

**CITY OF NORTHFIELD**

**ATLANTIC COUNTY**

**NEW JERSEY**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
December 31, 2010**



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**CITY OF NORTHFIELD**

**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2010**





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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account groups of the City of Northfield, New Jersey, as of December 31, 2010 and 2009, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2010. These financial statements are the responsibility of the City of Northfield's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Length of Service Awards Program of the City of Northfield has not been audited, and we were not engaged to audit the Length of Service Awards Program financial statements as part of our audit of the City's financial statements.

As described in Note 1, the City of Northfield, New Jersey prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis, with certain exceptions, and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The presentation requirement does not include a Management Discussion and Analysis as required by the Governmental Accounting Standards Board to be presented as Required Supplementary Information, but not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The affect on the financial statements of the variances between the prescribed basis of accounting and the accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The City has not included a comparative disclosure related to future liabilities for post employment benefits for the year ending December 31, 2009. Accounting principles generally accepted in the United States of America require that all required disclosures be presented as part of the basic financial statements. The results of this departure will not affect the balance sheet – regulatory basis.

In our opinion, because of the City’s policy to prepare its financial statements on the basis of accounting discussed in the third paragraph of this report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Northfield as of December 31, 2010 and 2009 or the results of its operations for the years then ended.

However, in our opinion, the financial statements referred to above, with the exception of the Length of Service Awards and the affects of the required disclosure, as described above, present fairly, in all material respects, the financial position - regulatory basis of the various funds and account groups of the City of Northfield, New Jersey as of December 31, 2010 and 2009 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the statements of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2010 on a modified accrual basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2011 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming and opinion on the financial statement of the City of Northfield. The supplemental schedules listed in the table of contents are not a required part of the financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Kenneth W. Moore*

Kenneth W. Moore, CPA  
Registered Municipal Accountant  
No. 231

*Swartz & Co., LLC*

Swartz & Co., LLC  
Certified Public Accountants

May 18, 2011

**EXHIBIT A - CURRENT FUND**



**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
December 31,**

	Ref.	2010	2009
<u>Assets</u>			
Cash:			
Treasurer	A-4	\$ 4,185,632	3,770,401
Change Fund	A-8	350	350
		4,185,982	3,770,751
Receivables and Other Assets with			
Full Reserves:			
Delinquent Property Taxes Receivable	A-9	419,741	354,699
Tax Title Liens Receivable	A-10	13,941	13,111
Miscellaneous Liens Receivable	A-10	1,646	4,069
Property Acquired / Assessed Valuation	A-11	19,200	19,200
Sewer Rents Receivable	A-6	60,607	52,847
Sewer Liens Receivable	A-10	984	1,704
Due from the Dog Trust		3,120	4,090
Due from the Grant Fund	A-5	261,774	33,674
Due from Trust		429	-
Revenue Accounts Receivable	A-13	11,732	14,398
	A	793,174	497,792
Deferred Charges:			
NJS 40A:4-53 Special Emergency			
Preparation of Tax Maps		30,000	40,000
Revaluation		280,000	350,000
		5,289,156	4,658,543
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-14	508,845	465,633
		508,845	465,633
		\$ 5,798,001	5,124,176

See Accompanying Notes to Financial Statements

**CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
December 31,**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<u>Liabilities:</u>			
Appropriation Reserves	A-3:A-18	\$ 787,381	724,088
Encumbrances Payable	A-3	374,423	376,534
Payroll Taxes Payable	A-15	31,708	30,941
Sewer Rent Overpayments	A-7	3,307	3,577
Prepaid Taxes	A-19	142,261	202,206
Tax Overpayments	A-20	76,572	34,067
Due to State of New Jersey - Senior Citizens and Veterans	A-12	10,440	13,950
Due to State of New Jersey - Marriage Fees	A-25	100	200
Due to State of New Jersey - DCA		1,076	1,256
Burial Permits Payable		-	30
Reserve for Sale of Land	A	47,692	47,693
Reserve for Tax Maps		5,455	10,500
Reserve for Garden State Trust		-	38
Reserve for Revaluation		59,947	172,309
Due to County - Added Taxes	A-22	8,558	10,637
		<u>1,548,920</u>	<u>1,628,026</u>
Reserve for Receivables and Other Assets	A	793,174	497,792
Fund Balance	A-1	<u>2,947,062</u>	<u>2,532,725</u>
		<u>5,289,156</u>	<u>4,658,543</u>
<u>Federal and State Grant Fund:</u>			
Due to the Current Fund	A-5	261,774	33,674
Reserve for Grants Appropriated	A-17	111,479	387,316
Reserve for Grants Unappropriated	A-16	2,313	-
Encumbrances Payable	A-17	133,279	44,643
		<u>508,845</u>	<u>465,633</u>
		<u>\$ 5,798,001</u>	<u>5,124,176</u>

See Accompanying Notes to Financial Statements

**CURRENT FUND**  
**COMPARATIVE STATEMENT OF OPERATIONS AND**  
**CHANGES IN FUND BALANCE - REGULATORY BASIS**  
For the Year Ended December 31,

	Ref.	2010	2009
<u>Revenue and Other Income Realized:</u>			
Fund Balance Utilized	A-2	\$ 1,380,000	1,201,000
Miscellaneous Revenues Anticipated	A-2	3,164,081	3,498,038
Receipts from Delinquent Taxes	A-2	349,217	373,779
Receipts from Current Taxes	A-2	25,029,235	23,863,345
Nonbudget Revenues	A-2	834,395	276,487
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-18	850,688	1,140,935
Interfund Returned	A	37,764	2,092
Miscellaneous Cancellation		10,606	3,731
		<u>31,655,986</u>	<u>30,359,407</u>
<u>Expenditures:</u>			
Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	3,928,900	3,979,000
Other Expenses	A-3	3,629,730	3,866,567
Deferred Charges and			
Statutory Expenditures	A-3	877,328	215,000
Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	210,839	203,977
Other Expenses	A-3	1,948,171	2,560,685
Capital Improvements	A-3	301,000	210,000
Municipal Debt Service	A-3	980,322	948,072
Deferred Charges		80,000	-
County Taxes	A-21	3,168,579	3,355,568
Due County for Added and Omitted Taxes	A-22	8,558	10,637
Regional High School Tax	A-24	5,010,283	4,679,693
Local District School Tax	A-23	9,448,577	9,054,187
Prior Year Revenue		7,588	-
Interfund Created	A	261,774	33,674
		<u>\$ 29,861,649</u>	<u>29,117,060</u>

**CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS  
For the Year Ended December 31,**

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Excess in Revenues		\$ 1,794,337	1,242,347
Adjustments to Income Before Fund Balance - Expenditures Included Above Which Are by Statute Deferred Charges to Budget of Succeeding Year	A-3	<u>-</u>	<u>350,000</u>
Statutory Excess to Fund Balance		1,794,337	1,592,347
Fund Balance January 1	A	<u>2,532,725</u>	<u>2,141,378</u>
Total		4,327,062	3,733,725
Decreased by:			
Utilization as Anticipated Revenue	A-2	<u>1,380,000</u>	<u>1,201,000</u>
Fund Balance December 31	A	<u>\$ 2,947,062</u>	<u>2,532,725</u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Ref.	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	\$ 1,380,000		1,380,000	-
		<u>1,380,000</u>	<u>-</u>	<u>1,380,000</u>	<u>-</u>
<u>Miscellaneous Revenues:</u>					
Licenses:					
Alcoholic Beverages	A-13	5,000		5,000	-
Other	A-13	75,000		75,346	346
Fees and Permits	A-13	70,000		70,161	161
Fines and Costs:					
Municipal Court	A-13	225,000		236,420	11,420
Interest and Costs on Taxes	A-13	75,000		98,264	23,264
Interest on Investments and Deposits	A-13	28,000		28,076	76
Sewer Rentals	A-13	1,133,500		1,139,623	6,123
Consolidated Municipal Property Tax Relief Act	A-13	64,167		64,167	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	A-13	568,219		568,219	-
Garden State Trust	A-13	38		38	-
Uniform Construction Code Fees	A-13	120,000		104,223	(15,777)
Linwood Share - Sewerage Department Costs	A-13	80,000		149,739	69,739
Linwood Share - Court Costs	A-13	36,000		30,041	(5,959)
Atlantic County Share - Light at Zion Rd & Oak Ave	A-13	34,050		3,188	(30,862)
Uniform Fire Safety Act	A-13	6,152		5,834	(318)
Library Maintenance Agreement	A-13	20,500		20,500	-

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Ref.	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
<u>Miscellaneous Revenues: (Continued)</u>					
State and Federal Revenues Offset					
With Appropriations:					
Drunk Driving Enforcement Fund	A-14	\$ 11,250		11,250	-
Municipal Alliance on Alcoholism and Drug Abuse	A-14	13,145		13,145	-
Safe and Secure Communities Program	A-14	60,000		60,000	-
NJ Transportation Trust Fund Authority Act	A-14	185,000		185,000	-
Alcohol Education, Rehabilitation, and Enforcement	A-14		2,539	2,539	-
Community Development Block Grant	A-14	27,575	30,486	58,061	-
Sustainable Jersey	A-14		1,000	1,000	-
Body Armor	A-14	1,062		1,062	-
NADDI	A-14		5,000	5,000	-
Pedestrian Safety	A-14		8,000	8,000	-
Aggressive Driver Enforcement	A-14	18,100		18,100	-
Green Acres	A-14	187,500		187,500	-
Clean Community	A-14	14,585		14,585	-
Total Miscellaneous Revenue		<u>3,058,843</u>	<u>47,025</u>	<u>3,164,081</u>	<u>58,213</u>
Receipts from Delinquent Taxes	A-2	<u>200,000</u>	-	<u>349,217</u>	<u>149,217</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes	A-2	<u>7,955,002</u>	-	<u>8,077,818</u>	<u>122,816</u>
Budget Totals		<u>12,593,845</u>	<u>47,025</u>	<u>12,971,116</u>	<u>330,246</u>
Nonbudget Revenues	A-2	-	-	<u>834,395</u>	<u>834,395</u>
	\$	<u><u>12,593,845</u></u>	<u><u>47,025</u></u>	<u><u>13,805,511</u></u>	<u><u>1,164,641</u></u>
	Ref.	A-3	A-3		

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

<u>ANALYSIS OF REALIZED REVENUES</u>	<u>Ref.</u>	
<u>Allocation of Current Tax Collections:</u>		
Revenue from Collections	A-9	\$ <u>25,029,235</u>
Net Revenue from Collections	A-1	25,029,235
Allocated to:		
School and County Taxes	A-9	<u>17,635,997</u>
Balance for Support of Municipal Budget Appropriations		7,393,238
Add:		
Appropriations "Reserve for Uncollected Taxes"	A-3	<u>684,580</u>
Amount for Support of Municipal Budget Appropriations	A-2	\$ <u><u>8,077,818</u></u>
<u>Receipts from Delinquent Taxes:</u>		
Delinquent Tax Collections	A-9	\$ 349,137
Tax Title Lien Collections	A-10	<u>80</u>
	A-2	\$ <u><u>349,217</u></u>

**CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Ref.</u>	
<u>ANALYSIS OF REALIZED REVENUES (Continued)</u>		
<u>Analysis of Non-Budget Revenues:</u>		
Photocopies	\$	180
Books, Maps and Copies of Ordinance		89
Rent of Municipal Property		1,000
DMV Inspection Fines		5,723
Police Detail Administration		4,600
Certified Lists		230
Construction fees		34,195
Reimbursements		47,389
Administration Fee		2,910
Health Insurance Reimbursement		824
Green Acres		4,887
Prior Year Interlocal		7,006
Moriority Law		55,000
FEMA Reimbursement		42,235
Sale of Liquor License		604,000
Miscellaneous		<u>24,127</u>
	A-1	\$ <u><u>834,395</u></u>
Cash	A-4	\$ <u>834,395</u>
		\$ <u><u>834,395</u></u>

