

**CITY OF NORTHFIELD
COUNTY OF ATLANTIC, NEW JERSEY**

**AUDIT REPORT FOR THE YEAR
ENDED DECEMBER 31, 2015**

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COUNTY OF ATLANTIC, NEW JERSEY
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CITY OF NORTHFIELD

PART I

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Northfield
County of Atlantic
Northfield, New Jersey 08225

Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the City of Northfield, County of Atlantic, State of New Jersey as of December 31, 2015 and 2014, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2015.

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 and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

As discussed in Note 1 to the financial statements, the City of Northfield prepares its financial statements using accounting practices that demonstrate compliance with regulatory basis of accounting and budget laws of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Northfield, County of Atlantic, State of New Jersey, as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 18, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the City’s financial statements as of and for the years ended December 31, 2015 and 2014. The LOSAP Trust Fund financial activities are included in the City’s Trust Fund, and represent 11.18% and 11.86% of the assets and liabilities, respectively, of the City’s Trust Funds as of December 31, 2015 and 2014.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the City of Northfield , County of Atlantic, State of New Jersey, as of December 31, 2015 and 2014, and the results of its operations and changes in fund balance - -regulatory basis of such funds for the years then ended, and the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis of the various funds, and the related notes to financial statements, for the year ended December 31, 2015 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended December 31, 2015 the City of Northfield adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No.27*. Our

opinion on regulatory basis of accounting is not modified with respect to this matter.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2016, on our consideration of the City of Northfield'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 the 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 City of Northfield's internal control over financial reporting and compliance.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
May 17, 2016

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INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members
of the City Council
City of Northfield
County of Atlantic
Northfield, New Jersey 08225

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements-regulatory basis of the City of Northfield (herein referred to as “the Municipality”), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Municipality’s basic financial statements, and have issued our report thereon dated May 17, 2016. Our report on the financial statements-regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1.

Our report on the financial statements - regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. As discussed in Note 1 the LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the City of Northfield’s financial statements as of and for the year ended December 31, 2015. With the exception of the LOSAP Trust Fund our opinion on the financial statements- regulatory basis was unmodified.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or

detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Municipality's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Municipality's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Municipality's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P.C.



Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
CR #483

Freehold, New Jersey
May 17, 2016

BASIC FINANCIAL STATEMENTS

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**CITY OF NORTHFIELD
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Cash:			
Treasurer	A-4	\$ 2,842,094.79	\$ 3,521,653.12
Change Fund	A	350.00	350.00
Total Cash & Cash Equivalents		<u>2,842,444.79</u>	<u>3,522,003.12</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	615,607.59	437,636.53
Tax Title Liens Receivable	A-8	25,124.38	21,350.74
Miscellaneous Liens Receivable	A-8	6,725.82	1,758.40
Property Acquired / Assessed Valuation	A-18	-	19,200.00
Sewer Rents Receivable	A-6	82,080.29	82,773.34
Sewer Liens Receivable	A-8	325.00	325.00
Due from Dog Trust	B	-	2,314.89
Due from Grant Fund	A	31,692.37	14,091.31
Revenue Accounts Receivable	A-9	7,854.32	3,927.16
Total Receivables & Other Assets With Full Reserves		<u>769,409.77</u>	<u>583,377.37</u>
Deferred Charges			
Emergency Appropriation			
Legal Expenses	A-24	-	50,000.00
Total Deferred Charges		<u>-</u>	<u>50,000.00</u>
Total Current Fund, Receivables, Other Assets With Full Reserves & Deferred Charges	A	<u>3,611,854.56</u>	<u>4,155,380.49</u>
State & Federal Grants:			
Federal and State Grants Receivable	A-25	378,984.94	346,836.61
Total State & Federal Grants		<u>378,984.94</u>	<u>346,836.61</u>
Total Assets		<u>\$ 3,990,839.50</u>	<u>\$ 4,502,217.10</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**CITY OF NORTHFIELD
CURRENT FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2015	2014
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 418,187.97	\$ 517,696.72
Encumbrances Payable	A-14	233,615.64	181,151.16
Payroll Taxes Payable	A-22	37,116.75	32,365.78
Sewer Rents Overpayments	A-7	4,125.64	4,710.84
Prepaid Taxes	A-15	132,948.19	138,235.30
Regional School Taxes Payable	A-13	-	0.50
Due to State of New Jersey - Senior Citizens and Veterans	A-17	24,871.17	25,121.17
Due to State of New Jersey - Marriage Fees	A-19	175.00	350.00
Due to State of New Jersey - DCA	A-20	4,041.00	1,662.00
Due to State - Burial Fees	A-21	115.00	90.00
Due to Trust	B	96.37	91.57
Reserve for Library Surplus	A-23	25,000.00	80,000.00
Due to County - Added Taxes	A-11	11,182.14	6,161.98
Subtotal		<u>891,474.87</u>	<u>987,637.02</u>
Reserve for Receivables & Other Assets		769,409.77	583,377.37
Fund Balance	A-1	<u>1,950,969.92</u>	<u>2,584,366.10</u>
Total Current Fund		<u>3,611,854.56</u>	<u>4,155,380.49</u>
State & Federal Grants:			
Due to the Current Fund	A	31,692.37	14,091.31
Reserve for Grants Appropriated	A-26	307,934.27	324,061.29
Reserve for Grants Unappropriated	A-27	4,717.85	8,612.51
Encumbrances Payable	A-26	<u>34,640.45</u>	<u>71.50</u>
Total State & Federal Grants		<u>378,984.94</u>	<u>346,836.61</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 3,990,839.50</u>	<u>\$ 4,502,217.10</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**CITY OF NORTHFIELD
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>Ref.</u>	<u>2015</u>	<u>2014</u>
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 1,660,000.00	\$ 1,600,000.00
Miscellaneous Revenues Anticipated	A-2	3,296,807.51	3,220,940.53
Receipts from Delinquent Taxes	A-2	393,742.15	429,558.66
Receipts from Current Taxes	A-2	27,730,952.12	26,717,465.30
Nonbudget Revenues	A-2	158,394.23	69,207.43
Other Credit to Income:			
Unexpended Balance of Appropriation Reserves	A-10	530,260.12	701,068.55
Interfunds Returned	A	2,314.89	51,223.38
Sale of Municipal Assets	A-1	14,826.39	9,151.83
Cancelled Grants	A-25, A-26	3,474.40	128.75
		<u>33,790,771.81</u>	<u>32,798,744.43</u>
Total			
Expenditures:			
Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	3,828,051.00	3,878,751.00
Other Expenses	A-3	3,953,752.00	3,845,052.00
Deferred Charges and Statutory Expenditures	A-3	917,916.00	939,251.00
Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	213,715.00	203,856.11
Other Expenses	A-3	2,093,135.73	2,029,124.97
Capital Improvements	A-3	61,000.00	101,000.00
Municipal Debt Service	A-3	1,281,422.50	1,288,997.50
Deferred Charges	A-3	50,000.00	70,000.00
County Taxes	A-11	4,469,984.48	3,862,903.88
Due County for Added and Omitted Taxes	A-11	11,182.14	6,161.98
Local District School Tax	A-12	9,997,726.00	9,908,204.00
Regional High School Tax	A-13	5,863,390.00	5,533,706.00
Prior Year Payroll Liability Adjustment	A	5,292.08	-
Interfund Created	A	17,601.06	14,091.31
		<u>32,764,167.99</u>	<u>31,681,099.75</u>
Excess Revenue over Expenditures		1,026,603.82	1,117,644.68
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A, A-3	-	50,000.00
Statutory Excess to Fund Balance		1,026,603.82	1,167,644.68
Fund Balance January 1	A	<u>2,584,366.10</u>	<u>3,016,721.42</u>
		3,610,969.92	4,184,366.10
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>1,660,000.00</u>	<u>1,600,000.00</u>
Fund Balance December 31	A	<u>\$ 1,950,969.92</u>	<u>\$ 2,584,366.10</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated		\$ 1,660,000.00	\$ -	\$ 1,660,000.00	\$ -
Miscellaneous Revenues					
Licenses:					
Alcoholic Beverages	A-8	7,500.00	-	7,500.00	-
Other		75,000.00	-	75,341.02	341.02
Fees and Permits		65,000.00	-	63,525.53	(1,474.47)
Fines and Costs:					
Municipal Court		77,000.00	-	80,782.85	3,782.85
Interest and Costs on Taxes		120,000.00	-	104,931.30	(15,068.70)
Interest on Investments and Deposits		15,000.00	-	12,984.64	(2,015.36)
Sewer Rentals		1,195,000.00	-	1,323,419.78	128,419.78
Consolidated Municipal Property Tax Relief Act		4,934.00	-	4,934.00	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		627,452.00	-	627,452.00	-
Uniform Construction Code Fees		120,000.00	-	196,051.00	76,051.00
Linwood Share - Sewerage Department Costs		130,000.00	-	180,338.16	50,338.16
Linwood Share - Court Costs		120,000.00	-	121,689.00	1,689.00
Uniform Fire Safety Act		3,750.00	-	6,883.50	3,133.50
Library Maintenance Agreement		20,500.00	-	20,500.00	-
Library Reimbursement per Moriarity Law		55,000.00	-	55,000.00	-
State and Federal Revenues Offset with Appropriations					
Municipal Alliance on Alcoholism and Drug Abuse		13,771.00	-	13,771.00	-
Safe and secure Communities Program		30,000.00	30,000.00	60,000.00	-
Recycling Tonnage Grant		8,612.51	-	8,612.51	-
Alcohol Education, Rehabilitation, and Enforcement		-	1,149.20	1,149.20	-
Click it or Ticket		-	4,000.00	4,000.00	-
COPS in Shops		-	1,600.00	1,600.00	-
Community Development Block Grant		40,933.00	6,055.00	46,988.00	-
NJ DOT Trust Fund Authority		-	190,000.00	190,000.00	-
Clean Communities		-	19,354.02	19,354.02	-
FEMA Hazard Mitigation Grant		70,000.00	-	70,000.00	-
Total Miscellaneous Revenue		2,799,452.51	252,158.22	3,296,807.51	245,196.78
Receipts from Delinquent Taxes		365,000.00	-	393,742.15	28,742.15
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		7,990,185.32	-	8,055,895.82	65,710.50
Minimum Library Tax	A-4	324,191.00	-	324,191.00	-
Total Amount to be Raised by Taxation		8,314,376.32	-	8,380,086.82	65,710.50
Sub-Total Budget		13,138,828.83	252,158.22	13,730,636.48	339,649.43
Non-Budget Revenue	A-2	-	-	173,220.62	173,220.62
Total General Revenues		\$ 13,138,828.83	\$ 252,158.22	\$ 13,903,857.10	\$ 512,870.05

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ANALYSIS OF REALIZED REVENUES

	<u>Ref.</u>	<u>Realized</u>
<u>Allocation of Current Tax Collections</u>		
Revenue from Collections	A-5	\$ 27,730,952.12
Net Revenue from Collections	A-1	27,730,952.12
Allocated to		
School and County Taxes	A-5	20,342,282.62
Balance for Support of Municipal Budget Appropriations		7,388,669.50
Add:		
Appropriations "Reserve for Uncollected Taxes"	A-3	991,417.32
Amount for Support of Municipal Budget Appropriations	A-2	\$ 8,380,086.82
<u>Receipts from Delinquent Taxes:</u>		
Delinquent Tax Collections	A-5	\$ 393,742.15
	A-2	\$ 393,742.15

ANALYSIS OF NONBUDGET REVENUES

	<u>Amount</u>
Photocopies	\$ 697.75
Books, Maps, and Copies of Ordinance	35.00
Administrative Operations	11,742.13
Recycling Fees	928.75
Zoning Fees	8,790.00
Construction	30,446.00
Sale of Municipal Assets	14,826.39
Senior Citizen and Veterans Administrative Fee	2,325.00
LOSAP Surrender	4,223.01
Miscellaneous Liens Collections	276.40
Miscellaneous	98,930.19
Total Nonbudgeted Revenue	\$ 173,220.62

