

BOROUGH OF NEW PROVIDENCE  
COUNTY OF UNION  
NEW JERSEY

REPORT ON  
EXAMINATION OF ACCOUNTS  
FOR THE YEAR 2010

SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

**BOROUGH OF NEW PROVIDENCE**  
**COUNTY OF UNION, NEW JERSEY**

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**AND**  
**SUPPLEMENTARY EXHIBITS**  
**YEAR ENDED DECEMBER 31, 2010**

**SAMUEL KLEIN AND COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and Members  
of the Borough Council  
Borough of New Providence  
New Providence, New Jersey 07974

We have audited the accompanying statutory basis financial statements of the various funds of the

**BOROUGH OF NEW PROVIDENCE  
COUNTY OF UNION**

as of and for the year ended December 31, 2010, as listed in the table of contents, and for the year ended December 31, 2009. These statutory basis financial statements are the responsibility of the municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

These statutory basis financial statements have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which 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. These practices differ in certain respects, which in some instances may be material, from generally accepted accounting principles applicable to local government units. The more significant of these practices are described in Note 1 to the financial statements.

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

However, in our opinion, the statutory basis financial statements referred to above present fairly, in all material respects, the financial position of the Borough of New Providence in the County of Union, as of December 31, 2010 and December 31, 2009, and the results of operations of such funds for the years then ended, in accordance with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and described in Note 1 to the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 28, 2011 on our consideration of the Borough of New Providence's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the statutory basis financial statements of the Borough of New Providence taken as a whole. The accompanying supplemental schedules presented in the "Supplementary" sections, are not a required part of the financial statements and are presented for purposes of additional analysis as required by New Jersey State Division of Local Government Services. Such information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements and, in our opinion, is fairly presented in all material respects in relation to the statutory basis financial statements taken as a whole.

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

  
JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey  
March 28, 2011

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

COMPARATIVE BALANCE SHEETS

A  
Sheet #1

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
<u>Regular Fund</u>			
Cash	A-4	\$ 4,409,966.11	\$ 4,455,988.03
Change Fund	A-6	150.00	150.00
		<u>4,410,116.11</u>	<u>4,456,138.03</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes	A-9	157,580.10	256,292.76
Tax Title Liens	A-10	127,569.26	116,481.10
Property Acquired for Taxes at Assessed Valuation	A-11	11,955.00	11,955.00
Revenue Accounts Receivable	A-12	56,421.67	95,170.12
Insurance Claims Receivable	A-13		27,772.50
Other Accounts Receivable	A-14	1,909.26	4,610.19
Interfunds Receivable	A-18	152.95	15,596.22
		<u>355,588.24</u>	<u>527,877.89</u>
		<u>4,765,704.35</u>	<u>4,984,015.92</u>
<u>Federal and State Grant Fund</u>			
Cash	A-4	28,703.80	39,258.73
Federal and State Grants Receivable	A-15	924,043.69	402,053.01
Interfunds Receivable	A-19	3,025.80	518.62
		<u>955,773.29</u>	<u>441,830.36</u>
		<u>\$ 5,721,477.64</u>	<u>\$ 5,425,846.28</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

COMPARATIVE BALANCE SHEETS

A  
Sheet #2

<u>LIABILITIES, RESERVES AND FUND BALANCES</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
<b>Regular Fund</b>			
Appropriation Reserves:			
Encumbered	A-3,16	\$ 193,643.17	\$ 199,721.60
Unencumbered	A-3,16	700,043.49	614,948.70
Prepaid Revenue	A-4	104,675.00	
Due to State of New Jersey	A-8	1,935.53	1,354.02
Tax Overpayments	A-17	57.56	3,272.92
Interfunds Payable	A-18	6,145.54	52,285.35
Reserve for Tax Appeals	A-20	308,045.08	440,361.99
County Taxes Payable	A-22	24,298.94	55,981.57
Due to Special Improvement District	A-23	3,331.20	
Prepaid Taxes	A-24	192,740.99	176,372.66
Reserve for Sale of Municipal Assets	A-25	84,141.92	587,654.92
		1,619,058.42	2,131,953.73
Reserve for Receivables and Other Assets	Reserve	355,588.24	527,877.89
Fund Balance	A-1	2,791,057.69	2,324,184.30
		4,765,704.35	4,984,015.92
<b>Federal and State Grant Fund</b>			
Interfunds Payable	A-19		221.16
Unappropriated Reserves	A-26		44,127.39
Reserve for Federal and State Grants	A-27	955,773.29	397,481.81
		955,773.29	441,830.36
		<u>\$ 5,721,477.64</u>	<u>\$ 5,425,846.28</u>

See accompanying notes to financial statements.

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS  
AND CHANGES IN FUND BALANCE

A-1

	<u>Ref.</u>	<u>Year 2010</u>	<u>Year 2009</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 1,900,000.00	\$ 1,971,000.00
Miscellaneous Revenues Anticipated	A-2	4,296,843.39	3,679,647.51
Receipts from Delinquent Taxes	A-2b	264,450.64	224,609.22
Receipts from Current Taxes	A-2b	52,716,696.58	50,690,570.28
Nonbudget Revenue	A-2c	180,395.11	239,680.35
Other Credits to Income:			
Appropriation Reserves Lapsed	A-16	369,647.98	366,154.75
Interfunds Returned	A-18	15,443.27	5,441.77
Reserve for Grant Expenditures			
Cancelled	A-18	886.69	
		<u>59,744,363.66</u>	<u>57,177,103.88</u>
<u>Expenditures and Other Charges</u>			
Budget Appropriations	A-3	15,928,276.47	15,638,327.20
Refund of Prior Year Revenue	A-4	2,634.17	
Grants Receivable Cancelled	A-18	1,342.74	
Municipal Open Space Tax	A-9	32,493.64	32,606.00
Local School District Tax	A-21	31,325,234.00	30,186,948.00
County Taxes	A-22	9,981,921.41	9,363,655.31
Special Improvement District Taxes	A-23	105,587.84	102,256.64
		<u>57,377,490.27</u>	<u>55,323,793.15</u>
Statutory Excess to Surplus		2,366,873.39	1,853,310.73
<u>Fund Balance</u>			
Balance January 1	A	<u>2,324,184.30</u>	<u>2,441,873.57</u>
		<u>4,691,057.69</u>	<u>4,295,184.30</u>
Decreased by:			
Utilized as Anticipated Revenue	A-2	<u>1,900,000.00</u>	<u>1,971,000.00</u>
Balance December 31	A	<u>\$ 2,791,057.69</u>	<u>\$ 2,324,184.30</u>

See accompanying notes to financial statements.

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

STATEMENT OF REVENUE

A-2  
Sheet #1

	<u>Ref.</u>	<u>Anticipated Budget</u>	<u>Added by N.J.S.A. 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance	A-1	\$ 1,900,000.00	\$	\$ 1,900,000.00	\$
<u>Miscellaneous Revenue Anticipated</u>					
Alcoholic Beverage Licenses	A-12	6,000.00	7,200.00	1,200.00	
Other Licenses	A-2a	17,700.00	18,317.00	617.00	
Fees and Permits	A-2a	59,100.00	48,843.58	(10,256.42)	
Fines and Costs - Municipal Court	A-12	113,800.00	148,566.35	34,786.35	
Interest and Costs on Taxes	A-12	54,400.00	55,280.44	880.44	
Parking Meters	A-12	19,200.00	22,612.80	3,412.80	
Interest on Investments	A-12	21,000.00	25,151.86	4,151.86	
Sewer Rentals	A-12	5,400.00	175,895.97	170,495.97	
Cat Licenses	A-12	1,300.00	1,525.00	225.00	
Parking Permits	A-12	132,000.00	155,385.00	23,385.00	
Rental of Municipal-Owned Property	A-12	64,400.00	64,747.86	347.86	
Cablevision Franchise Fee	A-12	130,000.00	139,830.82	9,830.82	
Consolidated Municipal Property Tax Relief Aid	A-12	133,847.00	133,847.00		
Energy Receipts Tax	A-12	1,169,972.00	1,169,972.00		
Uniform Construction Code Fees	A-2a	169,000.00	285,765.00	116,765.00	
Uniform Fire Safety Act	A-12	21,600.00	14,228.15	(7,371.85)	
False Fire Alarms	A-12	5,800.00	1,125.00	(4,675.00)	
Smoke Detector Certification Fees	A-12	15,000.00	14,500.00	(500.00)	
Sale of Assets	A-25	503,598.00	503,598.00		
New Providence DID - Ban Interest Deferred					
Revenue	A-12	70,750.00	70,750.00		
Library Reimbursements	A-12	63,000.00	63,000.00		
Berkeley Heights 2009 Sewer Payments	A-12	148,000.00	148,699.90	699.90	
Leaf Collection	A-12	40,000.00	41,800.00	1,800.00	
Capital Surplus	A-12	180,000.00	180,000.00		
		<u>3,144,867.00</u>		<u>3,490,641.73</u>	<u>345,774.73</u>
<u>Federal and State Grants</u>					
Clean Communities Program		20,381.47		20,361.47	
Drunk Driving Enforcement Fund		2,493.56		2,493.56	
Municipal Alcohol Rehabilitation			402.18	402.18	
CDBG:					
Senior Exercise and Arts and Crafts			5,575.00	5,575.00	
Senior Transportation			6,334.00	6,334.00	
Senior Citizen High Risk Health Care			7,247.00	7,247.00	
Over the Limit - Under Arrest			4,400.00	4,400.00	
Union County Tree Grant		2,334.50		2,334.50	
Municipal Alliance on Alcoholism and Drug Abuse		17,583.00		17,583.00	
Federal Bulletproof Vest Partnership			2,052.23	2,052.23	
New Jersey Transportation Trust Fund Authority		282,100.00		282,100.00	
New Jersey Department of Transportation			245,000.00	245,000.00	
Comcast of New Jersey			55,000.00	55,000.00	
Police Body Armor Replacement		1,134.87	2,550.02	3,684.89	
Recycling Tonnage		41,633.83		41,633.83	
Union County Kids Recreation Trust 2009			60,000.00	60,000.00	
Union County Kids Recreation Trust 2010			50,000.00	50,000.00	
	A-15	<u>367,641.23</u>	<u>438,560.43</u>	<u>806,201.66</u>	<u>_____</u>
Total Miscellaneous Revenue	A-1	3,512,508.23	438,560.43	4,296,843.39	345,774.73

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

STATEMENT OF REVENUE

A-2  
Sheet #2

	<u>Ref.</u>	<u>Anticipated Budget</u>	Added by N.J.S.A. <u>40A:4-87</u>	<u>Realized</u>	Excess or (Deficit)
Receipts from Delinquent Taxes	A-1, 2b	\$ 200,000.00	\$	\$ 264,450.64	\$ 64,450.64
Amount to be Raised by Taxation for Support of Municipal Budget	A-2b, 10	11,520,744.00	12,910,359.68	1,389,615.69	
Total General Revenues		17,133,252.23	438,560.43	19,371,653.72	1,799,841.06
Nonbudgeted Revenue	A-2c	180,395.11	180,395.11		
	A-3	\$ 17,133,252.23	\$ 438,560.43	\$ 19,552,048.83	\$ 1,980,236.17

See accompanying notes to financial statements.

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF REALIZED REVENUE

A-2a

<u>Other Licenses and Fees</u>	<u>Ref.</u>	<u>Other Licenses</u>	<u>Permits and Fees</u>
Borough Clerk	A-12	\$ 2,885.00	\$ 8,220.20
Health Officer	A-12	15,300.00	
Registrar of Vital Statistics	A-12	132.00	2,625.00
Police Department	A-12		3,483.38
Planning Board	A-12		1,300.00
Board of Adjustment	A-12		16,810.00
Engineering Department	A-12		18,285.00
		18,317.00	50,723.58
Less: Refunds	A-4		1,880.00
	A-2	\$ 18,317.00	\$ 48,843.58
Uniform Construction Code	A-12	\$ 285,855.00	
Less: Refunds	A-4	90.00	
	A-2	\$ 285,765.00	

See accompanying notes to financial statements.

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF REALIZED TAX REVENUE

A-2b

Ref.

Receipts from Delinquent Taxes

Collection of Delinquent Taxes:

2010 Collections:

Taxes	A-9	\$ 264,450.64
	A-1,2	<u>\$ 264,450.64</u>

Allocation of Current Tax Collections

Collections of Current Taxes:

2010 Collections	A-9	\$ 52,680,323.92
2009 Collections	A-9	176,372.66
		<u>52,856,696.58</u>

Less: Reserve for Tax Appeals	A-20	<u>140,000.00</u>
	A-1	\$ 52,716,696.58

Allocated to:

Municipal Open Space Tax	A-1,4,9	32,493.64
Local School District Tax	A-21	31,325,234.00
County Taxes	A-22	9,981,921.41
Special Improvement District Taxes	A-23	<u>105,587.84</u>
		<u>41,445,236.89</u>
		<u>11,271,459.69</u>

Plus: Appropriation for Reserve for Uncollected Taxes	A-3	<u>1,638,900.00</u>
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Realized for Support of Municipal Budget	A-2	<u>\$ 12,910,359.69</u>
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See accompanying notes to financial statements.

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

STATEMENT OF REVENUE (Continued)  
ANALYSIS OF NONBUDGET REVENUE

A-2c

Ref.

Miscellaneous Revenue Not Anticipated

Hotel Tax		\$ 70,411.44
Insurance and Worker's Compensation Refunds		55,240.85
Division of Motor Vehicles - Inspection Fines		2,650.00
Board of Education Utility Reimbursement		6,190.45
Administrative Fee for Senior Citizens and Veterans		2,273.55
Shared Court		9,000.00
Scrap Metal		2,006.00
Damaged Borough Property		1,164.36
Duplicate Tax Bills		50.50
Photocopies		5,011.39
Miscellaneous		<u>21,546.72</u>
	A-4	\$ 175,545.26
Tax Collector	A-5	239.66
Other Accounts Receivable	A-14	<u>4,610.19</u>
		<u>4,849.85</u>
	A-1,2	<u>\$ 180,395.11</u>

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See accompanying notes to financial statements.

STATEMENT OF EXPENDITURES

A-3  
Sheet #1

APPROPRIATIONS WITHIN "CAPS"

Appropriation	Budget	Appropriations	Modified	Paid or Charged	Expended	Encumbered	Reserved	Unencumbered	Balance Cancelled
<b>GENERAL GOVERNMENT</b>									
Administrative and Executive:									
Salaries and Wages									
Other Expenses		\$ 295,136.00	\$ 297,536.00	\$ 295,111.00	\$ 25.00	\$ 2,400.00	\$ 1,359.28		
Human Resources (Personnel/		116,200.00	116,200.00	103,537.77	11,302.95				
Labor Attorney):		27,040.00	27,040.00	26,478.84	8,515.85	561.16			
Salaries and Wages		10,900.00	30,900.00	943.00		21,441.15			
Other Expenses		33,000.00	6,000.00	33,000.00	796.11				
Mayor and Council:						5,203.89			
Salaries and Wages		115,496.00	16,200.00	115,495.90	12,381.44	0.10			
Other Expenses						3,818.56			
Financial Administration:						1,871.42			
Salaries and Wages		61,186.00	61,186.00	59,314.58		5,660.00			
Other Expenses		27,500.00	27,500.00	20,790.00					
Auditing Services		38,000.00	38,000.00	33,025.00		4,975.00			
Assessment of Taxes:									
Salaries and Wages		91,755.00	91,755.00	91,755.00		13,980.30			
Other Expenses		106,300.00	96,300.00	36,207.06					
Collection of Taxes:						46,112.64			
Salaries and Wages		127,061.00	127,061.00	127,061.00					
Other Expenses		2,150.00	2,150.00	1,290.00		97.00			
Legal Services and Costs:						763.00			
Salaries and Wages		40,000.00	40,000.00	40,000.00					
Other Expenses		42,000.00	62,000.00	47,448.57		13,832.46			
Public Works:						718.97			
Salaries and Wages		948,972.00	948,972.00	948,120.04		851.96			
Other Expenses		11,000.00	11,000.00	4,472.68		6,527.32			
Traffic Signal Maintenance:						2,178.47			
Other Expenses		7,000.00	7,000.00	(1,755.47)		6,577.00			
Engineering:						12			
Salaries and Wages		2,060.00	2,060.00	2,040.00		20.00			
Other Expenses		92,000.00	77,000.00	44,725.11		828.40			
Public Buildings and Grounds:						31,446.49			
Other Expenses		238,200.00	203,700.00	136,754.57		9,654.40			
Planning Board:						57,291.03			
Salaries and Wages		12,600.00	12,600.00	11,586.55					
Other Expenses		15,625.00	15,625.00	12,264.02		1,013.45			
						3,360.98			

