

**TOWNSHIP OF DEERFIELD  
COUNTY OF CUMBERLAND  
REPORT OF AUDIT  
FOR THE YEAR 2010**

**TOWNSHIP OF DEERFIELD**  
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**TOWNSHIP OF DEERFIELD**  
**PART 1**  
**REPORT OF AUDIT OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the Township Committee  
Township of Deerfield  
Rosenhayn, NJ 08352

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Township of Deerfield, in the County of Cumberland, State of New Jersey as of December 31, 2010 and 2009, and the related statements of operations and changes in fund balance-- regulatory basis for the years then ended, and the related statement of revenues-- regulatory basis, statement of expenditures-- regulatory basis, and statement of general fixed assets group of accounts for the year ended December 31, 2010. These financial statements are the responsibility of the Township'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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over financial reporting. Accordingly, we express no such opinion. 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.

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

In our opinion, because of the effects on the financial statements of the requirement that the Township prepare its financial statements in accordance with the accounting practices discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township of Deerfield, in the County of Cumberland, State of New Jersey, as of December 31, 2010 and 2009, or the results of its operations and changes in fund balance for the years then ended.

Furthermore, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-- regulatory basis of the various funds of the Township of Deerfield, in the County of Cumberland, State of New Jersey, as of December 31, 2010 and 2009, and the results of its operations and changes in fund balance-- regulatory basis of such funds for the years then ended, and the revenues-- regulatory basis, expenditures-- regulatory basis of the various funds, and general fixed assets, for the year ended December 31, 2010 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 9, 2011 on our consideration of the Township of Deerfield, in the County of Cumberland, State of New Jersey's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Deerfield's basic financial statements. The supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds and account group taken as a whole.

Respectfully submitted,



BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants



Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 9, 2011

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

The Honorable Mayor and  
Members of the Township Committee  
Township of Deerfield  
Rosenhayn, NJ 08352

We have audited the financial statements (regulatory basis) of the Township of Deerfield, in the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 9, 2011, which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and in compliance with 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 Township of Deerfield'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 Township's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Recommendations, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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 Township's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency described in the accompanying Schedule of Findings and Recommendations to be a material weakness: finding no. 2010-1.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Recommendations to be significant deficiencies: findings no. 2010-2 and 2010-3.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township of Deerfield'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 an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs which is described in the accompanying Schedule of Findings and Recommendations as finding no. 2010-3.

The Township of Deerfield's response to the findings identified in our report are described in the accompanying Schedule of Findings and Recommendations. We did not audit the Township of Deerfield's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management of the Township and the Division of Local Government Services, Department of Community Affairs and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

  
BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

  
Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

Voorhees, New Jersey  
June 9, 2011

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis  
 As of December 31, 2010 and 2009

	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<b><u>ASSETS</u></b>			
Regular Fund:			
Cash:			
Treasurer	SA-1	\$ 3,399,291.68	\$ 3,735,007.18
Collector	SA-2	207,607.85	149,845.09
Change Fund	SA-3	325.00	325.00
Due from State of New Jersey (Ch.73, P.L.1976)	SA-6	15,143.18	12,938.57
Due from Employee	A-3	<u>3,912.38</u>	<u>                    </u>
		<u>3,626,280.09</u>	<u>3,898,115.84</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	187,568.38	180,754.44
Tax Title Liens Receivable	SA-5	45,680.06	15,657.11
Property Acquired for Taxes - Assessed Valuation	A	95,400.00	95,400.00
Revenue Accounts Receivable	SA-8	37,366.36	42,577.31
Due from Animal Control Trust Fund	SB-3	904.20	606.96
Due from Trust Other Fund	SB-5	<u>4,602.79</u>	<u>11,041.25</u>
		<u>371,521.79</u>	<u>346,037.07</u>
Deferred Charges:			
Overexpenditure of Appropriations	A-3	947.36	
Special Emergency Authorizations	SA-7	<u>8,000.00</u>	<u>12,000.00</u>
		<u>8,947.36</u>	<u>12,000.00</u>
		<u>4,006,749.24</u>	<u>4,256,152.91</u>
Federal, State and Other Grant Fund:			
Due from the Current Fund	SA-21	96,089.64	89,340.60
Federal, State and Other Grants Receivable	SA-18	<u>107,069.52</u>	<u>92,304.57</u>
		<u>203,159.16</u>	<u>181,645.17</u>
		<u>\$ 4,209,908.40</u>	<u>\$ 4,437,798.08</u>

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
 Statements of Assets, Liabilities, Reserves, and Fund Balances - Regulatory Basis  
 As of December 31, 2010 and 2009

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
<b>Regular Fund:</b>			
Appropriation Reserves	A-3;SA-9	\$ 206,305.58	\$ 216,187.10
Reserve for Encumbrances	A-3;SA-9	60,512.21	43,088.43
Accounts Payable	SA-9	4,772.90	
Payroll Deductions Payable	SA-11	2,233.53	5,057.34
Prepaid Taxes	SA-12	79,980.80	91,053.13
Tax Overpayments	SA-13	14,866.32	5,704.88
Reserve for Revaluation Program	A	18,423.98	18,423.98
Reserve for Master Plan	A	5,000.00	5,000.00
Reserve for Garden State Preservation Trust	SA-10	-	625.20
Unallocated Receipts	A	7,042.74	7,042.74
Due to Federal, State and Other Grant Fund	SA-21	96,089.64	89,340.60
Due to General Capital Fund	SC-6	2,469.39	838.46
Due County for Added and Omitted Taxes	SA-15	12,047.67	15,356.04
Local District School Tax Payable	SA-16	1,245,260.53	1,207,978.43
Regional High School Tax Payable	SA-17	491,202.58	490,562.45
		<u>2,246,207.87</u>	<u>2,196,258.78</u>
Reserves for Receivables	A	371,521.79	346,037.07
Fund Balance	A-1	1,389,019.58	1,713,857.06
		<u>4,006,749.24</u>	<u>4,256,152.91</u>
<b>Federal, State and Other Grant Fund:</b>			
Reserve for:			
Federal, State and Other Grants Unappropriated	SA-19	1,810.41	2,870.91
Federal, State and Other Grants Appropriated	SA-20	92,642.08	172,777.31
Encumbrances	SA-20	108,706.67	5,996.95
		<u>203,159.16</u>	<u>181,645.17</u>
		<u>\$ 4,209,908.40</u>	<u>\$ 4,437,798.08</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF DEERFIELD  
CURRENT FUND**

Statements of Operations and Changes in Fund Balance - Regulatory Basis  
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>Revenue and Other Income Realized:</b>		
Fund Balance Utilized	\$ 711,750.00	\$ 618,550.00
Miscellaneous Revenues Anticipated	1,009,262.62	1,045,894.71
Receipts from Delinquent Taxes	167,685.47	221,242.54
Receipts from Current Taxes	5,292,432.59	5,359,012.99
Nonbudget Revenues	121,709.70	204,023.34
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	191,703.41	237,391.67
Refund of Prior Year Expenditure	3,390.13	
Cancellation of Prior Year Grant Match	15,311.90	
Cancellation of Tax Overpayments	288.13	
Statutory Excess - Animal Control Trust Fund	297.00	437.79
Accounts Payable Canceled		7,337.26
Reserves Liquidated:		
Animal Control Trust Fund		172.21
Federal, State and Other Grant Fund		45,852.43
Trust Other Fund	6,438.46	
	<u>7,520,269.41</u>	<u>7,739,914.94</u>
<b>Expenditures:</b>		
Budget Appropriations:		
Appropriations Within "CAPS"		
Operations (Salaries and Wages)	535,404.00	518,965.00
Operations (Other Expenses)	668,191.36	646,142.00
Statutory Expenditures	80,157.00	77,261.00
Appropriations Excluded from "CAPS"		
Operations (Salaries and Wages)	6,738.00	6,738.00
Operations (Other Expenses)	78,144.60	77,886.00
Capital Improvements	198,500.00	174,200.00
Debt Service	40,000.00	40,000.00
Deferred Charges	4,000.00	4,000.00
County Taxes	2,035,010.39	2,080,104.27
Due County for Added and Omitted Taxes	12,047.67	15,356.04
Local District School Tax	2,490,521.00	2,415,957.00
Regional High School District Tax	980,557.37	980,201.20
Prior Year Senior Citizens Disallowed	3,414.38	1,542.77
Net Cancellation of Prior Year Grant Balances		39,531.88
Refund of a Prior Year Revenue	1,321.24	
Reserves Created:		
Animal Control Trust Fund	297.24	
Trust Other Fund		6,824.09
	<u>7,134,304.25</u>	<u>7,084,709.25</u>
Excess in Revenue to Fund Balance (Carried Forward)	<u>385,965.16</u>	<u>655,205.69</u>

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
 Statements of Operations and Changes in Fund Balance - Regulatory Basis  
 For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Excess in Revenue to Fund Balance (Brought Forward)	\$ 385,965.16	\$ 655,205.69
Adjustments to Income before Fund Balance:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Years	<u>947.36</u>	<u>                    </u>
	386,912.52	655,205.69
<u>Fund Balance:</u>		
Fund Balance January 1	<u>1,713,857.06</u>	<u>1,677,201.37</u>
	2,100,769.58	2,332,407.06
Decreased by:		
Utilization as Anticipated Revenue	<u>711,750.00</u>	<u>618,550.00</u>
Fund Balance December 31	<u>\$ 1,389,019.58</u>	<u>\$ 1,713,857.06</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2010

	Anticipated Budget	Special N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 711,750.00	\$	\$ 711,750.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	3,500.00		5,190.00	1,690.00
Other	600.00		800.00	200.00
Fines and Costs:				
Municipal Court	30,000.00		25,160.02	(4,839.98)
Consolidated Municipal Property Tax Relief Aid	20,731.00		20,280.39	(450.61)
Energy Receipts Tax P.L. 1997, Chapters 162 & 167)	279,675.00		279,675.00	
Reserve for Garden State Preservation Trust Fund	625.20		625.20	
Uniform Construction Code Fees	40,000.00		35,253.00	(4,747.00)
Public and Private Revenues Offset With Appropriations:				
New Jersey Transportation Trust Fund Authority Act	170,000.00		170,000.00	
Clean Communities Program	4,584.40	4,773.69	9,358.09	
Recycling Tonnage Grant	2,286.51		2,286.51	
Other Special Items of Revenues:				
Uniform Fire Safety Act Fees	10,000.00		14,685.85	4,685.85
Host Benefit Fee (PL 1985 CH 38)	400,000.00		445,948.56	45,948.56
	<u>962,002.11</u>	<u>4,773.69</u>	<u>1,009,262.62</u>	<u>42,486.82</u>
Receipts from Delinquent Taxes	<u>160,000.00</u>		<u>167,685.47</u>	<u>7,685.47</u>
Subtotal General Revenues	1,833,752.11	4,773.69	1,888,698.09	50,172.29
Amount to be Raised by Taxes for Support to Municipal Budget - Local Tax for Municipal Purposes	<u>18,946.19</u>		<u>21,580.55</u>	<u>2,634.36</u>
Budget Totals	1,852,698.30	4,773.69	1,910,278.64	52,806.65
Nonbudget Revenues			<u>121,709.70</u>	<u>121,709.70</u>
	<u>\$ 1,852,698.30</u>	<u>\$ 4,773.69</u>	<u>\$ 2,031,988.34</u>	<u>\$ 174,516.35</u>

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2010

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Analysis of Realized Revenue:

Allocation of Current Tax Collections:

Revenue from Collections	\$ 5,292,432.59
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Allocated to:

School and County	<u>5,518,136.43</u>
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Balance (Deficiency) for Support of Municipal Budget Revenues	(225,703.84)
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Add:

Appropriation: "Reserve for Uncollected Taxes"	<u>247,284.39</u>
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Amount for Support of Municipal  
Budget Appropriations