**CITY OF NORTFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS			EXPENDED			RESERVED	CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED				
OPERATIONS - Within "CAPS"								
GENERAL GOVERNMENT:								
Administrative and Executive								
Salaries and Wages	\$ 1.00	\$ 1.00	\$ -	\$ -	\$ -	\$ 1.00	\$ -	\$ -
Other Expenses	90,000.00	80,750.00	67,862.06	4,683.17	8,204.77			
Mayor and Council								
Salaries and Wages	71,750.00	71,750.00	71,714.24	-	35.76			
Other Expenses	3,500.00	3,500.00	2,876.05	-	623.95			
City Clerk								
Salaries and Wages	93,000.00	93,000.00	90,253.98	-	2,746.02			
Other Expenses	18,700.00	18,700.00	13,332.48	-	5,367.52			
Financial Administration								
Salaries and Wages	88,000.00	88,000.00	86,831.95	-	1,168.05			
Other Expenses	8,500.00	8,500.00	3,038.07	3,143.20	2,318.73			
Municipal Prosecutor								
Other Expenses	12,000.00	12,000.00	10,004.60	-	1,995.40			
Audit Service								
Other Expenses	34,000.00	34,000.00	33,125.00	-	875.00			
Public Defender								
Other Expenses	2,000.00	2,000.00	-	-	2,000.00			
Revenue Administration (Tax Collector)								
Salaries and Wages	100,000.00	100,000.00	93,725.49	-	6,274.51			
Other Expenses	5,750.00	5,750.00	5,687.42	0.03	62.55			
Tax Assessment Administration								
Salaries and Wages	32,500.00	32,500.00	32,378.32	-	121.68			
Other Expenses	6,000.00	6,000.00	4,998.83	-	1,001.17			
Legal Services and Costs								
Other Expenses	150,000.00	155,000.00	112,428.45	33,731.10	8,840.45			
Insurance								
Workers' Compensation	315,000.00	315,000.00	310,588.11	-	4,411.89			
Group Insurance	1,635,000.00	1,635,000.00	1,593,801.97	-	41,198.03			
Other Insurance	125,000.00	125,000.00	93,690.34	30,000.00	1,309.66			
Health Benefit Waiver	15,000.00	15,000.00	5,000.06	-	9,999.94			
Economic Development Commission								
Municipal Court								
Salaries and Wages	50,000.00	50,000.00	36,945.95	-	13,054.05			
Other Expenses	13,000.00	13,000.00	8,146.79	438.28	4,414.93			
Planning Board								
Salaries and Wages	8,500.00	8,500.00	7,999.94	-	500.06			
Other Expenses	15,000.00	15,000.00	12,629.56	1,705.00	665.44			
Engineering Services and Costs								
Other Expenses	25,000.00	25,000.00	18,775.75	5,686.25	538.00			
Total General Government	2,918,201.00	2,913,951.00	2,715,835.41	79,387.03	118,728.56			

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS			EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
DEPARTMENT OF PUBLIC SAFETY:							
Fire Official							
Salaries and Wages	9,000.00	9,000.00	8,233.72	-	766.28	-	-
Other Expenses	1,000.00	1,000.00	402.00	-	598.00	-	-
Fire Department							
Salaries and Wages	525,000.00	525,000.00	509,375.21	-	15,624.79	-	-
Other Expenses							
Fire Hydrant							
Miscellaneous Other Expenses	90,000.00	91,000.00	90,052.34	-	947.66	-	-
Police Department	35,000.00	35,000.00	16,915.41	17,719.89	364.70	-	-
Salaries and Wages	1,992,000.00	1,992,000.00	1,940,753.26	-	51,246.74	-	-
Other Expenses	51,000.00	51,000.00	43,769.20	1,722.93	5,507.87	-	-
Office of Emergency Management							
Salaries and Wages	3,000.00	3,000.00	2,500.00	-	500.00	-	-
Other Expenses	4,000.00	7,500.00	2,495.51	1,500.00	3,504.49	-	-
Total Public Safety	2,710,000.00	2,714,500.00	2,614,496.65	20,942.82	79,060.53	-	-
STREETS AND ROADS:							
Streets and Roads Maintenance							
Salaries & Wages	520,000.00	515,000.00	507,017.24	-	7,982.76	-	-
Other Expenses	18,000.00	18,000.00	12,198.30	4,649.52	1,152.18	-	-
Reserve for Snow Removal	1.00	5,001.00	5,000.00	-	1.00	-	-
Maintenance of Automotive Equipment							
Other Expenses	75,000.00	75,000.00	46,058.57	13,992.83	14,948.60	-	-
Solid Waste Collection							
Other Expenses	645,000.00	645,000.00	585,148.04	59,807.66	44.30	-	-
Public Buildings and Grounds							
Other Expenses	75,000.00	80,000.00	68,953.37	4,278.93	6,767.70	-	-
Maintenance of Bike Path	2,000.00	2,000.00	-	-	2,000.00	-	-
Total Streets and Roads	1,335,001.00	1,340,001.00	1,224,375.52	82,728.94	32,896.54	-	-

**CITY OF NORTHELD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
SANITATION						
Sewerage						
Salaries & Wages	95,000.00	95,000.00	67,187.74	-	27,812.26	-
Other Expenses	30,000.00	30,000.00	25,653.70	575.01	3,771.29	-
Total Sanitation	125,000.00	125,000.00	92,841.44	575.01	31,583.55	-
HEALTH AND WELFARE						
Dog Regulation	9,300.00	3,300.00	775.00	-	2,525.00	-
Other Expenses						
Total Health and Welfare	9,300.00	3,300.00	775.00	-	2,525.00	-
RECREATION AND EDUCATION						
Parks and Playgrounds	120,000.00	120,000.00	100,951.41	-	19,048.59	-
Salaries & Wages						
Other Expenses	6,000.00	6,000.00	4,891.52	-	1,108.48	-
Neighborhood Programs						
Miscellaneous Other Expenses	4,500.00	4,500.00	-	-	4,500.00	-
FAN	1,000.00	1,000.00	-	500.00	500.00	-
Senior Citizens	1,500.00	4,750.00	4,750.00	-	-	-
Little League	2,500.00	2,500.00	2,474.15	-	25.85	-
Babe Ruth						
Conservation Commission	500.00	500.00	-	-	500.00	-
Other Expenses						
Total Recreation and Education	136,000.00	139,250.00	113,067.08	500.00	25,682.92	-
UNIFORM CONSTRUCTION CODE (N.J.A.C. 5:23-4.17)						
Construction Code Official	84,000.00	84,000.00	82,297.74	-	1,702.26	-
Salaries & Wages						
Other Expenses	22,000.00	22,000.00	20,832.02	477.00	690.98	-
Zoning/Housing Officer	41,300.00	41,300.00	41,206.62	-	93.38	-
Salaries & Wages	1,000.00	1,000.00	420.19	-	579.81	-
Other Expenses						
Total Uniform Construction Code	148,300.00	148,300.00	144,756.57	477.00	3,066.43	-

**CITY OF NORTHELD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS			EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
UNCLASSIFIED:						
Utilities:						
Petroleum Products	85,000.00	75,000.00	38,494.15	6,146.08	30,359.77	-
Telephone and Telegraph	50,000.00	50,000.00	42,249.39	2,145.26	5,605.35	-
Electricity and Natural Gas	260,000.00	265,000.00	235,515.39	26,761.05	2,723.56	-
Water	5,000.00	7,500.00	6,071.11	-	1,428.89	-
Street Sweeping	1.00	1.00	-	-	1.00	-
Total Unclassified	400,001.00	397,501.00	322,330.04	35,052.39	40,118.57	-
Total Operations - Within "CAP"	7,781,803.00	7,781,803.00	7,228,477.71	219,663.19	333,662.10	-
Detail:						
Salaries and Wages	3,833,051.00	3,828,051.00	3,679,372.81	-	148,678.19	-
Other Expenses	3,948,752.00	3,953,752.00	3,549,104.90	219,663.19	184,983.91	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - WITHIN "CAP"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	168,540.00	168,540.00	168,540.00	-	-	-
Police and Firemen's Retirement System	555,876.00	555,876.00	555,758.62	-	117.38	-
Social Security System (O.A.S.I.)	170,000.00	170,000.00	166,300.26	-	3,699.74	-
Defined Contribution retirement Program	6,000.00	6,000.00	3,311.10	-	2,688.90	-
Reserve for Accumulated Leave	500.00	500.00	500.00	-	-	-
Unemployment Compensation Insurance	17,000.00	17,000.00	14,892.38	-	2,107.62	-
Total Deferred Charges and Statutory Expenditures - Within "CAP"	917,916.00	917,916.00	909,302.36	-	8,613.64	-
Total General Appropriations for Municipal Purpose - Within "CAP"	8,699,719.00	8,699,719.00	8,137,780.07	219,663.19	342,275.74	-
OPERATIONS EXCLUDED FROM "CAP"						
Maintenance of Free Public Library (P.L. 1985 c.82 and 541)	324,191.00	324,191.00	324,191.00	-	-	-
Atlantic County Utilities Authority Service Charge - Contractual	795,000.00	795,000.00	793,075.00	-	1,925.00	-
LOSAP	16,000.00	16,000.00	-	-	16,000.00	-
Dispatch						
Other Expenses	371,527.00	371,527.00	360,000.00	-	11,527.00	-
Linwood Share Sewerage - Interlocal Service Agreement	130,000.00	130,000.00	125,295.85	492.20	4,211.95	-
Linwood Police Chief Interlocal	47,500.00	47,500.00	18,150.52	-	29,349.48	-
Linwood Share of Court Costs						
Interlocal Service Agreement	120,000.00	120,000.00	113,236.35	2,500.00	4,263.65	-

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS			EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES - EXCLUDED FROM "CAP"						
Clean Communities Program	-	19,354.02	19,354.02	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse						
County Share	13,771.00	13,771.00	13,771.00	-	-	-
Local Share	3,443.00	3,443.00	3,443.00	-	-	-
COPS in Shops	-	1,600.00	1,600.00	-	-	-
Safe and Secure Program:						
State Share	30,000.00	60,000.00	60,000.00	-	-	-
Local Share	83,715.00	83,715.00	83,715.00	-	-	-
Click It or Ticket	-	4,000.00	4,000.00	-	-	-
NJ DOT Trust Fund Authority	-	190,000.00	190,000.00	-	-	-
Community Development Block Grant	40,933.00	46,988.00	46,988.00	-	-	-
Recycling Tonnage Grant	8,612.51	8,612.51	8,612.51	-	-	-
NJ Alcohol Education Rehabilitation	-	1,149.20	1,149.20	-	-	-
FEMA Hazard Mitigation Grant	70,000.00	70,000.00	70,000.00	-	-	-
Total Operations - Excluded From "CAP"	2,054,692.51	2,306,850.73	2,236,581.45	2,992.20	67,277.08	-
Detail:						
Salaries and Wages	183,715.00	213,715.00	213,715.00	-	-	-
Other Expenses	1,870,977.51	2,093,135.73	1,974,278.45	2,992.20	67,277.08	-
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAP"						
Capital Improvement Fund	30,000.00	30,000.00	30,000.00	-	-	-
Firefighter Protection Equipment	6,000.00	6,000.00	-	5,976.00	24.00	-
Sewer Repairs	25,000.00	25,000.00	11,404.60	4,984.25	8,611.15	-
Total Capital Improvement Fund - Excluded From "CAP"	61,000.00	61,000.00	41,404.60	10,960.25	8,635.15	-

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"						
Payment of Bond Principal	1,085,000.00	1,085,000.00	1,085,000.00	-	-	-
Interest on Bonds	197,000.00	197,000.00	196,422.50	-	-	577.50
Total Municipal Debt Service - Excluded From "CAP"	1,282,000.00	1,282,000.00	1,281,422.50	-	-	577.50
DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAP"						
Emergency Authorizations	50,000.00	50,000.00	50,000.00	-	-	-
Total Deferred Charges - Municipal Excluded From "CAPS"	50,000.00	50,000.00	50,000.00	-	-	-
Total General Appropriations For Municipal Purposes - Excluded From "CAP"	3,447,692.51	3,699,850.73	3,609,408.55	13,952.45	75,912.23	577.50
Subtotal General Appropriations	12,147,411.51	12,399,569.73	11,747,188.62	233,615.64	418,187.97	577.50
Reserve for Uncollected Taxes	991,417.32	991,417.32	991,417.32	-	-	-
Total General Appropriations	\$ 13,138,828.83	\$ 13,390,987.05	\$ 12,738,605.94	\$ 233,615.64	\$ 418,187.97	\$ 577.50

Appropriation by N.J.S. 40A:4-47
Original Budget

Reserve for Federal and State Grants
Reserve for Uncollected Taxes
Deferred Charges
Reimbursements
Cash Disbursements

A-3	\$ 252,158.22
A-3	13,138,828.83
	<u>\$ 13,390,987.05</u>
A-14	\$ 502,632.73
A-2	991,417.32
A	50,000.00
A-4	(434,318.25)
A-4	11,628,874.14
	<u>\$ 12,738,605.94</u>

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**CITY OF NORTHFIELD
TRUST FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	<u>2015</u>	<u>2014</u>
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 2,125.80	\$ 11,112.89
		<u>2,125.80</u>	<u>11,112.89</u>
Other Funds:			
Cash - Treasurer	B-1	1,351,429.25	1,328,263.31
Cash - Tax Collector	B-2	239,943.91	168,740.08
Due From Current Fund	A	96.37	91.57
Small Cities Revolving Loans Receivable	B	44,397.50	44,397.50
		<u>1,635,867.03</u>	<u>1,541,492.46</u>
LOSAP (Unaudited)			
Investments - Held for LOSAP	B	206,093.21	208,872.78
Total Assets		<u>\$ 1,844,086.04</u>	<u>\$ 1,761,478.13</u>
LIABILITIES, RESERVES, AND FUND BALANCE			
Animal Control Fund:			
Due to Current Fund	B-4	\$ -	\$ 2,314.89
Reserve for Animal Control Fund Expenditures	B-3	2,125.80	8,798.00
		<u>2,125.80</u>	<u>11,112.89</u>
Other Funds:			
Reserve for:			
Accumulated Sick and Vacation	B-6	718,264.23	717,764.23
Law Enforcement Forfeiture	B-7	40,020.66	45,515.37
Small Cities Grant Appropriation	B-8	181,495.69	181,495.69
Escrow Fees	B-9	188,448.60	167,238.49
Snow Removal	B-10	38,316.77	33,316.77
Recreation Expenditures	B-11	124,072.35	113,059.68
Outside Employment of Police	B-13	3,116.88	5,880.31
Municipal Alliance	B-14	-	1,137.20
Public Defender	B-15	4,280.00	5,941.50
Small Cities Revolving Loan	B-16	44,397.50	44,397.50
Redemption of Tax Liens	B-17	7,003.83	-
Tax Sale Premiums	B-18	232,940.08	168,740.08
Cultural Committee	B-19	5,895.16	7,051.37
POAA	B-20	121.78	113.78
Recycling	B-21	37,964.51	38,488.73
Joint Insurance Funds	B-22	9,528.99	11,351.76
		<u>1,635,867.03</u>	<u>1,541,492.46</u>
LOSAP (Unaudited)			
Reserve for LOSAP	B	206,093.21	208,872.78
Total Liabilities and Reserves		<u>\$ 1,844,086.04</u>	<u>\$ 1,761,478.13</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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**CITY OF NORTHFIELD
GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES
AND FUND BALANCE - REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

