

TOWNSHIP OF ROCHELLE PARK
County of Bergen, New Jersey

NJ Comprehensive Annual Financial Report
Year Ended December 31, 2012

TOWNSHIP OF ROCHELLE PARK
NJ Comprehensive Annual Financial Report
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TOWNSHIP OF ROCHELLE PARK

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Introductory Section

TOWNSHIP OF ROCHELLE PARK
Roster of Officials
Year Ended December 31, 2012

Name	Title	Term	
		From	To
<u>GENERAL ADMINISTRATION</u>			
Kenneth (Jay) Kovalcik	Mayor and Committee Chair	01/01/11	12/31/13
Jayne Ouellette	Deputy Mayor and Committee Vice-Chair	01/01/10	12/31/12
Frank Valenzuela	Committeeman	01/01/12	12/31/14
Joseph Scarpa	Committeeman	01/01/12	12/31/14
Maichael Kazimir	Committeeman	10/01/12	12/31/12
Robert Davidson	Administrator	10/01/12	09/30/15
Virginia De Maria	Municipal Clerk		
Liz Kroll	Deputy Municipal Clerk		
	Secretary to Board of Health	01/01/10	12/31/12
Roy Riggitano	Chief Financial Officer	01/01/10	12/31/12
	Treasurer		
	Tax Collector		
	Tax Search Officer		
Carol Piazza	Deputy Tax Collector		
	Assistant to Chief Financial Officer		
Katherine Baccala	Registrar of Vital Statistics	01/01/10	12/31/12
Marcel Allos	Deputy Registrar of Vital Statistics	01/01/10	12/31/12
Joseph Rotolo, Esq.	Township Attorney	01/01/12	12/31/12
Rogut McCarthy & Troy LLC	Bond Counsel	01/01/12	12/31/12
James Tighe	Tax Assessor		Tenured
Kenneth G.B. Job	Township Engineer	01/01/12	12/31/12
Di Maria & Di Maria LLP	Township Auditor	01/01/12	12/31/12
Professional Insurance Associates, Inc.	Risk Management Consultants	01/01/12	12/31/12
Robert Flannelly	Chief of Police		
Peter Donatello	Emergency Management Coordinator	01/01/11	12/31/13
Sal Antista	Deputy Emergency Management Coordinator	01/01/11	12/31/13
Roy McGeady, Esq.	Municipal Court Judge	01/01/12	12/31/14
Lynda Lasini	Municipal Court Administrator	01/01/10	12/31/12
	Deputy Court Administrator		
Brian Giblin, Esq.	Prosecutor	01/01/12	12/31/12
Joseph Di Maria, Esq.	Public Defender	01/01/12	12/31/12
Richard Bolan	Construction Code Official		Tenured
	Building Sub-Code Official		Tenured
	Electrical Sub-Code Official		Tenured
Michael O'Connell	Plumbing Sub-Code Official	07/01/09	06/30/13
Joseph Cariddi	Fire Sub-Code Official	02/16/11	12/31/14
Darryl DeMott	Fire Official	01/01/12	12/31/12
Dr. Paul Keshishian	Board of Health Physician	01/01/12	12/31/14
James Schmunk	DPW Superintendent		
Roland Jacobsen	Recycling Coordinator		

TOWNSHIP OF ROCHELLE PARK
Roster of Officials
Year Ended December 31, 2012

Name	Title	Term	
		From	To
<u>PLANNING BOARD</u>			
Kenneth (Jay) Kovalcik	Member - Class I	01/01/12	12/31/12
Richard Zavinsky	Member - Class II	01/01/12	12/31/12
Michael Kazmir	Member - Class III	01/01/12	12/31/12
Edward Kaniewski	Member - Class IV - Chariman	01/01/09	12/31/12
Margaret Collins	Member - Class IV	01/01/09	12/31/12
David Kingma	Member - Class IV - Vice Chairman	01/01/12	12/31/15
Laura Ristovski	Member - Class IV	01/01/11	12/31/14
Marlene Dem Bleyker	Member - Class IV - Secretary	01/01/11	12/31/14
Christine Mueller	Member - Class IV	01/01/12	12/31/15
Gerald Sorrentino	Alternate	01/01/11	12/31/12
Anthony Gallina, Esq.	Attorney		
<u>ZONING BOARD</u>			
William Coleman	Chairman	01/01/12	12/31/14
Katherine Baccala	Secretary		
Jason Quinn	Member	01/01/12	12/31/14
Nancy Croot	Member	01/01/12	12/31/15
Patrick Sheehan	Member	01/01/12	12/31/15
Sergio Gonzalez	Member	01/01/12	12/31/14
Scott Den Bleyker	Member	01/01/12	12/31/15
James Rendine	Member	01/01/12	12/31/15
Diane Davidson	Alternate	01/01/12	12/31/13
Anthony Gallina, Esq.	Attorney		
<u>COMMUNITY DEVELOPMENT COMMITTEE</u>			
Robert Davidson	Representative	07/01/12	06/30/13
Joseph Scarpa	Alternate	07/01/12	06/30/13
<u>CONSTABLES</u>			
Robert Hager	Member	01/01/12	12/31/14
Salvator Viola	Member	01/01/12	12/31/14
Henry Borntrager	Member	01/01/10	12/31/12
<u>RECREATION COMMITTEE</u>			
Frank Ulloa	Chariman	01/01/09	12/31/12
Bert Sneyer	Member	01/01/11	12/31/13
Davia Valenzuela	Member	01/01/11	12/31/13
Monica Scully	Member	01/01/11	12/31/13
Regina Reczkowski	Member	01/01/09	12/31/12
Steve Every	Member	01/01/09	12/31/12
Cassandra Cassese-Behler	Member	01/01/12	12/31/14
Michael Degelman	Member	01/01/12	12/31/14
William Sanchez	Alternate	01/01/12	12/31/12
Edna Hobbs	Alternate	01/01/12	12/31/12
<u>ENVIRONMENTAL COMMISSION</u>			
Michael Kazimir	Chariman	01/01/11	12/31/13
Walter Johnson	Member	01/01/11	12/31/13
Betty Hogan	Member	01/01/11	12/31/13
Randolph Zeberl	Member	01/01/11	12/31/13
Cathy Mercandetti	Member	01/01/11	12/31/13

TOWNSHIP OF ROCHELLE PARK
NJ Comprehensive Annual Financial Report
Financial Section

Independent Auditors' Report

Honorable Mayor and Members of the Township Committee
Township of Rochelle Park, County of Bergen, New Jersey

Report on the Financial Statements

We have audited the financial statements - *regulatory basis* - of the various funds of the Township of Rochelle Park, in the County of Bergen (the "Township") as of and for the year ended December 31, 2012, 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 2 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 audit 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 Township'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 Township'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.

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)

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

As described in Note 2, 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 2 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 the 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 Township as of December 31, 2012, or the changes in financial position or where applicable, cash flows thereof, for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As described in Note 13 of the financial statements, the Township participates in a Length of Service Award Program ("LOSAP") for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$357,530 for 2012 were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion on Regulatory Basis of Accounting* paragraph, the financial statements - *regulatory basis* - referred to above present fairly, in all material respects, the financial position of the various funds of the Township as of December 31, 2012, and the results of operations and changes in fund balance - *regulatory basis* - , where applicable, of such funds, thereof for the year then ended on the basis of the financial reporting provisions prescribed by the Division, as described in Note 2.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic 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 awards and the schedule of expenditures of state financial assistance, 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*, respectively, 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 awards and schedule of expenditures of state financial assistance 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules, the schedules of expenditures of federal awards, and the schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The comments and recommendations section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2013 on our consideration of the Township'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 Township's internal control over financial reporting and compliance.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Registered Municipal Accountant
RMA No. CR00463

June 30, 2013

TOWNSHIP OF ROCHELLE PARK
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE
ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS

December 31, 2012

(With Comparative Totals for 2011)

A-1

	Current Fund	Federal and State Grant Fund	Trust Fund	General Capital Fund	Fixed Asset Account Group	Totals (Memorandum Only)	
						2012	2011
ASSETS AND OTHER DEBITS							
Cash	\$ 4,147,473	\$ 122,121	\$ 1,071,279	\$ 1,344,911	\$ -	\$ 6,685,784	\$ 6,140,067
Deferred Compensation Assets	-	-	357,530	-	-	357,530	307,441
Interfunds Receivable	1,858	-	2,506	453,000	-	457,364	177,343
Intergovernmental Receivable	-	48,828	-	204,161	-	252,989	415,538
Accounts Receivable	405,935	-	15	-	-	405,950	342,026
Deferred Charges	523,000	-	-	11,558,200	-	12,081,200	11,545,973
Fixed Assets	-	-	-	-	9,288,874	9,288,874	8,972,350
Total Assets and Other Debits	\$ 5,078,266	\$ 170,949	\$ 1,431,330	\$ 13,560,272	\$ 9,288,874	\$ 29,529,691	\$ 27,900,738
LIABILITIES, RESERVES AND FUND BALANCE							
Accounts/Contracts Payable	\$ -	\$ -	\$ -	\$ 684,976	\$ -	\$ 684,976	\$ 752,147
Interfunds Payable	455,506	-	272	1,586	-	457,364	177,343
Deferred Revenues	-	170,949	-	-	-	170,949	250,321
Other Liabilities and Reserves	1,554,947	-	1,431,058	21,000	-	3,007,005	2,995,639
Improvement Authorizations	-	-	-	2,666,565	-	2,666,565	1,589,596
Intergovernmental Payable	76,829	-	-	-	-	76,829	2,350
Serial Bonds Payable	-	-	-	10,075,000	-	10,075,000	2,795,000
Bond Anticipation Notes Payable	-	-	-	-	-	-	8,028,000
Reserve for Receivables and Other Assets	407,793	-	-	-	-	407,793	345,130
Reserve for Investment in Fixed Assets	-	-	-	-	9,288,874	9,288,874	8,972,350
Fund Balance	2,583,191	-	-	111,145	-	2,694,336	1,992,862
Total Liabilities, Reserves and Fund Balance	\$ 5,078,266	\$ 170,949	\$ 1,431,330	\$ 13,560,272	\$ 9,288,874	\$ 29,529,691	\$ 27,900,738

TOWNSHIP OF ROCHELLE PARK
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND BALANCE -
REGULATORY BASIS -- CURRENT FUND
Year Ended December 31, 2012

	<u>2012</u>
<u>REVENUES AND OTHER CREDITS TO INCOME</u>	
Revenues:	
Fund Balance Anticipated	\$ 150,000
Miscellaneous Revenues	2,752,094
Receipts from Delinquent Taxes	339,692
Amount to be Raised by Taxation	<u>8,861,245</u>
Total Revenues	12,103,031
Other Credits to Income	<u>12,390,373</u>
Total Revenues and Other Credits to Income	<u>\$ 24,493,404</u>
 <u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>	
Expenditures:	
Within "CAPS":	
Operations:	
Salaries and Wages	\$ 4,271,443
Other Expenses	3,026,970
Deferred Charges and Statutory Expenditures	956,192
Excluded From "CAPS":	
Operations:	
Salaries and Wages	-
Other Expenses	1,236,387
Capital Improvements	50,000
Municipal Debt Service	1,004,772
Deferred Charges	247,973
Local School Purposes	100,000
Reserve for Uncollected Taxes	<u>660,000</u>
Total Expenditures	11,553,737
Other Charges to Income	<u>12,092,289</u>
Total Expenditures and Charges to Income	<u>\$ 23,646,026</u>
Statutory Excess to Fund Balance	847,378
Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year	-
Fund Balance, January 1	<u>1,885,813</u> 2,733,191
Decreased by:	
Utilization as Anticipated Revenue	<u>150,000</u>
Fund Balance, December 31	<u>\$ 2,583,191</u>

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

TOWNSHIP OF ROCHELLE PARK
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND BALANCE -
REGULATORY BASIS - BUDGET AND ACTUAL -- CURRENT FUND
Year Ended December 31, 2012

	Budget as Modified	Actual	Variance
<u>REVENUES AND OTHER CREDITS TO INCOME</u>			
Revenues:			
Fund Balance Anticipated	\$ 150,000	\$ 150,000	\$ -
Miscellaneous Revenues	2,492,690	2,752,094	259,404
Receipts from Delinquent Taxes	275,000	339,692	64,692
Amount to be Raised by Taxation	8,636,047	8,861,245	225,198
Total Revenues	11,553,737	12,103,031	549,294
Other Credits to Income	12,022,828	12,390,373	367,545
Total Revenues and Other Credits to Income	<u>\$ 23,576,565</u>	<u>\$ 24,493,404</u>	<u>\$ 916,839</u>
<u>EXPENDITURES AND OTHER CHARGES TO INCOME</u>			
Expenditures:			
Within "CAPS":			
Operations:			
Salaries and Wages	\$ 4,271,443	\$ 4,271,443	\$ -
Other Expenses	3,026,970	3,026,970	-
Deferred Charges and Statutory Expenditures	956,192	956,192	-
Excluded From "CAPS":			
Operations:			
Salaries and Wages	-	-	-
Other Expenses	1,236,387	1,236,387	-
Capital Improvements	50,000	50,000	-
Municipal Debt Service	1,004,772	1,004,772	-
Deferred Charges	247,973	247,973	-
Local School Purposes	100,000	100,000	-
Reserve for Uncollected Taxes	660,000	660,000	-
Total Expenditures	11,553,737	11,553,737	-
Other Charges to Income	12,022,828	12,092,289	69,461
Total Expenditures and Charges to Income	<u>\$ 23,576,565</u>	<u>\$ 23,646,026</u>	<u>\$ 69,461</u>
Statutory Excess to Current Fund Balance		847,378	
Expenditures Included Above Which Are by Statute			
Deferred Charges to Budget of Succeeding Year		-	
Fund Balance, January 1		1,885,813	
		<u>\$ 2,733,191</u>	
Decreased by:			
Utilization as Anticipated Revenue		150,000	
Fund Balance, December 31		<u>\$ 2,583,191</u>	

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 1 - Reporting Entity, Organization and Function

A. Introduction

The Township of Rochelle Park (the "Township") operates under an elected Township Committee form of government in the State of New Jersey and is located within the County of Bergen, located approximately 10 miles west of the City of New York. The Township's population according to the 2010 census is 5,530.

The Township was incorporated in 1871 and operates under a five member Board of Commission form of government. The mayor is selected by the Board. The Township operates on a calendar fiscal year, January 1 to December 31.

The municipal budget includes the following generally stated municipal services:

- General Government Functions
- Land Use Administration Functions
- Public Safety Functions
- Health and Human Service Functions
- Park and Recreation Functions
- Educational Functions
- Code Enforcement Functions
- Municipal Court Functions
- Capital Improvements
- Debt Service

B. Basis of Accounting

A modified accrual basis of accounting is followed with minor exceptions. Accounting principles prescribed for New Jersey municipalities by the Department of Community Affairs, Division of Local Government Services differ in certain respects from generally accepted accounting principles applicable to local government units.

C. Component Units

The financial statements of the component units of the municipality are not presented in accordance with Governmental Accounting Standards Board Statement No. 14 as amended by Statement No. 61. If the provisions of this statement had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the municipality:

Free Public Library

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 2 - Summary of Significant Accounting Policies

The financial statements contain all applicable funds and account groups in accordance with the "Requirements of Audit" and the "N.J. Comprehensive Annual Financial Report" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. 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 municipality accounts for its financial transactions through the following separate funds which differs from the funds required by generally accepted accounting principles (GAAP).

A. Funds and Account Groups

The accounts are organized into the following funds and account groups:

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature.

Federal and State Grant Fund - The Federal and State Grant Fund accounts for the budgeted and unbudgeted revenue/receipt, expenditure/disbursement of federal and state grants which qualify for accounting treatment more closely related to GAAP.

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

General Capital Fund - The General Capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund. It is also the only fund, other than the Current Fund, that possesses the statutory authority to issue debt.

General Fixed Asset Account Group - The General Fixed Asset Account Group accounts for Township owned real and personal property in accordance with N.J.A.C. 5:30-5.6.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 2 - Summary of Significant Accounting Policies (Continued)

B. Budgets and Budgetary Accounting

The municipality must adopt an annual budget in accordance with N.J.S.A. 40A:4 et al. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten (10) days prior to the hearing in a newspaper published and circulated in the municipality. The public hearing must not be held less than twenty-eight (28) days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the municipalities' financial statements.

C. Cash and Investments

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the municipality requires that funds be deposited in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act. Public funds are defined as the funds of any government unit. Public depositories include banks (both state and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, is available to pay the full amount of their deposits to the governmental units. All certificates of deposit are recorded as cash regardless of date of maturity.

TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 2 - Summary of Significant Accounting Policies (Continued)

D. Interfunds

Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

E. 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.

F. General Fixed Assets

Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized. Accounting for Governmental Fixed Assets, as promulgated by N.J.A.C. 5:30-5.6 differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the statute. Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. No depreciation on general fixed assets is recorded in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. Fixed assets acquired through grants-in-aid or contributed capital have not been accounted for separately.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 2 - Summary of Significant Accounting Policies (Continued)

G. Foreclosed Property

Foreclosed property is recorded in the Current Fund at the assessed value when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Asset Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Asset Account Group. GAAP requires property to be recorded in the General Fixed Asset Account Group at the market value at the time of acquisition.

H. Deferred Charges

The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

I. Appropriation Reserves

Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation Reserves are not established under GAAP.

J. Liens Sold for Other Governmental Units

Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

K. Fund Balance

Fund Balances included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 2 - Summary of Significant Accounting Policies (Continued)

L. Revenues

Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized as and when anticipated as such in the Township's budget. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenues be recognized when the actual expenditures financed by the grant are made.

M. Property Tax Revenues

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with the statutes. The amount of taxes levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when available and measurable reduced by an allowance for doubtful accounts.

N. School Taxes

The municipality is responsible for levying, collecting and remitting school taxes for the Local School District. Operations are charged for the full amount required to be raised from taxation to operate the local school district for the period from July 1 to June 30. GAAP would require the recording of a deferred revenue.

O. County Taxes

The municipality is responsible for levying, collecting and remitting county taxes for the County. Operations are charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations are charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 2 - Summary of Significant Accounting Policies (Continued)

P. Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the municipality's annual budget protects from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

Q. Expenditures

Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the encumbrance accounting system. Outstanding encumbrances at December 31, are recorded as a cash liability. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long term debt which is recognized when due.

R. Compensated Absences and Postemployment Benefits

Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long term obligations.

S. Total Columns on Combined Statements

Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 2 - Summary of Significant Accounting Policies (Continued)

T. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

U. New Reporting Standard(s)

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34". The purpose of the statement is to amend the criteria for reporting and including component units with the primary government. This statement, which is effective for fiscal periods beginning after June 15, 2012, is not anticipated to have any effect on the Township's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which clarifies the reporting requirements related to deferred assets and liabilities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Township's financial reporting.

In April 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62". This statement, which resolves conflicts between Statements No. 10 and No. 54 provides more flexibility in fund classifications for risk based activities, is effective for fiscal periods beginning after December 15, 2012, is not anticipated to have any effect on the Township's financial reporting.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 2 - Summary of Significant Accounting Policies (Continued)

U. New Reporting Standard(s) (Continued)

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the Township's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the Township's financial reporting.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the Township's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the financial position of the Township but will require due diligence analysis and specific disclosure in the financial statements.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 3 - Cash and Cash Equivalents

Change funds, petty cash, cash in banks, certificates of deposit and funds on deposit with the New Jersey Cash Management Fund are considered cash and cash equivalents.

A. 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 insures deposits, or the New Jersey Cash Management Fund.

All bank deposits as of the balance sheet date are entirely insured or collateralized by a collateral pool maintained by public depositories as required by the Governmental Unit Deposit Protection Act.

At December 31, the municipality's deposits are summarized as follows:

<u>Year</u>	<u>Book Balance</u>	<u>Carrying Amount</u>
2012	\$ 6,685,784	\$ 6,767,591

B. New Jersey Cash Management Fund

The State of New Jersey Cash Management Fund is managed by the State of New Jersey, Division of Investment under the Department of Treasury. It consists of U.S. Treasury obligations, government agency obligations, certificates of deposit and commercial paper. At December 31, 2012 the municipality did not have any cash deposited with the New Jersey Cash Management Fund.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 4 - Investments

New Jersey Statutes permit the municipality to purchase the following types of securities for investment:

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

No investments were held as of December 31, 2012.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 5 - Receivables

New Jersey municipal accounting procedures require accrued receivables to be off-set with a reserve originating with a charge to operations. Exceptions to this requirement include those grants used to fund capital projects reflected in the General Capital Fund, amounts due from the State of New Jersey for Veterans and Senior Citizens Deductions and public and private programs qualifying for grant accounting treatment in the Federal and State Grant Fund.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 6 - Commitments

The municipality is entered into a number of immaterial operating leases (postage and copy machines) which vary on cancellation provisions and other terms. Annual requirements are provided for in appropriate department budget appropriations.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 7 - Fixed Assets

The following is a summary of general fixed asset additions, deletions and adjustments:

2012

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Land	\$ 1,997,800	\$ -	\$ -	\$ -	\$ 1,997,800
Buildings and Improvements	3,952,000	-	-	-	3,952,000
Equipment	918,550	13,000	-	-	931,550
Vehicles	2,104,000	303,524	-	-	2,407,524
	<u>\$ 8,972,350</u>	<u>\$ 316,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,288,874</u>

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 8 - Municipal Debt

A. Types of Municipal Debt

Capital Debt

The "Local Bond Law" of New Jersey Statutes governs the issuance of bonds and notes to finance capital expenditures, and are permitted only from the General Capital Fund. Bonds and Notes are backed by the full faith and credit of the municipality. Capital projects financed under the Local Bond Law must have a minimum useful life of five years.

Bond Anticipated Notes - Bond Anticipation Note ("BANs") are issued to temporarily finance projects prior to the issuance of permanent bonds. Generally, the term of BANs can not exceed one year, but may be renewed from time to time for periods not exceeding one year, and ultimately paid or permanently financed no later than the first day of the fifth month following the close of the tenth fiscal year following the original issue date of the BAN. New Jersey Statutes require that on or before the third anniversary date of the original BAN issue date, an amount at least equal to the first legally payable installment must be paid towards the BAN upon each renewal until permanently funded or retired.

Bonds - Bonds issued are retired in serial installments within statutory periods of usefulness. New Jersey Statutes limit installment increments unless approval for a non-conforming maturity schedule is approved by the Local Finance Board.

The Township's long term debt paid by the Current Fund consisted of the following at December 31, 2012:

\$5,560,000 - General Obligation Bonds Series 2001 issued 7/15/2001 payable in annual installments through 7/15/2018. Interest is paid semi-annually at varying rates per annum. The balance remaining on this issue as of December 31, 2012 is \$2,400,000.

\$8,025,000 - General Obligation Bonds Series 2012 issued 2/15/2012 payable in annual installments through 8/15/2026. Interest is paid semi-annually at varying rates from 2.00% to 2.375% per annum. The balance remaining on this issue as of December 31, 2012 is \$7,675,000.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 8 - Municipal Debt (Continued)

B. Comparative Summary of Debt and Remaining Borrowing Power

The following comparative information summarizes the statutory debt calculations of the municipality as reported on the municipality's Annual Debt Statement.

	<u>2012</u>
Issued:	
General Bonds and Notes	11,200,000
	<u>\$ 11,200,000</u>
Authorized but not Issued:	
General Bonds and Notes	<u>\$ 1,483,200</u>
Gross Debt	<u>\$ 12,683,200</u>
Deductions	<u>\$ 1,146,000</u>
Net Debt	<u><u>\$ 11,537,200</u></u>
Equalized Valuation Basis	\$ 964,780,683
Statutory Net Debt Percentage	1.20%
3-1/2% of Equalized Valuation Basis	\$ 33,767,324
Remaining Borrowing Power	\$ 22,230,124

TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 8 - Municipal Debt (Continued)

C. Long-Term Bonded Debt Service Requirements to Maturity

The annual debt service requirement for long-term obligations requirements to maturity, including principal and interest as of December 31, 2012 are as follows:

Calendar Year	7/15/01 General Improvement Bonds		2/15/12 General Improvement Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 400,000	\$ 110,500	\$ 375,000	\$ 162,250
2014	400,000	92,100	400,000	154,750
2015	400,000	73,700	425,000	146,750
2016	400,000	55,300	450,000	138,250
2017	400,000	36,900	475,000	129,250
2018	400,000	18,500	500,000	119,750
2019	-	-	525,000	109,750
2020	-	-	550,000	99,250
2021	-	-	575,000	88,250
2022	-	-	600,000	76,750
2023	-	-	700,000	64,750
2024	-	-	700,000	49,000
2025	-	-	700,000	33,250
2026	-	-	700,000	16,625
	<u>\$ 2,400,000</u>	<u>\$ 387,000</u>	<u>\$ 7,675,000</u>	<u>\$ 1,388,625</u>

	Total	
	Principal	Interest
2013	\$ 775,000	\$ 272,750
2014	800,000	246,850
2015	825,000	220,450
2016	850,000	193,550
2017	875,000	166,150
2018	900,000	138,250
2019	525,000	109,750
2020	550,000	99,250
2021	575,000	88,250
2022	600,000	76,750
2023	700,000	64,750
2024	700,000	49,000
2025	700,000	33,250
2026	700,000	16,625
	<u>\$ 10,075,000</u>	<u>\$ 1,775,625</u>

TOWNSHIP OF ROCHELLE PARK
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2012

Note 8 - Municipal Debt (Continued)

D. Summary of Changes in Municipal Debt

During the fiscal year ended December 31, 2012, the following changes occurred in liabilities reported as general long-term debt:

	Beginning Balance	Issued	Retired	Ending Balance
Short-Term Debt:				
Tax Anticipation Notes	\$ -	\$ -	\$ -	\$ -
Bond Anticipation Notes	8,028,000	-	(8,028,000)	-
Emergency Notes	-	-	-	-
	<u>\$ 8,028,000</u>	<u>\$ -</u>	<u>\$ (8,028,000)</u>	<u>\$ -</u>
Long-Term Debt:				
Serial Bonds	\$ 2,795,000	\$ 8,025,000	\$ (745,000)	\$ 10,075,000
Loan Payable	-	-	-	-
Authorized but not Issued	-	1,483,200	-	1,483,200
	<u>\$ 2,795,000</u>	<u>\$ 9,508,200</u>	<u>\$ (745,000)</u>	<u>\$ 11,558,200</u>
	<u>\$ 10,823,000</u>	<u>\$ 9,508,200</u>	<u>\$ (8,773,000)</u>	<u>\$ 11,558,200</u>

	Ending Balance	Amounts Due within One Year	Long-term Portion
Short-Term Debt:			
Tax Anticipation Notes	\$ -	-	\$ -
Bond Anticipation Notes	-	-	-
Emergency Notes	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long-Term Debt:			
Serial Bonds	\$ 10,075,000	\$ 775,000	\$ 9,300,000
Loan Payable	-	-	-
Authorized but not Issued	1,483,200	-	1,483,200
	<u>\$ 11,558,200</u>	<u>\$ 775,000</u>	<u>\$ 10,783,200</u>
	<u>\$ 11,558,200</u>	<u>\$ 775,000</u>	<u>\$ 10,783,200</u>

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 9 - Risk Management

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. The Township is a member of the South Bergen Municipal Joint Insurance Fund (SBJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment and worker's compensation. The SBJIF and MEL coverage amounts are on file with the Township. The relationship between the Township and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Township is contractually obligated to make all annual and supplementary contributions to insurance, to report claims on a timely basis, cooperate with the management of the Fund, its claims investigation and settlement, and to follow risk management procedures as outlined by the insurance pools. Members have a contractual obligation to fund any deficit of the insurance fund attributable to a membership year during which they were a member. The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and preventive procedures to be followed by the members. There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years. Contributions to the Funds, including a reserve for contingencies, are payable in four installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the State of New Jersey provides the administration of payments to former employees of the Township. The Township is billed quarterly for benefits paid to former employees. A separate dedicated unemployment Trust account is not maintained. Unemployment expenditures are charged against Current fund budget appropriations under the title "Unemployment Compensation".

Unemployment expenditures for the past 3 years are as follows:

CY2012 - \$53
CY2011 - \$19,582
CY2010 - \$16,106

**TOWNSHIP OF ROCHELLE PARK
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2012**

Note 10 - Interfunds

As of December 31, 2012, interfund balances on the Township's various balance sheets were as follows:

	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$ 1,858	\$ 455,506
Trust Fund	2,506	272
General Capital Fund	453,000	1,586
	<u>\$ 457,364</u>	<u>\$ 457,364</u>

Interfund balances are comprised of the following:

Current Fund owes the General Capital Fund \$450,000 for operating cash advances. All other interfund balances are due to expenditures paid from an incorrect fund. It is anticipated that all interfunds will be liquidated during the subsequent fiscal year.

**TOWNSHIP OF ROCHELLE PARK
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2012**

Note 11 - 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 are shown on the balance sheet of the Current Fund:

	Balance December 31,	Appropriated in Subsequent Year's Budget	Balance to Succeeding
Current Fund:			
Overexpenditures	\$ -	\$ -	\$ -
Expenditures Without Appropriations	-	-	-
Deficit in Operations	-	-	-
Emergency Authorizations	-	-	-
Special Emergency Authorizations (40A:4-53) - Master Plan	9,000	9,000	-
Special Emergency Authorizations (40A:4-53) - Revaluation	70,000	35,000	35,000
Special Emergency Authorizations (40A:4-53) - Hurricane Irene	444,000	111,000	333,000
	<u>\$ 523,000</u>	<u>\$ 155,000</u>	<u>\$ 368,000</u>

TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 12 - Retirement Plans

Those employees who are eligible for pension coverage are enrolled in either the Public Employees Retirement System of New Jersey (PERS) or the Police and Firemans' Retirement System of New Jersey (PFRS) and the Defined Contribution Retirement Program (DCRP). The systems are cost-sharing multiple-employer contributory defined benefit pension plans, and are component units of the State of New Jersey. Each retirement system has a Board of Trustees which is responsible for its organization and administration.

A. Public Employees' Retirement System (PERS)

Description of the System - The State of New Jersey Public Employees' Retirement System (the System; PERS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2011 and 2010, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2011	2010
State of New Jersey	1	1
County Agencies	65	65
Municipalities	579	580
School Districts	580	581
Other Public Agencies	481	483
Total	1,706	1,710

The System's designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. The System's Board of Trustees is primarily responsible for the administration of the System.

According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 12 - Retirement Plans (Continued)

A. Public Employees' Retirement System (PERS) (Continued)

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System provides retirement, death and disability benefits. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of the System.

For Tier 1 members, retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of final average salary for each year of service credit, as defined Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

Significant Legislation - Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and prior to November 2, 2008 (Tier 2 members) and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55. Also, this law provided that the amount of compensation for Tier 2 members used for employer and member contributions and benefits under the PERS cannot exceed the annual maximum wage contribution base for Social Security, pursuant to the Federal Insurance Contributions Act.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008 and on or before May 21, 2010 (Tier 3 members). It also increased the minimum annual compensation required for membership eligibility for new Tier 3 members from \$1,500 to \$7,500 in addition to amending the early retirement reduction formula for Tier 3 members retiring with 25 years of service to 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS hired after May 21, 2010 (Tier 4 and Tier 5 members) from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for these members of PERS to 1/60 from 1/55, and it provided that the retirement allowance for these members be calculated using the average annual compensation for the last five years of service instead of the last three years of service. Tier 4 and Tier 5 members of PERS no longer receive pension service credit from more than one employer. Pension service credit is earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for Tier 4 and Tier 5 members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provided that new members of PERS hired on or after June 28, 2011 (Tier 5 members) need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. Tier 5 members are eligible for a service retirement benefit at age 65.

Membership in the system consisted of the following at June 30, 2011 and 2010, the dates of the most recent actuarial valuations:

	2011	2010
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	149,218	141,973
Active Members:		
Vested	149,719	149,506
Non-Vested	142,107	159,593
Total Active Members	291,826	309,099
Total	441,044	451,072

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 12 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS)

Description of the System

State of New Jersey Police and Firemen's Retirement System (the System; PFRS) is a cost-sharing multiple-employer contributory defined benefit plan which was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A. The System is included along with other state-administered pension trust and agency funds in the basic financial statements of the State of New Jersey.

At June 30, 2011 and 2010, the dates of the most recent actuarial valuations, participating employers consisted of the following:

	2011	2010
State of New Jersey	1	1
Municipalities	585	588
Total	<u>586</u>	<u>589</u>

The System's designated purpose is to provide retirement, death and disability benefits to its members. Membership in the System is mandatory for substantially all full-time county and municipal police or firemen, and state firemen or officer employees with police powers appointed after June 30, 1944. The System's Board of Trustees is primarily responsible for its administration.

According to State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 12 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Vesting and Benefit Provisions

The vesting and benefit provisions are set by N.J.S.A. 43:16A and 43:3B. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service. The annual benefit under special retirement is 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 70% of final compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, the annual benefit under special retirement for members enrolled after June 28, 2011 (Tier 3 members), is 60% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. The maximum allowance is therefore 65% of final compensation.

