which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The more significant policies in New Jersey follow.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey. Federal and state grants are generally recognized on the cash basis, except for certain assistance which is not realized until anticipated in the Borough's budget. The amounts recorded as property taxes receivable and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are generally charged to operations based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee benefit amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

The cash basis of accounting is followed in the Trust Funds.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

C. Basis of Accounting (Cont'd)

Had the Borough of Caldwell's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; depreciation would be recorded on fixed assets in the utility capital funds; Federal and State grants and assistance would be recognized when earned, not when awarded or budgeted; and inventories would not be reflected as expenditures at the time of purchase.

- D. Deferred Charges to Future Taxation – The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means the debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by issuing loans or through capital lease purchase agreements.

- E. Other significant accounting policies include:

Management Estimates – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents – Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments – Investments are stated at cost or amortized cost, which approximates market.

Grants Receivable – Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts – No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences – Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

Foreclosed Property – Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

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.

Inventories of Supplies – The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets, except for the Water and Sewer Utility Operating Funds. The amounts reflected as inventories on the Water and Sewer Utility Funds balance sheets are offset by reserves.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include (Cont'd):

General Fixed Assets Account Group – In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, the Borough has developed a fixed assets accounting and reporting system based on the following:

In accordance with Technical Accounting Directive No. 85-2, General fixed assets are recorded at historical cost as estimated by the independent appraisal company which conducted the inventory of the Borough's assets in 2011. Subsequent fixed assets purchases are valued at historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. The total value recorded for general fixed assets is offset by a "Reserve for General Fixed Assets." When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current Fund, General Capital Fund, Water Utility Fund and Sewer Utility Fund. The values recorded in the General Fixed Assets Account Group and the Current, General Capital, Water Utility and Sewer Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets, and the recognition of infrastructures. Capital assets are reviewed for impairment.

Property and equipment purchased by the Water Utility and Sewer Utility Funds are recorded in the capital account at cost and are not adjusted for dispositions and abandonments. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

- F. Budget/Budgetary Control – Annual appropriated budgets are usually prepared in the first quarter for the Current, Sewer and Water Utility Operating, and Open Space Trust Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Borough during the year.

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Borough capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Borough are general obligation bonds. The Borough's full faith and credit taxing power has been pledged to the payment of the general obligation debt principal and interest.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt

	December 31,		
	2012	2011	2010
<u>Issued:</u>			
General:			
Bonds and Notes	\$10,991,900.00	\$11,816,900.00	\$11,785,400.00
Water Utility:			
Bonds and Notes	1,940,000.00	1,255,000.00	1,394,200.00
Sewer Utility:			
Bonds and Loans	12,812,233.70	13,571,673.81	14,526,425.00
Total Issued	<u>25,744,133.70</u>	<u>26,643,573.81</u>	<u>27,706,025.00</u>
<u>Authorized but not Issued:</u>			
General:			
Bonds and Notes	1,935,965.00	452,617.00	1,490,417.00
Water Utility:			
Bonds and Notes	680,000.00	330,000.00	180,000.00
Sewer Utility:			
Bonds and Notes	858,720.00	902,220.00	902,220.00
Total Authorized but not Issued	<u>3,474,685.00</u>	<u>1,684,837.00</u>	<u>2,572,637.00</u>
<u>Less:</u>			
Funds Temporarily Held to Pay			
Bonds, Notes and Loans:			
General:			
Reserve to Pay Debt Service	68,032.83	82,450.00	
Reserve for 2005 Sinking Fund Bonds	65,000.00	45,000.00	25,000.00
Water Utility:			
Reserve to Pay Debt Service	11,300.00	11,300.00	11,300.00
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$29,074,485.87</u>	<u>\$28,189,660.81</u>	<u>\$30,242,362.00</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years

	Balance 12/31/11	Additions	Retirements	Balance 12/31/12
Serial Bonds:				
General Capital Fund	\$ 11,816,900.00		\$ 825,000.00	\$ 10,991,900.00
Water Utility	1,255,000.00		115,000.00	1,140,000.00
Sewer Utility	619,580.00		70,000.00	549,580.00
Bond Anticipation Notes:				
Water Utility		\$ 800,000.00		800,000.00
Loans Payable:				
Sewer Utility:				
NJEIT	12,952,093.81		689,440.11	12,262,653.70
Total	<u>\$ 26,643,573.81</u>	<u>\$ 800,000.00</u>	<u>\$ 1,699,440.11</u>	<u>\$ 25,744,133.70</u>
	Balance 12/31/10	Additions	Retirements	Balance 12/31/11
Serial Bonds:				
General Capital Fund	\$ 8,957,900.00	\$ 3,519,000.00	\$ 660,000.00	\$ 11,816,900.00
Water Utility	584,200.00	810,000.00	139,200.00	1,255,000.00
Sewer Utility	900,380.00		280,800.00	619,580.00
Bond Anticipation Notes:				
General Capital Fund	2,827,500.00		2,827,500.00	
Water Utility	810,000.00		810,000.00	
Loans Payable:				
Sewer Utility:				
NJEIT	13,626,045.50		673,951.69	12,952,093.81
Total	<u>\$ 27,706,025.50</u>	<u>\$ 4,329,000.00</u>	<u>\$ 5,391,451.69</u>	<u>\$ 26,643,573.81</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2: Long-Term Debt (Cont'd)

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 Revised Annual Debt Statement and indicates a statutory net debt of 1.197%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$ 4,004,336.45	\$ 4,004,336.45	
Water Utility Debt	2,620,000.00	2,620,000.00	
Sewer Utility Debt	13,670,953.70	13,670,953.70	
General Debt	12,927,865.00	133,032.83	\$ 12,794,832.17
	<u>\$ 33,223,155.15</u>	<u>\$ 20,428,322.98</u>	<u>\$ 12,794,832.17</u>

Net Debt: \$12,794,832.17 divided by Average Equalized Valuations of \$1,069,024,847.33 of Real Property = 1.197%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 37,415,869.66
Net Debt	<u>12,794,832.17</u>
Remaining Borrowing Power	<u>\$ 24,621,037.49</u>

Calculation of "Self-Liquidating Purpose", Water Utility
Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 1,682,637.49
Deductions:	
Operating and Maintenance Cost	\$ 1,489,303.00
Debt Service	<u>157,650.85</u>
Total Deductions	<u>1,646,953.85</u>
Excess in Revenue	<u>\$ 35,683.64</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition - Annual Debt Statement (Cont'd)

Calculation of "Self-Liquidating Purpose", Sewer Utility
Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 5,016,315.96
Deductions:	
Operating and Maintenance Cost	\$ 3,644,004.86
Debt Service	<u>1,075,567.81</u>
Total Deductions	<u>4,719,572.67</u>
Excess in Revenue	<u>\$ 296,743.29</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount, or the total amount of debt service for that fund, whichever is less.

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

At December 31, 2012, the Borough had capital debt issued and outstanding described as follows:

General Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>
2005 Refunding Bonds	07/01/24	3.75%-4.35%	\$ 4,655,000.00
2005 ERI Refunding Bonds	07/01/19	3.75%-4.00%	180,000.00
2007 General Obligation Bonds	04/01/21	4.00%	2,787,900.00
2011 General Improvement Bonds	07/15/26	2.00%-5.00%	<u>3,369,000.00</u>
			<u>\$ 10,991,900.00</u>

Water Utility Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>
Water Utility Bonds	04/01/21	3.75%-4.00%	\$ 405,000.00
Water Utility Bonds	07/15/21	2.00%-5.00%	<u>735,000.00</u>
			<u>\$ 1,140,000.00</u>

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2: Long-Term Debt (Cont'd)

Water Utility Capital Bond Anticipation Notes

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>
Water System Improvements	07/01/13	1.250%	\$ 250,000.00
Water Main Improvements	07/01/13	1.250%	550,000.00
			<u>\$ 800,000.00</u>

Sewer Utility Capital Serial Bonds

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>
2005 Refunding Bonds	07/01/17	3.75%-4.00%	\$ 145,000.00
2007 Sewer Utility Bonds	04/01/21	3.75%-4.00%	404,580.00
			<u>\$ 549,580.00</u>

Sewer Utility Capital NJ Environmental Infrastructure Trust (NJ EIT) Loans

<u>Description</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2012</u>
Wastewater Treatment Plant Upgrades:			
Trust	08/01/27	3.40-5.00%	\$ 6,420,000.00
Fund	08/01/27	0.00%	5,842,653.70
			<u>\$ 12,262,653.70</u>
TOTAL DEBT ISSUED AND OUTSTANDING			<u>\$ 25,744,133.70</u>

Environmental Infrastructure Loans

On November 8, 2007, the Borough of Caldwell entered into two loan agreements with the State of New Jersey, acting by and through the NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust"), in the revised aggregate amount of \$15,113,500.00, which represents direct obligations of the Borough. The loan agreements were obtained to finance a portion of the cost of wastewater treatment system projects.

At December 31, 2012, the Borough has borrowed or "drawn down" \$15,113,500.00 for these projects. The difference or unexpended proceeds of the "Trust" loan will be retired by NJ Environmental Infrastructure Trust from funds on hand, and any unexpended proceeds of the "Fund" will be reduced from future debt service payments. Principal payments to the "Fund" commenced on August 1, 2009, and will continue on a semiannual basis over 19 years. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon on the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 2: Long-Term Debt (Cont'd)

Environmental Infrastructure Loans (Cont'd)

The Borough will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account. Also, an annual administrative fee of fifteen hundredths of one percent (.15%) of the initial principal amount of the loan or such lesser amount, if any, as the Trust may approve from time to time is payable on these loans.

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and
Thereafter for Bonded Debt and Loans Issued and Outstanding

Calendar Year	General		Water Utility	
	Principal	Interest	Principal	Interest
2013	\$ 890,000.00	\$ 425,398.26	\$ 115,000.00	\$ 41,650.00
2014	910,000.00	394,373.26	115,000.00	38,650.00
2015	930,000.00	361,298.26	115,000.00	34,900.00
2016	940,000.00	327,673.26	120,000.00	31,150.00
2017	950,000.00	294,548.26	125,000.00	27,100.00
2018-2022	4,407,900.00	887,867.30	550,000.00	57,900.00
2023-2027	1,964,000.00	155,901.50		
	<u>\$ 10,991,900.00</u>	<u>\$ 2,847,060.10</u>	<u>\$ 1,140,000.00</u>	<u>\$ 231,350.00</u>

Calendar Year	Sewer Utility		
	Principal	Interest	Total
2013	\$ 769,309.87	\$ 308,528.20	\$ 2,549,886.33
2014	778,756.32	294,978.20	2,531,757.78
2015	796,022.60	280,758.20	2,517,979.06
2016	809,882.95	261,308.20	2,490,014.41
2017	818,254.88	241,133.20	2,456,036.34
2018-2022	4,255,933.98	900,378.70	11,059,979.98
2023-2027	4,584,073.10	357,912.50	7,061,887.10
	<u>\$ 12,812,233.70</u>	<u>\$ 2,644,997.20</u>	<u>\$ 30,667,541.00</u>

Note 3: Fund Balances Appropriated

The amount of fund balance at December 31, 2012 which has been included in the adopted budget for the Current Fund, Water Utility Fund and Sewer Utility Fund budgets for the year ending December 31, 2013, is as follows:

Current Fund	\$ 340,550.00
Water Utility Operating Fund	125,000.00
Sewer Utility Operating Fund	162,432.00

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

(Continued)

Note 4: Deferred Charges to be Raised in Succeeding Budgets

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012, the following deferred charges were shown on the balance sheets of the following funds:

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>2013</u> <u>Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budgets</u>
Current Fund:			
Emergency Authorization	\$ 55,000.00	\$ 55,000.00	\$ -0-

The 2013 Budget Appropriation is not less than that required by statute.

Note 5: Regional School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Caldwell has elected not to defer school taxes.

Note 6: Pension Plans

Borough employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers these two plans which cover substantially all Borough employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join one of the two public employees' retirement systems. However, if an employee is ineligible to enroll in the PERS or the PFRS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 6: Pension Plans (Cont'd)

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.5% of base salary from October 1, 2011 thru June 30, 2012 and increased to 6.64% effective July 1, 2012. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Borough contributions to PERS amounted to \$177,092.00, \$190,074.00 and \$154,815.00 for 2012, 2011 and 2010, respectively. Borough contributions to PFRS amounted to \$456,214.00, \$507,378.00 and \$392,384 for 2012, 2011 and 2010, respectively. Borough contributions for the DCRP amounted to \$4,000.53, \$3,655.71 and \$2,096.29 for 2012, 2011 and 2010, respectively.