ASSETS	REFERENCE	2015	2014
Cash - Treasurer	C-2	\$ 1,293,609.15	\$ 390,998.11
Deferred Charges to Future Taxation			
Funded	C-4	5,724,000.00	6,809,000.00
Unfunded	C-5	3,334,500.00	1,752,750.00
Total		<u>\$ 10,352,109.15</u>	<u>\$ 8,952,748.11</u>
LIABILITIES, RESERVES & FUND BALANCE			
Serial Bonds Payable	C-9	\$ 5,724,000.00	\$ 6,809,000.00
Bond Anticipation Notes Payable	C-11	1,752,750.00	-
Encumbrances Payable	C-10	748,712.40	804,885.09
Improvement Authorizations:			
Funded	C-7	240,113.98	442,080.56
Unfunded	C-7	1,777,193.95	734,193.64
Reserve for:			
Capital Improvement Fund	C-6	398.00	53,628.00
Preliminary Expenses	C-8	-	20.00
Fund Balance	C-1	108,940.82	108,940.82
Total		<u>\$ 10,352,109.15</u>	<u>\$ 8,952,748.11</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2015 of \$1,581,750.00 and 2014 of \$1,752,750.00.

**CITY OF NORTHFIELD
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE -
REGULATORY BASIS
DECEMBER 31, 2015 AND 2014**

Balance, December 31, 2015 and 2014

\$ 108,940.82

The accompanying Notes to the Financial Statement are an integral part of this Statement.

**CITY OF NORTHFIELD
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
AND FUND BALANCE - REGULATORY BASIS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

ASSETS	<u>2015</u>	<u>2014</u>
General Fixed Assets:		
Land, Building, & Improvements	\$ 5,473,737.49	\$ 5,473,737.49
Machinery and Equipment	<u>4,761,809.49</u>	<u>4,984,845.91</u>
Total General Fixed Assets	<u>\$ 10,235,546.98</u>	<u>\$ 10,458,583.40</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 10,235,546.98</u>	<u>\$ 10,458,583.40</u>

The accompanying Notes to the Financial Statement are an integral part of this Statement.

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CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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CITY OF NORTHFIELD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies

Description of Financial Reporting Entity

The financial statements of the City of Northfield, County of Atlantic, New Jersey ("the City"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the City as required by *N.J.S.A.40A:5-5*. The financial statements of the City do not include the operations of the Board of Education, first aid organization or volunteer fire companies that are subject to separate audits.

Component Units

The City of Northfield had no component units as defined by Governmental Accounting Standards Board Statement No.14, as amended by GASB Statements No. 39 and 61.

Basis of Accounting, Measurement Focus and Basis of Presentation

The financial statements of the City of Northfield contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit 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. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

In accordance with the "Requirements", the City of Northfield accounts for its financial transactions through the use of separate funds which are described as follows:

Current Fund - resources and expenditures for government operations of a general nature, including Federal and State Grant funds.

Trust Fund - used to account for the financing of local improvements deemed to benefit the properties against which assessments are levied.

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

Budgets and Budgetary Accounting - The City must adopt an annual budget for its current fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10th 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 days prior to the hearing in a newspaper published and circulating in the City. The public hearing must not be held less than twenty-eight 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.40AA-9*. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

CITY OF NORTHFIELD

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

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 the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements.

Cash and Cash Equivalents - Cash and cash equivalents include petty cash, change funds, and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost. Consequently, unrealized gain or loss on investments has not been recorded in accordance with Governmental Accounting Standards Board Statement No. 31.

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 in the New Jersey Cash Management Fund. *N.J.S.A. 40A:5-15.1* provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies. *N.J.S.A. 17:9-41* et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to 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, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the City requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

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 advances in the Current Fund are reported as interfund receivables with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. GAAP does not require the establishment of an offsetting reserve.

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.

General Fixed Assets - In accordance with the Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the City has developed a fixed assets accounting and reporting system based on an inspection and

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 1. Summary of Significant Accounting Policies (continued):

appraisal prepared by an independent appraisal firm. Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (“infrastructures”) 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.

All fixed assets are valued at reported acquisition costs or estimated acquisition cost if actual historical cost is not available.

No depreciation has been provided for the financial statements.

Fixed assets acquired through grants-in-aid or contributed capital has not been accounted for separately.

The following schedule is a summarization of the changes in general fixed assets for the calendar year ended December 31, 2015.

	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015
Land, Buildings, & Improvements	\$ 5,473,737.49	\$ -	\$ -	\$ 5,473,737.49
Machinery & Equipment	4,984,845.91	96,752.44	(319,788.86)	4,761,809.49
Total	\$ 10,458,583.40	\$ 96,752.44	\$ (319,788.86)	\$ 10,235,546.98

Deferred Charges - The regulatory basis of accounting utilized by the City requires that certain expenditures be deferred, and raised as items of appropriation in budgets of succeeding years. These deferred charges include the two general categories, overexpenditures and emergency appropriations. Overexpenditures occur when expenditures recorded as “paid or charged” exceed available appropriation balances. Emergency appropriations occur when, subsequent to the adoption of a balanced budget, the governing body authorizes the establishment of additional appropriations based on unforeseen circumstances or for other special purposes as defined by statute. Overexpenditures and emergency appropriations are deducted from total expenditures in the calculation of operating results and are established as assets for Deferred Charges on the respective balance sheet. GAAP does not permit the deferral of overexpenditures to succeeding budgets. In addition, GAAP does not recognize expenditures based on the authorization of an appropriation. Instead, the authorization of special purpose expenditures, such as the preparation of tax maps or revaluation of assessable real property, would represent the designation of fund balance.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. If such property is converted to a municipal use, it will be recorded in the general fixed assets account group.

Fund Balance - Fund balances included in the current fund and utility operating funds represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

CITY OF NORTHFIELD

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

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 is realized when anticipated as such in the City's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the City's current fund; accordingly, such amounts are not recorded as revenue until collected.

Other amounts that are due to the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the City's annual budget, but also the amounts required in support of the budgets of the County of Atlantic, the City of Northfield Board of Education and the Mainland Regional School District. Unpaid property taxes are subject to tax sale in accordance with the statutes.

Grant Revenues - Federal and State Grants, entitlement or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City's budget. Federal and State Grant revenues received for purposes of capital projects financed by capital ordinances are recognized when received. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

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

County Taxes - The City is responsible for levying, collecting, and remitting county taxes for the County of Atlantic. Operations is 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 is 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.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the City's annual budget protects the City 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, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid; however, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with *N.J.A.C.5:30-5.2*. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31st, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

CITY OF NORTHFIELD

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1. Summary of Significant Accounting Policies (continued):

Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis; whereas interest on utility indebtedness is on the accrual basis.

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.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital fund. Where an improvement is a "local Improvement", i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

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

Impact of Recently Issued Accounting Principles - For the year ended December 31, 2015, the City implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* – (Amendment to GASB Statement No.27). The implementation of the Statement requires the City to disclose its portion of the collective net pension liability of the New Jersey Public Employees' Retirement System (PERS) and the New Jersey Police and Firemen's Retirement System (PFRS).

Sale of Municipal Assets - cash proceeds from the sale of City owned property are reserved until utilized as an item of anticipated revenue in a subsequent year budget. Year-end balances of such proceeds are reported as a cash liability in the Current Fund. GAAP requires that revenue be recognized in the accounting period that the terms of sales contracts become legally enforceable.

Comparative Data - Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

Subsequent Events - The City has evaluated subsequent events occurring after December 31, 2015 through the date of May 17, 2016, which is the date the financial statements were available to be issued.

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 2. Cash and Cash Equivalents

The City is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2015 and reported at fair value are as follows:

<u>Type</u>	<u>Carrying Value</u>
Deposits:	
Demand Deposits	\$ 5,729,552.90
Total Deposits	<u>\$ 5,729,552.90</u>
Reconciliation of Statement of Comparative Balance Sheets:	
Current Fund	\$ 2,842,444.79
Animal Control Trust	2,125.80
Trust - Other	1,591,373.16
General Capital Fund	<u>1,293,609.15</u>
Total	<u>\$ 5,729,552.90</u>

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the City’s deposits may not be returned. Although the City does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the City in excess of FDIC insured amounts are protected by GUDPA.

However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the City relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2015, the City’s bank balance of \$5,687,268.07 was insured or collateralized as follows:

Insured through FDIC	\$ 250,000.00
Insured through GUDPA	3,634,085.76
Uncollateralized and Uninsured	<u>1,803,182.31</u>
Total	<u>\$ 5,687,268.07</u>

CITY OF NORTHFIELD

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 3. Investments:

Custodial Credit Risk

For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the City, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name. All of the City's investments are held in the name of the City and are collateralized by GUDPA.

Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2015, are provided in the above schedule.

Investment Credit Risk

The City has no investment policy that limits its investment choices other than the limitation of state law as follows:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- Government money market mutual funds;
- Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
- Bonds or other obligations of the Authority or bonds or other obligations of the local unit or units within which the Authority is located;
- Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Authority;
- Local Government investment pools;
- Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 3. Investments (continued):

- Agreements for the repurchase of fully collateralized securities.

As of December 31, 2015, the City had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Total Reported Value</u>
LOSAP (Unaudited)	\$ 206,093.21	206,093.21	<u>\$ 206,093.21</u>
Total			<u><u>\$ 206,093.21</u></u>

Note 4. Property Taxes

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

Comparison of Tax rate Information

	2015	2014	2013
Total Tax Rate	\$ 3.065	\$ 2.898	\$ 2.814
Apportionment of Tax Rate:			
Municipal	0.854	0.826	0.802
County	0.480	0.408	0.418
Local District School	1.069	1.047	1.006
Regional School	0.627	0.585	0.556
Municipal Library	0.035	0.032	0.032

Net Valuation Taxable

2015	<u>\$ 934,737,421.00</u>
2014	<u>\$ 946,347,687.00</u>
2013	<u>\$ 965,961,379.00</u>

Comparison of Tax Levies and Collection Currently

Year	Tax Levy	Cash Collections	Percentage Of Collection
2015	\$ 28,713,311.54	\$ 27,730,952.12	96.57%
2014	27,486,709.28	26,717,465.30	97.20%
2013	27,197,325.00	26,303,739.00	96.71%

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 4. Property Taxes (continued):

Year Ended December 31	<u>Delinquent Taxes and Tax Title Liens</u>			
	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2015	\$ 25,124.38	\$ 615,607.59	\$ 640,731.97	2.23%
2014	21,350.74	437,636.53	458,987.27	1.67%
2013	21,770.73	468,973.46	490,744.19	1.80%

Note 5. Property Acquired By Tax Title Lien Liquidation

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

Year	Amount
2015	\$ -
2014	19,200.00
2013	19,200.00

Note 6: Fund Balance Appropriated

The following schedule details the amount of fund balance available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets.

YEAR	BALANCE DECEMBER 31,	UTILIZED IN BUDGET OF SUCCEEDING YEAR	PERCENTAGE OF FUND BALANCE USED
CURRENT FUND:			
2015	\$ 1,950,969.92	\$ 1,300,000.00	66.63%
2014	2,584,366.10	1,660,000.00	64.23%
2013	3,016,721.42	1,600,000.00	85.95%
2012	3,569,691.00	1,634,000.00	45.77%
2011	3,318,573.00	1,400,000.00	42.19%

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 7. Interfund Balances

The following interfunds remained as of December 31, 2015:

Fund	Receivable	Payable
Current Fund	\$ 31,692.37	\$ 96.37
Federal and State Grant Fund	-	31,692.37
Trust - Other Fund	96.37	-
	<u>\$ 31,788.74</u>	<u>\$ 31,788.74</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

The summary of interfund transfers follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 884,475.73	\$ 899,757.10
Federal and State Grant Fund	899,665.53	882,064.47
Trust - Animal Control Fund	-	2,314.89
Trust - Other Fund	91.57	96.37
	<u>\$ 1,784,232.83</u>	<u>\$ 1,784,232.83</u>

The purpose of interfund transfers were for the liquidation of prior year interfund receivables and payables and for payments made on behalf of other funds.

Note 8. Long-Term Debt

The Local Bond Law governs the issuance of bonds and notes to finance general municipal capital expenditures. Bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond anticipation notes are issued to temporarily finance capital projects, prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid. A second legal installment must be paid if the notes are to be renewed beyond the fourth anniversary date of the original issuance and so on. Tax anticipation notes are issued if the cash on hand is not sufficient to carry on normal operations of the municipality at any time during the year. Such notes are authorized by a resolution adopted by the governing body.