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS		EXPENDITURES		UNEXPENDED BALANCE CANCELED	OVER EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<b>OPERATIONS WITHIN "CAP"</b>						
<b>GENERAL GOVERNMENT:</b>						
Administrative and Executive						
Other Expenses	\$ 68,000	68,000	50,171	17,829		
Mayor and Council						
Salaries and Wages	76,500	76,500	75,712	788		
Other Expenses	7,000	7,000	3,497	3,503		
City Clerk						
Salaries and Wages	51,000	51,000	49,500	1,500		
Other Expenses						
Election Board	7,000	7,000	5,107	1,893		
Miscellaneous	30,000	30,000	18,572	11,428		
Financial Administration						
Salaries and Wages	135,000	135,000	133,467	1,533		
Other Expenses	10,000	10,000	6,579	3,421		
Municipal Prosecutor						
Other Expenses	12,000	12,000	12,000			
Audit Services						
Other Expenses	49,500	49,500	49,500			
Public Defender						
Other Expenses:	4,500	4,500	-	4,500		
Revenue Administration (Tax Collector)						
Salaries and Wages	89,500	89,500	88,749	751		
Other Expenses:	4,000	4,000	3,314	686		
Tax Assessment Administration						
Salaries and Wages	33,500	33,500	28,759	4,741		
Other Expenses	6,500	6,500	6,085	415		
Legal Services and Costs						
Other Expenses	145,000	145,000	123,533	21,467		
Insurance						
Workers' Compensation	283,000	283,000	244,207	38,793		
Group Insurance	1,440,400	1,440,400	1,207,498	232,902		
Other Insurance	161,400	161,400	159,138	2,262		
Municipal Court						
Salaries and Wages	79,000	79,000	79,000			
Other Expenses	11,000	11,000	8,720	2,280		
Planning Board						
Salaries and Wages	8,500	8,500	8,000	500		
Other Expenses	21,000	21,000	14,337	6,663		

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS		EXPENDITURES		UNEXPENDED BALANCE CANCELED	OVER EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<b>OPERATIONS WITHIN "CAP" (Continued)</b>						
Engineering Services and Costs						
Other Expenses	\$ 43,000	43,000	35,334	7,666		
TOTAL General Government	2,776,300	2,776,300	2,410,779	365,521	-	-
<b>DEPARTMENT OF PUBLIC SAFETY:</b>						
Fire Official						
Salaries and Wages	10,000	10,000	7,533	2,467		
Other Expenses	2,000	2,000	309	1,691		
Fire Department						
Salaries and Wages	509,500	509,500	499,824	9,676		
Other Expenses:						
Fire Hydrant	88,000	88,000	84,283	3,717		
Miscellaneous Other Expenses	22,500	22,500	22,421	79		
Police Department						
Salaries and Wages	1,989,000	1,989,000	1,874,011	114,989		
Other Expenses	37,355	37,355	37,092	263		
Office of Emergency Management						
Salaries and Wages	2,000	2,000	2,000	-		
Other Expenses	4,000	4,000	284	3,716		
TOTAL Public Safety	2,664,355	2,664,355	2,527,757	136,598		-
<b>STREETS AND ROADS:</b>						
Streets and Road Maintenance						
Salaries and Wages	563,200	563,200	548,507	14,693		
Other Expenses	21,900	21,900	14,580	7,320		
Reserve for Snow Removal	100	100		100		
Maintenance of Automotive Equipment						
Other Expenses	60,000	60,000	59,977	23		
Solid Waste Collection						
Tipping Fees	535,000	535,000	519,995	15,005		
Public Buildings and Grounds						
Salaries and Wages	4,000	4,000	3,000	1,000		
Other Expenses	77,000	77,000	76,605	395		
Maintenance of Bike Path	2,000	2,000	1,900	100		
TOTAL Streets and Roads	1,263,200	1,263,200	1,224,564	38,636		

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS		EXPENDITURES		UNEXPENDED BALANCE CANCELED	OVER EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>OPERATIONS WITHIN "CAP" (Continued)</u>						
SANITATION						
Sewerage						
Salaries and Wages	\$ 161,200	161,200	154,155	7,045		
Other Expenses	31,000	31,000	31,000	-	-	
TOTAL Sanitation	192,200	192,200	185,155	7,045	-	
HEALTH AND WELFARE:						
Dog Regulation						
Other Expenses	9,000	9,000	9,000	-	-	
TOTAL Health and Welfare	9,000	9,000	9,000	-	-	
RECREATION AND EDUCATION:						
Parks and Playgrounds						
Salaries and Wages	98,000	98,000	90,533	7,467		
Other Expenses						
Neighborhood Programs	5,000	5,000	5,000			
Miscellaneous Other Expenses:						
All Sports	13,225	13,225	12,949	276		
Little League	2,500	2,500	2,187	313		
Senior Citizens	750	750	750			
Conservation Commission						
Other Expenses	500	500		500		
TOTAL Recreation and Education	119,975	119,975	111,419	8,556	-	-
UNIFORM CONSTRUCTION CODE (N.J.A.C. 5:23-4.17)						
Construction Code Official						
Salaries and Wages	81,500	81,500	73,602	7,898		
Other Expenses	25,500	25,500	19,840	5,660		
Zoning / Housing Officer						
Salaries and Wages	37,500	37,500	36,601	899		
Other Expenses	2,100	2,100	1,309	791	-	
Total Uniform Construction Code	146,600	146,600	131,352	15,248	-	-

See Accompanying Notes to Financial Statements

**CURRENT FUND**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS	EXPENDITURES	UNEXPENDED	OVER		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED	BALANCE CANCELED	EXPENDED
<u>OPERATIONS WITHIN "CAP" (Continued)</u>						
<u>UNCLASSIFIED:</u>						
Utilities:						
Gasoline	\$ 80,000	80,000	73,824	6,176		
Electricity	76,000	76,000	75,797	203		
Telephone and Telegraph	50,000	50,000	44,614	5,386		
Natural Gas	40,000	40,000	27,987	12,013		
Street Lighting	115,000	115,000	114,989	11		
Water	3,500	3,500	3,246	254		
Telecommunications	6,500	6,500		6,500		
Internet	6,000	6,000	4,035	1,965		
Street Sweeping	10,000	10,000	10,000	-	-	
TOTAL Unclassified	387,000	387,000	354,492	32,508	-	-
TOTAL OPERATIONS - WITHIN "CAP"	7,558,630	7,558,630	6,954,518	604,112	-	-
Detail:						
Salaries and Wages	3,928,900	3,928,900	3,752,953	175,947	-	-
Other Expenses	3,629,730	3,629,730	3,201,565	428,165	-	-
<u>DEFERRED CHARGES AND STATUTORY</u>						
<u>EXPENDITURES - WITHIN "CAP":</u>						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System	141,238	141,238	141,238	-		
Police and Firemen's Retirement System	530,090	530,090	530,090	-		
Social Security System (O.A.S.I.)	190,000	190,000	160,584	29,416		
Defined Contribution Retirement Program	2,500	2,500	1,427	1,073		
Reserve for Accumulated Leave	500	500		500		
Unemployment Compensation Insurance	13,000	13,000	12,402	598		
TOTAL Deferred Charges and Statutory Expenditures - within "CAP"	877,328	877,328	845,741	31,587	-	-
TOTAL General Appropriations for Municipal Purposes - within "CAP"	8,435,958	8,435,958	7,800,259	635,699	-	-

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS		EXPENDITURES		UNEXPENDED BALANCE CANCELED	OVER EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>OPERATIONS EXCLUDED FROM "CAP"</u>						
Maintenance of Free Public Library (P.L. 1985, c.82 and 541)	\$ 368,159	368,159	368,159			
Atlantic County Utilities Authority Service Charge - Contractual	720,000	720,000	698,300	21,700		
Police and Firemen's Retirement System LOSAP	12,565	12,565	12,565			
Public Employees Retirement System	22,500	22,500	12,000	10,500		
Recycling Tax Levy	17,983	17,983	17,983			
Insurance N.J.S.A. 40A:4-45.3 Group Insurance	11,000	11,000	9,543	1,457		
Dispatch Other Expenses	159,600	159,600	159,600			
Interlocal Road Realignment - Cedarbridge	176,575	176,575	176,575			
Linwood Share Sewerage - Interlocal Service Agreement	80,000	80,000	1,430	78,570		
Light at Zion Rd. and Oak Ave.	34,050	34,050	2,700	31,350		
Linwood Share of Court Costs Interlocal Service Agreement	36,000	36,000	33,697	2,303		
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES - EXCLUDED FROM "CAP"</u>						
Clean Communities Program	14,585	14,585	14,585			
Drunk Driving Enforcement Fund: Police Salaries and Wages	11,250	11,250	11,250			
County of Atlantic Municipal Drug Alliance County Share	13,145	13,145	13,145			
City Share	3,286	3,286	3,286			
Aggressive Driver Enforcement	18,100	18,100	18,100			
Safe and Secure Program: State Share	60,000	60,000	60,000			
Local Share	137,050	137,050	137,050			
Green Acres	187,500	187,500	187,500			
NADDI		5,000	5,000			
Pedestrian Safety		8,000	8,000			
Sustainable Jersey		1,000	1,000			
Community Development Block Grant	27,575	58,061	58,061			
Body Armor	1,062	1,062	1,062			
NJ Alcohol Education Rehabilitation		2,539	2,539			

See Accompanying Notes to Financial Statements

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	APPROPRIATIONS		EXPENDITURES		UNEXPENDED BALANCE CANCELED	OVER EXPENDED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
TOTAL OPERATIONS - EXCLUDED FROM "CAP"	\$ 2,111,985	2,159,010	2,013,130	145,880	-	-
Detail:						
Salaries and Wages	208,300	210,839	210,839	-	-	-
Other Expenses	1,903,685	1,948,171	1,802,291	145,880	-	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAP":</u>						
Capital Improvement Fund	72,500	72,500	72,500			
Sewer Repairs	25,000	25,000	19,198	5,802		
City Match for DOT	18,500	18,500	18,500			
NJ Transportation Trust Fund Authority Act	185,000	185,000	185,000			
TOTAL Capital Improvement Fund - Excluded from "CAP"	301,000	301,000	295,198	5,802	-	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Bond Principal	730,000	730,000	730,000		-	
Interest on Bonds	250,322	250,322	250,322		-	
TOTAL Municipal Debt Service - Excluded from "CAP"	980,322	980,322	980,322		-	
<u>DEFERRED CHARGES - MUNICIPAL - EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorizations - 5 years (N.J.S.A. 40A:4-55)	80,000	80,000	80,000		-	
TOTAL Deferred Charges - Municipal - Excluded from "CAPS"	80,000	80,000	80,000	-		
TOTAL General Appropriations for Municipal Purposes - Excluded from "CAP"	3,473,307	3,520,332	3,368,650	151,682	-	-
SUBTOTAL GENERAL APPROPRIATIONS	11,909,265	11,956,290	11,168,909	787,381	-	-
RESERVE FOR UNCOLLECTED TAXES	684,580	684,580	684,580			
TOTAL GENERAL APPROPRIATIONS	\$ 12,593,845	12,640,870	11,853,489	787,381	-	-
Ref.	A-2			A		A

**CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

		<u>BUDGET AFTER MODIFICATION</u>		<u>PAID OR CHARGED</u>
	<u>Ref.</u>			
Appropriation by N.J.S. 40A:4-47	A-2	\$ 47,025		
Budget	A-2	<u>12,593,845</u>		
		\$ <u>12,640,870</u>		
Reserve for Federal and State Grants	A-17		\$ 705,578	
Reserve for Uncollected Taxes	A-2		684,580	
Deferred Charges			80,000	
Encumbrances Payable	A		374,423	
Disbursed	A-4		<u>10,008,908</u>	
			\$ <u>11,853,489</u>	

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**EXHIBIT B - TRUST FUNDS**



**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
December 31,**

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Animal Control Fund:			
Cash - Treasurer	B-1	\$ <u>10,744</u>	<u>11,829</u>
		<u>10,744</u>	<u>11,829</u>
Other Funds:			
Cash - Treasurer	B-1	1,666,296	1,532,752
Cash - Tax Collector	B-2	86,882	81,489
Small Cities Revolving Loans Receivable		<u>48,175</u>	<u>63,175</u>
		<u>1,801,353</u>	<u>1,677,416</u>
LOSAP (Unaudited)			
Investments - Held for LOSAP		<u>128,930</u>	<u>116,771</u>
		\$ <u><u>1,941,027</u></u>	<u><u>1,806,016</u></u>

**TRUST FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
December 31,**

<u>Liabilities, Reserves, and Fund Balance</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Animal Control Fund:			
Due to Current Fund	B-5	3,120	4,090
Reserve for Animal Control Fund Expenditures	B-4	<u>7,624</u>	<u>7,739</u>
		<u>10,744</u>	<u>11,829</u>
Other Funds:			
Due to Current Fund		429	-
Reserves for:			
Law Enforcement Forfeiture	B-7	16,946	24,219
Escrow Fees	B-9	475,421	367,959
Snow Removal	B-10	32,500	27,400
Small Cities Grant Appropriation	B-8	181,496	166,496
Recreation Expenditures	B-11	111,146	101,467
Cultural Committee		13,134	11,978
Municipal Alliance	B-13	1,461	1,461
Outside Employment of Police	B-12	7,117	4,747
POAA		58	190
Public Defender	B-14	3,805	2,945
Recycling		31,569	31,569
Accumulated Sick and Vacation	B-3	779,649	779,149
Small Cities Revolving Loan	B-15	48,175	63,175
Redemption of Tax Liens	B-16	-	5,639
Tax Sale Premiums	B-17	86,882	75,850
Joint Insurance Funds		<u>11,565</u>	<u>13,172</u>
		<u>1,801,353</u>	<u>1,677,416</u>
LOSAP (Unaudited)			
Reserve for LOSAP		<u>128,930</u>	<u>116,771</u>
		<u>\$ 1,941,027</u>	<u>1,806,016</u>

See Accompanying Notes to Financial Statements

**EXHIBIT C - GENERAL CAPITAL FUND**



**GENERAL CAPITAL FUND**  
**COMPARATIVE BALANCE SHEET - REGULATORY BASIS**  
**December 31,**

<u>Assets</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Cash - Treasurer	C-2	\$ 558,298	1,471
Deferred Charges to Future Taxation:			
Funded	C-4	5,839,000	6,569,000
Unfunded	C-5	2,932,650	1,425,000
		<u>9,329,948</u>	<u>7,995,471</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes Payable	C-8	1,425,000	-
Serial Bonds Payable	C-9	5,839,000	6,569,000
Contracts Payable	C-10	265,678	175,263
Improvement Authorizations:			
Funded	C-7	186,723	254,574
Unfunded	C-7	1,490,734	878,452
Reserve for:			
Capital Improvement Fund	C-6	52,878	52,878
Fund Balance	C-1	69,935	65,304
		<u>\$ 9,329,948</u>	<u>7,995,471</u>

There were Bonds and Notes Authorized But Not Issued on December 31, 2010 and 2009 of \$1,507,650 and \$1,425,000.

**GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE - REGULATORY BASIS**

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 65,304
Increased by:		
Premium on Sale of BAN's		<u>4,631</u>
Balance December 31, 2010	C	<u><u>\$ 69,935</u></u>

**EXHIBIT D - GENERAL FIXED ASSETS**



**GENERAL FIXED ASSET FUND**  
**STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS**  
**December 31,**

	<u>2010</u>	<u>2009</u>
<u>Assets</u>		
General Fixed Assets:		
Land, Building & Improvements	\$ 5,209,287	4,459,286
Machinery and Equipment	<u>4,215,306</u>	<u>3,930,448</u>
Total General Fixed Assets	<u><u>9,424,593</u></u>	<u><u>8,389,734</u></u>
<u>Reserves</u>		
Investment in General Fixed Assets	\$ <u><u>9,424,593</u></u>	<u><u>8,389,734</u></u>

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

Except as noted below, the financial statements of the City of Northfield include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the City of Northfield, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The Northfield Public Library is a component unit of the City. A separate audit is performed for the Library and will be made available for inspection upon completion.

**B. Description of Funds**

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

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

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

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

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**C. Basis of Accounting**

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey are as follows.

A modified accrual basis of accounting is followed with minor exceptions.

Revenues -- are recorded as received in cash except for certain amounts that are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the City budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet 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.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the City's statutory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year 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. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis.

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

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets.

General Fixed Assets -- The City has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. No depreciation has been provided for in the financial statements.

Any capital assets of \$1,000 or more are capitalized

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

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

The following schedule is a summarization of the changes in general fixed assets for the calendar year ended December 31, 2010.

	Balance 12/31/09	Additions	Disposals	Balance 12/31/10
Buildings	\$4,459,287	750,000		5,209,287
Vehicles	2,431,346	84,356		2,515,702
Equipment	1,499,102	200,502		1,699,604
Total General Fixed Assets	<u>\$8,389,735</u>	<u>1,034,858</u>	<u>-</u>	<u>9,424,593</u>

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by the 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Capitalization of Interest -- It is the policy of the City of Northfield to treat interest on projects as a current expense and the interest is included in the current operating budget.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the regulatory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**D. Comparative Data**

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the City's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenues – Regulatory Basis and the Statement of Expenditures – Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**Note 2: BUDGETARY INFORMATION**

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2010 and 2009 statutory budget included a reserve for uncollected taxes in the amount of \$684,580 and \$586,521, respectively. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2010 and 2009 statutory budget was \$1,380,000 and \$1,201,000, respectively.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by City Council. There were no transfers made in 2010.

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. The following budget insertions were approved in the 2010 calendar year.

<u>Grant Name</u>	<u>Amount</u>
Pedestrian Safety	\$ 8,000
Alcohol, Education and Rehabilitation	2,539
Community Development Block Grant	30,486
NADDI	5,000
Sustainable Jersey	<u>1,000</u>
Total insertions for the year	<u>\$ 47,025</u>

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budget of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. As of December 31, 2010 the City has the following special emergencies:

Revision of Tax Maps	\$30,000
Revaluation	\$280,000

**Note 3: INVESTMENTS**

**Interest Rate Risk:** The municipality does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days. The City's cash management plan limits maturities to one year or less.

**Credit Risk:** New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk:** The municipality places no limit on the amount the City may invest in any one issuer.

**Note 4: CASH**

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2010 and 2009, \$0 of the municipality's bank balance of \$6,569,684 and \$5,366,386, respectively, was exposed to custodial credit risk.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Note 5: LONG TERM DEBT**

Long-term debt as of December 31, 2010 consisted of the following:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
General	\$ 6,569,000		730,000	5,839,000	775,000
Comp. Absence	<u>1,189,095</u>	<u>115,293</u>	<u>93,236</u>	<u>1,211,152</u>	<u>                    </u>
Total	<u>\$ 7,758,095</u>	<u>115,293</u>	<u>823,236</u>	<u>7,050,152</u>	<u>775,000</u>

**Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the City:**

\$4,655,000 General Improvement Bond dated 9/1/02 payable in annual installments through 9/1/2015. Interest is paid semiannually at a rate of 2.50% to 4.00% per annum. The balance remaining as of December 31, 2010 was \$2,115,000.

\$4,999,000 General Improvement Bond dated 11/15/06 payable in annual installments through 12/1/2018. Interest is paid semiannually at a rate of 3.5% to 4.00% per annum. The balance remaining as of December 21, 2010 was \$3,724,000.

The aggregate debt requirements to maturity are as follows:

<u>Year</u>	<u>General Capital Fund</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2011	775,000	223,898	998,898
2012	820,000	195,435	1,015,435
2013	855,000	163,635	1,018,635
2014	880,000	130,498	1,010,498
2015	910,000	96,423	1,006,423
2016-2018	<u>1,599,000</u>	<u>123,630</u>	<u>1,722,630</u>
Total	<u>\$5,839,000</u>	<u>933,519</u>	<u>6,772,519</u>

General serial bonds are direct obligations of the City for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Municipality.

As of December 31, 2010, the carrying value of the above bonds approximates the fair value of the bonds.

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2010 AND 2009**

At December 31, 2010 and 2009, the City has authorized but not issued debt of \$1,507,650 and \$1,425,000, respectively.

Long-term debt as of December 31, consisted of the following:

Summary of Municipal Debt

	<u>2010</u>	<u>2009</u>	<u>2008</u>
General - Bonds, Loans and Notes	\$5,839,000	6,569,000	7,244,000
General - Bond Anticipation Notes	1,425,000		
General - Bonds, Loans and Notes Authorized But Not Issued	1,507,650	1,425,000	950,000
Net Bonds, Loans and Notes Issued and Authorized But Not Issued	<u>\$8,771,650</u>	<u>7,994,000</u>	<u>8,194,000</u>

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 0.77%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 20,759,936	20,759,936	-
General Debt	8,771,650		8,771,650
	<u>\$ 29,531,586</u>	<u>20,759,936</u>	<u>8,771,650</u>

Net Debt \$8,771,650 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$1,132,718,644 = 0.77%.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 39,645,153
Net Debt	8,771,650
Remaining Borrowing Power	<u><u>\$ 30,873,503</u></u>

**Note 6: NOTES PAYABLE**

The City had outstanding at December 31, 2010, bond anticipation notes in the amount of \$1,425,000. The amount is payable to TD Securities (USA), LLC. The interest rate on the note is 1.25% per annum and will mature on November 1, 2011. As of December 31, 2009 the City had no bond anticipation notes.

**Note 7: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2010 which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2011 were as follows:

Current Fund \$1,380,000

**Note 8: SCHOOL TAXES**

Local District School Taxes and Regional High School Tax have been raised on a calendar year basis. There were no Local District School Taxes or Regional High School taxes payable at December 31, 2010.

**Note 9: TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance December 31, 2010</u>	<u>Balance December 31, 2009</u>
Prepaid Tax	\$ 142,261	202,206
Cash Liability for Taxes Collected in Advance	<u><u>\$ 142,261</u></u>	<u><u>202,206</u></u>

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2010 AND 2009

### **Note 10: PENSION FUNDS**

#### Description of Plans

Substantially all of the City's employees are covered by the Public Employees' Retirement System (PERS) and Police and Fireman's Retirement System (PFRS), a cost-sharing multiple-employer defined benefit pension plan which has been established by state statute and is administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the System terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and Police and Fireman's Retirement System. This report may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or the report can be accessed on the internet at [http://www.state.nj.us/treasury/pensions/annrpts\\_archive.htm](http://www.state.nj.us/treasury/pensions/annrpts_archive.htm).

