

BOROUGH OF NORTHVALE

Financial Statements With
Supplementary Information
December 31, 2009
(With Independent Auditors' Report Thereon)

BOROUGH OF NORTHVALE

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BOROUGH OF NORTHVALE

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PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2009

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Northvale
County of Bergen, New Jersey

We have audited the accompanying balance sheets-regulatory basis of the various funds and account group of the Borough of Northvale in the County of Bergen, as of and for the years ended December 31, 2009 and 2008, 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 and statement of expenditures-regulatory basis of the various funds for the year ended December 31, 2009. These financial statements are the responsibility of the Borough of Northvale's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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



As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting 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 Borough of Northvale's policy to prepare its financial statements on the basis of accounting 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 Borough of Northvale, New Jersey as of December 31, 2009 and 2008 or the results of its operations for the years then ended.

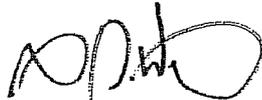
The financial statements referred to above include a Statement of General Fixed Assets as required by the Division of Local Government Services. However, as more fully described in Note 1 and Note 8 to the financial statements, this schedule has not been updated in a number of years.

However, in our opinion, the financial statements referred to above, with the exception of the Length of Services Awards Program, present fairly, in all material respects, the financial position-regulatory basis of the various funds and account group of the Borough of Northvale, New Jersey at December 31, 2009, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the year then ended and the statement of revenues-regulatory basis, and statement of expenditures-regulatory basis for the year ended December 31, 2009, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2010 on our consideration of the Borough of Northvale's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 compliance. That report is an integral part of our audit performed in accordance with Government Auditing Standards and should be considered in assessing results of our audit.

Honorable Mayor and
Members of the Borough Council
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Our audit was for the purpose of forming an opinion on the financial statements of the Borough of Northvale, State of New Jersey taken as a whole. The accompanying schedules and exhibits listed in the table of contents are presented for purposes of additional analysis and are not required part of the financial statements of the Borough of Northvale, 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 taken as a whole, on the basis of accounting described in Note 1.



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CROO413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 22, 2010



BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2009 and 2008

<u>Assets</u>	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
Regular Fund			
Cash	A-4	\$ 368,350	584,455
Cash - change funds	A-5	200	200
Cash - petty cash	A-6	100	100
		<u>368,650</u>	<u>584,755</u>
Due from state:			
Senior citizens' and veterans' deductions	A-7	<u>1,074</u>	<u>1,074</u>
Receivables and other assets with full reserves:			
Delinquent property tax receivable	A-8	481,034	253,172
Tax title liens receivable	A-9	34,375	31,288
Foreclosed property - property acquired for taxes - assessed valuation	A-10	2,156,700	2,156,700
Revenue accounts receivable	A-11	5,055	4,914
Prepaid Regional High School Tax	A-15		5,083
Amount due from:			
General Capital Fund	A-23	1,305	
Community Development Trust Fund	A-23	8,453	10,273
Other Trust Fund	A-23	4,488	6,879
		<u>2,691,410</u>	<u>2,468,309</u>
Deferred charges:			
Deficit in Operations	A-12	21,789	
Special emergency authorizations (40A:4-55)	A-13	60,000	90,000
		<u>81,789</u>	<u>90,000</u>
		<u>3,142,923</u>	<u>3,144,138</u>
Federal and State Grant Fund:			
Grants Receivable	A-26	21,348	21,047
Due from Current Fund	A-24	155,953	119,387
		<u>177,301</u>	<u>140,434</u>
		<u>\$ 3,320,224</u>	<u>3,284,572</u>

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Regular Fund			
Liabilities:			
Appropriation reserves	A-3/A-22	13,095	22,259
Reserve for encumbrances	A-3	9,651	
Regional School Taxes Payable	A-15	5,083	
Prepaid taxes	A-17	81,340	85,413
Tax overpayments payable	A-18	6,953	
Marriage License Fees Payable	A-19	50	
Burial Permit Fees Payable	A-21	10	
Reserve for:			
Tax Sale Premiums	A-25	17,400	2,400
McGuire Senior Center	A-25	29,672	15,568
Senior Van Donations	A-25	33,263	32,859
Cultural Arts Committee	A-25	3,379	3,379
Beautification Committee	A-25	4,050	4,050
Interfund Payable:			
Public Defender Trust Fund	A-23	100	
Federal and State Grant Fund	A-24	155,953	119,387
		<u>359,999</u>	<u>285,315</u>
Reserve for receivables		2,691,410	2,468,309
Fund balance	A-1	91,514	390,514
		<u>3,142,923</u>	<u>3,144,138</u>
Federal and State Grant Fund			
Appropriated reserves	A-27	119,345	93,019
Due to General Capital Fund	C	22,875	22,875
Unappropriated reserves	A-28	35,081	24,540
		<u>177,301</u>	<u>140,434</u>
		<u>\$ 3,320,224</u>	<u>3,284,572</u>

See accompanying notes to financial statements.

BOROUGH OF NORTEVALE

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

Year Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenue and other income realized:		
Fund balance utilized	\$ 299,000	670,000
Miscellaneous revenue anticipated	2,485,224	2,230,757
Receipts from delinquent taxes	259,334	220,736
Receipts from current taxes	18,513,285	17,661,607
Non-budget revenues	130,287	182,837
Other credits to income:		
Unexpended balance of appropriation reserves	22,259	12,259
Liabilities cancelled		15
Appropriated grants cancelled		6,565
Prepaid school tax returned	5,083	
Interfund loans returned	10,258	24,769
Total income	<u>21,724,730</u>	<u>21,009,545</u>
Expenditures - budget appropriations:		
Appropriations		
Salaries and wages	2,898,405	2,886,540
Other expenses	3,576,429	3,491,968
Deferred charges and statutory expenditures	239,000	262,763
Capital improvements		40,000
Municipal debt service	744,688	714,244
County taxes	2,033,251	1,894,678
Amount due County for added and omitted taxes	4,764	4,315
Local district school tax	7,786,280	7,482,200
Regional high school tax	4,236,807	4,024,094
Local open space tax	100,213	100,206
Cancellation of Grants Receivable		1,727
Other cancellations	249	560
Interfunds advanced	8,199	10,258
Tax Refunds	118,234	18,471
Total expenditures	<u>21,746,519</u>	<u>20,932,024</u>
Excess/(Deficit) in Revenues	<u>(21,789)</u>	<u>77,521</u>
Statutory Excess to Surplus		77,521
Deficit in Operations to be Raised in Budget of Succeeding Year	<u>(21,789)</u>	
Fund balance, January 1	<u>390,514</u>	<u>982,993</u>
	390,514	1,060,514
Decreased by utilization as anticipated revenue	<u>299,000</u>	<u>670,000</u>
Fund balance, December 31	<u>\$ 91,514</u>	<u>390,514</u>

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2009

	Antici- pated	Realized	Excess or (deficit)
Fund balance anticipated	\$ 299,000	299,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverage	15,500	15,266	(234)
Other	11,600	11,945	345
Fees and permits:			
Construction code official	103,000	98,026	(4,974)
Other	26,000	26,309	309
Fines - Municipal Court	119,700	96,743	(22,957)
Interest and costs on taxes	40,000	57,063	17,063
Consolidated Municipal Property Tax Relief Act	163,026	163,026	
Extraordinary Aid	100,000	100,000	
Energy Receipts Tax	542,575	542,575	
Interest on investments and deposits	22,800	11,364	(11,436)
Borough of Rockleigh - Police/Court Services	352,450	337,459	(14,991)
Public and Private Programs offset by appropriations:			
Municipal Alliance	10,000	10,000	
USDA Commodities	2,640	2,640	
Title III	13,522	13,522	
Over the Limit Under Arrest	3,818	3,818	
Click it or Ticket	1,902	1,902	
Graduated Driver's License	5,523	5,523	
Clean Communities	7,725	7,725	
Alcohol Education Rehabilitation	928	928	
Hazardous Discharge Site Remediation - Danzig	23,044	23,044	
Hazardous Discharge Site Remediation - Deluxe	363,000	363,000	
DDEF	2,856	2,856	
Northvale Municipal Alliance	20,695	20,695	
Junior Police Academy	369	369	
Community Development Block Grant - Senior Center Heating System	10,000	10,000	
Life Hazard Use Fees (Fire)	29,000	28,143	(857)