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 8. Long-Term Debt (continued):

During the fiscal year ended December 31, 2015 the following changes occurred in long-term debt:

	December 31, 2014	Accrued/ Increases	Retired/ Decreases	December 31, 2015	Due Within One Year
General Obligation Bonds	\$ 6,809,000.00	\$ -	\$ (1,085,000.00)	\$ 5,724,000.00	\$ 850,000.00
Authorized but Not Issued	1,752,750.00	-	-	1,752,750.00	-
Net Pension Liability - PFRS	9,163,875.00	3,089,721.00	-	12,253,596.00	-
Net Pension Liability - PERS	3,827,735.00	994,241.00	-	4,821,976.00	-
Compensated Absences	14,331,294.91	-	(4,002.36)	14,327,292.55	-
Total	\$ 35,884,654.91	\$ 4,083,962.00	\$ (1,089,002.36)	\$ 38,879,614.55	\$ 850,000.00

A. General Obligation Bonds

The City's general obligation bonds payable are summarized as follows:

General Capital Fund

In November 2006, the City issued \$4,999,000 general obligation bonds for general improvements. The annual maturities range from \$450,000 to \$600,000 through 2018, interest rates ranging from 3.750% to 4.000% \$ 1,599,000.00

In October 2012, the City issued \$4,650,000 general obligation bonds for general improvements. The annual maturities range from \$175,000 to \$350,000 through 2027, interest rates ranging from 2.000% to 3.000% 4,125,000.00

Total \$ 5,724,000.00

Aggregate debt service requirements during the next five fiscal years and thereafter for the General Capital Fund are as follows:

Calendar Year	General Capital Debt		
	Bonded Debt		
	Principal	Interest	Total
2016	\$ 850,000.00	\$ 157,710.00	\$ 1,007,710.00
2017	875,000.00	131,960.00	1,006,960.00
2018	849,000.00	103,960.00	952,960.00
2019	350,000.00	77,000.00	427,000.00
2020	350,000.00	70,000.00	420,000.00
2021-2025	1,750,000.00	241,500.00	1,991,500.00
2026-2027	700,000.00	31,500.00	731,500.00
	<u>\$ 5,724,000.00</u>	<u>\$ 813,630.00</u>	<u>\$ 6,537,630.00</u>

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 8. Long-Term Debt (continued):

B. Short-Term Debt

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuing of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. All such notes must be paid no later than the tenth anniversary of the date of the original note.

On December 31, 2014 and 2015, the City had outstanding bond anticipation notes of \$0.00 and \$1,752,750.00, respectively.

C. Bonds and Notes Authorized But Not Issued

On December 31, 2015, the City had authorized but not issued bonds and notes as follows:

General Capital	\$1,581,750.00
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D. Borrowing Power

Summary of Regulatory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 0.972%.

	Gross Debt		Deductions		Net Debt
Local School District Debt	\$ 5,901,000.00	\$	5,901,000.00	\$	-
Regional School Debt	11,748,386.34		11,748,386.34		-
General Debt	9,058,500.00		-		9,058,500.00
	<u>\$ 26,707,886.34</u>	\$	<u>17,649,386.34</u>	\$	<u>9,058,500.00</u>

Net Debt of \$9,058,500.00 divided by the Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$931,519,132.67, equals 0.972%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 32,260,169.64
Net Debt	<u>9,058,500.00</u>
Remaining Borrowing Power	<u>\$ 23,544,669.64</u>

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 9. Accrued Sick and Vacation Benefits

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the City's liability related to unused vacation and sick pay. The City permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation, as calculated by the City, would approximate \$1,427,292.55 at December 31, 2015 in accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying statements.

Note 10. Taxes Collected in Advance

Taxes and sewer charges collected in advance set forth as cash liabilities in the financial statements, are as follows:

Balance December 31,	2015	2014
Prepaid Taxes	<u>\$ 132,948.19</u>	<u>\$ 138,235.30</u>

Note 11. Assessments and Collection of Property Taxes

New Jersey statutes require that taxable valuation of real property be prepared by the City Tax Assessor as of October 1 in each year and filed with the County Board of Taxation (the "Board") by January 10 of the following year. Upon the filing of certified adopted budgets by the City, Regional School District and County, the tax rate is struck by the Board based on the certified amounts in each of the taxing districts for collection to fund the budgets. Pursuant to statute, this process is to be completed on or before May 3, with a completed duplicate of the tax rolls to be delivered to the City Tax Collector (the "Collector") on or before May 13th.

Tax bills are prepared then mailed by the Collector of the City annually and set forth the final tax for the tax year. The bill contains a credit for preliminary amounts billed previously with the balance payable in equal installments on August 1st and November 1st of the tax year. In addition the property owner receives a preliminary bill for the succeeding year based on one half of the prior year's tax. The preliminary payments are due and payable on February 1st and May 1st. The NJ Statutes allow a grace period of 10 days for each payment period and the City granted this option to taxpayers. Taxes become delinquent if not paid on the installment dates and become subject to interest penalties of 8% or 18% of the amount delinquent. If taxes are delinquent on or after April 1st of the succeeding year, the delinquent amount is subject to "Tax Sale" which places a tax lien on the property allowing the holder to enforce the tax lien by collection or foreclosure. New Jersey property tax laws establish a tax lien on real estate as of January 1st of the current tax year even though the amount due is not known.

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Pension Obligations

A. Public Employees' Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/5th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2015, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. City contributions to PERS amounted to \$168,540.00 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Net Pension Liability and Pension Expense - At December 31, 2015, the City's proportionate share of the PERS net pension liability is valued to be \$4,821,976.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The City's proportion of the net pension liability was based on the City's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2015. The City's proportion measured as of June 30, 2015, was .02148%, which was an increase of .00104% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	\$ 4,821,976.00	\$ 3,827,735.00
City's portion of the Plan's total net pension Liability	0.02148%	0.02044%

For the year ended December 31, 2015, the City had an allocated pension expense of \$363,671.00.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

	<u>PERS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.15-4.40% Based on Age Thereafter - 3.15-5.40% Based on Age
Inflation rate	3.04%

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Mortality rates were based on the RP-2000 Combined Health Male and Female Mortality Tables (setback 1 year for males and females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback 1 year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Pension Obligations (continued):

A. Public Employees' Retirement System (PERS) (continued):

Discount Rate - The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the City's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

	<u>Decrease</u> <u>(3.90%)</u>	<u>Discount</u> <u>(4.90%)</u>	<u>Increase</u> <u>(5.90%)</u>
City's proportionate share of the net pension liability	\$ 5,993,126.00	\$ 4,821,976.00	\$ 3,840,092.00

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

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

Plan Description – The State of New Jersey, Police and Firemen's Retirement System (PFRS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. 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.

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Pension Obligations (continued):

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

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010.
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits 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. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits 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.

Contributions - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2015, the State contributed an amount less than the actuarially determined amount. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. City contributions to PFRS amounted to \$555,758.62 for 2015.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Special Funding Situation – Under *N.J.S.A. 43:16A-15*, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Net Pension Liability and Pension Expense - At December 31, 2015, the City’s proportionate share of the PFRS net pension liability is valued to be \$12,253,596.00. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The City’s proportion of the net pension liability was based on the City’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2015. The City’s proportion measured as of June 30, 2015, was .07357%, which was an increase of .00120% from its proportion measured as of June 30, 2014.

Collective Balances at December 31, 2015 and December 31, 2014

	<u>12/31/15</u>	<u>12/31/14</u>
Actuarial valuation date	July 1, 2015	July 1, 2014
Net Pension Liability	\$ 12,253,596.00	\$ 9,103,875.00
City's portion of the Plan's total net pension Liability	0.07357%	0.07237%

For the year ended December 31, 2015, the City had an allocated pension expense of \$1,064,365.00.

Additionally, the State’s proportionate share of the net pension liability attributable to the City is \$1,074,599.00 as of December 31, 2015. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The State’s proportion of the net pension liability associated with the City was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2015 was .07357%, which was an increase of .00120% from its proportion measured as of June 30, 2014, which is the same proportion as the City’s.

City's Proportionate Share of the Net Pension Liability	\$ 12,253,596.00
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>1,074,599.00</u>
Total Net Pension Liability	<u><u>\$ 13,328,195.00</u></u>

For the year ended December 31, 2015, the City’s total allocated pension expense was \$1,198,406.00.

Actuarial Assumptions – The collective total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Pension Obligations (continued):

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

	<u>PFRS</u>
Measurement date	June 30, 2015
Actuarial valuation date	July 1, 2014
Investment rate of return	7.90%
Salary scale	2012-2021 - 2.60-9.48% Based on Age Thereafter - 3.60-10.48% Based on Age
Inflation rate	3.04%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Health Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2015 are summarized in the following table:

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%
Total	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made on the average of the last five years of contributions. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the City’s proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.79%) or 1-percentage-point higher (6.79%) than the current rate:

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 12. Pension Obligations (continued):

B. Police and Firemen’s Retirement System (PFRS) (continued):

Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
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City's proportionate share of the Net Pension

Liability and the State's proportionate share of the

Net Pension Liability associated with the Township	\$ 17,570,792.00	\$ 13,328,195.00	\$ 9,868,736.00
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Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued PERS financial statements.

Note 13. Deferred School District Taxes

Local District School taxes and Regional High School Tax have been raised on a calendar year basis. There were no Deferred Local District School Taxes or Deferred Regional High School Taxes as of December 31, 2015. There were no Regional High School or Local District School Taxes Payable as of December 31, 2015.

Note 14. Accounts Receivable

Accounts receivable at December 31, 2015 consisted of intergovernmental grants, taxes, sewer rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the City’s individual major and fiduciary funds, in the aggregate, are as follows:

	Current Fund	State & Federal Grant Fund	Trust Other Fund	Total
State Aid	\$ -	\$ 308,984.94	\$ -	\$ 308,984.94
Federal Aid	-	70,000.00	-	70,000.00
Taxes	640,731.97	-	-	640,731.97
Sewer Rents	82,080.29	-	-	82,080.29
Other	14,905.14	-	44,397.50	59,302.64
Total	\$ 737,717.40	\$ 378,984.94	\$ 44,397.50	\$ 1,161,099.84

CITY OF NORTHFIELD

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 15. Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; error and omission, injuries to employees; and natural disaster. The City is a member of the Atlantic County Municipal Joint Insurance Fund (JIF). The joint insurance pool is both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and workmen's compensation. The Joint Insurance Fund will be self-sustaining through member premiums. The Joint Insurance Fund participates in the Municipal Excess Liability Program, which has a contract for excess liability insurance for property.

Note 16. Deferred Compensation

Employees of the City may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the City has an obligation of due care in selecting the third party administrator. In the opinion of the City's legal counsel, the City has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 17. Contingent Liabilities

State and Federal Financial Assistance

The City receives financial assistance from the State of New Jersey and the U. S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the financial assistance agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors.

As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2015, the City estimates that no material liabilities will result from such audits.

CITY OF NORTHFIELD

NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2015

Note 17. Contingent Liabilities (continued):

Pending Litigation

It is the opinion of the City officials that there is no litigation threatened or pending that would materially affect the financial position of the City or adversely affect the City's ability to levy, collect and enforce the collection of taxes or other revenue for the payment of its bonds or other obligations.

The City officials believe that negligence and other types of liability suits, of which the City is aware, appear to be within the stated policy limits and would be deferred by the respective carriers.

Note 18. Length of Service Award Program ("LOSAP") (Unaudited):

During the year 2001 the voters of the City of Northfield approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who performed qualified services which are defined as firefighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP complies with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The City has included \$16,000.00 in the 2016 budget for contributions to the LOSAP for volunteers who have met the established criteria.

Reporting Requirements

N.J.A.C.5:30-14.49 requires that the City perform a separate review report of the Plan in accordance with the American Institute of Certified Public Accounts Statements for Accounting and Auditing Review Services.

Note 19, Other Post-Employment Benefits

The financial statements of the City are not prepared in accordance with Governmental Accounting Standards Board Statement No. 45. The following information is provided in accordance with the requirements of the Statement.

Plan Description

In addition to the pension benefits described in Note 12, the City contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. 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. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The S.H.B.P. was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the S.H.B.P. The City's defined benefit postemployment healthcare plan provides post-employment health care benefits, at its cost, to certain retired employees. The City will cover the entire cost of post-retirement health benefits for the retirees and

CITY OF NORTHFIELD

**NOTES TO FINANCIAL STATEMENTS (continued):
FOR THE YEAR ENDED DECEMBER 31, 2015**

Note 19, Other Post-Employment Benefits (continued):

his/her dependents only when the employee has worked twenty-five (25) or more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the City of Northfield and remains in effect until the employee becomes Medicare eligible. The plan can be amended by the City subject to applicable collective bargaining and employment agreements.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the S.H.B.P. 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 S.H.B.P. That report may be obtained by writing to: State of New Jersey Division of

Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at www.state.nj.us/treasury/pensions/.

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 S.H.B.P. are billed to the City on a monthly basis.

The City is a member of the SHBP and provides that its retirees will be covered if they have participated in either the PERS or the PFRS for 25 years. During 2015, 2014 and 2013 the City paid the SHBP \$1,593,801.97, \$1,572,700.04, and \$1,547,643.17 respectively for health care of employees and retirees. The amount paid for retirees was \$647,748.61, \$688,824.84, and \$690,240.12 respectively.