	\$ <u><u>21,580.55</u></u>
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Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 167,351.79
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Tax Title Liens Collections	<u>333.68</u>
-----------------------------	---------------

	\$ <u><u>167,685.47</u></u>
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(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Revenues - Regulatory Basis  
For the Year Ended December 31, 2010

Analysis of Non-Budget Revenue

Miscellaneous Revenue Not Anticipated:

Revenue Accounts Receivable:

Fees and Permits:

Housing Inspector	\$ 5,950.08	
Municipal Improvement Searches	369.00	
Miscellaneous Clerk Receipts	41.50	
Planning Board Secretary	3,400.00	
Cable TV Franchise Fee	<u>7,551.37</u>	\$ 17,311.95

Tax Collector:

Demolition Revenue	4,031.56	
Tax Search Fees	40.00	
Payments in Lieu of Taxes (N.J.S.A. 40A:2-21 et. seq.)	<u>7,978.06</u>	12,049.62

Treasurer:

Due from Recreation	710.00	
Refund of Pension	64.29	
Interest on Bank Deposits	13,389.51	
Fire Official Penalties	348.00	
Appropriation Refunds - Current Year	15,225.34	
FEMA Refunds	1,505.67	
Sale of Municipal Assets	6,063.37	
Payment In Lieu of Taxes (Tax Exempt Property)	11,500.00	
Property Lists	150.00	
Administrative Cost of Senior Citizen and Veterans Program	875.86	
Miscellaneous Refunds	<u>1,420.46</u>	51,252.50
Interest and Refunds from Trust and Capital Funds		3,575.85

Tax Collector:

Returned Check Charge - Tax	40.00	
Interest on Bank Deposits	56.89	
Interest and Costs on Taxes	<u>37,422.89</u>	
		<u>37,519.78</u>
		<u>\$ 121,709.70</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Expended			Over- Expended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive						
Salaries and Wages	\$ 150,000.00	\$ 159,096.97	\$ 148,825.79		\$ 10,271.18	\$
Other Expenses:						
Miscellaneous Other Expenses	44,450.00	45,950.00	39,517.99	1,617.99	4,814.02	
Grant Administrator						
Other Expenses	5,000.00					
Municipal Clerk						
Salaries and Wages	47,500.00	47,500.00	47,500.00			
Other Expenses						
Public Information	6,350.00	6,350.00	3,955.00	2,395.00		
Printing and Legal Advertising	4,000.00	4,000.00	2,438.46	199.65	1,361.89	
Election Expenses	3,000.00	3,000.00	1,710.43		1,289.57	
Financial Administration						
Salaries and Wages	17,500.00	17,500.00	15,797.02		1,702.98	
Other Expenses	6,400.00	6,400.00	5,597.98		802.02	
Annual Audit	30,000.00	30,000.00	23,689.00		6,311.00	
Collection of Taxes						
Salaries and Wages	17,500.00	17,500.00	16,172.57		1,327.43	
Other Expenses	6,000.00	6,000.00	4,208.67	28.82	1,762.51	
Tax Search Officer						
Salaries and Wages	300.00	300.00			300.00	
Assessment of Taxes						
Salaries and Wages	23,250.00	23,250.00	22,931.98		318.02	
Other Expenses	5,000.00	5,000.00	3,499.81	1,500.19		
Tax Map Maintenance	5,500.00	5,500.00	2,823.32	954.37	1,722.31	
Tax Appeals	8,000.00	413.58			413.58	

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Expended			Over- Expended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>GENERAL GOVERNMENT (CONT'D)</u>						
Liquidation of Tax Title Liens and Foreclosed Property						
Other Expenses	\$ 1,000.00	\$	\$	\$	\$	\$
Legal Services and Costs:						
Salaries and Wages	21,000.00	22,108.59	22,108.59			
Other Expenses	20,000.00	13,000.00	4,192.03	70.00	8,737.97	
Engineering Services and Costs						
Other Expenses	8,000.00	6,000.00	1,419.61		4,580.39	
Economic Development						
Other Expenses	3,000.00	754.78			754.78	
Historical Society						
Other Expenses	2,000.00					
Planning Board						
Salaries and Wages	15,500.00	15,500.00	11,615.60		3,884.40	
Other Expenses	10,000.00	10,000.00	6,370.41	853.33	2,776.26	
Affordable Housing						
Other Expenses	32,000.00	32,000.00	1,610.00		30,390.00	
Senior Citizen Center						
Miscellaneous Other Expenses	4,500.00	4,500.00	3,148.23	100.00	1,251.77	
Utilities	10,500.00	14,500.00	13,247.66		1,252.34	
Housing and Zoning Officer						
Salaries and Wages	14,000.00	14,000.00			14,000.00	
Other Expenses	650.00	650.00	342.27	28.82	278.91	
Insurance						
Disability Insurance	2,000.00	2,000.00			2,000.00	
Liability Insurance	18,749.00	24,500.00	15,018.00	2,188.00	7,294.00	
Workers Compensation	44,941.00	44,941.00	44,845.00	96.00		
Group Health	114,419.00	114,419.00	97,356.35	16,500.36	562.29	

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Expended			Over- Expended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>PUBLIC SAFETY</u>						
Emergency Management						
Salaries and Wages	\$ 4,300.00	\$ 4,524.55	\$ 4,453.26	\$	\$ 71.29	\$
Other Expenses	6,000.00	4,800.00	2,633.21	1,556.74	610.05	
Utilities	1,550.00	2,750.00	1,647.85	27.59	1,074.56	
First Aid Organization						
Other Expenses	25,513.00	25,513.00	19,358.98	5,391.97	762.05	
Utilities	4,750.00	4,750.00	2,635.15	281.94	1,832.91	
Fire						
Other Expenses:						
Rosenhayn Fire Company						
Miscellaneous Other Expenses	27,000.00	27,000.00	15,420.81	11,165.06	414.13	
Utilities	18,800.00	20,800.00	18,530.10	303.67	1,966.23	
Carmel Fire Company						
Utilities	6,100.00	4,200.00	3,631.31		568.69	
Educational Materials	5,000.00	5,000.00	1,039.00	3,961.00		
Uniform Safety Act (P.L. 1983 Ch. 383)						
Fire Protection Official						
Salaries and Wages	4,050.00	4,256.91	4,189.80		67.11	
Other Expenses	5,000.00	5,000.00	3,601.54	1,388.09	10.37	
<u>STREETS AND ROADS</u>						
Road Repair and Maintenance						
Salaries and Wages	4,000.00	4,000.00			4,000.00	
Other Expenses	10,000.00	10,000.00	6,731.68		3,268.32	
Recycling Coordinator						
Salaries and Wages	3,775.00	3,971.25	3,971.25			
Other Expenses	100.00	100.00			100.00	

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Expended			Over- Expended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>STREETS AND ROADS (CONT'D)</u>						
Snow Removal						
Salaries and Wages	\$ 3,980.00	\$ 3,980.00	\$ 2,784.23		\$ 1,195.77	
Other Expenses	6,000.00	6,000.00	6,000.00			
Public Buildings and Grounds						
Salaries and Wages	88,500.00	96,735.42	96,735.42			
Miscellaneous Other Expenses	26,100.00	27,100.00	19,842.50	1,243.62	6,013.88	
Utilities	39,000.00	35,000.00	33,681.77	696.54	621.69	
<u>HEALTH AND WELFARE</u>						
Senior Citizen Director						
Salaries and Wages	14,820.00	14,820.00	12,444.97		2,375.03	
Nutritional Center						
Other Expenses	500.00	500.00			500.00	
Dog Regulation						
Salaries and Wages	7,966.00	7,966.00	7,354.68		611.32	
Other Expenses	6,200.00	6,200.00	5,820.00		380.00	
Environmental Control Officer						
Salaries and Wages	5,200.00	5,445.05	5,445.05			
Other Expenses	100.00	100.00			100.00	
Infectious Control Officer						
Salaries and Wages	404.00	404.00	393.87		10.13	
Other Expenses	1,000.00	1,000.00	870.15		129.85	
Flood Insurance Officer						
Salaries and Wages	100.00	100.00			100.00	
Other Expenses	100.00	100.00			100.00	

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Expended			Over- Expended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>RECREATION AND EDUCATION</u>						
Board of Recreation Commissioners						
Salaries and Wages	\$ 3,700.00	\$ 3,700.00	\$ 1,762.11	\$	\$ 1,937.89	\$
Other Expenses	12,000.00	12,000.00	8,779.11	884.14	2,336.75	
Utilities	3,000.00	4,500.00	3,096.95		1,403.05	
Uniform Construction Code--Appropriation Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)						
Construction Code Official						
Other Expenses	1,500.00	1,500.00	531.82	115.28	852.90	
Sub-Code Officials						
Plumbing Inspector						
Salaries and Wages	8,000.00	8,000.00	6,941.39		1,058.61	
Electrical Inspector						
Salaries and Wages	7,000.00	7,166.90	8,114.26			947.36
Demolition Official						
Other Expenses	10,000.00	10,000.00	460.00		9,540.00	
<u>UTILITIES</u>						
Street Lighting	45,000.00	45,000.00	37,930.30	3,325.54	3,744.16	
<u>LANDFILL AND SOLID WASTE DISPOSAL COSTS</u>						
Landfill Post closure Costs	6,700.00	6,700.00	2,874.00	2,374.00	1,452.00	
Sanitary Landfill						
Other Expenses	5,000.00	5,000.00	4,841.23		158.77	
<u>MUNICIPAL COURT</u>						
Municipal Court						
Salaries and Wages	33,600.00	33,600.00	31,987.00		1,613.00	
Other Expenses:						
Security Guard Services	1,400.00	1,400.00	1,045.00	275.00	80.00	
Miscellaneous Other Expenses	6,900.00	6,900.00	4,457.49	889.50	1,553.01	
Interpreter	2,400.00	2,400.00	2,200.00	100.00	100.00	

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Expended			Over- Expended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Encumbered</u>	<u>Reserved</u>	
<u>OPERATIONS WITHIN "CAPS" (CONT'D)</u>						
<u>MUNICIPAL COURT (CONT'D)</u>						
Municipal Prosecutor						
Salaries and Wages	\$ 11,900.00	\$ 11,900.00	\$ 10,269.76		\$ 1,630.24	\$
Other Expenses	1,000.00	1,000.00	925.00		75.00	
Public Defender						
Salaries and Wages	7,131.00	7,131.00	1,744.30		5,386.70	
Other Expenses	2,000.00	2,000.00			2,000.00	
<u>UNCLASSIFIED</u>						
Celebration of a Public Event	2,500.00					
Accumulated Absences	4,000.00	4,000.00	4,000.00			
<b>Total Operations Within "CAPS"</b>	<b>1,202,648.00</b>	<b>1,202,648.00</b>	<b>971,118.07</b>	<b>60,512.21</b>	<b>171,965.08</b>	<b>947.36</b>
Total Operations - Within "CAPS"						
Detail:						
Salaries and Wages	514,976.00	534,456.64	483,542.90		51,861.10	947.36
Other Expenses	687,672.00	668,191.36	487,575.17	60,512.21	120,103.98	
<u>DEFERRED CHARGES AND STATUTORY EXPENDITURES</u>						
Contribution to:						
Pubic Employees' Retirement System	38,157.00	38,157.00	38,157.00			
Defined Contribution Retirement Plan (DCRP)	1,000.00	1,000.00			1,000.00	
Social Security System (O.A.S.I.)	41,000.00	41,000.00	38,456.63		2,543.37	
<b>TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>	<b>80,157.00</b>	<b>80,157.00</b>	<b>76,613.63</b>		<b>3,543.37</b>	
<b>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"</b>	<b>1,282,805.00</b>	<b>1,282,805.00</b>	<b>1,047,731.70</b>	<b>60,512.21</b>	<b>175,508.45</b>	<b>947.36</b>

