

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

**AUDIT REPORT FOR THE YEAR  
ENDED DECEMBER 31, 2014**

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

**PART I**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying comparative statements of assets, liabilities, reserves and fund balance--regulatory basis of the various funds and account group of the City of Northfield, County of Atlantic, State of New Jersey as of December 31, 2014 and 2013, and the related comparative statements of operations and changes in fund balance--regulatory basis for the years then ended, the related statements of revenues--regulatory basis, statement of expenditures--regulatory basis, and the related notes to the financial statements for the year ended December 31, 2014.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

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

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

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

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

### **Basis for Qualified Opinion on Regulatory Basis of Accounting**

As discussed in Note 1, the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund has not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the City’s financial statements as of and for the years ended December 31, 2014. The LOSAP Trust Fund financial activities are included in the City’s Trust Fund, and represent 11.86% and 10.45% of the assets and liabilities, respectively, of the City’s Trust Funds as of December 31, 2014 and 2013.

### **Qualified Opinion on Regulatory Basis of Accounting**

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



## **Other Matters**

### **Report on Supplementary Information**

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph as a whole. The supplemental financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2015, on our consideration of the City of Northfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Northfield's internal control over financial reporting and compliance.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

Freehold, New Jersey  
May 20, 2015

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the City of Northfield (herein referred to as “the City”), as of and for the year ended December 31, 2014, and the related notes to the financial statements, and have issued our report thereon dated May 20, 2015. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared and presented in accordance with accounting principles generally accepted in the United States of America but rather prepared and presented in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the requirements of the State of New Jersey for municipal government entities as described in Note 1. Our report on the financial statements – regulatory basis included a qualified opinion on the financial statements of the Length of Service Award Program Fund (“LOSAP”) Trust Fund. The LOSAP Trust Fund financial statements were not audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the City’s financial statements as of and for the year ended December 31, 2014. With the exception of the LOSAP Trust Fund our opinion on the financial statements – regulatory basis was unmodified.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P.C.**

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

Freehold, New Jersey  
May 20, 2015

**BASIC FINANCIAL STATEMENTS**

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**CITY OF NORTHFIELD  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Cash:			
Treasurer	A-4	\$ 3,521,653.12	\$ 4,219,704.07
Change Fund	A	350.00	350.00
Total Cash & Cash Equivalents		<u>3,522,003.12</u>	<u>4,220,054.07</u>
Receivables & Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-5	437,636.53	468,973.46
Tax Title Liens Receivable	A-8	21,350.74	21,770.73
Miscellaneous Liens Receivable	A-8	1,758.40	537.85
Property Acquired / Assessed Valuation	A-18	19,200.00	19,200.00
Sewer Rents Receivable	A-6	82,773.34	88,554.95
Sewer Liens Receivable	A-8	325.00	340.00
Due from Dog Trust	B	2,314.89	-
Due from Grant Fund	A	14,091.31	51,223.38
Revenue Accounts Receivable	A-9	3,927.16	7,339.04
Total Receivables & Other Assets With Full Reserves		<u>583,377.37</u>	<u>657,939.41</u>
Deferred Charges			
NJS 40A:4-53 Special Emergency			
Revaluation	A-24	-	70,000.00
Emergency Appropriation			
Legal Expenses	A-25	50,000.00	-
Total Deferred Charges		<u>50,000.00</u>	<u>70,000.00</u>
Total Current Fund, Receivables, Other Assets With Full Reserves & Deferred Charges	A	<u>4,155,380.49</u>	<u>4,947,993.48</u>
State & Federal Grants:			
Federal and State Grants Receivable	A-26	346,836.61	335,027.00
Total State & Federal Grants		<u>346,836.61</u>	<u>335,027.00</u>
Total Assets		<u><u>\$ 4,502,217.10</u></u>	<u><u>\$ 5,283,020.48</u></u>

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

**CITY OF NORTHFIELD  
CURRENT FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2014	2013
Regular Fund:			
Liabilities:			
Appropriation Reserves	A-3	\$ 517,696.72	\$ 675,187.00
Encumbrances Payable	A-14	181,151.16	196,611.19
Payroll Taxes Payable	A-22	32,365.78	34,165.77
Sewer Rents Overpayments	A-7	4,710.84	5,064.06
Prepaid Taxes	A-15	138,235.30	165,838.39
Tax Over Payments	A-16	-	39,992.89
Regional School Taxes Payable	A-13	0.50	-
Due to State of New Jersey - Senior Citizens and Veterans	A-17	25,121.17	17,621.17
Due to State of New Jersey - Marriage Fees	A-19	350.00	200.00
Due to State of New Jersey - DCA	A-20	1,662.00	1,961.00
Due to State - Burial Fees	A-21	90.00	25.00
Due to Trust	B	91.57	203.18
Reserve for Library Surplus	A-23	80,000.00	135,000.00
Due to County - Added Taxes	A-11	6,161.98	1,463.00
Subtotal		<u>987,637.02</u>	<u>1,273,332.65</u>
Reserve for Receivables & Other Assets		583,377.37	657,939.41
Fund Balance	A-1	<u>2,584,366.10</u>	<u>3,016,721.42</u>
Total Current Fund		<u>4,155,380.49</u>	<u>4,947,993.48</u>
State & Federal Grants:			
Due to the Current Fund	A	14,091.31	51,223.38
Reserve for Grants Appropriated	A-27	324,061.29	61,682.17
Reserve for Grants Unappropriated	A-28	8,612.51	11,580.61
Encumbrances Payable	A-27	71.50	210,540.84
Total State & Federal Grants		<u>346,836.61</u>	<u>335,027.00</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 4,502,217.10</u>	<u>\$ 5,283,020.48</u>

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



**CITY OF NORTHFIELD  
CURRENT FUND  
COMPARATIVE STATEMENT OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Revenue & Other Income Realized:			
Fund Balance Utilized	A-2	\$ 1,600,000.00	\$ 1,634,000.00
Miscellaneous Revenues Anticipated	A-2	3,220,940.53	3,228,064.21
Receipts from Delinquent Taxes	A-2	429,558.66	475,477.80
Receipts from Current Taxes	A-2	26,717,465.30	26,303,738.68
Nonbudget Revenues	A-2	69,207.43	173,284.23
Other Credit to Income:			
Unexpended Balance of Appropriation Reserves	A-9	701,068.55	698,164.16
Interfund Returns	A	51,223.38	-
Sale of Municipal Assets	A-1	9,151.83	8,431.04
Cancelled Grants	A-13, A-14	128.75	3,638.15
		<u>32,798,744.43</u>	<u>32,524,798.27</u>
Total			
Expenditures:			
Appropriations Within "CAPS"			
Operations:			
Salaries and Wages	A-3	3,878,751.00	3,966,750.00
Other Expenses	A-3	3,845,052.00	3,750,979.00
Deferred Charges and Statutory Expenditures	A-3	939,251.00	908,608.00
Appropriations Excluded from "CAPS"			
Operations:			
Salaries and Wages	A-3	203,856.11	199,476.45
Other Expenses	A-3	2,029,124.97	2,004,872.30
Capital Improvements	A-3	101,000.00	81,000.00
Municipal Debt Service	A-3	1,288,997.50	1,283,098.92
Deferred Charges	A-3	70,000.00	84,000.00
County Taxes	A-10	3,862,903.88	4,030,867.80
Due County for Added and Omitted Taxes	A-10	6,161.98	1,463.00
Regional High School Tax	A-12	5,533,706.00	5,365,797.00
Local District School Tax	A-11	9,908,204.00	9,713,682.00
Prior Year Revenue	A-4	-	1,940.00
Interfund Created	A	14,091.31	51,233.38
		<u>31,681,099.75</u>	<u>31,443,767.85</u>
Excess Revenue over Expenditures		1,117,644.68	1,081,030.42
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A, A-3	50,000.00	-
Statutory Excess to Fund Balance		1,167,644.68	1,081,030.42
Fund Balance January 1	A	<u>3,016,721.42</u>	<u>3,569,691.00</u>
		4,184,366.10	4,650,721.42
Decreased by:			
Utilization as Anticipated Revenue	A-1	1,600,000.00	1,634,000.00
Fund Balance December 31	A	<u>\$ 2,584,366.10</u>	<u>\$ 3,016,721.42</u>

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

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Ref.	Anticipated		Realized	Excess or (Deficit)
		Budget	Special N.J.S. 40A:4-87		
Fund Balance Anticipated		\$ 1,600,000.00	\$ -	\$ 1,600,000.00	\$ -
Miscellaneous Revenues					
Licenses:					
Alcoholic Beverages	A-8	7,500.00	-	7,500.00	-
Other		75,000.00	-	77,984.79	2,984.79
Fees and Permits		65,000.00	-	66,848.76	1,848.76
Fines and Costs:					
Municipal Court		130,000.00	-	78,877.89	(51,122.11)
Interest and Costs on Taxes		100,000.00	-	130,819.65	30,819.65
Interest on Investments and Deposits		39,000.00	-	16,115.13	(22,884.87)
Sewer Rentals		1,180,000.00	-	1,199,837.67	19,837.67
Consolidated Municipal Property Tax Relief Act		30,080.00	-	30,080.00	-
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)		602,306.00	-	582,121.00	(20,185.00)
Supplemental Energy Receipts		-	-	20,185.00	20,185.00
Uniform Construction Code Fees		109,000.00	-	144,080.00	35,080.00
Linwood Share - Sewerage Department Costs		130,000.00	-	173,088.24	43,088.24
Linwood Share - Court Costs		119,300.00	-	118,720.63	(579.37)
Linwood Share - Police Chief Interlocal		95,000.00	-	63,864.44	(31,135.56)
Uniform Fire Safety Act		3,750.00	-	5,697.25	1,947.25
Library Maintenance Agreement		20,500.00	-	20,500.00	-
Library Reimbursement per Moriarity Law		55,000.00	-	55,000.00	-
Capital Fund Surplus		104,000.00	-	104,000.00	-
State and Federal Revenues Offset with Appropriations					
Municipal Alliance on Alcoholism and Drug Abuse		20,344.00	-	20,344.00	-
Safe and secure Communities Program		60,000.00	-	60,000.00	-
NJ Department of Transportation		-	190,000.00	190,000.00	-
Recycling Tonnage Grant		8,683.14	-	8,683.14	-
Alcohol Education, Rehabilitation, and Enforcement		-	1,861.02	1,861.02	-
NJ American Water Fire Fighter Grant		-	933.00	933.00	-
Body Armor Grant		2,897.47	2,187.03	5,084.50	-
Community Development Block Grant		5,956.00	-	5,956.00	-
Drunk Driving Enforcement Grant		-	15,110.64	15,110.64	-
US DOJ Body Armor Grant		1,721.61	-	1,721.61	-
Clean Communities		-	15,926.17	15,926.17	-
Total Miscellaneous Revenue		2,965,038.22	226,017.86	3,220,940.53	29,884.45
Receipts from Delinquent Taxes		365,000.00	-	429,558.66	64,558.66
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		7,810,124.15	-	8,065,634.59	255,510.44
Minimum Library Tax	A-4	304,219.00	-	304,219.00	-
Total Amount to be Raised by Taxation		8,114,343.15	-	8,369,853.59	255,510.44
Sub-Total Budget		13,044,381.37	226,017.86	13,620,352.78	349,953.55
Non-Budget Revenue	A-2	-	-	78,359.26	78,359.26
Total General Revenues		\$ 13,044,381.37	\$ 226,017.86	\$ 13,698,712.04	\$ 428,312.81
Ref.		A-3	A-3		

**CURRENT FUND**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**ANALYSIS OF REALIZED REVENUES**

	<b><u>Ref.</u></b>	<b><u>Realized</u></b>
<b><u>Allocation of Current Tax Collections</u></b>		
Revenue from Collections	A-5	\$ 26,717,465.30
Net Revenue from Collections	A-1	26,717,465.30
Allocated to		
School and County Taxes	A-5	19,310,975.86
Balance for Support of Municipal		
Budget Appropriations		7,406,489.44
Add:		
Appropriations "Reserve for Uncollected Taxes"	A-3	963,364.15
Amount for Support of Municipal		
Budget Appropriations	A-2	\$ 8,369,853.59
<b><u>Receipts from Delinquent Taxes:</u></b>		
Delinquent Tax Collections	A-5	\$ 428,276.29
Tax Title Lien Collections	A-7	1,282.37
	A-2	\$ 429,558.66