Note 7: Accrued Sick and Vacation Benefits

The Borough policy allows Borough employees to accrue sick and vacation time. The current cost of such unpaid compensation upon termination or separation from the Borough would approximate \$709,335.20. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Borough's budget operating expenditure in the year in which it is used. This amount is partially reserved in the Reserve for Accumulated Leave of \$39,266.24 reflected on the Other Trust Funds' balance sheet as of December 31, 2012.

Note 8: Deferred Compensation Plan

The Borough of Caldwell offers its employees a deferred compensation plan (the "Plan") created in accordance with Section 457 of the Internal Revenue Code. The Plan, which is administered by the Hartford Group, is available to all Borough employees and permits participants to defer a portion of their salary. The deferred compensation plan is not available to employees until termination, retirement, unforeseeable emergency, or upon death to their beneficiaries.

Note 9: Selected Tax Rate Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A 6% penalty may be assessed for any unpaid taxes and other municipal charges in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after January 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 9: Selected Tax Rate Information (Cont'd)

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Tax Rate</u>	\$ 2.346	\$ 2.307	\$ 2.245
<u>Apportionment of Tax Rate</u>			
Municipal:			
Local	0.701	0.683	0.680
Open Space	0.010	0.010	0.010
County	0.481	0.475	0.448
Local School	1.154	1.139	1.107
<u>Assessed Valuations</u>			
2012	<u>\$ 1,022,421,277.00</u>		
2011		<u>\$ 1,031,511,186.00</u>	
2010			<u>\$ 1,035,051,357.00</u>

Comparison of Tax Levies and Collections 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>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2012	\$ 24,022,406.69	\$ 23,918,345.86	99.56%
2011	23,810,051.72	23,682,313.70	99.46%
2010	23,251,587.25	23,207,568.66	99.81%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

Note 10: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Borough classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Borough in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Borough ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Borough limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed below and on the following page.

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), or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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 5% of the average daily balance of public funds; and in addition

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

Investments: (Cont'd)

- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of December 31, 2012, cash and cash equivalents and investments of the Borough of Caldwell consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking and Savings Accounts</u>	<u>Total</u>
Current	\$ 150.00	\$ 2,130,135.52	\$ 2,130,285.52
Animal Control	25.00	8,940.00	8,965.00
Other Trust		515,849.67	515,849.67
General Capital		498,487.12	498,487.12
Water Utility Operating		1,193,408.57	1,193,408.57
Water Utility Capital		759,071.76	759,071.76
Sewer Utility Operating		363,915.62	363,915.62
Sewer Utility Capital		1,123,623.21	1,123,623.21
Public Assistance		27,753.29	27,753.29
	<u>\$ 175.00</u>	<u>\$ 6,621,184.76</u>	<u>\$ 6,621,359.76</u>

During the year ended December 31, 2012, the Borough did not hold any investments. The carrying amount of the Borough's cash and cash equivalents and investments at December 31, 2012, was \$6,621,359.76 and the bank balance was \$6,828,845.01.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 11: Post-Retirement Medical Benefits

The Borough's portion of post-retirement medical and dental benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. The Borough paid premiums in the amount of \$564,498.83 and \$537,141.75 for 2012 and 2011, respectively, for 32 retired employees in 2012 and 2011.

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. 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.

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 accordance with the Borough's resolution, Borough employees are entitled to the following benefits:

The coverage applies to the employee and dependents. In the event of an employee's death, coverage ceases. In order to be eligible for this benefit, the employee must have a minimum of twenty-five (25) years of full-time service with the Borough.

Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, and mental health/substance abuse coverages, and Medicare Part B reimbursement to retirees and their covered dependents.

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.

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's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget.

Note 12: Risk Management

The Borough is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided through the State of New Jersey Health Benefits Plan.

Property and Liability

The Borough is a member of the Garden State Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of insuring against general liability and property.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 12: Risk Management (Cont'd)

Property and Liability (Cont'd)

As a member of the Fund, the Borough could be subjected to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liability.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. The members may either receive payment or offset their subsequent year assessments with their respective share of the distribution.

The December 31, 2012 audit report of the Garden State Municipal Joint Insurance Fund was not filed as of the date of this audit. Summarized selected financial information for the Fund as of December 31, 2011 is as follows:

	<u>Garden State Municipal Joint Insurance Fund</u>
Total Assets	\$ 27,625,020
Net Position	\$ (683,716)
Total Revenue	\$ 22,179,275
Total Expenses	\$ 21,917,359
Change in Net Position	\$ 261,916
Member Dividends	\$ -0-

Financial statements for the Fund are available at the office of the Fund's Executive Director:

Garden State Municipal Joint Insurance Fund
900 Route 9 North, Suite 503
Woodbridge, NJ 07095-1003
(800) 446-7647

New Jersey Unemployment Compensation Insurance

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Borough is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Borough is billed quarterly for amounts due to the State.

The following is a summary of Borough contributions, employee contributions, interest earned, reimbursements to the State for benefits paid and the ending balance of the Borough's expendable trust fund for the current and previous two years.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 12: Risk Management (Cont'd)

New Jersey Unemployment Compensation Insurance (Cont'd)

<u>Year</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012	\$ -0-	\$ 7,571.85 *	\$ 2.47	\$ 13,405.89	\$ 13,663.96
2011	-0-	7,922.11	9.06	6,712.60	19,495.53
2010	-0-	7,670.65	66.42	33,633.07	18,276.96

* Includes reimbursement from State of New Jersey.

Note 13: Interfund Receivables and Payables

The following interfund balances remained on the balance sheets at December 31, 2012:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 205,054.31	\$ 794,883.02
Federal and State Grant Fund	323,124.00	
Animal Control Fund		5,015.40
Other Trust Funds	39,673.16	
General Capital Fund	167,527.17	36,168.00
Water Utility Operating Fund	52,935.18	355,189.24
Water Utility Capital Fund	36,168.00	52,935.18
Sewer Utility Operating Fund	435,506.29	
Sewer Utility Capital Fund		15,797.27
	<u>\$ 1,259,988.11</u>	<u>\$ 1,259,988.11</u>

The Current Fund interfund receivable is comprised of a prior year interfund due from the Water Utility Operating Fund; expenditures paid on behalf of the Water Utility Operating Fund; sewer user fees collected in the Water Utility Operating Fund; and the statutory excess in the Reserve for Animal Control Expenditures due from the Animal Control Fund.

The Federal and State Grant Fund interfund receivable is the net of grant funds received in the Current Fund offset by disbursements made by the Current Fund on behalf of the Federal and State Grant Fund.

The Other Trust Funds interfund receivable is comprised of a prior year interfund, current year open space added/omitted taxes, refund of prior year revenue and a sinking bond maturity due from the Current Fund; offset by interest earned and uniform construction code fees collected in the Other Trust Funds.

The General Capital Fund interfund receivable is comprised of prior year interfund due from the Water Utility Operating Fund and the Current Fund; and grant receipts collected in the Current Fund offset by current year interest earned in the General Capital Fund due to the Current Fund.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012

(Continued)

Note 13: Interfund Receivables and Payables (Cont'd)

The Water Utility Operating Fund interfund receivable is comprised of a prior year interfund, current year interest earnings in the Water Utility Capital Fund and accrued interest on bond anticipation notes due from the Water Utility Capital Fund.

The Water Utility Capital Fund interfund receivable is comprised of prior year interfund due from the General Capital Fund.

The Sewer Utility Operating Fund interfund receivable is comprised of a prior year interfund and current year interest earnings due from the Sewer Utility Capital Fund; a prior year interfund and current year excess sewer rents and overpayments collected in the Water Utility Operating Fund; a prior year interfund and KMOS Lease Payments collected in the Current Fund; offset by expenditures paid by the Current Fund on behalf of the Sewer Utility Operating Fund.

Note 14: Economic Dependency

The Borough receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Borough's programs and activities.

Note 15: Contingent Liabilities

The Borough is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Borough vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on its financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Borough as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Borough officials expect such amounts, if any, to be immaterial.

Note 16: Open Space Trust Reserve

The Borough established an Open Space Trust Fund in 2000. The Borough has levied a tax equal to one cent per \$100 of total Borough equalized real property valuation. The tax has remained one cent since the approval by the voters to establish the open space tax. The intention of the Borough is to use this funding for open space and recreation purposes. The funds are being held in the Open Space Fund Reserve on the Other Trust Funds balance sheet. The balance in the Reserve for Open Space at December 31, 2012 is \$255,477.02.

BOROUGH OF CALDWELL
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2012
(Continued)

Note 17: Fixed Assets

The following is a summarization of general fixed assets for the year ended December 31, 2012:

	Balance Dec. 31, 2011	Additions	Deletions	Balance Dec. 31, 2012
Land and Land Improvements	\$ 10,125,613.00			\$ 10,125,613.00
Buildings and Building Improvements	38,141,628.00			38,141,628.00
Machinery and Equipment	4,488,752.00			4,488,752.00
Construction in Progress	14,726,940.00			14,726,940.00
	<u>\$ 67,482,933.00</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 67,482,933.00</u>

SUPPLEMENTARY DATA

BOROUGH OF CALDWELL
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2012

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

Name	Title	Amount of Bond	Name of Corporate or Personal Surety
Ann Dassing	Mayor		
John Coyle	Councilman		
Richard Hauser	Councilman		
Peter Murray	Councilman		
John Kelley	Councilman		
Thomas O'Donnell	Councilman		
Frank Rogers	Councilman		
Paul Carelli	Administrator; Acting Chief Financial Officer (from 10/16/12)	**	**
Margaret Cherone	Chief Financial Officer (to 08/27/12)	**	**
Lisa O'Neill	Acting Municipal Clerk (to 06/30/12); Deputy Clerk (from 07/01/12)	**	**
Donald O'Connor	Municipal Judge	**	**
Francine T. Paserchia	Municipal Clerk (from 07/01/12)	**	**
Idamae Renne	Tax Collector; Utility Collector	**	**
Marilyn Reeve	Court Administrator	**	**
Gregory Mascera	Municipal Attorney		

** There is an Blanket Crime Coverage in the amount of \$1,000,000 with Garden State Municipal Joint Insurance Fund covering all Borough employees, including statutory positions. All of the bonds were examined and properly executed.

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
CURRENT FUND

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2011	A	\$ 1,941,853.73
Increased by Receipts:		
Tax Collector		\$ 23,985,717.50
Revenue Accounts Receivable		4,117,713.51
Miscellaneous Revenue Not Anticipated		126,060.65
Interest on Investments and Deposits		1,412.66
Due to/from Federal and State Grant Fund:		
Grants Receivable		65,124.94
Unappropriated Grants		16,960.37
Due from/to Other Trust Funds:		
Prior Year Interfund Returned		15,220.29
Interfund Advanced		17,472.71
Due to General Capital Fund:		
NJ Department of Transportation Grant - Forest Ave		61,250.00
Due to Sewer Utility Operating Fund:		
KMOS Lease Payments Anticipated Revenue		162,998.25
Due from/to State of New Jersey:		
Senior Citizens' and Veterans' Deductions		47,250.00
Marriage Licenses		925.00
Burial Permits		10.00
Reserve for State Library Aid		3,462.00
Community Center Refunds Payable		1,511.58
Appropriation Refunds		242,577.88
		<hr/>
		28,865,667.34
		<hr/>
		30,807,521.07
Decreased by Disbursements:		
2012 Appropriation Expenditures		11,239,035.27
2011 Appropriation Reserve Expenditures		301,871.20
Regional School District Taxes		11,796,503.21
County Taxes		4,917,392.65
Due from Federal and State Grant Fund:		
Appropriated Reserves Expenditures		60,711.36
Due to Other Trust Funds:		
Open Space Tax Levy		102,242.00
Due from Water Utility Operating Fund:		
2012 Budget Expenditures		34,399.80
Due from Sewer Utility Operating Fund:		
2012 Budget Expenditures		103,199.40
Due to State of New Jersey:		
Marriage Licenses		900.00
Burial Permits		10.00
Reserve for State Library Aid		3,573.14
Reserve for Storm Damage		62,403.38
Reserve for Storm Damage - Prior Year Encumbrances		23,628.01
Refund of Prior Year Taxes		6,303.45
Tax Overpayment Refunds		25,212.68
		<hr/>
		28,677,385.55
		<hr/>
Balance December 31, 2012	A	\$ 2,130,135.52