Note 20, Union Contracts

As of December 31, 2015, the City's employees are organized in three collective bargaining units. The contracts with the Policeman's Benevolent Association will expire December 31, 2017, the GWU will expire December 31, 2017 and the IAFF contract will expire December 31, 2019.

Bargaining Unit	Job Category	Members
PBA	Police	All uniformed police
GWU	Supervisory Employees and White and Blue Collar Employees	All employees except exempt employees, police and fire
IAFF	Fire	All career fire fighters

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SUPPLEMENTARY EXHIBITS

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CURRENT FUND

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**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF CURRENT CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 3,521,653.12
Increased by Receipts:		
Taxes Receivable	\$ 27,975,171.78	
Due from State of New Jersey (c.73, P.L. 1976)	116,250.00	
Prepaid Taxes	132,948.19	
Miscellaneous Revenue Anticipated	2,825,747.58	
Miscellaneous Revenue Not Anticipated	173,220.62	
Reimbursements	464,641.62	
Payroll Taxes Payable	4,750.97	
Due to Trust Fund	96.37	
Due from Animal Control Fund	2,314.89	
Due State for Burial Permit Fees	25.00	
Due State for DCA	15,040.00	
Due State for Marriage Licenses	875.00	
Federal and State Grants - Appropriated	336,304.34	
Federal and State Grants - Unappropriated	<u>4,717.85</u>	
Subtotal		<u>32,052,104.21</u>
Decreased by:		
2014 Appropriation Reerves	198,911.13	
2015 Apporpriations	11,628,874.14	
County Taxes	4,476,146.46	
Regional High School Tax	5,863,390.50	
Local District School Tax	9,997,726.00	
Due to Trust Fund	91.57	
Due State for Marriage Licenses	1,050.00	
Due State for DCA	12,661.00	
Prior Year Payroll Liability Adjustment	5,292.08	
Refund of Tax Overpayments	105,212.81	
Federal and State Grant Expenditures	<u>442,306.85</u>	
Subtotal		<u>32,731,662.54</u>
Balance, December 31, 2015		<u><u>\$ 2,842,094.79</u></u>

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Year	Balance December 31, 2014	2015 Levy	Collected		Due From State of New Jersey	(Remitted) or Canceled	Transfers	Transferred To Tax Title Liens	Balance December 31, 2015
			2014	2015					
Arrears	\$ 39,143.42	\$ -	\$ -	\$ 5,512.23	\$ -	\$ -	\$ 10,563.19	\$ -	\$ 44,194.38
2014	398,493.11	-	966.80	388,229.92	-	144.25	(10,563.19)	522.55	-
2015	-	28,649,708.68	63,602.86	27,476,216.82	116,500.00	407,650.06	-	3,296.15	571,413.21
	\$ 437,636.53	\$ 28,649,708.68	\$ 64,569.66	\$ 138,235.30	\$ 116,500.00	\$ 407,794.31	\$ -	\$ 3,818.70	\$ 615,607.59
Cash Receipts									
Tax Overpayments									
				\$ 27,975,171.78					
				(105,212.81)					
				\$ 27,869,958.97					

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Analysis of 2015 Property Tax Levy	
Tax Yield	
General Property Tax	\$ 28,649,708.68
Added Taxes (54:4-63.1 et. Seq.)	<u>64,569.66</u>
	<u><u>\$ 28,714,278.34</u></u>
Tax Levy:	
Regional High School Tax (Abstract)	\$ 5,863,390.00
Local School District Tax (Abstract)	9,997,726.00
County Taxes:	
County Tax (Abstract)	\$ 4,343,671.85
County Health Service Tax (Abstract)	113,161.08
County Open Space Tax (Abstract)	13,151.55
Due County for Added Taxes (R.S. 54:4-63.1 et seq.)	<u>11,182.14</u>
Total County Taxes	4,481,166.62
Local Tax For Municipal Purposes	7,990,185.32
Add: Minimum Library Tax	324,191.00
Add: Additional Tax Levied	<u>57,619.40</u>
	<u>8,371,995.72</u>
	<u><u>\$ 28,714,278.34</u></u>

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF SEWER RENTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 82,773.34
Increased by:		
Overpayments Created	\$ 4,125.64	
Sewer Rents	1,327,402.36	1,331,528.00
		<hr/>
		1,414,301.34
Decreased by:		
Overpayments Applied	4,710.84	
Cancellations & Adjustments	4,675.63	
Cash Collections	1,322,834.58	1,332,221.05
		<hr/>
Balance, December 31, 2015		<u>\$ 82,080.29</u>

**SCHEDULE OF SEWER OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 4,710.84
Increased by:		
Overpayments Created		<hr/> 4,125.64
		8,836.48
Decreased by:		
Overpayments Applied		<hr/> 4,710.84
Balance, December 31, 2015		<u>\$ 4,125.64</u>

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 23,434.14
Increased by:		
Maintenance Liens	\$ 5,243.82	
Interest and Cost from Tax Sale	81.94	
Transfer from Current Year Taxes	3,818.70	9,144.46
		32,578.60
Decreased by:		
Miscellaneous Liens Collections	276.40	
Adjustment	127.00	403.40
		32,175.20
Balance, December 31, 2015		\$ 32,175.20
<u>Analysis of Balance:</u>		
Tax Title Liens	\$ 25,124.38	
Sewer Title Liens	325.00	
Miscellaneous Liens	6,725.82	
	\$ 32,175.20	

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE DECEMBER 31, 2014	ACCRUED IN 2015	COLLECTED	BALANCE DECEMBER 31, 2015
<u>Micellaneous Revenues Anticipated:</u>				
Alcoholic Beverage Licenses	\$ -	7,500.00	\$ 7,500.00	\$ -
Other Licenses	-	75,341.02	75,341.02	-
Fees and Permits	-	63,525.53	63,525.53	-
Municipal Court:				
Fines and Costs	3,927.16	84,710.01	80,782.85	7,854.32
Interest and Costs on Taxes	-	104,931.30	104,931.30	-
Interest on Investments Deposits	-	12,984.64	12,984.64	-
Sewerage Rentals	-	1,323,419.78	1,323,419.78	-
Consolidated Municipal Tax Relief Act	-	4,934.00	4,934.00	-
Energy Receipt Taxes	-	627,452.00	627,452.00	-
Uniform Construction Code Fees	-	196,051.00	196,051.00	-
Linwood Share - Sewerage Department Costs	-	180,338.16	180,338.16	-
Linwood Share - Court Costs	-	121,689.00	121,689.00	-
Uniform Fire Safety Act	-	6,883.50	6,883.50	-
Library Maintenance Agreement	-	20,500.00	20,500.00	-
Library Reimbursement	-	55,000.00	55,000.00	-
	<u>\$ 3,927.16</u>	<u>\$ 2,885,259.94</u>	<u>\$ 2,881,332.78</u>	<u>\$ 7,854.32</u>
Receipts			\$ 2,825,747.58	
Reserve for Library Surplus			55,000.00	
Overpayments Applied to Sewer Rents Receivable			4,710.84	
Transferred to Sewer Overpayments			<u>(4,125.64)</u>	
			<u>\$ 2,881,332.78</u>	

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE		BUDGET AFTER	PAID OR CHARGED	BALANCE LAPSED
	ENCUMBERED	RESERVED			
Administrative and Executive					
Salaries and Wages	\$ -	\$ 1.00	\$ 1.00	\$ -	\$ 1.00
Other Expenses	19,087.79	3,747.47	22,835.26	12,415.97	10,419.29
Mayor and Council					
Salaries and Wages	-	2,172.79	2,172.79	-	2,172.79
City Clerk					
Salaries and Wages	-	3,355.87	3,355.87	-	3,355.87
Other Expenses	1,017.89	3,243.36	4,261.25	1,023.89	3,237.36
Financial Administration					
Salaries and Wages	-	1,700.53	1,700.53	-	1,700.53
Other Expenses	397.34	2,310.32	2,707.66	386.42	2,321.24
Municipal Prosecutor					
Other Expenses	-	333.44	333.44	-	333.44
Audit					
Other Expenses	1,000.00	4,000.00	5,000.00	3,125.00	1,875.00
Public Defender					
Other Expenses	-	2,000.00	2,000.00	-	2,000.00
Revenue Administration (Tax Collector)					
Salaries and Wages	-	1,042.66	1,042.66	-	1,042.66
Other Expenses	1,021.99	1,432.16	2,454.15	1,587.19	866.96
Tax Assessment Administration					
Salaries and Wages	-	256.60	256.60	-	256.60
Other Expenses	386.50	15.61	402.11	402.11	-
Legal Services and Costs					
Other Expenses	16,912.94	15,724.08	32,637.02	32,268.92	368.10
Insurance					
Workers' Compensation	-	3,625.38	3,625.38	-	3,625.38
Group Insurance	-	46,481.75	46,481.75	10,575.40	35,906.35
Other Insurance	-	4,788.04	4,788.04	-	4,788.04
Health Benefit Waiver	-	9,999.94	9,999.94	-	9,999.94
Economic Development Commission	420.00	580.00	1,000.00	140.00	860.00
Municipal Court					
Salaries and Wages	-	1,445.16	1,445.16	-	1,445.16
Other Expenses	1,548.23	3,086.65	4,634.88	1,218.32	3,416.56
Planning Board					
Salaries and Wages	-	500.06	500.06	-	500.06
Other Expenses	573.21	1,617.32	2,190.53	573.21	1,617.32
Engineering					
Other Expenses	-	17,839.99	17,839.99	-	17,839.99
Fire Official					
Salaries and Wages	-	927.72	927.72	-	927.72
Other Expenses	-	548.64	548.64	-	548.64
Fire Department					
Salaries and Wages	-	14,403.32	14,403.32	-	14,403.32
Other Expenses					
Fire Hydrant	-	587.54	587.54	-	587.54
Miscellaneous Other Expenses	14,263.15	15,399.94	29,663.09	12,986.91	16,676.18
Police Services					
Salaries and Wages	-	49,057.27	49,057.27	(30,000.00)	79,057.27
Other Expenses	10,234.42	1,011.38	11,245.80	6,678.93	4,566.87
Office of Emergency Management					
Salaries and Wages	-	500.00	500.00	-	500.00
Other Expenses	1,409.69	4.84	1,414.53	593.08	821.45
Streets and Roads					
Salaries and Wages	-	52,329.86	52,329.86	-	52,329.86
Other Expenses	10,615.77	-	10,615.77	4,944.68	5,671.09
Reserve for Snow Removal	-	1.00	1.00	-	1.00

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF 2014 APPROPRIATION RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	BALANCE		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	ENCUMBERED	RESERVED			
Maintenance of Automotive Equipment					
Other Expenses	15,577.22	4,314.32	19,891.54	5,192.02	14,699.52
Solid Waste Collection					
Other Expenses	46,990.49	41,557.39	88,547.88	49,514.88	39,033.00
Public Buildings and Grounds					
Other Expenses	3,538.32	12,444.20	15,982.52	3,951.41	12,031.11
Maintenance of Bike Path	-	500.00	500.00	-	500.00
Sewerage					
Salaries and Wages	-	14,220.07	14,220.07	-	14,220.07
Other Expenses	3,155.60	11,106.70	14,262.30	151.41	14,110.89
Dog Regulations					
Other Expenses	775.00	-	775.00	775.00	-
Parks and Playgrounds					
Salaries and Wages	-	5,871.65	5,871.65	-	5,871.65
Other Expenses					
Neighborhood Programs	-	286.72	286.72	286.72	-
FAN	3,675.00	-	3,675.00	3,675.00	-
Senior Citizens	-	527.36	527.36	-	527.36
Conservation Commission					
Other Expenses	-	500.00	500.00	500.00	-
Construction Code Official					
Salaries and Wages	-	2,425.37	2,425.37	-	2,425.37
Other Expenses	547.46	2,570.50	3,117.96	547.46	2,570.50
Zoning/Housing Officer					
Salaries and Wages	-	601.20	601.20	-	601.20
Other Expenses	-	290.74	290.74	-	290.74
Utilities:					
Petroleum Products	11,603.45	14,409.73	26,013.18	3,787.68	22,225.50
Telephone and Telegraph	3,729.19	4,392.50	8,121.69	3,184.20	4,937.49
Electricity and Natural Gas	7,135.18	2,600.46	9,735.64	2,681.88	7,053.76
Water	64.40	-	64.40	-	64.40
Street Sweeping	-	1.00	1.00	-	1.00
Contribution to:					
Public Employees' Retirement System	-	22,093.25	22,093.25	1,868.11	20,225.14
Police and Firemen's Retirement System	-	23,848.88	23,848.88	15,988.65	7,860.23
Social Security	-	6,832.14	6,832.14	(323.37)	7,155.51
DCRP	-	732.07	732.07	-	732.07
Unemployment Compensation Insurance	-	2,350.85	2,350.85	-	2,350.85
ACUA Service Charge - Contract	-	3,564.00	3,564.00	-	3,564.00
LOSAP	-	16,000.00	16,000.00	12,750.00	3,250.00
Linwood Share Sewerage - Interlocal Service Agreement	465.93	1,395.61	1,861.54	131.68	1,729.86
Linwood Share of Court Costs					
Interlocal Service Agreement	-	53,925.52	53,925.52	-	53,925.52
Capital Improvements Excluding from "CAP"					
Firefighter Protection Equipment	-	420.00	420.00	-	420.00
Sewer Repairs	5,005.00	-	5,005.00	5,005.00	-
Computer & Software Replacement	-	1,842.80	1,842.80	-	1,842.80
Total General Appropriations for County Purposes	\$ 181,151.16	\$ 517,696.72	\$ 698,847.88	\$ 168,587.76	\$ 530,260.12