**ANALYSIS OF NONBUDGET REVENUES**

	<b><u>Amount</u></b>
Photocopies	\$ 422.29
Books, Maps, and Copies of Ordinance	40.60
Administrative Operations	9,662.72
Recycling Fees	1,189.28
Zoning Fees	7,731.00
Construction	29,230.00
Sale of Municipal Assets	9,151.83
Senior Citizen and Veterans Administrative Fee	2,470.00
Miscellaneous	18,461.54
Total Nonbudgeted Revenue	\$ 78,359.26

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS			EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED		
<b>OPERATIONS - Within "CAPS"</b>							
<b>GENERAL GOVERNMENT:</b>							
Administrative and Executive	\$ 1.00	1.00	\$ -	-	\$ -	1.00	\$ -
Salaries and Wages	90,000.00	75,000.00	52,164.74	19,087.79	-	3,747.47	-
Other Expenses							
Mayor and Council	71,750.00	71,750.00	69,577.21	-	-	2,172.79	-
Salaries and Wages	3,500.00	3,500.00	3,500.00	-	-	-	-
Other Expenses							
City Clerk	91,000.00	86,000.00	82,644.13	-	-	3,355.87	-
Salaries and Wages	18,700.00	18,700.00	14,438.75	1,017.89	-	3,243.36	-
Other Expenses							
Financial Administration	83,000.00	83,000.00	81,299.47	-	-	1,700.53	-
Salaries and Wages	8,500.00	8,500.00	5,792.34	397.34	-	2,310.32	-
Other Expenses							
Municipal Prosecutor	12,000.00	12,000.00	11,666.56	-	-	333.44	-
Other Expenses							
Audit Service	34,000.00	29,000.00	24,000.00	1,000.00	-	4,000.00	-
Other Expenses							
Public Defender	2,000.00	2,000.00	-	-	-	2,000.00	-
Other Expenses							
Revenue Administration (Tax Collector)	99,000.00	99,000.00	97,957.34	-	-	1,042.66	-
Salaries and Wages	5,750.00	5,750.00	3,295.85	1,021.99	-	1,432.16	-
Other Expenses							
Tax Assessment Administration	32,000.00	32,000.00	31,743.40	-	-	256.60	-
Salaries and Wages	6,000.00	6,000.00	5,597.89	386.50	-	15.61	-
Other Expenses							
Legal Services and Costs	115,000.00	165,000.00	132,362.98	16,912.94	-	15,724.08	-
Other Expenses							
Insurance	340,000.00	315,000.00	311,374.62	-	-	3,625.38	-
Workers' Compensation	1,620,000.00	1,616,000.00	1,569,518.25	-	-	46,481.75	-
Group Insurance	133,000.00	123,000.00	118,211.96	-	-	4,788.04	-
Other Insurance	15,000.00	15,000.00	5,000.06	-	-	9,999.94	-
Health Benefit Waiver	1,000.00	1,000.00	-	420.00	-	580.00	-
Economic Development Commission							
Municipal Court	80,000.00	80,000.00	78,554.84	-	-	1,445.16	-
Salaries and Wages	12,000.00	12,000.00	7,365.12	1,548.23	-	3,086.65	-
Other Expenses							
Planning Board	8,500.00	8,500.00	7,999.94	-	-	500.06	-
Salaries and Wages	9,000.00	14,000.00	11,809.47	573.21	-	1,617.32	-
Other Expenses							
Engineering Services and Costs	30,000.00	30,000.00	12,160.01	-	-	17,839.99	-
Other Expenses							
<b>Total General Government</b>	<b>2,920,701.00</b>	<b>2,911,701.00</b>	<b>2,738,034.93</b>	<b>42,365.89</b>	<b>131,300.18</b>	<b>-</b>	<b>-</b>

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

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS			EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>DEPARTMENT OF PUBLIC SAFETY:</b>						
Fire Official						
Salaries and Wages	9,000.00	9,000.00	8,072.28	-	927.72	-
Other Expenses	1,000.00	1,000.00	451.36	-	548.64	-
Fire Department						
Salaries and Wages	525,000.00	525,000.00	510,596.68	-	14,403.32	-
Other Expenses						
Fire Hydrant	88,500.00	90,500.00	89,912.46	-	587.54	-
Miscellaneous Other Expenses	50,000.00	50,000.00	20,336.91	14,263.15	15,399.94	-
Police Department						
Salaries and Wages	1,965,000.00	1,965,000.00	1,915,942.73	-	49,057.27	-
Other Expenses	75,300.00	75,300.00	64,054.20	10,234.42	1,011.38	-
Office of Emergency Management						
Salaries and Wages	3,000.00	3,000.00	2,500.00	-	500.00	-
Other Expenses	3,000.00	3,000.00	1,585.47	1,409.69	4.84	-
Total Public Safety	2,719,800.00	2,721,800.00	2,613,452.09	25,907.26	82,440.65	-
<b>STREETS AND ROADS:</b>						
Streets and Roads Maintenance						
Salaries & Wages	580,000.00	580,000.00	527,670.14	-	52,329.86	-
Other Expenses	18,000.00	18,000.00	7,384.23	10,615.77	-	-
Reserve for Snow Removal	1.00	1.00	-	-	1.00	-
Maintenance of Automotive Equipment						
Other Expenses	84,000.00	84,000.00	64,108.46	15,577.22	4,314.32	-
Solid Waste Collection						
Other Expenses	525,000.00	495,000.00	406,452.12	46,990.49	41,557.39	-
Public Buildings and Grounds						
Salaries & Wages	3,500.00	3,500.00	3,500.00	-	-	-
Other Expenses	80,000.00	76,500.00	60,517.48	3,538.32	12,444.20	-
Maintenance of Bike Path	2,000.00	500.00	-	-	500.00	-
Total Streets and Roads	1,292,501.00	1,257,501.00	1,069,632.43	76,721.80	111,146.77	-

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION		ENCUMBERED	RESERVED	
<b>SANITATION</b>						
Sewerage	100,000.00	100,000.00	85,779.93	-	14,220.07	-
Salaries & Wages	35,000.00	35,000.00	20,737.70	3,155.60	11,106.70	-
Other Expenses						
Total Sanitation	135,000.00	135,000.00	106,517.63	3,155.60	25,326.77	-
<b>HEALTH AND WELFARE</b>						
Dog Regulation	9,300.00	9,300.00	8,525.00	775.00	-	-
Other Expenses						
Total Health and Welfare	9,300.00	9,300.00	8,525.00	775.00	-	-
<b>RECREATION AND EDUCATION</b>						
Parks and Playgrounds	108,000.00	110,000.00	104,128.35	-	5,871.65	-
Salaries & Wages						
Other Expenses	6,000.00	6,000.00	5,713.28	-	286.72	-
Neighborhood Programs						
Miscellaneous Other Expenses						
FAN	7,500.00	7,500.00	3,825.00	3,675.00	-	-
Senior Citizens	1,000.00	1,000.00	472.64	-	527.36	-
Little League	2,500.00	2,500.00	2,500.00	-	-	-
Babe Ruth	2,500.00	2,500.00	2,500.00	-	-	-
Conservation Commission						
Other Expenses	500.00	500.00	-	-	500.00	-
Total Recreation and Education	128,000.00	130,000.00	119,139.27	3,675.00	7,185.73	-
<b>UNIFORM CONSTRUCTION CODE (N.J.A.C. 5:23-4.17)</b>						
Construction Code Official	82,000.00	82,000.00	79,574.63	-	2,425.37	-
Salaries & Wages	22,000.00	22,000.00	18,882.04	547.46	2,570.50	-
Other Expenses						
Zoning/Housing Officer	41,000.00	41,000.00	40,398.80	-	601.20	-
Salaries & Wages	1,000.00	1,000.00	709.26	-	290.74	-
Other Expenses						
Total Uniform Construction Code	146,000.00	146,000.00	139,564.73	547.46	5,887.81	-

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

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED		CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	
<b>UNCLASSIFIED:</b>					
Utilities:					
Petroleum Products	90,000.00	90,000.00	63,986.82	11,603.45	14,409.73
Telephone and Telegraph	37,500.00	52,500.00	44,378.31	3,729.19	4,392.50
Electricity and Natural Gas	2,300,000.00	2,650,000.00	2,552,264.36	7,135.18	2,600.46
Street Lighting	-	-	-	-	-
Water	5,000.00	5,000.00	4,935.60	64.40	-
Street Sweeping	1.00	1.00	-	-	1.00
Total Unclassified	3,622,501.00	4,122,501.00	3,688,565.09	22,532.22	21,403.69
Total Operations - Within "CAP"	7,713,803.00	7,723,803.00	7,163,431.17	175,680.23	384,691.60
Detail:					
Salaries and Wages	3,881,751.00	3,878,751.00	3,727,939.87	-	150,811.13
Other Expenses	3,832,052.00	3,845,052.00	3,435,491.30	175,680.23	233,880.47
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - WITHIN "CAP"</b>					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	168,531.00	168,531.00	146,437.75	-	22,093.25
Police and Firemen's Retirement System	578,220.00	578,220.00	554,371.12	-	23,848.88
Social Security System (O.A.S.I.)	170,000.00	170,000.00	163,167.86	-	6,832.14
Defined Contribution retirement Program	5,000.00	5,000.00	4,267.93	-	732.07
Reserve for Accumulated Leave	500.00	500.00	500.00	-	-
Unemployment Compensation Insurance	17,000.00	17,000.00	14,649.15	-	2,350.85
Total Deferred Charges and Statutory Expenditures - Within "CAP"	939,251.00	939,251.00	883,393.81	-	55,857.19
Total General Appropriations for Municipal Purpose - Within "CAP"	8,653,054.00	8,663,054.00	8,046,824.98	175,680.23	440,548.79
<b>OPERATIONS EXCLUDED FROM "CAP"</b>					
Maintenance of Free Public Library (P.L. 1985 c.82 and 541)	304,219.00	304,219.00	304,219.00	-	-
Atlantic County Utilities Authority Service Charge - Contractual	700,000.00	740,000.00	736,436.00	-	3,564.00
LOSAP	16,000.00	16,000.00	-	-	16,000.00
Group Health Insurance - Outside CAPs Allowance	-	-	-	-	-
Dispatch	360,706.00	360,706.00	360,706.00	-	-
Other Expenses	130,000.00	130,000.00	128,138.46	465.93	1,395.61
Linwood Share Sewerage - Interlocal Service Agreement	95,000.00	95,000.00	95,000.00	-	-
Linwood Police Chief Interlocal	-	-	-	-	-
Linwood Share of Court Costs	-	-	-	-	-
Interlocal Service Agreement	119,300.00	119,300.00	65,374.48	-	53,925.52

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

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS			EXPENDED		
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES - EXCLUDED FROM "CAP"</b>						
Clean Communities Program	-	15,926.17	15,926.17	-	-	-
Municipal Alliance on Alcoholism and Drug Abuse						
County Share	20,344.00	20,344.00	20,344.00	-	-	-
Local Share	5,086.00	5,086.00	5,086.00	-	-	-
Safe and Secure Program:						
State Share	60,000.00	60,000.00	60,000.00	-	-	-
Local Share	137,050.00	137,050.00	137,050.00	-	-	-
Drunk Driving Enforcement Grant	-	15,110.64	15,110.64	-	-	-
NJ DOT Trust Fund Authority	-	190,000.00	190,000.00	-	-	-
US DOJ Body Armor Grant	1,721.61	1,721.61	1,721.61	-	-	-
Community Development Block Grant	5,956.00	5,956.00	5,956.00	-	-	-
Body Armor	2,897.47	5,084.50	5,084.50	-	-	-
Recycling Tonnage Grant	8,683.14	8,683.14	8,683.14	-	-	-
NJ Alcohol Education/Rehabilitation	-	1,861.02	1,861.02	-	-	-
NJ American Water Fire Fighter Grant	-	933.00	933.00	-	-	-
<b>Total Operations - Excluded From "CAP"</b>	<b>1,966,963.22</b>	<b>2,232,981.08</b>	<b>2,157,630.02</b>	<b>465.93</b>	<b>74,885.13</b>	<b>-</b>
Detail:						
Salaries and Wages	201,669.08	203,856.11	203,856.11	-	-	-
Other Expenses	1,765,294.14	2,029,124.97	1,933,495.88	465.93	74,885.13	-
<b>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAP"</b>						
Capital Improvement Fund						
Firefighter Protection Equipment	50,000.00	50,000.00	50,000.00	-	-	-
Sewer Repairs	6,000.00	6,000.00	5,580.00	-	420.00	-
Computer & Software Replacement	25,000.00	25,000.00	19,995.00	5,005.00	-	-
	20,000.00	20,000.00	18,157.20	-	1,842.80	-
<b>Total Capital Improvement Fund - Excluded From "CAP"</b>	<b>101,000.00</b>	<b>101,000.00</b>	<b>93,732.20</b>	<b>5,005.00</b>	<b>2,262.80</b>	<b>-</b>