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2012

Increased by Receipts:			
Taxes Receivable		\$ 23,801,226.61	
2013 Prepaid Taxes		85,797.56	
Interest and Costs on Taxes		42,664.96	
Tax Overpayments		55,948.37	
Miscellaneous Revenue Not Anticipated:			
NSF Check Fees		80.00	
		<hr/>	
			\$ 23,985,717.50
Decreased by:			
Payments to Municipal Treasurer			<u><u>\$ 23,985,717.50</u></u>

SCHEDULE OF CASH - FEDERAL AND STATE GRANT FUND
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance Dec. 31, 2011	2012 Levy	Added Taxes	Collections		State of NJ Veterans' and Senior Citizens' Deductions	Cancelled	Balance Dec. 31, 2012
				2011	2012			
2011	\$ 2,474.52		\$ 11,677.00	\$	\$ 12,177.21	\$ (250.00)	\$ 2,224.30	\$ 0.01
2012		\$ 24,022,406.69		\$ 81,796.46	23,789,049.40	47,500.00	103,708.79	352.04
	\$ 2,474.52	\$ 24,022,406.69	\$ 11,677.00	\$ 81,796.46	\$ 23,801,226.61	\$ 47,250.00	\$ 105,933.09	\$ 352.05

Ref. A

Analysis of 2012 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 23,986,003.34
Added and Omitted Taxes	36,403.35
	<u>\$ 24,022,406.69</u>

Tax Levy:

Regional School District Taxes	\$ 11,796,503.21
County Taxes:	
General Tax	\$ 4,914,708.93
Due County for Added and Omitted Taxes	3,981.16
	<u>4,918,690.09</u>
	<u>16,715,193.30</u>
Local Tax for Municipal Purposes Levied	6,809,280.35
Municipal Open Space Taxes	102,242.00
Additional Open Space - Municipal	82.95
Municipal Library Taxes	359,559.00
Add: Additional Tax Levied	36,049.09
	<u>7,307,213.39</u>
	<u>\$ 24,022,406.69</u>

A

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Accrued In</u> <u>2012</u>	<u>Collected by</u> <u>Treasurer</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
Licenses:				
Alcoholic Beverages		\$ 7,930.00	\$ 7,930.00	
Other		52,374.00	52,374.00	
Fees and Permits		46,207.35	46,207.35	
Fines and Costs:				
Other	\$ 29,800.12	276,901.73	288,668.06	\$ 18,033.79
Parking Meters		123,569.62	123,569.62	
Rent - Grover Cleveland Senior Citizens Center		11,049.96	11,049.96	
Sewer Utility Operating Fund - Administration Charge		99,022.00	99,022.00	
Senior Citizens' Transportation Program - Contributed by West Caldwell and Roseland		51,340.00	51,340.00	
Payment in Lieu of Taxes - Marion Manor Senior Citizens Housing		159,001.00	159,001.00	
Lease of Municipal Property - Wastewater Treatment Plant		293,833.00	220,374.75	73,458.25
Cablevision Franchise Fees (N.J.S. 48:5A-30)		112,954.96	112,954.96	
Sewer User Charges		152,000.00	152,000.00	
Consolidated Municipal Property Tax Relief Aid		32,525.00	32,525.00	
Energy Receipts Tax		654,350.00	654,350.00	
Uniform Construction Code Fees		145,397.00	145,397.00	
Township of West Caldwell - Welfare Services		8,000.00	8,000.00	
Community Center - Membership & Program Fees		1,551,285.59	1,551,285.59	
Utility Operating Surplus of Prior Year		28,212.00	28,212.00	
Water Utility Operating Fund - Administration Charges		27,332.00	27,332.00	
Escrow Fees (Due from Other Trust)		5,600.00	5,600.00	
Additional Parking Meter Fees		20,000.00	20,000.00	
Additional Municipal Court Fines and Costs		71,100.00	71,100.00	
Capital Fund Balance		290,390.00	290,390.00	
Sale of Dispatch Equipment		24,532.50	24,532.50	
Reserve for Open Space Trust to offset Debt Service		67,080.55	67,080.55	
Reserve for Payment of Debt Service		14,417.17	14,417.17	
Additional Sewer User Charges		6,139.26	6,139.26	
Additional Cablevision Franchise Fees		5,000.00	5,000.00	
	<u>\$ 29,800.12</u>	<u>\$ 4,337,544.69</u>	<u>\$ 4,275,852.77</u>	<u>\$ 91,492.04</u>

Ref.

A

A

Cash Receipts	\$ 4,117,713.51
Due from Water Utility Operating Fund:	
Sewer User Charges	152,000.00
Additional Sewer User Charges	6,139.26
	<u>\$ 4,275,852.77</u>

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Transfers</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
General Administration:				
Salaries and Wages	\$ 2,500.00	\$ 2,500.00	\$ 2,386.23	\$ 113.77
Other Expenses	15,039.66	15,039.66	12,836.35	2,203.31
Mayor and Council:				
Other Expenses	940.50	940.50		940.50
Municipal Clerk:				
Salaries and Wages	500.00	500.00	491.34	8.66
Other Expenses	1,400.00	1,400.00		1,400.00
Financial Administration:				
Salaries and Wages	1,975.00	1,975.00	1,967.40	7.60
Other Expenses	819.10	819.10	74.75	744.35
Audit Services:				
Other Expenses	12,738.47	12,738.47	8,063.47	4,675.00
Collection of Taxes:				
Salaries and Wages	1,410.00	1,410.00	1,406.19	3.81
Other Expenses	207.37	207.37	43.75	163.62
Assessment of Taxes:				
Salaries and Wages	2.66	2.66		2.66
Other Expenses	800.60	800.60		800.60
Legal Services and Costs:				
Salaries and Wages	1,997.93	1,997.93		1,997.93
Other Expenses	5,475.14	5,475.14		5,475.14
Engineering Services and Costs:				
Salaries and Wages	2,100.99	2,100.99		2,100.99
Municipal Land Use Law (NJSA 40:55D-1):				
Planning Board:				
Other Expenses	168.00	168.00		168.00
Zoning Board of Adjustment:				
Other Expenses	393.00	393.00		393.00
Police:				
Salaries and Wages	945.34	945.34		945.34
Other Expenses	18,811.70	18,811.70	17,326.86	1,484.84
Parking Meter Maintenance:				
Other Expenses	1,441.74	1,441.74		1,441.74
Office of Emergency Management:				
Other Expenses	855.00	855.00	711.30	143.70
Aid to West Essex First Aid Organization - Contribution	0.80	0.80		0.80
Fire Department:				
Other Expenses	6,448.62	6,448.62	1,618.29	4,830.33
Municipal Court:				
Salaries and Wages	1,348.19	1,348.19	1,340.06	8.13
Other Expenses	1,599.00	1,599.00	533.31	1,065.69
Streets and Roads Maintenance:				
Salaries and Wages	2,000.00	2,000.00	1,993.86	6.14

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	Balance Dec. 31, 2011	Balance After Transfers	Paid or Charged	Balance Lapsed
Streets and Roads Maintenance (Cont'd):				
Other Expenses	\$ 12,100.86	\$ 12,100.86	\$ 1,038.46	\$ 11,062.40
Recycling:				
Other Expenses	18,236.89	18,236.89	4,037.13	14,199.76
Solid Waste Collection:				
Other Expenses	35,534.60	35,534.60	35,534.60	
Building and Grounds:				
Other Expenses	32,767.21	32,767.21	14,853.98	17,913.23
Shade Tree Division:				
Other Expenses	1,600.00	1,600.00	1,500.00	100.00
Vehicle Repair/Maintenance (Including Police):				
Other Expenses	8,389.75	8,389.75	3,176.24	5,213.51
Snow Removal:				
Salaries and Wages	500.00	500.00		500.00
Other Expenses	2,235.32	2,235.32	1,526.78	708.54
Board of Health:				
Other Expenses	16,878.79	16,878.79	14,799.50	2,079.29
Environmental Commission:				
Other Expenses	794.00	794.00		794.00
Animal Control:				
Other Expenses	11,600.00	11,600.00	11,600.00	
Welfare/Administration of Public Assistance:				
Salaries and Wages	0.56	0.56		0.56
Other Expenses	50.00	50.00		50.00
Recreation:				
Other Expenses	410.00	410.00		410.00
Senior Citizens' Transportation:				
Salaries and Wages	961.87	961.87	384.15	577.72
Other Expenses	633.42	633.42		633.42
Uniform Construction Code:				
Salaries and Wages	1,010.00	1,010.00	1,005.41	4.59
Other Expenses	699.03	699.03		699.03
Utility Expenses and Bulk Purchases:				
Electric & Gas	16,043.28	16,043.28	8,299.30	7,743.98
Street Lighting	26,535.52	26,535.52	13,399.13	13,136.39
Telephone	5,500.00	5,500.00	3,989.83	1,510.17
Gasoline	9,489.34	9,489.34	5,095.69	4,393.65
Insurance:				
Worker's Compensation/General Liability	1,014.16	1,014.16		1,014.16
Group Insurance for Employees	21,160.12	21,160.12	17,879.50	3,280.62
Statutory Expenditures:				
Defined Contribution Retirement Program	24.26	24.26	8.45	15.81
Refund Tax Appeals	47,937.50	47,937.50		47,937.50

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	<u>Balance Dec. 31, 2011</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Sewerage Treatment:				
Other Expenses	\$ 14,583.08	\$ 14,583.08		\$ 14,583.08
Length of Service Awards Program:				
Fire Department	43,450.00	43,450.00	\$ 42,922.39	527.61
West Essex First Aid Squad	19,819.12	19,819.12	16,320.02	3,499.10
Municipal Library:				
Salaries and Wages	13,276.90	13,276.90		13,276.90
Other Expenses	8,747.50	8,747.50	7,960.76	786.74
Community Center:				
Salaries and Wages	4,227.17	4,227.17	4,196.09	31.08
Other Expenses	44,083.70	44,083.70	41,550.63	2,533.07
	<u>\$ 502,212.76</u>	<u>\$ 502,212.76</u>	<u>\$ 301,871.20</u>	<u>\$ 200,341.56</u>

Ref.

Analysis of Balance December 31, 2011:

Encumbered	A	\$ 101,380.29
Unencumbered	A	400,832.47
		<u>\$ 502,212.76</u>

BOROUGH OF CALDWELL
CURRENT FUND
SCHEDULE OF REGIONAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2012

Increased by:		
Levy - School Year 2012		\$ 11,796,503.21
Decreased by:		
Payments to Regional School District		<u>\$ 11,796,503.21</u>

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2011	2012 Budget		Cash Received	Adjustments	Transferred from Unappropriated Reserves	Balance Dec. 31, 2012
		Revenue Realized					
Body Armor Grant - 2012		\$ 2,338.88	\$ 2,338.88				
Bulletproof Vest Program: Prior Year	\$ 2,340.00	11,382.70	11,169.10			\$ 2,340.00	213.60
Clean Communities - 2012							
NJ Transportation Trust Fund Authority Act: 2008 - Park and Whitfield	14,134.35						14,134.35
Alcohol Education and Rehabilitation Fund: 2008	1,338.00					1,338.00	
2009	649.73					649.73	
2012		2,158.52	2,158.52				
Recycling Tonnage Grant: Prior Years	4,446.41					4,446.41	
2008	4,906.48					4,906.48	
2011		4,342.31			\$ 4,342.31		
Municipal Alliance for Alcohol and Drug Abuse: State Grant:							
2008	243.08				\$ 243.08		
2009	6,092.25				6,092.25		
2010	4,426.51				4,426.51		
Municipal Alliance for Alcohol and Drug Abuse: State Grant:							
2011	3,572.22		23,458.44		(24,927.78)	5,041.56	
2012		28,500.00				28,500.00	
West Caldwell Match: 2011	5,500.00					5,500.00	
2012		5,500.00				5,500.00	

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF GRANTS RECEIVABLE

	Balance Dec. 31, 2011	2012 Budget Revenue Realized	Cash Received	Adjustments	Transferred from Unappropriated Reserves	Balance Dec. 31, 2012
Over the Limit, Under Arrest - 2008	\$ 3,600.00					\$ 3,600.00
Over the Limit, Under Arrest - 2010 Statewide Crackdown	1,450.00					1,450.00
Over the Limit, Under Arrest - 2011 Mobilization	4,400.00					4,400.00
Hurricane Irene Disaster National Emergency Grant Comcast Grant - 2012	18,832.80	\$ 25,000.00	\$ 25,000.00			18,832.80
Safety Incentive Program Award - 2012		1,000.00	1,000.00			
	\$ 75,931.83	\$ 80,222.41	\$ 65,124.94	\$ (14,165.94)	\$ 4,342.31	\$ 100,852.93

Ref.