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2009

	Antici- <u>pated</u>	<u>Realized</u>	Excess or <u>(deficit)</u>
Recreation Fees	27,200	30,227	3,027
Rent - Library	41,231	41,231	
Donation - Senior Center	6,400	9,266	2,866
Rental of Borough Property	70,000	70,000	
Summer Recreation Fees	31,000	35,742	4,742
Senior Van Driver - Senior Financial Assoc	25,800	24,024	(1,776)
Compost Program - Hillsdale	40,900	38,163	(2,737)
Snow Reserve Trust	41,983	42,203	220
General Capital Fund Balance	240,427	240,427	
	<u>2,516,614</u>	<u>2,485,224</u>	<u>(31,390)</u>
Receipts from delinquent taxes	246,000	259,334	13,334
Subtotal - general revenues	<u>3,061,614</u>	<u>3,043,558</u>	<u>(18,056)</u>
Municipal budget - local tax for municipal purposes	<u>4,794,910</u>	<u>4,709,970</u>	<u>(84,940)</u>
Budget totals	<u>\$ 7,856,524</u>	<u>7,753,528</u>	<u>(102,996)</u>
Non-budget revenues		<u>130,287</u>	
		<u>\$ 7,883,815</u>	
Analysis of realized revenues:			
Current tax collections		<u>18,513,285</u>	
Allocated to:			
Local district school		7,786,280	
Regional high school		4,236,807	
County (including added county taxes)		2,038,015	
Municipal Open Space		<u>100,213</u>	
		<u>14,161,315</u>	
Balance for support of municipal budget appropriation		4,351,970	
Add appropriation reserve for uncollected taxes		<u>358,000</u>	
Amount for support of municipal budget appropriation		<u>\$ 4,709,970</u>	

BOROUGH OF NORTHVALE

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2009

	<u>Antici-</u> <u>pated</u>	<u>Realized</u>	Excess or <u>(deficit)</u>
Receipts from delinquent taxes - delinquent tax collections		\$ <u>259,334</u>	
Analysis of non-budget revenues:			
Miscellaneous revenue not anticipated:			
Photocopies		\$ 10,826	
Zoning Books and Maps		52	
Elections Polls		120	
Tax Printouts		254	
Property Owners Lists		170	
Miscellaneous		60,205	
Sewer Connection Fees		311	
Construction Fines		1,000	
Metal Recycling		2,418	
Duplicate Tax Bills		465	
Recreation		1,300	
Insurance Refunds		900	
Senior Van Rides		1,451	
Medical and Dental Reimbursement		1,894	
Anministrative Fee-Senior Citizens and Veterans		1,256	
Cable TV		42,050	
Senior Center		<u>5,615</u>	
		<u>\$ 130,287</u>	

See accompanying notes to financial statements.

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2009

	Appropriation		Expended 2009		Unexpended Balance Cancelled
	Budget	Total for 2009 as Modified by All Transfers	Paid or Charged	Reserved	
General Appropriations					
General Government:					
Administrative and executive:					
Salaries and wages	\$ 96,383	96,383	96,382	1	
Other expenses	45,000	53,000	52,637	363	
Financial administration:					
Salaries and wages	50,923	50,923	50,922	1	
Other expenses	16,000	22,000	21,705	295	
Annual Audit	35,500	38,000	38,000		
Collection of Taxes:					
Salaries and wages	49,713	49,713	49,712	1	
Other expenses	10,000	7,200	7,046	154	
Assessment of taxes:					
Salaries and wages	10,558	10,558	10,557	1	
Other expenses	2,000	3,500	2,975	25	500
Legal services and costs:					
Salaries and wages	14,737	14,737	14,737		
Other expenses	30,000	77,000	76,560	40	400
Engineering services and costs:					
Other expenses	20,000	40,250	40,217	33	
Municipal Land Use Law NJSA (40:55D-1) Planning Board:					
Salaries and wages	3,886	3,886	3,885	1	
Other expenses	10,000	12,000	11,684	16	300
Affordable Housing- COAH					
Other expenses	10,000	20,000	19,776	24	200
Municipal Court					
Salaries and wages	95,000	89,500	89,227	273	
Other expenses	8,000	6,000	5,598	402	
Public Defender					
Salaries and wages	4,245	4,245	4,244	1	

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2009

	Appropriation		Expended 2009		Unexpended Balance Cancelled
	Budget	Total for 2009 as Modified by All Transfers	Paid or Charged	Reserved	
<u>General Appropriations</u>					
Public Safety:					
Police:					
Salaries and wages	1,470,000	1,550,700	1,547,822	2,878	
Other expenses:	75,000	59,400	58,130	1,270	
First Aid Organization Contribution	6,000	2,000	1,930	70	
Ambulance Other Expenses	5,000	3,000	3,000		
Emergency Management Services:					
Salaries and wages	1,100	1,100	802	298	
Other expenses	1,000	700	570	130	
Insurance:					
Workers Compensation	100,000	98,350	98,345	5	
Other Insurance	8,000	7,500	7,417	83	
Liability Insurance	100,000	98,350	98,345	5	
Group Insurance for Employees	370,000	373,000	372,998	2	
Fire:					
Other expenses:	38,000	38,500	38,042	458	
Rental of Fire House	25,590	25,590	25,590		
Fire Hydrant Service	66,000	74,000	73,946	54	
Interboro Radio-Other Expenses	77,500	77,500	77,466	34	
Fire Prevention Bureau:					
Salaries and wages	33,150	33,700	33,699	1	
Other expenses	3,500	3,500	3,336	164	
Prosecutor:					
Salaries and wages	10,840	10,840	10,840		
Public Works Function:					
Road Repairs and Maintenance:					
Salaries and wages	540,000	490,000	489,660	340	
Other expenses	50,000	42,000	41,425	575	

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2009

	Appropriation		Expended 2009		Unexpended Balance Cancelled
	Budget	Total for 2009 as Modified by All Transfers	Paid or Charged	Reserved	
General Appropriations					
Sanitation					
Garbage and Trash Removal					
Contractual	260,000	255,000	254,923	77	
Tipping Fees - BCUA	160,000	174,500	174,251	249	
Recycling:					
Salaries and wages	5,466	5,466	5,465	1	
Other expenses	20,000	15,000	14,629	371	
Public Buildings and Grounds					
Other expenses	55,000	46,000	45,799	201	
Sewer Repairs and Maintenance:					
Other expenses	6,000	6,000	5,600	400	
Compost Leaf Program:					
Other expenses	5,000				
Senior Van Repairs:					
Salaries and wages	22,000	21,000	20,265	735	
Other expenses	3,000	3,000	2,794	206	
Health and Welfare:					
Board of Health:					
Salaries and wages	21,824	21,824	21,710	114	
Other expenses	34,000	33,000	32,562	438	
Administration of Public Assistance:					
Salaries and wages	2,104	2,104	2,104		
Animal Control					
Other Expenses	7,000	6,600	6,480	120	