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



**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	APPROPRIATIONS		EXPENDED			CANCELLED
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>						
Payment of Bond Principal	1,055,000.00	1,055,000.00	1,055,000.00	-	-	-
Interest on Bonds	235,000.00	235,000.00	233,997.50	-	-	1,002.50
Total Municipal Debt Service - Excluded From "CAP"	1,290,000.00	1,290,000.00	1,288,997.50	-	-	1,002.50
<b>DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAP"</b>						
Special Emergency Authorizations 5 Years (N.J.S.A. 40A:4-55)	70,000.00	70,000.00	70,000.00	-	-	-
Total Deferred Charges - Municipal Excluded From "CAPS"	70,000.00	70,000.00	70,000.00	-	-	-
Total General Appropriations For Municipal Purposes - Excluded From "CAP"	3,427,963.22	3,693,981.08	3,610,359.72	5,470.93	771,147.93	1,002.50
Subtotal General Appropriations	12,081,017.22	12,357,035.08	11,657,184.70	181,151.16	517,696.72	1,002.50
Reserve for Uncollected Taxes	963,364.15	963,364.15	963,364.15	-	-	-
Total General Appropriations	\$ 13,044,381.37	\$ 13,320,399.23	\$ 12,620,548.85	\$ 181,151.16	\$ 517,696.72	\$ 1,002.50

Appropriation by N.J.S. 40A:4-47	\$	226,017.86				
Emergency Appropriation		50,000.00				
Original Budget		13,044,381.37				
	\$	13,320,399.23				
Reserve for Federal and State Grants			\$	467,756.08		
Reserve for Uncollected Taxes				963,364.15		
Deferred Charges	A			70,000.00		
Reimbursements	A-4			(352,519.87)		
Cash Disbursements	A-4			11,471,948.49		
			\$	12,620,548.85		

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

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**CITY OF NORTHFIELD  
TRUST FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Animal Control Fund:			
Cash - Treasurer	B-1	\$ 11,112.89	\$ 9,342.29
		<u>11,112.89</u>	<u>9,342.29</u>
Other Funds:			
Cash - Treasurer	B-1	1,328,263.31	1,418,573.52
Cash - Tax Collector	B-2	168,740.08	131,990.08
Due From Current Fund	A	91.57	203.18
Small Cities Revolving Loans Receivable	B	44,397.50	44,397.50
		<u>1,541,492.46</u>	<u>1,595,164.28</u>
LOSAP (Reviewed)			
Investments - Held for LOSAP	B	208,872.78	187,185.61
Total Assets		<u>\$ 1,761,478.13</u>	<u>\$ 1,791,692.18</u>
<b>LIABILITIES, RESERVES, AND FUND BALANCE</b>			
Animal Control Fund:			
Due to Current Fund	B-4	\$ 2,314.89	\$ -
Due to State of New Jersey	B-5	-	3.00
Reserve for Animal Control Fund Expenditures	B-3	8,798.00	9,339.29
		<u>11,112.89</u>	<u>9,342.29</u>
Other Funds:			
Due to State - Sales Tax	B-12	-	164.52
Reserve for:			
Accumulated Sick and Vacation	B-6	717,764.23	781,648.51
Law Enforcement Forfeiture	B-7	45,515.37	69,764.66
Small Cities Grant Appropriation	B-8	181,495.69	181,495.69
Escrow Fees	B-9	167,238.49	194,374.93
Snow Removal	B-10	33,316.77	33,316.77
Recreation Expenditures	B-11	113,059.68	106,841.75
Outside Employment of Police	B-13	5,880.31	3,799.72
Municipal Alliance	B-14	1,137.20	1,137.20
Public Defender	B-15	5,941.50	7,863.00
Small Cities Revolving Loan	B-16	44,397.50	44,397.50
Tax Sale Premiums	B-18	168,740.08	131,990.08
Cultural Committee	B-19	7,051.37	6,324.09
POAA	B-20	113.78	104.78
Recycling	B-21	38,488.73	20,637.83
Joint Insurance Funds	B-22	11,351.76	11,303.25
		<u>1,541,492.46</u>	<u>1,595,164.28</u>
LOSAP (Reviewed)			
Reserve for LOSAP	B	208,872.78	187,185.61
Total Liabilities and Reserves		<u>\$ 1,761,478.13</u>	<u>\$ 1,791,692.18</u>

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

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**CITY OF NORTHFIELD  
GENERAL CAPITAL FUND  
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

ASSETS	REFERENCE	2014	2013
Cash - Treasurer	C-2	\$ 390,998.11	\$ 1,426,515.89
Deferred Charges to Future Taxation			
Funded	C-4	6,809,000.00	7,864,000.00
Unfunded	C-5	1,752,750.00	1,752,750.00
<b>Total</b>		<b>\$ 8,952,748.11</b>	<b>\$ 11,043,265.89</b>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>			
Serial Bonds Payable	C-9	\$ 6,809,000.00	\$ 7,864,000.00
Encumbrances Payable	C-10	804,885.09	555,510.94
Improvement Authorizations:			
Funded	C-7	442,080.56	679,162.13
Unfunded	C-7	734,193.64	1,728,004.00
Reserve for:			
Capital Improvement Fund	C-6	53,628.00	3,628.00
Preliminary Expenses	C-8	20.00	20.00
Fund Balance	C-1	108,940.82	212,940.82
<b>Total</b>		<b>\$ 8,952,748.11</b>	<b>\$ 11,043,265.89</b>

There were Bonds and Notes Authorized But Not Issued on December 31, 2014 and 2013 of \$1,752,750.

**CITY OF NORTHFIELD  
GENERAL CAPITAL FUND  
STATEMENT OF FUND BALANCE -  
REGULATORY BASIS  
DECEMBER 31, 2014 AND 2013**

Balance, December 31, 2013	\$	212,940.82
Decreased by:		
Budget Appropriations		<u>104,000.00</u>
Balance, December 31, 2014	\$	<u><u>108,940.82</u></u>

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

**CITY OF NORTHFIELD  
GENERAL FIXED ASSETS ACCOUNT GROUP  
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS  
AND FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

ASSETS	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land, Building, & Improvements	\$ 5,473,737.49	\$ 5,473,737.49
Machinery and Equipment	<u>4,984,845.91</u>	<u>4,436,093.91</u>
Total General Fixed Assets	<u>\$ 10,458,583.40</u>	<u>\$ 9,909,831.40</u>
RESERVES		
Investment in General Fixed Assets	<u>\$ 10,458,583.40</u>	<u>\$ 9,909,831.40</u>

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

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**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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## CITY OF NORTHFIELD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

#### Note 1. Summary of Significant Accounting Policies

##### A. Reporting Entity

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

##### B. Descriptions of Funds

The Governmental Accounting Standards Board (“GASB”) is the recognized standard-setting body for establishing governmental generally accepted accounting and financial reporting principles. GASB codification establishes seven major fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with generally accepted accounting principles (“GAAP”).

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

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

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

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

##### C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from GAAP applicable to local governmental units. The more significant differences are as follows:

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

**Property Taxes and Other Revenues** - property taxes and other revenues are recognized on a cash basis. Receivables for property taxes and other items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City’s Current Fund. GAAP

## CITY OF NORTHFIELD

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2014

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

requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

**Expenditures** - unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

**Encumbrances** - contractual orders at December 31 are reported as expenditures through the establishment of a reserve for encumbrances. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves** - are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

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

**Compensated Absences** - expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as expenditure in the Current Fund and the remaining obligations be recorded as a long-term obligation. The expenditures in the Water and Sewer Utility Operating Fund would be on a full accrual basis.

## CITY OF NORTHFIELD

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2014

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

**Property Acquired for Taxes** - is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the general fixed assets account group at its market value.

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

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

**Inventories of Supplies** - the costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires that the cost of inventories be reflected on the balance sheet until utilized and expended.

**General Fixed Assets** - in accordance with the Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the City has developed a fixed assets accounting and reporting system based on an inspection and appraisal prepared by an independent appraisal firm. Fixed assets used in governmental operations (general fixed assets) are required to be accounted for in the General Fixed Assets Account Group. Public domain (“infrastructures”) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

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

No depreciation has been provided for the financial statements.

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

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

## **CITY OF NORTHFIELD**

### **NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2014**

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

##### **D. Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in general-purpose financial statements in accordance with GAAP. The City presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

##### **E. Budget and Budgetary Accounting**

The City is required by state law to adopt an annual budget for the Current Fund. Each budget is presented in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

The following steps are taken in establishing the budgetary data reflected in the financial statements:

1. Prior to February 10th of the budget year the City introduces a budget, which includes proposed expenditures and financing methods.
2. A public hearing is held 28 days after introduction, after a public hearing the budget may be adopted by the governing body.

Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

##### **F. Subsequent Events**

The City has evaluated subsequent events occurring after December 31, 2014 through the date of May 20, 2015, which is the date the financial statements were available to be issued.

**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 2. Cash and Cash Equivalents**

The City is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2014 and reported at fair value are as follows:

<u>Type</u>	<u>Carrying Value</u>
<b>Deposits:</b>	
Demand Deposits	\$ 5,421,117.51
Total Deposits	<u>\$ 5,421,117.51</u>
<b>Reconciliation of Statement of Comparative Balance Sheets:</b>	
Current Fund	\$ 3,522,003.12
Animal Control Trust	11,112.89
Trust - Other	1,497,003.39
General Capital Fund	<u>390,998.11</u>
Total	<u>\$ 5,421,117.51</u>

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

However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the City relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of December 31, 2014, the City’s bank balance of \$6,316,838.46 was insured or collateralized as follows:

Insured through FDIC	\$ 250,000.00
Insured through GUDPA	4,222,694.32
Uncollateralized and Uninsured	<u>1,844,144.14</u>
Total	<u>\$ 6,316,838.46</u>

## CITY OF NORTHFIELD

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2014

#### Note 3. Investments:

##### Custodial Credit Risk

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

##### Investment Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The City has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investments held at December 31, 2014, are provided in the above schedule.

##### Investment Credit Risk

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

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



**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 3. Investments (continued):**

- Agreements for the repurchase of fully collateralized securities.

As of December 31, 2014, the City had the following investments and maturities:

<u>Investment</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Total Reported Value</u>
LOSAP	\$ 208,872.78	208,872.78	<u>\$ 208,872.78</u>
Total			<u><u>\$ 208,872.78</u></u>

**Note 4. Property Taxes**

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

**Comparison of Tax rate Information**

	<b>2014</b>	<b>2013</b>	<b>2012</b>
Total Tax Rate	<u>\$ 2.898</u>	<u>\$ 2.814</u>	<u>\$ 2.676</u>
Apportionment of Tax Rate:			
Municipal	0.826	0.802	0.792
County	0.408	0.418	0.349
Local District School	1.047	1.006	0.980
Regional School	0.585	0.556	0.521
Municipal Library	0.032	0.032	0.034

**Net Valuation Taxable**

2014	<u>\$ 946,347,687.00</u>		
2013		<u>\$ 965,961,379.00</u>	
2012			<u>\$ 977,094,553.00</u>

**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 4. Property Taxes (continued):**

**Comparison of Tax Levies and Collection Currently**

Year	Tax Levy	Cash Collections	Percentage Of Collection
2014	\$ 27,486,709.28	\$ 26,717,465.30	97.20%
2013	27,197,325.00	26,303,739.00	96.71%
2012	26,250,522.00	25,447,372.00	96.94%

**Delinquent Taxes and Tax Title Liens**

Year Ended December 31	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage Of Tax Levy
2014	\$ 21,350.74	\$ 437,636.53	\$ 458,987.27	1.67%
2013	21,770.73	468,973.46	490,744.19	1.80%
2012	17,638.00	532,134.00	549,772.00	2.09%

**Note 5. Property Acquired By Tax Title Lien Liquidation**

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

Year	Amount
2014	\$ 19,200.00
2013	19,200.00
2012	19,200.00

**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 6. Fund Balances Appropriated**

The municipal budget for 2014 has been introduced and, therefore, the fund balances at December 31, 2014, which are appropriated and included as anticipated revenues in the year ending December 31, 2015 are as follows:

Current Fund	\$1,660,000
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**Note 7. Interfund Balances**

Balances due to/from other funds at December 31, 2014 consist of the following:

	<u>Due From</u>	<u>Due To</u>
Current Fund	\$ 16,406.19	\$ 91.57
State & Federal Grant Fund	-	14,091.30
Animal Control Trust Fund	-	2,314.89
Trust Other	91.57	-
	<u>\$ 16,497.76</u>	<u>\$ 16,497.76</u>

The purpose of these interfunds is short-term borrowings.