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Expended			Over- Expended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<b><u>OPERATIONS EXCLUDED FROM "CAPS"</u></b>						
Matching Funds for Grants	\$ 15,000.00	\$ 15,000.00	\$ 2,313.00		\$ 12,687.00	\$
Length of Service Award Program (LOSAP)	12,500.00	12,500.00			12,500.00	
Zoning Officer - Shared Services						
Salaries and Wages	6,738.00	6,738.00	1,127.87		5,610.13	
Other Expenses						
Interlocal Service Agreement with Upper Deerfield Twp	39,000.00	39,000.00	39,000.00			
<b>Total Operations Excluded From "CAPS"</b>	<b>73,238.00</b>	<b>73,238.00</b>	<b>42,440.87</b>		<b>30,797.13</b>	
<b><u>Public and Private Programs Offset by Revenues:</u></b>						
Recycling Tonnage Grant	2,286.51	2,286.51	2,286.51			
Clean Communities Program (40A:4-87, \$4,773.69+)	4,584.40	9,358.09	9,358.09			
<b>Total Public and Private Programs Offset by Revenues</b>	<b>6,870.91</b>	<b>11,644.60</b>	<b>11,644.60</b>			
<b><u>TOTAL OPERATIONS - EXCLUDED FROM "CAPS"</u></b>	<b>80,108.91</b>	<b>84,882.60</b>	<b>54,085.47</b>		<b>30,797.13</b>	
Detail:						
Salaries and Wages	6,738.00	6,738.00	1,127.87		5,610.13	
Other Expenses	73,370.91	78,144.60	52,957.60		25,187.00	
<b><u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</u></b>						
Computer - Senior Center	1,000.00	1,000.00	1,000.00			
Gas Heater - For Lobby	4,000.00	4,000.00	4,000.00			
New Jersey Transportation Trust Fund Authority Act -Shiloh Street						
State Share	170,000.00	170,000.00	170,000.00			
Local Share	23,500.00	23,500.00	23,500.00			
<b>TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"</b>	<b>198,500.00</b>	<b>198,500.00</b>	<b>198,500.00</b>			

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Expenditures - Regulatory Basis  
For the Year Ended December 31, 2010

	Appropriations		Expended			Over- Expended
	Budget	Budget After Modification	Paid or Charged	Encumbered	Reserved	
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</u>						
Payment of Cumberland County Improvement Authority Loan	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$	\$	\$
<u>DEFERRED CHARGES - EXCLUDED FROM "CAPS"</u>						
Special Emergency Authorizations - 5 years (N.J.S. 40A:4-55)	4,000.00	4,000.00	4,000.00			
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>322,608.91</u>	<u>327,382.60</u>	<u>296,585.47</u>		<u>30,797.13</u>	
SUBTOTAL GENERAL APPROPRIATIONS	<u>1,605,413.91</u>	<u>1,610,187.60</u>	<u>1,344,317.17</u>	<u>60,512.21</u>	<u>206,305.58</u>	<u>947.36</u>
RESERVE FOR UNCOLLECTED TAXES	<u>247,284.39</u>	<u>247,284.39</u>	<u>247,284.39</u>			
TOTAL GENERAL APPROPRIATIONS	<u>\$ 1,852,698.30</u>	<u>\$ 1,857,471.99</u>	<u>\$ 1,591,601.56</u>	<u>\$ 60,512.21</u>	<u>\$ 206,305.58</u>	<u>\$ 947.36</u>
Budget		\$ 1,852,698.30				
Appropriation by 40A:4-87		4,773.69				
Reserve for Federal, State and Other Grants Appropriated			\$ 205,144.60			
Due to the Trust Other			10,000.00			
Reserve for Uncollected Taxes			247,284.39			
Due from Employee			(3,912.38)			
Due to the Capital Fund			5,000.00			
Deferred Charges:						
Special Emergency Authorizations			4,000.00			
Disbursed			<u>1,124,084.95</u>			
		<u>\$ 1,857,471.99</u>	<u>\$ 1,591,601.56</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF DEERFIELD**  
**TRUST FUNDS**  
 Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis  
 As of December 31, 2010 and 2009

<u>ASSETS</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Animal Control Fund:			
Cash - Treasurer	SB-1	\$ <u>2,770.20</u>	\$ <u>2,199.96</u>
Other Funds:			
Cash - Treasurer	SB-1	<u>242,489.61</u>	<u>196,359.82</u>
		\$ <u><u>245,259.81</u></u>	\$ <u><u>198,559.78</u></u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Animal Control Fund:			
Reserve for Animal Control Expenditures	SB-2	\$ 1,866.00	\$ 1,593.00
Due to Current Fund	SB-3	<u>904.20</u>	<u>606.96</u>
		<u>2,770.20</u>	<u>2,199.96</u>
Other Funds:			
Due to Current Fund	SB-5	4,602.79	11,041.25
Due to State of N.J.-Sales Tax	SB-6	108.00	66.00
Miscellaneous Trust Reserves:			
Reserve for Unemployment Compensation	SB-7	27,864.10	30,318.81
Reserve for Developers' Escrow	SB-7	39,156.68	25,216.76
Reserve for Developers' Bid Bonds	SB-7	127.69	127.69
Reserve for Fire Penalties and Fines	SB-7	1,020.16	1,003.16
Reserve for Accumulated Absences	SB-7	30,062.96	26,062.96
Reserve for Snow Removal	SB-7	16,500.00	10,500.00
Reserve for Recreation Fund	SB-7	75,792.36	58,725.67
Miscellaneous Trust Escrows:			
Reserve for Sanitary Landfill Escrow	SB-8	9,241.44	9,240.46
Reserve for Security Deposit Tent Rentals	SB-8	175.00	175.00
Reserve for Tax Sale Premiums	SB-8	35,800.00	23,801.00
Reserve for Redemption of Tax Title Liens	SB-8	<u>2,038.43</u>	<u>81.06</u>
		<u>242,489.61</u>	<u>196,359.82</u>
		\$ <u><u>245,259.81</u></u>	\$ <u><u>198,559.78</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
 Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis  
 As of December 31, 2010 and 2009

<u>ASSETS</u>	<u>Ref.</u>	<u>2010</u>	<u>2009</u>
Cash	SC-1	\$ 334,987.47	\$ 333,107.95
Due from Current Fund	SC-6	2,469.39	838.46
Deferred Charges to Future Taxation:			
Funded	SC-3	150,000.00	240,000.00
Unfunded	SC-4	<u>170,000.00</u>	<u>                    </u>
		<u>\$ 657,456.86</u>	<u>\$ 573,946.41</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Cumberland County Improvement Authority -			
Loans Payable	SC-11	\$ 150,000.00	\$ 240,000.00
Reserve for Encumbrances	SC-7		236.60
Improvement Authorizations:			
Funded	SC-5	92,828.63	84,337.58
Unfunded	SC-5	170,000.00	
Reserve for Computer - UCC	SC-10	956.00	1,200.00
Reserve for Gas Heater - Lobby	SC-6	4,000.00	
Capital Improvement Fund	SC-8	182,914.38	191,414.38
Fund Balance	C	<u>56,757.85</u>	<u>56,757.85</u>
		<u>\$ 657,456.86</u>	<u>\$ 573,946.41</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF DEERFIELD**  
**GENERAL FIXED ASSET ACCOUNT GROUP**  
Statement of General Fixed Assets Group of Accounts  
For the Year Ended December 31, 2010

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	<u>Balance</u> <u>December 31, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2010</u>
General Fixed Assets:				
Land	\$ 448,900.00	\$	\$	\$ 448,900.00
Buildings and Improvements	1,259,710.00			1,259,710.00
Machinery and Equipment	<u>1,330,152.37</u>	<u>12,500.00</u>	<u>43,000.00</u>	<u>1,299,652.37</u>
 Total General Fixed Assets	 <u>\$ 3,038,762.37</u>	 <u>\$ 12,500.00</u>	 <u>\$ 43,000.00</u>	 <u>\$ 3,008,262.37</u>
 Total Investment in General Fixed Assets	 <u>\$ 3,038,762.37</u>	 <u>\$ 12,500.00</u>	 <u>\$ 43,000.00</u>	 <u>\$ 3,008,262.37</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**TOWNSHIP OF DEERFIELD**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2010**

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

**Description of Financial Reporting Entity** - The Township of Deerfield was incorporated in 1798. The Township is located in Cumberland County and is primarily a rural farming area approximately 16.8 square miles in land area. The Township provides its citizens the following services: Public improvements, planning and zoning, construction and housing code enforcement, recreational activities, as well as, general administrative services. The present population according to the 2010 census is 3,229.

A Township Committee consisting of five members represents the Township's governmental structure. Members of the Township Committee are elected every three years. Among the members of the Township Committee, the mayor is appointed at the annual reorganization meeting. Executive responsibility rests with the Mayor, who is assisted by the Township Committee. The Township Administrator handles the daily administrative tasks.

**Component Units** - The Township of Deerfield had no component units as defined by Governmental Accounting Standards Board Statement No. 14.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Township of Deerfield contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this Note.

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

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

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

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

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Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Budgets and Budgetary Accounting** - The Township of Deerfield must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

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

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

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

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

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

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Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Inventories of Supplies** - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

**General Fixed Assets** - Accounting for Governmental Fixed Assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their estimated fair market value on the acquisition date. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements and transfers of fixed assets. In addition, a Statement of General Fixed Assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage or theft.

**Foreclosed Property** - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

**Deferred Charges** - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Liens Sold for Other Governmental Units** - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

**Fund Balance** - Fund Balances included in the current fund represent amounts available for anticipation as revenue in future years budgets, with certain restrictions.

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Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Revenues** - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

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

**School Taxes** - The municipality is responsible for levying, collecting and remitting school taxes for the Township of Deerfield School District and the Cumberland Regional High School District. Operations is charged for the full amount required to be raised from taxation to operate the local and regional school district for the period from July 1, 2010 to June 30, 2011.

**County Taxes** - The municipality is responsible for levying, collecting and remitting county taxes for the County of Cumberland. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year and due to be paid to the County by February 15 of the following year.

**Reserve for Uncollected Taxes** - The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

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

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

**Appropriation Reserves** - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Note 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

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

**Compensated Absences and Postemployment Benefits** - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Note 2: **CASH AND CASH EQUIVALENTS**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds, if any, are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2010, the Township's bank balances of \$4,225,661.60 were exposed to custodial credit risk as follows:

Uninsured and Collateralized with Securities Held by Pledging Financial Institutions	<u>\$ 3,777,365.53</u>
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Note 3: **PROPERTY TAXES**

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>\$2.980</u>	<u>\$2.948</u>	<u>\$3.223</u>	<u>\$2.931</u>	<u>\$2.968</u>
Apportionment of Tax Rate:					
Municipal	\$.011	\$.011	\$.011	\$.011	\$.013
County	1.037	1.053	1.220	1.003	.989
County Health	.048	.050	.057	.046	.043
County Open Space Preservation Trust Fund	.013	.013	.014	.011	.011
Local School	1.342	1.295	1.309	1.292	1.252
Regional High School	.529	.526	.612	.568	.660

Note 3: **PROPERTY TAXES (CONT'D)****Assessed Valuation**

2010	\$185,633,978.00
2009	186,638,215.00
2008	183,451,765.00
2007	181,724,786.00
2006	175,514,121.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2010	\$5,497,928.26	\$5,292,432.59	96.26%
2009	5,542,450.83	5,354,064.19	96.60%
2008	5,994,667.35	5,762,258.55	96.12%
2007	5,370,004.06	5,208,577.73	96.99%
2006	5,286,737.87	5,091,288.44	96.30%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2010	\$45,680.06	\$187,629.38	\$233,309.44	4.24%
2009	15,657.11	180,754.44	196,411.55	3.54%
2008	9,119.55	231,200.48	240,320.03	4.00%
2007	7,533.83	166,066.54	173,600.37	3.23%
2006	14,709.77	200,419.37	215,129.14	4.07%