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2009

	Appropriation		Expended 2009		Unexpended Balance Cancelled
	Budget	Total for 2009 as Modified by All Transfers	Paid or Charged	Reserved	
<u>General Appropriations</u>					
Recreation and education:					
Recreation:					
Other expenses	65,000	43,600	43,551	49	
Golden Age:					
Other expenses	6,000	3,000	2,900	100	
James F. McGuire Memorial Center (NJSA 40:48 9a):					
Salaries and wages	10,000	7,000	6,786	214	
Other expenses	33,000	22,000	21,905	95	
Parks and Playgrounds:					
Other expenses	12,000	11,000	10,959	41	
Summer Recreation					
Other expenses	30,000	32,500	32,455	45	
Senior Trips					
Other expenses	6,000	6,000	5,900	100	
Other Common Unclassified:					
Celebration of Public Events					
Other expenses	15,000	2,000	1,969	31	
Uniform Construction Code Official:					
Salaries and wages	79,141	69,141	69,132	9	
Other expenses	8,000	6,500	6,176	24	300
Code Compliance:					
Salaries and wages	13,135	13,135	13,134	1	
Other expenses	2,000	500	323	177	
UNCLASSIFIED:					
Utilities:					
Electricity	70,000	67,500	66,709	91	700
Street Lighting	70,000	62,500	49,831	69	12,600
Telephone	30,000	33,000	32,811	189	
Water	5,000	5,000	4,138	162	700
Gas	35,000	35,000	28,583	17	6,400
Gasoline	80,000	65,000	51,530	70	13,400
Total operations within "CAPS"	4,663,295	4,662,495	4,614,601	12,394	

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2009

General Appropriations	Appropriation		Expended 2009		Unexpended Balance Cancelled
	Budget	Total for 2009 as Modified by All Transfers	Paid or Charged	Reserved	
Contingent	1,500	1,500			1,500
Total Operations Including Contingent-within "CAPS"	4,664,795	4,663,995	4,614,601	12,394	1,500
Detail:					
Salaries and Wages	2,534,205	2,545,955	2,541,085	4,870	
Other Expenses	2,130,590	2,118,040	2,073,516	7,524	37,000
	4,664,795	4,663,995	4,614,601	12,394	37,000
DEFERRED CHARGES AND STATUTORY EXPENDITURES:					
STATUTORY EXPENDITURES					
Contribution to:					
Social Security System (O.A.S.I.)	215,000	209,000	208,956	44	
Total Deferred and Statutory					
Expenditures - Municipal within "CAPS"	215,000	209,000	208,956	44	
Total General Appropriations for					
Municipal Purposes within "CAPS"	4,879,795	4,872,995	4,823,557	12,438	37,000
Operations excluded from "CAPS":					
Aid to Library (NJSA 40:54-35)					
Privately Owned					
Sewer:					
Bergen County Utilities Authority	316,100	330,100	330,100		
Other Expenses	422,000	422,000	421,647	353	
Contribution to:	14,000	14,000	14,000		
Police and Firemen's Retirement System of NJ	167,212	167,212	167,212		
LOSAP	55,000	47,800	47,800		
Public Employees' Retirement System	40,755	40,755	40,755		
Storm Water Management					
Other Expenses	5,000	5,000	4,696	304	
Total Other Operations - Excluded from "CAPS"	1,020,067	1,026,867	1,026,210	657	

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2009

	Appropriation		Expended 2009		Unexpended Balance Cancelled
	Budget	Total for 2009 as Modified by All Transfers	Paid or Charged	Reserved	
<u>General Appropriations</u>					
Interlocal Municipal Service Agreements					
Borough of Rockleigh DPW Services	15,000	15,000	15,000		
Salaries and Wages					
Borough of Rockleigh Police and Court Services					
Salaries and Wages	337,450	337,450	337,450		
<u>Total Interlocal Municipal Service Agreements</u>	<u>352,450</u>	<u>352,450</u>	<u>352,450</u>		
Public and Private Programs Offset by Revenues					
Municipal Alliance on Alcoholism & Drug Abuse					
Other Expenses	12,500	12,500	12,500		
Title III, Older Americans Act of 1985					
Other expenses	13,522	13,522	13,522		
Over the Limit Under Arrest					
BC 200 Club	369	369	369		
Division of Highway Safety	11,243	11,243	11,243		
Clean Communities					
Other expenses	7,725	7,725	7,725		
NJHEDA Hazardous Discharge Grant	386,044	386,044	386,044		
County of Bergen Senior Center	10,000	10,000	10,000		
Alcohol Education Rehabilitation					
Other Expenses	928	928	928		
Drunk Driving Enforcement	2,856	2,856	2,856		
U.S.D.A. Commodities - Senior Food Program					
Donations	2,640	2,640	2,640		

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2009

	Appropriation		Expended 2009		Unexpended Balance Cancelled
	Budget	Total for 2009 as Modified by All Transfers	Paid or Charged	Reserved	
General Appropriations					
Northvale Drug Alliance					
Other Expenses	20,695	20,695	20,695		
Total Public and Private Offset by Revenues	468,522	468,522	468,522		
Total Operations Excluded from "CAPS"	1,841,039	1,847,839	1,847,182	657	
Detail:					
Salaries and Wages	352,450	352,450	352,450		
Other Expenses	1,488,589	1,495,389	1,494,732	657	
Total Municipal Debt Service-Excluded from "CAPS"	1,841,039	1,847,839	1,847,182	657	
Municipal Debt Service-Excluded from "CAPS"					
Payment of Bond Principal	545,000	545,000	545,000		
Interest on Bonds	135,312	135,312	132,311		3,001
Interest on Notes	67,378	67,378	67,377		1
Total Municipal Debt Service-Excluded from "CAPS"	747,690	747,690	744,688		3,002
Deferred Charges:					
Special Emergency Authorizations-					
5 years (N.J.S. 40A:4-55)	30,000	30,000	30,000		
Total Deferred Charges - Municipal - Excluded from "CAPS"	30,000	30,000	30,000		

Borough of Northvale

Statement of Expenditures-Regulatory Basis

Current Fund

Year ended December 31, 2009

	Appropriation		Expended 2009		Unexpended Balance Cancelled
	Budget	Total for 2009 as Modified by All Transfers	Paid or Charged	Reserved	
<u>General Appropriations</u>					
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,618,729</u>	<u>2,625,529</u>	<u>2,621,870</u>	<u>657</u>	<u>3,002</u>
Total General Appropriations - Excluded from "CAPS"	<u>2,618,729</u>	<u>2,625,529</u>	<u>2,621,870</u>	<u>657</u>	<u>3,002</u>
Subtotal General Appropriations	7,498,524	7,498,524	7,445,428	13,095	40,002
Reserve for Uncollected Taxes	<u>358,000</u>	<u>358,000</u>	<u>358,000</u>		
Total General Appropriations	<u>\$ 7,856,524</u>	<u>7,856,524</u>	<u>7,803,428</u>	<u>13,095</u>	<u>40,002</u>
Adopted Budget		7,827,956			
Added by N.J.S.A. 40A4-87		28,568			
		<u>\$ 7,856,524</u>			
Reserve for Uncollected Taxes			358,000		
Transferred to Federal and State Grant Fund			468,522		
Special Emergency			30,000		
Reserve for Encumbrances			9,651		
Cash Disbursed			<u>6,937,255</u>		
			<u>\$ 7,803,428</u>		

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Assets</u>			
Animal Trust Fund:			
Cash	B-1	\$ <u>5,686</u>	<u>4,569</u>
Other Trust Funds:			
Cash	B-1	261,533	345,935
Due from Current Fund	B-9	<u>100</u>	<u> </u>
		<u>261,633</u>	<u>345,935</u>
Community Development Block Grant Fund:			
Cash	B-1		15
Grants receivable	B-6	<u>36,779</u>	<u>37,919</u>
		<u>36,779</u>	<u>37,934</u>
Unemployment Trust Fund:			
Cash	B-1	54,978	54,611
Due from Payroll Account	F	<u>6,913</u>	<u>6,913</u>
		<u>61,891</u>	<u>61,524</u>
Open Space Trust Fund:			
Cash	B-1	<u>287,608</u>	<u>249,384</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	427,592	347,441
Service Award Contributions Receivable	B-12	<u>50,300</u>	<u>47,800</u>
		<u>477,892</u>	<u>395,241</u>
		<u>\$ 1,131,489</u>	<u>748,652</u>