**Note 8. Capital Debt**

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

**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

During the fiscal year ended December 31, 2014 the following changes occurred in capital debt:

	December 31, 2013	Accrued/ Increases	Retired/ Decreases	December 31, 2014	Due Within One Year
General Obligation Bonds	\$ 7,864,000	\$ -	\$ (1,055,000)	\$ 6,809,000	\$ 1,085,000
Authorized but Not Issued	1,752,750	-	-	1,752,750	-
Total	<u>\$ 9,616,750</u>	<u>\$ -</u>	<u>\$ (1,055,000)</u>	<u>\$ 8,561,750</u>	<u>\$ 1,085,000</u>

**A. Long-Term Debt**

The City's long-term debt is summarized as follows:

**General Capital Fund**

**Bonds Payable:**

In September 2002, the City issued \$4,655,000 general obligation bonds for general improvements. The annual maturities range from \$430,000 to \$435,00 through 2015, interest is 4.000%

\$ 435,000.00

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

2,074,000.00

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

4,300,000.00

Total \$ 6,809,000.00

**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued):**

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

Calendar Year	General Capital Debt		
	Bonded Debt		Total
	Principal	Interest	
2015	\$ 1,085,000.00	\$ 196,422.50	\$ 1,281,422.50
2016	850,000.00	157,710.00	1,007,710.00
2017	875,000.00	131,960.00	1,006,960.00
2018	849,000.00	103,960.00	952,960.00
2019	350,000.00	77,000.00	427,000.00
2020-2024	1,750,000.00	280,000.00	2,030,000.00
2025-2027	1,050,000.00	63,000.00	1,113,000.00
	<u>\$ 6,809,000.00</u>	<u>\$ 1,010,052.50</u>	<u>\$ 7,819,052.50</u>

**B. Short-Term Debt**

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

On December 31, 2013 and 2014, the City had no outstanding bond anticipation notes.

**C. Bonds and Notes Authorized But Not Issued**

On December 31, 2014, the City had authorized but not issued bonds and notes as follows:

General Capital	\$1,752,750.00
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**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 8. Capital Debt (continued)**

**D. Borrowing Power**

**Summary of Regulatory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a regulatory net debt of 0.910%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 7,391,708.00	\$ 7,391,708.00	\$ -
Regional School Debt	40,985,000.00	40,985,000.00	-
General Debt	8,561,750.00	-	8,561,750.00
	\$ 56,938,458.00	\$ 48,376,708.00	\$ 8,561,750.00
	\$ 56,938,458.00	\$ 48,376,708.00	\$ 8,561,750.00

Net Debt \$8,561,750.00 divided by the Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$940,689,202, equals 0.910%.

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 32,924,122.00
Net Debt	<u>8,561,750.00</u>
Remaining Borrowing Power	<u>\$ 24,362,372.00</u>

**Note 9. Accrued Sick and Vacation Benefits**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the City's liability related to unused vacation and sick pay. The City permits certain employees within limits to accumulate unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed upon rate. The estimated current cost of such unpaid compensation, as calculated by the City, would approximate \$1,431,294.91 at December 31, 2014 in accordance with New Jersey accounting principles, this amount is not reported as an expenditure or liability in the accompanying statements.

**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 10. Taxes Collected in Advance**

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

Balance December 31,	2014	2013
Prepaid Taxes	<u>\$ 138,235.30</u>	<u>\$ 165,838.39</u>

**Note 11. Assessments and Collection of Property Taxes**

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

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

**Note 12. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund(s):

	Balance Dec 31, 2014	2015 Budget Appropriation
Current Fund:		
Emergency Appropriation - Legal Expenses	\$ 50,000.00	\$ 50,000.00

## CITY OF NORTHFIELD

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2014

#### Note 13. Deferred School District Taxes

Local District School taxes and Regional High School Tax have been raised on a calendar year basis. There were no Deferred Local District School Taxes or Deferred Regional High School Taxes as of December 31, 2014. There was a Regional High School Taxes Payable balance of \$0.50 as of December 31, 2014.

#### Note 14. Pension

##### A. Plan Description

The City of Northfield contributes to a cost-sharing multiple-employer defined benefit pension plan, Public Employees' Retirement System (P.E.R.S.) and Police and Fireman's Retirement System (P.F.R.S.), administered by the State of New Jersey, Division of Pensions and Benefits. The Public Employees' Retirement System (P.E.R.S.) was established in January 1955 under the provisions of *N.J.S.A.43:15A* and the Public Fireman's Retirement System (P.F.R.S.) was established as of July 1, 1944 under the provisions of *N.J.S.A.43:16A*. Both plans were set up 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 of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

The State of New Jersey P.F.R.S. program as established as of July 1, 1944. The program was established under the provisions of *N.J.S.A.43:16A*, which assigns authority to establish and amend, benefit provisions to the plans' board of trustees. P.F.R.S. issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625, or calling (609) 984-1684.

##### B. Vesting and Benefit Provisions

The vesting and benefit provisions of P.E.R.S. are set by *N.J.S.A.43:15A* and *43.3B*. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 1/55 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The P.E.R.S. provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

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



## CITY OF NORTHFIELD

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2014

#### Note 14. Pension (continued):

Chapter 78, P.L. 2012 changed this for employees enrolled after June 28, 2012. See Note 8C below.

#### C. Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by  $\frac{1}{2}$  of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the District's normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for P.E.R.S. were reduced.

Legislation signed by the Acting Governor (Chapter 133, Public Laws 2001) changed the formula for calculating retirement benefits for all current and future non-veteran retirees from N/60 to N/55 (a 9.09% increase). This legislation, signed June 29, 2001, provides that all members of the P.F.R.S. and the PERS will have their pensions calculated on the basis of years of credit divided by 55. It also provides that all current retirees will have their original pension recalculated under the N/55 formula. Starting February 1, 2002, pension cost of living adjustments will be based on the new original pension.

Effective June 28, 2012, Chapter 78, P.L. 2012 reformed various pension and health benefits provisions. Employees hired after June 28, 2012 and enrolled in P.E.R.S. will be enrolled in a new tier, Tier 5. Full retirement for Tier 5 P.E.R.S. members will be age 65 and 30 years of service. Tier 3 was added to P.F.R.S. for enrollees after June 28, 2012. Tier 3 retirees will have a maximum retirement benefit of 65% of final compensation after 30 years of service.

All cost of living adjustments are frozen until the pension fund reaches a "target funded ratio".

Chapter 78 also requires all covered employees to contribute a prescribed percentage towards their health costs.

#### D. Contribution Requirements

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. P.E.R.S. provide for employee contributions of 6.5%, effective October 1, 2012, of employees' annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in both P.F.R.S. and P.E.R.S. The actuarially determined contribution includes funding for both cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums.

**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 14. Pension (continued):**

Plan members are required to contribute 10%, effective October 1, 2012, of their annual covered salary for P.F.R.S. and the City of Northfield is required to contribute at an actuarially determined rate. The contribution requirements of plan members and are established and may be amended by the plan's board of trustees. The City's contributions to P.E.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$151,563.61, \$169,407.00, and \$169,926.00, respectively, equal to the required contributions for each year and to P.F.R.S. for the years ending December 31, 2014, 2013 and 2012 were \$554,371.12, \$542,701.00 and \$539,158.00, respectively, equal to the required contributions for each year.

**Note 15. Accounts Receivable**

Accounts receivable at December 31, 2014 consisted of intergovernmental grants, taxes, sewer rents and other accounts receivable. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the City's individual major and fiduciary funds, in the aggregate, are as follows:

	<b>Current Fund</b>	<b>State &amp; Federal Grant Fund</b>	<b>Trust Other Fund</b>	<b>Total</b>
State Aid	\$ -	\$ 341,975.00	\$ -	\$ 341,975.00
Federal Aid	-	4,861.61	-	4,861.61
Taxes	479,945.67	-	-	479,945.67
Sewer Rents	83,098.34	-	-	83,098.34
Other	3,927.16	-	44,397.50	48,324.66
Total	<u>\$ 566,971.17</u>	<u>\$ 346,836.61</u>	<u>\$ 44,397.50</u>	<u>\$ 958,205.28</u>

**Note 16. Risk Management**

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

## **CITY OF NORTHFIELD**

### **NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2014**

#### **Note 17. 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 18. Contingent Liabilities**

##### **State and Federal Financial Assistance**

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

As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2014, the City estimates that no material liabilities will result from such audits.

##### **Pending Litigation**

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

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

## CITY OF NORTHFIELD

### NOTES TO FINANCIAL STATEMENTS (continued): FOR THE YEAR ENDED DECEMBER 31, 2014

#### **Note 19. Length of Service Award Program (“LOSAP”) (Reviewed):**

During the year 2001 the voters of the City of Northfield approved the establishment of a Length of Service Awards Program (LOSAP) Deferred Compensation Plan. This plan is made available to all bona fide eligible volunteers who performed qualified services which are defined as firefighting and prevention services, emergency medical services and ambulance services pursuant to Section 457 of the Internal Revenue Code of 1986, as amended, except for provisions added by reason of the LOSAP as enacted into federal law in 1997. The establishment of this LOSAP complies with New Jersey Public Law 1997, Chapter 388 and the LOSAP Document. The City has included \$16,000.00 in the 2014 budget for contributions to the LOSAP for volunteers who have met the established criteria.

#### **Reporting Requirements**

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

#### **Note 20: Other Post-Employment Benefits**

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

#### **Plan Description**

In addition to the pension benefits described in Note 12, the City contributes to the State Health Benefits Program (S.H.B.P.), a cost-sharing, multiple employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. S.H.B.P. was established in 1961 under *N.J.S.A.52:14-17.25 et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. S.H.B.P. provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The S.H.B.P. was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the S.H.B.P. The City's defined benefit postemployment healthcare plan provides post-employment health care benefits, at its cost, to certain retired employees. The City will cover the entire cost of post-retirement health benefits for the retiree and his/her dependents only when the employee has worked twenty-five (25) or more years in a State or locally administered retirement system and twenty (20) continuous years or more of service with the City of Northfield and remains in effect until the employee becomes Medicare eligible. The plan can be amended by the City subject to applicable collective bargaining and employment agreements.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the S.H.B.P. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the S.H.B.P. That report may be obtained by writing to: State of New Jersey Division of

**CITY OF NORTHFIELD**

**NOTES TO FINANCIAL STATEMENTS (continued):  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**Note 20: Other Post-Employment Benefits (continued):**

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

**Funding Policy**

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

Contributions to pay for the health premiums of participating retirees in the S.H.B.P. are billed to the City on a monthly basis.

The City is a member of the SHBP and provides that its retirees will be covered if they have participated in either the PERS or the PFRS for 25 years. During 2014, 2013 and 2012 the City paid the SHBP \$1,572,700.04, \$1,547,643.17, and \$1,447,657.10 respectively for health care of employees and retirees. The amount paid for retirees was \$688,824.84, \$690,240.12, and \$598,460.28 respectively.

**Note 21: Union Contracts**

As of December 31, 2014, the City's employees are organized in three collective bargaining units. The contracts with the Policeman's Benevolent Association will expire December 31, 2017, the UWU will contract December 31, 2015 and the IAFF contract expired on December 31, 2014.