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3  
Sheet #2

Appropriation	Appropriations		Expended		Balance Cancelled	
	Budget	Budget	Paid or Charged	Encumbered		
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Board of Adjustment	\$ 3,600.00	\$ 3,600.00	\$ 2,860.45	\$ 295.00	\$ 739.55	
Salaries and Wages	15,750.00	15,750.00	13,861.63		1,593.37	
Other Expenses						
Motor Supplies:						
Other Expenses	98,000.00	98,000.00	75,566.86	10,833.62	11,599.52	
Insurance:						
General Liability	165,000.00	165,000.00	145,562.00		19,438.00	
Workers' Compensation	255,000.00	255,000.00	250,000.00		5,000.00	
Group Insurance	950,975.00	950,975.00	899,861.50	270.00	50,843.50	
<u>PUBLIC SAFETY</u>						
Fire:						
Other Expenses	239,990.00	239,990.00	207,375.91		3,732.87	
Uniform Fire Safety Act (C. 383, P.L.1983):						
Salaries and Wages	33,655.00	33,655.00	33,655.00			
Other Expenses	4,000.00	4,000.00	1,526.45		637.49	
Police:						
Salaries and Wages	2,675,036.00	2,653,936.00	2,633,298.33		20,637.67	
Other Expenses	138,600.00	138,600.00	102,649.82		18,813.52	
Police Dispatch/911:						
Salaries and Wages	154,138.00	175,238.00	175,181.11		56.89	
Other Expenses	3,000.00	3,000.00	2,000.00		1,000.00	
Emergency Management Services:						
Other Expenses	3,500.00	3,500.00	2,407.10		1,092.90	
Municipal Court:						
Salaries and Wages	102,535.00	108,135.00	108,091.20		43.80	
Other Expenses	5,300.00	5,300.00	2,162.75		2,391.89	
Public Defender (P.L. 1997, C. 256):						
Salaries and Wages	2,500.00	2,500.00	2,500.00			
<u>STREETS AND ROADS</u>						
Road Repairs and Maintenance:						
Other Expenses	213,500.00	168,500.00	153,603.15		3,840.00	
Fleet Maintenance:						
Other Expenses	79,450.00	81,950.00	78,539.70		2,884.33	
					525.97	

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3  
Sheet #3

Appropriation	Appropriations		Modified Budget	Paid or Charged	Expended	Encumbered	Reserved	Unencumbered	Balance Cancelled
	Budget	Modified							
<u>APPROPRIATIONS WITHIN "CAPS"</u>									
SANITATION									
Solid Waste/Recycling Collection	\$ 537,780.00	\$ 522,736.50	\$ 498,618.60	\$ 7,671.84	\$ 16,446.06	\$ 18,076.11			
Landfill/Solid Waste Disposal Costs	372,066.00	372,066.00	310,741.97	43,247.92					
Waste Water Treatment Plant:									
Salaries and Wages	202,610.00	240,610.00	236,713.66						
Other Expenses	61,500.00	61,500.00	40,749.91	15,812.94					
HEALTH AND WELFARE									
Board of Health:									
Salaries and Wages	1,300.00	1,300.00	1,191.63						
Other Expenses	50,925.00	50,925.00	25,811.58						
Animal Control Services	20,000.00	20,000.00	19,937.50						
Health Services:									
Salaries and Wages	46,120.00	46,120.00	45,120.00						
Other Expenses	3,550.00	3,550.00	765.00						
RECREATION AND EDUCATION									
Community Services:									
Salaries and Wages	107,268.00	117,768.00	117,764.36						
Other Expenses	4,500.00	1,930.25	962.54						
Senior Citizens' Program:									
Salaries and Wages	51,636.00	51,636.00	48,787.20						
Other Expenses	24,850.00	24,850.00	17,969.41						
Tuition Reimbursement Program	2,500.00	2,500.00	2,130.00	370.00					
UNIFORM CONSTRUCTION CODE									
Construction Official:									
Salaries and Wages	221,958.00	221,958.00	220,588.06						
Other Expenses	7,862.00	7,862.00	7,862.00						
UNCLASSIFIED									
Utilities:									
Electricity	370,000.00	370,000.00	287,971.08						
Telephone and Telegraph	50,000.00	50,000.00	33,286.44						
Natural Gas	110,000.00	110,000.00	48,911.30						
Street Lighting	145,000.00	145,000.00	121,109.99						
Water	18,000.00	18,000.00	16,248.03						

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3  
Sheet #4

Appropriation	Appropriations		Paid or Charged	Expended		Reserved Unencumbered	Balance Cancelled
	Budget	Modified Budget		Encumbered	Unencumbered		
<b>APPROPRIATIONS WITHIN "CAPS"</b>							
CONTINGENT	\$ 500.00	\$ 500.00				\$ 500.00	\$
Total Operations Within "CAPS"	10,036,835.00	10,013,721.75		9,196,785.99	193,643.17	623,292.59	
Detail:							
Salaries and Wages	5,356,662.00	5,413,162.00		5,375,713.91	28,891.76		
Other Expenses	4,680,173.00	4,600,559.75		3,821,072.08	193,643.17	594,400.83	
<b>STATUTORY EXPENDITURES</b>							
Contribution to:							
Public Employees' Retirement System	248,782.95	248,782.95		243,782.95		5,000.00	
Social Security System (OASI)	452,024.00	452,024.00		413,497.33		38,526.67	
Police and Firemen's Retirement System	521,279.82	521,279.82		521,279.82			
	1,222,086.77		1,222,086.77		1,178,560.10		43,526.67
Total General Appropriations Within "CAPS"	11,258,921.77	11,235,808.52		10,375,346.09	193,643.17	666,819.26	
<b>APPROPRIATIONS EXCLUDED FROM "CAPS"</b>							
OPERATIONS	865,976.00	865,976.00		865,976.00			
Maintenance of Free Public Library							
Council on Affordable Housing:							
Salaries and Wages	6,500.00	6,500.00		4,240.00		2,260.00	
Sewer System:							
Joint Meeting Expenses	595,350.00	608,393.50		608,393.50			
Berkeley Heights Expenses	7,500.00	15,000.00		14,035.77		964.23	
Reserve for Tax Appeals Pending	170,000.00	170,000.00		170,000.00			
Length of Service Award Program (LOSAP)	30,000.00	30,000.00		30,000.00		30,000.00	
Police and Firemen's Retirement System	16,909.18	16,909.18		16,909.18			
Public Employees' Retirement System	22,170.05	22,170.05		22,170.05		22,170.05	
Employee Group Health	9,025.00	9,025.00		9,025.00		9,025.00	
	1,723,430.23		1,743,973.73		1,710,749.50		33,224.23
PUBLIC AND PRIVATE PROGRAMS	20,361.47	20,361.47		20,361.47		20,361.47	
Clean Communities Grant							
Municipal Alliance Committee Program:							
State Grant	17,583.00	17,583.00		17,583.00		17,583.00	
Local Match	1,826.00	4,395.75		4,395.75		4,395.75	
Federal Bulletproof Vest Partnership	2,052.23	2,052.23		2,052.23		2,052.23	

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3  
Sheet #5

Appropriation	Appropriations		Expended		Balance Cancelled
	Budget	Budget	Paid or Charged	Encumbered	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>					
PUBLIC AND PRIVATE PROGRAMS					
Police Body Armor Replacement Program	\$ 3,684.89	\$ 3,684.89	\$ 3,684.89	\$ 3,684.89	\$
Drunk Driving Enforcement Fund	2,493.56	2,493.56	2,493.56	2,493.56	
Union County Kids Recreation Trust	110,000.00	110,000.00	110,000.00	110,000.00	
Recycling Tonnage Aid	41,633.83	41,633.83	41,633.83	41,633.83	
Municipal Alcohol Rehabilitation	402.18	402.18	402.18	402.18	
Downtown Streetscape	245,000.00	245,000.00	245,000.00	245,000.00	
Local Access Grant - Capital Improvement Fund	55,000.00	55,000.00	55,000.00	55,000.00	
CDBG:					
Senior Enrichment and Exercise	6,334.00	6,334.00	6,334.00	6,334.00	
Senior Transportation	5,575.00	5,575.00	5,575.00	5,575.00	
Senior Citizen High Risk Health Care	7,247.00	7,247.00	7,247.00	7,247.00	
Over The Limit - Under Arrest	4,400.00	4,400.00	4,400.00	4,400.00	
Union County Open Space	2,334.50	2,334.50	2,334.50	2,334.50	
	525,927.66	528,497.41	528,497.41	528,497.41	
Total Operations Excluded from "CAPS"	2,249,357.89	2,272,471.14	2,239,246.91	33,224.23	
Detail:					
Salaries and Wages	6,500.00	6,500.00	2,239,246.91	2,239,246.91	
Other Expenses	2,242,857.89	2,265,971.14			
				2,260.00	
				30,964.23	
<u>CAPITAL IMPROVEMENTS</u>					
New Jersey Transportation Trust Fund					
Authority Act	282,100.00	282,100.00	282,100.00	282,100.00	
DEBT SERVICE					
Payment of Bond Principal	945,000.00	945,000.00	945,000.00	945,000.00	
Payment of Bond Anticipation Notes	393,598.00	393,598.00	393,598.00	393,598.00	
Interest on Bonds	279,313.00	279,313.00	279,312.52	279,312.52	0.48
Interest on Notes	104,645.00	104,645.00	100,009.29	100,009.29	4,635.71

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

STATEMENT OF EXPENDITURES

A-3  
Sheet #6

Appropriation	Appropriations		Expended		Balance Cancelled	
	Budget	Modified Budget	Paid or Charged	Encumbered		
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>DEBT SERVICE</u>						
New Jersey Waste Water Treatment Loan:						
Series 1994B Loan - Principal and Interest	\$ 163,892.00	\$ 163,892.00	\$ 163,892.00	\$	\$	
Series 1998F Loan - Principal and Interest	256,085.00	256,085.00	256,085.00			
	<u>2,142,533.00</u>	<u>2,142,533.00</u>	<u>2,137,896.81</u>		<u>4,636.19</u>	
Total Appropriations Excluded from "CAPS"						
	<u>4,673,990.89</u>	<u>4,697,104.14</u>	<u>4,659,243.72</u>		<u>4,636.19</u>	
Sub-Total Appropriations						
Reserve for Uncollected Taxes	15,932,912.66	15,932,912.66	15,034,589.81	193,643.17	700,043.49	
	1,638,900.00	1,638,900.00	1,638,900.00			
	<u>\$ 17,571,812.66</u>	<u>\$ 17,571,812.66</u>	<u>\$ 16,673,489.81</u>	<u>\$ 193,643.17</u>	<u>\$ 700,043.49</u>	
Total Appropriations						
Reference						
	<u>Below</u>	<u>Below</u>	<u>Below</u>	<u>A. A-1</u>	<u>A. A-1</u>	
Ref.						
Adopted Budget						
A-2		\$ 17,133,252.23	\$			
A-2		438,560.43				
A-2b						
Reserve for Uncollected Taxes						
A-4						
A-4						
A-20						
A-20						
A-27						
Reserve for Tax Appeals						
Reserve for Federal and State Grant Func						
Above						
	<u>\$ 17,571,812.66</u>	<u>\$ 16,673,489.81</u>	<u>\$ 16,673,489.81</u>	<u>\$ 16,673,489.81</u>	<u>\$ 16,673,489.81</u>	

See accompanying notes to financial statements.

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

COMPARATIVE BALANCE SHEETS

B

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
<u>Assessment Trust Fund</u>			
Assessments Receivable	B-4	\$ 197.60	\$ 395.20
Interfunds Receivable	B-6	592.80	395.20
		<u>790.40</u>	<u>790.40</u>
<u>Animal Control Trust Fund</u>			
Cash	B-2	<u>5,204.70</u>	<u>5,561.83</u>
<u>General Trust Fund</u>			
Cash	B-2	1,237,269.77	1,324,482.85
Other Accounts Receivable	B-5	20,984.35	1,040.24
		<u>1,258,254.12</u>	<u>1,325,523.09</u>
		<u>\$ 1,264,249.22</u>	<u>\$ 1,331,875.32</u>

LIABILITIES, RESERVES AND FUND BALANCE

<u>Assessment Trust Fund</u>			
Reserve for Assessments Receivable	B-11	\$ 197.60	\$ 395.20
Fund Balance	B-1	592.80	395.20
		<u>790.40</u>	<u>790.40</u>
<u>Animal Control Trust Fund</u>			
Due to State of New Jersey	B-7	1.20	1.20
Reserve for Animal Control Expenditures	B-12	5,203.50	5,560.63
		<u>5,204.70</u>	<u>5,561.83</u>
<u>General Trust Fund</u>			
Due to State of New Jersey	B-7		1,940.00
Construction and Other Deposits	B-8	432,028.22	559,844.42
Municipal Open Space Trust Fund	B-9	409,869.42	376,684.68
Interfunds Payable	B-10	152.95	15,893.68
Reserve for:			
Various Expenditures	B-13	411,399.26	362,173.68
State Unemployment Insurance	B-14	48.55	100.05
Grant Expenditures	B-15	4,755.72	8,886.58
		<u>1,258,254.12</u>	<u>1,325,523.09</u>
		<u>\$ 1,264,249.22</u>	<u>\$ 1,331,875.32</u>

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

STATEMENT OF FUND BALANCE  
ASSESSMENT TRUST FUND

B-1

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 395.20
Increased by:		
Collections of Unpledged Assessments	B-11	<u>197.60</u>
Balance December 31, 2010	B	<u>\$ 592.80</u>

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See accompanying notes to financial statements.

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>Balance</u>	<u>Balance</u>
		<u>Dec. 31, 2010</u>	<u>Dec. 31, 2009</u>
Cash	C-2	\$ 701,936.49	\$ 164,534.93
Grants and Other Receivables	C-4	113,342.97	37,634.17
Interfunds	C-9	2,526.94	51,890.15
Deferred Charges to Future Taxation:			
Funded	C-5	7,209,952.40	8,528,843.91
Unfunded	C-6	8,492,052.86	8,170,765.60
		<u>\$ 16,519,811.66</u>	<u>\$ 16,953,668.76</u>

LIABILITIES, RESERVES AND FUND BALANCE

General Serial Bonds	C-12	\$ 5,970,000.00	\$ 6,915,000.00
Waste Water Treatment Loans Payable	C-11	1,239,952.40	1,613,843.91
Bond Anticipation Notes	C-10	5,484,240.00	4,807,698.00
Improvement Authorizations:			
Funded	C-7	33,341.17	383,722.57
Unfunded	C-7	3,110,221.30	2,997,018.20
Capital Improvement Fund	C-8	69,169.13	53,469.13
Reserve for:			
Voluntary Agreements	C-4	113,342.97	
Fund Balance	C-1	<u>499,544.69</u>	<u>182,916.95</u>
		<u>\$ 16,519,811.66</u>	<u>\$ 16,953,668.76</u>
Bonds and Notes Authorized but Not Issued	C-13	<u>\$ 3,198,385.00</u>	<u>\$ 3,363,067.60</u>

See accompanying notes to financial statements.

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE

C-1

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 182,916.95
Increased by:		
Premium on Sale of Notes	C-2	\$ 35,488.65
Cancelled Funded Improvement Authorizations	C-7	<u>461,139.09</u>
		496,627.74
		<u>679,544.69</u>
Decreased by:		
Current Fund Budget Revenue	C-2	<u>180,000.00</u>
Balance December 31, 2010	C	<u>\$ 499,544.69</u>

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See accompanying notes to financial statements.

BOROUGH OF NEW PROVIDENCE  
GENERAL FIXED ASSETS

COMPARATIVE BALANCE SHEETS

D

	Balance <u>Dec. 31, 2010</u>	Balance <u>Dec. 31, 2009</u>
<u>ASSETS</u>		
Buildings and Construction	\$ 11,406,253.59	\$ 11,406,253.59
Machinery and Equipment	4,747,847.24	4,622,555.12
Land Improvements	266,541.45	266,541.45
Underground Equipment and Utilities	<u>1,163,811.00</u>	<u>1,163,811.00</u>
	<u>\$ 17,584,453.28</u>	<u>\$ 17,459,161.16</u>
<u>RESERVES</u>		
Investment in Capital Fixed Assets	<u>\$ 17,584,453.28</u>	<u>\$ 17,459,161.16</u>

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See accompanying notes to financial statements.

BROUGH OF NEW PROVIDENCE  
PAYROLL FUND

COMPARATIVE BALANCE SHEETS

E

<u>ASSETS</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2010</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Cash	E-1	\$ 39,116.68	\$ 41,136.41
		<u>\$ 39,116.68</u>	<u>\$ 41,136.41</u>

LIABILITIES

Payroll Deductions Payable	E-2	\$ 39,116.68	\$ 41,136.41
		<u>\$ 39,116.68</u>	<u>\$ 41,136.41</u>

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See accompanying notes to financial statements.