A

A

Federal	\$ -0-
State	39,124.94
Local	26,000.00
	<u>\$ 65,124.94</u>

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF UNAPPROPRIATED RESERVES

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Cash</u> <u>Received</u>	<u>Transfer to</u> <u>2012 Budget</u> <u>Revenue</u>	<u>Balance</u> <u>Dec. 31, 2011</u>
Drunk Driving Enforcement Fund:				
2011	\$ 4,908.00			\$ 4,908.00
2012		\$ 4,033.44		4,033.44
Body Armor	2,009.15			2,009.15
Bulletproof Vest Program - 2012		1,042.50		1,042.50
Recycling Tonnage Grant:				
2011	13,695.20		\$ 4,342.31	9,352.89
2012		9,034.43		9,034.43
Drive Sober or Pull Over - 2012		2,850.00		2,850.00
	<u>\$ 20,612.35</u>	<u>\$ 16,960.37</u>	<u>\$ 4,342.31</u>	<u>\$ 33,230.41</u>

Ref.

A

A

Federal	\$ 3,892.50
State	13,067.87
	<u>\$ 16,960.37</u>

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2011	Transfer from 2012 Budget Appropriations	Expended	Encumbrances Payable	Balance Dec. 31, 2012
Body Armor Grant:					
2006	\$ 2,020.25				\$ 2,020.25
2011	2,204.15		\$ 672.37		1,531.78
2012		\$ 2,338.88	2,338.88		
Division of Aging - Preventative Health:					
2010	1,717.70				1,717.70
Domestic Preparedness Equipment Grant	94,258.90				94,258.90
NJ Transportation Trust Fund Authority Act:					
2008 - Park and Whitfield	21,924.46				21,924.46
Alcohol Education Rehabilitation Grant:					
2008	5.63				5.63
2009	649.73				649.73
2010	351.91				351.91
2011	1,024.76				1,024.76
2012		2,158.52	150.00		2,008.52
Clean Communities:					
Prior Years	12,225.00				12,225.00
2006	1,998.93				1,998.93
2007	8,972.00				8,972.00
2011	11,349.13				11,349.13
2012		11,382.70			11,382.70
Green Communities	3,000.00				3,000.00
Bulletproof Vest Partnership Grant	2,340.00				2,340.00

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2011	Transfer from 2012 Budget Appropriations	Expended	Encumbrances Payable	Balance Dec. 31, 2012
Drunk Driving Enforcement Fund:					
2006	\$ 312.92				\$ 312.92
2007	2,900.00				2,900.00
2008	2,982.42		\$ 1,243.73		1,738.69
2009	4,490.83		4,490.83		
2010	2,536.86		2,536.86		
Municipal Alliance for Alcohol and Drug Abuse:					
State Share:					
2008	10,639.26				10,639.26
2009	1,566.51				1,566.51
2010	28,500.00				28,500.00
2011	28,500.00				5,041.56
2012		\$ 28,500.00	23,458.44		18,579.55
Municipal Share			9,920.45		
West Caldwell Match		5,500.00	5,500.00		
Recycling Tonnage Grant:		5,500.00		\$ 5,500.00	
2004	759.63				759.63
2005	3,263.46				3,263.46
2006	4,341.80				4,341.80
2007	3,691.19				3,691.19
2008	4,906.48				4,906.48
2009	9,986.48				9,986.48
2010	10,806.68				10,806.68
2011		4,342.31			4,342.31

BOROUGH OF CALDWELL
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES

	Balance Dec. 31, 2011	Transfer from 2012 Budget Appropriations	Expended	Encumbrances Payable	Balance Dec. 31, 2012
Over the Limit, Under Arrest - 2008	\$ 3,600.00				\$ 3,600.00
Over the Limit Under Arrest 2009 Statewide Crackdown	4,400.00				4,400.00
Over the Limit, Under Arrest - 2010 Statewide Crackdown	1,450.00				1,450.00
Over the Limit, Under Arrest - 2011 Mobilization	3,000.00				3,000.00
Housing Services - Special Purpose Grant	50,000.00				50,000.00
Division of Highway Safety - "Click It or Ticket"	4,000.00				4,000.00
Hurricane Irene Disaster National Emergency Grant	15,058.40		\$ 9,570.80		5,487.60
Comcast Grant - 2012		\$ 25,000.00			25,000.00
Safety Incentive Program Award - 2012		1,000.00	829.00		171.00
	<u>\$ 365,735.47</u>	<u>\$ 85,722.41</u>	<u>\$ 60,711.36</u>	<u>\$ 5,500.00</u>	<u>\$ 385,246.52</u>
	Ref. A			A	A
Original Budget		\$ 49,725.01			
Added by NISA 40A:4-87		30,497.40			
		<u>80,222.41</u>			
Local Match		5,500.00			
		<u>\$ 85,722.41</u>			
Federal			\$ 9,570.80		
State			44,811.56		
Local Grants			829.00	\$ 5,500.00	
Local Matching Funds			5,500.00		
			<u>\$ 60,711.36</u>	<u>\$ 5,500.00</u>	

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
TRUST FUNDS

BOROUGH OF CALDWELL
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2011	B	\$ 559.00	\$ 605,070.31
Increased by Receipts:			
Animal Control Collector		\$ 3,737.00	
2012 Budget Appropriation		15,345.00	
2011 Reserve Budget Appropriation		9,600.00	
Due to Current Fund:			
Interest Earned			\$ 164.79
Uniform Construction Code Fees			11,352.00
Due to State of New Jersey - DCA Fees			8,043.00
Reserve for:			
Community Development Block Grant			30,607.28
State Unemployment Insurance:			
Interest Earned			2.47
Employee Contributions			3,964.76
Refund from State of NJ			3,607.09
Open Space:			
Interest Earned			215.35
Open Space Tax Levy			102,242.00
Escrow Fees			37,043.00
Tax Sale Premiums			30,000.00
Outside Tax Liens			162,489.40
Parking Offense Adjudication Act			2,158.00
Police Outside Duty Traffic Assignment			158,919.50
Recycling			43,920.30
Confiscated Funds			4,186.29
		<u>28,682.00</u>	<u>598,915.23</u>
		29,241.00	1,203,985.54

BOROUGH OF CALDWELL
TRUST FUNDS
SCHEDULE OF CASH AND INVESTMENTS - TREASURER

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
Administrative Expenses	\$	19,821.00	
State Board of Health		480.00	
Due to/from Current Fund:			
Settlement of Prior Year Interfund			\$ 15,220.29
Interfund Advanced			17,472.71
Refund of Prior Year Revenue			13,634.29
Due to State of New Jersey - DCA Fees			9,352.00
Reserve for:			
Community Development Block Grant			30,607.28
State Unemployment Insurance			13,405.89
Open Space			85,813.55
Municipal Alliance - Caldwell/West Caldwell			12,497.81
Escrow Fees			23,259.10
Tax Sale Premiums			27,900.00
Outside Tax Liens			161,977.45
Parking Offense Adjudication Act			1,179.00
Police Outside Duty Traffic Assignment			151,799.50
Recycling			61,285.00
Accumulated Leave			56,701.07
Confiscated Funds			6,030.93
		<u>\$ 20,301.00</u>	<u>\$ 688,135.87</u>
Balance December 31, 2012	B	<u>\$ 8,940.00</u>	<u>\$ 515,849.67</u>

BOROUGH OF CALDWELL
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2012

Increased by:

Animal Control License Fees:

Dogs	\$ 3,167.40
Late Fees	92.00
State Registration Fees	477.60

\$ 3,737.00

Decreased by:

Paid to Treasurer

\$ 3,737.00

BOROUGH OF CALDWELL
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

BOROUGH OF CALDWELL
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2011	B	\$ 516.00
Increased by:		
Animal Control License Fees:		
Dog Licenses		\$ 3,167.40
Late Fees		92.00
2012 Budget Appropriation		15,345.00
2011 Reserve Budget Appropriation		9,600.00
		28,204.40
		28,720.40
Decreased by:		
Animal Control Expenditures (R.S. 4:19-15.11):		
Cash Disbursed		19,821.00
Statutory Excess Due to Current Fund		5,015.40
		24,836.40
Balance December 31, 2012	B	\$ 3,884.00

License Fees Collected

<u>Year</u>	<u>Amount</u>
2011	\$ 1,858.00
2010	2,026.00
	3,884.00
Maximum Allowable Reserve	\$ 3,884.00

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
GENERAL CAPITAL FUND

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF CASH

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 1,488,309.99
Increased by:		
Capital Improvement Fund:		
2012 Budget Appropriation	\$ 61,395.00	
Due to Current Fund:		
Interest Earned	808.91	
Improvement Authorization Refunds	<u>30,607.28</u>	
		<u>92,811.19</u>
		1,581,121.18
Decreased by:		
Due to Current Fund:		
Anticipated as Current Year Revenue:		
Capital Fund Balance	290,390.00	
Reserve to Pay Debt Service	14,417.17	
Improvement Authorization Expenditures	<u>777,826.89</u>	
		<u>1,082,634.06</u>
Balance December 31, 2012	C	<u>\$ 498,487.12</u>

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
ANALYSIS OF CASH

	Receipts		Disbursements		Balance (Deficit) Dec. 31, 2012
	Miscellaneous	Budget Appropriation	Miscellaneous	Improvement Authorization Expenditures	
Fund Balance					\$ 8,194.15
Capital Improvement Fund					37,568.00
Due to/from Current Fund	\$ 808.91	\$ 61,395.00	\$ 290,390.00		(133,102.17)
Due from Water Utility Operating Fund					(34,425.00)
Due to Water Utility Capital Fund					36,168.00
NJ Department of Community Affairs Grants Receivable					(150,000.00)
Township of West Caldwell - Shared Services Agreement					(30,618.60)
Community Development Block Grants Receivable					(224.06)
NJ Department of Transportation Grants Receivable					(66,827.43)
Reserve for Payment of Debt Service			14,417.17		68,032.83
Reserve for Encumbrances				690.00	690.00

Ord. No.	Improvement Description	Receipts		Disbursements		Balance (Deficit)
		Miscellaneous	Budget Appropriation	Miscellaneous	Improvement Authorization Expenditures	
1092-00	Various Capital Improvements					1,452.90
1100-01	Various Capital Improvements					72.00
1110-02	Various Capital Improvements					3,298.70
1123-03	Various Capital Improvements				\$ 40,000.00	9,003.75
1141-04	Various Capital Improvements					6,460.67
1153-05	Various Capital Projects					133,833.34
1161-05	Various Capital Projects					13,441.46
1185-08	Various Capital Projects					60,288.12
1189-08;						
1190-08	Acquisition of Fire Truck					377.87
1192-08	Acquisition of Property					278,716.80
1197-09	Various Road Improvements					(209,245.50)
1207-10	Improvements to Kiwanis Oval					95,438.66
1225-10	Various Capital Improvements					132,946.94
1226-10	Emergency Repairs to the Elgin Street Sweeper					5,028.31
1227-10	Various Street Improvements					99,909.33
1228-10	Capital Improvements to the Municipal Parking Facility					
1232-11	Improvements to Forest Avenue					90,359.21
1244-11	Acquisition of Equipment for Community Center and Refurbishment of Parking Meters					115,393.56
1248-12	Various Street Improvements	30,607.28				823.00
1252-12	Various Capital Improvements			690.00		1,139.71
						(75,707.43)
		\$ 31,416.19	\$ 61,395.00	\$ 304,807.17	\$ 777,826.89	\$ 498,487.12
				\$ 119,485.00	\$ 119,485.00	

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance		2012 Authorizations	Improvement Authorizations Cancelled	Balance Dec. 31, 2012	Analysis of Balance Dec. 31, 2012	
		Dec. 31, 2011					Expenditures	Unexpended Improvement Authorizations
1092-00	Various Capital Improvements	\$	600.00			\$	600.00	
1170-06	Various Capital Projects		7.00		\$ 7.00			
1197-09	Various Road Improvements		451,500.00			451,500.00	\$ 209,245.50	242,254.50
1207-10	Improvements to Kiwanis Oval		250.00			250.00		250.00
1225-10	Various Capital Improvements		260.00			260.00		260.00
1248-12	Various Street Improvements			\$ 1,326,605.00		1,326,605.00		1,326,605.00
1252-12	Various Capital Improvements			156,750.00		156,750.00	75,707.43	81,042.57
		\$	452,617.00	\$ 1,483,355.00	\$ 7.00	\$ 1,935,965.00	\$ 284,952.93	\$ 1,651,012.07

Ref.