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

<u>Year</u>	<u>Number</u>
2010	28
2009	14
2008	6
2007	5
2006	7

Note 4: **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

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

<u>Year</u>	<u>Amount</u>
2010	\$95,400.00
2009	95,400.00
2008	95,400.00
2007	95,400.00
2006	95,400.00

Note 5: **FUND BALANCES APPROPRIATED**

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

<u>Year</u>	<u>Balance Dec. 31</u>	<u>Utilized In Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b><u>Current Fund</u></b>			
2010	\$1,389,019.58	\$589,500.00	42.44%
2009	1,713,857.06	711,750.00	41.53%
2008	1,677,201.37	618,550.00	36.87%
2007	1,702,357.03	716,298.00	42.08%
2006	1,450,184.25	659,500.00	45.48%

Note 6: **INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2010:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current Fund	\$5,506.99	\$98,559.03
Federal, State and Other Grant Fund	96,089.64	
Animal Control Fund		904.20
Trust-- Other Funds		4,602.79
General Capital Fund	2,469.39	
	<u>\$104,066.02</u>	<u>\$104,066.02</u>

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**Note 7: PENSION PLANS**

The Township of Deerfield contributes to a cost-sharing multiple-employer defined benefit pension plan, the Public Employees' Retirement System (PERS), which is administered by the New Jersey Division of Pensions and Benefits. In addition, the Township also offers employees the opportunity to participate in the Defined Contribution Retirement Program (DCRP), which is a defined contribution pension plan and is also administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey  
Division of Pensions and Benefits  
P.O. Box 295  
Trenton, New Jersey 08625-0295

**Public Employees' Retirement System** - The PERS was established in 1955. The PERS provides retirement, death, and disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62, P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. For employees enrolled in the retirement system prior to July 1, 2008, the increase is effective with the payroll period that begins immediately after July 1, 2008. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The Township is billed annually for its normal contribution plus any accrued liability. These contributions, equal to the required contributions, were as follows:

<u>Year</u>	<u>Normal Contribution</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Pension Deferral</u>	<u>Funded by State</u>	<u>Paid by Township</u> <u>(1)</u>
2010	\$19,313.00	\$18,844.00	\$38,157.00	---	---	\$38,157.00
2009	18,494.00	16,868.00	35,362.00	---	---	35,362.00
2008	18,939.00	14,595.00	33,534.00	---	\$6,706.80	26,827.20

(1) Under the provisions of Chapter 108, P.L. 2003 the Township's share of the total normal contribution and accrued liability will increase approximately 20% per year until the Township is paying 100% of the total normal contribution and accrued liability.

**Defined Contribution Retirement Program** - The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established in 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 43:15C-1 et. seq.) and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

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Note 7: **PENSION PLANS (CONT'D)**

**Defined Contribution Retirement Program (Cont'd)** - The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The Township did not have any employees participate in the DCRP program during 2010.

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the Township.

Note 8: **POSTEMPLOYMENT HEALTHCARE BENEFITS PLAN**

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. In 2005, the Township authorized participation in the SHBP's post-retirement benefit program through resolution number 05-141. Upon retirement, full time employees with a minimum of twenty-five years of service are entitled to paid health benefits for themselves and their spouses with the Township paying 100% of the costs for a period of five years after retirement. After the five year period, 80% of the health benefits will be paid by the Township and 20% by the retiree for a period of ten years or upon the retiree receiving Medicare, whichever is sooner.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.state.nj.us/treasury/pensions/](http://www.state.nj.us/treasury/pensions/).

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township funds these benefits on a pay-as-you-go basis and therefore does not record accrued expense related to these benefits.

The Township contributions to SHBP for the years ended December 31, 2010, 2009, and 2008, were \$4,573.20, \$9,146.40, and \$6,109.56, respectively, which equaled the required contributions for each year. There was one retired participant eligible at December 31, 2010, 2009, and 2008. The one retired participant turned 65 during 2010 and therefore the retiree's health benefits were terminated.

**Note 9: COMPENSATED ABSENCES**

Full-time employees are entitled to 15 paid sick leave days each year. Unused sick leave may be accumulated and carried forward to the subsequent year. Vacation days not used during the year may be accumulated and carried forward but unused amounts are not compensated. The Township also allows for employees to accumulate overtime as comp time but unused amounts are not paid at time of termination or retirement.

The Township of Deerfield compensates employees for unused sick leave upon termination or retirement. The current policy provides one compensated day for every two days accumulated. There is a maximum pay-out of \$13,000.00. Time is paid at the rate of pay upon termination or retirement.

The Township has established a Reserve for Accumulated Absences Trust Fund to set aside funds for future payments of compensated absences. At December 31, 2010 the balance of the fund was \$30,062.96. It is estimated that, at December 31, 2010, accrued benefits for compensated absences are valued at \$37,674.78.

**Note 10: DEFERRED COMPENSATION SALARY ACCOUNT**

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

**Note 11: LENGTH OF SERVICE AWARD PROGRAM**

The Township's Length of Service Awards Program (LOSAP) was created by a Township Ordinance adopted on August 30, 2000 pursuant to Section 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Township of Deerfield approved the adoption of the LOSAP at the general election held on November 7, 2000, and the first year of eligibility for entrance into the LOSAP by qualified volunteers was calendar year 2002. The LOSAP provides tax deferred income benefits to active volunteer firefighters and emergency medical personnel.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the LOSAP, the balances and activities of the LOSAP are not reported in the Township's financial statements.

As required by N.J.A.C. 5:30-14.49, the Township must have an annual review of its LOSAP performed in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Note 12: **SANITARY LANDFILL ESCROW CLOSURE FUND**

The Township of Deerfield operated a municipal landfill until 1986 at which time the Cumberland County Improvement Authority selected the site as the Cumberland County Solid Waste complex in the Township of Deerfield (Host Community). The Sanitary Landfill Facility Closure and Contingency Fund Act of 1981 was enacted to provide funding, during the life of the landfill, of costs associated with the closure of sanitary landfills. The Act requires the owner or operator of every sanitary landfill to establish an escrow account for closure and deposit, on a monthly basis, an amount equal to \$1.00 per ton of solid waste accepted for disposal. No withdrawals may be made from the fund without written approval from the State Department of Environmental Protection and Energy. This escrow account has a balance of \$9,241.44 as of December 31, 2010.

On December 30, 1998, the Township of Deerfield received notification of approval from the State of New Jersey Department of Environmental Protection relative to the Sanitary Landfill Closure/Post-Closure Plan. The total costs associated with closure and post-closure care is projected to be approximately \$663,695. (closure cost of \$326,439 and post-closure \$337,256). The Township proposes to or has funded and post-closure activities by using a combination of funding sources including capital improvement funds on hand, annual budget appropriations, as well as, the Sanitary Landfill Escrow Account. The Township has expended over \$300,000 on closure and post closure adopted a capital ordinance in 1998 to partially fund the Sanitary Landfill Closure in the amount of \$100,000.00. This ordinance was amended on March 3, 1999 to provide supplemental funds in the amount of \$200,000.00 necessary to fund the cost of closure. Post-closure costs are provided on an annual basis by budget appropriation. The Township did not spend any money during 2010 for post-closure costs.

Note 13: **CAPITAL DEBT**

**Summary of Debt**

	<u>Year 2010</u>	<u>Year 2009</u>	<u>Year 2008</u>
<b><u>Issued</u></b>			
General:			
Bonds and Notes	\$150,000.00	\$250,000.00	\$330,000.00
Total Issued	150,000.00	250,000.00	330,000.00
<b><u>Authorized but not Issued</u></b>			
General:			
Bonds and Notes	170,000.00	---	---
Total Authorized but Not Issued	170,000.00	---	---
Total Issued and Authorized but Not Issued	320,000.00	250,000.00	330,000.00
Net Debt	\$320,000.00	\$250,000.00	\$330,000.00

Note 13: **CAPITAL DEBT (CONT'D)**

**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 indicated a statutory net debt of .14%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District	\$1,488,071.77	\$1,488,071.77	
Local School District	2,233,000.00	2,233,000.00	
General	320,000.00		\$320,000.00
	<u>\$4,041,071.77</u>	<u>\$3,721,071.77</u>	<u>\$320,000.00</u>

Net Debt \$320,000.00 divided by the Equalized Valuation Basis per N.J.S.A.40A:2-2 as amended, \$222,803,230.00 equals .14%

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$7,798,113.05
Net Debt	320,000.00
Remaining Borrowing Power	\$7,478,113.05

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

Cumberland County Improvement Authority Loans

<u>Year</u>	<u>Principal (1)(2)</u>	<u>Interest (2)</u>	<u>Total</u>
2011	\$50,000.00	\$4,500.00	\$54,500.00
2012	50,000.00	3,000.00	53,000.00
2013	50,000.00	1,500.00	51,500.00

The Township received two loans from the Cumberland County Improvement Authority

- (1) Loan 1 was issued on March 15, 2005 has a zero rate of interest and was fully paid at Dec. 31, 2010. Principal payments were \$40,000 per year
- (2) Loan 2 was issued on June 1, 2007 has a 3% rate of interest and has a principal balance at Dec. 31, 2010 of \$150,000. Principal payments are \$50,000 per year but are forgivable at the payment due date. The Rosenhayn Fire Company has agreed to make the interest payments on this loan.

Note 14: **DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2010, the following deferred charges are shown on the statement of assets, liabilities, reserves and fund balance of the following fund:

	<b><u>Balance</u></b> <b><u>Dec. 31, 2010</u></b>	<b><u>2011 Budget</u></b> <b><u>Appropriation</u></b>
Current Fund:		
Special Emergency Authorizations	\$8,000.00	\$4,000.00
Overexpenditure of Appropriation	947.36	---

The appropriations in the 2011 Budget as adopted are not less than that required by the statutes.

Note 15: **JOINT INSURANCE POOL**

The Township of Deerfield is a member of the Atlantic County Municipal Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation and Employer's Liability  
Liability other than Motor Vehicles  
Property Damage other than Motor Vehicles  
Motor Vehicles

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention or administrative accounts to assure the payment of the Fund's obligations.

The Fund provides the Township with the following coverage:

Crime  
Casualty  
Public Officials and Employment Liability  
Volunteer Emergency Services – Directors & Officers  
Property - Blanket Building and Grounds  
General and Automobile Liability

Contributions to the Fund, are payable in an annual premium and is based on actuarial assumptions determined by the Fund's actuary. The Township's agreement with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund for claims in excess of \$50,000 to \$200,000 based on the line of coverage for each insured event.

The Fund publishes its own financial report for the year ended December 31, 2010, which can be obtained from:

Atlantic County Municipal Joint Insurance Fund  
P.O. Box 1409  
Wildwood, New Jersey 08260

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 Note 16: **NEW JERSEY UNEMPLOYMENT COMPENSATION INSURANCE**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010	None	\$2,457.91	\$27,864.10
2009	None	1,023.34	30,318.81
2008	None	216.73	31,282.21

It is estimated that there are no unreimbursed payments on behalf of the Township at December 31, 2010.