***NOTES TO FINANCIAL STATEMENTS***

## BOROUGH OF NEW PROVIDENCE

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2010

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

The Borough of New Providence operates under the Mayor-Council form of government. There are six elected members on the Council. Each is elected to a three year term. The Mayor is elected in a general election for a four year term. The Mayor carries a legislative vote only if there is a tie amongst Council members.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

The financial statements of the Borough of New Providence include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by the provisions of N.J.S.A. 40A:5-5. The financial statements, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

##### B. Description of Funds

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

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

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Assessment Trust Fund, Animal Control Fund and General Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as, related long-term debt accounts.

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

***B. Description of Funds (Continued)***

Payroll Fund - Net salaries, certain payroll deductions and social security contributions of the municipal operations are deposited into the Payroll Fund. A Payroll Fund does not exist under GAAP.

Free Public Library - Budget Appropriations and State Aid are transferred to the Free Public Library bank account and are expended with the approval of the Library for its purposes. Interest on investments, Library fines and other revenue are retained by the Library for its purposes. Interest on investments, Library fines and other revenue are retained by the Library and expenses therefrom. The Library is the subject of a separate report.

Capital Fixed Assets Account - These accounts reflect estimated valuations of land, buildings and certain movable fixed assets of the Borough as discussed under the caption of "Basis of Accounting".

***C. Basis of Accounting***

The accounting principles and practices prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, differ in certain respects from accounting principles generally accepted in the United States of America. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies in New Jersey are summarized as follows:

**Property Taxes and Other Revenue**

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**Grant Revenue**

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough of New Providence budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

**Expenditures**

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been cancelled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31<sup>st</sup> of each year, under the title of "Appropriation Reserves".

Grant appropriations are charged upon budget adoption or amendment to create spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

C. **Basis of Accounting (Continued)**

**Expenditures (Continued)**

Budget appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

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**

As of January 1, 1986 all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division of Local Government Services, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

**Appropriation Reserves**

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.

**Compensated Absences**

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

**Property Acquired for Taxes**

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the capital fixed assets at market value on the date of acquisition.

**Self-Insurance Contributions**

Contributions to self-insurance funds are charged to budget appropriations. GAAP requires that payments be accounted for as an operating transfer and not as an expenditure.

**Interfunds Receivable**

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the corresponding fund. GAAP does not require the establishment of an offsetting reserve.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **Basis of Accounting (Continued)**

**Inventories of Supplies**

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the municipal utilities is required, by regulation, to be prepared by municipal personnel for inclusion on the Utility Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets. The Borough of New Providence does not maintain a utility, therefore no inventories are required.

**Capital Fixed Assets**

General:

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles, the Borough of New Providence has developed a fixed asset accounting and reporting system.

GAAP requires that capital fixed assets be capitalized at historical or estimated historical cost if historical cost is not available.

Capital fixed assets used in governmental operations (general fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") capital 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.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual fixed asset record.

Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities:

Capital acquisitions, including utility infrastructure costs of municipal utilities, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utilities. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include movable fixed assets of the Utility, but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Fixed Capital.

Fixed Capital of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition. No utilities are operated by the Borough of New Providence.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basic Financial Statements**

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough of New Providence presents the financial statements listed in the table of contents which are required by the Division of Local Government Services 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.

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**A. Cash and Cash Equivalents**

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund.

The State of New Jersey Cash Management Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund Investments is generally not required.

In addition, by regulation of the Division of Local Government Services, municipalities are allowed to deposit funds in Municipal Bond Insurance Association (MBIA) through their investment management company, the Municipal Investors Service Corporation.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, ("GUDPA"), public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, The Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**B. Investments**

New Jersey statutes permit the Borough to purchase the following types of securities:

- . Bonds or other obligations of the United States or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- . Governmental money market mutual funds.
- . Any Federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- . Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- . Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- . Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- . New Jersey State Cash Management Fund.
- . Repurchase agreements of fully collateralized securities, subject to special conditions.

In addition, a variety of State laws permit local governments to invest in a wide range of obligations issued by State governments and its agencies.

As of December 31, 2010, the Borough had funds on deposit in checking and cash management accounts. The amount of the Borough's Cash and Cash Equivalents as of December 31, 2010 was \$6,383,230.87. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investment as defined by GASB Statement No. 40.

**3. TAXES AND TAX TITLE LIENS RECEIVABLE**

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation by each taxing district. The tax rate is determined by the board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in June and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

### 3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000.00 who fails to pay that delinquency as billed prior to the end of the fiscal year. The penalty so fixed shall not exceed 6% of the amount of the delinquency with respect to each most recent fiscal year only. The resolution also sets a grace period of ten days before interest is calculated.

Taxes unpaid on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

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

#### Comparative Schedule of Tax Rates

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Tax Rate	<u>\$ 4.082</u>	<u>\$ 3.903</u>	<u>\$ 3.739</u>	<u>\$ 3.582</u>	<u>\$ 3.395</u>
Apportionment of					
Tax Rate:					
Municipal	\$ 0.890	\$ 0.856	\$ 0.815	\$ 0.750	\$ 0.708
Municipal Open					
Space	0.002	0.002	0.010	0.010	0.010
County	0.739	0.687	0.632	0.618	0.598
County Open					
Space	0.030	0.030	0.029	0.028	0.026
School	2.421	2.328	2.253	2.176	2.053

#### Net Valuation Taxable

	<u>Year</u>	<u>Amount</u>
	2010	\$ 1,294,367,988.00
	2009	1,297,143,937.00
	2008	1,297,140,632.00
	2007	1,294,153,494.00
	2006	1,304,250,208.00

#### Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2010 *	\$ 53,062,716.95	\$ 52,856,696.58	99.61 %
2009 *	51,026,148.60	50,690,570.28	99.34
2008 *	48,714,651.46	48,441,643.27	99.43
2007 *	46,622,626.79	46,390,617.98	99.50
2006	44,508,074.59	44,221,884.10	99.36

\*Includes Special Improvement District Taxes.

**3. TAXES AND TAX TITLE LIENS RECEIVABLE (Continued)**

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010 *	\$ 127,569.26	\$ 157,580.10	\$ 285,149.36	0.54 %
2009 *	116,481.10	256,292.76	372,773.86	0.73
2008 *	105,272.00	215,533.43	320,805.43	0.65
2007 *	95,722.59	214,290.63	310,013.22	0.66
2006	87,391.58	183,669.61	271,061.19	0.61

\*Includes Special Improvement District Taxes.

**4. SPECIAL IMPROVEMENT DISTRICT**

The Special Improvement District is a separate entity which was established in 2007. The Special Improvement District has a budget which is based on the assessed value of a number of designated property owners in the Borough. The rate for 2010 is \$0.319.

**5. PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens, on the basis of the last assessed valuation of such properties in the year of acquisition, was as follows:

<u>Year</u>	<u>Amount</u>
2010	\$ 11,955.00
2009	11,955.00
2008	11,955.00
2007	11,955.00
2006	11,955.00

**6. FUND BALANCE APPROPRIATED**

<u>Year</u>	<u>Dec. 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2010	\$ 2,791,057.69	* \$ 2,117,000.00
2009	2,324,184.30	1,900,000.00
2008	2,441,873.57	1,971,000.00
2007	1,903,897.95	1,310,000.00
2006	2,599,275.64	2,265,406.00

\*Introduced Budget

## 7. PENSION PLANS

### Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Public Employees' Retirement System and the Police and Firemen's Retirement System are considered a cost sharing multiple-employer plan.

#### Public Employees' Retirement System:

The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55<sup>th</sup> of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Pension benefits for members enrolled in the system after May 21, 2010 would be based on 1/60<sup>th</sup> of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member or the member's beneficiary. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

#### Police and Firemen's Retirement System:

The Police and Firemen's Retirement System (PFRS) was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full-time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or Special Retirement at any age if they have a minimum of 25 years of service or 20 years of service if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service.

Chapter 428, Public Law of 1999, effective January 18, 2000, allows a member, age 55 and older with 20 or more years of service, to retire with a benefit equaling 50% of final compensation, in lieu of the regular retirement allowance available to the member. Final compensation means the compensation received by the member in the last twelve months of creditable service preceding retirement.

In addition, a member of the system as of the effective date of this law may retire with 20 or more years of service with a retirement allowance of 50% of final compensation, regardless of age, and, if required to retire because of attaining the mandatory retirement age of 65, an additional 3% of final compensation for every additional year of creditable service up to 25 years.

## 7. **PENSION PLANS (Continued)**

### **Contributions Required and Made**

Contributions made by employees for PERS is 5.5% and PFRS is 8.5% of their base wages. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

<u>Year</u>	<u>PERS</u>		<u>PFRS</u>	
	<u>Borough</u>	<u>Employees</u>	<u>Borough</u>	<u>Employees</u>
2010	\$248,782.95	\$ 172,851.17	\$ 521,279.82	\$ 198,452.49
2009	240,370.00	167,984.89	503,652.00	198,730.49
2008	186,054.40	164,365.65	485,496.00	192,327.24

## 8. **DEFINED CONTRIBUTION RETIREMENT PROGRAM**

### **Description of System**

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. As of May 21, 2010, the minimum base salary required for eligibility in the DCRP was increased to \$5,000.00. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured chief administrative officer such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

## **8. DEFINED CONTRIBUTION RETIREMENT PROGRAM (Continued)**

### **Contributions Required**

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

During the year 2010 there were no employees enrolled in the DCRP.

## **9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Description:** The Borough will provide for all non-bargaining personnel hospitalization upon retirement, (as defined by PERS) in accordance with the following criteria. A combination of age at retirement and a minimum of fifteen (15) years service with the Borough, will be the basis for determining eligibility and length of coverage. Borough personnel who were originally hired as part time employees and subsequently became full time are eligible for consideration dependent upon date he/she joined PERS plan.

**Age Determination:** The number of points an employee earns for age will be calculated by year of retirement less year of birth up to a maximum of seventy points.

**Service Determination:** The number of points an employee earns for service will be calculated as one per year for each year of service.

**Physical Disability Retirement:** In the event an employee retires due to physical disability, said employee could earn additional points for age up to a maximum of ten points or a total age points of seventy.

**Length of Coverage:**

- (1) In the event an employee has earned one hundred points or more lifetime hospitalization will be paid by the Borough for the employee and his/her eligible dependents, at a cost not to exceed \$15,000 per year. Upon death of the employee, coverage will continue for the surviving spouse until his/her 65<sup>th</sup> birthday. Upon the death of the employee if there is no surviving spouse coverage will cease at that point.
- (2) In the event an employee has earned a minimum of eighty points, the Borough will provide hospitalization up to a cumulative cost of \$10,000 per employee or for the employee and eligible dependents. These payments will be made in the form of monthly premium contributions or if the employee had been participating in the benefit waiver program in accordance with IRC-125, payments will be made on a quarterly basis in accordance with Borough policy.
- (3) In the event an employee has earned less than a minimum of eighty points, the Borough will provide hospitalization up to a cumulative cost of \$5,000 per employee or for the employee and eligible dependents. These payments will be made in the form of monthly premium contributions or if the employee had been participating in the benefit waiver program in accordance with IRC-125, payments will be made on a quarterly basis in accordance with Borough policy.

**Funding:** The Borough contributes up to a maximum of \$15,000.00 per year for each plan member. For the year 2010, the Borough contributed \$17,564.00 to the plan for two individuals.

## 9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Annual OPEB Cost and Net OPEB Obligation: The Borough's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Borough has calculated the ARC and related information using the Projected Unit Credit method. Under this method, an actuarial accrued liability is determined as the actuarial present value of the portion of projected benefits which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits which is allocated to service in the current plan year for each active participant under the assumed retirement age. The following table shows the components of the Borough's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Borough's net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	<u>\$ 33,507.00</u>
Annual OPEB Cost (Expense)	33,507.00
Contributions Made	<u>(17,564.00)</u>
Increase in Net OPEB Obligation	15,943.00
Net OPEB Obligation - Beginning of Year	<u>-</u>
Net OPEB Obligation - End of Year	<u><u>\$ 15,943.00</u></u>

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2010 is as follows:

<u>Year Ending</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	\$ 33,507.00	100%	\$ 15,943.00

Funding Status and Funding Progress: As of December 31, 2009, the municipality calculated that the accrued liability for benefits was \$988,461.00, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$7,065,055.16.

The projection of future benefit payments for an ongoing plan involves estimated of the value or reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

## 9. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The following simplifying assumptions were made:

Retirement age for active employees - 100% of Police Officers are assumed to retire at age 65 (which is mandated under New Jersey State law, regardless of service, 100% of the other union eligible employees are assumed to retire at age 65, regardless of service and under the Personnel Policy Handbook, the Borough will provide for all non-bargaining personnel hospitalization upon retirement (as defined by PERS) in accordance with the following criteria. A combination of age at retirement and a minimum of fifteen (15) years of service with the Borough with the cost not to exceed \$15,000.00, \$10,000.00 or \$5,000.00, the amount to be determined in accordance with the amount of points earned.

Mortality - Life expectancies were estimated until age eighty-five (85) or twenty (20) years of post retirement for healthy and disabled participants. No retirement death benefits were valued, specially the "in-the-line of duty" death benefit for police.

Benefits - The valuation projects the cost to the Borough of providing medical benefits to employees who remain in the medical plan after retirement. Future retirees are assumed to remain the same medical plan they were covered under while active.

Healthcare Cost Trend Rate - The expected rate of increase in healthcare insurance premiums was based on projections using a rate of 8%.

Health Insurance Premiums - 2010 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans or a proportionate combination of the two for plans that are being partially funded. A discount rate of 5.2770% for purposes of developing the liabilities and Annual Required contribution on the basis that the Plan would not be funded. This rate is derived from the historical performance of the United States Treasury.

### Schedule of Funding Progress for the Retiree Health Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Simplified Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll
12/31/09	\$ -	\$1,006,025.00	\$988,461.00	1.00%	\$7,065,055.16

## 10. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legally required installment is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

### Summary of Municipal Debt (Excluding Current, Operating and School Debt)

	Year 2010	Year 2009	Year 2008
<u>Issued</u>			
General:			
Bonds	\$ 5,970,000.00	\$ 6,915,000.00	\$ 7,820,000.00
Bond Anticipation Note	5,484,240.00	4,807,698.00	4,978,867.00
Waste Water Treatment			
Loans	<u>1,239,952.40</u>	<u>1,613,843.91</u>	<u>1,979,408.30</u>
Total Issued	<u>12,694,192.40</u>	<u>13,336,541.91</u>	<u>14,778,275.30</u>
<u>Authorized but Not Issued</u>			
General Bonds and Notes	<u>3,198,385.00</u>	<u>3,363,067.60</u>	<u>2,895,667.60</u>
Net Bonds and Notes Issued and Authorized but Not Issued	<u>\$ 15,892,577.40</u>	<u>\$ 16,699,609.51</u>	<u>\$ 17,673,942.90</u>

### Summary of Statutory 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 statutory net debt of 0.607%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 14,055,000.00	\$ 14,055,000.00	\$
General Debt	<u>15,892,577.40</u>	<u>190,572.14</u>	<u>15,702,005.26</u>
	<u>\$ 29,947,577.40</u>	<u>\$ 14,245,572.14</u>	<u>\$ 15,702,005.26</u>

Net debt, \$15,702,005.26 divided by Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$2,586,052,392.00 equals 0.607%.

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

3 1/2% of Equalized Valuation Basis	\$ 90,511,833.72
Net Debt	<u>15,702,005.26</u>
Remaining Borrowing Power	<u>\$ 74,809,828.46</u>

**10. MUNICIPAL DEBT (Continued)**

**School Debt Deductions**

School Debt is deductible up to the extent of 4% of the Average Equalized Assessed Valuations of real property for the Local School District.

The foregoing debt information is in agreement with the Revised Annual Debt Statement filed by the Borough's Chief Financial Officer.