Widow/widowers of members retired since December 18, 1967 receive 50% of the retiree's final compensation. The minimum annual widow/widower's benefits of an accidental disability retiree prior to December 18, 1967 and of all retirees since December 18, 1967 is \$4,500.

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions providing no survivor death benefits are payable.

Eligible retirees receiving monthly benefits are entitled to cost-of-living (COLA) increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired, as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in the dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The COLA increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions. Pursuant to the provisions of Chapter 78, P.L. 2011, COLA increases are suspended for all current and future retirees of all retirement systems. No further COLA increases will be granted. The law does not reduce any COLA increases that have already been added to retiree benefits.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 12 - Retirement Plans (Continued)

B. Police and Firemen's Retirement System (PFRS) (Continued)

Significant Legislation:

Pursuant to Chapter 1, P.L. 2010, for new members of PFRS hired after May 21, 2010 (Tier 2 members), this law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for Social Security, and required the pension benefit to be calculated using a three-year average annual compensation instead of the last year's salary.

Membership in the System consisted of the following at June 30, 2011 and 2010 the dates of the most recent actuarial valuations:

	2011	2010
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	38,091	35,973
Active members:		
Vested	28,817	29,552
Non-vested	13,182	14,652
Total active members	41,999	44,204
Total	80,090	80,177

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 12 - Retirement Plans (Continued)

C. Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (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,

The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Eligibility

Individuals eligible for membership in the DCRP include:

- 1) State or local officials who are elected or appointed on or after July 1, 2007
- 2) Employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; and
- 3) Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Membership Tier 3 enrollment (\$7,500 in 2009, subject to adjustment in future years) but who earn salary of at least \$1,500 annually.)

Employees enrolled in the PERS or TPAF on or after July 1, 2007 are subject to a maximum compensation limit for PERS and TPAF pension contributions. The maximum compensation is based on the annual maximum wage for Social Security (see chart below) and is subject to change at the start of each calendar year.

Enrollment

Eligible PERS or TPAF members are enrolled in the DCRP when the annual salary exceeds the maximum compensation limit. This may occur either:

Upon enrollment into the PERS or TPAF when an annual base salary is reported on the Enrollment Application that will exceed the maximum compensation; or when a PERS or TPAF member's annual salary is increased to where it will exceed the maximum compensation and it is reported by the employer to the Division of Pensions and Benefits (either by directly contacting the Division, or when submitted by the employer on the Quarterly Report of Contributions). When enrolled in the DCRP, members contribute 5.5% of the base salary in excess of the maximum compensation limit to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pensions and Benefits. Member contributions are matched by a 3% employer contribution based on the salary in excess of the maximum compensation limit.

It is important that an employer enroll a DCRP eligible PERS or TPAF member as soon as it is known that the employee's annual salary will exceed the maximum compensation, so that the DCRP account can be established in advance of collection of any required contributions.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 12 - Retirement Plans (Continued)

C. Defined Contribution Retirement Program (DCRP)

Retirement

Six months before retirement, a member should contact the employer and Prudential Financial for information regarding DCRP benefits and options.

A DCRP member may elect to receive all or a portion of his/her account in a lump-sum distribution, or in a variety of periodic payment methods. Please contact your administrative services provider for more information. All returns of contributions and earnings are considered taxable in the year they are received; therefore, the type of payout plan should be considered carefully prior to retirement.

There is no minimum retirement age under the DCRP. The member will automatically be considered retired, regardless of age, if there is any distribution of mandatory contributions.

A member may take a distribution at any time after termination of employment; however, if you return to public employment in New Jersey, you cannot participate in any State-administered retirement system.

**TOWNSHIP OF ROCHELLE PARK
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2012**

Note 12 - Retirement Plans (Continued)

D. Contributions Required by Employer

	Year	Pension Cost	Percentage Contributed	Non-Contrib Health Ins.	Pension Obligation
<i>Police and Firemens' Pension Fund (PFRS)</i>	2012	592,980	100.00%	\$ 21,720	\$ 614,700
<i>Public Employees Retirement System (PERS)</i>	2012	\$ 129,257	100.00%	\$ 8,235	\$ 137,492
<i>Defined Contribution Retirement Program (DCRP)</i>	2012	\$ -	100.00%	\$ -	-

E. Trend Information

Historical trend information showing the plan's progress in accumulating sufficient assets to pay benefits when due are presented in the State of New Jersey's PERS, PFRS and DCRP financial reports. Those reports may be obtained by writing to the State of New Jersey, Department of Treasury Division of Pensions, Trenton, New Jersey.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 13 - Deferred Compensation Plan

A. Description

The Township offers its qualifying volunteers participation in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is administered by an outside contractor, permits participants to defer a portion of their Township contributions on behalf of volunteers until future years. Amounts deferred under the plan are not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts deferred under the plan and all income attributable to those amounts are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Township's subject only to the claims of the Township's general creditors. Participants' rights under the plan are equal to those of general creditors of the Township in an equal amount to the fair value of the deferred account for each participant.

It is the opinion of the Township's legal counsel that the Township has no liability for losses under the plan. Under the plan, participants select investments from alternatives offered by the plan administrators, who manages the plan on behalf of the Township. Investment selection by the participants may change from time to time, as the Township manages none of the investment selections. By making the selection, participants accept and assume all risks that adhere in the plan. Information pertaining to the plan offered by the Township is as follows:

Lincoln National Life Insurance Co.

This plan administers Township contributions towards its Volunteer Length of Service Award Program (LOSAP). Activity for the year ended December 31, 2012 is as follows:

Assets, Beginning of Year (Market Value)	\$ 307,441
Township Contribution	24,000
Earnings and Adjustments to Market Value	35,117
Payments to Eligible Employees	(7,122)
Charges and Credits	<u>(1,906)</u>
Assets, Ending of Year (Market Value)	<u>\$ 357,530</u>

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 14 - Other Post Employment Benefits

A. Compensated Absences

All employees are permitted to carry over 1 week of unused vacation days per year. In accordance with accounting practices prescribed by the Division of Local Government Services, this amount is not recorded as either an expenditure or a liability. The Township approximates this liability at December 31, 2012 to be \$84,000.

B. Health Care Benefits

The Township provides, at its cost, post-employment health care benefits in accordance with the provisions of Chapter 88, P.L. 1974 as amended by Chapter 436, P.L. 1981 which permits local public employers to pay the premium charges for certain eligible pensioners and their dependents and to reimburse Part B Medicare premiums for such retirees and their spouses covered by the New Jersey State Health Benefits Program.

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 1981, the Township of Rochelle Park authorized participation in the SHBP's post-retirement benefit program.

TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 14 - Other Post Employment Benefits

B. Health Care Benefits (Continued)

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/pdf/financial/gasb-43-july2012.pdf>.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township of Rochelle Park on a monthly basis. The 2012 rates charged by the system for each medical coverage category ranged from \$445.41 to \$2,366.58 per month.

The Township of Rochelle Park's contributions to SHBP paid for the year ended December 31, 2012 for all bargaining units noted was approximately \$315,000, which equaled the required contributions for the year. There were approximately 20 retired participants eligible at December 31, 2012.

TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012

Note 14 - Other Post Employment Benefits

B. Health Care Benefits (Continued)

Eligibility for participation in the SHBP post-retirement benefit program by collective bargaining unit are as follows:

Teamsters Local 97 of NJ - Department of Public Works

Employees with at least twenty five (25) years of full-time service with the Township of Rochelle Park and are at least 55 years of age are entitled to receive continued health care coverage up to the qualifying age for Medicare. No dental, prescription or disability coverage will be continued. The health care insurance shall be for the retired employee and their spouse. Employees who retire after twenty-five (25) years of service who obtain employment after retiring from the Township, and who subsequently are offered medical insurance by their new employer, regardless of coverage and/or cost, are obligated to avail themselves of such coverage and notify the Township who will no longer be obligated to provide continued health coverage while the said retiree is so employed and receiving health care coverage from said employer. If the said employment after retirement is terminated then the Township will reinstitute coverage within sixty (60) days of notification.

Upon reaching Medicare age, Medicare becomes the individual's primary coverage and the employer's continued coverage becomes secondary. Retirees will then receive Medicare Part "B" reimbursement.

Any contribution required toward health care coverage as mandated by State law and/or the collective bargaining agreement will not be applicable to retirees covered per the above.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 14 - Other Post Employment Benefits

B. Health Care Benefits (Continued)

Policemen's Benevolent Association, Local 102 (Rochelle Park Unit) - All law enforcement personnel excluding superior officers and the Chief of Police.

Employees retiring under this agreement with 25 years of service or under disability retirement, as well as their spouses, are entitled to receive continued health care up to the qualifying age for Medicare. No dental, prescription or disability coverage will be continued. If the retired member is employed following their retirement, and similar type of insurance coverage is available to the retired employee by virtue of said employment, or if the retired employee is covered by similar insurance of the spouse of the retired employee, there shall be no obligation on the part of the Township to provide for the coverage heretofore mentioned.

Upon reaching Medicare age, Medicare becomes the individual's primary coverage and the employer's continued coverage becomes secondary. Retirees will then receive Medicare Part "B" reimbursement.

Any contribution required toward health care coverage as mandated by State law and/or the collective bargaining agreement will not be applicable to retirees covered per the above.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 14 - Other Post Employment Benefits

B. Health Care Benefits (Continued)

Superior Officer's Association, PBA Local 102 (Rochelle Park Unit) - Superior officers

Employees retiring under this agreement with 25 years of service or under disability retirement, as well as their spouses, are entitled to receive continued health care up to the qualifying age for Medicare. No dental, prescription or disability coverage will be continued. If the retired member is employed following their retirement, and similar type of insurance coverage is available to the retired employee by virtue of said employment, or if the retired employee is covered by similar insurance of the spouse of the retired employee, there shall be no obligation on the part of the Township to provide for the coverage heretofore mentioned.

Upon reaching Medicare age, Medicare becomes the individual's primary coverage and the employer's continued coverage becomes secondary. Retirees will then receive Medicare Part "B" reimbursement.

Any contribution required toward health care coverage as mandated by State law and/or the collective bargaining agreement will not be applicable to retirees covered per the above.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 14 - Other Post Employment Benefits

B. Health Care Benefits (Continued)

Chief of Police and The Policemen's Benevolent Association, Local 102 (Rochelle Park Unit)

Employees retiring under this agreement with 25 years of service or under disability retirement, as well as their spouses, are entitled to receive continued health care up to the qualifying age for Medicare. No dental, prescription or disability coverage will be continued. If the retired member is employed following their retirement, and similar type of insurance coverage is available to the retired employee by virtue of said employment, or if the retired employee is covered by similar insurance of the spouse of the retired employee, there shall be no obligation on the part of the Township to provide for the coverage heretofore mentioned.

Upon reaching Medicare age, Medicare becomes the individual's primary coverage and the employer's continued coverage becomes secondary. Retirees will then receive Medicare Part "B" reimbursement.

Any contribution required toward health care coverage as mandated by State law and/or the collective bargaining agreement will not be applicable to retirees covered per the above.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 14 - Other Post Employment Benefits

B. Health Care Benefits (Continued)

Non-Union Employees

Employees with at least twenty five (25) years of full-time service with the Township of Rochelle Park are entitled to receive continued health care coverage up to the qualifying age for Medicare. No dental, prescription or disability coverage will be continued. The health care insurance shall be for the retired employee and their spouse. Employees who retire after twenty-five (25) years of service who obtain employment after retiring from the Township, and who subsequently are offered medical insurance by their new employer, regardless of coverage and/or cost, are obligated to avail themselves of such coverage and notify the Township who will no longer be obligated to provide continued health coverage while the said retiree is so employed and receiving health care coverage from said employer. If the said employment after retirement is terminated then the Township will reinstitute coverage within sixty (60) days of notification.

Upon reaching Medicare age, Medicare becomes the individual's primary coverage and the employer's continued coverage becomes secondary. Retirees will then receive Medicare Part "B" reimbursement.

Any contribution required toward health care coverage as mandated by State law and/or the collective bargaining agreement will not be applicable to retirees covered per the above.

**TOWNSHIP OF ROCHELLE PARK
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2012**

Note 15 - Contingencies

A. Litigation

The municipality is a party to various legal proceedings which normally occur in the operation of government. These proceedings are not likely to have a materially adverse affect on the various funds of the municipality.

B. Federal and State Grants

The municipality participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed, the municipality may be required to reimburse the grantor agency. As of December 31, 2012, significant amounts of grant expenditures have not been audited. The municipality believes that any future disallowed expenditures will not have a material effect on its financial position.

C. Tax Appeals

Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2012. Amounts claimed have not yet been determined. The Township is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Township does not recognize a liability, if any, until these cases have been adjudicated. The Township expects such amounts, if any, to be material. As of December 31, 2012, the Township did not record reserves in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budgets, from fund balance or by issuance of refunding bonds.

**TOWNSHIP OF ROCHELLE PARK
 NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2012**

Note 16 - Subsequent Events

As of the date of this report, the following are considered material subsequent events:

A. Subsequent Year Capital Projects

The Borough's FY 2013 Capital Budget currently includes the following:

Purpose	Total	CIF and Other Funded Sources	Bonds & Notes Authorized
#1061-13 Various Public Improvements	\$ 875,000	\$ 42,000	\$ 833,000
	<u>\$ 875,000</u>	<u>\$ 42,000</u>	<u>\$ 833,000</u>

B. Bond Anticipation Notes & Serial Bonds

On February 15, 2013, the Township issued Bond Anticipation Notes ("BAN's") in the amount of \$950,000, to temporarily finance expenditures related to various capital projects. This was the first BAN to be issued after the issuance of serial bonds on February 15, 2012 which paid off all outstanding BAN's at that time. The Township has awarded the sale of said notes to Community Bank of Bergen County at an interest rate of 1.00%. These notes will mature on February 14, 2014.

**TOWNSHIP OF ROCHELLE PARK
CURRENT FUND
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE - REGULATORY BASIS**

	2012	2011
ASSETS AND OTHER DEBITS		
Cash:		
Current Account	\$ 3,700,950	\$ 2,731,501
Ambulance Fee Account	446,103	257,371
Change Funds	420	420
	<u>\$ 4,147,473</u>	<u>\$ 2,989,292</u>
Interfunds Receivable:		
General Capital Fund	\$ 1,586	\$ 1,676
Animal Control Trust Fund	-	-
Escrow & Developers Deposit Trust Fund	272	1,548
	<u>\$ 1,858</u>	<u>\$ 3,224</u>
Other Receivables:		
Delinquent Property Taxes Receivable	\$ 405,935	\$ 341,906
Property Acquired for Taxes	-	-
	<u>\$ 405,935</u>	<u>\$ 341,906</u>
Deferred Charges:		
Emergency Authorizations	\$ -	\$ 44,973
Special Emergency Authorizations (40A:4-53)	523,000	678,000
	<u>\$ 523,000</u>	<u>\$ 722,973</u>
Total Assets and Other Debits	<u><u>\$ 5,078,266</u></u>	<u><u>\$ 4,057,395</u></u>
LIABILITIES, RESERVES AND FUND BALANCE		
Interfunds Payable:		
Trust Fund (Animal Control)	\$ 1,962	\$ 1,962
Trust Fund (Developer's Escrow)	544	-
General Capital Fund	453,000	172,157
	<u>\$ 455,506</u>	<u>\$ 174,119</u>
Other Liabilities and Reserves:		
Appropriation Reserves	\$ 626,936	\$ 554,933
Reserve for Encumbrances	144,031	34,585
Reserve for Revaluation	26,769	34,969
Reserve for Master Plan	25,442	43,036
Reserve for Site Plan Fees	2,350	2,350
Reserve for Public Defender Fees	5,240	5,240
Reserve for Emergency - Hurricane Irene	1,445	1,445
Reserve for Special Emergency - Hurricane Irene	98,571	153,546
Emergency Notes Payable	-	95,000
Special Emergency Notes Payable	514,000	660,000
Tax Overpayments	47,304	-
Prepaid Taxes	62,859	64,879
	<u>\$ 1,554,947</u>	<u>\$ 1,649,983</u>
Intergovernmental Payable		
Due State of N.J. - D.C.A. Training Fees	\$ 3,598	\$ 1,708
Due State of N.J. - Marriage/Domestic Partner License Fees	225	150
Local District School Tax Payable	71,204	-
Due County of Bergen - Added & Omitted Taxes	1,777	485
Due County of Bergen - Added & Omitted Open Space Taxes	25	7
	<u>\$ 76,829</u>	<u>\$ 2,350</u>
Reserve for Receivables and Other Assets	<u>\$ 407,793</u>	<u>\$ 345,130</u>
Fund Balance	<u>\$ 2,583,191</u>	<u>\$ 1,885,813</u>
Total Liabilities, Reserves and Fund Balance	<u><u>\$ 5,078,266</u></u>	<u><u>\$ 4,057,395</u></u>