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

Trust Funds

December 31, 2009 and 2008

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Animal Trust Fund:			
Due to State of New Jersey	B-2	11	
Reserve for Expenditures	B-3	<u>5,675</u>	<u>4,569</u>
		<u>5,686</u>	<u>4,569</u>
Other Trust Funds:			
Due to General Capital Fund	B-4	36,393	36,393
Due to Current Fund	B-9	4,488	6,879
Escrow Deposits	B-5	199,702	217,485
Miscellaneous Reserves	B-10	<u>21,050</u>	<u>85,178</u>
		<u>261,633</u>	<u>345,935</u>
Community Development Block Grant Fund:			
Due to Current Fund	B-9	8,453	10,273
Reserve for Community Development	B-7	<u>28,326</u>	<u>27,661</u>
		<u>36,779</u>	<u>37,934</u>
Unemployment Trust Fund:			
Reserve for Unemployment Insurance Compensation	B-8	<u>61,891</u>	<u>61,524</u>
Open Space Trust Fund:			
Reserve for Expenditures	B-11	<u>287,608</u>	<u>249,384</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-13	<u>477,892</u>	<u>395,241</u>
		<u>\$ 1,131,489</u>	<u>1,094,587</u>

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Comparative Balance Sheet-Regulatory Basis

General Capital Fund

December 31, 2009

	<u>Ref.</u>	<u>2009</u>	<u>2008</u>
<u>Assets</u>			
Cash	C-2/C-3	\$ 486,975	805,287
Deferred charges to future taxation:			
Funded	C-4	4,978,000	2,213,000
Unfunded	C-6	75,679	3,366,679
Due from Escrow Trust Fund	C-7	36,393	36,393
Grants receivable	C-8	658,754	573,397
Due from Federal and State Grant Fund	A	22,875	22,875
		\$ 6,258,676	7,017,631
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds Payable	C-10	4,978,000	2,213,000
Bond Anticipation Notes Payable	C-12		3,310,800
Due to Current Fund	C-5	1,305	
Improvement authorizations:			
Funded	C-9	907,284	242,752
Unfunded	C-9	19,800	936,028
Capital Improvement Fund	C-11	39,233	40,233
Fund balance	C-1	313,054	274,818
		\$ 6,258,676	7,017,631

There were bond anticipation notes authorized but not issued on December 31, 2009 of \$75,679 as shown on Schedule C-13.

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE
Statement of Fund Balance-Regulatory Basis
General Capital Fund
Year ended December 31, 2009

Balance, December 31, 2008	\$	274,818
Increased by:		
Premium on Sale of Notes	\$	1,000
Funded Improvement Authorizations Amended		<u>277,663</u>
		<u>278,663</u>
		553,481
Decreased by:		
Budget Revenue Realized		<u>240,427</u>
Balance, December 31, 2009	\$	<u><u>313,054</u></u>

See accompanying notes financial statements.

BOROUGH OF NORTHVALE
 Comparative Balance Sheet-Regulatory Basis
 Public Assistance Trust Fund
 December 31, 2009 and 2008

	<u>Ref</u>	<u>2009</u>	<u>2008</u>
<u>Assets</u>			
Cash - PATF I	E-1	\$ 107	106
Cash - PATF II	E-1	<u>8,020</u>	<u>9,553</u>
		<u>\$ 8,127</u>	<u>9,659</u>
 <u>Liabilities</u>			
Reserve for Expenditure - PATF I	E-4	\$ 1,107	1,106
Reserve for Expenditure - PATF II	E-4	<u>7,020</u>	<u>8,553</u>
		<u>\$ 8,127</u>	<u>1,106</u>

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Balance Sheet-Regulatory Basis

Payroll and Agency Fund

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash	\$ 771	
Payroll Withholdings Receivable	<u>6,142</u>	<u>11,295</u>
	<u>\$ 6,913</u>	<u>11,295</u>
<u>Liabilities</u>		
Cash Deficit	\$	4,382
Due to Unemployment Trust	<u>6,913</u>	<u>6,913</u>
	<u>\$ 6,913</u>	<u>11,295</u>

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

Statement of General Fixed Assets-Regulatory Basis

General Fixed Assets Account Group

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
General Fixed Assets:		
Land	\$ 5,934,700	5,934,700
Buildings	2,861,700	2,861,700
Machinery and equipment	<u>3,841,650</u>	<u>3,841,650</u>
	<u>\$ 12,638,050</u>	<u>12,638,050</u>

See accompanying notes to financial statements.

BOROUGH OF NORTHVALE

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Borough of Northvale have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Northvale (the "Northvale") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Trust Fund - This fund is used to account for fees collected from animal licenses and expenditures which are regulated by NJS 4:19-15.11.

Municipal Open Space Trust - This fund is used to account for taxes raised to finance the acquisition and preservation of property.

Emergency Services Volunteer Length of Service Award Plan (LOSAP) Trust Fund - This fund is used to account for the cumulative amount of each participant's length of service awards, including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective April 7, 2009, the Borough transferred administration of the General Assistance Program to the Bergen County Board of Social Services.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

General Fixed Assets Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

Payroll and Agency Fund - This fund is used to account for net payroll checks and payroll deductions.

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Northvale. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2009, the Mayor and Council increased the budget by \$28,568 which was funded by the insertion of additional revenues and appropriations. In addition, several budget transfers were approved by the governing body.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

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

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

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

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

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value and are limited by N.J.S.A. 40A:5-15.1(a).

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Borough of Northvale has developed a fixed assets accounting and reporting system.

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

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

No depreciation has been provided for in the financial statements.

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

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

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

Use of Estimates

The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

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

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2009, \$0- of the Borough's bank balance of \$1,848,627 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)**

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 15, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Lincoln Financial Group, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2009 and 2008 amounted to \$427,592 and \$347,441, respectively.

The following investments represent 5% or more of the total invested with Lincoln Financial Group on December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
DWS EQ 500 Index	\$174,613	\$130,347
Fixed Income	177,201	170,846
All Others	<u>75,778</u>	<u>46,248</u>
Total	<u>\$427,592</u>	<u>\$347,441</u>

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2009 consisted of the following:

	Balance Dec. 31, 2008	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable - General Obligation Debt	\$2,213,000	\$3,310,000	\$545,000	\$4,978,000	\$600,000
Deferred PERS/PFRS Pension Contribution		187,146		187,146	
Other Liabilities - Compensated Absences Payable	<u>843,371</u>	<u>86,653</u>	_____	<u>930,024</u>	_____
	<u>\$3,056,371</u>	<u>\$3,583,799</u>	<u>\$545,000</u>	<u>\$6,095,170</u>	<u>\$600,000</u>

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Issued - general bonds and notes	\$4,978,000	\$5,523,800	\$4,813,500
Net debt issued	4,978,000	5,523,800	4,813,500
Authorized but not issued - general bonds and notes	<u>75,679</u>	<u>55,879</u>	<u>1,307,879</u>
	5,053,679	5,579,679	6,121,379
Less Deductions	_____	_____	<u>324,712</u>
Net bonds and notes issued and authorized but not issued	<u>\$5,053,679</u>	<u>\$5,579,679</u>	<u>\$5,796,667</u>

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .50%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School debt	\$7,021,368	\$7,021,368	\$0
General debt	5,053,679	<u> </u>	<u>5,053,679</u>
	<u>\$12,075,047</u>	<u>\$7,021,368</u>	<u>\$5,053,679</u>

Net debt of \$5,053,679 divided by equalized valuation basis per N.J.S.A. 40A:2-2, as amended, of \$1,014,537,353 equals .50%.