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C

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

2012 Authorizations

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2011		Future Taxation - Unfunded	Capital Improvement Fund	Paid or Charged	Cancelled	Balance Dec. 31, 2012	
				Funded	Unfunded					Funded	Unfunded
1092-00	Various Capital Improvements	02/08/00	\$ 250,000.00	\$ 1,452.90	\$ 600.00					\$ 1,452.90	\$ 600.00
1100-01	Various Capital Improvements	03/13/01	600,000.00	72.00						72.00	
1110-02	Various Capital Improvements	03/12/02	400,000.00	3,298.70						3,298.70	
1123-03	Various Capital Improvements	03/25/03	250,000.00	49,003.75			\$ 40,000.00			9,003.75	
1141-04	Various Capital Improvements	04/13/04	553,500.00	6,460.67						6,460.67	
1153-05	Various Capital Projects	08/09/05	806,000.00	133,833.34						133,833.34	
1161-05	Various Capital Projects	11/17/05	285,538.00	13,441.46	7.00				\$ 7.00	13,441.46	
1170-06	Various Capital Projects	08/15/06	958,955.00					129,235.49			
1185-08	Various Capital Projects	02/26/08	908,500.00	189,523.61						60,288.12	
1189-08;											
1190-08	Acquisition of Fire Truck	10/04/08	550,000.00	377.87						377.87	
1192-08	Acquisition of Property	12/09/08	650,000.00	278,716.80						278,716.80	
1197-09	Various Road Improvements	08/25/09	475,456.00	244,873.49				2,618.99			242,254.50
1207-10	Improvements to Kiwanis Oval	04/27/10	2,000,000.00	106,788.66	250.00			11,350.00		95,438.66	250.00
1225-10	Various Capital Improvements	11/23/10	653,000.00	504,825.35	260.00			371,878.41		132,946.94	260.00
1226-10	Emergency Repairs to the Elgin Street Sweeper	11/23/10	26,915.90	5,028.31						5,028.31	
1227-10	Various Street Improvements	11/23/10	551,750.00	99,909.33						99,909.33	
1228-10	Capital Improvements to the Municipal Parking Facility	12/28/10	328,000.00	119,396.21				29,037.00		90,359.21	
1232-11	Improvements to Forest Avenue	03/22/11	410,000.00	115,393.56						115,393.56	
1244-11	Acquisition of Equipment for Community Center and Refurbishment of Parking Meters	12/27/11	32,500.00	32,500.00				31,677.00		823.00	
1248-12	Various Street Improvements	05/15/12	1,375,900.00			\$ 1,326,605.00	\$ 49,295.00	48,155.29		1,139.71	1,326,605.00
1252-12	Various Capital Improvements	05/15/12	165,000.00			156,750.00	8,250.00	83,957.43			81,042.57
				\$ 1,660,022.52	\$ 245,990.49	\$ 1,483,355.00	\$ 57,545.00	\$ 747,909.61	\$ 7.00	\$ 1,047,984.33	\$ 1,651,012.07

Ref.	C	C	C	Ref.	C	C	C
		Cash Disbursed		\$ 777,826.89			
		Encumbrances Payable		690.00			
		Less: Improvement Authorization Refunds		(30,607.28)			
				\$ 747,909.61			
		Deferred Charges to Future Taxation - Unfunded		\$ 7.00			

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2011	C	\$ 33,718.00
Increased by:		
2012 Budget Appropriation		<u>61,395.00</u>
		95,113.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>57,545.00</u>
Balance December 31, 2012	C	<u><u>\$ 37,568.00</u></u>

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2011	Matured	Balance Dec. 31, 2012
			Outstanding Date	Amount				
2005 Refunding Bonds	1/1/2005	\$ 7,325,000.00	7/1/2013	\$ 410,000.00	4.000%	\$ 5,070,000.00	\$ 415,000.00	\$ 4,655,000.00
			7/1/2014	405,000.00	4.000%			
			7/1/2015	400,000.00	4.000%			
			7/1/2016	395,000.00	3.750%			
			7/1/2017	390,000.00	3.850%			
			7/1/2018	385,000.00	4.000%			
			7/1/2019	380,000.00	4.000%			
			7/1/2020	375,000.00	4.100%			
			7/1/2021	370,000.00	4.125%			
			7/1/2022	365,000.00	4.200%			
2005 ERI Refunding Bonds	1/1/2005	275,000.00	7/1/2013-15	20,000.00	4.000%	\$ 195,000.00	15,000.00	180,000.00
			7/1/2016	25,000.00	3.750%			
			7/1/2017	30,000.00	3.850%			
			7/1/2018	30,000.00	4.000%			
			7/1/2019	35,000.00	4.000%			
2007 General Obligation Bonds	4/1/2007	3,782,900.00	4/1/13-20	310,000.00	4.000%	3,032,900.00	245,000.00	2,787,900.00
			4/1/2021	307,900.00	4.000%			
2011 General Improvement Bonds	7/27/2011	3,519,000.00	7/15/13	150,000.00	2.000%			
			7/15/14	175,000.00	3.000%			
			7/15/15	200,000.00	3.000%			
			7/15/16	210,000.00	3.000%			
			7/15/17	220,000.00	3.000%			
7/15/18	225,000.00	4.000%						

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2011	Balance Dec. 31, 2012
			Outstanding Date	Amount			
2011 General Improvement Bonds	7/27/2011	\$ 3,519,000.00	7/15/19	\$ 230,000.00	4.000%		
			7/15/20	240,000.00	5.000%		
			7/15/21	260,000.00	5.000%		
			7/15/22	275,000.00	3.125%		
			7/15/23	300,000.00	3.250%		
			7/15/24	285,000.00	3.400%		
			7/15/25	300,000.00	3.500%		
			7/15/26	299,000.00	3.650%		
						\$ 3,519,000.00	\$ 3,369,000.00
						\$ 11,816,900.00	\$ 10,991,900.00

Ref.

C

C

BOROUGH OF CALDWELL
GENERAL CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2011	2012 Authorizations	Improvement Authorizations Cancelled	Balance Dec. 31, 2012
1092-00	Various Capital Improvements	\$ 600.00			\$ 600.00
1170-06	Various Capital Projects	7.00		\$ 7.00	
1197-09	Various Road Improvements	451,500.00			451,500.00
1207-10	Improvements to Kiwanis Oval	250.00			250.00
1225-10	Various Capital Improvements	260.00			260.00
1248-12	Various Street Improvements		\$ 1,326,605.00		1,326,605.00
1252-12	Various Capital Improvements		156,750.00		156,750.00
		<u>\$ 452,617.00</u>	<u>\$ 1,483,355.00</u>	<u>\$ 7.00</u>	<u>\$ 1,935,965.00</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
WATER UTILITY FUND

BOROUGH OF CALDWELL
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2011	D	\$ 660,591.72	\$ 207,944.81
Increased by Receipts:			
Water Utility Collector		\$ 1,726,911.02	
Miscellaneous Revenue		291.48	
Due to Water Utility Operating Fund:			
Interest Earned			\$ 100.97
Appropriation Refunds		5,231.49	
Bond Anticipation Note Proceeds			800,000.00
2012 Budget Appropriation:			
Capital Improvement Fund			10,000.00
Improvement Authorization Refunds			82,640.27
		<u>1,732,433.99</u>	<u>892,741.24</u>
		2,393,025.71	1,100,686.05
Decreased by Disbursements:			
2012 Appropriation Expenditures		976,890.96	
2011 Appropriation Reserve Expenditures		179,012.83	
Accrued Interest on Bonds		43,713.35	
Improvement Authorizations			341,614.29
		<u>1,199,617.14</u>	<u>341,614.29</u>
Balance December 31, 2012	D	<u>\$ 1,193,408.57</u>	<u>\$ 759,071.76</u>

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2012

Increased by Receipts:

Consumer Accounts Receivable:

Water Rents	\$ 1,530,700.04	
Miscellaneous Revenue	23,395.40	
		<u>1,554,095.44</u>

Excess Sewer Rents:

Due to Current Fund Fund	158,139.26	
Due to Sewer Utility Operating Fund	10,864.19	

Prepaid Sewer Rents:

Due to Sewer Utility Operating Fund	879.68	
Water Rent Overpayments	2,932.45	
		<u>2,932.45</u>

\$ 1,726,911.02

Decreased by:

Paid to Treasurer

\$ 1,726,911.02

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH

	Balance/ (Deficit) Dec. 31, 2011	Receipts			Disbursements		Transfers		Balance/ (Deficit) Dec. 31, 2012
		Bond Anticipation Notes	Budget Appropriation	Miscellaneous	Improvement Authorizations	From	To		
Capital Fund Balance	\$ 45,622.00								\$ 45,622.00
Capital Improvement Fund	70,000.00		\$ 10,000.00						80,000.00
Due from General Capital Fund	(36,168.00)								(36,168.00)
Due to Water Utility Operating Fund	52,313.38		\$ 100.97				\$ 520.83		52,935.18
Reserve to Pay Debt Service	11,300.00								11,300.00
Miscellaneous	(950.00)								(950.00)
Ord. No.	Improvement Description								
1174-06	Water System Improvements				\$ 2,971.43				80,351.63
1178-07;									
1231-11	Water Capital Projects				60,674.78				(45,512.91)
1198-09;									
1245-12	Water System Improvements	\$ 250,000.00		82,640.27	243,258.08	\$ 162.76			56,561.93
1249-12	Water Main Improvements	550,000.00			34,710.00	358.07			514,931.93
		\$ 800,000.00	\$ 10,000.00	\$ 82,741.24	\$ 341,614.29	\$ 520.83	\$ 520.83	\$ 759,071.76	

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 1,001.30
Increased by:		
Billings		<u>1,533,422.73</u>
		1,534,424.03
Decreased by:		
Prior Year Overpayments Applied		\$ 3,149.60
Collections		<u>1,530,700.04</u>
		<u>1,533,849.64</u>
Balance December 31, 2012	D	<u><u>\$ 574.39</u></u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 1,890,961.12
Increased by:		
Additions by Budget - Capital Outlay		<u>5,335.00</u>
Balance December 31, 2012	D	<u>\$ 1,896,296.12</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance Dec. 31, 2011	2012		Balance Dec. 31, 2012
		Date	Amount		Improvement Authorizations		
1174-06	Water System Improvements	11/21/06	\$ 471,000.00	\$ 471,000.00		\$ 471,000.00	
1178-07; 1231-11	Water Capital Projects	05/01/07; 03/08/11	810,000.00 150,000.00	960,000.00		960,000.00	
1198-09; 1245-12	Water System Improvements	08/25/09; 04/03/12	180,000.00 175,000.00	180,000.00	\$ 175,000.00	355,000.00	
1249-12	Water Main Improvements	05/15/12	975,000.00		975,000.00	975,000.00	
				<u>\$ 1,611,000.00</u>	<u>\$ 1,150,000.00</u>	<u>\$ 2,761,000.00</u>	

Ref.