TOWNSHIP OF ROCHELLE PARK
 CURRENT FUND
 SCHEDULE OF REVENUES AND OTHER CREDITS TO INCOME - REGULATORY BASIS
 Year Ended December 31, 2012

	Budget As Modified	Realized	Excess/ (Deficit)
REVENUES			
Fund Balance Anticipated	\$ 150,000	\$ 150,000	\$ -
Miscellaneous Revenues:			
Alcoholic Beverage Licenses	\$ 15,000	\$ 15,995	\$ 995
Other Licenses	20,000	22,772	2,772
Fees and Permits	40,000	84,828	44,828
Municipal Court Fines and Costs	215,000	243,244	28,244
Interest and Costs on Taxes	65,000	64,230	(770)
Interest on Investments and Deposits	20,000	45,046	25,046
Real Property Rental - 151 W. Passaic Street	150,000	142,000	(8,000)
Cable T.V. Franchise Fee - Cablevision	50,143	50,143	-
Cable T.V. Franchise Fee - Verizon	22,985	22,985	-
Hotel Fees	75,000	69,152	(5,848)
XO Communications Annual Row Fee	6,000	6,000	-
Cellular Tower Lease - AT&T/Cingular	24,000	22,000	(2,000)
Cellular Tower Lease - Sprint/Nextel	50,000	47,523	(2,477)
Cellular Tower Lease - Metro PCS	25,000	26,084	1,084
Cellular Tower Lease - Fiber Tower Network Services	4,000	-	(4,000)
Consolidated Municipal Property Tax Relief	134,165	109,195	(24,970)
Energy Receipts Tax	564,352	589,322	24,970
Sale of Gasoline - Maywood BORO	95,000	90,460	(4,540)
Sale of Gasoline- Saddle Brook TWP	120,000	133,360	13,360
Sale of Gasoline- Saddle Brook BOE	25,000	26,551	1,551
Uniform Construction Code Fees	125,000	192,699	67,699
Recycling Tonnage Grant	9,467	9,467	-
Clean Communities Program	7,790	7,790	-
Body Armor Replacement Program	2,204	2,204	-
Bergen County Prosecutor - Confiscated Funds	49,298	-	(49,298)
BCUA Municipal Recycling Assistance Program	8,283	8,283	-
Uniform Fire Safety Act - Local	23,000	-	(23,000)
Uniform Fire Safety Act - State	14,000	13,204	(796)
Westfield	139,318	139,318	-
Shared Service Agreement - Construction Code - Elmwood Park	55,000	55,000	-
Third Party Billing - Ambulance Fees	200,000	186,760	(13,240)
Hurricane Irene Reimbursements	138,685	326,479	187,794
Total Miscellaneous Revenues	\$ 2,492,690	\$ 2,752,094	\$ 259,404
Receipts From Delinquent Taxes	\$ 275,000	\$ 339,692	\$ 64,692
Amount to be Raised by Taxation for Municipal Budget	\$ 8,636,047	\$ 8,861,245	\$ 225,198
Total Revenues	\$ 11,553,737	\$ 12,103,031	\$ 549,294
OTHER CREDITS TO INCOME			
Miscellaneous Revenues Not Anticipated	\$ -	\$ 127,326	\$ 127,326
Unexpended Balances of Appropriation Reserves	-	154,721	154,721
Interfund Loans Returned	-	1,366	1,366
Unexpended Balances Cancelled	-	49,300	49,300
Cancellations & Adjustments	-	13,742	13,742
Excess in Federal/State Grant Fund	-	21,090	21,090
Taxes Allocated to School and County:			
School Tax Levy	9,872,535	9,872,535	-
County Tax Levy	2,123,968	2,123,968	-
County Open Space	24,523	24,523	-
Added County Taxes	1,777	1,777	-
Added County Open Space	25	25	-
Total Other Credits to Income	\$ 12,022,828	\$ 12,390,373	\$ 367,545
Total Revenues and Other Credits to Income	\$ 23,576,565	\$ 24,493,404	\$ 916,839

TOWNSHIP OF ROCHELLE PARK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 Year Ended December 31, 2012

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	2012 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
OPERATIONS - WITHIN "CAPS"						
<u>General Government Functions</u>						
General Administration:						
Salaries and Wages	112,200	-	58,200	38,225	\$ 19,975	\$ -
Other Expenses	27,000	-	27,000	24,020	2,980	-
Township Committee:						
Salaries and Wages	28,000	-	28,000	27,873	327	-
Other Expenses	2,200	-	2,700	2,699	1	-
Municipal Clerk:						
Salaries and Wages	124,440	-	124,440	109,542	14,898	-
Other Expenses	22,300	-	29,300	25,470	3,830	-
Financial Administration:						
Salaries and Wages	35,700	-	41,700	41,461	239	-
Other Expenses	7,700	-	26,700	23,898	2,802	-
Audit Services:						
Other Expenses	30,000	-	33,500	31,485	2,015	-
Computerized Data Processing:						
Other Expenses	15,000	-	15,000	10,338	4,662	-
Revenue Administration:						
Salaries and Wages	60,180	-	60,180	52,113	8,067	-
Other Expenses	3,600	-	9,300	7,269	2,031	-
Tax Assessment Administration:						
Salaries and Wages	20,400	-	28,485	28,485	-	-
Other Expenses	25,000	-	10,000	1,992	8,008	-
Legal Services:						
Salaries and Wages	53,550	-	60,050	59,088	962	-
Other Expenses	40,000	-	40,000	12,811	27,189	-
Engineering Services:						
Other Expenses	7,500	-	7,500	4,280	3,220	-
<u>Land Use Administration</u>						
Planning Board:						
Salaries and Wages	4,000	-	4,080	4,080	-	-
Other Expenses	2,600	-	2,600	2,593	7	-
Zoning Board of Adjustment:						
Salaries and Wages	3,500	-	3,500	3,075	425	-
Other Expenses	3,200	-	3,200	2,062	1,138	-
<u>Insurance</u>						
Liability Insurance	173,200	-	86,833	86,833	-	-
Worker Compensation Insurance	183,800	-	183,800	183,800	-	-
Employee Group Insurance	943,048	-	1,003,324	1,003,324	-	-
Unemployment Compensation	15,000	-	15,000	53	14,947	-

TOWNSHIP OF ROCHELLE PARK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 Year Ended December 31, 2012

	Appropriated		Expended		Unexpended Balance Canceled	Overexpended
	2012 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged		
OPERATIONS - WITHIN "CAPS" (Continued)						
<u>Public Safety Functions</u>						
Police:						
Salaries and Wages	\$ 2,800,000	\$ -	\$ 2,792,200	\$ 2,677,580	\$ 54,620	\$ -
Other Expenses	85,000	-	92,803	92,803	-	-
Other Expenses (Purchase of Police Cars)	50,000	-	50,000	23,385	26,615	-
911/Police Dispatch:						
Salaries and Wages	215,000	-	170,734	162,135	8,599	-
School Crossing Guards						
Salaries and Wages	115,000	-	90,000	71,700	18,300	-
Office of Emergency Management:						
Salaries and Wages	3,100	-	3,400	3,115	285	-
Other Expenses	6,000	-	9,500	8,687	813	-
Other Expenses - Emergency	-	-	-	-	-	-
Other Expenses - Special Emergency	-	-	-	-	-	-
Aid to Volunteer Fire Companies:						
Salaries and Wages	1,500	-	1,500	-	1,500	-
Other Expenses	55,000	-	55,000	48,681	6,319	-
Aid to Volunteer Ambulance Companies:						
Salaries and Wages	71,400	-	71,400	67,345	4,055	-
Other Expenses	24,000	-	24,000	18,525	5,475	-
Other Expenses - Third Party Billing Fees	20,000	-	20,000	15,769	4,211	-
Fire Department:						
Salaries and Wages	22,000	-	39,500	38,335	1,165	-
Other Expenses	12,000	-	17,000	14,523	2,477	-
Other Expenses - Hydrants	80,000	-	81,000	80,779	221	-
Municipal Prosecutor:						
Other Expenses	8,300	-	8,300	4,819	3,481	-
<u>Public Works Functions</u>						
Streets and Road Maintenance:						
Salaries and Wages	410,000	-	410,000	349,046	60,954	-
Other Expenses	95,000	-	95,000	90,863	4,137	-
Solid Waste Collection:						
Other Expenses	225,000	-	225,100	225,001	99	-
Recycling:						
Salaries and Wages	6,116	-	6,116	6,116	-	-
Buildings and Grounds:						
Other Expenses	83,500	-	83,500	76,935	7,565	-
Vehicle Maintenance:						
Other Expenses	63,000	-	54,961	22,874	32,087	-
Other Expenses - Fire Department	22,000	-	22,000	19,497	2,503	-
<u>Health and Human Services</u>						
Public Health Services:						
Salaries and Wages	5,751	-	5,751	4,815	1,136	-
Other Expenses - Contract	19,600	-	19,600	939	18,661	-
<u>Park and Recreation Functions</u>						
Recreation Services and Programs:						
Salaries and Wages	40,000	-	40,000	32,072	7,928	-
Other Expenses	20,700	-	24,039	24,039	-	-
<u>Education Functions</u>						
Municipal Library:						
Salaries and Wages	86,700	-	86,700	82,117	4,583	-
Other Expenses	44,000	-	44,000	42,559	1,441	-
<u>Other Common Operating Functions</u>						
Celebration of Public Events:						
Other Expenses	10,000	-	11,500	10,878	622	-

TOWNSHIP OF ROCHELLE PARK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 Year Ended December 31, 2012

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	2012 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
OPERATIONS - WITHIN "CAPS" (Continued)							
<u>Utility Expenses and Bulk Purchases</u>							
Electricity	\$ 120,000	\$ -	\$ 230,000	\$ 226,104	\$ 3,896	\$ -	\$ -
Street Lighting	-	-	-	-	-	-	-
Telephone	40,000	-	49,000	48,310	690	-	-
Water	35,000	-	24,490	24,490	-	-	-
Gas (Natural or Propane)	90,000	-	17,058	17,058	-	-	-
Gasoline	100,000	-	255,000	251,652	3,348	-	-
<u>Code Enforcement Administration</u>							
Uniform Construction Code Enforcement Functions:							
Salaries and Wages	76,500	-	118,807	118,807	-	-	-
Other Expenses	5,000	-	4,762	2,999	1,763	-	-
<u>Municipal Court</u>							
Municipal Court Administration:							
Salaries and Wages	86,700	-	86,700	85,239	1,461	-	-
Other Expenses	10,000	-	10,000	6,531	3,469	-	-
Public Defender (P.L. 1997, C.256):							
Other Expenses	3,600	-	3,600	2,759	841	-	-
Total Operations - Within "CAPS"	\$ 7,209,785	\$ -	\$ 7,298,413	\$ 6,885,370	\$ 413,043	\$ -	\$ -
Detail:							
Salaries and Wages	\$ 4,381,737	\$ -	\$ 4,271,443	\$ 4,081,964	\$ 209,479	\$ -	\$ -
Other Expenses	\$ 2,828,048	\$ -	\$ 3,026,970	\$ 2,823,406	\$ 203,564	\$ -	\$ -
DEFERRED CHARGES AND STATUTORY EXPENDITURES - WITHIN "CAPS"							
<u>Deferred Charges</u>							
Overexpenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Year Bills	-	-	-	-	-	-	-
<u>Statutory Expenditures</u>							
Social Security	204,000	-	204,000	145,425	58,575	-	-
Public Employees' Retirement System	137,482	-	137,482	137,492	-	-	-
Police and Firemen's Retirement System	614,700	-	614,700	614,700	-	-	-
Total Deferred Charges and Statutory Expenditures - Mu	\$ 956,182	\$ -	\$ 956,182	\$ 897,617	\$ 58,575	\$ -	\$ -
Total General Appropriations for Municipal Purposes - Wi	\$ 8,165,977	\$ -	\$ 8,254,605	\$ 7,782,987	\$ 471,618	\$ -	\$ -

TOWNSHIP OF ROCHELLE PARK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 Year Ended December 31, 2012

	Appropriated		Expended		Unexpended		
	2012 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved	Balance Canceled	Overexpended
OPERATIONS - EXCLUDED FROM "CAPS"							
<u>Utility Expenses and Bulk Purchases</u>							
Sewer Processing and Disposal:							
Other Expenses	703,000	-	754,000	753,073	927	-	-
<u>Insurance</u>							
Employee Group Insurance	56,745	-	56,745	56,745	-	-	-
<u>Statutory Expenditures</u>							
Public Employees Retirement System	-	-	-	-	-	-	-
Police and Firemen's Retirement System	-	-	-	-	-	-	-
Volunteer Length of Service Award Program	38,100	-	38,100	-	38,100	-	-
Reserve for Tax Appeals	-	-	16,000	-	16,000	-	-
<u>Interlocal Municipal Service Agreements</u>							
Borough of Paramus - Emergency "911" Service	5,000	-	5,000	2,845	2,155	-	-
Borough of Paramus - Sanitation Services	140,000	-	40,000	24,750	15,250	-	-
Borough of Paramus - Recycling Service	170,000	-	140,000	127,200	12,800	-	-
Township of Saddle Brook - Purchase of Gasoline	70,000	-	50,000	34,645	15,355	-	-
BOE of Saddle Brook - Purchase of Gasoline	16,000	-	-	-	-	-	-
Borough of Maywood - Purchase of Gasoline	52,000	-	-	-	-	-	-
Washington TWP - Health Services	42,000	-	59,500	55,448	4,052	-	-
<u>Public and Private Programs Offset by Revenues</u>							
B.C. Community Development	-	-	-	-	-	-	-
Recycling Tonnage Grant	9,467	-	9,467	9,467	-	-	-
Clean Communities Program	7,790	-	7,790	7,790	-	-	-
Body Armor Replacement Program	2,204	-	2,204	2,204	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - State	-	-	-	-	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse - Local	-	-	-	-	-	-	-
NJ Office of Homeland Security - FY09 Buffer Zone Pr	-	-	-	-	-	-	-
BC Prosecutor - Confiscated Funds	49,298	-	49,298	-	-	49,298	-
BCUA Municipal Recycling Assistance Program	8,283	-	8,283	8,283	-	-	-
Total Operations Excluded from "CAPS"	\$ 1,389,887	\$ -	\$ 1,236,387	\$ 1,082,450	\$ 104,639	\$ 49,298	\$ -
<u>Detail:</u>							
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	\$ 1,389,887	\$ -	\$ 1,236,387	\$ 1,082,450	\$ 104,639	\$ 49,298	\$ -

TOWNSHIP OF ROCHELLE PARK
 CURRENT FUND
 SCHEDULE OF EXPENDITURES AND OTHER CHARGES TO INCOME - REGULATORY BASIS
 Year Ended December 31, 2012

	Appropriated			Expended		Unexpended Balance Canceled	Overexpended
	2012 Budget	Emergency Appropriation	Budget After Modification	Paid or Charged	Reserved		
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"							
Capital Improvement Fund	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
Down Payment on Improvements	-	-	-	-	-	-	-
Total Capital Improvements - Excluded From "CAPS"	\$ 50,000	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -
DEBT SERVICE - EXCLUDED FROM "CAPS"							
<u>Municipal Debt Service</u>							
Bond Principal	\$ 745,000	\$ -	\$ 745,000	\$ 745,000	\$ -	\$ -	\$ -
Bond Interest	212,900	-	212,900	212,900	-	-	-
Note Principal	-	-	-	-	-	-	-
Note Principal (From Reserve)	-	-	-	-	-	-	-
Note Interest (BANs)	45,600	-	46,201	46,201	-	-	-
Note Interest (SENs)	1,300	-	571	571	-	-	-
Note Interest (ENs)	100	-	100	98	-	2	-
Total Debt Service - Excluded From "CAPS"	\$ 1,004,900	\$ -	\$ 1,004,772	\$ 1,004,770	\$ -	\$ 2	\$ -
DEFERRED CHARGES - EXCLUDED FROM "CAPS"							
Emergency Authorizations	\$ 44,973	\$ -	\$ 44,973	\$ 44,973	\$ -	\$ -	\$ -
Special Emergency Authorizations (N.J.S. 40A:4-55)	155,000	-	200,000	155,000	45,000	-	-
Deferred Charges to Future Taxation - Unfunded	3,000	-	3,000	3,000	-	-	-
Prior Years Bills	-	-	-	-	-	-	-
Total Deferred Charges - Excluded From "CAPS"	\$ 202,973	\$ -	\$ 247,973	\$ 202,973	\$ 45,000	\$ -	\$ -
Rochelle Park Local School District - BPP Aid: Other Expenses	\$ 100,000	\$ -	\$ 100,000	\$ 94,321	\$ 5,679	\$ -	\$ -
Total General Appropriations - Excluded from "CAPS"	\$ 2,727,780	\$ -	\$ 2,639,132	\$ 2,434,514	\$ 155,318	\$ 49,300	\$ -
Total General Appropriations - Municipal Purposes	\$ 10,893,737	\$ -	\$ 10,893,737	\$ 10,217,501	\$ 626,936	\$ 49,300	\$ -
Reserve for Uncollected Taxes	660,000	-	660,000	660,000	-	-	-
Total General Appropriations	\$ 11,553,737	\$ -	\$ 11,553,737	\$ 10,877,501	\$ 626,936	\$ 49,300	\$ -
Adopted Budget	\$ 11,553,737	\$ -	\$ 11,553,737				
Added by N.J.S. 40A:4-87	-	-	-				
Emergency Appropriations	-	-	-				
Total	\$ 11,553,737	\$ -	\$ 11,553,737				
OTHER CHARGES TO INCOME:							
Interfund Loans Originating		\$ -	\$ -				
Shortfall in Federal/State Grant Fund		-	-	1			
Refund of Prior Year's Revenue		-	-	69,460			
Taxes Allocated to School and County:							
School Tax Levy			9,872,535	9,872,535			
County Tax Levy			2,123,968	2,123,968			
County Open Space			24,523	24,523			
Added County Taxes			1,777	1,777			
Added County Open Space			25	25			
			\$ 12,022,828	\$ 12,092,289			