Cash Disbursements	\$ 198,911.13
Reimbursements	<u>(30,323.37)</u>
	<u>168,587.76</u>

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF COUNTY TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014			
County Taxes	\$	-	
Added and Omitted Taxes		<u>6,161.98</u>	
			\$ 6,161.98
Increased by:			
County General		4,343,671.85	
County Local Health		113,161.08	
County Open Space		13,151.55	
Added Taxes		<u>11,182.14</u>	4,481,166.62
			4,487,328.60
Decreased by:			
Payment to County			<u>4,476,146.46</u>
Balance, December 31, 2015			
County Taxes		-	
Added and Omitted Taxes		<u>11,182.14</u>	
			<u>\$ 11,182.14</u>

**CITY OF NORTHFIELD
CURRENT FUND
STATEMENT OF LOCAL DISTRICT SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	-
Increased by Receipts:		
Levy - Calendar Year 2015		9,997,726.00
		9,997,726.00
Decreased by:		
Payments		9,997,726.00
Balance, December 31, 2015	\$	-

**STATEMENT OF REGIONAL HIGH SCHOOL TAX
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	0.50
Increased by:		
Levy - Calendar Year 2015		5,863,390.00
		5,863,390.50
Decreased by:		
Payments		5,863,390.50
Balance, December 31, 2015	\$	-

**CITY OF NORTHFIELD
CURRENT FUND
SCHEDULE OF RESERVE FOR ENCUMBRANCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ 181,151.16
Increased by:	
2015 Appropriations	<u>233,615.64</u>
Subtotal	414,766.80
Decreased by:	
Transferred to 2014 Appropriations Reserves	<u>181,151.16</u>
Balance December 31, 2015	<u><u>\$ 233,615.64</u></u>

**SCHEDULE OF PREPAID TAXES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014 (2015 Taxes)	\$ 138,235.30
Increased by:	
Collections - 2016 Taxes	<u>132,948.19</u>
Subtotal	271,183.49
Decreased by:	
Application to 2015 Taxes Receivable	<u>138,235.30</u>
Balance, December 31, 2015 (2016 Taxes)	<u><u>\$ 132,948.19</u></u>

**SCHEDULE OF TAX OVERPAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014	\$ -
Increased by:	
Overpayments in 2015	<u>105,212.81</u>
Subtotal	105,212.81
Decreased by:	
Refunded	<u>105,212.81</u>
Balance December 31, 2015	<u><u>\$ -</u></u>

**CITY OF NORTHFIELD
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NJ VETERAN AND SENIOR CITIZEN DEDUCTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 25,121.17
Increased by:		
Cash Receipts		116,250.00
		141,371.17
Decreased by:		
Senior Citizen & Veterans Deductions Per Tax Billings	\$ 116,250.00	
Deductions Allowed by Tax Collector - 2015 Taxes	6,000.00	
Deductions Disallowed by Tax Collector - 2015 Taxes	(5,750.00)	116,500.00
Balance, December 31, 2015		\$ 24,871.17

**ANALYSIS OF FORECLOSED PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2014		\$ 19,200.00
Decreased By:		
Cancellation of Balance		19,200.00
Balance December 31, 2015		\$ -

**CITY OF NORTHFIELD
CURRENT FUND
SCHEDULE OF DUE TO STATE OF NEW JERSEY
MARRIAGE LICENSE FEES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2013	\$ 350.00
Increased by:	
Cash Receipts	<u>875.00</u>
Subtotal	1,225.00
Decreased by:	
Cash Disbursements	<u>1,050.00</u>
Balance December 31, 2014	<u><u>\$ 175.00</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
DCA INSPECTION FEES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2013	\$ 1,662.00
Increased by:	
Cash Receipts	<u>15,040.00</u>
Subtotal	16,702.00
Decreased by:	
Cash Disbursements	<u>12,661.00</u>
Balance December 31, 2014	<u><u>\$ 4,041.00</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY
BURIAL PERMIT FEES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2013	\$ 90.00
Increased by:	
Cash Receipts	<u>25.00</u>
Balance December 31, 2014	<u><u>\$ 115.00</u></u>

**CITY OF NORTHFIELD
CURRENT FUND
SCHEDULE OF PAYROLL TAXES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2013	\$ 32,365.78
Increased by:	
Cash Receipts	<u>4,750.97</u>
Balance December 31, 2014	<u><u>\$ 37,116.75</u></u>

**SCHEDULE OF RESERVE FOR LIBRARY SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance December 31, 2013	\$ 80,000.00
Decreased by:	
Realized as Revenue	<u>55,000.00</u>
Balance December 31, 2014	<u><u>\$ 25,000.00</u></u>

**CITY OF NORTHFIELD
CURRENT FUND
SCHEDULE OF DEFERRED CHARGES - EMERGENCY APPROPRIATION
FOR THE YEAR ENDED DECEMBER 31, 2015**

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	DATE	BALANCE DECEMBER 31, 2014	<u>DECREASED BY</u> 2015 BUDGET	BALANCE DECEMBER 31, 2015
Legal Expenses	\$ 50,000.00	9/3/2014	\$ 50,000.00	\$ 50,000.00	\$ -
			<u>\$ 50,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ -</u>

**CITY OF NORTHFIELD
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

GRANT	BALANCE DECEMBER 31, 2014	2015 ANTICIPATED REVENUE	CASH RECEIVED	CANCELLED	BALANCE DECEMBER 31, 2015
Clean Communities Program	\$ -	\$ 19,354.02	\$ 19,354.02	\$ -	\$ -
Safe and Secure State	120,000.00	60,000.00	90,000.00	30,000.00	60,000.00
Alcohol Education Rehabilitation Fund	-	1,149.20	1,149.20	-	-
Municipal Alliance Grant					
2014 Grant	13,771.00	-	8,901.45	4,869.55	-
2015 Grant	-	13,771.00	2,286.06	-	11,484.94
Community Development Block Grant	18,204.00	46,988.00	65,192.00	-	-
COPS in Shops	-	1,600.00	1,200.00	400.00	-
Click it or Ticket	-	4,000.00	4,000.00	-	-
FEMA Hazard Mitigation Grant	-	70,000.00	-	-	70,000.00
NJ DOT 2014 - Broad Street III	190,000.00	-	142,500.00	-	47,500.00
NJ DOT 2015 - Bay Drive	-	190,000.00	-	-	190,000.00
Recycling Tonnage Grant	-	8,612.51	8,612.51	-	-
US DOJ Body Armor Grant	4,861.61	-	1,721.61	3,140.00	-
Grand Total All Pages	\$ 346,836.61	\$ 415,474.73	\$ 344,916.85	\$ 38,409.55	\$ 378,984.94

Analysis:

Cash Receipts	\$ 336,304.34
Transferred from Unappropriated Reserves	8,612.51
	<u>\$ 344,916.85</u>

**CITY OF NORTHFIELD
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS - APPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

GRANT	BALANCE DECEMBER 31, 2014	2015 BUDGET APPROPRIATIONS	TRANSFER FROM 2014 ENCUMBRANCES	EXPENDED	CANCELLED	ENCUMBERED	BALANCE DECEMBER 31, 2015
Drunk Driving Enforcement Fund	\$ 13,327.40	\$ -	71.50	\$ 9,722.52	\$ -	\$ -	\$ 3,676.38
Clean Communities Program	7,835.34	19,354.02	-	15,567.48	-	-	11,621.88
Municipal Alliance Grant							
County Share	10,974.31	13,771.00	-	5,460.54	7,531.31	150.00	11,603.46
Local Share	3,443.00	3,443.00	-	6,104.76	781.24	-	-
Safe and Secure Communities Program							
State Share	60,000.00	60,000.00	-	90,000.00	30,000.00	-	-
Local Share	-	83,715.00	-	83,715.00	-	-	-
Alcohol Education Rehabilitation Fund	8,202.43	1,149.20	-	-	-	-	9,351.63
Body Armor	4,584.58	-	-	4,113.39	-	-	471.19
NJ DOT 2014	190,000.00	-	-	155,509.55	-	34,490.45	-
NJ DOT 2015	-	190,000.00	-	-	-	-	190,000.00
Recycling Tonnage Grant	-	8,612.51	-	-	-	-	8,612.51
US DOJ Bulletproof Vest Grant	4,861.61	-	-	1,721.61	3,140.00	-	-
State Farm Grant	2,000.00	-	-	-	-	-	2,000.00
Sustainable Jersey	31.40	-	-	-	31.40	-	-
Click it or Ticket	-	4,000.00	-	4,000.00	-	-	-
COPS in Shops	-	1,600.00	-	1,200.00	400.00	-	-
Community Development Grant	18,204.00	46,988.00	-	65,192.00	-	-	-
NADDI	597.22	-	-	-	-	-	597.22
FEMA Hazard Mitigation Grant	-	70,000.00	-	-	-	-	70,000.00
Total	\$ 324,061.29	\$ 502,632.73	\$ 71.50	\$ 442,306.85	\$ 41,883.95	\$ 34,640.45	\$ 307,934.27

**CITY OF NORTHFIELD
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED
FOR THE YEAR ENDED DECEMBER 31, 2015**

GRANT	BALANCE DECEMBER 31, 2014	RECEIVED	ANTICIPATED IN 2015 BUDGET	BALANCE DECEMBER 31, 2015
DDEF Grant	\$ -	\$ 2,533.97	\$ -	\$ 2,533.97
Body Armor Grant	-	2,183.88	-	2,183.88
Recycling Tonnage Grant	8,612.51	-	8,612.51	-
Total	<u>\$ 8,612.51</u>	<u>\$ 4,717.85</u>	<u>\$ 8,612.51</u>	<u>\$ 4,717.85</u>

TRUST FUND

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**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

	ANIMAL CONTROL	OTHER
	<u> </u>	<u> </u>
Balance, December 31, 2014	\$ 11,112.89	\$ 1,328,263.31
Increased by Receipts:		
Animal Control Fees	3,036.80	-
State Fees	604.20	-
Due from Current Fund	-	91.57
Due to State - Sales Tax	-	986.73
Cultural Committee	-	2,670.44
Accumulated Sick and Vacation	-	500.00
Parking Offense Adjudication Act	-	8.00
Joint Insurance Funds	-	2,818.59
Public Defender	-	5,738.50
Law Enforcement Forfeiture	-	879.28
Escrow Review Fees	-	128,864.56
Snow Removal	-	5,000.00
Fees and Permits - Birch Grove Park	-	62,917.21
Outside Employment of Police	-	43,695.62
	<u>3,641.00</u>	<u>254,170.50</u>
	<u>14,753.89</u>	<u>1,582,433.81</u>
Decreased by Disbursements:		
Dog Fund Expenditures	9,709.00	-
State Fees	604.20	-
Due to Current Fund	2,314.89	-
Due to State - Sales Tax	-	986.73
Cultural Committee	-	3,826.65
Joint Insurance Funds	-	4,641.36
Recycling	-	524.22
Public Defender	-	7,400.00
Law Enforcement Forfeiture	-	6,373.99
Contractors' Expenditures	-	107,750.82
Municipal Alliance	-	1,137.20
Birch Grove Park Expenditures	-	51,904.54
Outside Employment of Police	-	46,459.05
	<u>12,628.09</u>	<u>231,004.56</u>
Balance, December 31, 2015	<u>\$ 2,125.80</u>	<u>\$ 1,351,429.25</u>

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF CASH - COLLECTOR
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 168,740.08
Increased by Receipts:		
Redemption of Liens	\$ 153,320.68	
Premiums on Sales	214,441.80	
	<u> </u>	<u>367,762.48</u>
		536,502.56
Decreased by Disbursements:		
Redemption of Liens	146,316.85	
Premiums on Sales	150,241.80	
	<u> </u>	<u>296,558.65</u>
Balance, December 31, 2015		<u><u>\$ 239,943.91</u></u>

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	8,798.00
Increased by Receipts:		
Animal Control Fees Collected - 2015		3,036.80
		11,834.80
Decreased by Disbursements:		
Dog License Expenses		9,709.00
Balance, December 31, 2015	\$	2,125.80

Licence Fees Collected:

Year	Amount
2013	\$ 3,540.00
2014	3,719.60
	\$ 7,259.60

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF AMOUNT DUE TO CURRENT FUND - ANIMAL CONTROL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	2,314.89
Decreased by Disbursements:		
Statutory Excess Due to Current		2,314.89
Balance, December 31, 2015	\$	-

**STATEMENT OF AMOUNT DUE TO STATE OF NEW JERSEY - DEPARTMENT OF HEALTH
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$	-
Increased by Receipts:		
2015 State License Fees		604.20
		604.20
Decreased by Disbursements:		
Disbursements to the State		604.20
Balance, December 31, 2015	\$	-

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF RESERVE FOR ACCUMULATED ABSENCES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 717,764.23
Increased by:	
Budget Transfer	<u>500.00</u>
Balance, December 31, 2015	<u><u>\$ 718,264.23</u></u>