#### *Public Employees' Retirement System*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

#### *Police and Fireman's Retirement System*

The contribution policy for the PFRS is set by N.J.S.A. 43:16 and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PFRS provides for employee contributions of 8.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate.

#### Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The current PERS rate is 6.9% of covered payroll and for PFRS a rate of 8.5% of covered payroll. The City's contributions to PERS for the years ending December 31, 2010, 2009 and 2008 were \$159,221, \$136,462 and \$101,057 respectively, equal to the required contributions for each year. The City's contributions to PFRS for the years ending December 31, 2010, 2009 and 2008 were \$542,655, \$512,164 and \$483,513 respectively, equal to the required

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

contributions for each year.

**NOTE 11: POST-RETIREMENT BENEFITS**

**Plan Description**

The New Jersey State Health Benefits Commission administers cost-sharing multiple-employer health care plans under the State Health Benefits Program and the School Employees' health . The New Jersey State Health Benefits Plan (SHBP) provides access to health care coverage to eligible retirees who qualify based on state law and local requirements. Coverage under the current program includes medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State of New Jersey pays a portion of the cost for retirees, spouses and dependents.

Members of the Public Employees' Retirement System would generally qualify for coverage under the following criteria:

Service Retirement	Eligible at age 60
Early Retirement	Eligible after 25 years of service
Service or Early Retirement Eligibility for State-paid SHBP Benefits	Attainment of 25 years of service
Ordinary Disability Retirement	Eligible after 10 years of service
Accidental Disability	Eligible upon total and permanent disability prior to age 65 as a result of a duty injury

Members of the Police and Firemen's Retirement System would generally qualify for coverage under the following criteria:

Service Retirement	Eligibility means age 55 or 20 years of credited service for an employee who is a member of the Retirement System as of January 18, 2000 and age 55 for an employee who became a member of the Retirement System after January 18, 2000. Mandatory at age 65.
Service or Early Retirement Eligibility for State-paid SHBP Benefits	Attainment of 25 years of service
Ordinary Disability Retirement	A Member is eligible for Ordinary

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

Disability Retirement if he (she) has 4 years of service and is totally and permanently incapacitated from the performance of usual or available duties.

Accidental Retirement	Disability	A member is eligible upon total and permanent incapacitation from the performance of usual and available duties as a result of injury during the performance of regular duties.
-----------------------	------------	---

Special Disability Retirement	A member is eligible for Special Disability Retirement if he (she) has 5 years of Credited Service, is under age 55, and has received a heart transplant.
-------------------------------	---

The New Jersey State Health Benefits Plan issues a stand-alone financial report under GASB 43. To view the report, go to <http://www.state.nj.us/treasury/pensions/shbp.htm>.

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 2010, 2009 and 2008 the City paid the SHBP \$1,268,228, \$1,286,485 and \$1,116,490 respectively for health care of employees and retirees. The amount paid for retirees was \$504,392, \$524,250 and \$458,230 respectively.

The City also provides dental and vision coverage for retirees but not through the NJSHBP. The City is required to calculate the future cost to provide this service. The City is not required to fund OPEB calculation but only to report the amount.

*Annual OPEB Cost.* The City's annual OPEB valuations are as follows:

Plan assets at December 31, 2010	\$0
----------------------------------	-----

The FYE 2010 Annual Required Contribution (ARC) is \$301,848 (assuming no prefunding of obligations).

Benefit payments for the year ended December 31, 2010 were \$13,369.

Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of event in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

*Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

The city’s calculation was based on trend assumptions along with information in published papers from other industry experts. For prescription drug and vision benefits, the initial trend is to increase the cost 2% annually.

**Note 12: ACCRUED SICK AND VACATION BENEFITS**

City employees are covered by union contracts specifying that vacation time may be carried over to the next calendar year, with prior permission. Sick leave may be accumulated from year to year and used as needed. Each contract details the amounts an employee will be compensated at retirement based on the current rate of pay upon retirement. It is estimated that the current cost of such unpaid compensation would approximate \$1,211,152 and \$1,189,095 as of December 31, 2010 and 2009, respectively. The policy of not reflecting the accrued benefit is not in agreement with GASB Statement No. 12 but is required by the State of New Jersey. Effective January 1, 2002 the State of New Jersey is allowing municipalities to accrue a compensated absence liability. The City has established a reserve trust fund the balance at December 31, 2010 and 2009 is \$779,649 and \$779,149, respectively.

**Note 13: UNION CONTRACTS**

As of December 31, 2010, the City's employees are organized in three collective bargaining units. The contracts with the Policeman's Benevolent Association expired December 31, 2010 and it is currently in negotiations, the UWU contract will expire December 31, 2012 and the IAFF contract will expire December 31, 2011.

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

**Note 14: ECONOMIC DEPENDENCY**

The City of Northfield is not economically dependent on any one business or industry within the City.

**Note 15: LITIGATION**

During the normal course of operations, lawsuits are brought against the governmental unit. As

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

of this date the outcome of these lawsuits is not presently determinable and the City's counsel has not given any indication that settlements would have a material adverse effect on the City.

**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: CONTRACTS AND COMMITMENTS**

As of December 31, 2010, the City had outstanding balances on various contracts in the amount of \$265,678. These contracts are funded through grants from the State of New Jersey Department of Transportation, and Bond Ordinances adopted by the City.

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**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**Note 18: INTERFUND BALANCES**

As of December 31, 2010, the following interfunds were included on the balance sheets of the various funds of the City of Northfield:

	<u>Due From</u>	<u>Due To</u>
Current Fund		
Federal and State Grant Fund	\$ 261,774	
Trusts - Other	\$ 429	
Dog Fund	3,120	
Federal and State Grant Fund:		
Current Fund		261,774
Dog Fund:		
Current Fund		3,120
Trust - Other		
Current Fund		429
	<u>\$ 265,323</u>	<u>265,323</u>

The grant appropriations are expended prior to receipt of awards. The current fund must advance funds. The dog fund had a statutory excess at year end.

**Note 19: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability Insurance** – The City maintains commercial insurance coverage for property, liability and surety bonds.

The City of Northfield is a member of the Atlantic County Municipal Joint Insurance Fund and the Municipal Excess Liability Fund which also includes other municipalities throughout the region. The City is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The City has a liability limit of \$10,000,000 under MEL. There has not been a reduction in coverage and there have not been any claims in excess of coverage.

**New Jersey Unemployment Compensation Insurance** – The City has elected to fund its New

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

Jersey Unemployment Compensation Insurance under the “Contributory Method”.

There was no decrease in coverage or payments in excess of the City’s coverage during 2010.

**Note 20: LENGTH OF SERVICE AWARDS PROGRAM (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 fire fighting 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 \$22,500 in the 2011 budget for contributions to the LOSAP for volunteers who have met the established criteria.

**Note 21: SUBSEQUENT EVENTS**

The City has evaluated subsequent events through May 18, 2011, the date which the financial statements were available to be issued and no additional items were noted for disclosure.

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## **SUPPLEMENTARY INFORMATION**





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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*

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

We have audited the financial statements - regulatory basis of the City of Northfield, New Jersey as of and for the year ended December 31, 2009, and have issued our report thereon dated May 14, 2010. Our report disclosed that, as described in Note 1 to the financial statements – regulatory basis, the City of Northfield, New Jersey prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with 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 prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Northfield, New Jersey's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements - regulatory basis but not for the purpose of expressing an opinion on the effectiveness of the City of Northfield's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Northfield's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the City of Northfield, New Jersey in a separate letter dated May 18, 2011.

This report is intended solely for the information and use of management, the Finance Committee and the State of New Jersey, Division of Local Government Services and is not intended to be and should not be used by anyone other than these specified parties.

*Kenneth W. Moore*

Kenneth W Moore, CPA  
Registered Municipal Accountant  
No. 231

*Swartz & Co., LLC*

Swartz & Co., LLC  
Certified Public Accountants

May 18, 2011



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB  
CIRCULAR 04-04**

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

Compliance

We have audited the compliance of the City of Northfield, New Jersey with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and *New Jersey State Grants Compliance Supplement* that are applicable to each of its major federal and state programs for the year ended December 31, 2010. The City of Northfield, New Jersey's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the City of Northfield, New Jersey's management. Our responsibility is to express an opinion on the City of Northfield, New Jersey's compliance based on our audit.

We conducted our audit of compliance in accordance with 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; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City of Northfield, New Jersey's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Northfield, New Jersey's compliance with those requirements.

In our opinion the City of Northfield, New Jersey complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the City of Northfield, New Jersey is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Northfield, New Jersey's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirements of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Governing Body, management and the State of New Jersey, Division of Local Government Services and is not intended to be and should not be used by anyone other than these specified parties.

*Kenneth Moore*

Kenneth Moore, CPA  
Registered Municipal Accountant  
No. 231

*Swartz & Co., LLC*

Swartz & Co., LLC  
Certified Public Accountants

May 16, 2011

**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 1  
Sheet 1

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From	Grant Period To	Program or Award Amount	Balance 12/31/09	Receipts or Revenue Recognized	Disbursements/ Expenditures	Cancelled	Balance 12/31/10	Cumulative Expenditures
<b>STATE OF NEW JERSEY</b>										
Department of Environmental Protection										
Clean Communities	4900-765-042-4900-004	01/01/09	12/31/09	14,015	14,014		5,479		8,535	5,480
Clean Communities	4900-765-042-4900-004	01/01/10	12/31/10	14,585	-	14,585			14,585	-
Municipal Alliance	4250-760-050000-63-262	01/01/09	12/31/09	13,145	2		2		-	13,145
Municipal Alliance	4250-760-050000-63-262	01/01/10	12/31/10	13,145	-	13,145	13,145		-	10,551
Green Acres		01/01/10	12/31/10	187,500		187,500	187,500		-	187,500
Sustainable Jersey		01/01/10	12/31/10	1,000		1,000	969		31	969
Department of Transportation										
NJ DOT - Mt. Vernon	6320-480-601395-61	01/01/09	12/31/09	150,000	332		(10,049)		10,381	139,619
NJ DOT - Mt. Vernon	6320-480-601395-61	01/01/10	12/31/10	185,000		185,000	167,887		17,113	167,887
NJ DOT - Safe Routes - Non Infrastructure	6320-480-601395-61	01/01/09	12/31/09	41,000	41,000		32,990		8,010	32,990
State of New Jersey State Police										
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/09	12/31/09	3,086	3,086				3,086	-
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/08	12/31/08	4,370	2,224		1,600		624	3,746
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/10	12/31/10	2,539	-	2,539			2,539	-
Safe and Secure Communities	100-066-1020-107	01/01/10	12/31/10	60,000		60,000	60,000		-	60,000
Body Armor	1020-718-066-1020	01/01/10	12/31/10	1,062		1,062			1,062	-
Body Armor	1020-718-066-1020	01/01/09	12/31/09	2,335	2,335				2,335	-
Body Armor	1020-718-066-1020	01/01/08	12/31/08	2,567	2,567		1,149		1,418	1,149
Body Armor	1020-718-066-1020	01/01/07	12/31/07	2,360	2,004		2,004		-	2,360
Drunk Driving Enforcement		01/01/10	12/31/10	11,250		11,250			11,250	-
Drunk Driving Enforcement		01/01/09	12/31/09	5,205	5,205		2,974		2,231	2,974
Drunk Driving Enforcement		01/01/08	12/31/08	4,448	4,448		4,448		-	4,448
Drunk Driving Enforcement		01/01/07	12/31/07	4,620	1,631		1,631		-	4,620
Pedestrian Safety		01/01/10	12/31/10	8,000	-	8,000	7,891	109	-	7,891
NADDI		01/01/10	12/31/10	5,000	-	5,000			5,000	-
Aggressive Driving Enforcement		01/01/10	12/31/10	18,100	-	18,100	18,083	17	-	18,083
Total State Assistance					\$ 78,848	507,181	497,703	126	88,200	663,412
<b>FEDERAL:</b>										
Homeland Security										
Department of Environmental Protection										
Stormwater Grant	66.605	01/01/08	12/31/08	8,468	8,468				8,468	-
Total Department of Environmental Protection					8,468	-	-	-	8,468	-
Housing and Urban Development										
Small Cities Community Development Block	14.218	01/01/10	12/31/10	58,061	-	58,061	44,750		13,311	44,750
Total Housing and Urban Development					-	58,061	44,750	-	13,311	44,750
Total Federal Assistance					\$ 8,468	58,061	44,750	-	21,779	44,750

See Accompanying Notes to Schedule of Expenditures of Federal and State Awards

**Notes to the Schedules of Federal and State Financial Assistance  
For the Year Ended December 31, 2010**

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the City of Northfield, State of New Jersey and is presented on the basis of accounting prescribed by the Division of Local Government Service, Department of Community Affairs, State of New Jersey, which is a comprehensive basis of accounting other than generally accepted accounting principles. Encumbrances are considered in determining single audit threshold on major programs.