**Serial Bonds**

As of December 31, 2010, the Borough's long-term debt is as follows:

\$2,340,000, 2001 General Obligation Bonds due in annual installments of \$175,000 to \$200,000 through July 15, 2015, interest at 4.250% to 4.625%	\$ 940,000.00
Bonds maturing on or after July 15, 2009 are subject to redemption (callable) prior to their stated maturities.	
\$4,600,000, 2004 Refunding Bonds due in annual installments of \$340,000 to \$535,000 through October 15, 2013, interest at 3.500% to 4.000%	1,410,000.00
\$4,165,000, 2006 General Obligation Bonds due in annual installments of \$260,000 to \$340,000 through August 1, 2021, interest at 4.125% to 4.250%	<u>3,620,000.00</u>
	<u>\$ 5,970,000.00</u>

**Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding**

Date	Total	Principal	Interest
2011	\$ 1,214,881.26	\$ 970,000.00	\$ 244,881.26
2012	1,255,318.76	1,050,000.00	205,318.76
2013	1,044,912.50	880,000.00	164,912.50
2014	669,137.50	540,000.00	129,137.50
2015	636,112.50	530,000.00	106,112.50
2016	423,300.00	340,000.00	83,300.00
2017	409,275.00	340,000.00	69,275.00
2018	395,250.00	340,000.00	55,250.00
2019	381,225.00	340,000.00	41,225.00
2020	367,200.00	340,000.00	27,200.00
2021	<u>312,750.00</u>	<u>300,000.00</u>	<u>12,750.00</u>
	<u>\$ 7,109,362.52</u>	<u>\$ 5,970,000.00</u>	<u>\$ 1,139,362.52</u>

**10. MUNICIPAL DEBT (Continued)**

**Waste Water Treatment Loan**

The Borough of New Providence entered into two loan agreements, as evidenced by Resolution Number 94-134 adopted August 8, 1994, with the New Jersey Waste Water Treatment Trust (the Trust Loan) and the State of New Jersey, acting by and through the Department of Environmental Protection and Energy, (the Fund Loan). The purpose of these loans is to finance the construction of a Waste Water Treatment Facility.

The Borough made drawdowns against these loans for eligible expenditures as stated in the loan agreements after the expenditures had been incurred.

10. MUNICIPAL DEBT (Continued)

Waste Water Treatment Loan (Continued)

Loans payable in the amount of \$1,239,952.40 are detailed as follows:

Calendar Year	Series 1994A Fund Loan Principal	Series 1998F Trust Loan			Total Debt Service
		Principal	Interest	Less Credits	
2011	\$ 164,599.86	\$ 225,000.00	\$ 56,896.88	\$ (36,931.85)	\$ 244,965.03
2013	85,352.54	240,000.00	41,925.00	(37,172.13)	244,752.87
2013		255,000.00	25,837.50	(36,784.52)	244,052.98
2014		270,000.00	8,775.00	(36,790.87)	241,984.13
	<u>\$ 249,952.40</u>	<u>\$ 990,000.00</u>	<u>\$ 133,434.38</u>	<u>\$ (147,679.37)</u>	<u>\$ 975,755.01</u>
					<u><u>\$ 1,225,707.41</u></u>

Installment payments of principal and interest on the above described Waste Water Treatment Loans are due March 1 and September 1 of each year.

**10. MUNICIPAL DEBT (Continued)**

**Bond Anticipation Notes**

General Capital Fund:

<u>Interest Rate</u>	<u>Amount</u>
Various - 1.37%	\$ 1,070,240.00
Various - 1.50%	4,019,100.00
Various - 1.92%	394,900.00
	<u><u>\$ 5,484,240.00</u></u>

Statutory requirements for providing sums equivalent to legally payable installments for the redemption of notes (budget appropriations) and permanent funding (bond issues) are summarized as follows:

<u>Original Note Issued</u>	<u>Legal Installment Due</u>	<u>Funding Required as of May 1</u>
2007	2010 - 2017	2018
2008	2011 - 2018	2019
2010	2013 - 2020	2021

**Bonds and Notes Authorized but Not Issued**

There were Bonds and Notes Authorized but Not Issued in the following amount:

	<u>Balance Dec. 31, 2010</u>
General Capital Fund	<u><u>\$ 3,198,385.00</u></u>

**11. INTERFUND RECEIVABLE AND PAYABLE**

As of December 31, 2010, interfund receivable and payable that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 152.95	\$ 6,145.54
Federal and State Grant Fund	3,025.80	
Assessment Trust Fund	592.80	
General Trust Fund		152.95
General Capital Fund	2,526.94	
	<u><u>\$ 6,298.49</u></u>	<u><u>\$ 6,298.49</u></u>

## **12. DEFERRED COMPENSATION PLAN**

The Borough of New Providence offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S. 40:15B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Borough of New Providence authorized such modifications to their plan by resolution of the Borough Council adopted January 11, 1999.

The Administrator for the Borough of New Providence Deferred Compensation Plan is Nationwide Retirement Solutions, Lincoln Financial and Met Life - Citistreet.

## **13. RISK MANAGEMENT**

The Borough has contracted with a private insurance carrier related to risks for losses related to Auto, General Liability, Workmen's Compensation, Property Damage and Public Officials Liability. The coverage is subject to certain policy limits and deductible amounts. The coverage is designed to minimize the impact of any potential losses to the Borough for matters which may have been caused or related to the Borough or its employees.

## **14. SCHOOL TAXES**

Regulations provide for the deferral of not more than 50% of the annual levy for local district school taxes when these taxes are raised for a school year and have not been requisitioned by school authorities. The Borough raises its share of local school district taxes on a calendar year basis, thus there is no deferral of school taxes.

## **15. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, there were no deferred charges shown on the balance sheets of various funds.

## **16. CONTINGENT LIABILITIES**

### **A. Compensated Absences**

Eligible employees who retire with a pension under PERS or PFRS shall be entitled to receive Terminal Leave. The number of Terminal Leave days will be based on the number of unused sick leave at the time of retirement. Retiring PERS employees will remain on the payroll of the Borough based on one day of base salary pay for every four days of accumulated unused sick leave up to 100 days; and 1 day base salary pay for every 3 days of accumulated sick leave beyond 100 days subject to a maximum payment. Retiring PFRS employees will remain on the payroll of the Borough based on 1 day of salary pay for every 4 days of accumulated unused sick leave if the total days are below 100 or 1 day base salary pay for every 3 days of accumulated unused sick leave if the total days are above 100, subject to a maximum payment. The maximum payment for employees who retire under PERS is \$12,000.00 and under PFRS is \$17,000.00.

**16. *CONTINGENT LIABILITIES (Continued)***

**A. *Compensated Absences (Continued)***

It is estimated that the sum of \$110,567.30, computed internally at 2010 salary rates, would be payable to 10 officials and employees of the Borough of New Providence as of December 31, 2010 for accumulated sick days. This amount was not verified by audit.

Provisions for the above are not reflected on the Financial Statements of the Borough.

**B. *Federal and State Awards***

The Borough participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the Borough has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2010 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

**C. *Tax Appeals***

There are seven appeals pending before the New Jersey Tax Court. As of December 31, 2010, the Borough has established a Reserve for Tax Appeals in the amount of \$308,045.08.

Judgments unfavorable to the Borough result in direct tax credits or refunds chargeable to current operations. Judgments are also generally extended forward in reduction of assessed valuations for two successive years and would further increase the liability of the Borough for tax credits or refunds. County taxes paid on the reductions in assessed valuations are subject to credits at County rates against the County Tax Levy of the year subsequent to the year in which the appeal is adjudicated.

Additional liability would be incurred for the payment of interest on refunds at statutory rates from the date of any excess payments to the date of refund (N.J.S. 54:3-27.2).

**D. *Litigation***

The Borough Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Borough's insurance carrier or would have a material financial impact on the Borough.

**17. *Other Receivables***

During 2009, the Borough entered into an agreement with a member of the Special Improvement District for repayments for certain improvements of which the amounts received would be applied to Unfunded Improvement Authorizations 07-13 and 08-13.

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS  
TREASURER

A-4

	<u>Ref.</u>	<u>Regular Fund</u>	<u>Federal and State Grant Fund</u>
Balance December 31, 2009	A	\$ 4,455,988.03	\$ 39,258.73
Increased by Receipts:			
Prepaid Revenue	A	\$ 104,675.00	\$
Miscellaneous Revenue Not Anticipated	A-2c	175,545.26	
Collector	A-5	53,174,306.29	
Petty Cash Funds	A-7	1,750.00	
Due State of N.J. Senior Citizens' and Veterans' Deductions	A-8	113,677.40	
Revenue Accounts Receivable	A-12	2,933,733.29	
Federal and State Grant Receivable	A-15		238,740.85
Interfunds	A-18,19	20,844.79	518.62
Reserve for Sale of Assets	A-25	85.00	
Reserve for Federal and State Grants	A-27		4,395.75
Contra Item: Library State Aid	Contra	5,650.00	
		56,530,267.03	243,655.22
		60,986,255.06	282,913.95
Decreased by Disbursements:			
Refund of Prior Year Revenue	A-1	2,634.17	
Revenue Refunds	A-2a	1,970.00	
Open Space Municipal Tax	A-2b	32,493.64	
Budget Appropriations	A-3	14,058,388.15	
Petty Cash Funds	A-7	1,750.00	
Appropriation Reserves	A-16	445,022.32	
Tax Overpayments	A-17	92,971.70	
Interfunds	A-18,19	51,997.38	2,790.91
Reserve for Tax Appeals	A-20	442,316.91	
Local School District Tax	A-21	31,325,234.00	
County Taxes Payable	A-22	10,013,604.04	
Due to Special Improvement District	A-23	102,256.64	
Reserve for Federal and State Grants	A-27		251,419.24
Contra Item	Contra	5,650.00	
		56,576,288.95	254,210.15
Balance December 31, 2010	A	\$ 4,409,966.11	\$ 28,703.80

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS  
TAX COLLECTOR

A-5

	<u>Ref.</u>	<u>Current Fund</u>
Receipts:		
Miscellaneous Revenue Not Anticipated	A-2c	\$ 239.66
State of New Jersey Senior Citizen		
Deductions	A-8	250.00
Taxes Receivable	A-9	52,831,428.67
Revenue Accounts Receivable	A-12	55,280.44
Other Accounts Receivable	A-14	4,610.19
Tax Overpayments	A-17	89,756.34
Prepaid Taxes	A-24	<u>192,740.99</u>
		<u>53,174,306.29</u>

Disbursements:		
Turnovers to Treasurer	A-4	<u>53,174,306.29</u>
		<u>\$ -</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

CHANGE FUNDS

A-6

<u>Department</u>	Balance Dec. 31, 2009	Balance Dec. 31, 2010
Tax Collector	\$ 50.00	\$ 50.00
Clerk	50.00	50.00
Municipal Court	<u>50.00</u>	<u>50.00</u>
	<u>\$ 150.00</u>	<u>\$ 150.00</u>
	<u>Reference</u>	A
		A

PETTY CASH FUNDS

A-7

<u>Department</u>	Funds Authorized	Funds Returned
Treasurer	\$ 750.00	\$ 750.00
Police Chief	500.00	500.00
Engineer	<u>500.00</u>	<u>500.00</u>
	<u>\$ 1,750.00</u>	<u>\$ 1,750.00</u>
	<u>Reference</u>	A-4
		A-4

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

DUE TO STATE OF NEW JERSEY  
CHAPTER 129, P.L. 1976

A-8

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 1,354.02
Increased by:		
Collections	A-4	\$ 113,677.40
Veterans' and Senior Citizens' Deductions		
Disallowable by Tax Collector - Prior Year	A-5	<u>250.00</u>
		113,927.40
		<u>115,281.42</u>
Decreased by:		
Veterans' and Senior Citizens' Deductions		
Per Tax Billings		113,000.00
Veterans' and Senior Citizens' Deductions		
Allowed by Tax Collector		<u>1,250.00</u>
		114,250.00
Less: Veterans' and Senior Citizens'		
Disallowable by Tax Collector		<u>904.11</u>
		113,345.89
Balance December 31, 2010	A	<u>\$ 1,935.53</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-9

Year	2010 Levy	Added Taxes	Collections		Transferred to Tax Lien	Cancelled	Balance Dec. 31, 2010
			2009	2010			
Balance Dec. 31, 2009							
2009	\$ 256,292.76	\$ 8,157.88	\$ 264,450.64	\$ 10,425.42	\$ 38,014.85		\$ 157,580.10
	<u>\$ 53,062,716.95</u>	<u>\$ 176,372.66</u>	<u>\$ 52,680,323.92</u>				
	<u>\$ 256,292.76</u>	<u>\$ 8,157.88</u>	<u>\$ 52,944,774.56</u>	<u>\$ 10,425.42</u>	<u>\$ 38,014.85</u>		<u>\$ 157,580.10</u>
Reference	A	Below	Reserve	A-2b.24	A-2b.5 Below	Reserve	A
Analysis of 2010 Property Tax Levy							
Cash Collector Due from State of New Jersey							
			A-5	\$ 52,831,428.67			
			A-8	<u>\$ 113,345.89</u>			
			Above	<u>\$ 52,944,774.56</u>			
Ref.							
Tax Levy							
Local School District							
County Taxes:							
			County Tax		A-22	\$ 9,957,622.47	
			Added and Omitted Taxes		A-22	<u>24,298.94</u>	
							9,981,921.41
Special Improvement District Taxes							
Added and Omitted Taxes							
			A-23	102,474.64			
			A-23	<u>3,113.20</u>			
							105,587.84
Dedicated Local Open Space Tax (Abstract)							
Added and Omitted Taxes							
			A-2b	32,430.00			
				<u>63.64</u>			
							32,493.64
Local Taxes for Municipal Purposes							
(Budget)							
Added and Omitted Taxes							
			A-2	11,520,744.00			
			Reserve	<u>96,736.06</u>			
							11,617,480.06
Above							
				\$ 53,062,716.95			

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

TAX TITLE LIENS

A-10

Ref.

Balance December 31, 2009	A	\$ 116,481.10
Increased by:		
Transfer from Taxes Receivable	A-9	\$10,425.42
Penalties	A-14	<u>662.74</u>
		<u>11,088.16</u>
Balance December 31, 2010	A	<u>\$ 127,569.26</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES  
(AT ASSESSED VALUE)

A-11

	<u>Ref.</u>	
Balance December 31, 2009	A	<u>\$ 11,955.00</u>
Balance December 31, 2010	A	<u>\$ 11,955.00</u>

Analysis of Balance

<u>Block - Lot</u>	<u>Amount</u>
41-36	\$ 9,200.00
44-07	800.00
153-12	225.00
204-25	200.00
239-01	125.00
362-01	230.00
363-01	760.00
363-02	75.00
364-01	70.00
365-01	115.00
366-02	60.00
372-08	95.00
	<u>\$ 11,955.00</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE

A-12

<u>Source</u>	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>2010</u> <u>Accruals</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
<u>Budget Revenue</u>					
Clerk:					
ABC Licenses	A-2	\$ 7,200.00	\$ 7,200.00	\$ 7,200.00	\$
Cat Licenses	A-2	1,525.00		1,525.00	
Other Licenses	A-2a	220.00	2,905.00	2,885.00	240.00
Parking Permits	A-2	5,090.00	155,675.00	155,385.00	5,380.00
Road Openings	A-2a		3,755.00	3,510.00	245.00
Tree Removal	A-2a		2,205.00	2,205.00	
Tax Searches	A-2a		90.00	90.00	
Other Fees and Permits	A-2a	1,188.00	1,345.45	2,415.20	118.25
Health Officer:					
Licenses	A-2a		15,675.00	15,300.00	375.00
Registrar of Vital Statistics:					
Marriage Licenses	A-2a	3.00	132.00	132.00	3.00
Certificate Fees	A-2a		2,880.00	2,625.00	255.00
Construction Official:					
Fees and Permits	A-2a	78,094.00	238,598.00	285,855.00	30,837.00
Municipal Court:					
Fines and Costs	A-2	6,140.12	151,634.65	148,566.35	9,208.42
Police Department:					
Parking Meters	A-2		22,612.80	22,612.80	
Fees and Permits	A-2a		3,483.38	3,483.38	
Fire Department:					
Fire False Alarms	A-2		1,125.00	1,125.00	
Smoke Detector Certifications	A-2	600.00	15,200.00	14,500.00	1,300.00
Uniform Fire Safety	A-2	1,825.00	18,573.15	14,228.15	6,170.00
Planning Board:					
Fees and Permits	A-2a		1,300.00	1,300.00	
Board of Adjustments:					
Fees and Permits	A-2a		16,810.00	16,810.00	
Engineering Department:					
Other Fees and Permits	A-2a		18,285.00	18,285.00	
Collector:					
Interest and Costs on Taxes	A-2		55,280.44	55,280.44	
Cable TV - Franchise Fee	A-2		139,830.82	139,830.82	
Sewer Rentals	A-2	2,010.00	176,025.97	175,895.97	2,140.00
Rental of Municipal-Owned Property	A-2		64,747.86	64,747.86	
Library Reimbursements	A-2		63,000.00	63,000.00	
Interest on Investments	A-2		25,151.86	25,151.86	
Consolidated Municipal Property					
Tax Relief	A-2		133,847.00	133,847.00	
New Providence Special Improvement					
District Premium	A-2		70,750.00	70,750.00	
Berkeley Heights 2009 Sewer Payment	A-2		148,699.90	148,699.90	
Leaf Collection Revenue	A-2		41,950.00	41,800.00	150.00
Energy Receipts Tax	A-2		1,169,972.00	1,169,972.00	
Capital Surplus	A-2		180,000.00	180,000.00	
		<u>\$ 95,170.12</u>	<u>\$ 2,950,265.28</u>	<u>\$ 2,989,013.73</u>	<u>\$ 56,421.67</u>

<u>Reference</u>	<u>A</u>	<u>Reserve</u>	<u>Below</u>	<u>A</u>
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	<u>Ref.</u>	
Treasurer	A-4	\$ 2,933,733.29
Tax Collector	A-5	<u>55,280.44</u>
	Above	<u>\$ 2,989,013.73</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

INSURANCE CLAIMS RECEIVABLE

A-13

Ref.