## **SUPPLEMENTAL EXHIBITS**

**SUPPLEMENTAL EXHIBITS**

**CURRENT FUND**

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Current Cash--Treasurer  
For the Year Ended December 31, 2010

	Current Fund	Federal, State and Other
Balance Dec. 31, 2009	\$ 3,735,007.18	\$ ---
Increased by Receipts:		
Collector	\$ 5,448,694.13	\$
Miscellaneous Revenue Not Anticipated	51,252.50	
Energy Receipts Tax	279,675.00	
Consolidated Municipal Property Tax Relief Act	20,280.39	
Uniform Fire Safety Act	14,685.85	
Due from State of New Jersey (CH.73, P.L. 1976)	43,792.85	
Revenue Accounts Receivable	529,663.53	
Payroll Funds	540,888.17	
Refund of Prior Year Expenditure	3,390.13	
Federal, State and Other Grant Fund	22,060.94	
Federal, State and Other Grants Receivable		120,349.38
Matching Funds for Grants		23,500.00
	6,954,383.49	143,849.38
	10,689,390.67	143,849.38
Decreased by Disbursements:		
2010 Appropriations	1,124,084.95	
2009 Appropriation Reserves	62,799.22	
County Taxes	2,035,010.39	
Due County for Added and Omitted Taxes	15,356.04	
Local District School Tax	2,453,238.90	
Regional High School Tax	979,917.24	
Payroll Funds	543,711.98	
Matching Funds for Grants	23,500.00	
General Capital Fund	3,355.00	
Refund Tax Overpayment	47,804.03	
Refund of Prior Year Revenue	1,321.24	
Federal, State and Other Grant Fund		22,060.94
Reserve for Federal, State and Other Grants - Appropriated		121,788.44
	7,290,098.99	143,849.38
Balance Dec. 31, 2010	\$ 3,399,291.68	\$ ---

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Current Cash--Collector  
For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$	149,845.09
Increased by:			
Taxes Receivable	\$	5,318,047.35	
Tax Title Liens		333.68	
Revenue Accounts Receivable		12,049.62	
Prepaid Taxes		79,622.07	
Tax Overpayments		58,884.39	
Miscellaneous Revenue Not Anticipated		<u>37,519.78</u>	
			<u>5,506,456.89</u>
			5,656,301.98
Decreased by:			
Payments to Treasurer			<u>5,448,694.13</u>
Balance Dec. 31, 2010		\$	<u><u>207,607.85</u></u>

**TOWNSHIP OF DEERFIELD**  
CURRENT FUND  
Schedule of Change Funds  
For the Year Ended December 31, 2010

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<u>Office</u>	<u>Amount</u>
Municipal Clerk	\$ 25.00
Municipal Court Administrator	50.00
Tax Collector	200.00
Construction Code Official	<u>50.00</u>
	<u>\$ 325.00</u>

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
 Statement of Taxes Receivable and Analysis of Property Tax Levy  
 For the Year Ended December 31, 2010

Year	Balance		Added Taxes	Collections		Canceled	Overpayments Applied	To Tax Title Liens	Balance Dec. 31, 2010
	Dec. 31, 2009	2010 Levy		2009	2010				
2005	\$ 6.30	\$	\$	\$	\$	\$ 6.30	\$	\$	\$
2006	1,503.84				1,503.84				
2007	2,827.50				2,065.49				762.01
2008	3,287.46								3,287.46
2009	<u>173,129.34</u>		<u>3,414.38</u>		<u>163,782.46</u>	<u>22.97</u>		<u>12,238.29</u>	<u>500.00</u>
2010	<u>180,754.44</u>	<u>5,497,928.26</u>	<u>3,414.38</u>	<u>91,053.13</u>	<u>5,200,107.40</u>	<u>29.27</u>	<u>1,272.06</u>	<u>12,238.29</u>	<u>4,549.47</u>
	<u>\$ 180,754.44</u>	<u>\$ 5,497,928.26</u>	<u>\$ 3,414.38</u>	<u>\$ 91,053.13</u>	<u>\$ 5,367,459.19</u>	<u>\$ 6,020.11</u>	<u>\$ 1,272.06</u>	<u>\$ 28,724.21</u>	<u>\$ 187,568.38</u>

Taxes Receivable	\$ 5,318,047.35
Senior Citizens and Veterans	<u>49,411.84</u>
	<u>\$ 5,367,459.19</u>

Analysis of 2010 Property Tax LevyTax Yield:

General Property Tax	\$ 5,526,972.32
State Tax Appeal	(61,710.00)
Added & Omitted Taxes (54:4-63.1 et. seq.)	<u>32,665.94</u>
	<u>\$ 5,497,928.26</u>

Tax Levy:

Local School District Tax	980,557.37
Regional High School Tax	2,490,521.00
County Taxes:	
County Tax	\$ 1,923,835.52
Local Health Service Tax	88,608.11
Open Space Preservation Trust Fund Tax	22,566.76
Due County for Added & Omitted Taxes	<u>12,047.67</u>
Total County Taxes	2,047,058.06
Local Tax for Municipal Purposes	18,946.19
State Tax Appeal	(61,710.00)
Add: Additional Tax Levied	<u>22,555.64</u>
	<u>(20,208.17)</u>
	<u>\$ 5,497,928.26</u>

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Tax Title Liens  
For the Year Ended December 31, 2010

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Balance Dec. 31, 2009		\$ 15,657.11
Increased by:		
Transfers from Taxes Receivable	\$ 28,724.21	
Interest and Costs on Taxes	<u>1,632.42</u>	
		<u>30,356.63</u>
		46,013.74
Decreased by:		
Collections		<u>333.68</u>
Balance Dec. 31, 2010		<u>\$ 45,680.06</u>

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Due From State of New Jersey  
Veterans' And Senior Citizens' Deductions  
For the Year Ended December 31, 2010

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Balance Dec. 31, 2009		\$ 12,938.57
Increased by:		
Deductions per Tax Billing:		
Senior Citizens	\$ 17,750.00	
Veterans	<u>30,000.00</u>	
	47,750.00	
Deductions Allowed by Collector - 2010 Taxes	<u>2,000.00</u>	
	49,750.00	
Deductions Disallowed by Collector - 2010 Taxes	<u>(338.16)</u>	
		<u>49,411.84</u>
		62,350.41
Decreased by:		
Senior Citizens Deductions Disallowed by Tax Collector - 2009 Taxes	3,414.38	
Collection	<u>43,792.85</u>	
		<u>47,207.23</u>
Balance Dec. 31, 2010		<u>\$ 15,143.18</u>

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Deferred Charges  
N.J.S. 40A:4-55 Special Emergencies  
For the Year Ended December 31, 2010

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<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2009</u>	<u>2010 Budget Appropriation</u>	<u>Balance Dec. 31, 2010</u>
12-5-07	Preparation of Reexamination of the Master Plan	\$ 20,000.00	4,000.00	\$ <u>12,000.00</u>	\$ <u>4,000.00</u>	\$ <u>8,000.00</u>

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Revenue Accounts Receivable  
For the Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>Accrued</u> <u>In 2010</u>	<u>Collected</u>		<u>Balance</u> <u>Dec. 31, 2010</u>
			<u>Treasurer</u>	<u>Collector</u>	
Township Clerk:					
Licenses:					
Alcoholic Beverages	\$	\$ 5,262.00	\$ 5,190.00	\$	\$ 72.00
Other		809.00	800.00		9.00
Miscellaneous Fees	48.00	68.50	41.50		75.00
Improvement Searches		449.00	369.00		80.00
Tax Collector:					
Tax Searches		40.00		40.00	
Payments in Lieu of Taxes (N.J.S.A. 40A:2-21 et. seq.)		7,978.06		7,978.06	
Construction Code Official:					
Fees and Permits	3,201.00	33,365.00	35,253.00		1,313.00
Municipal Court:					
Fines and Costs	1,246.81	25,451.61	25,160.02		1,538.40
Housing Inspector:					
Fees and Permits	20.00	6,025.08	5,950.08		95.00
Planning Board Secretary:					
Fees and Permits		3,400.00	3,400.00		
Cable TV Franchise Fee		7,551.37	7,551.37		
Demolition Liens Receivable	5,500.00	5,500.00		4,031.56	6,968.44
Host Benefit Fee (Ch. 38, PL 1985)	32,561.50	440,602.58	445,948.56		27,215.52
	<u>\$ 42,577.31</u>	<u>\$ 536,502.20</u>	<u>\$ 529,663.53</u>	<u>\$ 12,049.62</u>	<u>\$ 37,366.36</u>

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009		Total Balance	Disbursed	Accounts Payable	Balance Lapsed
	Reserved	Encumbered				
<u>General Government</u>						
Administrative and Executive						
Salaries and Wages	\$ 2,945.87	\$	\$ 2,945.87	\$	\$	\$ 2,945.87
Other Expenses:						
Miscellaneous Other Expenses	10,485.35	1,721.95	12,207.30	1,722.56	328.50	10,156.24
Municipal Clerk						
Salaries and Wages	37.69		37.69			37.69
Public Information	268.00	1,482.00	1,750.00	1,482.00		268.00
Printing and Legal Advertising	613.27	35.00	648.27	78.05	35.00	535.22
Election Expenses	149.56	1,017.50	1,167.06		1,017.50	149.56
Financial Administration						
Salaries and Wages	3,907.42		3,907.42			3,907.42
Other Expenses	3,128.84	182.25	3,311.09	227.16		3,083.93
Annual Audit	14,311.00		14,311.00	14,311.00		
Collection of Taxes						
Salaries and Wages	4,862.94		4,862.94			4,862.94
Other Expenses	1,199.51	200.00	1,399.51	200.00		1,199.51
Tax Search Officer						
Salaries and Wages	300.00		300.00			300.00
Assessment of Taxes						
Salaries and Wages	500.00		500.00			500.00
Other Expenses	279.34	46.88	326.22	54.86		271.36
Tax Map Maintenance	51.03		51.03			51.03
Tax Appeals	5,000.00		5,000.00			5,000.00
Legal Services and Costs:						
Other Expenses	12,208.85	10.00	12,218.85	10.00		12,208.85

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2010

	<u>Balance Dec. 31, 2009</u>		<u>Total Balance</u>	<u>Disbursed</u>	<u>Accounts Payable</u>	<u>Balance Lapsed</u>
	<u>Reserved</u>	<u>Encumbered</u>				
<u>General Government (Cont'd)</u>						
Municipal Court						
Salaries and Wages	\$ 3,688.97	\$	\$ 3,688.97	\$	\$	\$ 3,688.97
Other Expenses:						
Security Guard Services	52.00	156.00	208.00	104.00		104.00
Miscellaneous Other Expenses		750.36	750.36	650.36	100.00	
Municipal Prosecutor						
Salaries and Wages	2,095.68		2,095.68			2,095.68
Other Expenses	975.00		975.00			975.00
Public Defender						
Salaries and Wages	4,662.42		4,662.42			4,662.42
Other Expenses	2,000.00		2,000.00			2,000.00
Engineering Services and Costs						
Other Expenses	3,687.10		3,687.10			3,687.10
Public Buildings and Grounds						
Salaries and Wages	2,015.12		2,015.12			2,015.12
Other Expenses:						
Miscellaneous Other Expenses	7,872.60	5,311.04	13,183.64	4,688.93	664.00	7,830.71
Utilities	2,220.88	390.18	2,611.06	677.39		1,933.67
Senior Citizen Center						
Miscellaneous Other Expenses	1,265.28	185.00	1,450.28	295.00		1,155.28
Utilities	5,895.24		5,895.24			5,895.24
Nutritional Center						
Other Expenses	500.00		500.00			500.00
Affordable Housing						
Other Expenses	3,505.00	690.00	4,195.00	690.00		3,505.00
Planning Board						
Salaries and Wages	500.00		500.00			500.00
Other Expenses	2,675.97	96.87	2,772.84	96.87		2,675.97

