

BOROUGH OF RED BANK

COUNTY OF MONMOUTH

RESOLUTION NO. 08-131

**A RESOLUTION REGARDING THE BOROUGH OF RED BANK
REPORT OF AUDIT FOR THE YEAR ENDED DECEMBER 31, 2007 AND CORRECTIVE
ACTION PLAN REQUIRED BY FEDERAL OMB CIRCULAR REFERENCE NUMBER A-133**

Mr. DuPont offered the following resolution and moved its adoption:

WHEREAS, the New Jersey Department of Community Affairs, Division of Local Government Services, requires that all municipalities prepare and submit a Corrective Action Plan as part of their annual audit process; and

WHEREAS, the report of audit for the Borough of Red Bank for the year ended December 31, 2007 was prepared on or about May 7, 2008; and

WHEREAS, the governing body of the Borough of Red Bank approves this report of audit and has undertaken a Corrective Action Plan to cover the two (2) General Comments and two (2) Other Comments in the audited report as listed below;

General Comment #1. The Borough purchased a tax sale certificate at its October 2000 tax sale which was comprised of various outstanding municipal charges, including an unpaid property demolition charge. The property has been sold, however the Borough did not receive payment for its outstanding lien.

Recommendation: It is recommended the Borough initiate proceedings to either collect or foreclose on tax sale certificate 2000054.

Corrective Action: The Borough attorney has been asked to begin foreclosure proceedings in order to collect the demolition lien on the property for block 76 lot 1.01.

General Comment #2. Examination of the Borough's tax title lien account has revealed a check was issued to a lien holder in redemption of the lien amount which the Borough had collected from the delinquent tax payer in July, 2000. The lien holder never presented the certificate to the Borough and accordingly the Borough never released the check to the lien holder. The check #1037 dated 7/25/00, in the amount of \$23,464.31, remains outstanding on the Borough's tax title redemption account bank reconciliation through the date of the audit report.

Recommendation: It is recommended that outstanding check 1037 issued to Ocean National at 501 Arnold Ave, Point Pleasant NJ 08742 for certificate #89-012 in the tax title lien redemption account be reviewed for re-issuance or cancellation.

Corrective Action: The CFO will work with the tax collector to attempt to contact the entity that has taken over Ocean National Bank in order to re-issue and properly release the \$23,464.31 to that entity.

Other Comment #1. Examination revealed the Borough has \$56,273.69 in a General Capital Reserve for Middletown RCA account. The Borough had participated in a Regional Contribution Agreement with Middletown many years ago. The only activity in the account over the past several years is the posting of interest earnings.

Recommendation: It is recommended the Borough review the balance in the Middletown Regional Contribution account for disposition.

Corrective Action: The Borough will review the Middletown RCA agreement and return these funds as stated in the agreement.

Other Comment #2. Examination revealed that the official minutes of the Borough are only complete and approved through June 2007.

Recommendation: It is recommended that the official minutes of the Borough be approved on a timely basis.

Corrective Action: The Borough Clerk will complete the official minutes on a timely basis.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Borough of Red Bank that the report of audit for the year ended December 31, 2007 prepared by David Kaplan, R.M.A., of the firm of DAK CPA, the Borough Auditors, entitled "Comprehensive Annual Financial Report of the Borough of Red Bank for the Fiscal Year Ending December 31, 2007" is hereby accepted by the Borough of Red Bank and a Corrective Action Plan has been implemented to cover all findings and recommendations in the audit report and the appropriate steps have been taken as to these comments and recommendations as more particularly set forth above.

Seconded by Mr. Murphy and adopted on roll call by the following vote:

	Yes	No	Abstain	Absent
Mr. Murphy	(x)	()	()	()
Mr. Curley	(x)	()	()	()
Ms. Horgan	(x)	()	()	()
Ms. Lee	(x)	()	()	()
Mr. DuPont	(x)	()	()	()
Ms. Cangemi	()	()	()	(x)

Dated: June 9, 2008