NOTE 2. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule don agree with amounts reported in the City's financial statements. Receipts from Federal and State grants are realized as revenue when anticipated in the City's budget. Expenditures are recognized when they become payable. Following is a reconciliation of expenditures:

Expenditure per Schedule of Federal and State Assistance	\$ 542,453
Plus: Local Assistance	298,500
Plus: Prior encumbrances canceled	43,390
Plus: Local Match	141,292
	<u>\$ 1,025,635</u>



**CITY OF NORTHFIELD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010**

***Part I -- Summary of Auditor's Results***

**State Awards Section**

- J) Dollar threshold used to determine Type A programs: \$300,000
- K) Auditee qualified as low-risk auditee? \_\_\_\_\_ yes X no \_\_\_\_\_ n/a
- L) Type of auditor's report on compliance for major programs Unqualified
- M) Internal Control over compliance:
- 1) Material weakness(es) identified? \_\_\_\_\_ yes X no
- 2) Were reportable condition(s) identified that were not considered to be material weaknesses? \_\_\_\_\_ yes X no
- N) Any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular 04-04? \_\_\_\_\_ yes X no

O) Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
480-078-6300-XXX-XXXXX	NJ Department of Transportation
4800-50X-XXXXXX-XX	Green Acres

***Part 2 - Schedule of Financial Statement Findings***

**NONE**

***Part 3 - Schedule of Federal and State Assistance Findings***

**NONE**

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**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>
Balance December 31, 2009	A	\$ 3,770,401
Increased by Receipts:		
Taxes Receivable	A-9	\$ 25,025,504
Due from State of New Jersey (c.73, P.L.1976)	A-12	145,500
Prepaid Taxes	A-19	142,261
Lien Payments		
Tax Overpayments	A-20	80,624
Sewer Overpayments	A-7	3,307
Federal and State Grants	A-5	524,212
Miscellaneous Revenue Anticipated	A-13	2,598,801
Miscellaneous Revenue Not Anticipated	A-2	834,395
Payroll and Withholdings	A-15	
Due from Dog		4,090
Due State for DCA Fees		6,048
Due State for Burial Fees		-
Due State for Marriage Licenses	A-25	1,025
		<u>29,365,767</u>

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Current Fund</u>	
Decreased by Disbursements:			
2009 Appropriation Reserves	A-18	249,934	
2010 Appropriations	A-3	10,008,908	
County Taxes	A-21	3,168,579	
County Added Taxes	A-22	10,637	
Regional High School Tax	A-24	5,010,283	
Local District School Tax	A-23	9,448,577	
Due State for Marriage Licenses	A-25	1,125	
Payroll Taxes Paid	A-15	-	
Due State for Burial Permits		60	
Due State for DCA		6,578	
Refund of Tax Overpayments	A-20	34,346	
Refund of Sewer Overpayments		1,745	
Reserve for Tax Maps		5,046	
Reserve for Revaluation		112,362	
Federal and State Grant Expenditures	A-5	<u>892,356</u>	
			<u>28,950,536</u>
Balance December 31, 2010	A		<u>\$ 4,185,632</u>

See Accompanying Auditor's Report

**CURRENT FUND**  
**SCHEDULE OF DUE TO/(FROM) FEDERAL AND STATE GRANT FUND**

	<u>Ref.</u>		
Balance December 31, 2009	A		\$ (33,674)
Increased by:			
Cancellation of Grants Appropriated	A-17	\$ 422	
Cancellation of Prior Year Encumbrances			
Cash Disbursed	A-17:4	892,356	
Realized as Anticipated Revenue	A-14	<u>565,242</u>	
			<u>1,458,020</u>
			(1,491,694)
Decreased by:			
Cancellation of Grants Receivable	A-14	130	
Cash Received	A-14:16	524,212	
Budget Appropriation	A-17	<u>705,578</u>	
			<u>1,229,920</u>
Balance December 31, 2010	A		\$ <u><u>(261,774)</u></u>

**CURRENT FUND  
SCHEDULE OF SEWER RENTS RECEIVABLE**

	<u>Ref.</u>		
Balance December 31, 2009	A		\$ 52,847
Increased by:			
Sewer Billings	Res.		<u>1,150,637</u>
			1,203,484
Decreased by:			
Transfer to Lien		960	
Cancelations		2,633	
Collections	A-13	1,140,759	
Overpayments Created		(5,052)	
Overpayments Applied	A-7:A-13	<u>3,577</u>	
			<u>1,142,877</u>
Balance December 31, 2010	A		\$ <u><u>60,607</u></u>

**SCHEDULE OF SEWER RENT OVERPAYMENTS**

	<u>Ref.</u>		
Balance December 31, 2009	A		\$ 3,577
Increased by:			
Overpayments in 2010	A-4		<u>3,307</u>
			6,884
Decreased by:			
Applied	A-1	<u>3,577</u>	
			<u>3,577</u>
Balance December 31, 2010	A		\$ <u><u>3,307</u></u>

**CURRENT FUND  
SCHEDULE OF CHANGE FUNDS**

<u>Office</u>	<u>Balance Dec. 31, 2009</u>	<u>Received From Treasurer</u>	<u>Returned to Treasurer</u>	<u>Balance Dec. 31, 2010</u>
City Clerk	\$ 100			100
Municipal Court	150			150
Tax Collector	100			100
	<u>\$ 350</u>	<u>-</u>	<u>-</u>	<u>350</u>
Ref.	A	A-4	A-4	A

**CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance	2010 Levy	Added Taxes	Collections by Cash		(Transfers) or Canceled	Overpayments Applied	Transferred To Tax Title Liens	Balance
	12/31/09			2009	2010				12/31/10
Arrears \$	7,072				4,649	4,073			6,496
2009	347,627				343,494	(2,955)	994	184	-
	354,699				348,143	1,118	994	184	6,496
2010		25,519,178	87,065	202,206	24,826,371	163,122	658	641	413,245
\$	<u>354,699</u>	<u>25,519,178</u>	<u>87,065</u>	<u>202,206</u>	<u>25,174,514</u>	<u>164,240</u>	<u>1,652</u>	<u>825</u>	<u>419,741</u>
Ref.	A			A-19		Res.	A-20	A-10	A
			Cash	Ref.					
		State of New Jersey (c.73,P.L. 1976)	A-4	\$	25,025,504				
			A-12		<u>149,010</u>				
				\$	<u>25,174,514</u>				

**CURRENT FUND  
 SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Analysis of 2010 Property Tax Levy	<u>Ref.</u>		
Tax Yield:			
General Property Tax		\$	25,519,178
Added Taxes (54:4-63.1 et. seq.)			<u>87,065</u>
		\$	<u><u>25,606,243</u></u>
 Tax Levy:			
Regional High School Tax (Abstract)	A-29	\$	5,010,283
Local School District Tax (Abstract)	A-28		9,448,577
County Taxes:			
County Tax (Abstract)	A-26	\$	2,920,840
County Health Service Tax (Abstract)	A-26		192,702
County Open Space Tax (Abstract)	A-26		55,037
Due County for Added Taxes (R.S. 54:4-63.1 et seq.)	A-27		<u>8,558</u>
 Total County Taxes			 3,177,137
 Local Tax for Municipal Purposes	A-2		 7,955,002
Add: Additional Tax Levied			<u>15,244</u>
			<u>7,970,246</u>
		\$	<u><u>25,606,243</u></u>

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF LIENS**

	<u>Ref.</u>		
Balance December 31, 2009	A		\$ 18,884
Increased by:			
Miscellaneous Liens		\$ 5,627	
Sewer Liens		1,304	
Interest and Cost from Tax Sale of June 8, 2010		85	
Transfers Receivable	A-9	<u>825</u>	
			<u>7,841</u>
			26,725
Decreased by:			
Sewer Lien Collections	A-4	2,024	
Tax Title Lien Collections	A-2	80	
Miscellaneous Liens Collected in 2010	A-2:A-4	<u>8,050</u>	
			<u>10,154</u>
Balance December 31, 2010	A		\$ <u><u>16,571</u></u>
<u>Analysis of Balance:</u>			
Tax Title Liens	13,941		
Sewer Liens	984		
Miscellaneous Liens	<u>1,646</u>		
	<u><u>16,571</u></u>		

**SCHEDULE OF PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUATION)**

	<u>Ref.</u>		
Balance December 31, 2010 and 2009	A		\$ <u><u>19,200</u></u>

**CURRENT FUND**  
**SCHEDULE OF DUE FROM/(TO) STATE OF NEW JERSEY**  
**CHAPTER 20, P.L. 1971**

Balance December 31, 2009	<u>Ref.</u> A		\$ (13,950)
Increased by:			
Received from State of New Jersey	A-4	145,500	
Deductions Disallowed by Collector		<u>1,490</u>	
		<u>146,990</u>	
			<u>146,990</u>
			160,940
Decreased by:			
Deductions per Tax Billing:			
Senior Citizen		30,500	
Veterans		114,750	
Deductions Allowed by Collector		<u>5,250</u>	
		<u>150,500</u>	
			<u>150,500</u>
Balance December 31, 2010	A		\$ <u><u>(10,440)</u></u>
<u>Analysis of Amount Realized:</u>			
Senior Citizens' and Veterans'			
Deductions Per Tax Billings		\$ 145,250	
Senior Citizens' and Veterans'			
Deductions Allowed by Tax			
Collector - 2010		<u>5,250</u>	
			\$ 150,500
Less:			
Senior Citizens' and Veterans'			
Deductions Disallowed by Tax			
Collector - 2010			<u>1,490</u>
	A-9		\$ <u><u>149,010</u></u>

**CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Ref.	Balance 12/31/09	Accrued In 2009	Collected	Balance 12/31/10	
<b><u>Miscellaneous Revenues Anticipated:</u></b>						
Alcoholic Beverage Licenses	A-2	\$ -	5,000	5,000	-	
Other Licenses	A-2	-	75,346	75,346	-	
Fees and Permits	A-2	-	70,161	70,161	-	
Municipal Court:						
Fines and Costs	A-2	14,398	233,754	236,420	11,732	December
Interest and Costs on Taxes	A-2	-	98,264	98,264	-	
Interest on Investments and Deposits	A-2	-	28,076	28,076	-	
Sewerage Rentals	A-2	-	1,139,623	1,139,623	-	
Energy Receipt Taxes	A-2	-	568,219	568,219	-	
Consolidated Municipal Tax Relief Act	A-2	-	64,167	64,167	-	
Garden State Trust	A-2	-	38	38	-	
Uniform Construction Code Fees	A-2	-	104,223	104,223	-	
Linwood Share - Sewerage Department Costs-						
Interlocal Service Agreement	A-2	-	149,739	149,739	-	
Linwood Share - Court Costs	A-2	-	30,041	30,041	-	
Uniform Fire Safety Act Fees	A-2	-	5,834	5,834	-	
Interlocal - Light at Zion and Oak	A-2	-	3,188	3,188	-	
Library Rent	A-2	-	20,500	20,500	-	
		<u>\$ 14,398</u>	<u>2,596,173</u>	<u>2,598,839</u>	<u>11,732</u>	
	Ref.	A			A	
			Cash Receipts	A-4 2,598,801		
			Prior Receipts	38		
				<u>2,598,839</u>		

See Accompanying Auditor's Report

**FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Grant</u>	<u>Balance 12/31/09</u>	<u>Anticipated Revenue</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance 12/31/10</u>
Clean Communities Program	\$	14,585	14,585		-
Safe and Secure State		60,000	60,000		-
Alcohol Education Rehabilitation Fund		2,539	2,539		-
DDEF-DWI Police		11,250	11,250		-
NJ DOT - Mt. Vernon	46,772				46,772
NJ DOT - Mt. Vernon II		185,000	137,250		47,750
NJ DOT - Non-Infrastructure	41,000				41,000
Body Armor		1,062	1,062		-
Aggressive Driver Enforcement		18,100	18,083	17	-
Atlantic County Open Space	300,000				300,000
Municipal Alliance Grant					
2010 Grant		13,145			13,145
2009 Grant	13,145		13,141	4	-
NJ Transportation Trust - Safe Streets to Schools	35,000		35,000		-
Council on the Arts		275	275		-
DEP Stormwater	2,118				2,118
Community Development Block Grant	27,322	58,061	27,323		58,060
Sustainable Jersey		1,000	1,000		-
Click It or Ticket					-
Green Acres		187,500	187,500		-
Pedestrian Safety		8,000	7,891	109	-
Federal Homeland Security - Fire					-
NADDI		5,000	5,000		-
	<u>\$ 465,632</u>	<u>565,242</u>	<u>521,899</u>	<u>130</u>	<u>508,845</u>
<u>Ref.</u>	A	A-2		A-5	A
		Current Fund	A-4		
		Transferred from Unappropriated Reserves	A-16		
			521,899		-
			<u>521,899</u>		

See Accompanying Auditor's Report

**SCHEDULE OF PAYROLL TAXES PAYABLE**

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 30,941
Increased by:		
Cash Received	A-4	<u>6,025</u>
		36,966
Decreased by:		
Cash Disbursed	A-4	<u>          </u>
Balance December 31, 2010	A	<u><u>\$ 36,966</u></u>

**FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED**

Grant	Balance Dec. 31, 2009	Received	Anticipated in 2010 Budget	Balance Dec. 31, 2010
Body Armor Grant		2,313		2,313
	<u>\$ -</u>	<u>2,313</u>	<u>-</u>	<u>2,313</u>
Ref.	A	A-5	A-14	A

See Accompanying Auditor's Report

**FEDERAL AND STATE GRANT FUND  
SCHEDULE OF FEDERAL AND STATE GRANTS - APPROPRIATED**

<u>Grant</u>	<u>Balance 12/31/09</u>	<u>2010 Budget Appropriation</u>	<u>Expended</u>	<u>(Canceled Prior Encumb.) Canceled</u>	<u>Balance 12/31/10</u>
Drunk Driving Enforcement Fund					
Police Salaries and Wages	\$ 11,284	11,250	9,053		13,481
Clean Communities Program	14,014	14,585	11,184	(5,705)	23,120
Municipal Alliance Grant					
County Share	2	13,145	17,609	(4,462)	-
Local Share	-	3,286	4,242	(956)	-
Safe and Secure Communities Program					
State Share		60,000	60,000		-
Local Share		137,050	137,050		-
Alcohol Education Rehabilitation Fund	5,310	2,539	2,300	(700)	6,249
US Department of Justice - Bulletproof Vest Body Armor	6,906	1,062	3,153		4,815
Atlantic County Open Space	300,000		298,500		1,500
NJ DOT - Safe Routes	41,000		32,990		8,010
NJ DOT - Mt. Vernon Avenue II		185,000	167,887		17,113
NJ DOT - Mt. Vernon Avenue	332		21,927	(31,976)	10,381
NJ Transportation Trust - Sidewalk State Share			547	(547)	-
Sustainable Jersey		1,000	969		31
Aggressive Driver Enforcement		18,100	18,083	17	-
NJ DEP Stormwater Grant	8,468				8,468
Pedestrian Safety		8,000	7,891	109	-
Community Development Grant		58,061	44,750		13,311
NADDI		5,000			5,000
Green Acres		187,500	187,500		-
	<u>\$ 387,316</u>	<u>705,578</u>	<u>1,025,635</u>	<u>(44,220)</u>	<u>111,479</u>

Ref.

A

A-3

A

Encumbered	A	\$	133,279
Current Fund	A-4		<u>892,356</u>
		\$	<u>1,025,635</u>

See Accompanying Auditor's Report

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES**

	Balance 12/31/09	Balance After Transfers	Paid	Balance Lapsed
Operations Within "CAP":				
City Clerk				
Other Expenses	\$ 19,999	4,999	1,008	3,991
Financial Administration				
Other Expenses	5,855	2,132	119	2,013
Planning Board				
Other Expenses	20,387	20,387	780	19,607
Tax Assessment Administration				
Other Expenses	446	446	325	121
Legal Services and Costs				
Other Expenses	19,386	19,386	14,318	5,068
Engineering				
Other Expenses	18,611	18,611	4,571	14,040
Insurance				
Other Insurance	51,759	51,759	11,935	39,824
Public Buildings and Grounds				
Other Expenses	16,682	16,682	4,241	12,441
Solid Waste Tipping Fees	93,052	93,052	43,231	49,821
Fire Department				
Other Expenses	1,128	1,128	972	156
Hydrants	10,310	10,310	7,009	3,301
Sewer				
Other Expenses	1,774	1,774	1,753	21
Police Services				
Salaries and Wages		-		-
Other Expenses	11,137	11,137	7,338	3,799
Municipal Court				
Other Expenses	3,487	3,487	414	3,073
Streets and Roads				
Other Expenses	13,475	8,475	5,118	3,357
Maintenance of Auto Equipment				
Other Expenses	3,403	3,403	947	2,456
Animal Control Services				
Other Expenses	700	700	700	-

**CURRENT FUND  
SCHEDULE OF APPROPRIATION RESERVES**

	<u>Balance 12/31/09</u>	<u>Balance After Transfers</u>	<u>Paid</u>	<u>Balance Lapsed</u>
Uniform Construction Code				
Construction Code Official				
Other Expenses		-		-
Zoning / Housing Officer				
Other Expenses	785	785	33	752
Utilities				
Internet	2,792	2,792	330	2,462
Gasoline	30,748	30,748	5,904	24,844
Electricity	11,688	11,688	5,182	6,506
Telephone and Telegraph	13,156	13,156	632	12,524
Water Service	461	461	93	368
Street Lighting	15,311	15,311	10,772	4,539
Insurance				
LOSAP	22,000	22,000	10,500	11,500
Linwood - Interlocal Agreement	78,810	78,810	693	78,117
ACUA Service Charge - Contract	81,132	99,855	99,855	-
Interlocal Road Realignment	27,832	27,832	763	27,069
Reserve for Snow Removal	100	5,100	5,100	-
Reserve for Accumulated Leave	500	500	500	-
Recycling Tax Levy	2,816	2,816	666	2,150
City Match for DOT	4,132	4,132	4,132	-
Other Accounts - No Changes	<u>516,768</u>	<u>516,768</u>		<u>516,768</u>
	\$ <u>1,100,622</u>	<u>1,100,622</u>	<u>249,934</u>	<u>850,688</u>
		Ref.	A-4	A-1
Appropriation Reserves	\$ 724,088			
Encumbrances Payable	<u>376,534</u>			
	\$ <u>1,100,622</u>			

**CURRENT FUND  
SCHEDULE OF PREPAID TAXES**

	<u>Ref.</u>		
	A		\$ 202,206
Increased by:			
Collection (2011 Taxes)	A-4	<u>142,261</u>	<u>142,261</u>
			344,467
Decreased by:			
Application to 2010 Taxes	A-9		<u>202,206</u>
Balance December 31, 2010 ( 2011 Taxes)	A		<u>\$ 142,261</u>

**SCHEDULE OF TAX OVERPAYMENTS**

	<u>Ref.</u>		
Balance December 31, 2009	A		\$ 34,067
Increased by:			
Adjustment Overpayments in 2010	A-4		<u>279</u> <u>80,624</u>
			114,970
Decreased by:			
Application to Taxes Adjustment	A-9	\$ 4,052	
Refunds	A-4	<u>34,346</u>	<u>38,398</u>
Balance December 31, 2010	A		<u>\$ 76,572</u>

**CURRENT FUND  
SCHEDULE OF COUNTY TAXES**

	<u>Ref.</u>	
Balance December 31, 2009		\$ -
Increased by:		
County General	\$ 2,920,840	
County Local Health	192,702	
County Open Space	<u>55,037</u>	
	A-1:A-9	<u>3,168,579</u>
		3,168,579
Decreased by:		
Payments to County	A-4	<u>3,168,579</u>
Balance December 31, 2010		<u><u>\$ -</u></u>

**CURRENT FUND  
SCHEDULE OF AMOUNT DUE TO COUNTY FOR ADDED TAXES**

	<u>Ref.</u>	
Balance December 31, 2009		\$ 10,637
Increased by:		
County Share of 2010 Levy	A-1:A-9	<u>8,558</u>
		19,195
Decreased by:		
Payments to County	A-4	<u>10,637</u>
Balance December 31, 2010		\$ <u><u>8,558</u></u>

**CURRENT FUND  
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ -
Increased by:		
Levy - Calendar Year 2010	A-1:A-9	<u>9,448,577</u>
		9,448,577
Decreased by:		
Payments	A-4	<u>9,448,577</u>
Balance December 31, 2010	A	\$ <u><u>-</u></u>

**SCHEDULE OF REGIONAL HIGH SCHOOL TAX**

	<u>Ref.</u>	
Balance December 31, 2009	A	\$
Increased by:		
Levy - Calendar Year 2010	A-1:A-9	<u>5,010,283</u>
Decreased by:		
Payments	A-4	<u>5,010,283</u>
Balance December 31, 2010	A	\$ <u><u>-</u></u>

**CURRENT FUND**  
**SCHEDULE OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSE FEES**

	<u>Ref.</u>		
Balance December 31, 2009	A	\$	200
Increased by:			
Cash Received for State Share of Licenses	A-4		<u>1,025</u>
			1,225
Decreased by:			
Cash Disbursed to State of New Jersey	A-4		<u>1,125</u>
Balance December 31, 2010	A	\$	<u><u>100</u></u>