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009		Total Balance	Disbursed	Accounts Payable	Balance Lapsed
	Reserved	Encumbered				
<u>General Government (Cont'd)</u>						
Insurance:						
Disability Insurance	\$ 965.38	\$	\$ 965.38	\$	\$	\$ 965.38
Liability Insurance	976.00	1,400.00	2,376.00		1,400.00	976.00
Group Health	3,245.72	831.74	4,077.46		434.26	3,643.20
Workers Compensation						
Economic Development						
Other Expenses	3,000.00		3,000.00			3,000.00
Historical Society						
Other Expenses	2,000.00		2,000.00			2,000.00
<u>Public Safety</u>						
Fire						
Other Expenses:						
Rosenhayn Fire Company						
Miscellaneous Other Expenses	247.72	12,755.69	13,003.41	12,354.69	401.00	247.72
Utilities	4,527.27	174.86	4,702.13	252.88		4,449.25
Educational Materials	8.50	1,143.50	1,152.00	826.50	242.00	83.50
First Responder						
Utilities	4,971.31		4,971.31			4,971.31
First Aid Organization						
Other Expenses	856.93	8,140.89	8,997.82	7,764.78	150.64	1,082.40
Utilities	1,808.37	271.06	2,079.43	314.66		1,764.77
Uniform Safety Act (P.L. 1983 Ch. 383)						
Fire Protection Official						
Other Expenses	22.60	4,048.15	4,070.75	4,068.62		2.13
Emergency Management						
Salaries and Wages	1.08		1.08			1.08
Other Expenses	998.40	131.25	1,129.65	131.25		998.40
Utilities	667.60	28.91	696.51	210.31		486.20

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009		Total Balance	Disbursed	Accounts Payable	Balance Lapsed
	Reserved	Encumbered				
<u>Public Safety (Con't)</u>						
Flood Insurance Officer						
Salaries and Wages	\$ 100.00	\$	\$ 100.00	\$	\$	\$ 100.00
Other Expenses	100.00		100.00			100.00
<u>Streets and Roads</u>						
Road Repair and Maintenance						
Salaries and Wages	4,000.00		4,000.00			4,000.00
Other Expenses	628.18	832.33	1,460.51	832.33		628.18
Street Lighting	7,505.37		7,505.37			7,505.37
Sanitation						
Landfill Postclosure Costs	1,065.80		1,065.80			1,065.80
Recycling Coordinator						
Salaries and Wages	21.08		21.08			21.08
Other Expenses	100.00		100.00			100.00
Snow Removal						
Salaries and Wages	2,112.77		2,112.77			2,112.77
Other Expenses	6,000.00		6,000.00			6,000.00
<u>Health and Welfare</u>						
Dog Regulation						
Salaries and Wages	1,127.30		1,127.30			1,127.30
Other Expenses	315.00		315.00			315.00
Housing and Zoning Officer						
Other Expenses	9.06		9.06			9.06
Infectious Control Officer						
Salaries and Wages	404.00		404.00			404.00
Other Expenses	1,500.00		1,500.00			1,500.00

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009		Total Balance	Disbursed	Accounts Payable	Balance Lapsed
	Reserved	Encumbered				
<u>Recreation and Education</u>						
Board of Recreation Commissioners						
Salaries & Wages	\$ 2,000.00	\$	\$ 2,000.00	\$	\$	\$ 2,000.00
Other Expenses	3,121.26	605.02	3,726.28	605.02		3,121.26
Utilities	56.76		56.76			56.76
Senior Citizen Director						
Salaries and Wages	2,195.59		2,195.59			2,195.59
<u>Uniform Construction Code - Appropriation Offset by</u>						
<u>Dedicated Revenues (N.J.A.C. 5:23-4.17)</u>						
Construction Code Official						
Other Expenses	783.76	450.00	1,233.76	450.00		783.76
Plumbing Inspector						
Salaries & Wages	13.00		13.00			13.00
Electrical Inspector						
Salaries & Wages	13.00		13.00			13.00
Demolition Official						
Other Expenses	4,500.00		4,500.00			4,500.00
<u>Unclassified</u>						
Environmental Control Officer						
Other Expenses	100.00		100.00			100.00
Celebration of a Public Event	2,500.00		2,500.00			2,500.00
Accumulated Absences	8,000.00		8,000.00			8,000.00
<u>Deferred Charges and Statutory Expenditures</u>						
Contribution to:						
Defined Contribution Retirement Plan (DCRP)	1,000.00		1,000.00			1,000.00
Social Security System (O.A.S.I.)	2,149.16		2,149.16			2,149.16
<b>Total Within "CAPS"</b>	<b>179,577.90</b>	<b>43,088.43</b>	<b>222,666.33</b>	<b>53,099.22</b>	<b>4,772.90</b>	<b>164,794.21</b>

(Continued)

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Appropriation Reserves  
For the Year Ended December 31, 2010

	Balance Dec. 31, 2009		Total Balance	Disbursed	Accounts Payable	Balance Lapsed
	Reserved	Encumbered				
<u>Operations Excluded from "CAPS"</u>						
Interlocal Service Agreement with Upper Deerfield Twp	\$ 109.20	\$	\$ 109.20	\$	\$	\$ 109.20
Matching Funds for Grants	15,000.00		15,000.00			15,000.00
PERS Contribution						
Length of Service Program (LOSAP)	20,500.00		20,500.00	9,700.00		10,800.00
Zoning Officer - Shared Services						
Salaries and Wages	114.00		114.00			114.00
Other Expenses	886.00		886.00			886.00
Total Excluded from "CAPS"	<u>36,609.20</u>		<u>36,609.20</u>	<u>9,700.00</u>		<u>26,909.20</u>
	<u>\$ 216,187.10</u>	<u>\$ 43,088.43</u>	<u>\$ 259,275.53</u>	<u>\$ 62,799.22</u>	<u>\$ 4,772.90</u>	<u>\$ 191,703.41</u>

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
 Statement of Reserve for Garden State Preservation Trust  
 For the Year Ended December 31, 2010

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Balance Dec. 31, 2009	\$	625.20
Decreased by:		
Realized as Revenue in 2010 Budget	\$	<u>625.20</u>

**Exhibit SA-11**

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
 Statement of Payroll Deductions Payable  
 For the Year Ended December 31, 2010

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Balance Dec. 31, 2009	\$	5,057.34
Increased by:		
Payroll Deposits	\$	502,431.54
Employer Contributions		<u>38,456.63</u>
		<u>540,888.17</u>
		545,945.51
Decreased by:		
Net Payroll		354,502.66
Payroll Agencies		<u>189,209.32</u>
		<u>543,711.98</u>
Balance Dec. 31, 2010	\$	<u><u>2,233.53</u></u>

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Prepaid Taxes  
For the Year Ended December 31, 2010

---

Balance Dec. 31, 2009 (2010 Taxes)		\$ 91,053.13
Increased by:		
Transfer from Overpayments	\$ 358.73	
Collection (2011 Taxes)	<u>79,622.07</u>	
		<u>79,980.80</u>
		171,033.93
Decreased by:		
Applied to 2010 Taxes		<u>91,053.13</u>
Balance Dec. 31, 2010 (2011 Taxes)		<u><u>\$ 79,980.80</u></u>

Exhibit SA-13

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Tax Overpayments  
For the Year Ended December 31, 2010

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Balance Dec. 31, 2009		\$ 5,704.88
Increased by:		
Overpayments in 2010:		
Cash Receipts		<u>58,884.39</u>
		64,589.27
Decreased by:		
Refunds	\$ 47,804.03	
Canceled	288.13	
Applied to Prepaid Taxes	358.73	
Applied to Taxes Receivable	<u>1,272.06</u>	
		<u>49,722.95</u>
Balance Dec. 31, 2010		<u><u>\$ 14,866.32</u></u>

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of County Taxes Payable  
For the Year Ended December 31, 2010

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2010 Levy -		
County General	\$ 1,923,835.52	
County Health Tax	88,608.11	
County Open Space	<u>22,566.76</u>	
		\$ 2,035,010.39
Decreased by:		
Disbursements		<u>\$ 2,035,010.39</u>

Exhibit SA-15

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Amount Due to County For Added and Omitted Taxes  
For the Year Ended December 31, 2010

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Balance Dec. 31, 2009		
Rollback Assessment	\$ 1,594.82	
Added Assessment	12,530.56	
Added/Omitted Assessment	<u>1,230.66</u>	
		\$ 15,356.04
Increased by:		
County Share of Added and Omitted Taxes		<u>12,047.67</u>
		27,403.71
Decreased by:		
Disbursements		<u>15,356.04</u>
Balance Dec. 31, 2010		
Added Assessment	11,645.34	
Added/Omitted Assessment	<u>402.33</u>	
		\$ <u><u>12,047.67</u></u>

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Local District School Tax Payable  
For the Year Ended December 31, 2010

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Balance Dec. 31, 2009	\$ 1,207,978.43
Increased by:	
Levy--School Year July 1, 2010 to June 30, 2011	<u>2,490,521.00</u>
	3,698,499.43
Decreased by:	
Payments	<u>2,453,238.90</u>
Balance Dec. 31, 2010	<u><u>\$ 1,245,260.53</u></u>

Exhibit SA-17

**TOWNSHIP OF DEERFIELD**  
**CURRENT FUND**  
Statement of Regional High School Tax Payable  
For the Year Ended December 31, 2010

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Balance Dec. 31, 2009	\$ 490,562.45
Increased by:	
Levy--School Year July 1, 2010 to June 30, 2011	<u>980,557.37</u>
	1,471,119.82
Decreased by:	
Payments	<u>979,917.24</u>
Balance Dec. 31, 2010	<u><u>\$ 491,202.58</u></u>



**TOWNSHIP OF DEERFIELD**  
**FEDERAL, STATE AND OTHER GRANT FUND**  
Statement of Reserve for Federal, State and Other Grants- Unappropriated  
For the Year Ended December 31, 2010

<u>Program</u>	<u>Balance Dec. 31, 2009</u>	<u>Federal and State Grant Receivable</u>	<u>Realized as Miscellaneous Revenue</u>	<u>Balance Dec. 31, 2010</u>
Federal Grants:				
New Jersey Transportation Trust Fund South Shiloh	\$ _____	\$ 170,000.00	\$ 170,000.00	\$ _____
Total Federal Grants	_____	170,000.00	170,000.00	_____
State Grants:				
Clean Communities Program	584.40	8,773.69	9,358.09	
Recycling Grant	<u>2,286.51</u>	<u>1,810.41</u>	<u>2,286.51</u>	<u>1,810.41</u>
Total State Grants	<u>2,870.91</u>	<u>10,584.10</u>	<u>11,644.60</u>	<u>1,810.41</u>
Grand Total	<u>\$ 2,870.91</u>	<u>\$ 180,584.10</u>	<u>\$ 181,644.60</u>	<u>\$ 1,810.41</u>

**TOWNSHIP OF DEERFIELD**  
**FEDERAL, STATE AND OTHER GRANT FUND**  
Statement of Reserve for Federal, State and Other Grants Appropriated  
For the Year Ended December 31, 2010

Program	Balance Dec. 31, 2009		Transferred from 2010 Budget Appropriation	Encumbered	Disbursed	Transfers	Canceled	Balance Dec. 31, 2010
	Reserved	Encumbered						
Federal Grants:								
NJ Transportation Trust Fund:								
Heilprin & West	\$	\$ 4,422.70	\$	\$	\$	\$	\$	\$ 4,422.70
Maple Street	135,625.75	1,574.25			95,425.93	304.30	41,469.77	
Maple Street - Match	15,007.60					(304.30)	15,311.90	
South Shiloh			170,000.00	108,706.67	1,418.44			59,874.89
South Shiloh - Match			23,500.00		22,325.00			1,175.00
Stormwater Grant	<u>5,000.00</u>							<u>5,000.00</u>
Total Federal Grants	<u>155,633.35</u>	<u>5,996.95</u>	<u>193,500.00</u>	<u>108,706.67</u>	<u>119,169.37</u>		<u>56,781.67</u>	<u>70,472.59</u>
State Grants:								
2007 Clean Communities Program	694.80							694.80
2010 Clean Communities Program			9,358.09		2,619.07		4,000.00	2,739.02
Recycling Tonnage Grant			2,286.51					2,286.51
SFY 03 Statewide Local Domestic Preparedness Equipment Grant	445.81							445.81
SFY 04 Statewide Local Domestic Preparedness Equipment Grant	<u>3.35</u>							<u>3.35</u>
Total State Grants	<u>1,143.96</u>		<u>11,644.60</u>		<u>2,619.07</u>		<u>4,000.00</u>	<u>6,169.49</u>
Other Grants:								
CCIA Community Environment Enhancement Grant	<u>16,000.00</u>							<u>16,000.00</u>
Grand Total	<u>\$ 172,777.31</u>	<u>\$ 5,996.95</u>	<u>\$ 205,144.60</u>	<u>\$ 108,706.67</u>	<u>\$ 121,788.44</u>	<u>\$</u>	<u>\$ 60,781.67</u>	<u>\$ 92,642.08</u>