**STATEMENT OF REERVE FOR LAW ENFORCEMENT FORFEITURE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 45,515.37
Increased by Receipts:	
Cash Receipts	<u>879.28</u>
	46,394.65
Decreased by Disbursements:	
Expenditures	<u>6,373.99</u>
Balance, December 31, 2015	<u><u>\$ 40,020.66</u></u>

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF RESERVE FOR SMALL CITIES PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 and 2014	<u><u>\$ 181,495.69</u></u>
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**STATEMENT OF RESERVE FOR ESCROW REVIEW FEES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 167,238.49
Increased by:	
Interest Due from Current	\$ 96.37
Escrow Deposits Received	<u>128,864.56</u>
	<u>128,960.93</u>
	296,199.42
Decreased by:	
Disbursements	<u>107,750.82</u>
Balance, December 31, 2015	<u><u>\$ 188,448.60</u></u>

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF RESERVE FOR SNOW REMOVAL FEES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 33,316.77
Increased by Receipts:	
Cash Receipts	<u>5,000.00</u>
Balance, December 31, 2015 and 2014	<u><u>\$ 38,316.77</u></u>

**STATEMENT OF RESERVE FOR RECREATION EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 113,059.68
Increased by Receipts:	
Fees and Permits - Birch Grove Park	<u>62,917.21</u>
	175,976.89
Decreased by Disbursements:	
Birch Grove Park Expenditures	<u>51,904.54</u>
Balance, December 31, 2015	<u><u>\$ 124,072.35</u></u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY - SALES TAX
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased by Receipts:	
Fees and Permits - Birch Grove Park	<u>986.73</u>
	986.73
Decreased by Disbursements:	
Birch Grove Park Expenditures	<u>986.73</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF OUTSIDE EMPLOYMENT OF POLICE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 5,880.31
Increased by Receipts:	
Fees	<u>43,695.62</u>
	49,575.93
Decreased by Disbursements:	
Payments to Current Fund	<u>46,459.05</u>
Balance, December 31, 2015	<u><u>\$ 3,116.88</u></u>

**STATEMENT OF RESERVE FOR MUNICIPAL ALLIANCE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 1,137.20
Decreased by Disbursements:	
Cash Disbursements	<u>1,137.20</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF RESERVE FOR PUBLIC DEFENDER TRUST
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 5,941.50
Increased by Receipts:	
Cash Receipts	<u>5,738.50</u>
	11,680.00
Decreased by Disbursements:	
Cash Disbursements	<u>7,400.00</u>
Balance, December 31, 2015	<u><u>\$ 4,280.00</u></u>

**STATEMENT OF RESERVE FOR SMALL CITIES REVOLVING LOAN
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2015 and 2014	<u><u>\$ 44,397.50</u></u>
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**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF RESERVE FOR REDEMPTION OF TAX LIENS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ -
Increased by Receipts:	
Redemption of Third Party Liens	<u>153,320.68</u>
	153,320.68
Decreased by Disbursements:	
Cash Disbursed to Lienholders	<u>146,316.85</u>
Balance, December 31, 2015	<u><u>\$ 7,003.83</u></u>

**STATEMENT OF RESERVE FOR TAX SALE PREMIUMS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 168,740.08
Increased by Receipts:	
Tax Sale Premiums Received	<u>214,441.80</u>
	383,181.88
Decreased by Disbursements:	
Cash Disbursed	<u>150,241.80</u>
Balance, December 31, 2015	<u><u>\$ 232,940.08</u></u>

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF RESERVE FOR CULTURAL COMMITTEE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 7,051.37
Increased by Receipts:	
Cash Receipts	<u>2,670.44</u>
	9,721.81
Decreased by Disbursements:	
Cash Disbursements	<u>3,826.65</u>
Balance, December 31, 2015	<u><u>\$ 5,895.16</u></u>

**STATEMENT OF RESERVE FOR POAA
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 113.78
Increased by Receipts:	
Cash Receipts	<u>8.00</u>
Balance, December 31, 2015	<u><u>\$ 121.78</u></u>

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF RESERVE FOR RECYCLING
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 38,488.73
Decreased by:	
Cash Disbursements	<u>524.22</u>
Balance, December 31, 2015	<u><u>\$ 37,964.51</u></u>

**STATEMENT OF RESERVE FOR JOINT INSURANCE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 11,351.76
Increased by Receipts:	
Cash Receipts	<u>2,818.59</u>
	14,170.35
Decreased by Disbursements:	
Cash Disbursements	<u>4,641.36</u>
Balance, December 31, 2015	<u><u>\$ 9,528.99</u></u>

GENERAL CAPITAL FUND

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**CITY OF NORTHFIELD
GENERAL CAPITAL FUND
STATEMENT OF CASH - TREASURER
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 390,998.11
Increased by Receipts:		
Bond Anticipation Notes Issued	\$ 1,752,750.00	
Capital Improvement Fund	<u>30,000.00</u>	
		<u>1,782,750.00</u>
		2,173,748.11
Decreased by Disbursements:		
Improvement Authorizations		<u>880,138.96</u>
Balance, December 31, 2015		<u><u>\$ 1,293,609.15</u></u>

**CITY OF NORTHFIELD
GENERAL CAPITAL FUND
ANALYSIS OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31,		RECEIPTS		DISBURSEMENTS		TRANSFERS		BALANCE DECEMBER 31, 2015
		2014		MISCELLANEOUS	IMPROVEMENT AUTHORIZATIONS	FROM	TO			
Fund Balance		\$ 108,940.82	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,940.82
Capital Improvement Fund		53,628.00	30,000.00	-	-	83,250.00	20.00	-	-	398.00
Encumbrances Payable		804,885.09	-	-	-	808,986.09	752,813.40	-	-	748,712.40
Preliminary Expenses		20.00	-	-	-	20.00	-	-	-	-
Bond Anticipation Notes		-	1,752,750.00	-	-	1,752,750.00	-	-	-	-
5-04	Improvements to City Buildings	26,514.36	-	28,539.20	-	-	5,557.85	-	3,533.01	
4-06	Various Stormwater Drainage	2,149.00	-	3,720.00	-	2,764.00	4,335.00	-	-	
12-06	Various Sewer Repairs	15,866.00	-	15,866.00	-	-	-	-	-	
4-08	Various Stormwater Improvements	-	-	8,634.51	-	-	8,634.51	-	-	
4-08	Various Sewer Repairs	-	-	8,015.62	-	-	8,015.62	-	-	
14-09	Purchase of Dump Truck and Plow	-	-	-	-	644.00	644.00	-	-	
1-10	Storm Water Drainage Improvements	25,166.59	-	36,841.07	-	113,264.80	150,105.87	-	-	25,166.59
1-10	Improvement to Recreation Area	1,022.80	-	-	-	-	-	-	-	1,022.80
1-10	Improvement to City Hall	25,000.00	-	-	-	-	-	-	-	25,000.00
11-02a	Storm Water Drainage Improvements	144,167.40	-	30,629.31	-	109,725.00	8,822.26	-	-	12,635.35
11-02b	Road Improvements	33,895.80	-	21,797.50	-	14,146.30	2,048.00	-	-	0.00
11-02d	All-Sports Recreation Area Improvements	1,292.75	-	-	-	-	-	-	-	1,292.75
11-02e	Sanitary Sewer Improvements	0.00	-	15,559.16	-	-	15,559.16	-	-	-
10-12a	Road Projects	1,416.48	-	46,535.00	-	-	47,488.00	-	-	2,369.48
10-12b	PW Vehicles and Equipment	115,000.00	-	-	-	35,072.00	-	-	-	79,928.00
10-12d	Communication	14,756.28	-	17,006.28	-	-	2,250.00	-	-	340.00
10-12e	Various Sewer Repairs	340.00	-	1,845.84	-	5,949.16	7,795.00	-	-	8,852.00
10-12f	Veteran Park Improvements Phase II	8,852.00	-	-	-	-	-	-	-	12,474.00
10-12g	Rec Field Improvements	13,427.00	-	-	-	953.00	-	-	-	-
9-13	Computer & Electronic Equipment	673.69	-	673.69	-	-	-	-	-	-
12-13-b	Fire Truck	(379,789.00)	-	-	-	211.00	-	-	-	-
12-13d	Road Improvements	(580,907.36)	-	509,987.32	-	84,304.11	1,441,271.23	-	-	266,072.44
12-13e	Flashing Lights	5,250.00	-	-	-	-	-	-	-	5,250.00
12-13f	Flashing Lights	-	-	-	-	-	-	-	-	99,750.00
12-13h	License Plate Reader	(57,860.00)	-	-	-	3,890.00	-	-	-	-
12-13i	Sewer Repairs & Reconstruction	7,290.41	-	7,290.41	-	8,959.59	61,750.00	-	-	-
12-13j	Sewer Repairs & Reconstruction	-	-	56,068.05	-	56,506.29	308,750.00	-	-	196,175.66
15-15a	Public Safe Radios	-	-	-	-	15,000.00	15,000.00	-	-	-
15-15b	Public Safe Radios	-	-	-	-	271,588.15	-	-	-	(271,588.15)
15-15c	Police Vehicles & Equipment	-	-	6,000.00	-	-	6,000.00	-	-	-
15-15d	Police Vehicles & Equipment	-	-	65,130.00	-	29,836.00	-	-	-	(94,966.00)
15-15e	DPW Vehicles & Equipment	-	-	-	-	-	3,500.00	-	-	3,500.00
15-15f	Bike Path Improvements	-	-	-	-	-	1,250.00	-	-	1,250.00
15-15g	General Sewer Maintenance & Repairs	-	-	-	-	-	12,500.00	-	-	12,500.00
15-15i	Road & Drainage Improvements	-	-	-	-	-	45,000.00	-	-	45,000.00
15-15k		-	-	-	-	-	-	-	-	-
		\$ 390,998.11	\$ 1,782,750.00	\$ 880,138.96	\$ 3,397,819.49	\$ 3,397,819.49	\$ 1,293,609.15	\$ -	\$ -	\$ 1,293,609.15

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 6,809,000.00
Decreased by:	
Bond Payments	<u>1,085,000.00</u>
Balance, December 31, 2015	<u><u>\$ 5,724,000.00</u></u>

**CITY OF NORTHFIELD
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE	2015	BALANCE	FINANCED BY	UNEXPENDED
		DECEMBER 31, 2014	AUTHORIZATIONS	DECEMBER 31, 2015	NOTES	IMPROVEMENT AUTHORIZATION
		\$ 380,000.00	\$ -	\$ 380,000.00	\$ 380,000.00	\$ -
12-13b	Fire Truck	902,500.00	-	902,500.00	902,500.00	-
12-13d	Road Improvements	99,750.00	-	99,750.00	99,750.00	-
12-13f	Flashing Lights	61,750.00	-	61,750.00	61,750.00	-
12-13h	License Plate Reader	308,750.00	-	308,750.00	308,750.00	-
12-13j	Sewer Repairs & Reconstruction	-	-	-	-	-
15-15b	Public Safe Radios	-	285,000.00	285,000.00	-	271,588.15
15-15d	Police Vehicles & Equipment	-	114,000.00	114,000.00	-	94,966.00
15-15f	DPW Vehicles & Equipment	-	66,500.00	66,500.00	-	66,500.00
15-15h	Bike Path Improvements	-	23,750.00	23,750.00	-	23,750.00
15-15j	General Sewer Maintenance & Repairs	-	237,500.00	237,500.00	-	237,500.00
15-15l	Road & Drainage Improvements	-	855,000.00	855,000.00	-	855,000.00
		\$ 1,752,750.00	\$ 1,581,750.00	\$ 3,334,500.00	\$ 1,752,750.00	\$ 1,215,195.85

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF CAPITAL IMPROVEMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014		\$ 53,628.00
Increased by:		
2015 Budget Appropriation	\$ 30,000.00	
Preliminary Expenses Cancelled	<u>20.00</u>	
		<u>30,020.00</u>
		83,648.00
Decreased by:		
Improvement Authorizations		<u>83,250.00</u>
Balance, December 31, 2015		<u><u>\$ 398.00</u></u>