**TRUST FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>	<u>Animal Control</u>	<u>Other</u>
Balance December 31, 2009		\$ 11,829	1,532,752
Increased by Receipts:			
Animal Control Fees	B-4	4,190	
State Fees	B-6	843	
Cultural Committee			2,880
Accumulated Sick and Vacation	B-3		500
Parking Offense Adjudication Act			
Due to Current Fund			429
Joint Insurance Funds			5,934
Public Defender	B-14		6,460
Snow Removal	B-10		5,100
Law Enforcement Forfeiture	B-7		2,914
Small Cities Program	B-8		15,000
Escrow Review Fees	B-9		1,367,639
Fees and Permits -			
Birch Grove Park	B-11		55,554
Recreation Impact Fees	B-11		1,569
Outside Employment of Police	B-12		27,835
		<u>5,033</u>	<u>1,491,814</u>
		<u>16,862</u>	<u>3,024,566</u>
Decreased by Disbursements:			
Dog Fund Expenditures	B-4	1,185	
State Fees	B-6	843	
Due to Current Fund	B-5	4,090	
Cultural Committee			1,724
Accumulated Sick and Vacation	B-3		
Parking Offense Adjudication Act			132
Joint Insurance Funds			7,541
Public Defender	B-14		5,600
Law Enforcement Forfeiture	B-7		10,187
Contractors' Expenditures	B-9		1,260,177
Birch Grove Park Expenditures	B-11		47,102
Recreation Impact Fees	B-11		342
Outside Employment of Police	B-12		25,465
		<u>6,118</u>	<u>1,358,270</u>
Balance December 31, 2010	B	<u>\$ 10,744</u>	<u>1,666,296</u>

**TRUST FUND  
SCHEDULE OF CASH - COLLECTOR**

	<u>Ref.</u>		
Balance December 31, 2009			\$ 81,489
Increased By Receipts:			
Redemption of Liens	B-16	178,865	
Premiums on Sales	B-17	<u>82,794</u>	
			<u>261,659</u>
			343,148
Decreased by Disbursements:			
Redemption of Liens	B-16	184,504	
Premiums on Sales	B-17	<u>71,762</u>	
			<u>256,266</u>
Balance December 31, 2010			\$ <u><u>86,882</u></u>

**TRUST FUND  
SCHEDULE OF RESERVE FOR ACCUMULATED ABSENCES**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 779,149
Increased by:		
Budget transfer	A-3	<div style="display: flex; justify-content: flex-end; align-items: center;"> <span style="margin-right: 10px;">500</span> <hr style="width: 50px; border: 0.5px solid black;"/> </div>
		779,649
Decreased by:		
Payouts	B-1	<hr style="width: 100%; border: 0.5px solid black;"/>
Balance December 31, 2010	B	\$ <u><u>779,649</u></u>

**TRUST FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance December 31, 2009	<u>Ref.</u> B		\$	7,739
Increased by:				
Animal Control Fees Collected - 2010	B-1			4,190
				<u>11,929</u>
Decreased by:				
Dog License Expenses	B-1	1,185		
Excess reserve due to Current	B-5	<u>3,120</u>		
				<u>4,305</u>
Balance December 31, 2010	B		\$	<u><u>7,624</u></u>

License Fees Collected:	
<u>Year</u>	<u>Amount</u>
2008	\$ 3,313
2009	<u>4,311</u>
	<u>\$ 7,624</u>

**TRUST FUND  
SCHEDULE OF AMOUNT DUE (TO)FROM CURRENT FUND -  
ANIMAL CONTROL FUND**

	<u>Ref.</u>		
Balance December 31, 2009	A:B	\$	(4,090)
Increased by:			
Excess reserve paid to Current	B-1		<u>4,090</u>
			-
Decreased by:			
Late fees	B-1		
Cat Licenses	B-1		
Excess reserve due to Current	B-4		<u>3,120</u>
			<u>3,120</u>
Balance December 31, 2010	A:B	\$	<u><u>(3,120)</u></u>

**SCHEDULE OF AMOUNT DUE TO(FROM) STATE OF NEW JERSEY -  
DEPARTMENT OF HEALTH**

	<u>Ref.</u>		
Balance December 31, 2009	B	\$	-
Increased by:			
2010 State License Fees	B-1		<u>843</u>
			843
Decreased by:			
Disbursements to the State	B-1		<u>843</u>
Balance December 31, 2010	B	\$	<u><u>-</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR LAW ENFORCEMENT FORFEITURE**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 24,219
Increased by:		
Cash Receipts	B-1	<u>2,914</u>
		27,133
Decreased by:		
Expenditures	B-1	<u>10,187</u>
	B	<u>\$ 16,946</u>

Exhibit B-8

**SCHEDULE OF RESERVE FOR SMALL CITIES PROGRAM**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 166,496
Increased by Receipts:		
Loan Repayments	B-15	<u>15,000</u>
Balance December 31, 2010	B	<u>\$ 181,496</u>

**TRUST FUND  
SCHEDULE OF RESERVE FOR ESCROW REVIEW FEES**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 367,959
Increased by:		
Escrow Deposits Received	B-1	<u>1,367,639</u>
		1,735,598
Decreased by:		
Disbursements	B-1	<u>1,260,177</u>
Balance December 31, 2010	B	<u>\$ 475,421</u>

**SCHEDULE OF RESERVE FOR SNOW REMOVAL FEES**

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 27,400
Increased by:		
Budget Appropriation	B-1	<u>5,100</u>
Balance December 31, 2010	B	<u>\$ 32,500</u>

**TRUST FUND  
SCHEDULE OF RESERVE FOR RECREATION EXPENDITURES**

	<u>Ref.</u>		
Balance December 31, 2009	B	\$	101,467
Increased by:			
Fees and Permits -			
Birch Grove Park	B-1	\$	55,554
Bike Path	B-1		<u>1,569</u>
			<u>57,123</u>
			158,590
Decreased by:			
Bike Path	B-1		342
Birch Grove Park Expenditures	B-1		<u>47,102</u>
			<u>47,444</u>
Balance December 31, 2010	B	\$	<u><u>111,146</u></u>

Exhibit B-12

**SCHEDULE OF OUTSIDE EMPLOYMENT OF POLICE**

	<u>Ref.</u>		
Balance December 31, 2009	B	\$	4,747
Increased by:			
Fees	B-1		<u>27,835</u>
			32,582
Decreased by:			
Payments to Current Fund	B-1		<u>25,465</u>
Balance December 31, 2010	B	\$	<u><u>7,117</u></u>

**TRUST FUND  
SCHEDULE OF RESERVE FOR MUNICIPAL ALLIANCE**

	<u>Ref.</u>		
Balance December 31, 2009	B	\$	1,461
Increased by:			
Cash Receipts			<u>          -</u>
Balance December 31, 2010	B	\$	<u><u>          1,461</u></u>

**SCHEDULE OF RESERVE FOR PUBLIC DEFENDER TRUST**

	<u>Ref.</u>		
Balance December 31, 2009	B	\$	2,945
Increased by:			
Cash Receipts	B-1		<u>          6,460</u>
			9,405
Decreased by:			
Cash Disbursements	B-1		<u>          5,600</u>
Balance December 31, 2010	B	\$	<u><u>          3,805</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR SMALL CITIES REVOLVING LOAN**

	<u>Ref.</u>		
Balance December 31, 2009	B	\$	63,175
Decreased by:			
Loans repaid	B-8		<u>15,000</u>
Balance December 31, 2010	B	\$	<u><u>48,175</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR REDEMPTION OF TAX LIENS**

	<u>Ref.</u>		
Balance December 31, 2009	B	\$	5,639
Increased by:			
Redemption of Third Party Liens	B-2		<u>178,865</u>
			184,504
Decreased by Disbursements:			
Cash Disbursed to Lienholders	B-2		<u>184,504</u>
Balance December 31, 2010	B	\$	<u><u>-</u></u>

**TRUST FUND**  
**SCHEDULE OF RESERVE FOR TAX SALE PREMIUMS**

	<u>Ref.</u>		
Balance December 31, 2009	B	\$	75,850
Increased by:			
Tax Sale Premiums Received	B-2		<u>82,794</u>
			158,644
Decreased by Disbursements:			
Cash Disbursed	B-2		<u>71,762</u>
Balance December 31, 2010	B	\$	<u><u>86,882</u></u>

**GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER**

	<u>Ref.</u>		
Balance December 31, 2009	C		\$ 1,471
Increased by Receipts:			
Other	C-3	4,631	
BAN's	C-8	1,425,000	
Capital Improvement Fund	C-6	\$ 79,350	
		<hr/>	<hr/> 1,508,981
			1,510,452
Decreased by Disbursements:			
Improvement Authorizations	C-3	952,154	
		<hr/>	<hr/> 952,154
Balance December 31, 2010	C		\$ <u><u>558,298</u></u>

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
ANALYSIS OF CASH**

	----- Receipts -----		----- Disbursements -----		---- Transfers ----		Balance 12/31/10		
	Balance 12/31/09	BAN's	Miscellaneous	Improvement Authorizations	Miscellaneous	From		To	
Fund Balance	\$ 65,304		4,631					69,935	
Capital Improvement Fund	52,878		79,350			79,350		52,878	
Encumbrances Payable	175,263			7,485		90,209	188,109	265,678	
<u>Improvement Authorizations:</u>									
<u>Ordinance No.</u>									
4-04 amend 9-01	Various Building Improvements	12,449		21,445			9,000	4	
5-04	Improvements to City Buildings	114,000		13,990				100,010	
4-06	Sewer system improvements/repairs	6,818		1,002		5,816		-	
4-06	Acquisition of vehicles and equip	34,783		5,491			5,999	35,291	
12-06	Various sewer repairs	50,000				17,182		32,818	
12-06	Improvements to Recreation Fields	-						-	
12-06	Various Road repairs	314		17,310		5,481	22,477	-	
4-08	Various Stormwater improvements	(382,666)	455,810	71,965		17,986	16,807	-	
4-08	Various Sewer Repairs	7,500	142,500					150,000	
4-08	Improvements to Recreation Fields	(121,361)	186,200	71,398		8,442	15,001	-	
4-08	Various Road Improvements	(42,521)	95,000	70,403		3,001	20,925	-	
4-08	Various Equipment and Vehicles	3,710	70,490			50,000		24,200	
14-09	Purchase of Dump Truck and Plow	4,250	80,750	84,356				644	
14-09	Various Road Improvements	15,250	289,750	248,010		1,524		55,466	
14-09	Lights and Fencing at Rec Field	5,500	104,500	95,244		14,756		-	
1-10	Storm Water Drainage Improvements			241,355		54,535	61,250	(234,640)	
1-10	Various Roadway Improvements						3,000	3,000	
1-10	Equipment, Communications & Signs						5,000	5,000	
1-10	Improvement to Recreation Area			2,700		2,850	2,000	(3,550)	
1-10	Improvement to City Hall					6,536	1,250	(5,286)	
18-10	Improvements to Jack Sloan & Joseph						6,850	6,850	
		<u>\$ 1,471</u>	<u>1,425,000</u>	<u>83,981</u>	<u>952,154</u>	<u>-</u>	<u>357,668</u>	<u>357,668</u>	<u>558,298</u>
		C:C-2		C-2	C-2; C-8	C-2			C:C-2

**GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 6,569,000
Decreased by:		
Bond Payments	C-9	<u>730,000</u>
Balance December 31, 2010	C	<u><u>\$ 5,839,000</u></u>