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

3-1/2% of equalized valuation basis (municipal)	\$35,508,807
Net debt	<u>5,053,679</u>
	<u>\$30,455,128</u>

The Borough's long-term debt consisted of the following at December 31, 2009:

General serial bonds:

\$2,720,000 general serial bonds issued June 1, 1999, due through February 1, 2011 at an interest rate of 4.5%	\$760,000
\$1,913,000 general serial bonds issued April 15, 2002, due through April 15, 2012 at an interest rate of 4.3%	908,000
\$3,310,000 general serial bonds issued February 15, 2009, due through February 15, 2020 with variable interest rates of 2.00% to 3.50%	<u>3,310,000</u>
	<u>\$4,978,000</u>

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Aggregate debt service requirements for outstanding bonded debt for the next five years is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$600,000	\$154,257	\$754,257
2011	635,000	127,519	762,519
2012	533,000	102,885	635,885
2013	340,000	88,600	428,600
2014	355,000	81,650	436,650
2015-2019	2,050,000	248,425	2,298,425
2020	<u>465,000</u>	<u>8,138</u>	<u>473,138</u>
Total	<u>\$4,978,000</u>	<u>\$811,474</u>	<u>\$5,789,474</u>

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

At December 31, 2009, the Borough had authorized but not issued debt of \$75,679.

NOTE 4. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2009.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable:				
Sovereign Securities Corp. LLC	\$2,085,500	\$	\$2,085,500	\$0
Valley National Bank	<u>1,225,300</u>	<u> </u>	<u>1,225,300</u>	<u>0</u>
	<u>\$3,310,800</u>	<u>\$0</u>	<u>\$3,310,800</u>	<u>\$0</u>

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 5. PENSION PLANS

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemens' Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final average compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years or 1/60 of final average compensation multiplied by the number of years of creditable service, whichever is greater. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 5. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemen's Retirement System (PFRS), (continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Borough of Northvale opted for this deferral in the amount of \$187,146.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 5. PENSION PLANS, (continued)

Contribution Requirements, (continued)

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
December 31, 2009	\$40,755	\$167,212
December 31, 2008	57,797	287,201
December 31, 2007	30,269	176,129

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

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

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

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

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

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 6. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 7, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

Plan Description

The Borough of Northvale contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The 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.

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. 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 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 <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>

Plan Coverage

Any employee who retires after twenty-five (25) years or more of service within the Borough shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Borough. This does not include dental benefits.

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.

The Borough of Northvale does not contribute to the cost of post employment benefits for its retired employees. Premiums attributable to coverage are billed directly to and paid for by the individual retired employee.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 7. FUND BALANCE APPROPRIATED

The Current Fund balance at December 31, 2009 which has been appropriated as revenue in the 2010 budget is \$-0-

NOTE 8. FIXED ASSETS

The following is a summary of the General Fixed Assets Account Group as of December 31, 2009.

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Land	\$5,934,700			\$5,934,700
Building and Building Improvements	2,861,700			2,861,700
Machinery and Equipment	<u>3,841,650</u>	<u>\$</u>	<u>\$</u>	<u>3,841,650</u>
	<u>\$12,638,050</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,638,050</u>

A fixed assets inventory update was not available for December 31, 2009.

NOTE 9. ACCRUED SICK AND VACATION BENEFITS

The Borough permits all employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation approximates \$930,024 as of December 31, 2009. The Division of Local Government Services, Department of Community Affairs, State of New Jersey does not allow this amount to be reported either as an expenditure or liability.

NOTE 10. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2009 consist of the following:

100	Due to Public Defender Trust Fund from Current Fund for deposits made in error.
36,393	Due to the General Capital Fund from the Escrow Trust Fund to reimburse prior year expenses paid.
8,453	Due to the Current Fund from the Community Development Grant Fund to reimburse grant expenditures paid.
4,488	Due to the Current Fund from the Other Trust Fund for interest earned on investments and to reimburse expenses paid.
6,913	Due to the Unemployment Trust Fund from the Payroll Fund for employee share of SUI contributions.
22,875	Due to the General Capital Fund from the Federal and State Grant Fund as reimbursement for expenditures.
1,305	Due to the Current Fund from the General Capital Fund for accrued interest received from sale of serial bonds.
<u>155,953</u>	Due to the Federal and State Grant Fund from the Current Fund for grants received less expenses paid.
<u>\$236,480</u>	

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 11. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On December 15, 2000, the Division of Local Government Services approved the Borough's LOSAP plan, provided by Lincoln National Life Insurance Company. The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln National Life Insurance Company will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall have minimum and maximum contribution requirements as follows: the minimum contribution for each participating active volunteer member shall be \$600 per year of active emergency service and the maximum contribution for each active volunteer member shall be \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2009 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 12. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2009 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Northvale is a member of the Bergen County Joint Insurance Fund (BCJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The BCJIF and MEL coverage amounts are on file with the Borough.

BOROUGH OF NORTHVALE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008
(continued)

NOTE 12. RISK MANAGEMENT, (continued)

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages in any of the prior three years.

NOTE 13. TAXES COLLECTED IN ADVANCE

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

	<u>Balance</u> <u>Dec 31, 2009</u>	<u>Balance</u> <u>Dec 31, 2008</u>
Prepaid Taxes	<u>\$81,340</u>	<u>\$85,413</u>
Cash Liability for Taxes Collected in Advance	<u>\$81,340</u>	<u>\$85,413</u>

BOROUGH OF NORTHVALE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008
 (continued)

NOTE 14. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the Borough of Northvale:

	<u>Balance Dec.31, 2009</u>	<u>2010 Budget Appropriation</u>	<u>Balance Succeeding Year Budget</u>
Current Fund:			
Deficit in Operations	\$21,789	\$14,868	\$6,921
Special Emergency Authorization (40A:4-55) Revaluation Program	<u>60,000</u>	<u>30,000</u>	<u>30,000</u>
	<u>\$81,789</u>	<u>\$44,868</u>	<u>\$36,921</u>

NOTE 15. LITIGATION

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would either be funded by insurance or raised by future taxation.

The Borough is involved in one piece of litigation, "Peter Peretti vs. Borough Council of Northvale." This matter was instituted in August 2010. The relief sought is effectively to cause the nullification of a bid award for sale and lease of property by the Borough of Northvale. Plaintiff also seeks to have the matter rebid claiming various defects in the bid award process. The action in itself does not seek monetary damages at this juncture. There are monetary repercussions to the Borough in the event the lawsuit was successful. The successful bidder paid \$500,000 for the lease/purchase of the Borough owned premises at Block 303 Lot 5, otherwise known as 254 Livingston Street. Three hundred thousand of those monies paid were used in the 2010 budget by the governing body. Two hundred thousands was kept in surplus and \$300,000 was used in the 2010 budget. If successful, the action by Plaintiff would require the return of \$500,000 by the Borough. This would effect its financial position as a result. It would not appear to be a matter covered by any insurance available to the Borough of which I am aware.

SUPPLEMENTARY DATA

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2009

Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007*</u>
Tax rate	1.902	1.801	1.780
Apportionment of tax rate:			
Municipal	0.481	0.450	0.440
Municipal Open Space	0.010	0.010	0.010
County	0.194	0.180	0.168
County Open Space	0.011	0.011	0.010
Local school	0.781	0.748	0.744
Regional school	<u>0.425</u>	<u>0.402</u>	<u>0.408</u>
Assessed valuation:			
2009		\$ 996,507,509	
2008		996,507,509 *	
2007		963,926,829	

* - The borough underwent a revaluation of properties that became effective in 2007.