Balance December 31, 2009	A	\$ 27,772.50
Decreased by:		
Cancellations	Reserve	<u>27,772.50</u>
		<u>\$</u>

OTHER ACCOUNTS RECEIVABLE

A-14

Ref.

Balance December 31, 2009	A	\$ 4,610.19
Increased by:		
Charges	Reserve	<u>2,572.00</u>
		<u>7,182.19</u>
Decreased by:		
Receipts	A-2c,5	\$ 4,610.19
Transferred to Tax Title Liens	A-10	<u>662.74</u>
		<u>5,272.93</u>
Balance December 31, 2010	A	<u>\$ 1,909.26</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE  
FEDERAL AND STATE GRANT FUND

A-15  
Sheet #1

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increase</u>	<u>Collections</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Clean Communities Program	\$ 20,361.47		\$ 20,361.47	\$	\$
Community Development Block Grant:					
Expressive Recreation for Mentally Retarded CY 04	54.00				54.00
Senior Citizen High Risk Health CY 08	4,687.96		4,686.89	1.07	
Senior Citizen High Risk Health CY 09	2,559.04		2,559.04		
Senior Citizen High Risk Health CY 10		7,247.00			7,247.00
Senior Exercise and Arts and Crafts CY 08	3,545.00		3,545.00		
Senior Exercise and Arts and Crafts CY 09	2,505.00		2,505.00		
Senior Exercise and Arts and Crafts CY 10		5,575.00			5,575.00
Senior Citizen Transportation CY 08	2,218.50		2,218.50		
Senior Citizen Transportation CY 09	2,781.50		2,781.50		
Senior Citizen Transportation CY 10		6,334.00			6,334.00
Green Communities	3,000.00				3,000.00
Drunk Driving Enforcement Grant		2,493.56	2,493.56		
Over the Limit - Under Arrest		4,400.00	4,200.00		200.00
N.J. Department of Transportation		282,100.00			282,100.00
N.J. Safe Streets Program	50,000.00				22,352.37
Safe Routes to School Program	180,000.00				180,000.00
Alcohol Rehabilitation, Education and Enforcement Fund:					
2009	2.14				2.14
2010		402.18	402.18		
Municipal Alliance on Alcohol and Drug Abuse:					
2009	13,229.55				12,551.69
2010		17,583.00			9,345.11
New Jersey Transportation Trust Fund:					
Maple Street - CY 2001/2002	63,937.65				63,937.65
New Providence Downtown Streetscape Project 2010		245,000.00			245,000.00

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

FEDERAL AND STATE GRANTS RECEIVABLE  
FEDERAL AND STATE GRANT FUND

A-15  
Sheet #2

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increase</u>	<u>Collections</u>	<u>Cancelled</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Police Body Armor Replacement Program:					
2009	\$ 407.67	\$ 3,684.89	\$ 3,684.89	\$ 407.67	\$
2010		2,052.23	2,052.23		
Federal Police Bulletproof Vest Partnership		55,000.00	55,000.00		
Comcast		41,633.83	41,633.83		
Recycling Tonnage Aid		2,334.50	2,334.50		
Union County Tree Grant					
Union County Kid Recreation Trust - 2006	23,375.00				23,375.00
Union County Kid Recreation Trust - Playground	49,750.00				30,822.43
Union County Kids Recreation Trust:					
Recreation Improvements and Equipment - 2009		60,000.00	60,000.00		60,000.00
Recreation Improvements and Equipment - 2010		50,000.00	50,000.00		50,000.00
	<u>\$ 402,053.01</u>	<u>\$ 806,201.66</u>	<u>\$ 282,868.24</u>	<u>\$ 1,342.74</u>	<u>\$ 924,043.69</u>
<u>Reference</u>	<u>A</u>	<u>Below</u>	<u>Below</u>	<u>A-19</u>	<u>A</u>
				<u>Ref.</u>	
Grant Awards					
A-2		\$ 806,201.66			
A-4					\$ 238,740.85
A-26					44,127.39
Applied from Unappropriated Reserves					
Above		<u>\$ 806,201.66</u>			<u>\$ 282,868.24</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

2009 APPROPRIATION RESERVES

A-16  
Sheet #1

<u>Appropriation</u>	Balance Dec. 31, 2009		Balance After Transfers		Balance Lapsed	
	<u>Encumbered</u>	<u>Reserved</u>			<u>Expended</u>	
Salaries and Wages:						
Human Resources	\$ 2,666.00	\$ 2,666.00	\$ 52.43	\$ 2,613.57		
Financial Administration	11,152.92	11,152.92			11,152.92	
Legal Services and Costs	799.92	799.92			799.92	
Engineering	116.14	116.14			116.14	
Planning Board	374.90	374.90	304.30	70.60		
Board of Adjustment	1,013.31	1,013.31	319.52	693.79		
Police	61,394.23	61,394.23	12,434.61	48,959.62		
Municipal Court	1,052.79	1,052.79	670.84	381.95		
Waste Water Treatment Plant	40,780.30	40,780.30	6,085.97	34,694.33		
Board of Health	77.07	77.07	77.07			
Council on Affordable Housing	6,500.00	6,500.00	5,067.20	1,432.80		
Other Expenses:						
Administrative and Executive	1,881.40	32,158.01	34,039.41	21,562.98	12,476.43	
Human Resources		10,749.81	10,749.81	15.00	10,734.81	
Mayor and Council		3,995.39	3,995.39	328.40	3,666.99	
Municipal Clerk		2,755.49	2,755.49	1,208.62	1,546.87	
Financial Administration		9,330.00	9,330.00	2,100.00	7,230.00	
Auditing Services		1,077.50	1,077.50		1,077.50	
Assessment of Taxes	4,530.75	27,647.93	32,178.68	10,862.00	21,316.68	
Collection of Taxes		758.62	758.62		758.62	
Legal Services and Costs	490.00	7,624.52	8,114.52	8,024.52	90.00	
Public Works		7,685.20	7,685.20	7,685.20		
Traffic Signal Maintenance		278.52	278.52		278.52	
Engineering	267.40	8,322.93	8,590.33	8,590.33		
Public Buildings and Grounds	8,506.32	71,693.06	85,199.38	84,318.29	881.09	
Planning Board		12,058.38	12,058.38	4,210.00	7,848.38	
Board of Adjustment	6,620.00	3,144.00	9,764.00	7,439.00	2,325.00	
Motor Supplies	4,954.06	23,586.93	28,540.99	26,945.62	1,595.37	
Fire	14,184.17	16,246.30	30,430.47	18,904.83	11,525.64	
Uniform Fire Safety Act	250.00	32.90	282.90	282.90		
Police	20,991.11	11,402.58	32,393.69	21,765.99	10,627.70	
Police Dispatch/911		979.35	979.35		979.35	
Emergency Management	279.92	3,074.64	3,354.56	279.92	3,074.64	
Municipal Court		4,064.25	4,064.25	84.25	3,980.00	
Road Repairs	32,520.66	12,735.64	45,256.30	43,489.03	1,767.27	
Fleet Maintenance	17,266.64	7,573.69	24,840.33	21,321.09	3,519.24	
Construction Official		2,200.07	2,200.07		2,200.07	
Solid Waste/Recycling Collection	7,700.13	7,700.13			7,700.13	
Landfill/Solid Waste Disposal Costs	20,000.00	2,602.29	22,602.29	22,602.29		
Waste Water Treatment Plant	10,072.96	15,068.24	25,141.20	16,627.84	8,513.36	
Board of Health		98.94	98.94		98.94	
Animal Control		155.00	155.00	94.64	60.36	

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

2009 APPROPRIATION RESERVES

A-16  
Sheet #2

<u>Appropriation</u>	Balance Dec. 31, 2009		Balance After Transfers		Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>	<u>Expended</u>		
Other Expenses:					
Health Services	\$	\$ 3,400.83	\$ 3,400.83	\$	\$ 3,400.83
Community Services		1,013.50	1,013.50	100.00	913.50
Senior Citizens' Program	4,276.94	15,017.52	19,294.46	4,276.94	15,017.52
Tuition Reimbursement Program		2,500.00	2,500.00		2,500.00
Utilities:					
Electricity	20,724.01		29,724.01	29,492.56	231.45
Telephone and Telegraph	1,352.69	951.00	4,303.69	4,091.87	211.82
Natural Gas	21,600.00	6,748.77	28,348.77	1,068.69	27,280.08
Street Lighting	1,033.35	12,694.87	1,728.22	1,033.35	694.87
Water	149.09	11,093.82	7,242.91	149.09	7,093.82
Contingent		500.00	500.00		500.00
Contribution to Social Security		18,419.66	18,419.66	3,346.01	15,073.65
Maintenance of Free Public Library		22,769.43	22,769.43		22,769.43
Sewer System - Joint Meeting		509.68	509.68		509.68
Sewer System - Berkeley Heights		1,998.47	1,998.47		1,998.47
Length of Service Award Program		30,000.00	30,000.00	19,500.00	10,500.00
Insurance:					
General Liability		19,468.50	19,468.50	18,569.00	899.50
Group Insurance Plans for					
Employees	70.00	13,888.89	13,958.89	1,940.00	12,018.89
Workers' Compensation		28,946.00	28,946.00		28,946.00
	<u>\$ 199,721.60</u>	<u>\$ 614,948.70</u>	<u>\$ 814,670.30</u>	<u>\$ 445,022.32</u>	<u>\$ 369,647.98</u>

Reference

A

A

A-4

A-1

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

TAX OVERPAYMENTS

A-17

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 3,272.92
Increased by:		
Collections	A-5	<u>89,756.34</u>
		<u>93,029.26</u>
Decreased by:		
Refunds	A-4	<u>92,971.70</u>
Balance December 31, 2010	A	<u>\$ 57.56</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

INTERFUND PAYABLE  
CURRENT FUND

A-18

<u>Ref.</u>	<u>Total</u>	<u>Federal and State Grant Fund</u>	<u>Assessment Trust Fund</u>	<u>General Trust Fund</u>	<u>General Capital Fund</u>
Balance December 31, 2009:					
Due From	\$ 15,596.22	\$ 221.16	\$	\$ 15,375.06	\$
Due To	<u>52,285.35</u>		<u>395.20</u>		<u>51,890.15</u>
Receipts					
Cancellation of Grants Receivable					
A-4	20,844.79	2,790.91		197.60	15,222.11
A-1	<u>1,342.74</u>	<u>1,342.74</u>		<u>197.60</u>	<u>15,222.11</u>
	<u>22,187.53</u>	<u>4,133.65</u>			
Disbursements					
Cancellation of Grant Reserves					
A-4	51,997.38	886.69	886.69		51,997.38
A-1	<u>886.69</u>	<u>886.69</u>			
	<u>52,884.07</u>	<u>886.69</u>			
Balance December 31, 2010:					
Due From	\$ 152.95			\$ 152.95	
Due To	<u>A \$ 6,145.54</u>	<u>\$ 3,025.80</u>		<u>\$ 592.80</u>	<u>\$ 2,526.94</u>
Analysis of Net Credit to Operations					
Balance December 31, 2009	\$ 15,596.22				
Balance December 31, 2010				<u>152.95</u>	
Net Credit to Operations				<u>\$ 15,443.27</u>	

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

INTERFUND  
FEDERAL AND STATE GRANT FUND

A-19

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>General Trust</u>
Balance December 31, 2009:				
Due From	A	\$ 518.62	\$	\$ 518.62
Due To	A	221.16	221.16	
Receipts	A-4	518.62		518.62
Cancellation of Federal and State Grant Reserves	A-27	<u>886.69</u>	<u>886.69</u>	
Cancellation of Federal and State Grants Receivable	A-15	1,342.74	1,342.74	
Disbursements	A-4	<u>2,790.91</u>	<u>2,790.91</u>	
Balance December 31, 2010:				
Due From	A	<u>\$ 3,025.80</u>	<u>\$ 3,025.80</u>	<u>\$ -</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

RESERVE FOR TAX APPEALS

A-20

Ref.

Balance December 31, 2009	A	\$ 440,361.99
<b>Increased by:</b>		
2010 Budget Appropriations	A-3	\$ 170,000.00
2010 Taxes	A-2b	<u>140,000.00</u>
		310,000.00
		<u>750,361.99</u>
<b>Decreased by:</b>		
Refunded	A-4	<u>442,316.91</u>
		<u>\$ 308,045.08</u>
Balance December 31, 2010	A	

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

LOCAL SCHOOL DISTRICT TAX

A-21

Ref.

Increased by:		
2010 Tax Levy	A-1,2b,9	\$ 31,325,234.00
Decreased by:		
Payments	A-4	<u>31,325,234.00</u>
		\$ <u>-</u>

COUNTY TAXES

A-22

Ref.

Balance December 31, 2009	A	\$ 55,981.57
Increased by:		
2010 Tax Levy		\$ 9,567,095.05
2010 County Open Space Tax		<u>390,527.42</u>
	A-9	9,957,622.47
Added and Omitted Taxes	A-9	<u>24,298.94</u>
	A-1,2b	9,981,921.41
		<u>10,037,902.98</u>
Decreased by:		
Payments	A-4	<u>10,013,604.04</u>
Balance December 31, 2010	A	\$ 24,298.94

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

DUE TO SPECIAL IMPROVEMENT DISTRICT

A-23

Ref.

Increased by:

2010 Calendar Year Levy	A-9	\$ 102,474.64
Added and Omitted Taxes	A-9	<u>3,113.20</u>
	A-1,2b	
		\$ 105,587.84

Decreased by:

Payments	A-4	<u>102,256.64</u>
Balance December 31, 2010	A	<u>\$ 3,331.20</u>

PREPAID TAXES

A-24

Ref.

Balance December 31, 2009	A	\$ 176,372.66
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Increased by:

Collections of 2011 Taxes	A-5	<u>192,740.99</u>
		369,113.65

Decreased by:

Applied to 2010 Taxes Receivable	A-9	<u>176,372.66</u>
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Balance December 31, 2010	A	<u>\$ 192,740.99</u>
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BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

RESERVE FOR SALE OF MUNICIPAL ASSETS

A-25

	<u>Ref.</u>	
Balance December 31, 2009	A	\$ 587,654.92
Increased by:		
Receipts	A-4	85.00
		<u>587,739.92</u>
Decreased by:		
Anticipated as Revenue in 2010 Budget	A-2	<u>503,598.00</u>
Balance December 31, 2010	A	<u>\$ 84,141.92</u>

BOROUGH OF NEW PROVIDENCE  
CURRENT FUND

UNAPPROPRIATED RESERVES  
FEDERAL AND STATE GRANT FUND

A-26

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Anticipated as</u> <u>Revenue in</u> <u>2010 Budget</u>
Drunk Driving Enforcement (DWI)	\$ 2,493.56	\$ 2,493.56
Recycling Tonnage Aid	<u>41,633.83</u>	<u>41,633.83</u>
	<u><u>\$ 44,127.39</u></u>	<u><u>\$ 44,127.39</u></u>

Reference

A

A-15

BOROUGH OF NEW PROVIDENCE  
FEDERAL AND STATE GRANT FUND

RESERVE FOR FEDERAL AND STATE GRANTS

A-27  
Sheet #1

Program	Balance Dec. 31, 2009	Increase	Expenditures	Cancelled	Balance Dec. 31, 2010
Alcohol Education and Rehabilitation 2009	\$ 23.54	\$ 402.18	\$ 6,590.47	\$ 2.14	\$ 21.40
Alcohol Education and Rehabilitation 2010	13,415.54				402.18
Clean Communities Program 2008	19,470.94				6,825.07
Clean Communities Program 2009					19,470.94
Clean Communities Program 2010		20,361.47			20,361.47
N.J. Safe Streets Program	43,939.37				8,171.26
Community Development:					
Downtown Development	78.89				78.89
Senior Citizen High Risk Health Care - 2009	7,172.00				6,956.93
Senior Citizen High Risk Health Care - 2010					197.00
Senior Exercise and Arts and Crafts - 2009	6,050.00				6,050.00
Senior Exercise and Arts and Crafts - 2010					6,334.00
Senior Citizen Transportation - 2009	5,000.00				5,000.00
Senior Citizen Transportation - 2010					5,575.00
Drunk Driving Enforcement (DWI) - 2008	4,424.16				2,687.91
Drunk Driving Enforcement (DWI) - 2009	2,433.71				1,736.25
Drunk Driving Enforcement (DWI) - 2010					2,433.71
Fields of Dreams - Board of Education	5,018.57				2,493.56
Knights of Columbus Donation	518.62				5,018.57
Municipal Alliance on Alcohol and Drug Abuse:					518.62
Year 2009	3,163.76				587.89
State Grant Year 2010					2,575.87
Local Match Year 2010					14,986.52
New Jersey Transportation Trust Fund:					1,665.92
Livingston Avenue	7,739.18				2,596.48
2010 Central Avenue					2,729.83
2010 New Providence Downtown Streetscape					6,178.71
Safe Routes to School Program	170,059.37				245,385.28
Police Body Armor Replacement 2008	3,051.27				14,742.50
Police Body Armor Replacement 2009	2,528.19				754.00
Police Body Armor Replacement 2010					2,297.27
Police Department Donations	16.70				2,528.19
					3,684.89
					16.70