**CITY OF NORTHFIELD
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT		BALANCE DECEMBER 31, 2014		IMPROVEMENT AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES RECLASSIFIED	TRANSFERS	EXPENDED	RESERVE FOR ENCUMBRANCES	BALANCE DECEMBER 31, 2015	
			AMOUNT	UNFUNDED	FUNDED	UNFUNDED						FUNDED	UNFUNDED
5-04	Improvements to City Building	4/20/2004	\$ 114,000.00	\$ -	\$ 26,514.36	\$ -	\$ -	\$ -	\$ -	\$ 28,539.20	\$ -	\$ 3,533.01	\$ -
04-06	Acquisition of Vehicles and Equipment	4/4/2006	172,000.00	-	2,149.00	-	5,557.85	-	-	3,720.00	2,764.00	-	-
12-06	Various Sewer Repairs	9/19/2006	50,000.00	-	15,866.00	-	4,335.00	-	-	15,866.00	-	-	-
4-08	Various Stormwater Improvements	6/17/2008	479,800.00	-	-	-	8,634.51	-	-	8,634.51	-	-	-
4-08	Various Sewer Repairs	6/17/2008	150,000.00	-	-	-	8,015.62	-	-	8,015.62	-	-	-
9-14A	Purchase of Truck & Plow	10/1/2009	85,000.00	-	-	-	644.00	-	-	644.00	-	-	-
1-10	Storm Water Drainage Improvements	1/26/2010	1,225,000.00	-	25,166.59	-	150,103.87	-	-	36,841.07	113,264.80	25,166.59	-
1-10	Recreation Improvements	1/26/2010	12,000.00	-	1,022.80	-	-	-	-	-	-	1,022.80	-
1-10	Improvement to City Hal	1/26/2010	25,000.00	-	25,000.00	-	-	-	-	-	-	25,000.00	-
11-02a	Storm Water Drainage	4/23/2011	515,000.00	-	144,167.40	-	8,822.26	-	-	30,629.31	109,725.00	12,635.35	-
11-02b	Road Improvements	4/23/2011	495,000.00	-	33,895.80	-	2,048.00	-	-	21,797.50	14,146.30	-	-
11-02d	All-Sports Recreation Area Improvement	4/23/2011	25,000.00	-	1,292.75	-	-	-	-	-	-	1,292.75	-
11-02e	Sanitary Sewer Improvements	4/23/2011	60,000.00	-	-	-	-	-	-	15,559.16	-	-	-
10-12a	Road Projects	9/11/2012	600,000.00	-	1,416.48	-	15,559.16	-	-	46,535.00	-	2,369.48	-
10-12b	PW Vehicles and Equipment	9/11/2012	115,000.00	-	115,000.00	-	47,488.00	-	-	-	35,072.00	79,928.00	-
10-12d	Communication	9/11/2012	60,000.00	-	14,756.28	-	-	-	-	17,006.28	-	-	-
10-12e	Various Sewer Repairs	9/11/2012	30,000.00	-	340.00	-	2,250.00	-	-	-	-	340.00	-
10-12f	Veteran Park Improvements Phase I	9/11/2012	20,000.00	-	8,852.00	-	7,795.00	-	-	1,845.84	5,949.16	8,852.00	-
10-12g	Rec Field Improvements	9/11/2012	75,000.00	-	13,427.00	-	-	-	-	-	953.00	12,474.00	-
9-13	Computer & Electronic Equipment	7/27/2013	20,000.00	-	673.69	-	-	-	-	673.69	-	-	-
12-13b	Fire Truck	11/17/2013	380,000.00	-	-	211.00	-	-	(211.00)	-	-	-	-
12-13d	Road Improvements	11/17/2013	902,500.00	-	321,592.64	-	534,670.23	-	4,101.00	509,987.32	84,304.11	5,250.00	266,072.44
12-13e	Flashing Lights	11/17/2013	5,250.00	-	5,250.00	-	-	-	-	-	-	-	-
12-13f	Flashing Lights	11/17/2013	99,750.00	-	-	99,750.00	-	-	-	-	-	-	-
12-13h	License Plate Reader	11/17/2013	61,750.00	-	3,890.00	-	-	-	(3,890.00)	-	-	-	-
12-13i	Sewer Repairs & Reconstructor	11/17/2013	16,250.00	-	7,290.41	-	8,959.59	-	-	7,290.41	8,959.59	-	-
12-13j	Sewer Repairs & Reconstructor	11/17/2013	308,750.00	-	308,750.00	-	-	-	-	-	-	-	99,750.00
15-15a	Public Sale Radios	6/23/2015	15,000.00	-	-	15,000.00	-	-	-	-	-	-	-
15-15b	Public Sale Radios	6/23/2015	285,000.00	-	-	285,000.00	-	-	-	-	-	-	-
15-15c	Police Vehicles & Equipment	6/23/2015	6,000.00	-	-	6,000.00	-	-	-	-	-	-	196,175.66
15-15d	Police Vehicles & Equipment	6/23/2015	114,000.00	-	-	114,000.00	-	-	-	6,000.00	271,588.15	-	13,411.85
15-15e	DPW Vehicles & Equipment	6/23/2015	3,500.00	-	-	3,500.00	-	-	-	65,130.00	29,836.00	3,500.00	19,034.00
15-15f	DPW Vehicles & Equipment	6/23/2015	66,500.00	-	-	66,500.00	-	-	-	-	-	-	66,500.00
15-15g	Bike Path Improvements	6/23/2015	1,250.00	-	-	1,250.00	-	-	-	-	-	1,250.00	-
15-15h	Bike Path Improvements	6/23/2015	23,750.00	-	-	23,750.00	-	-	-	-	-	-	23,750.00
15-15i	General Sewer Maintenance & Repair	6/23/2015	12,500.00	-	-	12,500.00	-	-	-	-	-	12,500.00	-
15-15j	General Sewer Maintenance & Repair	6/23/2015	237,500.00	-	-	237,500.00	-	-	-	-	-	-	237,500.00
15-15k	Road & Drainage Improvements	6/23/2015	45,000.00	-	-	45,000.00	-	-	-	-	-	45,000.00	-
15-15l	Road & Drainage Improvements	6/23/2015	855,000.00	-	-	855,000.00	-	-	-	-	-	-	855,000.00
TOTAL			\$ 442,080.56	\$ 734,193.64	\$ 1,665,000.00	\$ -	\$ 804,885.09	\$ -	\$ -	\$ 880,138.96	\$ 748,712.40	\$ 240,113.98	\$ 1,777,193.95

**CITY OF NORTHFIELD
GENERAL CAPITAL FUND
STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 20.00
Decreased by:	
Cancelled to Capital Improvement Fund	<u>20.00</u>
Balance, December 31, 2015	<u><u>\$ -</u></u>

**CITY OF NORTHFIELD
GENERAL CAPITAL FUND
STATEMENT OF GENERAL SERIAL BONDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Improvement Description	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2014	DECREASED	BALANCE DECEMBER 31, 2015
			DATE	AMOUNT				
General Improvements	9/1/2002	\$ 4,655,000	N/A	N/A	N/A	\$ 435,000.00	\$ 435,000.00	\$ -
General Improvements	11/15/2006	4,999,000	12/1/2016	500,000.00	3.75%	2,074,000.00	475,000.00	1,599,000.00
			12/1/2017	600,000.00	3.75%			
			12/1/2018	499,000.00	4.00%			
General Improvements	10/23/2012	4,650,000	9/1/2016	350,000.00	2.00%	4,300,000.00	175,000.00	4,125,000.00
			9/1/2017	275,000.00	2.00%			
			9/1/2018	350,000.00	2.00%			
			9/1/2019	350,000.00	2.00%			
			9/1/2020	350,000.00	2.00%			
			9/1/2021	350,000.00	2.00%			
			9/1/2022	350,000.00	2.00%			
			9/1/2023	350,000.00	2.00%			
			9/1/2024	350,000.00	3.00%			
			9/1/2025	350,000.00	3.00%			
9/1/2026	350,000.00	3.00%						
9/1/2027	350,000.00	3.00%						
TOTAL						\$ 6,809,000.00	\$ 1,085,000.00	\$ 5,724,000.00

**CITY OF NORTHFIELD
TRUST FUND
STATEMENT OF ENCUMBRANCES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2015**

Balance, December 31, 2014	\$ 804,885.09
Increased by:	
2015 Improvement Authorizations	<u>748,712.40</u>
	1,553,597.49
Decreased by:	
Encumbrances Reclassified	<u>804,885.09</u>
Balance, December 31, 2015	<u><u>\$ 748,712.40</u></u>

**CITY OF NORTFIELD
GENERAL CAPITAL FUND
STATEMENT OF BOND ANTICIPATION NOTES
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2014	NOTES ISSUED	BALANCE DECEMBER 31, 2015
<u>General Improvements</u>								
12-13	Fire Truck	10/28/2015	10/28/2015	10/27/2016	0.79%	\$ -	\$ 380,000.00	\$ 380,000.00
12-13	Road Improvements	10/28/2015	10/28/2015	10/27/2016	0.79%	-	902,500.00	902,500.00
12-13	Flashing Lights	10/28/2015	10/28/2015	10/27/2016	0.79%	-	99,750.00	99,750.00
12-13	License Plate Reader	10/28/2015	10/28/2015	10/27/2016	0.79%	-	61,750.00	61,750.00
12-13	Sewer Repairs & Reconstruction	10/28/2015	10/28/2015	10/27/2016	0.79%	-	308,750.00	308,750.00
						\$ -	\$ 1,752,750.00	\$ 1,752,750.00

**CITY OF NORTHFIELD
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
FOR THE YEAR ENDED DECEMBER 31, 2015**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2014	2015 AUTHORIZATIONS	BAN ISSUED	BALANCE DECEMBER 31, 2015
		\$	-	\$	-
12-13	Fire Truck	380,000.00	-	380,000.00	-
12-13	Road Improvments	902,500.00	-	902,500.00	-
12-13	Flashing Lights	99,750.00	-	99,750.00	-
12-13	License Plate Reader	61,750.00	-	61,750.00	-
12-13	Sewer Repairs & Reconstruction	308,750.00	-	308,750.00	-
15-15	Public Safe Radios	-	285,000.00	-	285,000.00
15-15	Police Vehicles & Equipment	-	114,000.00	-	114,000.00
15-15	DPW Vehicles & Equipment	-	66,500.00	-	66,500.00
15-15	Bike Path Improvements	-	23,750.00	-	23,750.00
15-15	General Sewer Maintenance & Repairs	-	237,500.00	-	237,500.00
15-15	Road & Drainage Improvements	-	855,000.00	-	855,000.00
		\$	1,581,750.00	\$	1,581,750.00
		\$	1,581,750.00	\$	1,581,750.00

General Improvements

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CITY OF NORTHFIELD

PART II

**COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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The Honorable Mayor and Members of the
City Council
City of Northfield
County of Atlantic
Northfield, New Jersey

We have audited the financial statements of the City of Northfield in the County of Atlantic for the year ended December 31, 2015.

Scope of Audit

The audit covered the financial transactions of the Treasurer, Tax Collector, the activities of the Mayor and Council and the records of the various outside departments.

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

Cash on hand was counted and cash balances were reconciled with independent certifications obtained directly from the depositories.

The accrued and realized revenues for the various City Departments as shown on the Statements of Revenue and Revenue Accounts Receivable are presented as recorded in the City records.

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$36,000 for the period of January 1, 2015 to June 30, 2015, and \$40,000 for the period of July 1, 2015 to December 31, 2015, except by contract or agreement.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4) (continued):

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

- Reconstruction of Board Street Phase III
- General Repairs & Construction of Sanitary Sewer Facilities

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

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

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$5,400 for the period of January 1, 2015 to June 30, 2015, and in excess of \$6,000 for the period of July 1, 2015 to December 31, 2015, thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Interest on Delinquent Taxes,

N.J.S.54:4-67, as amended, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 6, 2015 adopted the following resolution authorizing interest to be charged on delinquent taxes:

“BE IT RESOLVED that the rate of interest to be charged for the nonpayment of taxes and water/sewer rents on the date when they become delinquent is hereby fixed as eight (8%) percent per annum of the first One Thousand Five Hundred Dollars (\$1,500.00) of the delinquency, and eighteen (18%) percent per annum on any amount in excess of One Thousand Five Hundred Dollars (\$1,500.00). The same to be calculated from the date of actual payment; provided, however, that no interest be charged if payment is made with ten (10) days after the date upon which same became payable.”

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on June 4, 2015 and was complete.

Delinquent Taxes and Tax Title Liens (continued)

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

YEAR	NUMBER OF LIENS
2015	14
2014	11
2013	11

Deductions From Taxes

The audit of senior citizen and veteran deductions on a test basis revealed that deductions appear reasonable.

Municipal Court

As part of the test of the municipal court records, no attempt was made to differentiate between fines due the City, County, or State, or to pass upon the authenticity of the preparation and procedures for complaints issued.

The statutory report on the operations of the Municipal Court has been prepared and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the City Clerk.

Follow-up on Prior Year Findings

In accordance with Government Auditing Standards, our procedures included a review of all prior year findings. There were no prior year findings.

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office at December 31, 2015:

NAME	POSITION	AMOUNT OF BOND
Erland Chau	Mayor	
James Travagline	Councilman Council President	
Gregory Dewees	Councilman	
Jeff Lischin	Councilman	
Clifford Murray, Jr.	Councilman	
James O'Neil	Councilman	
Frank Perri, Jr.	Councilman	
Nicholas Piergiovanni	Councilman	
Mary Canesi	City Clerk/ Assessment Search Officer	
Kristoper Facenda, Esq.	Attorney	
Dawn Stollenwerk	Chief Financial Officer	1,000,000
Cindy Ruffo (1/1/15-6/30/15)	Tax Collector	1,000,000
Michele Kirtsos (7/1/15-12/31/15)	Tax Collector	1,000,000
John Rosenberger	Magistrate	
Donna M. Clark	Court Administrator	1,000,000

All of the Bonds were examined and were properly executed.

There was an Employees' Blanket Performance Bond in the amount of \$50,000 for municipal employees carried by the Atlantic County Joint Insurance Fund and \$950,000 carried by the Municipal Excess Joint Insurance Fund

Acknowledgment

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

HOLMAN FRENIA ALLISON, P. C.

A handwritten signature in black ink, appearing to read "R. Allison", written over a horizontal line.

Robert W. Allison
Certified Public Accountant
Registered Municipal Accountant
RMA #483

Freehold, New Jersey
May 17, 2016

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