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax levy</u>	<u>Currently</u>	
		<u>Cash collec- tions</u>	<u>Percent- age of collec- tions</u>
2009	\$ 18,997,284	18,513,285	97.45%
2008	18,047,137	17,661,607	97.86%
2007	17,316,610	17,093,715	98.71%

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2009

Delinquent Taxes and Tax Title Liens

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

<u>Year</u>		Amount of tax title liens	Amount of delin- quent taxes	Total delinquent	Per- centage of tax levy
2009	\$	34,375	481,034	515,409	2.71%
2008		31,288	253,172	284,460	1.58%
2007		29,008	220,636	249,644	1.44%

Property Acquired by Tax Title Lien Liquidation

The value of properties acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2009	\$	2,156,700
2008		2,156,700
2007		1,422,200

Comparative Schedule of Fund Balances

	<u>Year</u>	Balance, <u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2009	\$ 91,514	0
	2008	390,514	299,000
	2007	982,993	670,000
	2006	650,386	490,000
	2005	883,753	615,000

BOROUGH OF NORTHVALE

Supplementary Data

Year ended December 31, 2009

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Type of Bond</u>
John S. Hogan	Mayor		
Lloyd Winans	Council President		
Scott Furletti	Councilman		
Patrick Marana	Councilman		
Roy Sokoloski	Councilman		
Raffi Jamgotchian	Councilman		
Andrew Gullestad	Councilman		
Shuaib Firozvi	Chief Financial Officer/Treasurer		
Wanda Worner	Borough Clerk		
Suzanne Burroughs	Tax Collector	\$ 1,000,000	(A)
Nicola Lepore	Construction Code Official		
Frank Giordanno	Plumbing Subcode Official		
Joseph Zavarino	Fire Subcode Official		
Roger Hauser	Municipal Court Judge	1,000,000	(A)
Maria Doerr	Municipal Court Administrator	1,000,000	(A)
Joan Dolan	Deputy Court Clerk	1,000,000	(A)
John Guercio	Assessor		
Bruce Tietjen	Chief of Police		
Louis Raimondi	Borough Engineer		
Joseph Zavarino	Fire Prevention Bureau		
Thomas Randall	Borough Attorney		

(A) - Statutory positions are covered under the South Bergen Municipal Jointure policy (\$50,000) and the Municipal Excess Liability Joint Insurance Fund Excess Crime Policy - Public Employees Bond (\$950,000)

BOROUGH OF NORTHYALE

Schedule of Expenditures of Federal Awards

Year ended December 31, 2009

Federal Funding Department	Federal Program	C.F.D.A. Number	Grant award amount	Grant period	Balance 12/31/08	Grant Receipts	Expenditures	Balance 12/31/09	MEMO cumulative Expenditures	
(1) Housing and Urban Development	Community Development Block Grant Program									
	Operation of McGuire Senior Center (210-205-739-33-52)	14.218	\$ 56,239	7/1/09-6/30/10		19,461	27,660	(8,199) A	27,660	
	Operation of McGuire Senior Center	14.218	56,239	7/1/08-6/30/09	(10,258)	37,919	27,661		56,239	
	Senior Center Heating System (210-124-739-33-09)	14.218	10,000	7/1/09-6/30/10					B	
	Senior Center Emergency Generator - Ord. 871 (210-124-738-33-09)	14.218	65,000	7/1/08-6/30/09						
	Barrier Free Ramps - Ord. 849	14.218	27,300	7/1/07-6/30/08	(10,258)	57,380	55,321	(8,199)	23,200	
									107,099	
	(1) Department of Agriculture	USDA - Dining with Dignity	10.565	2,640	1/1/09-12/31/09		2,420	2,640	(220)	2,640
			10.565	2,640	1/1/08-12/31/08	(1,320)	1,320			2,640
						(1,320)	3,740	2,640	(220)	5,280
(1) Health and Human Services	Title III Older Americans Act	13.635	13,522	1/1/09-12/31/09		12,394	13,522	(1,128)	13,522	
		13.635	13,522	1/1/08-12/31/08	(1,128)	1,128				
					(1,128)	13,522	13,522	(1,128)	13,522	
(1) Passed through the County of Bergen.					\$ (12,706)	74,642	71,483	(9,547)	125,901	

This schedule was not subject to an audit in accordance with OMB Circular A-133.

A - Grants Receivable of \$36,778, appropriated reserve of \$28,579

B - Grants Receivable of \$10,000, appropriated reserve of \$10,000

BOROUGH OF NORTHVALE
Schedule of Expenditures of State Awards
Year ended December 31, 2009

State Funding Department	State Program	State Grant No.	Grant period	Grant award amount	Balance 12/31/2008	Cash received	Grant Expenditures	Adjustment	Balance 12/31/2009	MEMO Cumulative Expenditures				
Administration of the Courts	Alcohol Education and Rehabilitation	9735-760-098-1900-01-X100	2009	928		928			928					
			2008	1,017					1,017					
			2007	1,579						1,579				
			2006	1,651						1,651				
			2005	1,760						391	1,369			
				5,089		928	451		5,566	1,369				
	Drunk Driving Enforcement Fund	6400-10-078-6400	2009	2,856		2,856			2,856					
			2008	4,708					4,708					
			2007	5,049					1,822	3,227	1,822			
			2006	5,832					3,577		3,227	5,832		
							13,334		2,856	5,399		10,791	7,654	
Department of Transportation Transportation Trust Fund	Refurbishing of Hogan's Park (Bikeway/Walking Path) - Ord. 857 Repairs/Imps. To White Avenue Culvert - Ord. 856 Veteran's Drive, Phase II - Ord. 781 Veteran's Drive, Phase I - Ord. 775 Extension of Birchwood Road - Ord. 746 Hill Terrace School Warming Lights, Curbs, Sidewalks - Ord. 729	08-480-078-6320-A13-6010 08-480-078-6320-A14-6010 8100-133-5837 8100-133-5837 8100-133-5837 8100-133-5837	2008	100,000	(86,438)				(86,438)	86,438				
			2008	50,000		23,175	26,617		(3,442)	26,617	26,617			
			1999	70,000	(11,413)					(11,413)	70,000			
			1999	150,000	(5,718)					(5,718)	150,000			
			1999	150,000	(259)					(259)	150,000			
			1998	40,000	(1,984)					(1,984)	40,000			
					(103,812)		23,175	36,617		(109,254)		523,055		
			Department of Environmental Protection	Clean Communities	4900-765-042-4900-004	2009	7,725		7,725	814		6,911	814	
						2008	6,029			6,029			6,029	6,029
						2007	5,760			4,457			4,457	5,760
				10,486		7,725	11,300		6,911	12,603				
Department of Environmental Protection	Hazardous Discharge Site Remediation (New Jersey Economic Development Authority)	P25314 P26472 P17496	2009	399,300		363,000	330,926		32,074	330,926				
			2009	25,349		23,044	23,007		37	23,007				
			2006	11,143						10,130	1,013			
				10,130										
				10,130		386,044	353,933		42,241	354,946				

BOROUGH OF NORTHVALE

Schedule of Expenditures of State Awards

Year ended December 31, 2009

	State Program	State Grant No.	Grant period	Grant award amount	Balance 12/31/2008	Cash received	Grant Expenditures	Adjustment	Balance 12/31/2009	MEMO Cumulative Expenditures
County of Bergen	State Funding Department Other Financial Assistance									
	Livingston Street Improvements	Ord. 861	2008	750,000	(83,136)				(83,136)	537,384
	Improvements to Tappan Road	Ord. 761	2001	514,550	(83,136)				(83,136)	479,471
										1,016,855
County of Bergen	Open Space Trust Fund									
	Imps. To Veteran's Park (playground equipment, conversion of roller hockey rink to basketball court - 006-910-785-20-31)	Ord. 871-09	2009	63,352			40,798		(40,798)	40,798
	Refurbishing of Hogan's Park	Ord. 857, 006-910-785-20-31	2008	89,154	(89,154)				(89,154)	89,154
	Imps. To Veteran's Field	Ord. 775	2002	30,350	(15,017)		40,798		(15,017)	30,250
					(104,171)				(144,969)	160,202
Local	DARE Donations - Golf Program		2009	17,170		17,170			17,170	17,170
	DARE Donations - Golf Program		2008	20,695	20,695		12,217		8,478	12,217
	DARE Donations - Golf Program		2007	369	7,171	369	7,171			7,171
	Junior Police Academy		2009					369		3,995
	Recreation Batting Cages		Various		2,675				2,675	
	Senior Citizen Computers		Various		2,074				2,074	
	Senior Citizen Caregivers		Various		575				575	
	Mary McDougall		Various		1,835		150		1,685	
					35,025	17,539	19,538		33,026	23,383
	<i>Total Other Financial Assistance</i>			\$	(63,128)	17,539	19,538		(65,127)	533,104
	<i>Total State and Other Financial Assistance</i>			\$	(115,491)	474,166	440,175	8,628	(72,872)	1,489,532

This schedule was not subject to an audit in accordance with NJ OMB 04-04

(2) Passed through the State of New Jersey

A - Grants Receivable of \$10,000, appropriated reserve of \$4,639.