BOROUGH OF NEW PROVIDENCE  
FEDERAL AND STATE GRANT FUND

RESERVE FOR FEDERAL AND STATE GRANTS

A-27  
Sheet #2

<u>Program</u>	<u>Balance Dec. 31, 2009</u>	<u>Increase</u>	<u>Expenditures</u>	<u>Cancelled</u>	<u>Balance Dec. 31, 2010</u>
Federal Bulletproof Vest Partnership 2009	\$ 800.00	\$ 2,052.23	\$ 754.00	\$	\$ 46.00
Federal Bulletproof Vest Partnership 2010	14,144.28		475.00		2,052.23
Recycling Tonnage - 2008	27,620.61				13,669.28
Recycling Tonnage - 2009					27,620.61
Recycling Tonnage - 2010					41,633.83
Storm Water Pollution Prevention	74.00				74.00
Summer Junior League Youth Center	58.00				58.00
Union County Kid Recreation Trust - Playground	10,037.52				
Over the Limit Under Arrest			4,400.00	4,200.00	200.00
Comcast Local Access Grant - Capital Improvement Fund	669.45		55,000.00	55,000.00	
Summit Junior League - Youth Center					669.45
Green Communities	2,460.00				2,460.00
Summit Area Foundation - Special Needs	270.00				120.00
Union County Tree Grant					2,334.50
Union County Kids Recreation Trust Fund	47,244.14		2,334.50	39,787.80	
Union County Kids Recreation Trust Fund:					7,456.34
Recreational Improvements and Equipment:					
2009	60,000.00				60,000.00
2010		50,000.00			50,000.00
<u>\$ 397,481.81</u>	<u>\$ 810,597.41</u>		<u>\$ 251,419.24</u>	<u>\$ 886.69</u>	<u>\$ 955,773.29</u>
<u>Reference</u>	<u>A</u>	<u>Below</u>	<u>A-4</u>	<u>Below</u>	<u>A</u>
<u>Ref.</u>					
Federal and State Grants					\$ 806,201.66
Borough's Matching Funds					4,395.75
Due to Current Fund					886.69
Above					\$ 886.69

Federal and State Grants  
Borough's Matching Funds  
Due to Current Fund

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS  
TREASURER

B-2

<u>Ref.</u>	<u>Assessment Trust Fund</u>	<u>Animal Control Fund</u>	<u>General Trust Fund</u>
Balance December 31, 2009			\$ 1,324,482.85
Increased by Receipts:			
Assessments Receivable	B-4 \$ 197.60		\$ 190,377.35
Other Accounts Receivable	B-5		200,947.01
Construction and Other Deposits	B-8		33,327.24
Municipal Open Space Trust Fund	B-9		152.95
Interfunds	B-10		
Reserve for Animal Control Expenditures	B-12		730,733.62
Reserve for Various Expenditures	B-13		8,053.54
Reserve for State Unemployment Insurance	B-14		
		197.60	1,163,591.71
			<u>13,265.95</u>
		7,704.12	
			<u>2,488,074.56</u>
Decreased by Disbursements:			
Due to State of New Jersey	B-7		1,940.00
Construction and Other Deposits	B-8		328,763.21
Municipal Open Space Trust Fund	B-9		142.50
Interfunds	B-6,10		15,893.68
Reserve for Animal Control Expenditures	B-12	8,061.25	891,829.50
Reserve for Various Expenditures	B-13		8,105.04
Reserve for State Unemployment	B-14		4,130.86
Reserve for Grant Expenditures	B-15		
		197.60	
			<u>8,061.25</u>
			<u>\$ 5,204.70</u>
Balance December 31, 2010	B	\$ -	\$ 1,237,269.77
			<u><u>\$ 1,250,804.79</u></u>

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

ANALYSIS OF ASSESSMENT CASH AND INVESTMENTS

B-3

Balance  
Dec. 31, 2010

General Accounts

Fund Balance	\$ 592.80
Current Fund Interfund	<u>(592.80)</u>
	\$ -

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

ASSESSMENTS RECEIVABLE

B-4

<u>Ordinance Number</u>	<u>Purpose</u>	<u>Confirmation</u>		<u>Due Dates</u>	<u>Balance Dec. 31, 2009</u>	<u>Balance Dec. 31, 2010</u>	<u>Unpledged</u>	<u>Collections</u>
		<u>Date</u>	<u>Installments</u>					
1999-03	Installation of Granite Block Curbing on Dogwood Lane	10-15-02	10	11-15-11	\$ 395.20	\$ 197.60		\$ 197.60

B

B-2

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

OTHER ACCOUNTS RECEIVABLE

B-5

	<u>Ref.</u>	<u>Total</u>	<u>Unemployment Insurance</u>	<u>Police Escrow</u>
Balance December 31, 2009	B	\$ 1,040.24	\$ 751.00	\$ 289.24
Increased by:				
Off-Duty Police Services	B-13	<u>210,321.46</u>	<u>751.00</u>	<u>210,321.46</u>
		<u>211,361.70</u>		<u>210,610.70</u>
Decreased by:				
Receipts	B-2	<u>190,377.35</u>	<u>751.00</u>	<u>189,626.35</u>
Balance December 31, 2010	B	<u>\$ 20,984.35</u>	<u>\$ -</u>	<u>\$ 20,984.35</u>

BOROUGH OF NEW PROVIDENCE  
TRUST FUNDS

INTERFUND RECEIVABLE

B-6

	<u>Ref.</u>	<u>Assessment</u>	<u>Trust Fund</u>	<u>Current</u>	<u>Fund</u>
Balance December 31, 2009	B			\$ 395.20	
Increased by:					
Disbursements	B-2			<u>197.60</u>	
Balance December 31, 2010	B			\$ <u>592.80</u>	

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

DUE TO STATE OF NEW JERSEY

B-7

	<u>Ref.</u>	Animal Control Trust Fund	General Trust Fund
			Unemployment Insurance
Balance December 31, 2009	B	\$ 1.20	\$ 1,940.00
Decreased by:			
Payments	B-2	_____	1,940.00
Balance December 31, 2010	B	<u><u>\$ 1.20</u></u>	<u><u>\$ -</u></u>

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

## CONSTRUCTION AND OTHER DEPOSITS

Sheet #1  
B-8

		Eggers Court Storm Water Detention			
<u>Ref.</u>	<u>Total</u>	<u>Performance Bonds</u>	<u>Sewer Openings</u>	<u>Road Openings</u>	<u>Well Abandonment</u>
Balance December 31, 2009	B \$ 559,844.42	\$ 506,082.42	\$ 1,000.00	\$ 13,772.00	\$ 3,500.00
Increased by: Collections	B-2 <u>200,947.01</u> <u>760,791.43</u>	<u>173,212.01</u> <u>679,294.43</u>	<u>1,000.00</u>	<u>5,395.00</u> <u>19,167.00</u>	<u>3,500.00</u>
Decreased by: Refunded or Expended	B-2 <u>328,763.21</u>	<u>301,350.71</u>			<u>4,747.50</u>
Balance December 31, 2010	B \$ 432,028.22	\$ 377,943.72	\$ 1,000.00	\$ 14,419.50	\$ 3,500.00

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

CONSTRUCTION AND OTHER DEPOSITS

Analysis of Balances December 31, 2010

	Date of Deposit	Total	Performance Bonds	Sewer Openings	Road Openings	Well Abandonment	Lot Grading	Eggers Court Storm Water Detention
Chesapeake	3-10-97	\$ 1,000.00	\$ 1,000.00	\$	\$	\$	\$	\$
Fuschetto 194/25	12-19-01	3,500.00	3,500.00					
Coya New Homes	1-30-04	2,500.00	2,500.00					
CRC Communities	12-18-04	1,737.75	1,737.75					
Boro Gardens	11-17-05	4,197.75	4,197.75					
SG New Prov LLC/200 South Street	1-31-06	232.50	232.50					
CR - Bard - 730 Central Avenue	8-21-06	750.00	750.00					
Health Care and Retirement Corporation of America, Inc. - 2006 Addition BOC/603 Mountain Avenue	9-11-06	4,098.30	4,098.30					
Prestige Diner	11-03-06	642.50	642.50					
Kroeger - 3 Baldwin	5-11-07	172.50	172.50					
Mandel '07 Post Office	10-09-07	460.25	460.25					
Murray Hill Apartments - Garage PB Esc 31 Earl Place - BOA Fees	12-07-07	634.65	634.65					
53 Union Avenue BOA Esc Fee	1-21-08	1,610.60	1,610.60					
Fellsway-Schmitz BOA Escrow	3-04-08	166.86	166.86					
Linde Group - 575 Mountain Bradley - 443 Charn	4-11-08	45.00	45.00					
Indigo Gym - 705 Central	5-06-08	70.00	70.00					
Pereira & Bilicska	7-24-08	1,176.80	1,176.80					
139 South Street	5-11-09	52.50	52.50					
571 Central - #16 Healthcare	8-19-09	168.75	168.75					
Faith Lutheran - PBA 2009-004	9-01-09	225.00	225.00					
Thosco, Inc. T/A McGrath's	9-10-09	2,032.50	2,032.50					
R Lucid - 27 Glenbrook	10-28-09	2,907.50	2,907.50					
NJ Sharing Network - 691 Central - PB Esc	12-07-09	177.50	177.50					
A&P Village Shop Sign - PB Esc	2-25-10	2,122.61	2,122.61					
Thosco, T/A McGrath's BOA Eng/Constr	4-01-10	95.99	95.99					
Arc of Union County/BOA Esc	4-03-10	4,560.00	4,560.00					
B. Woodyby - 35 Colony Court - BOA Esc	7-29-10	1,364.75	1,364.75					
	11-08-10	1,000.00	1,000.00					

B-8  
Sheet #2

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

CONSTRUCTION AND OTHER DEPOSITS

Analysis of Balances December 31, 2010

	Date of Deposit	Total	Performance Bonds	Sewer Openings	Road Openings	Well Abandonment	Lot Grading	Eggers Court Storm Water Detention
BOC	8-12-97	\$ 17,657.30	\$ 17,657.30	\$	\$	\$	\$	\$
Mountain Valley II (Leone)	3-17-98	8,828.35	8,828.35					
Mack Cali Realty, L.P.	6-04-99	5,904.68	5,904.68					
Commerce Bank	5-11-07	103.94	103.94					
Stonefields - New Providence	7-24-07	983.93	983.93					
McDonald's '07 - Performance Guarantee	8-21-07	41,769.89	41,769.89					
McDonald's '07 - Construction Inspection	8-21-07	9,259.17	9,259.17					
McDonald's '07 - Board of Adjustment Expense	9-14-07	2,298.06	2,298.06					
New Providence - Village Center Amended	9-27-07	610.09	610.09					
Commerce Bank - Engineering /Inspection	10-09-07	7,376.94	7,376.94					
Commerce Bank - Performance Bond	10-09-07	43,196.48	43,196.48					
McDonald Maintenance Guarantee	3-04-08	52,009.25	52,009.25					
NP Village Center - Performance Bond	8-09-08	12,570.40	12,570.40					
Prestige Holdings	1-16-09	1,408.06	1,408.06					
Lutheran Social Ministry	4-20-09	124.76	124.76					
Foley Square at Murray Hill, LLC	8-07-09	1,693.66	1,693.66					
NP 2004 LLC 675 Central	8-19-09	0.55	0.55					
Great A & P Tea Co.	12-16-09	64,821.40	64,821.40					
A&P Village Shop Center - BOA Eng Inspec	1-05-10	1,348.67	1,348.67					
RC Central/Eng Inspec Fees PB 558 Central	4-20-10	4,343.44	4,343.44					
Cottage Street Assoc. 200 South Street	7-08-10	884.28	884.28					
Sun Power Corp. 600 Mountain Avenue	7-19-10	3.13	3.13					
RC Central 558 Central Avenue - PB	7-19-10	16,958.42	16,958.42					
Faith Lutheran Church 2009-004 Engineer	8-10-10	819.35	819.35					
Faith Lutheran Church 2009-004 Constr	8-10-10	27,335.30	27,335.30					
Union Avenue Developers:								
Stonefields NP - Cons	11-01-10	5,052.12	5,052.12					
Stonefields NP - Perf	11-01-10	12,125.79	12,125.79					

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

CONSTRUCTION AND OTHER DEPOSITS

Analysis of Balances December 31, 2010

	Date of Deposit	Total	Performance Bonds	Sewer Openings	Road Openings	Well Abandonment	Lot Grading	Eggers Court Storm Water Detention
Leggette, Brashears & Graham - 2007-27	8-17-05	\$ 2,100.00	\$	\$	\$	\$ 2,100.00	\$	\$
Leggette, Brashears & Graham - 2007-27	7-06-07	1,400.00				1,400.00		
C. Dynamics	6-30-93	400.00						400.00
Ciroco Construction	5-13-94	500.00						500.00
Moretti	6-13-96	150.00						150.00
Phen	1-16-97	100.00						100.00
Countrywide	6-20-97	100.00						100.00
Natalie	1-12-98	100.00						100.00
Bogush Plumbing	3-19-99	100.00						100.00
Mason	8-10-99	100.00						100.00
Torbilt Construction	11-16-99	450.00						450.00
Gregory and Emilia Arner	7-17-00	250.00						250.00
Coya New Homes	1-06-04	250.00						250.00
Key Environment	3-18-05	1,000.00						1,000.00
Langan Lucent	7-13-05	2,868.00						2,868.00
Leggette	9-12-05	254.00						254.00
Romano Construction Inc.	9-12-05	175.00						175.00
Road Opening - 2006-34	1-19-07	170.00						170.00
Road Opening 2007-13a, 2007-13b, 2007-13c	4-12-07	2,505.00						2,505.00
Leggette, Brashears & Graham - 2007-27	7-09-07	170.00						170.00
Leggette, Brashears & Graham - 2007-28	7-09-07	170.00						170.00
2008-15	4-16-08	170.00						170.00
2008-20 Woodcr	6-25-08	255.00						255.00
2008-23	7-10-08	2,400.00						2,400.00
2008-24 Nave	8-26-08	255.00						255.00
2008-30 Lavina	9-22-08	170.00						170.00
2008-33 Bard	10-08-08	170.00						170.00
Road Opening 2009-43	11-16-09	135.00						135.00
Road Opening 2010-21	5-21-10	707.50						707.50
Road Opening 2010-23	5-21-10	90.00						90.00
Road Opening 2010-45	12-21-10	255.00						255.00

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

CONSTRUCTION AND OTHER DEPOSITS

Analysis of Balances December 31, 2010

	Date of Deposit	Total	Performance Bonds	Sewer Openings	Road Openings	Well Abandonment	Lot Grading	Eggers Court Storm Water Detention
Oxford Enterprises #4007	9-18-91	\$ 1,000.00	\$ 2,000.00	\$ 1,000.00	\$	\$	\$	\$ 2,000.00
John De Simone - Meadow Court	5-12-03	2,000.00						255.00
45 Candlewood Drive	6-21-06	255.00						255.00
158 Colchester Road	6-28-06	255.00						170.00
30 Brier Court - LG 2006-10	6-28-06	170.00						425.00
155 Pine Way	8-30-06	425.00						340.00
88 Colchester Road	8-30-06	340.00						45.00
30 Primrose Drive - LG 2006-20	9-15-06	45.00						255.00
78 Forest Road - LG 2006-15	10-20-06	255.00						255.00
80 Penwood Drive - LG 2006-22	10-30-06	255.00						340.00
151 Pittsford Way - LG 2006-25	11-06-06	340.00						255.00
113 Evergreen Avenue - LG 2006-18	11-17-06	255.00						275.00
M. Fredrick Landscaping - LG 2006-24	11-27-06	275.00						170.00
Keating - LG 2006-31	2-09-09	170.00						340.00
118 Commonwealth Avenue - LG 2006-32	1-05-07	340.00						255.00
2 Baldwin Drive - LG 2006-36	1-24-07	255.00						255.00
238 Woodbine Circle - LG 2007-38	1-24-07	255.00						70.00
24 Thomas Street - LG 2007-44	3-20-07	70.00						340.00
244 Woodbine Circle - LG 2007-47	3-22-07	340.00						500.00
120 Pine Way - LG 2007-48	4-05-07	500.00						170.00
53 Midvale Drive - LG 2007-49	4-12-07	170.00						340.00
20 Kline Place - LG 2007-39	5-07-07	340.00						500.00
3 Baldwin Drive - LG 2007-45	5-15-07	500.00						275.00
1545 Springfield Avenue - LG 2007-54	5-22-07	275.00						170.00
1060 Springfield Avenue - LG 2007-52	6-05-07	170.00						425.00
73 Dogwood Lane - LG 2007-51	6-14-07	425.00						255.00
53 Elkwood Avenue - LG 2007-60	6-14-07	255.00						170.00
25 Cameron Road - 2007-61	6-14-07	170.00						255.00
150 Pearl Street - LG 2007-62	6-15-07	255.00						255.00
82 Maple Street - LG 2007-66	6-19-07	255.00						