**TOWNSHIP OF DEERFIELD**  
**FEDERAL STATE AND OTHER GRANT FUND**  
 Statement of Due from Current Fund  
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 89,340.60
Increased by:		
Receipts	\$ 120,349.38	
Cancellation of Grant Receivables	45,469.77	
Matching Fund for Grants	<u>23,500.00</u>	
		<u>189,319.15</u>
		278,659.75
Decrease by:		
Disbursements	\$ 121,788.44	
Cancellation of Grant Reserves	<u>60,781.67</u>	
		<u>182,570.11</u>
Balance Dec. 31, 2010		<u><u>\$ 96,089.64</u></u>

**SUPPLEMENTAL EXHIBITS**

**TRUST FUND**

**TOWNSHIP OF DEERFIELD**  
**TRUST FUNDS**  
Statement of Trust Fund Cash--Treasurer  
For the Year Ended December 31, 2010

	<u>Animal Control</u>	<u>Other Trust</u>
Balance Dec. 31, 2009	\$ 2,199.96	\$ 196,359.82
Increased by Receipts:		
Reserve for Animal Control	\$ 855.00	\$
Current Fund	3.78	3,640.79
Reserve for Miscellaneous Trust Reserves:		
Reserve for Unemployment Compensation		3.20
Reserve for Public Defender Fees		3,599.31
Reserve for Developers' Escrow		21,813.95
Reserve for Fire Penalties and Fines		148.00
Reserve for Recreation Fund		154,777.20
Reserve for Miscellaneous Trust Escrows:		
Reserve for Sanitary Landfill Escrow		0.98
Reserve for Security Deposit Tent Rentals		250.00
Reserve for Tax Sale Premiums		16,900.00
Reserve for Redemption of Tax Title Liens		39,343.24
Due to State of N.J.-- Dog License Fees	223.80	
Due to State of N.J.--Sales Tax		42.00
	1,082.58	240,518.67
	3,282.54	436,878.49
Decreased by Disbursements		
Reserve for Animal Control	285.00	
Current Fund	3.54	79.25
Reserve for Miscellaneous Trust Reserves:		
Reserve for Unemployment Compensation		2,457.91
Reserve for Public Defender Fees		3,599.31
Reserve for Developers' Escrow		7,874.03
Reserve for Fire Penalties and Fines		131.00
Reserve for Recreation Fund		137,710.51
Reserve for Miscellaneous Trust Escrows:		
Reserve for Security Deposit Tent Rentals		250.00
Reserve for Tax Sale Premiums		4,901.00
Reserve for Redemption of Tax Title Liens		37,385.87
Due to State of N.J.-- Dog License Fees	223.80	
	512.34	194,388.88
Balance Dec. 31, 2010	\$ 2,770.20	\$ 242,489.61

**TOWNSHIP OF DEERFIELD**  
**ANIMAL CONTROL FUND**  
 Statement of Reserve for Animal Control Expenditures  
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 1,593.00
Increased by:		
Dog License Fees Collected		855.00
		2,448.00
Decreased by:		
Disbursements	\$ 285.00	
Statutory Excess Due to Current Fund	297.00	
		582.00
Balance Dec. 31, 2010		\$ 1,866.00

Dog License Fees Collected

<u>Year</u>	<u>Amount</u>
2008	\$ 956.00
2009	910.00
	\$ 1,866.00

**TOWNSHIP OF DEERFIELD**  
**ANIMAL CONTROL FUND**  
 Statement of Due To Current Fund  
 For the Year Ended December 31, 2010

Balance Dec. 31, 2009		\$ 606.96
Increased by:		
Interest	\$ 3.78	
Statutory Excess in Reserve for Animal Control Fund	297.00	
		300.78
		907.74
Decreased by:		
Disbursements		3.54
Balance Dec. 31, 2010		\$ 904.20

**TOWNSHIP OF DEERFIELD**  
**ANIMAL CONTROL FUND**  
Statement of Due to State of New Jersey - Department of Health  
Dog License Fees  
For the Year Ended December 31, 2010

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Accrued in 2010:		
Receipts in Clerk's Account	\$	223.80
Decreased by:		
Disbursements in Clerk's Account	\$	<u>223.80</u>

**TOWNSHIP OF DEERFIELD**  
**TRUST OTHER FUND**  
Statement of Due To Current Fund  
For the Year Ended December 31, 2010

---

Balance Dec. 31, 2009		\$ 11,041.25
Increased by:		
Receipts		3,640.79
		14,682.04
Decreased by:		
2010 Budget Appropriations	\$ 10,000.00	
Disbursed	79.25	
		10,079.25
Balance Dec. 31, 2010		\$ 4,602.79

Analysis of Balance as of Dec. 31, 2010

Security Deposits		\$ 3,939.73
Developers Escrow		453.42
Public Defender		10,398.37
Fire Penalty		(292.81)
Snow Removal		(5,983.24)
Accumulated Absences		(3,925.26)
Tax Title Lien Redemption		12.58
		\$ 4,602.79

**Exhibit SB-6**

**TOWNSHIP OF DEERFIELD**  
**TRUST OTHER FUND**  
Statement of Due to State of New Jersey--Sales Tax  
For the Year Ended December 31, 2010

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Balance Dec. 31, 2009		\$ 66.00
Increased by:		
Sales Tax Collected		42.00
Balance Dec. 31, 2010		\$ 108.00

**TOWNSHIP OF DEERFIELD**  
**TRUST OTHER FUND**  
 Statement of Miscellaneous Trust Reserves  
 For the Year Ended December 31, 2010

	<u>Balance</u> <u>Dec. 31, 2009</u>	<u>2010</u> <u>Appropriations</u>	<u>Receipts from</u> <u>Fees, Refunds,</u> <u>Interest and Donations</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2010</u>
Reserve for Unemployment Compensation	\$ 30,318.81	\$	\$ 3.20	\$ 2,457.91	\$ 27,864.10
Reserve for Public Defender Fees			3,599.31	3,599.31	
Reserve for Developers' Escrow	25,216.76		21,813.95	7,874.03	39,156.68
Reserve for Developers' Bid Bonds	127.69				127.69
Reserve for Fire Penalties and Fines	1,003.16		148.00	131.00	1,020.16
Reserve for Accumulated Absences	26,062.96	4,000.00			30,062.96
Reserve for Snow Removal	10,500.00	6,000.00			16,500.00
Reserve for Recreation Fund	58,725.67		154,777.20	137,710.51	75,792.36
	<u>\$ 151,955.05</u>	<u>\$ 10,000.00</u>	<u>180,341.66</u>	<u>\$ 151,772.76</u>	<u>\$ 190,523.95</u>

**TOWNSHIP OF DEERFIELD**  
**TRUST OTHER FUND**  
Statement of Miscellaneous Trust Escrows  
For the Year Ended December 31, 2010

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	Balance <u>Dec. 31, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance <u>Dec. 31, 2010</u>
Reserve for Sanitary Landfill Escrow	\$ 9,240.46	\$ 0.98	\$	\$ 9,241.44
Reserve for Security Deposit Tent Rentals	175.00	250.00	250.00	175.00
Reserve for Tax Sale Premiums	23,801.00	16,900.00	4,901.00	35,800.00
Reserve for Redemption of Tax Title Liens	<u>81.06</u>	<u>39,343.24</u>	<u>37,385.87</u>	<u>2,038.43</u>
	<u>\$ 33,297.52</u>	<u>\$ 56,494.22</u>	<u>\$ 42,536.87</u>	<u>\$ 47,254.87</u>

**SUPPLEMENTAL EXHIBITS**

**GENERAL CAPITAL FUND**

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
Statement of General Capital Cash--Treasurer  
For the Year Ended December 31, 2010

---

Balance Dec. 31, 2009		\$ 333,107.95
Increased by Receipts:		
Due from Current Fund	\$ 2,111.00	
Interest Earned	<u>173.57</u>	
		<u>2,284.57</u>
		335,392.52
Decreased by Disbursements:		
Interest Payments made to Current Fund	159.50	
Reserve for Encumbrances	236.60	
Improvement Authorizations	<u>8.95</u>	
		<u>405.05</u>
Balance Dec. 31, 2010		\$ <u><u>334,987.47</u></u>

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
 Analysis of General Capital Cash  
 For the Year Ended December 31, 2010

	Balance Dec. 31, 2009	Receipts		Disbursements		Transfers		Balance Dec. 31, 2010
		Miscellaneous	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$ 56,757.85	\$	\$	\$	\$	\$	\$	\$ 56,757.85
Capital Improvement Fund	191,414.38				8,500.00			182,914.38
Reserve for Computer - UCC	1,200.00				244.00			956.00
Reserve for Computer - Senior Center					1,000.00	1,000.00		
Reserve for Gas Heater - Lobby						4,000.00		4,000.00
<u>Improvement Authorizations:</u>								
<u>Ordinance</u>								
<u>Number</u>								
2006-11	Purchase of Modified Amplifier System For Cell Phone and Radio Reception	4,555.64						4,555.64
2007-5	Various Capital Improvements	53,579.00						53,579.00
2007-7	Water Treatment System for Senior Ctr.	7,220.00						7,220.00
2007-9	Addition to Rosenhayn Fire Company	15,000.00						15,000.00
2008-5	Parking Lot	711.00						711.00
2009-4	Miscellaneous Improvements	3,508.54	245.55					3,262.99
2010-5	Acquisition of a New Ambulance					8,500.00		8,500.00
Current Fund	(838.46)	2,284.57		159.50	5,000.00	1,244.00		(2,469.39)
	<u>\$ 333,107.95</u>	<u>\$ 2,284.57</u>	<u>\$ 245.55</u>	<u>\$ 159.50</u>	<u>\$ 14,744.00</u>	<u>\$ 14,744.00</u>		<u>\$ 334,987.47</u>

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
Statement of Deferred Charges to Future Taxation--Funded  
For the Year Ended December 31, 2010

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Balance Dec. 31, 2009		\$ 240,000.00
Decreased by:		
Loan Payment Forgiven by Issuer	\$ 50,000.00	
2010 Budget Appropriation to Pay Loan	<u>40,000.00</u>	
		<u>90,000.00</u>
Balance Dec. 31, 2010		<u><u>\$ 150,000.00</u></u>

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
 Schedule of Deferred Charges to Future Taxation - Unfunded  
 For the Year Ended December 31, 2010

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<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>2010 Authorizations</u>	<u>Balance Dec. 31, 2010</u>
General Improvements:			
2010-5	Acquisition of a New Ambulance	\$ <u>170,000.00</u>	\$ <u>170,000.00</u>
		\$ <u><u>170,000.00</u></u>	\$ <u><u>170,000.00</u></u>

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
 Schedule of Improvement Authorizations  
 For the Year Ended December 31, 2010