BOROUGH OF NORTHVALE

Schedule of Cash - Treasurer

Current Fund

Year ended December 31, 2009

		Regular <u>fund</u>
Balance, December 31, 2008	\$	584,455
Increased by receipts:		
Petty Cash	\$ 100	
Prepaid taxes	81,340	
Taxes receivable	18,624,142	
Revenue accounts receivable	2,014,310	
Tax overpayments	6,953	
Marriage License/Domestic Partnership Fees	175	
DCA fees	6,279	
Burial Permit Fees	30	
State of New Jersey - Veterans and Senior Citizens	62,814	
Various Reserves	71,304	
Grants Receivable	443,741	
Unappropriated grant reserves	31,236	
Interfunds	60,127	
Non-budget revenue	<u>130,287</u>	
		<u>21,532,838</u>
		22,117,293
Decreased by disbursements:		
Budget appropriations	6,937,255	
Petty Cash	100	
County taxes	2,038,015	
Local district school taxes	7,786,280	
Regional high school taxes	4,226,641	
Marriage License/Domestic Partnership Fees	125	
Burial Permit Fees	20	
Interfunds	155,787	
DCA fees	6,279	
Various reserves	41,796	
Appropriated grant reserves	438,411	
Refunds	<u>118,234</u>	
		<u>21,748,943</u>
Balance, December 31, 2009	\$	<u><u>368,350</u></u>

BOROUGH OF NORTHVALE

Schedule of Change Fund

Current Fund

Year ended December 31, 2009

Balance, December 31, 2008	\$ <u>200</u>
Balance, December 31, 2009	\$ <u><u>200</u></u>
Analysis of balance:	
Tax collector	50
Municipal court	<u>150</u>
	\$ <u><u>200</u></u>

Schedule of Petty Cash Fund

Current Fund

Year ended December 31, 2009

Balance, December 31, 2008	\$ 100
Increased by:	
Petty Cash Advanced	<u>100</u>
	200
Decreased by:	
Petty Cash Returned	<u>100</u>
Balance, December 31, 2009	\$ <u><u>100</u></u>

BOROUGH OF NORTHVALE

Schedule of Due from State of New Jersey -
Senior Citizens' and Veterans' Deductions

Current Fund

Year ended December 31, 2009

Balance, December 31, 2008		\$	1,074
Increased by:			
Senior Citizen Deductions per tax duplicate	\$	12,750	
Veteran Deductions per tax duplicate		50,500	
Deductions allowed by tax collector		<u>1,000</u>	
			<u>64,250</u>
			65,324
Decreased by:			
Deductions disallowed by Tax Collector		1,186	
Deductions disallowed by Tax Collector-2008		250	
Cash Receipts		<u>62,814</u>	
			<u>64,250</u>
Balance, December 31, 2009		\$	<u><u>1,074</u></u>

BOROUGH OF NORTHTVALE

Schedule of Taxes Receivable and
Analysis of 2009 Property Tax Levy

		Current Fund					
		Year ended December 31, 2009					
<u>Year</u>	Balance, Dec. 31, 2008	Total 2009 Levy	<u>Collections</u> 2008	2009	Veterans and Senior <u>Citizens</u>	Transferred to Tax Title <u>Liens</u>	Balance, Dec. 31, 2009
2008	\$ 253,172	6,262	85,413	259,334	63,064	100	481,034
2009		18,997,284	85,413	18,364,808	63,064	2,965	481,034
	\$ 253,172	19,003,546	85,413	18,624,142	63,064	3,065	481,034

Analysis of Property Tax Levy

Tax yield:	
General purpose tax	\$ 18,953,573
Added taxes (54:4-63.12 et seq.)	43,711
	<u>\$ 18,997,284</u>

Tax levy:	
Regional high school tax	4,236,807
Local district school tax	7,786,280
County tax	2,033,251
Amount due county/added taxes	4,764
Local open space tax	100,213
Local tax/municipal purposes	4,794,910
Additional tax levied	41,059
	<u>\$ 18,997,284</u>

BOROUGH OF NORTHVALE

Schedule of Tax Title Liens

Current Fund

Year ended December 31, 2009

Balance, December 31, 2008		\$	31,288
Increased by:			
Transfers from 2009 taxes receivable	\$	2,965	
Transfers from 2008 taxes receivable		100.	
Interest and Costs on Taxes		<u>22</u>	
			<u>3,087</u>
Balance, December 31, 2009		\$	<u><u>34,375</u></u>

**Schedule of Property Acquired for Taxes
at Assessed Valuation**

Current Fund

Year ended December 31, 2009

Balance, December 31, 2008		\$	<u>2,156,700</u>
Balance, December 31, 2009		\$	<u><u>2,156,700</u></u>

BOROUGH OF NORTHVALE

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2009

	Balance, Dec. 31, <u>2008</u>	<u>Accrued</u>	<u>Received</u>	Balance, Dec. 31, <u>2009</u>
Licenses:				
Alcoholic beverages	\$	15,266	15,266	
Other		11,945	11,945	
Fees and permits:				
Construction Code Official		98,026	98,026	
Other		26,309	26,309	
Fines and costs - municipal court	4,914	96,884	96,743	5,055
Interest and costs on taxes		57,063	57,063	
Interest on investments and deposits		11,364	11,364	
Consolidated Municipal Tax Relief		163,026	163,026	
Extraordinary Aid		100,000	100,000	
Energy Receipts Tax		542,575	542,575	
Borough of Rockleigh-Police/Court Services		337,459	337,459	
Life Hazard Use Fees		28,143	28,143	
Recreation Fees		30,227	30,227	
Library - Rent		41,231	41,231	
Donation - Senior Center		9,266	9,266	
Rental of Borough Property		70,000	70,000	
Summer Recreation Fees		35,742	35,742	
Senior Van Driver - Senior Financial Association		24,024	24,024	
Compost Program - Hillsdale		38,163	38,163	
Snow Reserve Trust		42,203	42,203	
General Capital Fund Balance		<u>240,427</u>	<u>240,427</u>	
	<u>\$ 4,914</u>	<u>2,019,343</u>	<u>2,019,202</u>	<u>5,055</u>
			Interest on Investments 4,892	
			Cash <u>2,014,310</u>	
			<u>\$ 2,019,202</u>	

BOROUGH OF NORTHVALE

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2009

	Increased by:	Balance, Dec. 31, <u>2009</u>
Current Fund:		
Deficit in Operations	\$ <u>21,789</u>	<u>21,789</u>
	\$ <u>21,789</u>	<u>21,789</u>

Schedule of Deferred Charges
N.J.S. 40A:4-55 Special Emergency

Current Fund

Year ended December 31, 2009

	<u>Net Amount Authorized</u>	<u>1/5th of Net Amount Authorized</u>	Balance, Dec. 31, <u>2008</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2009</u>
Revaluation Program	\$ <u>150,000</u>	<u>30,000</u>	<u>90,000</u>	<u>30,000</u>	<u>60,000</u>
	\$ <u>150,000</u>	<u>30,000</u>	\$ <u>90,000</u>	<u>30,000</u>	<u>60,000</u>

BOROUGH OF NORTHVALE
Schedule of Local District School Taxes

Current Fund

Year ended December 31, 2009

Increased by:	
2009 Levy	\$ <u>7,786,280</u>

Decreased by:	
Payments	\$ <u><u>7,786,280</u></u>

Schedule of Regional High School Taxes - (Prepaid)/Payable

Current Fund

Year ended December 31, 2009

Balance, December 31, 2008	\$ (5,083)
----------------------------	------------

Increased by:	
2009 Levy	<u>4,236,807</u>

4,231,724

Decreased by:	
Payments	<u>4,226,641</u>

Balance, December 31, 2009	\$ <u><u>5,083</u></u>
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BOROUGH OF NORTHVALE