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

CONSTRUCTION AND OTHER DEPOSITS

Analysis of Balances December 31, 2010

	Date of Deposit	Total	Performance Bonds	Sewer Openings	Road Openings	Well Abandonment	Lot Grading	Eggers Court Storm Water Detention
60 Old Brook Lane - LG 2007-68	7-03-07	\$ 320.00	\$ 320.00	\$	\$	\$	\$ 320.00	\$
51 Commonwealth Avenue - LG 2007-50	7-12-07	340.00						340.00
43 Colony Court - LG 2007-70	7-16-07	320.00						320.00
15 Hedden Place - LG 2007-71	8-08-07	255.00						255.00
28 Colony Court - LG 2007-63	8-09-07	425.00						425.00
5 Hansell Road - 2007-76	8-23-07	50.00						50.00
371 Maple Street - 2007-75	8-24-07	170.00						170.00
111 Oakwood Drive - 2007-77	8-28-07	410.00						410.00
14 Cameron Road - LG 2007-74	8-31-07	255.00						255.00
429 Charnwood Road - LG 2007-81	8-31-07	255.00						255.00
121 The Fellsway - LG 2007-84	9-07-07	340.00						340.00
224 Pine Way - LG 2007-59	9-21-07	255.00						255.00
1011 Springfield Avenue - 2007-85	9-27-07	255.00						255.00
10 Crane Circle - LG 2007-79	10-08-07	275.00						275.00
122 Mountain Avenue - LG 2007-91	10-16-07	170.00						170.00
41 Second Street - LG 2007-89	10-25-07	255.00						255.00
1522 Springfield Avenue - LG 2007-82	11-02-07	255.00						255.00
297 Livingston Avenue - LG 2007-94	11-14-07	45.00						45.00
54 Tall Oaks Drive - 2007-95	11-15-07	170.00						170.00
39 Salem Road - LG 2007-98	11-15-07	500.00						500.00
Iannella - LG 2008-104	11-16-08	230.00						230.00
Ryder Way - LG 2007-73	1-28-08	205.00						205.00
LG 2008-103	2-11-08	95.00						95.00
Ferraro - LG 2008-109	2-18-08	255.00						255.00
Paez - LG 2008-112	3-03-08	45.00						45.00
Bisaccia - LG 2008-106	3-07-08	340.00						340.00
Hahn - LG 2008-111	3-11-08	170.00						170.00
Diamond Hill - LG 2008-115	3-24-08	500.00						500.00
Chan - LG 2008-117	4-15-08	275.00						275.00
Richardson - LG 2008-121	4-22-08	170.00						170.00
Laforge - LG 2007-96	4-25-08	140.00						140.00

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

CONSTRUCTION AND OTHER DEPOSITS

Analysis of Balances December 31, 2010

	Date of Deposit	Total	Performance Bonds	Sewer Openings	Road Openings	Well Abandonment	Lot Grading	Eggers Court Storm Water Detention
Luzzi - LG 2008-120	4-28-08	\$ 160.00	\$ 160.00	\$	\$	\$	\$ 160.00	\$
Radhakrishnan - LG 2008-128	5-08-08	135.00						135.00
Niedzielski - LG 2007-87	5-16-08	255.00						255.00
Rhines - LG 2008-105	5-21-08	255.00						255.00
Kimball - LG 2008-133	5-23-08	90.00						90.00
Creative Build - LG 2008-129	5-29-08	340.00						340.00
Padmanabhan - LG 2008-130	5-29-08	170.00						170.00
Lomauro - LG 2008-126	5-29-08	255.00						255.00
Kelly - LG 2008-124	6-09-08	180.00						180.00
Nolle - LG 2008-135	6-09-08	165.00						165.00
Bedderideas - LG 2008-138	6-09-08	230.00						230.00
Haney - LG 2008-134	6-16-08	255.00						255.00
Lamotta - LG 2008-132	6-16-08	425.00						425.00
Palatini - LG 2008 - 140	6-19-08	170.00						170.00
Kalliaras/Aggen - LG 2008-139	6-23-08	320.00						320.00
Pierro - LG 2008 - 127	6-25-08	340.00						340.00
Ekert - LG 2007 - 101	8-05-08	90.00						90.00
Grant - LG 2007 - 40	8-06-08	180.00						180.00
Thomas - LG 2008 - 143	8-19-08	95.00						95.00
Beh - LG 2008 - 144	8-19-08	170.00						170.00
Kohut - LG 2008 - 148	9-09-08	170.00						170.00
Villane Construction - LG 2008 - 149	10-02-08	205.00						205.00
Banacki - LG 2008 - 150	10-02-08	340.00						340.00
Bellisario - LG 2008-145	10-07-08	255.00						255.00
Wolak - LG 2008 - 153	10-21-08	90.00						90.00
Yadion - LG 2008 - 151	11-04-08	270.00						270.00
Rilios Paving - LG 2008 - 155	11-13-08	170.00						170.00
Scappetto - LG 2008 - 156	11-24-08	185.00						185.00
Deicas/Sykora - LG 2008 - 131	12-15-08	85.00						85.00
LG 2007 - 56	2008	230.00						230.00
LG 2007 - 97	2008	595.00						595.00

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

CONSTRUCTION AND OTHER DEPOSITS

Analysis of Balances December 31, 2010

	Date of Deposit	Total	Performance Bonds	Sewer Openings	Road Openings	Well Abandonment	Lot Grading	Eggers Court Storm Water Detention
Lot Grading - 2009-158	9-08-09	\$ 140.00	\$ 140.00	\$	\$	\$	\$ 140.00	\$
Lot Grading - 2009-165	5-18-09	135.00						135.00
Lot Grading - 2009-168	7-08-09	50.00						50.00
Lot Grading - 2009-173	8-21-09	45.00						45.00
Lot Grading - 2009-174	10-02-09	230.00						230.00
Lot Grading - 2009-176	8-26-09	230.00						230.00
Lot Grading - 2009-177	9-08-09	90.00						90.00
Lot Grading - 2009-178	9-25-09	320.00						320.00
Lot Grading - 2009-179	12-01-09	185.00						185.00
Lot Grading - 2009-183	12-11-09	190.00						190.00
Lot Grading - 2009-184	12-17-09	230.00						230.00
Lot Grading - 2009-185	12-24-09	230.00						230.00
Lot Grading - 2010-186	2-24-10	95.00						95.00
Lot Grading - 2010-187	3-02-10	135.00						135.00
Lot Grading - 2010-188	3-04-10	210.00						210.00
Lot Grading - 2010-189	4-13-10	45.00						45.00
Lot Grading - 2010-191	4-14-10	95.00						95.00
Lot Grading - 2010-193	5-13-10	190.00						190.00
Lot Grading - 2010-194	4-29-10	275.00						275.00
Lot Grading - 2010-195	5-14-10	50.00						50.00
Lot Grading - 2010-197	5-20-10	45.00						45.00
Lot Grading - 2010-198	5-20-10	260.00						260.00
Lot Grading - 2010-199	6-02-10	185.00						185.00
Lot Grading - 2010-200	6-07-10	230.00						230.00
Lot Grading - 2010-201	6-08-10	230.00						230.00
Lot Grading - 2010-202	6-08-10	305.00						305.00
Lot Grading - 2010-204	7-02-10	140.00						140.00
Lot Grading - 2010-205	6-18-10	185.00						185.00
Lot Grading - 2010-207	7-21-10	185.00						185.00
Lot Grading - 2010-209	7-22-10	205.00						205.00
Lot Grading - 2010-210	8-02-10	185.00						185.00

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

CONSTRUCTION AND OTHER DEPOSITS

Analysis of Balances December 31, 2010

Date of Deposit	Total	Performance Bonds	Sewer Openings	Road Openings	Well Abandonment	Lot Grading	Lot Grading
8-23-10	\$ 185.00	\$ 185.00	\$	\$	\$	\$ 185.00	\$
8-26-10	230.00					230.00	
9-24-10	275.00					275.00	
9-28-10	275.00					275.00	
10-20-10	410.00					410.00	
10-20-10	275.00					275.00	
10-20-10	455.00					455.00	
11-03-10	500.00					500.00	
11-11-10	500.00					500.00	
11-11-10	500.00					500.00	
11-17-10	500.00					500.00	
11-30-10	500.00					500.00	
12-03-10	500.00					500.00	
12-14-10	500.00					500.00	
	<u>\$ 432,028.22</u>	<u>\$ 377,943.72</u>	<u>\$ 1,000.00</u>	<u>\$ 14,419.50</u>	<u>\$ 3,500.00</u>	<u>\$ 33,165.00</u>	<u>\$ 2,000.00</u>

B-8  
Sheet #9

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

MUNICIPAL OPEN SPACE TRUST FUND

B-9

Ref.

Balance December 31, 2009	B	\$ 376,684.68
<b>Increased by:</b>		
Interest on Investments		\$ 833.60
Municipal Open Space Tax		<u>32,493.64</u>
	B-2	<u>33,327.24</u>
		410,011.92
<b>Decreased by:</b>		
Expenditures	B-2	<u>142.50</u>
Balance December 31, 2010	B	<u>\$ 409,869.42</u>

BOROUGH OF NEW PROVIDENCE  
TRUST FUNDS

INTERFUND PAYABLE

B-10

	<u>Ref.</u>	<u>Total</u>	<u>Current Fund</u>	<u>Federal and State Fund</u>
Balance December 31, 2009	B	\$ 15,893.68	\$ 15,375.06	\$ 518.62
Increased by:				
Receipts	B-2	152.95 16,046.63	152.95 15,528.01	518.62
Decreased by:				
Disbursements	B-2	15,893.68	15,375.06	518.62
Balance December 31, 2010	B	<u>\$ 152.95</u>	<u>\$ 152.95</u>	<u>\$ -</u>

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

RESERVE FOR ASSESSMENTS RECEIVABLE

B-11

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2009</u>	<u>Collections to Fund Balance</u>	<u>Balance Dec. 31, 2010</u>
		<u>\$ 395.20</u>	<u>\$ 197.60</u>	<u>\$ 197.60</u>
		<u>Reference</u>	<u>B</u>	<u>B-1</u>
1999-03	Installation of Granite Block Curbing on Dogwood Lane	<u>\$ 395.20</u>	<u>\$ 197.60</u>	<u>\$ 197.60</u>

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

RESERVE FOR  
ANIMAL CONTROL EXPENDITURES

B-12

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 5,560.63
Increased by:		
Dog License Fees Collected	B-2	<u>7,704.12</u>
		<u>13,264.75</u>
Decreased by:		
Expenditures Under N.J.S. 40A:4-39	B-2	<u>8,061.25</u>
Balance December 31, 2010	B	<u>\$ 5,203.50</u>

License Fees Collected

<u>Year</u>	
2009	\$ 7,898.20
2008	<u>7,010.40</u>
	<u><u>\$ 14,908.60</u></u>

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

RESERVE FOR VARIOUS EXPENDITURES

B-13

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Affordable Housing	\$ 113,806.31	\$ 5,218.88	\$ 119,016.07	\$ 9.12
Employee Flex Spending	3,418.52	7,553.65	7,160.72	3,811.45
Forfeitures	10,147.61	3,110.31	1,000.00	12,257.92
Municipal Alliance	12,622.29	2,091.71	3,679.71	11,034.29
Parking Offenses Adjudication	2,834.42	512.00	339.75	3,006.67
Outside Employment of Police	2,436.35	210,321.46	159,988.27	52,769.54
Public Defender Fees	3,335.99	2,800.00		6,135.99
Snow Removal	86,943.11	241,146.48	172,000.45	156,089.14
Donation - Special Needs	734.97			734.97
Unclaimed Property - Police	242.17	477.00		719.17
Recreation	124,826.94	467,598.59	428,644.53	163,781.00
Tree Replacement Program	825.00	225.00		1,050.00
	<u>\$ 362,173.68</u>	<u>\$ 941,055.08</u>	<u>\$ 891,829.50</u>	<u>\$ 411,399.26</u>

<u>Reference</u>	<u>B</u>	<u>Below</u>	<u>B-2</u>
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Ref.

Receipts	B-2	\$ 730,733.62
Other Accounts Receivable	B-5	<u>210,321.46</u>
	Above	<u>\$ 941,055.08</u>

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

RESERVE FOR STATE  
UNEMPLOYMENT INSURANCE

B-14

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 100.05
Increased by:		
Payroll Deductions	B-2	8,053.54
		<u>8,153.59</u>
Decreased by:		
Claims	B-2	<u>8,105.04</u>
Balance December 31, 2010	B	<u>\$ 48.55</u>

BOROUGH OF NEW PROVIDENCE  
TRUST FUND

RESERVE FOR GRANT EXPENDITURES  
POCKET PARKS GRANT

B-15

	<u>Ref.</u>	
Balance December 31, 2009	B	\$ 8,886.58
Decreased by:		
Expenditure	B-2	<u>4,130.86</u>
Balance December 31, 2010	B	<u>\$ 4,755.72</u>

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS  
COLLECTOR-TREASURER

C-2

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 164,534.93
Increased by Receipts:		
Premium on Sale of Notes	C-1	\$ 35,488.65
Deferred Charges to Future Taxation -		
Unfunded		11,300.00
Grants Receivable	C-4	2,634.17
Capital Improvement Fund	C-8	55,000.00
Interfunds	C-9	49,363.21
Bond Anticipation Notes	C-10	<u>5,484,240.00</u>
		<u>5,638,026.03</u>
		<u>5,802,560.96</u>
Decreased by Disbursements:		
Fund Balance	C-1	180,000.00
Improvement Authorizations	C-7	506,524.47
Bond Anticipation Notes	C-10	<u>4,414,100.00</u>
		<u>5,100,624.47</u>
Balance December 31, 2010	C	<u>\$ 701,936.49</u>

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

ANALYSIS OF CAPITAL CASH AND INVESTMENTS

C-3

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance Dec. 31, 2010</u>
	Fund Balance	\$ 499,544.69
	Capital Improvement Fund	69,169.13
	Current Fund Interfund	(2,526.94)
	Cash on Hand to Pay Notes	190,572.14
	<u>General Improvements</u>	
04-04	Various Capital Improvements	478.67
05-06	Various Capital Improvements	3,000.00
06-11	Various Capital Improvements	27,722.28
06-14	Sidewalk and Streetscape Improvements	41,967.78
06-15	Reconstruction of Borough Roads	3,382.52
06-16	Rescue Squad Headquarters Building	(664,900.00)
07-08	Various Capital Improvements	1,032,910.18
07-18	Stream Bank Restoration Supplemental	66,200.18
08-07	Various Capital Improvements	(733,039.97)
08-12	Academy Street Project	(34,449.90)
08-13	Downtown Streetscape Project	(47,239.63)
09-13	Various Capital Improvements	216,282.86
10-13	Various Capital Improvements	26,862.50
10-19	Lighting at Lieder Field	6,000.00
		<u>\$ 701,936.49</u>

Reference

C

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

GRANTS AND OTHER RECEIVABLES

C-4

	Ref.	Total	Department of Environmental Protection	Community Development Block Grant	Voluntary Contribution
Balance December 31, 2009	C	\$ 37,634.17	\$ 2,634.17	\$ 35,000.00	\$
Increased by:					
Voluntary Agreement	Reserve	<u>113,342.97</u> <u>150,977.14</u>	<u>2,634.17</u>	<u>35,000.00</u>	<u>113,342.97</u> <u>113,342.97</u>
Decreased by:					
Collections	C-2	2,634.17	2,634.17	35,000.00	35,000.00
Cancellations	C-7	<u>35,000.00</u> <u>37,634.17</u>	<u>2,634.17</u>	<u>35,000.00</u>	<u>35,000.00</u>
Balance December 31, 2010	C	<u><u>\$ 113,342.97</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 113,342.97</u></u>