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

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**SUPPLEMENTARY EXHIBITS**

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**CURRENT FUND**

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**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF CURRENT CASH  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 4,219,704.07
Increased by Receipts:		
Taxes Receivable	\$ 26,845,594.86	
Due from State of New Jersey (c.73, P.L. 1976)	123,500.00	
Prepaid Taxes	138,235.30	
Miscellaneous Lien Collections	1,282.37	
Miscellaneous Revenue Anticipated	2,842,573.79	
Miscellaneous Revenue Not Anticipated	78,359.26	
Reimbursements	354,602.30	
Due to Trust Fund	91.57	
Due State for Burial Permit Fees	65.00	
Due State for DCA	8,028.00	
Due State for Marriage Licenses	1,025.00	
Federal and State Grants - Appropriated	298,297.26	
Federal and State Grants - Unappropriated	<u>8,612.51</u>	
Subtotal		<u>30,700,267.22</u>
Decreased by:		
2012 Appropriation Reerves	172,812.07	
2013 Apporpriations	11,471,948.49	
County Taxes	3,864,366.88	
Regional High School Tax	5,533,705.50	
Local District School Tax	9,908,204.00	
Due to Trust Fund	203.18	
Due State for Marriage Licenses	875.00	
Due State for DCA	8,327.00	
Refund of Sewer Overpayments	2,606.56	
Refund of Tax Overpayments	21,684.55	
Payroll Taxes Payable	1,799.99	
Federal and State Grant Expenditures	<u>411,784.95</u>	
Subtotal		<u>31,398,318.17</u>
Balance, December 31, 2014		<u>\$ 3,521,653.12</u>

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Year	Balance December 31, 2013	2014 Levy	Collected		Due From State of New Jersey	(Remitted) or Canceled	Overpayments	Transferred To Tax Title Liens	Balance December 31, 2014
			2013	2014					
Arrears	\$ 36,449.70	\$ -	\$ -	\$ 2,666.05	\$ -	\$ (12,216.93)	\$ 6,857.16	\$ -	\$ 39,143.42
2013	432,523.76	-	11,534.94	416,741.38	-	25,305.62	2,011.70	-	-
2014	-	27,425,156.04	165,838.39	26,391,504.27	116,000.00	353,561.28	44,122.64	5,654.65	398,493.11
	\$ 468,973.46	\$ 27,425,156.04	\$ 165,838.39	\$ 26,810,911.70	\$ 116,000.00	\$ 366,649.97	\$ 52,991.50	\$ 5,654.65	\$ 437,636.53
Cash Receipts									
Tax Overpayments									
			\$ 26,845,594.86						
			(34,683.16)						
			\$ 26,810,911.70						

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

## Analysis of 2014 Property Tax Levy

## Tax Yield

General Property Tax	\$ 27,425,156.04
Added Taxes (54:4-63.1 et. Seq.)	<u>61,553.24</u>
	<u><u>\$ 27,486,709.28</u></u>

## Tax Levy:

Regional High School Tax (Abstract)	\$ 5,533,706.00
Local School District Tax (Abstract)	9,908,204.00
County Taxes:	
County Tax (Abstract)	\$ 3,535,075.56
County Health Service Tax (Abstract)	278,050.38
County Open Space Tax (Abstract)	49,777.94
Due County for Added Taxes (R.S. 54:4-63.1 et seq.)	<u>6,161.98</u>

Total County Taxes	3,869,065.86
--------------------	--------------

## Local Tax For Municipal Purposes

	7,810,124.15
Add: Minimum Library Tax	304,219.00
Add: Additional Tax Levied	<u>61,390.27</u>
	<u>8,175,733.42</u>
	<u><u>\$ 27,486,709.28</u></u>

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF SEWER RENTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 88,554.95
Increased by:		
Penalties	\$ 18,145.00	
Sewer Rents	1,176,791.06	1,194,936.06
		<u>1,283,491.01</u>
Decreased by:		
Transfer to Liens	325.00	
Overpayments Applied	5,064.06	
Cancellations & Adjustments	895.00	
Cash Collections	1,194,433.61	1,200,717.67
		<u>1,200,717.67</u>
Balance, December 31, 2014		<u>\$ 82,773.34</u>

**SCHEDULE OF SEWER OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 5,064.06
Increased by:		
Overpayments Created		<u>7,317.40</u>
		12,381.46
Decreased by:		
Overpayments Applied	\$ 5,064.06	
Overpayments Refunded	2,606.56	7,670.62
		<u>7,670.62</u>
Balance, December 31, 2014		<u>\$ 4,710.84</u>

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 22,648.58
Increased by:		
Sewer Liens	\$ 325.00	
Maintenance Liens	2,551.54	
Transfer from Current Year Taxes	5,654.65	8,531.19
		31,179.77
Decreased by:		
Sewer Lien Collections	340.00	
Miscellaneous Liens Collections	1,282.37	
Adjustment	6,123.26	7,745.63
		23,434.14
Balance, December 31, 2014		\$ 23,434.14

Analysis of Balance:

Tax Title Liens	\$ 21,350.74	
Sewer Title Liens	325.00	
Miscellaneous Liens	1,758.40	
	\$ 23,434.14	
	\$ 23,434.14	

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE DECEMBER 31, 2013	ACCRUED IN 2014	COLLECTED	BALANCE DECEMBER 31, 2014
<b><u>Micellaneous Revenues Anticipated:</u></b>				
Alcoholic Beverage Licenses	\$ -	7,500.00	\$ 7,500.00	\$ -
Other Licenses	-	77,984.79	77,984.79	-
Fees and Permits	-	66,848.76	66,848.76	-
Municipal Court:				
Fines and Costs	7,339.04	75,466.01	78,877.89	3,927.16
Interest and Costs on Taxes	-	130,819.65	130,819.65	-
Interest on Investments Deposits	-	16,115.13	16,115.13	-
Sewerage Rentals	-	1,199,837.67	1,199,837.67	-
Energy Receipt Taxes	-	30,080.00	30,080.00	-
Consolidated Municipal Tax Relief Act	-	582,121.00	582,121.00	-
Supplemental Energy Receipts Taxes	-	20,185.00	20,185.00	-
Uniform Construction Code Fees	-	144,080.00	144,080.00	-
Linwood Share - Sewerage Department Costs	-	173,088.24	173,088.24	-
Linwood Share - Court Costs	-	118,720.63	118,720.63	-
Linwood Share - Police Chief Interlocal	-	63,864.44	63,864.44	-
Uniform Fire Safety Act	-	5,697.25	5,697.25	-
Library Maintenance Agreement	-	20,500.00	20,500.00	-
Library Reimbursement	-	55,000.00	55,000.00	-
Capital Fund Surplus	-	104,000.00	104,000.00	-
	<u>\$ 7,339.04</u>	<u>\$ 2,891,908.57</u>	<u>\$ 2,895,320.45</u>	<u>\$ 3,927.16</u>
	A			A
Receipts			\$ 2,842,573.79	
Reserve for Library Surplus			55,000.00	
Overpayments Applied to Sewer Rents Receivable			5,064.06	
Transferred to Sewer Overpayments			<u>(7,317.40)</u>	
			<u>\$ 2,895,320.45</u>	



**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE		BUDGET AFTER	PAID OR CHARGED	BALANCE LAPSED
	ENCUMBERED	RESERVED			
General Administration					
Other Expenses	\$ 1,381.54	\$ 2,200.03	\$ 3,581.57	\$ 531.28	\$ 3,050.29
Mayor and Council					
Salaries and Wages	-	1,091.55	1,091.55	-	1,091.55
Other Expenses	-	722.50	722.50	-	722.50
City Clerk					
Salaries and Wages	-	9,559.52	9,559.52	-	9,559.52
Other Expenses					
Miscellaneous	4,083.50	3,945.84	8,029.34	3,840.50	4,188.84
Financial Administration					
Salaries and Wages	-	2,406.74	2,406.74	-	2,406.74
Other Expenses	830.17	1,588.70	2,418.87	168.87	2,250.00
Audit					
Other Expenses	9,000.00	500.00	9,500.00	9,000.00	500.00
Public Defender					
Other Expenses	-	2,000.00	2,000.00	-	2,000.00
Tax Collector					
Salaries and Wages	-	763.29	763.29	-	763.29
Other Expenses	700.00	656.02	1,356.02	147.20	1,208.82
Tax Assessment Administration					
Salaries and Wages	-	379.04	379.04	-	379.04
Other Expenses	994.00	1,212.42	2,206.42	2,134.02	72.40
Legal Services and Costs					
Other Expenses	14,187.06	20,328.20	34,515.26	2,887.11	31,628.15
Insurance					
Workers' Compensation	-	2,822.60	2,822.60	-	2,822.60
Group Insurance	1,258.80	39,730.82	40,989.62	10,070.40	30,919.22
Other Insurance	6.34	14,268.63	14,274.97	-	14,274.97
Health Benefit Waiver	-	8,423.07	8,423.07	-	8,423.07
Economic Development Commission					
-	-	1,000.00	1,000.00	-	1,000.00
Municipal Court					
Salaries and Wages	-	40,769.55	40,769.55	-	40,769.55
Other Expenses	679.56	608.68	1,288.24	515.83	772.41
Planning Board					
Salaries and Wages	-	500.06	500.06	-	500.06
Other Expenses	1,325.06	2,348.02	3,673.08	1,433.69	2,239.39
Engineering					
Other Expenses	6,948.11	13,393.61	20,341.72	8,842.35	11,499.37
Fire Official					
Salaries and Wages	-	2,086.00	2,086.00	-	2,086.00
Other Expenses	-	614.75	614.75	-	614.75
Fire Department					
Salaries and Wages	-	11,156.03	11,156.03	1,955.56	9,200.47
Other Expenses					
Fire Hydrant	14,209.65	-	14,209.65	14,209.65	-
Miscellaneous Other Expenses	15,537.35	883.31	16,420.66	-	16,420.66
Police Services					
Salaries and Wages	-	107,911.43	107,911.43	(2,082.43)	109,993.86
Other Expenses	1,684.50	3,126.59	4,811.09	915.88	3,895.21
Office of Emergency Management					
Salaries and Wages	-	500.00	500.00	-	500.00
Other Expenses	-	487.50	487.50	-	487.50
Streets and Roads					
Salaries and Wages	-	43,526.80	43,526.80	-	43,526.80
Other Expenses	5,950.99	1,944.15	7,895.14	2,566.48	5,328.66

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF 2013 APPROPRIATION RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	BALANCE		BUDGET AFTER	PAID OR CHARGED	BALANCE LAPSED
	ENCUMBERED	RESERVED			
Maintenance of Automotive Equipment					
Other Expenses	24,851.71	2,887.30	27,739.01	16,106.05	11,632.96
Solid Waste Collection					
Other Expenses	56,518.25	49,888.56	106,406.81	65,467.59	40,939.22
Public Buildings and Grounds					
Salaries and Wages	-	0.12	0.12	-	0.12
Other Expenses	8,306.30	15,252.97	23,559.27	2,217.53	21,341.74
Maintenance of Bike Path	-	2,000.00	2,000.00	1,660.00	340.00
Sewerage					
Salaries and Wages	-	1,522.08	1,522.08	-	1,522.08
Other Expenses	739.80	16,530.50	17,270.30	651.94	16,618.36
Dog Regulations					
Other Expenses	750.00	-	750.00	750.00	-
Parks and Playgrounds					
Salaries and Wages	-	12,650.22	12,650.22	-	12,650.22
Other Expenses					
Neighborhood Programs	176.50	933.69	1,110.19	176.50	933.69
Senior Citizens	-	1,000.00	1,000.00	500.00	500.00
Little League	-	22.00	22.00	-	22.00
Babe Ruth	-	3.50	3.50	-	3.50
Conservation Commission					
Other Expenses	-	500.00	500.00	-	500.00
Construction Code Official					
Salaries and Wages	-	1,714.14	1,714.14	-	1,714.14
Other Expenses	-	2,592.22	2,592.22	-	2,592.22
Zoning/Housing Officer					
Salaries and Wages	-	393.42	393.42	-	393.42
Other Expenses	-	1,058.10	1,058.10	-	1,058.10
Utilities:					
Gasoline	12,026.28	4,371.13	16,397.41	5,728.14	10,669.27
Electricity and Natural Gas	7,000.00	6,165.32	13,165.32	2,514.48	10,650.84
Telephone and Telegraph	-	2,000.00	2,000.00	1,328.16	671.84
Water Service	693.19	-	693.19	693.19	-
Street Sweeping	-	1.00	1.00	-	1.00
Contribution to:					
Social Security	-	25,084.72	25,084.72	32.14	25,052.58
DCRP	496.24	437.60	933.84	496.24	437.60
Unemployment Compensation Insurance	-	2,366.63	2,366.63	-	2,366.63
ACUA Service Charge - Contract	-	58,268.00	58,268.00	-	58,268.00
LOSAP	-	17,250.00	17,250.00	9,000.00	8,250.00
Group Health Insurance - Outside CAPs Allowance	-	76,492.00	76,492.00	-	76,492.00
Linwood - Interlocal Agreement	276.29	5,346.33	5,622.62	276.29	5,346.33
Capital Improvements Excluding from "CAP"					
Firefighter Protection Equipment	6,000.00	-	6,000.00	5,995.00	5.00
Sewer Repairs	-	25,000.00	25,000.00	-	25,000.00
Total General Appropriations for County Purposes	\$ 196,611.19	\$ 675,187.00	\$ 871,798.19	\$ 170,729.64	\$ 701,068.55