D

D

BOROUGH OF CALDWELL
WATER UTILITY OPERATING FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 727.37	\$ 727.37		\$ 727.37
Other Expenses	220,662.93	220,662.93	\$ 179,012.83	41,650.10
Capital Improvements:				
Capital Outlay	40,000.00	40,000.00		40,000.00
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	228.20	228.20		228.20
	<u>\$ 261,618.50</u>	<u>\$ 261,618.50</u>	<u>\$ 179,012.83</u>	<u>\$ 82,605.67</u>

Analysis of Balance December 31, 2011:

	<u>Ref.</u>	
Appropriation Reserves:		
Unencumbered	D	\$ 249,068.84
Encumbered	D	<u>12,549.66</u>
		<u>\$ 261,618.50</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011		2012 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance Dec. 31, 2012	
				Funded	Unfunded			Funded	Unfunded
1174-06	Water System Improvements	11/21/06	\$ 471,000.00	\$ 83,323.06			\$ 2,971.43	\$ 80,351.63	
1178-07; 1231-11	Water Capital Projects	05/01/07 03/08/11	810,000.00 150,000.00	15,161.87	\$ 150,000.00		60,674.78		\$ 104,487.09
1198-09; 1245-12	Water System Improvements	08/25/09 04/03/12	180,000.00 175,000.00		147,342.50	\$ 175,000.00	160,780.57		161,561.93
1249-12	Water Main Improvements	05/15/12	975,000.00			975,000.00	35,068.07		939,931.93
				\$ 98,484.93	\$ 297,342.50	\$ 1,150,000.00	\$ 259,494.85	\$ 80,351.63	\$ 1,205,980.95
		<u>Ref.</u>		D	D			D	D
				Cash Disbursed			\$ 341,614.29		
				Due to Water Utility Operating Fund:					
				Accrued Interest on Notes			520.83		
				Less: Improvement Authorization Refunds			82,640.27		
							\$ 259,494.85		

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 70,000.00
Increased by:		
2012 Budget Appropriation		<u>10,000.00</u>
Balance December 31, 2012	D	<u>\$ 80,000.00</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ 1,906,111.12
Increased by:		
Paid by Water Utility Operating Budget:		
Serial Bonds		115,000.00
Additions by Budget - Capital Outlay		<u>5,335.00</u>
Balance December 31, 2012	D	<u>\$ 2,026,446.12</u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2011	D	\$ <u>9,900.00</u>
Balance December 31, 2012	D	\$ <u><u>9,900.00</u></u>

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2012

Improvement Description	Ord. No.	Date of		Interest Rate	Issued	Balance Dec. 31, 2012
		Issue of Original Note	Maturity			
Water System Improvements	1198-09; 1245-12	12/21/12	07/01/13	1.250%	\$ 250,000.00	\$ 250,000.00
Water Main Improvements	1249-12	12/21/12	07/01/13	1.250%	550,000.00	550,000.00
					<u>\$ 800,000.00</u>	<u>\$ 800,000.00</u>
				<u>Ref.</u>		D
				New Issuance	<u>\$ 800,000.00</u>	

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Int. Rate	Balance Dec. 31, 2011	Matured	Balance Dec. 31, 2012
			Date	December 31, 2012	Amount				
Water Utility Bonds	04/01/07	\$ 575,000.00	04/01/13-16	\$ 40,000.00		3.750%			
			04/01/17	45,000.00		4.000%			
			04/01/18-21	50,000.00		4.000%	\$ 445,000.00	\$ 40,000.00	\$ 405,000.00
Water Utility Bonds	07/27/11	810,000.00	07/15/13	75,000.00		2.000%			
			07/15/14	75,000.00		3.000%			
			07/15/15	75,000.00		3.000%			
			07/15/16	80,000.00		3.000%			
			07/15/17	80,000.00		3.000%			
			07/15/18	80,000.00		4.000%			
			07/15/19	90,000.00		4.000%			
		07/15/20	90,000.00		5.000%				
		07/15/21	90,000.00		5.000%	810,000.00	\$ 75,000.00	735,000.00	
						\$ 1,255,000.00	\$ 115,000.00	\$ 1,140,000.00	

Ref.

D

D

BOROUGH OF CALDWELL
WATER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2011</u>	<u>Improvement Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance Dec. 31, 2012</u>
1198-09; 1245-12	Water System Improvements	\$ 180,000.00	\$ 175,000.00	\$ 250,000.00	\$ 105,000.00
1178-07; 1231-11	Water Capital Projects	150,000.00			150,000.00
1249-12	Water Main Improvements		975,000.00	550,000.00	425,000.00
		<u>\$ 330,000.00</u>	<u>\$ 1,150,000.00</u>	<u>\$ 800,000.00</u>	<u>\$ 680,000.00</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
SEWER UTILITY FUND

BOROUGH OF CALDWELL
SEWER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2011	E	\$ 209,465.92	\$ 1,099,821.14
Increased by Receipts:			
Sewer Collector		\$ 4,722,577.07	
Interest Income		105.90	
Nonbudget Revenue		46,435.50	
NJ Environmental Infrastructure Loan Receivable			\$ 386,560.00
NJ Environmental Infrastructure Loan Receipts Applied to Deferred Charges to Future Revenue			43,500.00
Due Sewer Utility Operating Fund: Interest Earned			841.04
Appropriation Refunds		336,605.20	
Appropriation Reserve Refunds		82,654.66	
2012 Budget Appropriation: Capital Improvement Fund			200,500.00
		<u>5,188,378.33</u>	<u>631,401.04</u>
		5,397,844.25	1,731,222.18
Decreased by Disbursements:			
2012 Appropriation Expenditures		4,588,623.10	
2011 Appropriation Reserve Expenditures		95,815.83	
Accrued Interest on Bonds		23,270.20	
Accrued Interest on Loans		298,007.50	
Paid to Current Fund: Anticipated Revenue - Operating Surplus Improvement Authorizations		28,212.00	
		<u>5,033,928.63</u>	<u>607,598.97</u>
		5,033,928.63	607,598.97
Balance December 31, 2012	E	<u>\$ 363,915.62</u>	<u>\$ 1,123,623.21</u>

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2012

Increased by Receipts:

Sewer Connection Fees	\$ 118,400.00	
Consumer Accounts Receivable:		
Sewer Rents	<u>4,604,177.07</u>	
		\$ 4,722,577.07

Decreased by:

Paid to Treasurer		<u>\$ 4,722,577.07</u>
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BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
ANALYSIS OF CASH

Ord. No.	Improvement Description	Balance/ (Deficit)	Receipts		Disbursements Improvement Authorizations	Balance/ (Deficit) Dec. 31, 2012
		Dec. 31, 2011	Budget Appropriation	Miscellaneous		
	Capital Improvement Fund	\$ 729,715.54	\$ 200,500.00			\$ 930,215.54
	Due from NJ Environmental Infrastructure Loan	(386,560.00)	386,560.00			
	Due Sewer Utility Operating Fund	14,956.23		\$ 841.04		15,797.27
1175-06	Sewer Utility Improvements	328,940.53				328,940.53
1177-07	Wastewater Treatment Plant Upgrades	412,768.84		43,500.00	\$ 607,598.97	(151,330.13)
		<u>\$ 1,099,821.14</u>	<u>\$ 587,060.00</u>	<u>\$ 44,341.04</u>	<u>\$ 607,598.97</u>	<u>\$ 1,123,623.21</u>

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 161,279.81
Increased by:		
Billings		<u>4,584,141.82</u>
		4,745,421.63
Decreased by:		
Overpayments Applied	\$	62.01
Due from Water Utility Operating Fund		10,864.19
Collected in Sewer Utility Operating Fund		<u>4,604,177.07</u>
		<u>4,615,103.27</u>
Balance December 31, 2012	E	<u><u>\$ 130,318.36</u></u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	<u>Ref.</u>	
Balance December 31, 2011	E	<u>\$ 28,882,151.97</u>
Balance December 31, 2012	E	<u>\$ 28,882,151.97</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Improvement Description	Ordinance		Balance	Balance
		Date	Amount	Dec. 31, 2011	Dec. 31, 2012
1175-06	Sewer Utility Improvements	12/12/06	\$ 480,300.00	\$ 480,300.00	\$ 480,300.00
1177-07	Wastewater Treatment Plant Upgrades	05/08/07	16,000,000.00	16,000,000.00	16,000,000.00
				<u>\$16,480,300.00</u>	<u>\$16,480,300.00</u>
			<u>Ref.</u>	E	E

BOROUGH OF CALDWELL
SEWER UTILITY OPERATING FUND
SCHEDULE OF 2011 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>After</u> <u>Modification</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 3,256.62	\$ 3,256.62		\$ 3,256.62
Other Expenses	44,936.15	44,936.15	\$ 13,161.17	31,774.98
	<u>\$ 48,192.77</u>	<u>\$ 48,192.77</u>	<u>\$ 13,161.17</u>	<u>\$ 35,031.60</u>

Ref.

Analysis of Balance December 31, 2011:

Appropriation Reserves:

Unencumbered	E	\$ 47,901.05
Encumbered	E	<u>291.72</u>
		<u>\$ 48,192.77</u>

Cash Disbursed	\$ 95,815.83
Less: Appropriation Reserve Refunds	<u>82,654.66</u>
	<u>\$ 13,161.17</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2011		Paid or Charged	Balance Dec. 31, 2012	
				Funded	Unfunded		Funded	Unfunded
1175-06	Sewer Utility Improvements	12/12/06	\$ 480,300.00	\$ 329,940.53	\$ 15,720.00		\$ 329,940.53	\$ 15,720.00
1177-07	Wastewater Treatment Plant Upgrades	05/08/07	16,000,000.00	412,768.84	886,500.00	\$ 607,598.97		691,669.87
				\$ 742,709.37	\$ 902,220.00	\$ 607,598.97	\$ 329,940.53	\$ 707,389.87

Ref.

E

E

E

E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 729,715.54
Increased by:		
2012 Budget Appropriation		<u>200,500.00</u>
Balance December 31, 2012	E	<u>\$ 930,215.54</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 30,708,007.05
Increased by:		
Paid by Sewer Utility Operating Budget:		
Serial Bonds Payable	\$	70,000.00
New Jersey Environmental Infrastructure Trust Loans		689,440.11
NJ Environmental Infrastructure Loan Receipts Collected in Excess of Loan Payable		43,500.00
		<u>802,940.11</u>
Balance December 31, 2012	E	<u>\$ 31,510,947.16</u>

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>Ord.</u> <u>No.</u>	<u>Improvement Description</u>	<u>Ord.</u> <u>Date</u>	<u>Balance</u> <u>Dec. 31, 2011</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
1177-07	Wastewater Treatment Plant Upgrades	05/08/07	\$ 179,551.11	\$ 179,551.11
			<u>\$ 179,551.11</u>	<u>\$ 179,551.11</u>
		<u>Ref.</u>	E	E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2012

NOT APPLICABLE

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Interest Rate	Balance Dec. 31, 2011	Matured	Balance Dec. 31, 2012
			Outstanding		Amount				
			Date	December 31, 2012					
2005 Sewer Utility Refunding Bonds	01/01/05	\$ 335,000.00	07/01/13-15	\$ 30,000.00	4,000%	\$ 175,000.00	\$ 30,000.00	\$ 145,000.00	
			07/01/16	30,000.00	3.750%				
			07/01/17	25,000.00	3.850%				
2007 Sewer Utility Bonds	04/01/07	564,580.00	04/01/13-16	40,000.00	3.750%	444,580.00	40,000.00	404,580.00	
			04/01/17	40,000.00	4.000%				
			04/01/18-20	50,000.00	4.000%				
			04/01/21	54,580.00	4.000%				
						\$ 619,580.00	\$ 70,000.00	\$ 549,580.00	

Ref.