**TOWNSHIP OF ROCHELLE PARK
 CURRENT FUND
 SCHEDULE OF DEFERRED SCHOOL TAXES
 Year Ended December 31, 2012**

Balance, January 1, 2012		
School Taxes Payable	\$	-
Deferred School Taxes		4,812,222
		<u>4,812,222</u>
 Levy - Calendar Year 2012		9,872,535
	\$	<u>14,684,757</u>
 School Taxes Paid	\$	9,801,331
CY 2012 Adjustment		-
		<u>9,801,331</u>
 Balance, December 31, 2012		
School Taxes Payable		71,204
Deferred School Taxes		4,812,222
		<u>4,883,426</u>
	\$	<u>14,684,757</u>
 <u>Reconciliation:</u>		
2012 Local School Levy Per Form A4F	\$	9,966,856
BPP Payment to Local School District		(94,321.00)
2012 Local School Levy Per Apportionment of Tax	\$	<u>9,872,535</u>

**TOWNSHIP OF ROCHELLE PARK
 FEDERAL AND STATE GRANT FUND
 SCHEDULE OF ASSETS, LIABILITIES AND RESERVES - REGULATORY BASIS**

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash - Current Account	\$ 120,314	\$ 37,029
Cash - DEA Account	1,807	1,795
	<u>\$ 122,121</u>	<u>\$ 38,824</u>
Intergovernmental Receivable:		
Grants Receivable	<u>\$ 48,828</u>	<u>\$ 211,377</u>
Due From TD Bank	<u>\$ -</u>	<u>\$ 120</u>
Deferred Charges:		
Overexpenditures	<u>\$ -</u>	<u>\$ -</u>
Total Assets	<u>\$ 170,949</u>	<u>\$ 250,321</u>
<u>LIABILITIES AND RESERVES</u>		
Deferred Revenue:		
Appropriated Reserves	\$ 143,935	\$ 222,577
Unappropriated Reserves	27,014	27,744
Reserve for Encumbrances	-	-
Total Liabilities and Reserves	<u>\$ 170,949</u>	<u>\$ 250,321</u>

TOWNSHIP OF ROCHELLE PARK
 FEDERAL AND STATE GRANT FUND
 SCHEDULE OF GRANTS RECEIVABLE
 Year Ended December 31, 2012

Program	Balance December 31, 2011	Revenue Realized	Received	Unappropriated Reserve Applied	Adjustments	Balance December 31, 2012
<u>Federal</u>						
NJ Office of Homeland Security	\$ 162,100	\$ -	\$ 162,100	\$ -	\$ -	\$ -
<u>State</u>						
Body Armor Replacement Program	\$ -	\$ 2,204	\$ -	\$ 2,204	\$ -	\$ -
Recycling Tonnage Grant	-	9,467	-	9,467	-	-
Clean Communities Program	-	7,790	-	7,790	-	-
Municipal Alliance	-	-	-	-	-	-
	\$ -	\$ 19,461	\$ -	\$ 19,461	\$ -	\$ -
<u>Other</u>						
BC Prosecutor Confiscated Funds	\$ 49,277	\$ 49,298	\$ 449	\$ -	\$ (49,298)	\$ 48,828
BC Municipal Recycling Assistance	-	8,283	-	8,283	-	-
	\$ 49,277	\$ 57,581	\$ 449	\$ 8,283	\$ (49,298)	\$ 48,828
	\$ 211,377	\$ 77,042	\$ 162,549	\$ 27,744	\$ (49,298)	\$ 48,828

**TOWNSHIP OF ROCHELLE PARK
FEDERAL AND STATE GRANT FUND
SCHEDULE OF APPROPRIATED RESERVES
Year Ended December 31, 2012**

Program	Balance December 31, 2011	Budget	Paid or Charged	Adjustments	Balance December 31, 2012
Federal					
DEA Funds	\$ 1,937	\$ -	\$ -	\$ (129)	\$ 1,808
NJ Office of Homeland Security	101,396	-	80,327	(21,069)	-
	<u>\$ 103,333</u>	<u>\$ -</u>	<u>\$ 80,327</u>	<u>\$ (21,198)</u>	<u>\$ 1,808</u>
State					
Recycling Tonnage Grant	\$ 22,854	\$ 9,467	\$ -	\$ -	\$ 32,321
Drunk Driving Enforcement Fund	17,721	-	-	-	17,721
Clean Communities Program	24,535	7,790	2,829	-	29,496
Body Armor Replacement Program	-	2,204	1,584	-	620
Municipal Alliance - State	-	-	-	-	-
Municipal Alliance - Local	-	-	-	-	-
	<u>\$ 65,110</u>	<u>\$ 19,461</u>	<u>\$ 4,413</u>	<u>\$ -</u>	<u>\$ 80,158</u>
Other					
BC Prosecutor Confiscated Funds	\$ 49,276	\$ 49,298	\$ 448	\$ (49,298)	\$ 48,828
BCUA Municipal Recycling Assistance Program	4,858	8,283	-	-	13,141
	<u>\$ 54,134</u>	<u>\$ 57,581</u>	<u>\$ 448</u>	<u>\$ (49,298)</u>	<u>\$ 61,969</u>
	<u>\$ 222,577</u>	<u>\$ 77,042</u>	<u>\$ 85,188</u>	<u>\$ (70,496)</u>	<u>\$ 143,935</u>

TOWNSHIP OF ROCHELLE PARK
 FEDERAL AND STATE GRANT FUND
 SCHEDULE OF UNAPPROPRIATED RESERVES
 Year Ended December 31, 2012

Program	Balance December 31, 2011	Appropriated in 2012	Received in 2012	Adjustments	Balance December 31, 2012
<u>State</u>					
Recycling Tonnage Grant	\$ 9,467	\$ 9,467	\$ 8,645	\$ -	\$ 8,645
Clean Communities Program	7,790	7,790	7,663	-	7,663
Drunk Driving Enforcement Fund	-	-	8,455	-	8,455
Body Armor Replacement Program	2,204	2,204	2,251	-	2,251
BCUA Municipal Recycling Assistance Program	8,283	8,283	-	-	-
	<u>\$ 27,744</u>	<u>\$ 27,744</u>	<u>\$ 27,014</u>	<u>\$ -</u>	<u>\$ 27,014</u>

**TOWNSHIP OF ROCHELLE PARK
TRUST FUND
SCHEDULE OF ASSETS, LIABILITIES AND RESERVES - REGULATORY BASIS**

	2012	2011
<u>ASSETS</u>		
Cash:		
P.A.T.F. I Account	\$ -	\$ -
P.A.T.F. II Account	-	-
Animal Control Account	8,379	6,322
Trust & Escrow Account	524,065	503,786
COAH Account	506,967	503,964
Prescription Benefit Account	31,833	22,023
Payroll Account	35	1,706
	<u>\$ 1,071,279</u>	<u>\$ 1,037,801</u>
Deferred Compensation Plan Assets:		
Lincoln Financial Group	357,530	307,441
	<u>\$ 357,530</u>	<u>\$ 307,441</u>
Interfund Receivable:		
Current Fund - (Animal Control Trust)	\$ 1,962	\$ 1,962
Current Fund - (Developer's Escrow Trust)	544	-
	<u>\$ 2,506</u>	<u>\$ 1,962</u>
Other Receivable:		
Due From Community Bank Prescription Benefit Trust)	\$ 15	\$ -
	<u>\$ 15</u>	<u>\$ -</u>
Total Assets	<u>\$ 1,431,330</u>	<u>\$ 1,347,204</u>
<u>LIABILITIES AND RESERVES</u>		
Interfunds Payable:		
Current Fund - (Developer's Escrow Trust)	\$ 272	\$ 1,548
	<u>\$ 272</u>	<u>\$ 1,548</u>
Other Liabilities and Reserves:		
Net Payroll & Deductions Payable	\$ 35	\$ 1,706
Reserve for Animal Control Expenditures	10,341	8,284
Reserve for Trust & Escrow Deposits (NJSA 40:55D-53.1)	524,337	502,238
Reserve for Developer Fees - Housing Trust Funds (P.L. 1985, c.222)	506,967	503,964
Reserve for Self Insurance Programs (NJSA 40A:10-1 et seq.)	31,848	22,023
Reserve for Deferred Compensation	357,530	307,441
	<u>\$ 1,431,058</u>	<u>\$ 1,345,656</u>
Total Liabilities and Reserves	<u>\$ 1,431,330</u>	<u>\$ 1,347,204</u>

TOWNSHIP OF ROCHELLE PARK
 TRUST FUND
 SCHEDULE OF NET PAYROLL AND WITHHOLDINGS PAYABLE
 Year Ended December 31, 2012

	Balance December 31, 2011	Prior Period Adjustment	Receipts	Disbursements	Balance December 31, 2012
Employer:					
FICA	\$ -	\$ -	\$ 145,425	\$ 145,425	\$ -
Refunds	-	-	-	-	-
PERS Liability	-	-	-	-	-
PFRS Liability	-	-	-	-	-
Unidentified	1,706	(1,671)	-	-	35
	<u>\$ 1,706</u>	<u>\$ (1,671)</u>	<u>\$ 145,425</u>	<u>\$ 145,425</u>	<u>\$ 35</u>
Employee:					
FICA	\$ -	\$ -	\$ 114,970	\$ 114,970	\$ -
Federal Withholding Tax	-	-	645,697	645,697	-
State Income Tax	-	-	177,963	177,963	-
State UI	-	-	6,562	6,562	-
PERS	-	-	69,637	69,637	-
PFRS	-	-	238,964	238,964	-
Contributory Insurance	-	-	5,081	5,081	-
Loans	-	-	77,890	77,890	-
Back Pension	-	-	1,987	1,987	-
Arrears	-	-	2,641	2,641	-
Dues	-	-	2,823	2,823	-
Garnishee/Family Leave	-	-	1,240	1,240	-
Back Contributory Insurance	-	-	449	449	-
Deferred Compensation	-	-	104,700	104,700	-
Credit Union	-	-	-	-	-
Pension Shortage	-	-	-	-	-
Colonial Post-Tax	-	-	2,085	2,085	-
Colonial Pre-Tax	-	-	1,366	1,366	-
RP Superior	-	-	2,801	2,801	-
RP Officers	-	-	4,432	4,432	-
Vision	-	-	315	315	-
Health/Voluntary Contribution	-	-	47,233	47,233	-
Net Checks	-	-	2,776,005	2,776,005	-
Unidentified	-	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,284,841</u>	<u>\$ 4,284,841</u>	<u>\$ -</u>
Grand Totals	<u>\$ 1,706</u>	<u>\$ (1,671)</u>	<u>\$ 4,430,266</u>	<u>\$ 4,430,266</u>	<u>\$ 35</u>

**TOWNSHIP OF ROCHELLE PARK
 TRUST FUND
 SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
 Year Ended December 31, 2012**

Balance, December 31, 2011	\$	8,284
Increased by:		
Municipal Dog License Fees Collected		3,814
Interest Earned		15
		<u>\$ 12,113</u>
Decreased by:		
Dog Fund Expenditures	\$	1,772
Statutory Excess Due to Current Fund		<u>-</u>
		1,772
Balance, December 31, 2012		<u><u>\$ 10,341</u></u>

License Fees Collected

2010	2,637
2011	3,494
	<u><u>\$ 6,131</u></u>

**TOWNSHIP OF ROCHELLE PARK
TRUST FUND
SCHEDULE OF RESERVE FOR TRUST & ESCROW DEPOSITS
Year Ended December 31, 2012**

Balance, December 31, 2011	\$ 502,238
Increased by:	
Trust and Escrow Deposits	276,176
	<hr/>
	\$ 778,414
Decreased by:	
Disbursements	254,077
Balance, December 31, 2012	<hr/> <hr/>
	\$ 524,337

**TOWNSHIP OF ROCHELLE PARK
TRUST FUND
SCHEDULE OF RESERVE FOR COAH EXPENDITURES
Year Ended December 31, 2012**

Balance, December 31, 2011		\$	503,964
Increased by:			
Development Fees	\$	-	
Refunds		-	
Payments in Lieu of Construction		-	
Other Income		-	
Interest Earned		3,713	
			<u>3,713</u>
Decreased by:			
Housing Activity:			
Accessory Apartments	\$	-	
Alternate Living Arrangements		-	
Buy Down		-	
Debt/Bond Payments		-	
ECHO		-	
Land Purchase		-	
New Construction		-	
Partnership Program		-	
Purchase of Existing Units		-	
Regional Contribution Agreements		-	
Rehabilitation		-	
Rental Program		-	
Affordability Assistance:			
Homeownership Assistance		-	
Rental Assistance		-	
Administrative:			
Consulting Fees		710	
Legal Fees		-	
Office Supplies		-	
Other Administrative Costs		-	
Personnel		-	
Other		-	
			<u>710</u>
Balance, December 31, 2012		\$	<u>506,967</u>

**TOWNSHIP OF ROCHELLE PARK
TRUST FUND
SCHEDULE OF RESERVE FOR DEFERRED COMPENSATION PLAN
Year Ended December 31, 2012**

Balance, December 31, 2011		\$	307,441	
Increased by:				
Township Contribution	\$	24,000		
Earnings and Adjustments to Market Value		<u>35,117</u>		
				<u>59,117</u>
				366,558
Decreased by:				
Payments to Eligible Employees	\$	7,122		
Charges and Credits		<u>1,906</u>		
				9,028
Balance, December 31, 2012			\$	<u><u>357,530</u></u>

**TOWNSHIP OF ROCHELLE PARK
GENERAL CAPITAL FUND
SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCE - REGULATORY BASIS**

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash:		
General Capital Account	\$ 1,344,910	\$ 2,074,149
Community Development Account	1	1
	<u>\$ 1,344,911</u>	<u>\$ 2,074,150</u>
Interfunds Receivable:		
Current Fund	\$ 453,000	\$ 172,157
Intergovernmental Receivable:		
Grants Receivable	\$ 204,161	\$ 204,161
Deferred Charges:		
Funded	\$ 10,075,000	\$ 2,795,000
Unfunded	1,483,200	8,028,000
	<u>\$ 11,558,200</u>	<u>\$ 10,823,000</u>
Total Assets	<u>\$ 13,560,272</u>	<u>\$ 13,273,468</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Accounts/Contracts Payable	\$ 684,976	\$ 752,147
Interfunds Payable:		
Current Fund	\$ 1,586	\$ 1,676
Other Liabilities and Reserves:		
Capital Improvement Fund	\$ -	\$ -
Reserve for Payment of Debt Service	21,000	-
	<u>\$ 21,000</u>	<u>\$ -</u>
Improvement Authorizations:		
Funded	\$ 1,462,086	\$ 91,431
Unfunded	1,204,479	1,498,165
	<u>\$ 2,666,565</u>	<u>\$ 1,589,596</u>
Serial Bonds Payable	\$ 10,075,000	\$ 2,795,000
Bond Anticipation Notes Payable	\$ -	\$ 8,028,000
Fund Balance	\$ 111,145	\$ 107,049
Total Liabilities and Reserves	<u>\$ 13,560,272</u>	<u>\$ 13,273,468</u>