Cash Disbursements	\$ 172,812.07
Reimbursements	(2,082.43)
	<u>170,729.64</u>

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF COUNTY TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013			
County Taxes	\$	-	
Added and Omitted Taxes		<u>1,463.00</u>	
			\$ 1,463.00
Increased by:			
County General		3,535,075.56	
County Local Health		278,050.38	
County Open Space		49,777.94	
Added Taxes		<u>6,161.98</u>	3,869,065.86
			3,870,528.86
Decreased by:			
Payment to County			<u>3,864,366.88</u>
Balance, December 31, 2014			
County Taxes		-	
Added and Omitted Taxes		<u>6,161.98</u>	
			<u>\$ 6,161.98</u>

**CITY OF NORTHFIELD  
CURRENT FUND  
STATEMENT OF LOCAL DISTRICT SCHOOL TAX  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased by Receipts:	
Levy - Calendar Year 2014	9,908,204.00
	9,908,204.00
Decreased by:	
Payments	9,908,204.00
Balance, December 31, 2014	\$ -

**NORTHFIELD, CITY OF  
CURRENT FUND  
STATEMENT OF REGIONAL HIGH SCHOOL TAX  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Balance, December 31, 2013	\$ -
Increased by:	
Levy - Calendar Year 2014	5,533,706.00
	5,533,706.00
Decreased by:	
Payments	5,533,705.50
Balance, December 31, 2014	\$ 0.50

**CITY OF NORTHFIELD  
CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 196,611.19
Increased by:	
2014 Appropriations	<u>181,151.16</u>
Subtotal	377,762.35
Decreased by:	
Transferred to 2013 Appropriations Reserves	<u>196,611.19</u>
Balance December 31, 2014	<u><u>\$ 181,151.16</u></u>

**SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013 (2014 Taxes)	\$ 165,838.39
Increased by:	
Collections - 2015 Taxes	<u>138,235.30</u>
Subtotal	304,073.69
Decreased by:	
Application to 2014 Taxes Receivable	<u>165,838.39</u>
Balance, December 31, 2014 (2015 Taxes)	<u><u>\$ 138,235.30</u></u>

**SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 39,992.89
Increased by:	
Overpayments in 2014	<u>34,683.16</u>
Subtotal	74,676.05
Decreased by:	
Overpayments Applied	\$ 52,991.50
Refunded	<u>21,684.55</u>
Balance December 31, 2014	<u><u>\$ -</u></u>

**CITY OF NORTHFIELD  
CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NJ VETERAN AND SENIOR CITIZEN DEDUCTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 17,621.17
Increased by:		
Cash Receipts		<u>123,500.00</u>
		141,121.17
Decreased by:		
Senior Citizen & Veterans Deductions Per Tax Billings	\$ 125,250.00	
Deductions Allowed by Tax Collector - 2014 Taxes	3,500.00	
Deductions Disallowed by Tax Collector - 2014 Taxes	<u>(12,750.00)</u>	<u>116,000.00</u>
Balance, December 31, 2014		<u><u>\$ 25,121.17</u></u>

**ANALYSIS OF FORECLOSED PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013 & 2014		<u><u>\$ 19,200.00</u></u>
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EXHIBIT A-19

**CITY OF NORTHFIELD  
CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
MARRIAGE LICENSE FEES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 200.00
Increased by:	
Cash Receipts	<u>1,025.00</u>
Subtotal	1,225.00
Decreased by:	
Cash Disbursements	<u>875.00</u>
Balance December 31, 2014	<u><u>\$ 350.00</u></u>

EXHIBIT A-20

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
DCA INSPECTION FEES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 1,961.00
Increased by:	
Cash Receipts	<u>8,028.00</u>
Subtotal	9,989.00
Decreased by:	
Cash Disbursements	<u>8,327.00</u>
Balance December 31, 2014	<u><u>\$ 1,662.00</u></u>

EXHIBIT A-21

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
BURIAL PERMIT FEES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 25.00
Increased by:	
Cash Receipts	<u>65.00</u>
Balance December 31, 2014	<u><u>\$ 90.00</u></u>

**CITY OF NORTHFIELD  
CURRENT FUND  
SCHEDULE OF PAYROLL TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 34,165.77
Decreased by:	
Cash Disbursements	<u>1,799.99</u>
Balance December 31, 2014	<u><u>\$ 32,365.78</u></u>

**SCHEDULE OF RESERVE FOR LIBRARY SURPLUS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance December 31, 2013	\$ 135,000.00
Decreased by:	
Realized as Revenue	<u>55,000.00</u>
Balance December 31, 2014	<u><u>\$ 80,000.00</u></u>



**CITY OF NORTHFIELD  
CURRENT FUND  
SCHEDULE OF DEFERRED CHARGES N.J.S. 40A:4-53 - SPECIAL EMERGENCY  
FOR THE YEAR ENDED DECEMBER 31, 2014**

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	1/5 OF AMOUNT AUTHORIZED	DATE	BALANCE DECEMBER 31, 2013	AUTHORIZED PER RESOLUTION	DECREASED BY		BALANCE DECEMBER 31, 2014
						2014 BUDGET		
Property Revaluation	\$ 350,000.00	\$ 70,000.00	4/7/2009	\$ 70,000.00	\$ -	\$ 70,000.00	\$ -	\$ -
				\$ 70,000.00	\$ -	\$ 70,000.00	\$ -	\$ -

**SCHEDULE OF DEFERRED CHARGES - EMERGENCY APPROPRIATION  
FOR THE YEAR ENDED DECEMBER 31, 2014**

DESCRIPTION	ORIGINAL AMOUNT AUTHORIZED	DATE	BALANCE DECEMBER 31, 2013	AUTHORIZED PER RESOLUTION	DECREASED BY		BALANCE DECEMBER 31, 2014
					2014 BUDGET		
Legal Expenses	\$ 50,000.00	9/3/2014	\$ -	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00
			\$ -	\$ 50,000.00	\$ -	\$ -	\$ 50,000.00

**CITY OF NORTHFIELD  
FEDERAL AND STATE GRANT FUND  
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT	BALANCE DECEMBER 31, 2013	2014 ANTICIPATED REVENUE	CASH RECEIVED	CANCELLED	BALANCE DECEMBER 31, 2014
Clean Communities Program	\$ -	\$ 15,926.17	\$ 15,926.17	\$ -	\$ -
Safe and Secure State	60,000.00	60,000.00	-	-	120,000.00
Alcohol Education Rehabilitation Fund	-	1,861.02	1,861.02	-	-
NJ DOT 2012	60,250.00	-	60,250.00	-	-
NJ DOT 2013	184,844.00	-	184,844.00	-	-
NJ DOT 2014	-	190,000.00	-	-	190,000.00
Municipal Alliance Grant					
2013 Grant	13,145.00	6,573.00	17,185.40	2,532.60	-
2014 Grant	-	13,771.00	-	-	13,771.00
Recycling Tonnage Grant	-	8,683.14	8,683.14	-	-
Community Development Block Grant	12,248.00	5,956.00	-	-	18,204.00
State Body Armor Grant	-	5,084.50	5,084.50	-	-
US DOJ Body Armor Grant	3,140.00	1,721.61	-	-	4,861.61
COPS in Shops	1,400.00	-	-	1,400.00	-
Drunk Driving Enforcement Grant	-	15,110.64	15,110.64	-	-
NJ American Water Firefighter Grant	-	933.00	933.00	-	-
<b>Grand Total All Pages</b>	<b>\$ 335,027.00</b>	<b>\$ 325,620.08</b>	<b>\$ 309,877.87</b>	<b>\$ 3,932.60</b>	<b>\$ 346,836.61</b>

Analysis:

Cash Receipts	\$ 298,297.26
Transferred from Unappropriated Reserves	<u>11,580.61</u>
	<u>\$ 309,877.87</u>

**CITY OF NORTHFIELD  
FEDERAL AND STATE GRANT FUND  
STATEMENT OF FEDERAL AND STATE GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT	BALANCE	2014		TRANSFER		EXPENDED	CANCELLED	ENCUMBERED	BALANCE
	DECEMBER 31, 2013	APPROPRIATIONS	BUDGET	ENCUMBRANCES	FROM 2013				DECEMBER 31, 2014
	\$ -	\$ 15,110.64	\$ -	\$ -	\$ 1,711.74	\$ -	\$ -	\$ 71.50	\$ 13,327.40
Drunk Driving Enforcement Fund	12,953.69	15,926.17	-	-	21,044.52	-	-	-	7,835.34
Clean Communities Program	3,961.01	20,344.00	-	-	11,093.61	2,237.09	-	-	10,974.31
Municipal Alliance Grant	725.60	5,086.00	-	-	1,544.34	824.26	-	-	3,443.00
County Share	-	60,000.00	-	-	-	-	-	-	60,000.00
Local Share	-	137,050.00	-	-	137,050.00	-	-	-	-
Safe and Secure Communities Program	7,416.41	1,861.02	-	-	1,075.00	-	-	-	8,202.43
State Share	1,090.08	5,084.50	-	-	1,590.00	-	-	-	4,584.58
Local Share	-	-	-	25,696.84	25,696.84	-	-	-	-
Alcohol Education Rehabilitation Fund	-	-	-	184,844.00	184,844.00	-	-	-	-
Body Armor	-	190,000.00	-	-	-	-	-	-	190,000.00
NJ DOT 2012	9,167.76	8,683.14	-	-	17,850.90	-	-	-	-
NJ DOT 2013	3,140.00	1,721.61	-	-	-	-	-	-	4,861.61
NJ DOT 2014	2,000.00	-	-	-	-	-	-	-	2,000.00
Recycling Tonnage Grant	1,000.00	-	-	-	1,000.00	-	-	-	-
US DOJ Bulletproof Vest Grant	31.40	-	-	-	-	-	-	-	31.40
State Farm Grant	1,000.00	-	-	-	-	-	-	-	-
Cape Bank Grant - Veterans Park	1,000.00	-	-	-	-	-	-	-	-
Sustainable Jersey	1,000.00	-	-	-	-	-	-	-	-
COPS in Shops	6,351.00	-	-	-	6,351.00	-	-	-	-
NJ DEP Stormwater Grant	12,248.00	5,956.00	-	-	-	-	-	-	18,204.00
Community Development Grant	597.22	-	-	-	-	-	-	-	597.22
NADDI	-	933.00	-	-	933.00	-	-	-	-
NJ American Water Firefighter Grant	-	-	-	-	-	-	-	-	-
<b>Total</b>	\$ 61,682.17	\$ 467,756.08	\$ 2,10,540.84	\$ 411,784.95	\$ 4,061.35	\$ 71.50	\$ 324,061.29		

**CITY OF NORTHFIELD  
FEDERAL AND STATE GRANT FUND  
STATEMENT OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

GRANT	BALANCE DECEMBER 31, 2013	RECEIVED	ANTICIPATED IN 2014 BUDGET	BALANCE DECEMBER 31, 2014
Body Armor	\$ 2,897.47	\$ -	\$ 2,897.47	\$ -
Recycling Tonnage Grant	8,683.14	8,612.51	8,683.14	8,612.51
Total	<u>\$ 11,580.61</u>	<u>\$ 8,612.51</u>	<u>\$ 11,580.61</u>	<u>\$ 8,612.51</u>