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

Ordinance Number	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	Bonds Issued	Balance Dec. 31, 2010	Analysis of Balance December 31, 2010		Unexpended Improvement Authorization
						Financed by Notes	Expended	
4-08	Various Stormwater improvements	\$ 455,810			455,810	455,810		
4-08	Various Sewer Repairs	142,500			142,500	142,500		
4-08	Improvements to Recreation Fields	186,200			186,200	186,200		
4-08	Various Road Improvements	95,000			95,000	95,000		
4-08	Various Equipment and Vehicles	70,490			70,490	70,490		
14-09	Purchase of Dump Truck and Plow	80,750			80,750	80,750		
14-09	Various Road Improvements	289,750			289,750	289,750		
14-09	Lights and Fencing at Rec Field	104,500			104,500	104,500		
1-10	Storm Water Drainage Improvements		1,163,750		1,163,750		295,890	867,860
1-10	Various Roadway Improvements		57,000		57,000			57,000
1-10	Equipment, Communications & Signs		95,000		95,000		5,550	89,450
1-10	Improvement to Recreation Area		38,000		38,000		6,536	31,464
1-10	Improvement to City Hall		23,750		23,750			23,750
18-10	Improvements to Jack Sloan & Joseph		130,150		130,150			130,150
		<u>\$ 1,425,000</u>	<u>1,507,650</u>	<u>-</u>	<u>2,932,650</u>	<u>1,425,000</u>	<u>307,976</u>	<u>1,199,674</u>
		C	C-11		C		C-3	C-7

**GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2009	<u>Ref.</u> C		\$	52,878
Increased by:				
Performance Bond		6,850		
2010 Budget Appropriation	C-2	<u>72,500</u>		
				<u>79,350</u>
				132,228
Decreased by:				
Improvement Authorizations	C-8			<u>79,350</u>
Balance December 31, 2010	C		\$	<u><u>52,878</u></u>

**GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Ord. #	Improvement Description	Date	Amount	Balance December 31, 2009		2010 Authorizations		P.O.'s Cancelled	Paid or Charged	Cancelled	Balance December 31, 2010	
				Funded	Unfunded	Downpayment or Capital Improvement Fund	Deferred Charges to Future Taxation				Funded	Unfunded
<b>General Improvements</b>												
Amended												
9-01 4-04	Various Building Improvements	4/6/2004	25,000	\$ 12,449				9,000	21,445		4	
5-04	Improvements to City Buildings	4/20/2004	114,000	114,000					13,990		100,010	
04-06	Sewer System Improvements/Repairs	4/4/2006	110,000	6,818					6,818		-	
04-06	Acquisition of vehicles and equip	4/4/2006	172,000	34,783				5,999	5,491		35,291	
12-06	Various Sewer Repairs	9/19/2006	50,000	50,000					17,182		32,818	
12-06	Various Road Repairs	9/19/2006	641,000	314				22,478	22,792		-	
4-08	Various Stormwater improvements	6/17/2008	479,800		73,144			16,807	89,951			-
4-08	Various Sewer Repairs	6/17/2008	150,000	7,500	142,500						7,500	142,500
4-08	Improvements to Recreation Fields	6/17/2008	196,000		64,839			15,002	79,841			-
4-08	Various Road Improvements	6/17/2008	100,000	-	52,479			20,925	73,404			-
4-08	Various Equipment and Vehicles	6/17/2008	74,200	3,710	70,490				50,000			24,200
14-09	Purchase of Dump Truck and Plow	9/8/2009	85,000	4,250	80,750				84,356			644
14-09	Various Road Improvements	9/8/2009	305,000	15,250	289,750				249,534			55,466
14-09	Lights and Fencing at Rec Field	9/8/2009	110,000	5,500	104,500				110,000			-
1-10	Storm Water Drainage Improvements	1/26/2010	1,225,000			61,250	1,163,750		295,890			929,110
1-10	Various Roadway Improvements	1/26/2010	60,000			3,000	57,000				3,000	57,000
1-10	Equipment, Communications & Signs	1/26/2010	100,000			5,000	95,000		5,550			94,450
1-10	Improvement to Recreation Area	1/26/2010	40,000			2,000	38,000		6,536			33,464
1-10	Improvement to City Hall	1/26/2010	25,000			1,250	23,750				1,250	23,750
18-10	Improvements to Jack Sloan & Joseph	12/18/2010	137,000			6,850	130,150				6,850	130,150
				\$ 254,574	878,452	79,350	1,507,650	90,211	1,132,780	-	186,723	1,490,734
				<b>C</b>	<b>C</b>	<b>C-5</b>	<b>C-3</b>		265,678	Encum	<b>C</b>	
									867,102	Cash		
									<u>1,132,780</u>			

See Accompanying Auditor's Report

NOT USED

Exhibit C-8

**GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2010</u>
4-08	Various Improvements	11/2/2010	11/2/2010	11/1/2011	1.25%	\$ -	950,000		950,000
14-09	Various Improvements	11/2/2010	11/2/2010	11/1/2011	1.25%	-	475,000		475,000
						<u>\$ -</u>	<u>1,425,000</u>	<u>-</u>	<u>1,425,000</u>
						C	C-2		C

See Accompanying Auditor's Report

**GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS**

Improvement Description	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2009	Issued	Decreased	Balance Dec. 31, 2010
			Date	Amount					
General Improvements	9/1/2002	4,655,000	9/1/2011	400,000	3.60%	\$ 2,495,000		380,000	2,115,000
			9/1/2012	420,000	4.00%				
			9/1/2013	430,000	4.00%				
			9/1/2014	430,000	4.00%				
			9/1/2015	435,000	4.00%				
						2,495,000	-	380,000	2,115,000
General Improvements	11/15/2006	4,999,000	12/1/2011	375,000	3.75%	4,074,000		350,000	3,724,000
			12/1/2012	400,000	3.75%				
			12/1/2013	425,000	3.75%				
			12/1/2014	450,000	3.75%				
			12/1/2015	475,000	3.75%				
			12/1/2016	500,000	3.75%				
			12/1/2017	600,000	3.75%				
			12/1/2018	499,000	4.00%				
						4,074,000	-	350,000	3,724,000
						\$ 6,569,000	-	730,000	5,839,000

C-4

C

**GENERAL CAPITAL FUND  
SCHEDULE OF CONTRACTS PAYABLE**

Balance December 31, 2009	<u>Ref.</u> C		\$ 175,263
Increased by:			
Additional Contracts			1,132,780
Decreased by:			
Cash Disbursed	C-2	\$ 952,154	
Canceled	C-7	<u>90,211</u>	
			<u>1,042,365</u>
Balance December 31, 2010	C		<u><u>\$ 265,678</u></u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2009	2010 Authorizations	BAN's Issued	Cancelled	Balance Dec. 31, 2010
<b><u>General Improvements</u></b>						
4-08	Various Stormwater improvements	\$ 455,810		455,810		-
4-08	Various Sewer Repairs	142,500		142,500		-
4-08	Improvements to Recreation Fields	186,200		186,200		-
4-08	Various Road Improvements	95,000		95,000		-
4-08	Various Equipment and Vehicles	70,490		70,490		-
14-09	Purchase of Dump Truck and Plow	80,750		80,750		-
14-09	Various Road Improvements	289,750		289,750		-
14-09	Lights and Fencing at Rec Field	104,500		104,500		-
1-10	Storm Water Drainage Improvements		1,163,750			1,163,750
1-10	Various Roadway Improvements		57,000			57,000
1-10	Equipment, Communications & Signs		95,000			95,000
1-10	Improvement to Recreation Area		38,000			38,000
1-10	Improvement to City Hall		23,750			23,750
18-10	Improvements to Jack Sloan & Joseph		130,150			130,150
		<u>\$ 1,425,000</u>	<u>1,507,650</u>	<u>1,425,000</u>	<u>-</u>	<u>1,507,650</u>
			C-7	C-3		

See Accompanying Auditor's Report

**CITY OF NORTHFIELD**

**PART II**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2010**



## **GENERAL COMMENTS**

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

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding the aggregate \$21,000." Effective July 1, 2010, the bid threshold was increased to \$29,000.

The governing body of the City of Northfield has the responsibility of determining whether the expenditures in any category will exceed \$21,000 (between January 1, 2010 and June 30, 2010) or \$29,000 (effective July 1, 2010) within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the district counsel's opinion should be sought before a commitment is made.

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

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

- Paving of roads
- Drainage improvements
- Walkways at Birch Grove Park
- Concession stand
- Single axle dump truck

Our examination of expenditures did not reveal any payments in excess of \$21,000 (between January 1, 2010 and June 30, 2010) or \$29,000 (effective July 1, 2010) "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

### **Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body, on January 5, 2010, adopted the following resolutions authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED by the Council of the City of Northfield, County of Atlantic, State of New Jersey that as authorized by N.J.S.A. 54:4-67 as amended by Chapter 435 P.L., 1978, the rate of interest to be charged for the nonpayment of taxes or assessments on or before the date that they would become delinquent is hereby fixed at eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent and eighteen percent (18%) per annum on any amount in excess of \$1,500.00, provided, however, that no interest shall be charged if payment is made within ten (10) days of the date upon which the tax or assessment becomes payable.

"IT IS FURTHER RESOLVED that nothing contained within this Resolution shall be construed to extend the time when taxes are due and payable nor the obligations to pay interest which shall commence on the due date if taxes are not paid within the ten (10) day grace period.

"BE IT RESOLVED by the the Council of the City of Northfield, County of Atlantic, State of New Jersey that as authorized by N.J.S.A. 54:4-67 as amended by Chapter 75 P.L., 1991, the governing body of the City of Northfield hereby establishes a penalty in the amount of six percent (6%) to be charged to a taxpayer with a delinquency in excess of Ten Thousand Dollars (\$10,000) who fails to pay that delinquency prior to the end of the calendar year.

Our examination of interest collected on delinquent taxes did not reveal any charges that were not in agreement with the above resolution.

### **Delinquent Taxes and Tax Title Liens**

The tax sale was held on June 8, 2010 and was complete. Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

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

<u>Year</u>	<u>Number</u>
2010	13
2009	14
2008	12

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

### **Verification of Delinquent Taxes and Other Charges**

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

<u>Type</u>	<u>Number Mailed</u>
Payments of 2010 and 2011 Taxes	5
Payments of 2010 and 2011 Sewer	5
Delinquent Taxes	4
Municipal Court	10

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

### Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collections</u>
2010	\$ 25,606,243	25,029,234	97.75%
2009	24,482,861	23,863,345	97.47%
2008	23,613,363	23,096,148	97.81%
2007	22,602,531	22,274,152	98.55%
2006	21,367,295	21,072,039	98.62%

### Comparative Schedule of Tax Rate Information

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	2.570	4.428	4.239	4.088	3.885
Apportionment of Tax Rate:					
Municipal	0.799	1.327	1.268	1.178	1.08
County	0.319	0.609	0.570	0.591	0.603
Local School	0.949	1.643	1.569	1.516	1.461
Regional High School	0.503	0.849	0.832	0.803	0.741
Assessed Valuation	995,528,917 *	551,162,023	553,688,917	550,805,426	544,724,525

\* Revaluation completed in 2010

### Delinquent Taxes and Tax Title Liens

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

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	13,941	419,741	433,682	1.69%
2009	13,111	354,699	367,810	1.50%
2008	11,207	382,400	393,607	1.67%
2007	9,249	328,586	337,835	1.49%
2006	6,485	280,253	286,738	1.34%

## CURRENT YEAR FINDINGS

NONE

## STATUS OF PRIOR RECOMMENDATIONS

### Recommendation

The City should contract with a licensed actuary to determine the post-retirement health benefit costs related to dental and vision coverage.

This recommendation was cleared during 2010.

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

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

Very truly yours,

*Kenneth W. Moore*

Kenneth W. Moore, CPA  
Registered Municipal Accountant  
No. 231

*Swartz & Co., LLC*

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