TOWNSHIP OF ROCHELLE PARK
GENERAL CAPITAL FUND
ANALYSIS OF CASH
Year Ended December 31, 2012

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	Balance		Receipts			Disbursements			Transfers		Balance December 31, 2012	
	December 31, 2011	\$	BANS/Bonds	Budget Appropriation	Other	BANS	Improvement Authorizations	Against 2011 Encumbrances	Other	From To		
										\$		\$
Capital Improvement Fund												
Contra												
Due from Current Fund	(172,157)			50,000						50,000		
Reserve for Debt Service					172,157				450,000	3,000	(453,000)	
Due to Current Fund					237,800					216,800	21,000	
Accounts/Contracts Payable	1,876				23,118				23,208		1,586	
Fund Balance	107,049				4,096						111,145	
Improvement Authorizations												
#851-02 Various Public Improvements			330,000			330,000						
#885-03 Various Public Improvements			238,500			238,500						
#895-03 Sprout Brook Dredging Soft Costs	2,346										2,346	
#907-04/#940-06 Various Public Improvements			558,000			558,000						
#929-05 Various Public Improvements			488,000			488,000						
#936-05 Improvements to Firehouse (Supplemental)			33,500			33,500						
#942-06 Resurfacing of Grove Avenue			18,000			18,000						
#943-06 Resurfacing of Oldis Street			8,000			8,000						
#946-06 Design/Engineer DPW Complex			40,500			40,500						
#950-06 Various Public Improvements	31		540,000			540,000					31	
#957-06 Sanitary Sewer Main			319,500			319,500						
#966-07 Carlock Field Improvements	32,973		132,000			132,000	21,560				11,413	
#975-07 Various Public Improvements	14,494		348,000			348,000	3,173				11,321	
#991-08/#994-08 Various Public Improvements	129,042		2,091,000			2,094,000	1,553			3,000	127,489	
#999-08 Chestnut & Lincoln Improvements	(30,858)		50,000			50,000					(30,858)	
#1006-09 Various Public Improvements	340,893		570,000			570,000	20,992				319,901	
#1014-09 Resurfacing of West Oldis Street	(6,841)		35,000			35,000	809				(7,450)	
#1021-10 Various Public Improvements	333,351		785,000			785,000	9,420	32,595			291,336	
#1028-11 Resurface High Street	39,085		50,000			50,000	10,957				28,128	
#1037-11 Various Public Improvements	1,282,866		1,380,000			1,380,000	266,918				976,801	
#1049-12 Various Public Improvements							328,721			50,000	(278,721)	
#1054-12 Reconstruct/Improve Carlock Field							4,357				212,443	
	\$ 2,074,150	\$ 8,025,000	\$ 50,000	\$ 437,171	\$ 8,028,000	\$ 668,460	\$ 71,742	\$ 473,208	\$ 269,800	\$ 269,800	\$ 1,344,911	

TOWNSHIP OF ROCHELLE PARK
 GENERAL CAPITAL FUND
 SCHEDULE OF GRANTS RECEIVABLE
 Year Ended December 31, 2012

Improvement Description	Balance December 31, 2011	Improvement Authorized	Cash Received	Cancellations & Adjustments	Balance December 31, 2012
Federal:					
Department of Transportation – Passed Thru the State of N.J. Department of Transportation:					
#999-09	\$ 53,107	\$ -	\$ -	\$ -	\$ 53,107
#1014-09	51,054	-	-	-	51,054
#1028-11	100,000	-	-	-	100,000
Total Grants Receivable	\$ 204,161	\$ -	\$ -	\$ -	\$ 204,161

TOWNSHIP OF ROCHELLE PARK
 GENERAL CAPITAL FUND
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
 Year Ended December 31, 2012

Date of Issue - Purpose	Total Amount of Issue	Balance December 31, 2011	Issued In 2012	Paid by Budget Appropriation	Balance December 31, 2012
07/15/01 General Improvement Bonds	\$ 5,560,000	\$ 2,795,000	\$ -	\$ 395,000	\$ 2,400,000
02/15/12 General Improvement Bonds	8,025,000	-	8,025,000	350,000	7,675,000
		<u>\$ 2,795,000</u>	<u>\$ 8,025,000</u>	<u>\$ 745,000</u>	<u>\$ 10,075,000</u>

TOWNSHIP OF ROCHELLE PARK
 GENERAL CAPITAL FUND
 SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
 Year Ended December 31, 2012

Improvement	Balance December 31, 2011	Authorized	BANS Paid By Budget	2/15/12 Serial Bond Issuance	Grant Receipts Applied	Balance December 31, 2012	Analysis of Balance	
							Outstanding BANS	Authorized But Not Issued
#851-02 Various Public Improvements	\$ 330,000	\$ -	\$ -	330,000	\$ -	\$ -	-	\$ -
#885-03 Various Public Improvements	238,500	-	-	238,500	-	-	-	-
#907-04/#940-06 Various Public Improvements	558,000	-	-	558,000	-	-	-	-
#929-05 Various Public Improvements	498,000	-	-	498,000	-	-	-	-
#936-05 Improvements to Firehouse (Suppl.)	33,500	-	-	33,500	-	-	-	-
#942-06 Resurfacing of Grove Avenue	18,000	-	-	18,000	-	-	-	-
#943-06 Resurfacing of Oldis Street	8,000	-	-	8,000	-	-	-	-
#946-06 Design/Engineer DPW Complex	40,500	-	-	40,500	-	-	-	-
#950-06 Various Public Improvements	540,000	-	-	540,000	-	-	-	-
#957-06 Sanitary Sewer Main	319,500	-	-	319,500	-	-	-	-
#966-07 Carlock Field Improvements	132,000	-	-	132,000	-	-	-	-
#975-07 Various Public Improvements	348,000	-	-	348,000	-	-	-	-
#991-08 Various Public Improvements	2,094,000	-	3,000	2,091,000	-	-	-	-
#999-09 Chestnut & Lincoln Improvements	50,000	-	-	50,000	-	-	-	-
#1006-09 Various Public Improvements	570,000	-	-	570,000	-	-	-	-
#1014-09 Resurfacing of West Oldis Street	35,000	-	-	35,000	-	-	-	-
#1021-10 Various Public Improvements	785,000	-	-	785,000	-	-	-	-
#1028-11 Resurface High Street	50,000	-	-	50,000	-	-	-	-
#1037-11 Various Public Improvements	1,380,000	-	-	1,380,000	-	-	-	-
#1049-12 Various Public Improvements	-	950,000	-	-	-	950,000	-	950,000
#1054-12 Reconstruct/Improve Carlock Field	-	533,200	-	-	-	533,200	-	533,200
	\$ 8,028,000	\$ 1,483,200	\$ 3,000	\$ 8,025,000	\$ -	\$ 1,483,200	\$ -	\$ 1,483,200

TOWNSHIP OF ROCHELLE PARK
 GENERAL CAPITAL FUND
 SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
 Year Ended December 31, 2012

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Improvement Description	Ordinance Date	Amount	Balance December 31, 2011		Capital Improvement Fund	Down Payment On Capital Improvements	Bonds & Notes Authorized	Grants/ Other	Paid or Charged		Refunds Cancellations and Adjustments	Balance December 31, 2012	
			Funded	Unfunded					Cash Disbursed	Encumbered		Funded	Unfunded
#895-03 Sprout Brook Dredging Soft Costs	10/15/03	\$ 50,000	2,346	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,346	\$ -
#950-06 Various Public Improvements	07/19/06	665,000	-	31	-	-	-	-	-	-	-	31	-
#868-07 Carlock Field Improvements	05/16/07	350,000	-	32,973	-	-	-	-	21,560	-	-	11,413	-
#975-07 Various Public Improvements	10/17/07	385,000	-	14,494	-	-	-	-	3,173	-	-	11,321	-
#891-08#894-08 Various Public Improvements	10/15/08	2,200,000	-	129,042	-	-	-	-	1,563	-	-	127,489	-
#699-09 Chestnut & Lincoln Improvements	03/18/09	225,000	-	22,249	-	-	-	-	-	-	-	22,249	-
#1006-09 Various Public Improvements	06/17/09	600,000	-	340,893	-	-	-	-	20,982	-	-	315,330	-
#1014-09 Resurfacing of West Oldis Street	12/16/09	135,000	-	44,413	-	-	-	-	809	-	-	43,604	-
#1021-10 Various Public Improvements	06/18/10	825,000	-	300,756	-	-	-	-	9,420	-	-	291,336	-
#1028-11 Resurface High Street	02/16/11	150,000	88,085	50,000	-	-	-	-	10,957	-	-	128,128	-
#1037-11 Various Public Improvements	06/21/11	1,450,000	-	553,314	50,000	-	-	-	266,918	-	-	236,396	-
#1048-12 Various Public Improvements	03/23/12	1,000,000	-	-	-	-	950,000	-	328,721	-	-	-	671,279
#1054-12 Reconstruct/Improve Carlock Field	10/17/12	750,000	-	-	-	-	533,200	216,800	4,357	-	-	212,443	533,200
			\$ 91,431	\$ 1,498,165	\$ 50,000	\$ -	\$ 1,483,200	\$ 216,800	\$ 688,460	\$ 4,571	\$ -	\$ 1,462,086	\$ 1,204,479

**TOWNSHIP OF ROCHELLE PARK
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
Year Ended December 31, 2012**

<u>Date of Issue - Purpose</u>	<u>Interest Rate</u>	<u>Total Amount of Issue</u>	<u>Balance December 31, 2011</u>	<u>Issued In 2012</u>	<u>Paid by Budget Appropriation</u>	<u>Balance December 31, 2012</u>
07/15/01 General Improvement Bonds	Multiple Rate	5,560,000	2,795,000	-	395,000	\$ 2,400,000
02/15/12 General Improvement Bonds	Multiple Rate	8,025,000	-	8,025,000	350,000	7,675,000
			<u>\$ 2,795,000</u>	<u>\$ 8,025,000</u>	<u>\$ 745,000</u>	<u>\$ 10,075,000</u>

**TOWNSHIP OF ROCHELLE PARK
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
Year Ended December 31, 2012**

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No. 11-1R	Improvement Description	Amount of Original Note	Date of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2011	Issued	(Serial Bonds Issued) Decreased	Paydown	Balance December 31, 2012
#851-02	Various Public Improvements	\$ 454,843	06/30/05	06/24/11	02/15/12	1.040%	\$ 330,000	\$ -	\$ 330,000	\$ -	\$ -
#885-03	Various Public Improvements	292,000	06/30/05	06/24/11	02/15/12	1.040%	238,500	-	238,500	-	-
#907-04	#940-06 Various Public Impts	733,157	06/30/05	06/24/11	02/15/12	1.040%	558,000	-	558,000	-	-
#929-05	Various Public Improvements	618,000	08/09/05	06/24/11	02/15/12	1.040%	498,000	-	498,000	-	-
#936-05	Barrier Free Firehouse	38,000	06/29/07	06/24/11	02/15/12	1.040%	33,500	-	33,500	-	-
#942-06	Resurfacing Grove Avenue	57,000	06/29/07	06/24/11	02/15/12	1.040%	18,000	-	18,000	-	-
#943-06	Resurfacing Oldis Street	57,000	06/29/07	06/24/11	02/15/12	1.040%	8,000	-	8,000	-	-
#946-06	New DPW Complex	47,600	06/29/07	06/24/11	02/15/12	1.040%	40,500	-	40,500	-	-
#950-06	Acquisition of New Fire Truck	633,000	06/29/07	06/24/11	02/15/12	1.040%	540,000	-	540,000	-	-
#957-06	Sanitary Sewer Main	333,000	12/14/06	06/24/11	02/15/12	1.040%	319,500	-	319,500	-	-
#966-07	Carlock Field Improvements	333,000	06/27/08	06/24/11	02/15/12	1.040%	132,000	-	132,000	-	-
#975-07	Various Public Improvements	366,000	06/27/08	06/24/11	02/15/12	1.040%	348,000	-	348,000	-	-
#991-08	Various Public Improvements	2,094,000	06/26/09	06/24/11	02/15/12	1.040%	2,094,000	-	2,091,000	3,000	-
#999-09	Chestnut & Lincoln Improvements	50,000	06/25/10	06/24/11	02/15/12	1.040%	50,000	-	50,000	-	-
#1006-09	Various Public Improvements	570,000	06/25/10	06/24/11	02/15/12	1.040%	570,000	-	570,000	-	-
#1014-09	Resurfacing of West Oldis Street	35,000	06/25/10	06/24/11	02/15/12	1.040%	35,000	-	35,000	-	-
#1021-10	Various Public Improvements	785,000	06/24/11	06/24/11	02/15/12	1.040%	785,000	-	785,000	-	-
							\$ 6,598,000	\$ -	\$ 6,595,000	\$ 3,000	\$ -
No. 11-1											
#1028-11	Resurface High Street	50,000	12/01/11	12/01/11	02/15/12	0.500%	50,000	-	50,000	-	-
#1037-11	Various Public Improvements	1,380,000	12/01/11	12/01/11	02/15/12	0.500%	1,380,000	-	1,380,000	-	-
							\$ 1,430,000	\$ -	\$ 1,430,000	\$ -	\$ -
							\$ 8,028,000	\$ -	\$ 8,025,000	\$ 3,000	\$ -

**TOWNSHIP OF ROCHELLE PARK
 GENERAL CAPITAL FUND
 SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
 Year Ended December 31, 2012**

Improvement Description	Balance December 31, 2011	Authorized	Issued	Other	Balance December 31, 2012
#1049-12 Various Public Improvements	-	950,000	-	-	950,000
#1054-12 Reconstruct/Improve Carlock Field	-	533,200	-	-	533,200
	<u>\$ -</u>	<u>\$ 1,483,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,483,200</u>

Raised in Current Budget \$ -

**TOWNSHIP OF ROCHELLE PARK
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Balance, December 31, 2011	\$ -	\$ -	\$ -
2012 Budget Appropriation	50,000	-	50,000
Appropriated to Finance Improvement Authorization #1037-11 Various Public Impts	-	(50,000)	-
Balance, December 31, 2012	-	-	-

**TOWNSHIP OF ROCHELLE PARK
 GENERAL FIXED ASSET ACCOUNT GROUP
 SCHEDULE OF ASSETS AND FUND BALANCE - REGULATORY BASIS**

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Land	\$ 1,997,800	\$ 1,997,800
Buildings and Improvements	3,952,000	3,952,000
Equipment	931,550	918,550
Vehicles	2,407,524	2,104,000
	<u>\$ 9,288,874</u>	<u>\$ 8,972,350</u>
 <u>FUND BALANCE</u>		
Reserve for Investment in General Fixed Assets	<u>\$ 9,288,874</u>	<u>\$ 8,972,350</u>

**TOWNSHIP OF ROCHELLE PARK
 GENERAL FIXED ASSET ACCOUNT GROUP
 SCHEDULE OF CHANGES IN RESERVE FOR GENERAL FIXED ASSETS
 Year Ended December 31, 2012**

	Balance December 31, 2011	Additions	Retirements	Adjustments	Balance December 31, 2012
Land	\$ 1,997,800	\$ -	\$ -	\$ -	\$ 1,997,800
Buildings and Improvements	3,952,000	-	-	-	3,952,000
Equipment	918,550	13,000	-	-	931,550
Vehicles	2,104,000	303,524	-	-	2,407,524
	<u>\$ 8,972,350</u>	<u>\$ 316,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,288,874</u>

TOWNSHIP OF ROCHELLE PARK
NJ Comprehensive Annual Financial Report
Statistical Section

TOWNSHIP OF ROCHELLE PARK
Adopted Budgets
(Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
CURRENT FUND										
REVENUES										
Fund Balance	\$ 150,000	\$ 250,000	\$ 500,000	\$ 650,000	\$ 650,000	\$ 750,000	\$ 600,000	\$ 450,000	\$ 600,000	\$ 600,000
Miscellaneous Revenues	2,492,690	2,488,496	2,217,104	2,122,987	2,452,724	2,557,041	2,278,670	2,267,420	2,056,616	2,068,960
Receipts From Delinquent Taxes	275,000	275,000	275,000	350,000	350,000	200,000	100,000	175,000	279,000	188,000
Amount to be Raised by Taxation	8,636,047	8,386,399	8,149,504	7,466,000	7,204,070	6,794,598	6,280,447	5,852,866	5,529,906	5,025,908
Total Revenues	\$ 11,553,737	\$ 11,399,895	\$ 11,141,608	\$ 10,588,987	\$ 10,656,794	\$ 10,301,639	\$ 9,259,117	\$ 8,745,286	\$ 8,465,522	\$ 7,852,868

APPROPRIATIONS

Within "CAPS":