**TRUST FUND**

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**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	ANIMAL CONTROL	OTHER
	<u>          </u>	<u>          </u>
Balance, December 31, 2013	\$ 9,342.29	\$ 1,418,573.52
Increased by Receipts:		
Animal Control Fees	3,719.60	-
State Fees	737.40	-
Due from Current Fund	-	203.18
Due to State - Sales Tax	-	1,205.42
Cultural Committee	-	2,357.65
Accumulated Sick and Vacation	-	500.00
Parking Offense Adjudication Act	-	9.00
Joint Insurance Funds	-	3,014.94
Recycling	-	17,850.90
Public Defender	-	5,228.50
Law Enforcement Forfeiture	-	40,028.69
Escrow Review Fees	-	74,613.36
Police Department Donations	-	-
Fees and Permits - Birch Grove Park	-	73,510.85
Outside Employment of Police	-	39,351.11
	<u>4,457.00</u>	<u>257,873.60</u>
	<u>13,799.29</u>	<u>1,676,447.12</u>
Decreased by Disbursements:		
Dog Fund Expenditures	1,946.00	-
State Fees	740.40	-
Due to Current Fund	-	-
Due to State - Sales Tax	-	1,369.94
Cultural Committee	-	1,630.37
Parking Offense Adjudication Act	-	-
Joint Insurance Funds	-	2,966.43
Public Defender	-	7,150.00
Law Enforcement Forfeiture	-	64,277.98
Contractors' Expenditures	-	101,841.37
Accumulated Absences	-	64,384.28
Birch Grove Park Expenditures	-	67,292.92
Outside Employment of Police	-	37,270.52
	<u>2,686.40</u>	<u>348,183.81</u>
Balance, December 31, 2014	<u>\$ 11,112.89</u>	<u>\$ 1,328,263.31</u>

**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF CASH - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 131,990.08
Increased by Receipts:		
Redemption of Liens	\$ 374,004.60	
Premiums on Sales	193,100.00	
	<u>567,104.60</u>	<u>567,104.60</u>
		699,094.68
Decreased by Disbursements:		
Redemption of Liens	374,004.60	
Premiums on Sales	156,350.00	
	<u>530,354.60</u>	<u>530,354.60</u>
Balance, December 31, 2014		<u><u>\$ 168,740.08</u></u>



**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013		\$ 9,339.29
Increased by Receipts:		
Animal Control Fees Collected - 2014		3,719.60
		13,058.89
Decreased by Disbursements:		
Dog License Expenses	\$ 1,946.00	
Excess Reserve Due to Current	2,314.89	4,260.89
Balance, December 31, 2014		\$ 8,798.00

## Licence Fees Collected:

Year	Amount
2012	\$ 5,258.00
2013	3,540.00
	\$ 8,798.00

**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF AMOUNT DUE TO CURRENT FUND - ANIMAL CONTROL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased by:	
Excess reserve Due to Current	<u>2,314.89</u>
Balance, December 31, 2014	<u><u>\$ 2,314.89</u></u>

**STATEMENT OF AMOUNT DUE TO STATE OF NEW JERSEY - DEPARTMENT OF HEALTH  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 3.00
Increased by Receipts:	
2014 State License Fees	<u>737.40</u>
	740.40
Decreased by Disbursements:	
Disbursements to the State	<u>740.40</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF RESERVE FOR ACCUMULATED ABSENCES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 781,648.51
Increased by:	
Budget Transfer	<u>500.00</u>
	782,148.51
Decreased by:	
Cash Disbursements	<u>64,384.28</u>
Balance, December 31, 2014	<u><u>\$ 717,764.23</u></u>

**STATEMENT OF REERVE FOR LAW ENFORCEMENT FORFEITURE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 69,764.66
Increased by Receipts:	
Cash Receipts	<u>40,028.69</u>
	109,793.35
Decreased by Disbursements:	
Expenditures	<u>64,277.98</u>
Balance, December 31, 2014	<u><u>\$ 45,515.37</u></u>

**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF RESERVE FOR SMALL CITIES PROGRAM  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013	<u><u>\$ 181,495.69</u></u>
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**STATEMENT OF RESERVE FOR ESCROW REVIEW FEES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 194,374.93
Increased by:	
Interest Due from Current	\$ 91.57
Escrow Deposits Received	<u>74,613.36</u>
	<u>74,704.93</u>
	269,079.86
Decreased by:	
Disbursements	<u>101,841.37</u>
Balance, December 31, 2014	<u><u>\$ 167,238.49</u></u>

**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF RESERVE FOR SNOW REMOVAL FEES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013	<u><u>\$ 33,316.77</u></u>
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**STATEMENT OF RESERVE FOR RECREATION EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 106,841.75
Increased by Receipts:	
Fees and Permits - Birch Grove Park	<u>73,510.85</u>
	180,352.60
Decreased by Disbursements:	
Birch Grove Park Expenditures	<u>67,292.92</u>
Balance, December 31, 2014	<u><u>\$ 113,059.68</u></u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY - SALES TAX  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 164.52
Increased by Receipts:	
Fees and Permits - Birch Grove Park	<u>1,205.42</u>
	1,369.94
Decreased by Disbursements:	
Birch Grove Park Expenditures	<u>1,369.94</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF OUTSIDE EMPLOYMENT OF POLICE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$	3,799.72
Increased by Receipts:		
Fees		39,351.11
		43,150.83
Decreased by Disbursements:		
Payments to Current Fund		37,270.52
Balance, December 31, 2014	\$	5,880.31

**STATEMENT OF RESERVE FOR MUNICIPAL ALLIANCE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013	\$	1,137.20
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**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF RESERVE FOR PUBLIC DEFENDER TRUST  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 7,863.00
Increased by Receipts:	
Cash Receipts	<u>5,228.50</u>
	13,091.50
Decreased by Disbursements:	
Cash Disbursements	<u>7,150.00</u>
Balance, December 31, 2014	<u><u>\$ 5,941.50</u></u>

**STATEMENT OF RESERVE FOR SMALL CITIES REVOLVING LOAN  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013	<u><u>\$ 44,397.50</u></u>
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**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF RESERVE FOR REDEMPTION OF TAX LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ -
Increased by Receipts:	
Redemption of Third Party Liens	<u>374,004.60</u>
	374,004.60
Decreased by Disbursements:	
Cash Disbursed to Lienholders	<u>374,004.60</u>
Balance, December 31, 2014	<u><u>\$ -</u></u>

**STATEMENT OF RESERVE FOR TAX SALE PREMIUMS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 131,990.08
Increased by Receipts:	
Tax Sale Premiums Received	<u>193,100.00</u>
	325,090.08
Decreased by Disbursements:	
Cash Disbursed	<u>156,350.00</u>
Balance, December 31, 2014	<u><u>\$ 168,740.08</u></u>



**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF RESERVE FOR CULTURAL COMMITTEE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 6,324.09
Increased by Receipts:	
Cash Receipts	<u>2,357.65</u>
	8,681.74
Decreased by Disbursements:	
Cash Disbursements	<u>1,630.37</u>
Balance, December 31, 2014	<u><u>\$ 7,051.37</u></u>

**STATEMENT OF RESERVE FOR POAA  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 104.78
Increased by Receipts:	
Cash Receipts	<u>9.00</u>
Balance, December 31, 2014	<u><u>\$ 113.78</u></u>

**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF RESERVE FOR RECYCLING  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 20,637.83
Increased by:	
Cash Receipts	<u>17,850.90</u>
Balance, December 31, 2014	<u><u>\$ 38,488.73</u></u>

**STATEMENT OF RESERVE FOR JOINT INSURANCE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 11,303.25
Increased by Receipts:	
Cash Receipts	<u>3,014.94</u>
	14,318.19
Decreased by Disbursements:	
Cash Disbursements	<u>2,966.43</u>
Balance, December 31, 2014	<u><u>\$ 11,351.76</u></u>

**GENERAL CAPITAL FUND**

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**CITY OF NORTHFIELD  
GENERAL CAPITAL FUND  
STATEMENT OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013			\$ 1,426,515.89
Increased by Receipts:			
Capital Improvement Fund			<u>50,000.00</u>
			1,476,515.89
Decreased by Disbursements:			
Capital Fund Balance	\$ 104,000.00		
Improvement Authorizations	<u>981,517.78</u>	<u>1,085,517.78</u>	
Balance, December 31, 2014			<u><u>\$ 390,998.11</u></u>

**CITY OF NORTHFIELD  
GENERAL CAPITAL FUND  
ANALYSIS OF CASH  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013		RECEIPTS MISCELLANEOUS		DISBURSEMENTS		TRANSFERS		BALANCE DECEMBER 31, 2014
								FROM	TO	
Fund Balance		\$ 212,940.82	\$ -	\$ -	\$ 104,000.00	\$ -	\$ -	\$ -	\$ -	\$ 108,940.82
Capital Improvement Fund		3,628.00	50,000.00	-	-	-	-	-	-	53,628.00
Encumbrances Payable		555,510.94	-	-	-	-	555,510.94	804,885.09	-	804,885.09
Preliminary Expenses		20.00	-	-	-	-	-	-	-	20.00
5-04	Improvements to City Buildings	41,974.51	-	9,902.30	-	-	5,557.85	-	-	26,514.36
4-06	Various Stormwater Drainage	6,484.00	-	-	-	-	4,335.00	-	-	2,149.00
12-06	Various Sewer Repairs	-	-	-	-	-	-	15,866.00	-	15,866.00
4-08	Various Stormwater Improvements	-	-	45,271.30	-	-	8,634.51	53,905.81	-	-
4-08	Various Sewer Repairs	-	-	-	-	-	8,015.62	8,015.62	-	-
4-08	Various Equipment and Vehicles	-	-	29,603.85	-	-	-	29,603.85	-	-
14-09	Purchase of Dump Truck and Plow	644.00	-	-	-	-	644.00	-	-	-
1-10	Storm Water Drainage Improvements	3,506.34	-	1,257.00	-	-	150,105.87	173,023.12	-	25,166.59
1-10	Equipment, Communications & Signs	2,251.41	-	6,549.92	-	-	-	4,298.51	-	-
1-10	Improvement to Recreation Area	6,535.75	-	5,512.95	-	-	-	-	-	1,022.80
11-02a	Improvement to City Hall	25,000.00	-	-	-	-	-	-	-	25,000.00
11-02b	Storm Water Drainage Improvements	280,901.40	-	152,109.96	-	-	8,822.26	24,198.22	-	144,167.40
11-02c	Road Improvements	23,309.30	-	17,416.50	-	-	2,048.00	30,051.00	-	33,895.80
11-02d	Purchase of Equipment	-	-	16,420.64	-	-	-	16,420.64	-	-
11-02e	All-Sports Recreation Area Improvements	1,292.75	-	-	-	-	-	-	-	1,292.75
11-02e	Sanitary Sewer Improvements	25,745.41	-	10,186.25	-	-	15,559.16	-	-	0.00
10-12a	Road Projects	25,406.98	-	109,069.67	-	-	47,488.00	132,567.17	-	1,416.48
10-12b	PW Vehicles and Equipment	100,000.00	-	-	-	-	-	-	-	100,000.00
10-12c	PW Vehicles and Equipment	15,000.00	-	-	-	-	-	-	-	15,000.00
10-12d	Communication	26,286.28	-	-	-	-	2,250.00	-	-	14,756.28
10-12e	Various Sewer Repairs	7,795.00	-	9,280.00	-	-	7,795.00	340.00	-	340.00
10-12f	Veteran Park Improvements Phase II	8,852.00	-	-	-	-	-	-	-	8,852.00
10-12g	Rec Field Improvements	13,427.00	-	19,326.31	-	-	-	-	-	13,427.00
9-13	Computer & Electronic Equipment	20,000.00	-	20,000.00	-	-	-	-	-	673.69
12-13a	Fire Truck	20,000.00	-	379,789.00	-	-	-	-	-	-
12-13-b	Fire Truck	-	-	42,475.00	-	-	-	-	-	(379,789.00)
12-13c	Road Improvements	(24,746.00)	-	46,237.13	-	-	534,670.23	42,475.00	-	(580,907.36)
12-13d	Road Improvements	5,250.00	-	-	-	-	-	24,746.00	-	-
12-13e	Flashing Lights	3,250.00	-	3,250.00	-	-	-	-	-	5,250.00
12-13g	License Plate Reader	3,250.00	-	57,860.00	-	-	-	-	-	-
12-13h	License Plate Reader	-	-	-	-	-	-	-	-	(57,860.00)
12-13i	Sewer Repairs & Reconstruction	16,250.00	-	-	-	-	8,959.59	-	-	7,290.41
		\$ 1,426,515.89	\$ 50,000.00	\$ 981,517.78	\$ 104,000.00	\$ 1,360,396.03	\$ 1,360,396.03	\$ 1,360,396.03	\$ 1,360,396.03	\$ 390,998.11

**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 7,864,000.00
Decreased by:	
Bond Payments	<u>1,055,000.00</u>
Balance, December 31, 2014	<u><u>\$ 6,809,000.00</u></u>