E

E

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE

	<u>Ref.</u>	
Balance December 31, 2011	E	\$ 12,952,093.81
Decreased by:		
Principal Matured:		
Paid by Sewer Utility Operating Budget		689,440.11
Balance December 31, 2012	E	\$ 12,262,653.70

Schedule of Principal and Interest Payments Outstanding December 31, 2012
Trust Loan - 2007 Issue

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Loan Balance</u>
10	02/01/13		\$ 143,903.75	\$ 6,420,000.00
11	08/01/13	\$ 310,000.00	143,903.75	6,110,000.00
12	02/01/14		138,478.75	6,110,000.00
13	08/01/14	320,000.00	138,478.75	5,790,000.00
14	02/01/15		132,718.75	5,790,000.00
15	08/01/15	335,000.00	132,718.75	5,455,000.00
16	02/01/16		124,343.75	5,455,000.00
17	08/01/16	350,000.00	124,343.75	5,105,000.00
18	02/01/17		115,593.75	5,105,000.00
19	08/01/17	365,000.00	115,593.75	4,740,000.00
20	02/01/18		106,468.75	4,740,000.00
21	08/01/18	385,000.00	106,468.75	4,355,000.00
22	02/01/19		96,843.75	4,355,000.00
23	08/01/19	405,000.00	96,843.75	3,950,000.00
24	02/01/20		88,743.75	3,950,000.00
25	08/01/20	420,000.00	88,743.75	3,530,000.00
26	02/01/21		80,343.75	3,530,000.00
27	08/01/21	435,000.00	80,343.75	3,095,000.00
28	02/01/22		69,468.75	3,095,000.00
29	08/01/22	460,000.00	69,468.75	2,635,000.00
30	02/01/23		57,968.75	2,635,000.00
31	08/01/23	480,000.00	57,968.75	2,155,000.00
32	02/01/24		47,768.75	2,155,000.00
33	08/01/24	505,000.00	47,768.75	1,650,000.00

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE
(Continued)

Schedule of Principal and Interest Payments Outstanding December 31, 2012

Trust Loan - 2007 Issue

(Continued)

Payment Number	Due	Principal	Interest	Loan Balance
34	02/01/25		\$ 36,406.25	\$ 1,650,000.00
35	08/01/25	\$ 525,000.00	36,406.25	1,125,000.00
36	02/01/26		24,593.75	1,125,000.00
37	08/01/26	550,000.00	24,593.75	575,000.00
38	02/01/27		12,218.75	575,000.00
39	08/01/27	575,000.00	12,218.75	-0-
		<u>\$ 6,420,000.00</u>	<u>\$ 2,551,727.50</u>	

Schedule of Principal Payments Outstanding December 31, 2012

Fund Loan - 2007 Issue

Payment Number	Due	Principal	Loan Balance
			\$ 5,842,653.70
10	02/01/13	\$ 93,714.36	5,748,939.34
11	08/01/13	295,595.51	5,453,343.83
12	02/01/14	90,181.44	5,363,162.39
13	08/01/14	298,574.88	5,064,587.51
14	02/01/15	86,430.36	4,978,157.15
15	08/01/15	304,592.24	4,673,564.91
16	02/01/16	80,976.31	4,592,588.60
17	08/01/16	308,906.64	4,283,681.96
18	02/01/17	75,278.06	4,208,403.90
19	08/01/17	312,976.82	3,895,427.08
20	02/01/18	69,335.59	3,826,091.49
21	08/01/18	320,058.94	3,506,032.55
22	02/01/19	63,067.50	3,442,965.05
23	08/01/19	326,815.45	3,116,149.60
24	02/01/20	57,792.54	3,058,357.06
25	08/01/20	331,308.93	2,727,048.13
26	02/01/21	52,322.22	2,674,725.91
27	08/01/21	335,607.05	2,339,118.86

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOANS PAYABLE
(Continued)

Schedule of Principal Payments Outstanding December 31, 2012
Fund Loan - 2007 Issue
(Continued)

<u>Payment Number</u>	<u>Due</u>	<u>Principal</u>	<u>Loan Balance</u>
28	02/01/22	\$ 45,240.09	\$ 2,293,878.77
29	08/01/22	344,805.67	1,949,073.10
30	02/01/23	37,750.96	1,911,322.14
31	08/01/23	350,341.12	1,560,981.02
32	02/01/24	31,108.41	1,529,872.61
33	08/01/24	359,979.31	1,169,893.30
34	02/01/25	23,708.82	1,146,184.48
35	08/01/25	365,604.31	780,580.17
36	02/01/26	16,016.17	764,564.00
37	08/01/26	374,192.40	390,371.60
38	02/01/27	7,957.21	382,414.39
39	08/01/27	382,414.39	-0-
		<u>\$ 5,842,653.70</u>	

BOROUGH OF CALDWELL
SEWER UTILITY CAPITAL FUND
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2011	New Jersey Environmental Infrastructure Grant Receipt in Excess of Loan Payable	Balance Dec. 31, 2012
1175-06	Sewer Utility Improvements	\$ 15,720.00		\$ 15,720.00
1177-07	Wastewater Treatment Plant Upgrades	886,500.00	\$ 43,500.00	843,000.00
		<u>\$ 902,220.00</u>	<u>\$ 43,500.00</u>	<u>\$ 858,720.00</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
PUBLIC ASSISTANCE FUND

BOROUGH OF CALDWELL
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>P.A.T.F.I</u>	<u>Total</u>
Balance December 31, 2011	F	\$ 26,015.04	\$ 26,015.04
Increased by Receipts:			
Donations		<u>23,805.48</u>	<u>23,805.48</u>
		<u>49,820.52</u>	<u>49,820.52</u>
Decreased by Disbursements:			
Ineligible Assistance		<u>22,067.23</u>	<u>22,067.23</u>
		<u>22,067.23</u>	<u>22,067.23</u>
Balance December 31, 2012	F	<u>\$ 27,753.29</u>	<u>\$ 27,753.29</u>

BOROUGH OF CALDWELL
COUNTY OF ESSEX
2012
BOND AND INTEREST FUND

NOT APPLICABLE

BOROUGH OF CALDWELL

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2012

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2012

	Federal Program	C.F.D.A. Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO Cumulative Total Expenditures
				From	To			
U.S. Department of Transportation: (Passed through NJ Department of Transportation)	Highway Planning and Construction: Municipal Aid Program: Forest Avenue	20.205	\$ 245,000.00	01/01/11	12/31/11	\$ 61,250.00		\$ 245,000.00
	Drive Sober or Get Pulled Over	20.601	2,850.00	01/01/12	12/31/13	2,850.00		
Total U.S. Department of Transportation						64,100.00		245,000.00
U.S. Department of Justice: (Passed through NJ Dept. of Law and Public Safety)	Bulletproof Vest Program	16.607	1,042.50	01/01/12	12/31/13	1,042.50		
Total US Department of Justice						1,042.50		
U.S. Department of Housing and Urban Development: (Passed through the County of Essex)	Community Development Block Block Grants Entitlement Cluster: Grove Street	14.228	30,607.28	01/01/12	12/31/13	30,607.28	\$ 30,607.28	30,607.28
Total U.S. Department of Housing and Urban Development						30,607.28	30,607.28	30,607.28
U.S. Department of Labor: (Passed through the County of Essex)	Workforce Investment Act - National Emergency Grant: Hurricane Irene Emergency Grant	17.277	18,832.80	01/01/11	02/29/12		9,570.80	13,345.20
Total U.S. Department of Labor							9,570.80	13,345.20
U.S. Department of Homeland Security: (Passed through New Jersey Office of Homeland Security & Preparedness)	Disaster Grants - Public Assistance - FEIMA	97.036	63,404.03	01/01/11	12/31/11	63,404.03	63,404.03 *	63,404.03
Total U.S. Department of Homeland Security						63,404.03	63,404.03	63,404.03
TOTAL FEDERAL AWARDS						\$ 159,153.81	\$ 103,582.11	\$ 352,356.51

* Expended in 2011.

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2012

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO Cumulative Total Expenditures
				From	To			
Department of Environmental Protection	Clean Communities Grant	765-042-4900- 004-178900	\$ 11,382.70	01/01/12	12/31/13	\$ 11,169.10		
		752-042-4900- 004-178840	9,034.43	01/01/12	12/31/13	9,034.43		
Total Department of Environmental Protection	NJ Environmental Infrastructure Trust and Fund Loan Program	100-042-4860- 009-093050	15,157,000.00	01/01/07	12/31/12	430,060.00	\$ 430,060.00	\$ 15,157,000.00
						450,263.53	430,060.00	15,157,000.00
Department of Health and Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-4240- 040000	2,158.52	01/01/12	12/31/13	2,158.52	150.00	150.00
						2,158.52	150.00	150.00
Total Department of Health and Senior Services								
Department of Law and Public Safety	Drunk Driving Enforcement Fund	100-066-1110- 260-YYYY	5,146.99	01/01/08	12/31/12		1,243.73	3,408.30
			4,490.83	01/01/09	12/31/12		4,490.83	4,490.83
			2,536.86	01/01/10	12/31/12		2,536.86	2,536.86
			4,033.44	01/01/12	12/31/13	4,033.44	8,271.42	10,435.99
Total Department of Law and Public Safety								
Total Department of Law and Public Safety	Body Armor Replacement Fund	718-066-1020- 001-6120	2,204.15	01/01/11	12/31/13		672.37	672.37
			2,338.88	01/01/12	12/31/12	2,338.88	2,338.88	2,338.88
Total Department of Law and Public Safety						6,372.32	11,282.67	13,447.24

BOROUGH OF CALDWELL
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2012

Name of State Agency or Department	Name of Program	State Program Account Number	Grant Award	Grant Period		Grant Receipts	Grant Expenditures	MEMO Cumulative Total Expenditures
				From	To			
Department of Treasury (Passed through the County of Essex)	Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program	100-082-2000-	\$ 28,500.00	01/01/11	12/31/13	\$ 23,458.44	\$ 23,458.44	\$ 23,458.44
		044-995120	28,500.00	01/01/12	12/31/12	9,920.45	9,920.45	9,920.45
Total Department of Treasury						23,458.44	33,378.89	33,378.89
TOTAL STATE AWARDS						\$ 482,252.81	\$ 474,871.56	\$ 15,203,976.13

BOROUGH OF CALDWELL
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2012

A. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state awards of the Borough of Caldwell. The Borough of Caldwell is defined in Note 1 to the Borough's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

B. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the cash basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. STATE LOANS OUTSTANDING

The Borough of Caldwell has the following loans outstanding as of December 31, 2012:

Sewer Utility Capital Fund:

New Jersey Environmental Infrastructure Trust Loans	<u>\$ 12,262,653.70</u>
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Currently, the Borough is in the process of repaying the loan balances. The final drawdowns were made during 2012. There were loan receipts and expenditures of \$430,060.00 in the current year.



Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-328-1825 | 973-328-0507 Fax
Lawrence Business Center
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

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*

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements - *regulatory basis* - of the various funds of the Borough of Caldwell, in the County of Essex (the "Borough") as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements and have issued our report thereon dated May 24, 2013. These financial statements have been prepared in conformity with accounting principles prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2012-01, that we consider to be a significant deficiency.

The Honorable Mayor and Members
of the Borough Council
Borough of Caldwell
Page 2

Compliance and Other Matters

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

The Borough's Response to the Finding

The Borough's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Borough's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mount Arlington, New Jersey
May 24, 2013

NISIVOCCIA LLP

Heidi A. Wohlleb
Certified Public Accountant
Registered Municipal Accountant No. 481

BOROUGH OF CALDWELL
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2012

Summary of Auditors' Results:

- An unqualified report was issued on the Borough's financial statements prepared in conformity with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.
- The audit did not disclose any material weaknesses in the internal controls of the Borough.
- The audit did not disclose any noncompliance that is material to the financial statements of the Borough.
- The Borough was not subject to the single audit provisions of Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* for 2012 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2012-1

The Borough does not maintain an adequate segregation of duties with respect to the recording and treasury functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The various departments or offices of the Borough are responsible for the issuance of permits and licenses; collection of taxes, utility charges and permit and license fees; and recording of collections. Also, the Tax Collector is responsible for collecting, depositing and posting all cash receipts to the Borough's finance software. This is due, in part, to the limited number of personnel of the Borough and the decentralized nature of governmental collection procedures. Accordingly, management and the Borough Council should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

This finding will be evaluated by the governing body and administration in 2013.

Findings and Questioned Costs for Federal Awards:

- Not applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not applicable since state expenditures were below the single audit threshold.

BOROUGH OF CALDWELL
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2012

The Borough's prior year audit finding regarding segregation of duties was not resolved in 2012 and is therefore included as current year finding 2012-1.

BOROUGH OF CALDWELL

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS

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

N.J.S.A. 40A:11-3 states:

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to Subsection b. of Section 9 of P.L. 1971, C.198 (N.J.S.A. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S.A. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L.1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S.A. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S.A. 40A: 11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective January 1, 2011 and thereafter, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the bid threshold may be up to \$36,000.

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

The minutes indicated that bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" and "Extraordinary Unspecifiable Services" per N.J.S.A. 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. None were noted.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Collection of Interest on Delinquent Taxes, Utility Rents and Assessments

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

On January 1, 2012, the governing body adopted the following resolution authorizing interest to be charged on delinquent taxes and utility charges:

"BE IT RESOLVED by the Borough Council of the Borough of Caldwell, NJ pursuant to R.S. 54:4-67, as amended and supplemented, that the rate of interest to be charged for the non-payment of taxes or assessments on or after the date when they become delinquent shall be as follows:

1. No interest shall be charged if payment of any installment so due is made within ten (10) days of the date the same shall be payable; and
2. Upon expiration of the ten (10) day period as aforesaid, the rate of interest shall be eight (8) percent on the first \$1,500.00 of the delinquency and eighteen (18) percent thereafter on any amount in excess of \$1,500; and
3. A penalty shall be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year in the amount of 6% of the delinquency.