Operations:										
Salaries and Wages	\$ 4,381,737	\$ 4,436,786	\$ 4,301,836	\$ 4,249,057	\$ 4,231,400	\$ 4,153,200	\$ 3,800,000	\$ 3,556,395	\$ 3,384,820	\$ 3,270,351
Other Expenses	2,828,048	2,642,136	2,695,094	2,715,280	2,879,025	2,911,581	1,528,200	1,484,300	1,243,046	2,237,101
Deferred Charges and Statutory Expenditures	956,192	1,024,539	827,037	796,379	178,500	237,238	135,390	130,000	203,785	181,454
Judgments	-	-	-	-	-	-	-	-	-	-
Excluded From "CAPS":										
Operations:										
Salaries and Wages	-	-	-	-	-	-	84,500	81,500	208,400	195,800
Other Expenses	1,369,887	1,263,311	1,480,486	1,233,354	1,709,712	1,569,794	2,387,625	2,183,048	2,129,979	887,419
Capital Improvements	50,000	35,000	30,000	30,000	110,000	40,000	45,000	32,500	20,000	27,000
Municipal Debt Service	1,004,900	1,190,956	1,007,756	988,711	990,237	922,256	842,894	805,406	782,506	887,131
Transferred to Local Board of Ed	100,000	103,167	95,399	136,000	135,399	180,557	177,314	181,273	-	-
Deferred Charges	202,973	44,000	44,000	9,000	-	11,900	30,840	55,843	105,000	30,000
Reserve for Uncollected Taxes	660,000	660,000	660,000	431,206	422,521	275,113	227,354	235,021	387,986	136,612
Total Appropriations	\$ 11,553,737	\$ 11,399,895	\$ 11,141,608	\$ 10,588,987	\$ 10,656,794	\$ 10,301,639	\$ 9,259,117	\$ 8,745,286	\$ 8,465,522	\$ 7,852,868

Source: Municipal Records

TOWNSHIP OF ROCHELLE PARK
Fund Balance Summaries
(Unaudited)

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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<u>CURRENT FUND</u>										
Fund Balance, Beginning	\$ 1,885,813	\$ 647,751	\$ 871,219	\$ 1,516,360	\$ 1,144,879	\$ 1,827,748	\$ 1,889,226	\$ 1,689,476	\$ 1,729,201	\$ 2,247,206
Generated Current Year	847,378	1,488,062	276,532	4,859	1,021,481	67,131	538,522	649,750	560,275	81,995
Utilized Current Year	(150,000)	(250,000)	(500,000)	(650,000)	(650,000)	(750,000)	(600,000)	(450,000)	(600,000)	(600,000)
Fund Balance, Ending	\$ 2,583,191	\$ 1,885,813	\$ 647,751	\$ 871,219	\$ 1,516,360	\$ 1,144,879	\$ 1,827,748	\$ 1,889,226	\$ 1,689,476	\$ 1,729,201

Source: Municipal Records

TOWNSHIP OF ROCHELLE PARK
Tax Levy and Collection Data
(Unaudited)

J-3

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
CURRENT YEAR % COLLECTION RATES										
Current Tax Levy	\$ 20,624,379	\$ 20,213,345	\$ 19,593,820	\$ 18,392,124	\$ 18,279,830	\$ 17,661,990	\$ 16,959,198	\$ 15,155,978	\$ 14,921,037	\$ 14,167,596
Current Collections	\$ 20,224,072	\$ 19,833,528	\$ 19,172,419	\$ 17,759,827	\$ 17,377,294	\$ 17,245,107	\$ 16,561,718	\$ 15,022,193	\$ 14,693,423	\$ 13,801,689
Percentage of Collections	98.06%	98.12%	97.85%	96.56%	95.05%	97.64%	97.66%	99.12%	98.47%	97.42%

DELINQUENT TAX %

Delinquent Taxes	\$ 405,935	\$ 341,906	\$ 421,401	\$ 276,903	\$ 194,408	\$ 412,508	\$ 400,432	\$ 159,134	\$ 186,349	\$ 295,317
Tax Title Liens	-	-	-	-	-	-	-	-	-	3,947
Total Delinquent	\$ 405,935	\$ 341,906	\$ 421,401	\$ 276,903	\$ 194,408	\$ 412,508	\$ 400,432	\$ 159,134	\$ 186,349	\$ 299,264
Tax Levy	\$ 20,624,379	\$ 20,213,345	\$ 19,593,820	\$ 18,392,124	\$ 18,279,830	\$ 17,661,990	\$ 16,959,198	\$ 15,155,978	\$ 14,921,037	\$ 14,167,596
Percentage of Tax Levy	1.97%	1.69%	2.15%	1.51%	1.06%	2.34%	2.36%	1.05%	1.25%	2.11%

PROPERTY ACQUIRED BY MUNICIPALITY FOR NON-PAYMENT OF TAXES

Recorded at - Assessed Valuation	\$ -	\$ -	\$ 7,079	\$ 7,079	\$ 7,079	\$ 7,079	\$ 7,079	\$ 7,079	\$ 5,850	\$ 5,850
Number of Properties	-	-	1	1	1	1	1	1	1	1

Source: Municipal Records

**TOWNSHIP OF ROCHELLE PARK
 Ten Largest Taxpayers by Assessment
 (Unaudited)**

Taxpayer	2012 Assessed Valuation	As a Percent of 2012 Total Net Valuations \$ 1,003,288,740
1 Mack-Cali Realty LP	\$ 30,797,200	3.07%
2 Verizon (3 Properties)	24,940,711	2.49%
3 Rochelle Park Holding LLC	19,468,800	1.94%
4 395 W Passaic LLC	16,718,200	1.67%
5 SAC Realty LLC	15,479,700	1.54%
6 Rte 17 Invest LLC	15,466,800	1.54%
7 Coolidge Park 17 LLC	14,875,500	1.48%
8 Rochelle Park Jt Vent. c/o Mandelbaum	12,676,500	1.26%
9 Sims Associates c/o S. Goldsmith	11,370,900	1.13%
10 Sherebrooke Holding Company	10,267,700	1.02%
	<u>\$ 172,062,011</u>	17.15%

Source: Municipal Records

TOWNSHIP OF ROCHELLE PARK
Assessment and County Equalized
Valuation Data
(Unaudited)

J-5

Description	2012		2011		2010*		2009		2008	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
NET VALUATIONS TAXABLE										
Vacant Land	32	\$ 5,374,000	34	\$ 5,803,900	40	\$ 11,715,400	61	\$ 8,998,700	62	\$ 8,761,001
Residential	1810	603,442,100	1809	604,321,800	1808	604,811,200	1804	418,915,200	1801	416,907,900
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	132	314,727,200	131	315,635,400	131	315,071,900	127	192,045,320	127	211,950,500
Industrial	22	32,247,600	22	32,392,800	22	32,392,800	22	22,993,300	23	23,848,800
Apartments	4	20,821,200	4	20,821,200	4	20,821,200	5	23,899,100	5	23,899,100
Sub-Total	2000	976,612,100	2000	978,975,100	2005	984,812,500	2019	666,851,620	2018	685,367,301
Personal Property		26,451,640		24,940,711		27,395,337		14,984,048		17,560,579
Railroad		225,000		225,000		225,000		225,000		225,000
Net Valuations Taxable		1,003,288,740		1,004,140,811		1,012,432,837		682,060,668		703,152,880
Bergen County Equalization Adjustment		(22,158,749)		66,481,509		76,806,752		451,813,228		437,007,805
Bergen County Equalized Valuations		\$ 981,129,991		\$ 1,070,622,320		\$ 1,089,239,589		\$ 1,133,873,896		\$ 1,140,160,685
County Equalization Ratio		102.86%		94.11%		93.28%		59.93%		61.37%
Average Improved Residential Assessment		\$ 333,393		\$ 334,064		\$ 334,519		\$ 232,215		\$ 231,487

*Revaluation Year

Source: Municipal Records; Abstract of Ratables, County of Bergen District Summaries

TOWNSHIP OF ROCHELLE PARK
Assessment and County Equalized
Valuation Data
(Unaudited)

J-5

Description	2007		2006		2005		2004		2003	
	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value	# of Parcels	Value
NET VALUATIONS TAXABLE										
Vacant Land	53	\$ 8,087,901	135	\$ 12,977,700	57	\$ 9,564,400	60	\$ 10,046,800	62	\$ 10,116,700
Residential	1802	415,706,800	1720	391,636,200	1721	391,230,600	1723	391,040,200	1726	375,882,400
Farm (Regular)	0	-	0	-	0	-	0	-	0	-
Farm (Qualified)	0	-	0	-	0	-	0	-	0	-
Commercial	127	216,896,300	129	221,900,500	130	221,611,800	130	222,469,000	131	221,022,700
Industrial	23	24,498,800	23	24,498,800	23	24,498,800	23	25,616,100	23	26,308,600
Apartments	5	23,899,100	4	21,730,100	4	21,730,100	4	21,730,100	4	21,830,100
Sub-Total	2010	689,088,901	2011	672,743,300	1935	688,635,700	1940	670,902,200	1946	655,160,500
Personal Property		17,789,752		20,322,987		25,603,194		25,730,836		27,745,594
Railroad		225,000		225,000		225,000		225,000		225,000
Net Valuations Taxable		<u>707,103,653</u>		<u>693,291,287</u>		<u>694,463,894</u>		<u>696,858,036</u>		<u>683,131,094</u>
Bergen County Equalization Adjustment		330,569,476		194,812,860		99,223,292		67,629,120		14,454,981
Bergen County Equalized Valuations		<u>\$ 1,037,673,129</u>		<u>\$ 888,104,147</u>		<u>\$ 793,687,186</u>		<u>\$ 764,487,156</u>		<u>\$ 697,586,075</u>
County Equalization Ratio		67.92%		77.99%		87.63%		91.42%		98.52%
Average Improved Residential Assessment		<u>\$ 230,692</u>		<u>\$ 227,695</u>		<u>\$ 227,327</u>		<u>\$ 226,953</u>		<u>\$ 217,777</u>

*Revaluation Year

Source: Municipal Records; Abstract of Rate

TOWNSHIP OF ROCHELLE PARK
Tax Requirement and Rate Data
(Unaudited)

	2012	2011	2010*	2009	2008	2007	2006	2005	2004	2003
TAX REQUIREMENTS										
County	\$ 2,123,968	\$ 2,161,545	\$ 2,093,795	\$ 1,939,591	\$ 1,985,736	\$ 1,744,716	\$ 1,568,336	\$ 1,491,221	\$ 1,516,623	\$ 1,441,980
County Open Space	24,523	26,760	27,225	113,365	113,994	103,745	88,788	79,346	76,426	34,868
Local School	9,872,535	9,624,444	9,436,248	8,867,595	8,914,313	8,889,109	8,541,714	7,695,191	7,728,009	7,532,294
Municipal	8,636,047	8,386,399	8,149,504	7,486,000	7,204,070	6,794,598	6,280,447	5,852,866	5,529,907	5,025,908
Total Tax Requirements	\$ 20,657,073	\$ 20,199,148	\$ 19,706,772	\$ 18,386,551	\$ 18,218,113	\$ 17,532,168	\$ 16,479,265	\$ 15,119,624	\$ 14,850,965	\$ 14,035,050
TAX RATES										
County	0.212	0.216	0.207	0.285	0.283	0.247	0.226	0.215	0.218	0.211
County Open Space	0.003	0.003	0.003	0.017	0.017	0.010	0.010	0.010	0.010	0.005
Local School	0.985	0.959	0.932	1.299	1.268	1.258	1.232	1.109	1.109	1.103
Municipal	0.860	0.855	0.805	1.094	1.025	0.975	0.912	0.846	0.803	0.741
Total Tax Rates	2.060	2.013	1.947	2.695	2.593	2.490	2.380	2.180	2.140	2.060

*Revaluation Year

TOWNSHIP OF ROCHELLE PARK
Statement of Indebtedness
(Unaudited)

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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Issued:										
General Bonds and Notes	\$ 11,200,000	\$ 12,168,000	\$ 11,072,000	\$ 11,336,000	\$ 10,348,600	\$ 10,517,600	\$ 10,425,000	\$ 10,752,000	\$ 10,514,000	\$ 9,754,000
Authorized but not Issued:										
General Bonds and Notes	\$ 1,483,200	\$ -	\$ 765,000	\$ 620,000	\$ 2,094,000	\$ 699,000	\$ 832,600	\$ -	\$ 843	\$ 1,131,750
Gross Debt	\$ 12,683,200	\$ 12,168,000	\$ 11,837,000	\$ 11,956,000	\$ 12,442,600	\$ 11,216,600	\$ 11,257,600	\$ 10,752,000	\$ 10,514,843	\$ 10,885,750
Deductions	\$ 1,146,000	\$ 1,345,000	\$ 1,565,000	\$ 1,750,000	\$ 1,965,000	\$ 2,145,000	\$ 2,325,000	\$ 2,485,000	\$ 2,410,000	\$ 2,670,000
Net Debt	\$ 11,537,200	\$ 10,823,000	\$ 10,302,000	\$ 10,196,000	\$ 10,487,600	\$ 9,071,600	\$ 8,932,600	\$ 8,257,000	\$ 8,104,843	\$ 8,215,750
Equalized Valuation Basis	\$ 964,780,683	\$ 1,016,783,853	\$ 1,137,186,942	\$ 1,162,651,923	\$ 1,142,100,365	\$ 990,224,029	\$ 871,145,579	\$ 779,884,017	\$ 715,844,254	\$ 647,476,931
Statutory Net Debt Percentage	1.20%	1.06%	0.91%	0.88%	0.92%	0.92%	1.03%	1.06%	1.13%	1.27%
3-1/2% of Equalized Valuation Basis	\$ 33,767,324	\$ 35,587,435	\$ 39,801,543	\$ 40,692,817	\$ 39,973,513	\$ 34,657,841	\$ 30,490,095	\$ 27,285,241	\$ 25,054,549	\$ 22,661,693
Remaining Borrowing Power	\$ 22,230,124	\$ 24,764,435	\$ 29,499,543	\$ 30,496,817	\$ 29,485,913	\$ 25,566,241	\$ 21,557,495	\$ 19,038,241	\$ 16,949,706	\$ 14,445,943

Source: Annual Debt Statement, Township of Rochelle Park; District Records

TOWNSHIP OF ROCHELLE PARK
Direct and Overlapping Debt
(Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
NET DIRECT DEBT										
Municipal Debt	\$ 11,537,200	\$ 10,823,000	\$ 10,302,000	\$ 10,196,000	\$ 10,487,600	\$ 9,071,600	\$ 8,932,600	\$ 8,257,000	\$ 8,104,843	\$ 8,215,750
Local School Debt	\$ 1,125,000	\$ 1,345,000	\$ 1,555,000	\$ 1,760,000	\$ 1,955,000	\$ 2,145,000	\$ 2,325,000	\$ 2,495,000	\$ 2,410,000	\$ 2,670,000
	\$ 12,662,200	\$ 12,168,000	\$ 11,857,000	\$ 11,956,000	\$ 12,442,600	\$ 11,216,600	\$ 11,257,600	\$ 10,752,000	\$ 10,514,843	\$ 10,885,750
OVERLAPPING DEBT										
County of Bergen (1)	\$ 7,405,619	\$ 7,500,331	\$ 7,364,814	\$ 6,831,033	\$ 6,835,956	\$ 6,526,544	\$ 4,788,467	\$ 4,689,313	\$ 4,104,202	\$ 3,453,069
Bergen County Utilities Authority (2)	\$ 2,825,973	\$ 2,881,707	\$ 3,009,492	\$ 3,056,469	\$ 3,288,439	\$ 3,683,801	\$ 2,733,477	\$ 1,628,799	\$ 2,291,744	\$ 1,276,098
	\$ 10,231,592	\$ 10,382,038	\$ 10,374,306	\$ 9,887,502	\$ 10,124,395	\$ 10,210,345	\$ 7,521,944	\$ 6,318,112	\$ 6,395,946	\$ 4,729,167
Municipal Equalized Valuations	\$ 981,129,991	\$ 1,070,622,320	\$ 1,089,239,589	\$ 1,133,873,896	\$ 1,140,160,685	\$ 1,037,673,129	\$ 888,104,147	\$ 793,687,186	\$ 764,487,156	\$ 697,586,075
Total County Equalized Valuations	\$ 168,748,014,772	\$ 173,258,537,441	\$ 183,412,099,706	\$ 187,580,071,463	\$ 182,767,512,263	\$ 172,863,500,734	\$ 153,984,695,626	\$ 136,528,998,442	\$ 121,601,699,827	\$ 108,087,109,373
	0.58%	0.62%	0.59%	0.60%	0.62%	0.60%	0.58%	0.58%	0.63%	0.65%
County's Outstanding Debt	\$ 1,276,830,919	\$ 1,209,730,830	\$ 1,248,273,490	\$ 1,138,505,430	\$ 1,102,573,565	\$ 1,087,757,268	\$ 825,597,736	\$ 808,502,305	\$ 651,460,590	\$ 531,241,363
	\$ 7,405,619	\$ 7,500,331	\$ 7,364,814	\$ 6,831,033	\$ 6,835,956	\$ 6,526,544	\$ 4,788,467	\$ 4,689,313	\$ 4,104,202	\$ 3,453,069
(2) Bergen County Utilities Authority Debt	\$ 753,073	\$ 702,109	\$ 656,071	\$ 612,979	\$ 603,765	\$ 548,410	\$ 537,543	\$ 510,025	\$ 718,833	\$ 370,362
Rochelle Park TWP User Fees	\$ 63,866,441	\$ 61,684,818	\$ 58,635,759	\$ 55,599,600	\$ 52,885,837	\$ 48,210,978	\$ 45,482,055	\$ 43,399,055	\$ 40,952,069	\$ 38,151,402
Total User Fees	\$ 1,18%	\$ 1.14%	\$ 1.12%	\$ 1.10%	\$ 1.14%	\$ 1.14%	\$ 1.18%	\$ 1.18%	\$ 1.76%	\$ 0.95%
BCUA's Outstanding Debt	\$ 239,489,200	\$ 252,781,291	\$ 268,704,631	\$ 277,860,531	\$ 288,459,524	\$ 323,140,462	\$ 231,650,600	\$ 138,033,827	\$ 130,212,703	\$ 134,328,116
	\$ 2,825,973	\$ 2,881,707	\$ 3,009,492	\$ 3,056,469	\$ 3,288,439	\$ 3,683,801	\$ 2,733,477	\$ 1,628,799	\$ 2,291,744	\$ 1,276,098