**CITY OF NORTHFIELD  
GENERAL CAPITAL FUND  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	RAISED IN BUDGET	BALANCE DECEMBER 31, 2014	EXPENDED	UNEXPENDED IMPROVEMENT AUTHORIZATION
		\$ 380,000.00	\$ -	\$ -	\$ 380,000.00	\$ 379,789.00	\$ 211.00
12-13b	Fire Truck	902,500.00	-	-	902,500.00	580,907.36	321,592.64
12-13d	Road Improvements	99,750.00	-	-	99,750.00	-	99,750.00
12-13f	Flashing Lights	61,750.00	-	-	61,750.00	57,860.00	3,890.00
12-13h	License Plate Reader	308,750.00	-	-	308,750.00	-	308,750.00
12-13j	Sewer Repairs & Reconstruction						
		<u>\$ 1,752,750.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,752,750.00</u>	<u>\$ 1,018,556.36</u>	<u>\$ 734,193.64</u>



**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 3,628.00
Increased by:	
2014 Budget Appropriation	<u>50,000.00</u>
Balance, December 31, 2014	<u><u>\$ 53,628.00</u></u>

**CITY OF NORTFIELD  
GENERAL CAPITAL FUND  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE AMOUNT		BALANCE DECEMBER 31, 2013		PRIOR YEAR ENCUMBRANCES RECLASSIFIED	PAID OR CHARGED	BALANCE DECEMBER 31, 2014	
		DATE	AMOUNT	FUNDED	UNFUNDED			FUNDED	UNFUNDED
5-04	Improvements to City Buildings	4/20/2004	\$ 114,000.00	\$ 41,974.51	\$ -	-	\$ 15,460.15	\$ 26,514.36	\$ -
04-06	Acquisition of Vehicles and Equipment	4/4/2006	172,000.00	6,484.00	-	-	4,335.00	2,149.00	-
12-06	Various Sewer Repairs	9/19/2006	50,000.00	-	-	15,866.00	-	15,866.00	-
4-08	Various Stormwater Improvements	6/17/2008	479,800.00	-	-	53,905.81	-	-	-
4-08	Various Sewer Repairs	6/17/2008	150,000.00	-	-	8,015.62	-	-	-
4-08	Various Equipment and Vehicles	6/17/2008	74,200.00	-	-	29,603.85	-	-	-
9-14A	Purchase of Truck & Plow	10/01/2009	85,000.00	644.00	-	644.00	-	-	-
1-10	Storm Water Drainage Improvements	1/26/2010	1,225,000.00	3,506.34	-	173,023.12	151,362.87	25,166.59	-
1-10	Equipment, communications, & Sign:	1/26/2010	100,000.00	2,251.41	-	4,298.51	6,549.92	-	-
1-10	Recreation Improvements	1/26/2010	12,000.00	6,535.75	-	-	5,512.95	1,022.80	-
1-10	Improvement to City Hall	1/26/2010	25,000.00	25,000.00	-	-	-	25,000.00	-
11-02a	Storm Water Drainage	4/23/2011	515,000.00	280,901.40	-	24,198.22	160,932.22	144,167.40	-
11-02b	Road Improvements	4/23/2011	495,000.00	23,309.30	-	30,051.00	19,464.50	33,895.80	-
11-02c	Purchase of Equipment	4/23/2011	110,000.00	-	-	16,420.64	16,420.64	-	-
11-02d	All-Sports Recreation Area Improvements	4/23/2011	25,000.00	1,292.75	-	-	-	1,292.75	-
11-02e	Sanitary Sewer Improvements	4/23/2011	60,000.00	25,745.41	-	132,567.17	25,745.41	1,416.48	-
10-12a	Road Projects	9/11/2012	600,000.00	25,406.98	-	-	156,557.67	100,000.00	-
10-12b	PW Vehicles and Equipment	9/11/2012	100,000.00	100,000.00	-	-	-	15,000.00	-
10-12c	PW Vehicles and Equipment	9/11/2012	15,000.00	15,000.00	-	-	-	14,756.28	-
10-12d	Communication	9/11/2012	60,000.00	26,286.28	-	340.00	11,530.00	340.00	-
10-12e	Various Sewer Repairs	9/11/2012	30,000.00	7,795.00	-	-	7,795.00	8,852.00	-
10-12f	Veteran Park Improvements Phase II	9/11/2012	20,000.00	8,852.00	-	-	-	13,427.00	-
10-12g	Rec Field Improvements	9/11/2012	75,000.00	13,427.00	-	-	-	19,326.31	-
9-13	Computer & Electronic Equipment	7/27/2013	20,000.00	20,000.00	-	-	-	20,000.00	-
12-13a	Fire Truck	11/17/2013	20,000.00	20,000.00	-	-	-	673.69	-
12-13b	Fire Truck	11/17/2013	380,000.00	-	380,000.00	-	-	-	211.00
12-13c	Road Improvements	11/17/2013	47,500.00	-	-	42,475.00	379,789.00	-	-
12-13d	Road Improvements	11/17/2013	902,500.00	-	877,754.00	24,746.00	42,475.00	-	-
12-13e	Flashing Lights	11/17/2013	5,250.00	5,250.00	-	-	580,907.36	-	321,592.64
12-13f	Flashing Lights	11/17/2013	99,750.00	99,750.00	-	-	-	5,250.00	-
12-13g	License Plate Reader	11/17/2013	3,250.00	3,250.00	-	-	-	-	99,750.00
12-13h	License Plate Reader	11/17/2013	61,750.00	61,750.00	-	-	3,250.00	-	-
12-13i	Sewer Repairs & Reconstruction	11/17/2013	16,250.00	16,250.00	-	-	57,860.00	-	3,890.00
12-13j	Sewer Repairs & Reconstruction	11/17/2013	308,750.00	-	308,750.00	-	8,959.59	7,290.41	-
<b>TOTAL</b>			\$ 679,162.13	\$ 1,728,004.00	\$ 555,510.94	\$ 1,786,402.87	\$ 442,080.56	\$ 734,193.64	

Encumbrances	\$ 804,885.09
Cash	981,517.78
	<u>\$ 1,786,402.87</u>

**CITY OF NORTHFIELD  
GENERAL CAPITAL FUND  
STATEMENT OF RESERVE FOR PRELIMINARY EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2014 and 2013

\$ 20.00

**CITY OF NORTHFIELD  
GENERAL CAPITAL FUND  
STATEMENT OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Improvement Description	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS OUTSTANDING		INTEREST RATE	BALANCE DECEMBER 31, 2013	DECREASED	BALANCE DECEMBER 31, 2014
			DATE	AMOUNT				
General Improvements	9/1/2002	\$ 4,655,000	9/1/2015	\$ 435,000.00	4.00%	\$ 865,000.00	\$ 430,000.00	\$ 435,000.00
General Improvements	11/15/2006	4,999,000	12/1/2015	475,000.00	3.75%	2,524,000.00	450,000.00	2,074,000.00
			12/1/2016	500,000.00	3.75%			
			12/1/2017	600,000.00	3.75%			
			12/1/2018	499,000.00	4.00%			
General Improvements	10/23/2012	4,650,000	9/1/2015	175,000.00	2.00%	4,475,000.00	175,000.00	4,300,000.00
			9/1/2016	350,000.00	2.00%			
			9/1/2017	275,000.00	2.00%			
			9/1/2018	350,000.00	2.00%			
			9/1/2019	350,000.00	2.00%			
			9/1/2020	350,000.00	2.00%			
			9/1/2021	350,000.00	2.00%			
			9/1/2022	350,000.00	2.00%			
			9/1/2023	350,000.00	2.00%			
			9/1/2024	350,000.00	3.00%			
			9/1/2025	350,000.00	3.00%			
9/1/2026	350,000.00	3.00%						
9/1/2027	350,000.00	3.00%						
<b>TOTAL</b>						<b>\$ 7,864,000.00</b>	<b>\$ 1,055,000.00</b>	<b>\$ 6,809,000.00</b>

**CITY OF NORTHFIELD  
TRUST FUND  
STATEMENT OF CONTRACTS PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2014**

Balance, December 31, 2013	\$ 555,510.94
Increased by:	
2014 Improvement Authorizations	<u>804,885.09</u>
	1,360,396.03
Decreased by:	
Encumbrances Reclassified	<u>555,510.94</u>
Balance, December 31, 2014	<u><u>\$ 804,885.09</u></u>

**CITY OF NORTHFIELD  
GENERAL CAPITAL FUND  
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2014**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2013	2014 AUTHORIZATIONS	RAISED IN BUDGET	BALANCE DECEMBER 31, 2014
<b><u>General Improvements</u></b>					
10-12g	Rec Field Improvements	\$ -	-	-	-
12-13	Fire Truck	380,000.00	-	-	380,000.00
12-13	Road Improvments	902,500.00	-	-	902,500.00
12-13	Flashing Lights	99,750.00	-	-	99,750.00
12-13	License Plate Reader	61,750.00	-	-	61,750.00
12-13	Sewer Repairs & Reconstruction	308,750.00	-	-	308,750.00
		<u>\$ 1,752,750.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,752,750.00</u>

**CITY OF NORTHFIELD**

**PART II**

**COMMENTS AND RECOMMENDATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

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HOLMAN | FRENIA  
ALLISON, P.C.

Certified Public Accountants & Consultants

680 Hooper Avenue, Bldg B, Suite 201, Toms River, NJ 08753 • Tel: 732.797.1333  
618 Stokes Road, Medford, NJ 08055 • Tel: 609.953.0612  
912 Highway 33, Suite 2, Freehold, NJ 07728 • Tel: 732.409.0800  
795 Canton Street, Troy, PA 16947 • Tel: 570.297.5090  
926 Main Street, Suite 103, Rome, PA 18837 • Tel: 570.297.5090

[www.hfacpas.com](http://www.hfacpas.com)

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

We have audited the financial statements of the City of Northfield in the County of Atlantic for the year ended December 31, 2014.

### **Scope of Audit**

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

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

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

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

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

### **GENERAL COMMENTS**

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

*N.J.S.A.40A:11-4* - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 as of January 1, 2012, except by contract or agreement.

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

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

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

Reconstruction of Board Street Phase II; General Repairs & Construction of Stormwater Facilities; Emergency Generator for Police and Municipal Offices

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

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

### **Contracts and Agreements Requiring Solicitation of Quotations**

The examination of expenditures did not reveal any individual payments, contracts or agreements in excess of \$36,000 as of January 1, 2013 and thereafter "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

### **Collection of Interest on Delinquent Taxes,**

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

The governing body on January 7, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

The last tax sale was held on June 19, 2014 and was complete.

**Delinquent Taxes and Tax Title Liens (continued)**

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

<b>YEAR</b>	<b>NUMBER OF LIENS</b>
2014	11
2013	11
2012	9

**Deductions From Taxes**

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

**Municipal Court**

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

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

**Follow-up on Prior Year Findings**

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

**OFFICIALS IN OFFICE AND SURETY BONDS**

The following officials were in office at December 31, 2014:

<b>NAME</b>	<b>POSITION</b>	<b>AMOUNT OF BOND</b>
Erland Chau (11/14/14-12/31/14)	Mayor (Elected)	
Gerald McGee (2/4/14-11/14/14)	Mayor (Appointed)	
James O’Neil (1/13/14-2/4/14)	Mayor (Appointed)	
Vincent Mazzeo (1/1/14-1/13/14)	Mayor	
James O’Neil	Councilman Council President	
Dave Devine (1/7/14-11/14/14)	Councilman (Appointed)	
Gregory Dewees	Councilman	
Jeff Lischin	Councilman	
Clifford Murray, Jr. (1/1/14-11/14/14)	Councilman	
Frank Perri, Jr.	Councilman	
Nicholas Piergiovanni	Councilman	
James Travagline	Councilman	
Mary Canesi	City Clerk/ Assessment Search Officer	
Kristoper Facenda, Esq.	Attorney	
Dawn Stollenwerk	Chief Financial Officer	1,000,000
Cindy Ruffo	Tax Collector	1,000,000
John Rosenberger	Magistrate	
Donna M. Clark	Court Administrator	1,000,000

All of the Bonds were examined and were properly executed.

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

## **Acknowledgment**

We express our appreciation for the assistance and courtesies extended to the members of the audit team. The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should you have any questions concerning our comments or recommendations, please call me.

Respectfully submitted,

**HOLMAN FRENIA ALLISON, P. C.**

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

Freehold, New Jersey  
May 20, 2015