FURTHER, BE IT RESOLVED that

4. Any water or sewer account remaining unpaid after due date on each billing shall be subject to a penalty of ten (10) percent of the unpaid balance."

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

Delinquent Taxes and Tax Title Liens

An accelerated tax sale was held on December 20, 2012.

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

Year	Number of Liens
2012	-0-
2011	-0-
2010	-0-

Verification of Delinquent Taxes and Other Charges

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

Type	Number Mailed
Payment of 2012 and 2013 Taxes	30
Payment of 2012 and 2013 Water Rents	20
Payment of 2012 Excess Sewer Rents	15

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the revision of 1987 draft "Requirements of Audit and Accounting". They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed assets accounting and reporting system.
3. General ledger accounting system.

The Borough maintains encumbrance, fixed assets and general ledger accounting systems.

Finance Records

Other Trust Funds

A dedication by rider has not been obtained for the LOSAP Surrender Fund Reserve in the Other Trust Funds. As there have been no expenditures to date in the Reserve and the Borough is in the process of investigating the funds for cancellation, no formal recommendation is judged to be warranted.

Also, the balance in the payable Due to State of New Jersey - DCA Fees does not appear to be valid. The fourth quarter 2012 balance due to the State of New Jersey for DCA fees was \$1,221. However, the balance at December 31, 2012 on the Borough's general ledger is \$6,160. The Borough has reviewed the balance and is in the process of cancelling the difference in 2013. Therefore, a formal recommendation is not deemed warranted.

Appropriated Grant Reserves and Grants Receivable

There are a number of older appropriated grant reserve balances and grant receivable balances in the Federal and State Grant Fund as well as several older grant receivable balances in the General Capital Fund. It is recommended that the Borough review the grant receivables for collectability. If the receivables are determined to be uncollectible they should be cancelled. Also, the appropriated grant reserve balances should be reviewed for possible cancellation.

Management's Response

The Borough will review the grant receivable balances for collectability and whether the receivables should be cancelled. Also, the appropriated grant reserves will be reviewed for possible cancellation.

Computerized Accounting Records

During our review of the computerized expenditure records for the various funds, we noted that the disbursements per these records were not reconciled with the cash disbursement spreadsheets and the general ledgers prepared by the Finance Office. Also, we noted that not all cash transactions were recorded in the computerized accounting system for the various funds. It is recommended that the cash disbursements per the computerized expenditure reports be reconciled with the cash disbursements records and the general ledgers prepared by the Finance Office on a monthly basis and that all cash transactions be posted to the general ledger.

Management's Response

Cash disbursements per the computerized expenditure reports will be reconciled with the cash disbursements spreadsheets and general ledgers prepared by the Finance Office on a monthly basis and all cash transactions will be posted to the general ledger.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Finance Records (Cont'd)

Interfunds

Our review of the Finance Office's records revealed that the balance sheets of the various funds reflect a number of interfund receivables and payables and that not all prior year interfunds were liquidated. It is recommended that interfunds be liquidated in a timely manner.

Management's Response

The Borough will liquidate all interfunds in 2013.

Capital Ordinances

During our review of the Borough's capital ordinances, we noted that a bond ordinance adopted by the Borough did not have the minimum required down payment. However, as the Borough is in the process of amending this ordinance, a formal recommendation is not judged to be warranted.

There are several ordinances over five years old that have unexpended balances at December 31, 2012 and have no activities during the year. It is recommended that older capital ordinances be reviewed for cancellation.

Management's Response

The Borough will review these unexpended balances and cancel if necessary.

Internal Controls

During our review of vouchers, we noted that not all vouchers contain all required signatures, such as department head and claimant's signatures. Also, we noted that certain vouchers were approved after goods were received or services performed. It is recommended that extra care be taken to ensure that vouchers contain all of the required signatures prior to the release of the related payments and that all vouchers are approved before goods are ordered or services are performed.

Management's Response

The Borough will take extra care to ensure required signatures are obtained for all vouchers before they are released for payments and that prior approval are obtained before orders are placed or services performed.

The Borough has not prepared formal standard operating policies and procedures with respect to the accounting functions. It is recommended that formal standard operating policies and procedures with respect to the accounting functions be prepared and implemented.

Management's Response

The Borough will prepare and implement standard operating policies and procedures for accounting functions.

Payroll

During our review of the analysis of balance for the payroll agency account, we noted various adjustments were made for overpayments and underpayments of pension withholdings to the State of New Jersey which resulted in a net shortage in the payroll agency account of approximately \$3,400. This was due to the fact that the Borough does not reconcile the actual pension withholdings to the quarterly pension reports and adjust for any differences in subsequent payrolls.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Payroll (Cont'd)

It is recommended that pension withholdings be reconciled to the quarterly pension reports and steps be taken to adjust for any differences in subsequent payments.

Management's Response

The Borough will reconcile the quarterly pension reports with the actual payroll withholdings and make any necessary adjustments to future payrolls.

The net payroll account has a balance of \$11,266 as of December 30, 2012, which has approximately doubled from its 2011 balance. The net payroll account is a clearing account and should have a zero balance. It is recommended that the balance in the net payroll account be investigated and resolved as appropriate.

Management's Response

The Borough will review the net payroll account balance and transfer any excess funds to the Current Fund.

During our review of the Borough's payroll records, we noted that certain charges for salaries and the related employer share of taxes and benefits were not posted to the appropriate funds and/or budget lines each pay period. But rather, certain budget lines were fully charged first before salaries and the employer share of taxes and benefits were charged to another budget line or fund. It is recommended that charges for salaries and the employer share of taxes and benefits be posted to the appropriate funds and budget lines each pay period.

Management's Response

Procedures have been implemented in 2013 to ensure that charges and salaries and employer share taxes and benefits are posted to the appropriate budget lines as incurred.

Outside Offices

During our review of the Community Center operations, we noted that individual log ons are not assigned for each employee who utilizes the one Community Center cash drawer. Also, corrections to postings of receipts in the Community Center's accounting software are approved by either the Community Center Director or the Front Desk Supervisor, who are not independent of collections. However, their involvement with cash collections is kept to a minimum. In 2012, the Borough installed security cameras in certain areas of the Community Center, including the front desk where cash is collected. It is recommended that each employee who is designated to collect funds at the Community Center is at least assigned an individual log on within the registration software. Also, the sole cash drawer should be formally proven at the end of each employee's assignment to the cash drawer at the Community Center. Consideration should be given to assigning individual cash drawers to each Community Center employee responsible for collections. Corrections to postings of receipts in the Community Center's accounting software be approved by a Community Center employee independent of collections.

Management's Response

In 2012, the Borough installed security cameras in certain areas of the Community Center, including the front desk where cash are collected. The Borough will continue to evaluate job duties and systems controls at the Community Center.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Sewer Operating Utility

The Borough does not have formal written sewer fees contracts with the various municipalities in which sewer rates and terms are established to help ensure collection of sewer billings. It is recommended that the Borough has formal written contracts with the various municipalities for sewer fees.

Management's Response

The Borough will obtain formal written contracts with the various municipalities for sewer fees in 2013.

As of December 31, 2012, the Borough has a large sewer rents receivable balance that has not been subsequently collected as of the date of this audit. It is recommended that sewer rents receivable balance be reviewed and cancelled by the governing body if necessary.

Management's Response

The Borough will review its sewer rents receivable balance and take the appropriate action.

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Borough Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2012.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Balance</u> Dec. 31, 2011	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> Dec. 31, 2012
Municipal Treasurer:				
Fines and Costs	\$ 29,800.12	\$ 347,751.73	\$ 359,518.06	\$ 18,033.79
P.O.A.A. Fines	176.00	2,114.00	2,158.00	132.00
Public Defender		250.00	250.00	
State Treasurer	15,672.38	227,078.27	228,728.94	14,021.71
County Treasurer	4,425.50	70,429.00	71,069.00	3,785.50
Conditional Discharge Fee	261.00	1,802.00	1,890.00	173.00
Weights and Measures		1,450.00	1,450.00	
Restitution		500.00	500.00	
Cash Bail	1,240.00	35,235.00	34,816.00	1,659.00
	<u>\$ 51,575.00</u>	<u>\$ 686,610.00</u>	<u>\$ 700,380.00</u>	<u>\$ 37,805.00</u>

During our review of the Municipal Court records, we noted that there were a large number of tickets on the tickets assigned to an officer but not issued report which had been issued over six months ago. Also, certain tickets selected for testing could not be located. It is recommended that the Court Administrator pursues collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided and pursue disposition of any tickets on these reports which cannot be located.

BOROUGH OF CALDWELL
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court (Cont'd)

Management's Response

The Court Administrator will pursue collection from the respective officers of the older tickets on the tickets assigned to an officer but not issued report.

During our review of the bank reconciliations for the two Municipal Court accounts, we noted that there are older reconciling items on the bank reconciliations that are more than one year old. It is recommended that older reconciling items on the two Municipal Court bank accounts be investigated and cleared as appropriate.

Management's Response

The Court Administrator will review and resolve older reconciling items.

During our review of the Bail account, we noted that there are a number of items of bail held on account that related to cases that have been closed in prior years. It is recommended that older items of bail held on account be investigated and refunded or forfeited as deemed appropriate.

Management's Response

The Court Administrator will review and resolve older bail held on account.

Management Suggestion

During the course of the audit, it was noted that not all state contracts utilized by the Borough were formally approved by the governing body. It is suggested that extra care be taken in the future to ensure that all state contracts utilized by the Borough are formally approved by the governing body.

Corrective Action Plan

The Borough has initiated a corrective action plan to resolve comments and recommendations from the 2011 audit report. The following prior year recommendations were resolved during the current year: 2 (with respect to pay-to-play political contribution forms), 3c (with respect to the authorized signatories on checking accounts), and 4a (with respect to the maintenance of a formal cashbook by the Police Department). The remaining prior year recommendations have been repeated in the current year's audit and corrective action with respect to these recommendations is in the process of being implemented.

BOROUGH OF CALDWELL
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Consideration be given to providing for a more adequate segregation of duties with respect to the recording and treasury functions.
2. Finance Records:
 - a. The Borough reviews the older grant receivables for collectability. If the receivables are determined to be uncollectible they should be cancelled. Also, the appropriated grant reserve balances should be reviewed for possible cancellation.
 - b. The cash disbursements per the computerized expenditure reports be reconciled with the cash disbursements records and general ledgers prepared by the Finance Office on a monthly basis and that all cash transactions be posted to the general ledger.
 - c. Interfunds be liquidated in a timely manner.
3. Older capital ordinances be reviewed for cancellation.
4. Internal Controls:
 - a. Vouchers contain all of the required signatures prior to the release of the related payments and that all vouchers are approved before goods are ordered or services are performed.
 - b. Formal standard operating policies and procedures with respect to the accounting functions be prepared and implemented.
5. Payroll:
 - a. Pension withholdings be reconciled to the quarterly pension reports and steps be taken to adjust for any differences in subsequent payments.
 - b. The balance in the net payroll account be investigated and resolved as appropriate.
 - c. Charges for salaries and the employer share of taxes and benefits be posted to the appropriate funds and budget lines each pay period.
6. Each employee who is designated to collect funds at the Community Center is at least assigned an individual log on within the registration software. Also, the sole cash drawer should be formally proven at the end of each employee's assignment to the cash drawer at the Community Center. Consideration should be given to assigning individual cash drawers to each Community Center employee responsible for collections. Corrections to postings of receipts in the Community Center's accounting software be approved by a Community Center employee independent of collections.
7. Sewer Operating Utility:
 - a. The Borough has formal written contracts with the various municipalities for sewer fees.
 - b. Sewer rents receivable balance be reviewed and cancelled by the governing body if necessary.

BOROUGH OF CALDWELL
SUMMARY OF RECOMMENDATIONS
(Continued)

It is recommended that:

- 8. Municipal Court:
 - a. The Court Administrator pursues collection of the older tickets on the tickets assigned to an officer but not issued report so that these tickets may be voided and pursue disposition of any tickets on these reports which cannot be located.
 - b. Older reconciling items on the two Municipal Court bank accounts be investigated and cleared as appropriate.
 - c. Older items of bail held on account be investigated and refunded or forfeited as deemed appropriate.

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