Source: County of Bergen, Bergen County Utilities Authority

TOWNSHIP OF ROCHELLE PARK
Ratio of Gross and Net Debt to County Equalized Value and Debt Per Capita
(Unaudited)

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	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Population (as of July 1)	5,575	5,558	5,537	6,063	6,046	6,045	5,904	5,767	5,659	5,473
County Equalized Valuation	\$ 981,129,991	\$ 1,070,622,320	\$ 1,089,239,589	\$ 1,133,873,896	\$ 1,140,160,865	\$ 1,037,673,129	\$ 888,104,147	\$ 793,687,186	\$ 764,487,156	\$ 697,586,075
Gross Debt	\$ 12,683,200	\$ 12,188,000	\$ 11,857,000	\$ 11,956,000	\$ 12,442,600	\$ 11,216,600	\$ 11,257,600	\$ 10,752,000	\$ 10,514,843	\$ 10,885,750
Gross Debt Per Capita	\$ 2,275	\$ 2,189	\$ 2,141	\$ 1,972	\$ 2,058	\$ 1,856	\$ 1,907	\$ 1,864	\$ 1,868	\$ 1,989
Ratio of Gross Debt to County Equalized Valuations	1.29%	1.14%	1.09%	1.05%	1.09%	1.08%	1.27%	1.35%	1.38%	1.56%
Net Debt	\$ 11,537,200	\$ 10,823,000	\$ 10,302,000	\$ 10,196,000	\$ 10,487,600	\$ 9,071,600	\$ 8,932,600	\$ 8,257,000	\$ 8,104,843	\$ 8,215,750
Ratio of Net Debt to County Equalized Valuations	1.18%	1.01%	0.95%	0.90%	0.92%	0.87%	1.01%	1.04%	1.06%	1.18%
Net Debt per Capita	\$ 2,069	\$ 1,947	\$ 1,861	\$ 1,682	\$ 1,735	\$ 1,501	\$ 1,513	\$ 1,432	\$ 1,432	\$ 1,501

Sources: U.S. Bureau of the Census, Municipal Records

TOWNSHIP OF ROCHELLE PARK
Ratio of Annual Debt Service Appropriations to Total Current Fund Appropriations
(Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Debt Service Appropriations:										
Serial Bonds:										
Principal	\$ 745,000	\$ 634,000	\$ 605,000	\$ 575,000	\$ 545,000	\$ 515,000	\$ 490,000	\$ 465,000	\$ 440,000	\$ 420,000
Interest	212,900	159,956	190,056	218,806	246,206	272,256	296,894	320,406	342,506	361,206
Notes:										
Principal	-	275,000	109,000	109,987	63,000	45,000	-	-	-	50,000
Interest	47,000	122,000	103,700	84,918	136,031	90,000	56,000	20,000	-	3,500
Loans:										
Principal	-	-	-	-	-	-	-	-	-	45,000
Interest	-	-	-	-	-	-	-	-	-	7,425
Total	\$ 1,004,900	\$ 1,190,956	\$ 1,007,756	\$ 988,711	\$ 990,237	\$ 922,256	\$ 842,894	\$ 805,406	\$ 782,506	\$ 887,131

Total Current Fund Budget Appropriations	\$ 11,553,737	\$ 11,399,895	\$ 11,141,608	\$ 10,588,987	\$ 10,656,794	\$ 10,301,639	\$ 9,259,117	\$ 8,745,286	\$ 8,465,522	\$ 7,852,868
Ratio of Debt Service to Current Fund Budget Appropriations	8.70%	10.45%	9.04%	9.34%	9.29%	8.95%	9.10%	9.21%	9.24%	11.30%

Source: Municipal Records

TOWNSHIP OF ROCHELLE PARK
Demographic Statistics
(Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Average Labor Force Estimates by Municipality:										
Labor Force	3,014	2,990	2,993	3,013	2,979	2,942	2,942	2,904	2,887	2,875
Employment	2,734	2,717	2,716	2,740	2,827	2,827	2,814	2,782	2,753	2,755
Unemployment	280	273	278	273	152	116	128	122	134	120
Unemployment Rate	9.3%	9.1%	9.3%	9.1%	5.1%	3.9%	4.4%	4.2%	4.6%	4.2%
Per Capital Personal Income - Bergen County	66,096	66,096	63,385	62,604	68,227	67,394	62,714	56,706	54,462	51,132

	Estimates as of July 1,		Corrected
			Census 2010
			Count
Subcounty Population Estimates:			
Rochelle Park TWP	5,575	5,537	5,530
County of Bergen	918,888	906,597	884,581
		889,915	905,116

Sources:
 New Jersey Department of Labor and Workforce Development, Labor Planning and Analysis
 New Jersey Department of Labor and Workforce Development
 U.S. Bureau of the Census, Population Division

TOWNSHIP OF ROCHELLE PARK
Value of New Construction, Improvements, Alterations and Demolitions
(Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
# of Permits Issued	497	673	460	431	508	603	576	638	594	603
Value of Construction	\$ 17,065,764	\$ 5,277,704	\$ 3,517,195	\$ 7,383,632	\$ 9,118,034	\$ 5,020,317	\$ 6,882,107	\$ 7,947,050	\$ 11,600,712	\$ 5,663,699

Source: Municipal Records

TOWNSHIP OF ROCHELLE PARK

NJ Comprehensive Annual Financial Report
Year Ended December 31, 2012

Single Audit Section

Di Maria & Di Maria LLP
Accountants & Consultants

245 Union Street
Lodi, New Jersey 07644
Voice 973.779.6890
Facsimile 973.779.6891

Independent Auditors' Report

Honorable Mayor and Members of the Township Committee
Township of Rochelle Park, County of Bergen, 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 Township of Rochelle Park, in the County of Bergen (the "Township") as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 30, 2013, which was adverse due to the financial statements being 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 Township'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Di Maria & Di Maria LLP

Independent Auditors' Report (Continued)Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township'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* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

We noted certain other matters that we reported to management of the Township of Rochelle Park, New Jersey in a separate letter dated June 30, 2013.

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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DI MARIA & DI MARIA LLP
Accountants and Consultants

Frank Di Maria

Registered Municipal Accountant
RMA No. CR00463

June 30, 2013

TOWNSHIP OF ROCHELLE PARK
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2012

K-3
 Schedule A

Catalog of Federal Domestic Assistance Program Title	Federal C.F.D.A. Number	State Project Number	Award Amount	Grant Period		Balance December 31, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2012	Deferred Revenue December 31, 2012	Due to Grantor at December 31, 2012	
				From	To										
Federal and State Grant Fund															
US Office of Homeland Security Passed Through															
The State of New Jersey Department of Homeland Security --															
Buffer Zone Protection Program 97.078	2009-BF-T9-0041		\$ 200,000	1/1/2010	12/31/10	\$ (162,100)	\$ -	\$ 162,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Buffer Zone Protection Program 97.078	2009-BF-T9-0041		\$ 200,000	1/1/2010	12/31/10	\$ 101,396	-	(80,327)*	(21,069)	-	-	-	-	-	
DEA Funds			1,937	1/1/2010	12/31/10	1,937	-	-	(129)	-	-	-	1,808	-	
Total Federal Financial Assistance							\$ (58,767)	\$ -	\$ 162,100	\$ (80,327)	\$ (21,198)	\$ -	\$ -	\$ 1,808	\$ -

*Expenditures less than \$500,000; U.S. Office of Management and Budget (OMB) Circular A-133 Audit not applicable.

TOWNSHIP OF ROCHELLE PARK
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 Year Ended December 31, 2012

K-4
 Schedule B

State Grantor / Program Title	Grant or State Project Number	Award Amount	Grant Period		Balance December 31, 2011	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years Balances	(Accounts Receivable) December 31, 2012	Deferred Revenue December 31, 2012	Due to Grantor at December 31, 2012
			From	To									
Federal and State Grant Fund													
State of N.J., Department of Environmental Protection --													
Recycling Tonnage Grant	4900-752-042-4900	3,211	01/01/06	12/31/06	989	-	-	-	-	-	-	989	-
Recycling Tonnage Grant	4900-752-042-4900	3,744	01/01/07	12/31/07	3,745	-	-	-	-	-	-	3,745	-
Recycling Tonnage Grant	4900-752-042-4900	3,262	01/01/08	12/31/08	3,261	-	-	-	-	-	-	3,261	-
Recycling Tonnage Grant	4900-752-042-4900	5,849	01/01/09	12/31/09	5,848	-	-	-	-	-	-	5,848	-
Recycling Tonnage Grant	4900-752-042-4900	9,011	01/01/10	12/31/10	9,011	-	-	-	-	-	-	9,011	-
Recycling Tonnage Grant	4900-752-042-4900	9,467	01/01/12	12/31/12	-	9,467	-	-	-	-	-	9,467	-
Clean Communities Program	4900-765-042-4900	5,543	01/01/07	12/31/07	1,930	-	(1,930)	-	-	-	-	-	-
Clean Communities Program	4900-765-042-4900	534	01/01/08	12/31/08	535	-	(535)	-	-	-	-	-	-
Clean Communities Program	4900-765-042-4900	6,101	01/01/08	12/31/08	6,101	-	(964)	-	-	-	-	5,737	-
Clean Communities Program	4900-765-042-4900	7,823	01/01/10	12/31/10	7,823	-	-	-	-	-	-	7,823	-
Clean Communities Program	4900-765-042-4900	8,146	01/01/11	12/31/11	8,146	-	-	-	-	-	-	8,146	-
Clean Communities Program	4900-765-042-4900	7,790	01/01/12	12/31/12	-	7,790	-	-	-	-	-	7,790	-
State of N.J., Department of Law and Public Safety --													
Body Armor Replacement Program	1020-718-066-1020	2,204	01/01/12	12/31/12	-	-	2,204	(1,564)	-	-	-	620	-
Drunk Driving Enforcement Fund		19,236	01/01/08	12/31/08	17,721	-	-	-	-	-	-	17,721	-
					Total State Financial Assistance	\$ 65,110	\$ 19,461	\$ (4,413)	\$ -	\$ -	\$ -	\$ 80,158	\$ -

*Applicable expenditures less than \$500,000; N.J. Office of Management and Budget (OMB) Circular 04-04 Audit not applicable.

TOWNSHIP OF ROCHELLE PARK
NOTES TO THE SCHEDULES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
Year Ended December 31, 2012

Note 1 - General

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Township of Rochelle Park, County of Bergen, State of New Jersey. The Township of Rochelle Park is defined in Note 1 to the basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2 - Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting. These bases of accounting are described in Note 1 to the municipality's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3 - Relationship to General-Purpose Financial Statements

Organization

The Township of Rochelle Park, New Jersey is the prime sponsor and recipient of various federal and state grant funds. The Township has delegated the general administration of grant programs and the reporting function to the Township Treasurer. Substantially all grant and program cash funds are commingled with the Township's other funds, although each grant is accounted for separately within the Township's financial records. The Township Treasurer's office performs accounting functions for all grants.

Basis of Accounting

The Township's grants are presented on the modified accrual basis of accounting utilizing the following methods:

Current Fund Grants -

In accordance with a directive from the State Department of Community Affairs, Division of Local Government Services, all grant revenues and expenditures are fully realized within the current fund budget and corresponding receivables and spending reserves are recorded to account for grant activity.

Trust Fund and Capital Fund Grants -

In accordance with accounting principles prescribed by the State of New Jersey, grant receivables are offset with grant spending reserves.

Local Contributions

Local matching contributions are raised in the current fund budget. The percentage of matching contributions varies with each program. Local and state shares of grants are reflected in total on the Schedule of State Financial Assistance.

**TOWNSHIP OF ROCHELLE PARK
 NOTES TO THE SCHEDULES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 Year Ended December 31, 2012**

Note 3 - Relationship to General-Purpose Financial Statements (Continued)

Expenditures

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect actual cash disbursements charged directly to a grant program and, in certain instances, do not include allocated expenses or accrued expenses. Differences between budget and actual cash disbursements, as well as differences between budget revenues and actual cash receipts, are transferred to current fund balance when the grant is closed out.

Expenditures per Financial Reports

Expenditures, as reported on the accompanying schedules of federal and state grants, reflect the sum of all expenditures including allocated expenses and accrued expenses reported to the grant funding agency from January 1, 2012 to December 31, 2012. Breakdown by fund is as follows:

	Federal	State	Total
Current Fund	\$ -	\$ -	\$ -
Federal and State Grant Fund	80,327	4,413	84,740
General Capital Fund	-	-	-
Total Awards and Financial Assistance	<u>\$ 80,327</u>	<u>\$ 4,413</u>	<u>\$ 84,740</u>

Note 4 - 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.

Note 5 - Federal and State Loans Outstanding

The Township did not have any federal and state loans outstanding at of December 31, 2012.

Note 6 - Contingencies

Each of the grantor agencies reserve the right to conduct additional audits of the Township's grant programs for economy, efficiency and program results.

**TOWNSHIP OF ROCHELLE PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012**

Section I -- Summary of Auditors' Results

Financial Statements

- A) Type of auditors' report issued: Adverse - GAAP; Qualified - Regulatory
- B) Internal control over financial reporting:
- 1. Material weakness(es) identified? yes X no
 - 2. Significant deficiency(ies) identified? yes X no
- C) Noncompliance material to general-purpose financial statements noted? yes X no

**TOWNSHIP OF ROCHELLE PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012**

Section II -- Financial Statement Findings

None

TOWNSHIP OF ROCHELLE PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012

Section III -- Federal and State Award Findings and Questioned Costs

Current Year

Federal Awards:

None

State Awards:

None

**TOWNSHIP OF ROCHELLE PARK
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2012**

None

TOWNSHIP OF ROCHELLE PARK

NJ Comprehensive Annual Financial Report

General Comments and Recommendations Section

**TOWNSHIP OF ROCHELLE PARK
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012**

General

None

**TOWNSHIP OF ROCHELLE PARK
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012**

Cash Cycle

Treasurer

None

**TOWNSHIP OF ROCHELLE PARK
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012**

Revenues/Cash Receipts Cycle

Treasurer

None

Tax Collector

None

Township Clerk

None

Municipal Court

None

Building Department

None

Police Department

None

TOWNSHIP OF ROCHELLE PARK
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012

Expenditures/Cash Disbursements Cycle

None

**TOWNSHIP OF ROCHELLE PARK
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012**

Payroll Cycle

None

**TOWNSHIP OF ROCHELLE PARK
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012**

Capital Assets

None

**TOWNSHIP OF ROCHELLE PARK
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012**

Recommendations

None

**TOWNSHIP OF ROCHELLE PARK
GENERAL COMMENTS AND RECOMMENDATIONS
Year Ended December 31, 2012**

Status of Prior Years' Recommendations

A review was made of all prior year's recommendations, and corrective action was taken on all with the exception of those denoted with an asterisk.

The synopsis of this report, together with the recommendations must be published as required by statute. We wish to express our appreciation of the assistance and courtesies extended by the Township Officials during the course of the audit.

**DI MARIA & DI MARIA LLP
Accountants and Consultants**

Frank Di Maria

**Frank Di Maria
Registered Municipal Accountant
RMA No. CR00463**

June 30, 2013