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-5

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 8,528,843.91
Decreased by:		
Payment of Debt:		
Waste Water Treatment Loans	C-11	\$ 373,891.51
Serial Bonds	C-12	<u>945,000.00</u>
		<u>1,318,891.51</u>
Balance December 31, 2010	C	<u>\$ 7,209,952.40</u>

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-6

Ordinance Number	Improvements	Balance Dec. 31, 2010	Analysis of Balance		
			Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorization
05-06	Various Capital Improvements	\$ 576,911.17	\$ 576,911.17	\$	\$
05-17	Emergency Communications Equipment	56,500.00	56,500.00		
06-04	Sidewalk and Streetscape Improvements	637,326.69	637,326.69		
06-11	Various Capital Improvements	222,020.00	222,020.00		
06-14	Sidewalk and Streetscape Improvements	380,000.00	380,000.00		
06-15	Reconstruction of Borough Roads	123,800.00	123,800.00		
06-16	Rescue Squad Headquarters Building	665,000.00		664,900.00	100.00
07-08	Various Capital Improvements	2,274,210.00	2,274,210.00		
07-13	Downtown Streetscape Project	167,900.00	167,900.00		
07-18	Stream Bank Restoration Supplemental	570,000.00	570,000.00		
08-07	Various Capital Improvements	1,368,235.00		733,039.97	635,195.03
08-12	Academy Street Project	166,250.00		34,449.90	131,800.10
08-13	Downtown Streetscape Project	47,500.00		47,239.63	260.37
09-13	Various Capital Improvements	499,700.00	285,000.00		214,700.00
10-13	Various Capital Improvements	632,700.00			632,700.00
10-19	Lighting at Lieder Field	104,000.00			104,000.00
		<u>\$ 8,492,052.86</u>	<u>\$ 5,293,667.86</u>	<u>\$ 1,479,629.50</u>	<u>\$ 1,718,755.50</u>

<u>Reference</u>	<u>C</u>	<u>Below</u>	<u>C-3</u>	<u>Below</u>
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	<u>Ref.</u>
Bond Anticipation Notes	C-10
Less: Cash on Hand to Pay Notes	C-3
	<u>190,572.14</u>
	Above
	<u>\$ 5,293,667.86</u>

	<u>Ref.</u>
Unfunded Improvement Authorizations	C-7
Less: Unexpended Proceeds of Bond Anticipation Notes Issued - Various Ordinances	C-3
	<u>1,391,465.80</u>
	Above
	<u>\$ 1,718,755.50</u>

## IMPROVEMENT AUTHORIZATIONS

5

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND

C-8

	<u>Ref.</u>	
Balance December 31, 2009	C	\$ 53,469.13
Increased by:		
Comcast Local Access Grant	C-2	55,000.00
		<u>108,469.13</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-7	39,300.00
Balance December 31, 2010	C	<u>\$ 69,169.13</u>

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

INTERFUND

C-9

	<u>Ref.</u>	<u>Current Fund</u>
Balance December 31, 2009: (Due From)	C	\$ 51,890.15
Decreased by: Receipts	C-2	<u>49,363.21</u>
Balance December 31, 2010: (Due From)	C	<u>\$ 2,526.94</u>

BOND ANTICIPATION NOTES

C-10

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

WASTE WATER TREATMENT LOANS PAYABLE

C-11

	<u>Ref.</u>	<u>Total</u>	<u>Series 1998F</u>	<u>Series 1994B</u>
Balance December 31, 2009	C	\$ 1,613,843.91	\$ 1,200,000.00	\$ 413,843.91
Decreased by:				
Semiannual Loan Payments	C-5	<u>373,891.51</u>	<u>210,000.00</u>	<u>163,891.51</u>
Balance December 31, 2010	C	<u><u>\$ 1,239,952.40</u></u>	<u><u>\$ 990,000.00</u></u>	<u><u>\$ 249,952.40</u></u>

Payment Schedule:

<u>Due Date</u>	<u>Rate</u>	<u>Total</u>	<u>Series 1998F</u>	<u>Series 1994B</u>
3/01/11	6.375%	\$ 375,082.62	\$ 225,000.00	\$ 150,082.62
9/01/11	6.375	14,517.24		14,517.24
3/01/12	6.50	325,352.54	240,000.00	85,352.54
3/01/13	6.50	255,000.00	255,000.00	
3/01/14	6.50	<u>270,000.00</u>	<u>270,000.00</u>	<u></u>
		<u><u>\$ 1,239,952.40</u></u>	<u><u>\$ 990,000.00</u></u>	<u><u>\$ 249,952.40</u></u>

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

## GENERAL SERIAL BONDS

12

BOROUGH OF NEW PROVIDENCE  
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-13

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance Dec. 31, 2010</u>	<u>Balance Dec. 31, 2009</u>
05-06	Various Capital Improvements	\$ 16,255.00	
06-11	Various Capital Improvements	92.60	
06-16	Rescue Squad Headquarters Building	665,000.00	665,000.00
07-08	Various Capital Improvements		632,335.00
08-07	Various Capital Improvements	1,368,235.00	1,368,235.00
08-12	Academy Street Project	166,250.00	166,250.00
08-13	Downtown Streetscape Project	47,500.00	15,200.00
09-13	Various Capital Improvements	214,700.00	499,700.00
10-13	Various Capital Improvements	632,700.00	
10-19	Lighting at Lieder Field	104,000.00	
		<u>\$ 3,198,385.00</u>	<u>\$ 3,363,067.60</u>

Reference

C

C

BROUGH OF NEW PROVIDENCE  
PAYROLL FUND

CASH RECEIPTS AND DISBURSEMENTS

E-1

Ref.

Balance December 31, 2009	E	\$ 41,136.41
Increased by:		
Net Payroll		\$ 4,243,218.56
Payroll Deductions		<u>3,444,668.31</u>
	E-2	<u>7,687,886.87</u>
		<u>7,729,023.28</u>
Decreased by:		
Net Payroll		4,243,218.56
Payroll Deductions Paid to Agencies		<u>3,446,688.04</u>
	E-2	<u>7,689,906.60</u>
Balance December 31, 2010	E	<u>\$ 39,116.68</u>

BOROUGH OF NEW PROVIDENCE  
PAYROLL FUND

PAYROLL DEDUCTIONS PAYABLE

E-2

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Net Salaries and Wages	\$	\$ 4,243,218.56	\$ 4,243,218.56	\$
Payroll Agency	<u>41,136.41</u>	<u>3,444,668.31</u>	<u>3,446,688.04</u>	<u>39,116.68</u>
	<u><u>\$ 41,136.41</u></u>	<u><u>\$ 7,687,886.87</u></u>	<u><u>\$ 7,689,906.60</u></u>	<u><u>\$ 39,116.68</u></u>
<u>Reference</u>	<u>E</u>	<u>E-1</u>	<u>E-1</u>	<u>E</u>

Analysis of balance is on file in the Office of the Chief Financial Officer.

*PART II*  
*REPORT ON INTERNAL CONTROL*  
*ROSTER OF OFFICIALS*  
*COMMENTS AND RECOMMENDATIONS*  
*(MANAGEMENT LETTER)*  
*YEAR ENDED DECEMBER 31, 2010*

# **SAMUEL KLEIN AND COMPANY**

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR  
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36 WEST MAIN STREET, SUITE 301  
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## ***REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF STATUTORY BASIS FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and Members  
of the Borough Council  
Borough of New Providence  
New Providence, New Jersey 07974

We have audited the statutory basis financial statements of the various funds of the Borough of New Providence, County of Union, as of and for the years ended December 31, 2010 and December 31, 2009, and have issued our report thereon dated March 28, 2011 which was qualified as a result of the Municipality's policy to prepare its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Internal Control Over Financial Reporting**

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

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Municipality's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain matters, however, that we have reported and described in Part II of the accompanying "Report on Examination of Accounts".

This report is intended solely for the information and use of the Municipality's governing body and management, appropriate State and Federal awarding agencies and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. It is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
March 28, 2011

**ROSTER OF OFFICIALS AND REPORT ON SURETY BONDS**

**DECEMBER 31, 2010**

The following officials were in office during the period under examination:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
John A. Thoms	Mayor	\$
Julia MacDermott	Council President	
James A. Cucco	Councilman	
Armand Galluccio	Councilman	
Michael Gennaro	Councilman	
J. Brooke Hern	Councilman	
Vincas Vyzas	Councilman	
Kenneth DeRoberts	Chief Financial Officer	125,000.00
Douglas Marvin	Administrator	
Wendi B. Barry	Borough Clerk	
Monica S. Marino	Tax Collector	300,000.00
Carl Woodward, III	Borough Attorney	
Donald Bogosian	Borough Judge	25,000.00
Macrina Carra	Court Administrator	
Patricia Spychola	Tax Assessor	

All surety bonds were issued by the Selective Insurance Company of America.

The Municipal Court Administrator was covered under a separate blanket bond in the amount of \$25,000.00.

An Employee Theft Bond in the amount of \$250,000.00 and a Forgery or Alteration Bond in the amount of \$100,000.00 covers each Borough employee not separately bonded.

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The Honorable Mayor and Members  
of the Borough Council  
Borough of New Providence  
New Providence, New Jersey 07974

Mesdames and Gentlemen:

We have audited the financial statements, Federal and State Financial Assistance Programs and supplemental schedules and data of the

**BOROUGH OF NEW PROVIDENCE**

**COUNTY OF UNION**

for the years ended December 31, 2010 and December 31, 2009 and have issued our report thereon. As part of our audit, we reviewed and tested the Borough's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America; by the Division of Local Government Services of the Department of Community Affairs, State of New Jersey; by the *Government Auditing Standards* issued by the U.S. General Accounting Office; and by the provisions of the "Single Audit Act of 1984". Compliance requirements were also reviewed in accordance with the requirements of the aforementioned standards and guidelines or, where applicable, the terms and conditions of particular grant agreements and as approved by the Cognizant Audit Agency.

Our comments with respect to the audit, internal control, and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the audit are herewith set forth.

**Contracts and Agreements Required to be Advertised per (N.J.S. 40A:11-4)**

N.J.S. 40A:11-4, as amended, states "Every contract or agreement for the performance of any work for the 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 the amount set forth in, or the amount calculated by the Governor pursuant to N.J.S. 40A:11-3c, except by contract or agreement."

It is pointed out that the Borough Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Borough Attorney should be sought before a commitment is made.

The statutory bidding threshold for the year 2010 was the sum of \$26,000.00 effective July 1, 2010.

Notwithstanding N.J.S.A. 40A:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay to Play Law" provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity.

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

Landscaping Services  
Energy Consulting Services  
Central Avenue Roadway Improvements  
Sanitary Sewer Lining  
Snow Removal  
Division Avenue Sidewalk Improvements

The minutes also indicate that resolutions were adopted authorizing the awarding of contracts or agreements for professional services in accordance with the provisions of N.J.S.A. 19:44A-20.5 for Consulting Engineer, Attorney, Auditor, Labor Negotiator, Bond Counsel and other professional services.

Purchases and acquisitions over the sum of \$3,900.00 effective July 1, 2010, but under the statutory threshold, were approved by separate resolutions of the Borough Council in accordance with Borough policy.

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

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

The Mayor and Council adopted the following resolution on January 4, 2010 authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED by the Mayor and Council of the Borough of New Providence, in the County of Union and State of New Jersey, that the interest rate on delinquent taxes shall be established at the rate of eight percent (8%) per annum on amounts up to \$1,500.00 and eighteen percent (18%) per annum on amounts over \$1,500.00 and that pursuant to N.J.S.A. 54:4-67, as amended, there is hereby imposed a penalty to be charged to a taxpayer, with a delinquency in excess of \$10,000.00, who fails to pay said delinquency prior to December 31, 2010. The penalty be and the same hereby is fixed at six percent (6%) of the amount of delinquency, and that the penalty as herein provided shall be in addition to all other interest and penalty provisions now existing for unpaid taxes.

BE IT FURTHER RESOLVED that there is hereby established, pursuant to New Jersey Statute 54:4-67, as amended, a ten (10) day grace period for the payment of any current tax installment. During said ten-day grace period, no interest shall be chargeable upon the then-current tax installment payments due."

Our review of the Tax Collector's records indicated that computer calculated interest was collected in accordance with the provisions of the foregoing resolution.

#### **Tax Title Liens**

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

<u>Year</u>	<u>Number of Liens</u>
2010	3
2009	3
2008	3

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

A test verification of delinquent balances and current payments was made in accordance with the regulations of the Division of Local Government Services and is summarized as follows:

	<u>Confirmations</u> <u>Written</u>
Payment of 2010 and 2011 Taxes	50
Delinquent Taxes	12
Tax Title Liens	3
	<u>65</u>

There were no exceptions developed in responses received to date.

#### **Interfunds**

The balance sheets of the various funds as of December 31, 2010 reflect Interfunds Receivable and Payable. Transactions invariably occur in one fund that results in a corresponding entry to be made in another fund, thus creating interfund balances. As a general rule, all interfund balances should be closed out before the end of the year. It is the Borough's policy to review and liquidate all interfund balances on a periodic basis.

#### **Other Post-Employment Benefits**

Local Finance Notice 2007-15 requires local units that provide non-pension benefits to retired employees, such as health insurance coverage, prescription or other benefits, to disclose the annual payment for currently retired employees and future cost for those employees in the Notes to the Financial Statements.

Those municipalities that are not members of the State Health Benefits Plan or other cost sharing plans must obtain an actuarially calculated post-employment benefit on a periodic basis for inclusion in the Notes to the Financial Statements.

The Borough has complied with this requirement.

### **Encumbrance System**

A review of purchase orders, vouchers and invoices revealed a number of purchase orders tested were dated subsequent to dates recorded on invoices.

It is recommended that all purchase orders be issued prior to goods/services being received.

### **Construction Code Office**

The cash book was not in agreement with the bank reconciliation which is a result of the cash book not being accurately maintained.

It is recommended that the Construction Code Office cash book be accurately maintained.

### **Fixed Asset Group of Accounts**

The Division of Local Government Services in the Department of Community Affairs of the State of New Jersey requires all municipalities in the State to establish and maintain sets of accounts and inventories reflecting costs or other valuations of all fixed assets, including land, building, improvements, machinery, furniture, and equipment. Such accounts, to be included under a "General Fixed Assets Group of Accounts", would insure complete fiscal reliability of records, establish a basis for claims of losses and other insurance purposes, augment protective measures against the misuse or theft of property and furnish date on aging, anticipated life and other information on assets. Failure to maintain fixed asset records could jeopardize the Borough's eligibility for future Federal and State Grants.

Although an inventory of movable fixed assets was prepared as of December 31, 2010, it was noted that several purchases and disposals were not included.

It is recommended that records for the General Fixed Asset Group of Accounts be accurately maintained.

### **State Unemployment Insurance**

It was noted that the Fourth Quarter Employer's liability for the State Unemployment Insurance was not funded in 2010. In addition, payments required for State Unemployment Insurance were not remitted to the State of New Jersey on a timely basis which resulted in interest being incurred by the Borough.

It is recommended that funds be appropriated for the employer's share of the State Unemployment Insurance liability and all payments be remitted on a timely basis.

### **Corrective Action Plan**

In accordance with the requirements of the Single Audit Act and regulations of the Division of Local Government Services, a corrective action plan must be prepared by the Chief Financial Officer and filed with the Division within sixty days from the date the audit is received by the Governing Body.

A Corrective Action Plan was prepared and filed by the Chief Financial Officer.

### **Status of Prior Years' Audit Recommendations**

A review was performed on the prior years' recommendation, however, this recommendation has been repeated:

That all purchase orders be issued prior to goods/services being received.

**Miscellaneous**

A 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 Borough Clerk.

A report summarizing collections of Animal Control Fees and remittances of State Registration Fees was prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

Individual payments of the Local School District Tax by the Borough were confirmed as received by the Secretary of the Board of Education for the year 2010.

One copy of this report was filed with the Division of Local Government Services.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

### **RECOMMENDATIONS**

\*That all purchase orders be issued prior to goods/services being received.

That the Construction Code Office cash book be accurately maintained.

That records for the General Fixed Asset Group of Accounts be accurately maintained.

That funds be appropriated for the employer's share of the State Unemployment Insurance liability and all payments be remitted on a timely basis.

\*Repeat recommendation.

The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer with the Mayor and members of the Borough Council on questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the courtesy and cooperation extended to us by Borough officials during the course of the examination.

Respectfully submitted,



SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS



JOSEPH J. FACCONE, RMA, PA

Newark, New Jersey  
March 28, 2011