Ordinance Number	Improvement Description	Date	Ordinance Amount	Dec. 31, 2009 Funded	2010 Authorizations		Paid or Charged	Dec. 31, 2010	
					Capital Improvement Fund	Charges to Future Taxation Unfunded		Funded	Unfunded
<u>General Improvements:</u>									
2006-11	Purchase of Modified Amplifier System for Cell Phone and Radio Reception	11/01/06	\$ 10,000.00	\$ 4,555.64	\$	\$	\$	\$ 4,555.64	\$
2007-5; 2007-14	Various Capital Improvements	01/24/07	95,000.00	53,579.00				53,579.00	
2007-7	Water Treatment System for Senior Ctr.	06/20/07	10,000.00	7,220.00				7,220.00	
2007-9	Addition to Rosenhayn Fire Company	07/18/07	315,000.00	15,000.00				15,000.00	
2008-5	Parking Lot	09/17/08	6,000.00	711.00				711.00	
2009-4	Miscellaneous Improvements	06/17/09	25,000.00	3,271.94			8.95	3,262.99	
2010-5	Acquisition of a New Ambulance	11/09/10	178,500.00		8,500.00	170,000.00		8,500.00	170,000.00
				\$ 84,337.58	\$ 8,500.00	\$ 170,000.00	\$ 8.95	\$ 92,828.63	\$ 170,000.00

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
 Statement of Due from Current Fund  
 For the Year Ended December 31, 2010

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Balance Dec. 31, 2009		\$	838.46
Increased by:			
2010 Budget Appropriations:			
Computer - Senior Center	\$		1,000.00
Gas Heater - For Lobby			4,000.00
Payments made to the Current Fund			<u>159.50</u>
			<u>5,159.50</u>
			5,997.96
Decreased by:			
Interest Earned in the Capital Fund	\$		173.57
Cash Received from Current			<u>2,111.00</u>
			2,284.57
Reserve for Computer - UCC and Senior Center			<u>1,244.00</u>
			<u>3,528.57</u>
Balance Dec. 31, 2010		\$	<u><u>2,469.39</u></u>

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
 Statement of Reserve for Encumbrances  
 For the Year Ended December 31, 2010

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Balance Dec. 31, 2009		\$	236.60
Decreased by:			
Payments			<u><u>236.60</u></u>

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
 Statement of Capital Improvement Fund  
 For the Year Ended December 31, 2010

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Balance Dec. 31, 2009	\$	191,414.38
Decreased by:		
Appropriation to Finance Improvement Authorizations		8,500.00
Balance Dec. 31, 2010	\$	182,914.38

**Exhibit SC-9**

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
 Statement of Reserve for Computer - Senior Center  
 For the Year Ended December 31, 2010

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Increased by:		
2010 Budget Appropriations:		
Computer - Senior Center	\$	1,000.00
Decreased by:		
Payments made by Current Fund	\$	1,000.00

**Exhibit SC-10**

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
 Statement of Reserve for Computer - UCC  
 For the Year Ended December 31, 2010

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Balance Dec. 31, 2009	\$	1,200.00
Decreased by:		
Payments made by Current Fund		244.00
Balance Dec. 31, 2010	\$	956.00

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
 Cumberland County Improvement Authority Loans Payable  
 For the Year Ended December 31, 2010

Ord. Number	Improvement Description	Date of Issue	Maturities of Notes Outstanding December 31, 2010		Interest Rate	Balance Dec. 31, 2009	Paid by Budget Appropriation	Loan Payment Forgiven by Issuer (B)	Balance Dec. 31, 2010
			Date	Amount					
2004-3	Purchase of Fire Truck and Ambulance	3/15/05			(A)	\$ 40,000.00	\$ 40,000.00	\$	\$
2007-9	Addition to Rosenhayn Fire Company	6/1/07	1/1/11-13	\$ 50,000.00	(B) 3%	(C) <u>200,000.00</u>		<u>50,000.00</u>	<u>150,000.00</u>
						<u>\$ 240,000.00</u>	<u>\$ 40,000.00</u>	<u>\$ 50,000.00</u>	<u>\$ 150,000.00</u>

(A) Issued by the Cumberland County Improvement (CCIA) Authority without interest

(B) Principal on Loan is forgivable at Principal Due Date by the Issuer Cumberland County Improvement Authority (CCIA)

(C) The Rosenhayn Fire Company has agreed to be responsible for interest payments on this Loan

**TOWNSHIP OF DEERFIELD**  
**GENERAL CAPITAL FUND**  
Statement of Bonds and Notes Authorized But Not Issued  
For the Year Ended December 31, 2010

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>2010 Authorizations</u>	<u>Balance Dec. 31, 2010</u>
General Improvements: 2010-5	Acquisition of a New Ambulance	11/9/2010	\$ <u>170,000.00</u>	\$ <u>170,000.00</u>
			\$ <u>170,000.00</u>	\$ <u>170,000.00</u>

**TOWNSHIP OF DEERFIELD**  
**PART 2**  
**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

**TOWNSHIP OF DEERFIELD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2010**

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***Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Finding No. 2010-1**

**Criteria or Specific Requirement**

A sound framework of internal control is necessary to afford a reasonable basis for the Chief Financial Officer to assert that the information they provide can be relied upon. This requires that a complete and accurate general ledger be maintained for each fund to ensure adequate control over the preparation of financial statements including related disclosures.

**Condition**

The general ledger for the current fund was not properly maintained and as a result numerous adjusting entries were required in order to achieve proper presentation in the financial statements. All cash activity was not recorded in the finance system during the year. Bank reconciliations were not done in a timely manner. This condition is considered a material weakness in the Township's financial reporting system.

**Context**

Examination and analysis of subsidiary records for tax, appropriations and revenue accounts, bank account activity for 2010 and other records resulted in the determination that significant financial activity was not recorded in the general ledger. Numerous journal entries were necessary to achieve proper presentation of the financial activity in the financial statements.

**Effect**

Without a properly maintained general ledger system, the immediate and current identification of assets, liabilities, revenues, expenditures and fund balance cannot be achieved. The overall condition of the general ledger combined with the amount of adjusting entries that were required to balance the general ledger result in a strong indication of ineffective controls over the preparation of financial statements. Therefore, this is a significant likelihood that the Township's controls are not effective in detecting material misstatements in the preparation of the financial statements and related disclosures.

**Cause**

Procedures have not been designed to reconcile the various subsidiary records with control accounts maintained in the general ledger system on a periodic basis. All cash activity was not accurately posted to the general ledger. Bank account reconciliations for all accounts were not prepared accurately or timely.

**Recommendation**

That the general ledgers for all funds be accurately and completely maintained and that reconciliations are prepared for all bank accounts by an individual who possesses the necessary expertise to ensure adequate control over the preparation of financial statements including the relating disclosures.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF DEERFIELD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2010**

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***Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2010-2**

**Criteria or Specific Requirement**

Adequate subsidiary records should be maintained in support of amounts contained in the financial statements and board approved resolutions; payroll reports that calculate the liability the Township has with various agencies should be prepared with accurate payroll information; and all payroll reports should be maintained and available for audit.

**Condition**

An analysis of payroll agency liabilities was not maintained during 2010; the first quarter NJ-927 could not be located for audit; payroll and employer payroll tax budget charges during the year did not reconcile to the payroll registers; and four employees were not paid in accordance with the salary resolution for the year.

**Context**

Upon examination of the payroll records it was noted that an analysis of payroll deductions payable was not maintained throughout the year, one payroll tax return could not be located, budget line item charges did not reconcile to the payroll registers and four out of fourteen employees tested were not paid in accordance with the salary resolution.

**Effect**

The Township did not maintain a record of payroll agency liabilities, and therefore the amount owed is not reconciled with employee withholdings and subsequent disbursements to the various payroll agencies and the Township may have made an incorrect payment to a state agency. Budget line items did not include proper charges and employees did not receive pay in accordance with the approved salary resolution.

**Cause**

The Chief Financial Officer did not maintain accurate records to post payrolls or maintain an analysis of payroll deductions payable.

**Recommendation**

That the Township maintain an analysis of payroll agency liabilities which is reconciled with employee withholdings and subsequent disbursements to the various payroll agencies and that the payroll reports be prepared by an individual who possesses the necessary expertise to ensure adequate filings and maintained for audit. That the budget line item postings are reconciled to the payroll registers and employees are paid in accordance with the salary resolution.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF DEERFIELD**  
**Schedule of Findings and Recommendations**  
**For the Year Ended December 31, 2010**

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***Schedule of Financial Statement Findings (Cont'd)***

**Finding No. 2010-3**

**Criteria or Specific Requirement**

N.J.S.A. 40A:4-57 states that no officer, board, body or commission shall, during any fiscal year, expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided, or in excess of the amount appropriated for such purpose.

**Condition**

There was an over expenditure of a current budget appropriation in the amount of \$947.36.

**Context**

Examination of the salary and wage budget accounts revealed one line item was overexpended at year end.

**Effect**

The Township is in violation of a New Jersey laws and regulations regarding the budgeting of funds.

**Cause**

Unknown.

**Recommendation**

That the Township establish controls to avoid over expenditure of budget appropriations.

**View of Responsible Officials and Planned Corrective Action**

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF DEERFIELD**  
**Summary Schedule of Prior Year Audit Findings**  
**And Recommendations as Prepared by Management**

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This section identifies the status of prior year findings related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

**FINANCIAL STATEMENT FINDINGS**

**Finding No. 2009-1**

**Condition**

The general ledger for the current fund was not properly maintained and as a result numerous adjusting entries were required in order to achieve proper presentation in the financial statements. All cash activity was not recorded in the finance system during the year. Bank reconciliations were not done in a timely manner. This condition is considered a material weakness in the Township's financial reporting system.

**Current Status**

This condition remains unresolved – *see finding no. 2010-1.*

**Planned Corrective Action**

The Township personnel will properly maintain the general ledger as required, post all activity and journal entries, and prepare the bank reconciliations in a timely manner.

**Finding No. 2009-2**

**Condition**

An analysis of payroll agency liabilities was not maintained during 2010 and NJ Form NJ-927 was not accurately completed and filed for two quarters in 2009.

**Current Status**

This condition remains unresolved – *see finding no. 2010-2.*

**Planned Corrective Action**

The Township will complete an analysis for payroll agency liabilities; and complete and file the required payroll tax forms accurately and timely. These records will be maintained and be available for audit.

**Finding No. 2009-3**

**Condition**

Our procedures revealed that the Township did not make the 2009 contribution to the plan administrator for eligible participants LOSAP accounts timely.

**Current Status**

This condition has been resolved.

**TOWNSHIP OF DEERFIELD**  
**Officials in Office and Surety Bonds**

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

<u>Name</u>	<u>Title</u>	<u>Amount of</u>
Frank R. Spatola, Jr.	Mayor	
Carol Musso	Deputy Mayor	
Cosmo J. Laurella	Committeeperson	
Keith Lauermann	Committeeperson	
John Stanzione	Committeeperson	
Karen Seifrit	Township Administrator/Clerk, Registrar of Vital Statistics, Dog Registrar	(A)
Dennis DiSanti	Chief Financial Officer (to February 2010)	(A)
Albert Stanley	Chief Financial Officer (from March 2010)	(A)
Maria Schiano Branson	Tax Collector, Tax Search Officer	(A)
Donald P. Seifrit	Assessor	(A)
John A. Casarow, Jr.	Judge of Municipal Court	(A)
Brenda Closser	Court Administrator, Administrative Secretary	(A)
Cheryl L. Tramontana	Administrative Secretary	(A)
Annette Velez	Secretary	(A)
Christopher Williams	Fire Marshall	(A)
Theodore Cooper	Building Inspector	(A)
Anthony Lamanteer	Zoning / Housing Officer	(A)
Mary E. Yacovelli	Planning Board Secretary	(A)
Michael L. Testa	Solicitor	

(A) \$1,000,000.00 in coverage is provided by Atlantic County and Municipal Excess Liability Joint Insurance Funds with a \$1,000 deductible.

All of the bonds were examined and were properly executed

**APPRECIATION**

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

BOWMAN & COMPANY LLP  
Certified Public Accountants  
& Consultants

A handwritten signature in black ink, appearing to read "Carol A. McAllister". The signature is fluid and cursive, with a long horizontal stroke at the end.

Carol A. McAllister  
Certified Public Accountant  
Registered Municipal Accountant