Schedule of County Taxes

Current Fund

Year ended December 31, 2009

Increased by:

2009 Levy	\$ 1,926,629	
2009 Open Space Preservation	106,622	
2009 Added Taxes	<u>4,764</u>	
		<u>2,038,015</u>

Decreased by:

Payments		\$ <u><u>2,038,015</u></u>
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BOROUGH OF NORTHVALE

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2009

Balance, December 31, 2008	\$ 85,413
Increased by:	
2010 Taxes Received in 2009	<u>81,340</u>
	166,753
Decreased by:	
Applied to 2009	<u>85,413</u>
Balance, December 31, 2009	<u><u>\$ 81,340</u></u>

Schedule of Tax Overpayments Payable

Current Fund

Year ended December 31, 2009

Increased by:	
Overpayments received	<u>6,953</u>
Balance, December 31, 2009	<u><u>\$ 6,953</u></u>

BOROUGH OF NORTHVALE
Schedule of Due to State of New Jersey
for Marriage Licenses/Domestic Partnerships

Current Fund

Year ended December 31, 2009

Increased by:		
Cash Receipts	175	
		175
Decreased by:		
Cash Disbursements	125	
		125
Balance, December 31, 2009	\$ 50	

Schedule of Due to State of New Jersey - DCA Fees

Current Fund

Year ended December 31, 2009

Increased by:		
Receipts	\$ 6,279	
Decreased by:		
Disbursements	\$ 6,279	

BOROUGH OF NORTHVALE

Schedule of Due to State of New Jersey - Burial Permits

Current Fund

Year ended December 31, 2009

Increased by:	
Receipts	<u>30</u>
	30
Decreased by:	
Disbursements	<u>20</u>
Balance, December 31, 2009	\$ <u><u>10</u></u>

BOROUGH OF NORTHVALE

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2009

	Balance, Dec. 31, <u>2008</u>	Balance after transfers and <u>encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Salaries and wages:				
Within "CAPS":				
General Government:				
Administrative and Executive	\$ 7	7		7
Financial Administration	1	1		1
Collection of Taxes	1	1		1
Assessment of Taxes	1	1		1
Planning Board	1	1		1
Municipal Court	40	40		40
Public Defender	490	490		490
Police	162	162		162
Fire Prevention Bureau	3	3		3
Prosecutor	57	57		57
Road Repairs and Maintenance	9	9		9
Recycling	236	236		236
Senior Van Repairs	49	49		49
Board of Health	655	655		655
James F. Mcguire Memorial Center	282	282		282
Uniform Construction Code Official	299	299		299
Code Compliance	1	1		1
Other expenses:				
Within "CAPS":				
General Government:				
Administrative and Executive	2,284	2,284		2,284
Financial Administration	46	46		46
Annual Audit				
Assessment of Taxes	204	204		204
Collection of Taxes	5	5		5
Legal Services and Costs	406	406		406
Planning	780	780		780
Engineering	82	82		82
Planning Board	981	981		981

BOROUGH OF NORTHVALE

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2009

	Balance, Dec. 31, <u>2008</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Municipal Court	83	83		83
Police	49	49		49
First Aid Organization Contribution	192	192		192
Emergency Management Services	163	163		163
Insurance				
Workers Compensation	6	6		6
Other Insurance	204	204		204
Liability Insurance	400	400		400
Group Insurance for Employees	371	371		371
Fire Misc. expenses	288	288		288
Fire hydrant service	33	33		33
Fire Prevention Bureau	339	339		339
Road Repairs and Maintenance	319	319		319
Garbage and Trash Removal:				
Contractual	59	59		59
Tipping Fees-BCUA	198	198		198
Recycling	196	196		196
Public Buildings and Grounds	2,209	2,209		2,209
Sewer Repairs and Maintenance	477	477		477
Compost Leaf Program	529	529		529
Senior Van Repairs	56	56		56
Board of Health	25	25		25
Animal Control	233	233		233
Community Center for Mental Health	125	125		125
Recreation	152	152		152
Golden Age	195	195		195
James F. McGuire Memorial Center	296	296		296
Parks and Playgrounds	169	169		169
Summer Recreation	224	224		224
Celebration of Public Events	382	382		382
Uniform Construction Code	186	186		186
Code Compliance	340	340		340

BOROUGH OF NORTHVALE

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2009

	Balance, Dec. 31, <u>2008</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Gasoline	343	343		343
Street Lighting	5,081	5,081		5,081
Electricity	34	34		34
Telephone	578	578		578
Natural Gas	406	406		406
Water	174	174		174
Contingent	61	61		61
Sewer:				
Bergen County Utilities Authority	1	1		1
Stormwater Management	1	1		1
	<u>22,259</u>	<u>22,259</u>		<u>22,259</u>
	<u>\$ 22,259</u>	<u>22,259</u>		<u>22,259</u>

BOROUGH OF NORTHVALE

Schedule of Interfunds Receivable/(Payable)

Current Fund

Year ended December 31, 2009

	Balance, Dec. 31, <u>2008</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2009</u>
Due from/(to):				
General Capital Fund		1,305		1,305
Other Trust Fund	6,879	242	2,633	4,488
Public Defender Trust Fund			100	(100)
Open Space Trust		100,213	100,213	
Community Development Trust Fund	<u>10,273</u>	<u>55,574</u>	<u>57,394</u>	<u>8,453</u>
	<u>\$ 17,152</u>	<u>157,334</u>	<u>160,340</u>	<u>14,146</u>
Interest on Investments		242		
Accrued interest on sale of general improvement bonds		1,305		
Municipal open space levy collected			100,213	
Interfund Returned - Receipts			10,258	
Interfund - Advanced - Disbursements		8,199		
Disbursements		147,588		
Receipts			<u>49,869</u>	
		<u>\$ 157,334</u>	<u>160,340</u>	

BOROUGH OF NORTHVALE

Schedule of Due to State and Federal Grant Fund

Current Fund

Year Ended December 31, 2009

Balance - December 31, 2008		\$	119,387
Increased by:			
Grant Receivables Cancelled	\$	3,785	
Grants Receivable Collected		441,241	
Grants Received - Local Match		2,500	
Unappropriated Grants Received		<u>31,236</u>	
			<u>478,762</u>
			598,149
Decreased by:			
Appropriated grant balances cancelled	\$	3,785	
Cash Disbursements		<u>438,411</u>	
			<u>442,196</u>
Balance - December 31, 2009		\$	<u><u>155,953</u></u>

BOROUGH OF NORTHVALE

Schedule of Reserve for Various Reserves

Current Fund

Year ended December 31, 2009

	Balance, Dec. 31, <u>2008</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, Dec. 31, <u>2009</u>
Reserve for:				
Tax Sale Premiums	\$ 2,400	55,000	40,000	17,400
McGuire Senior Center	15,568	15,000	896	29,672
Senior Citizens Van Donations	32,859	1,304	900	33,263
Cultural Arts Committee	3,379			3,379
Beautification Committee	4,050			4,050
	<u>\$ 58,256</u>	<u>71,304</u>	<u>41,796</u>	<u>87,764</u>

BOROUGH OF NORTHVALE

Schedule of Grants Receivable

State and Federal Grants

Year ended December 31, 2009

	Balance, Dec. 31, <u>2008</u>	2009 Budget <u>Revenue</u>	Decreased by: <u>Received</u>	<u>Canceled</u>	Balance, Dec. 31, <u>2009</u>
Purpose:					
Clean Communities	\$	7,725	7,725		
Hazardous Discharge Site Remediation-Danzig		23,044	23,044		
Hazardous Discharge Site Remediation-Deluxe		363,000	363,000		
Title III, Older Americans Act	1,128	13,522	13,522		1,128
Alcohol Education Rehabilitation		928	928		
USDA Food	1,320	2,640	3,740		220
Municipal Recycling Assistance					
Municipal Alliance	18,599	10,000	14,814	(3,785)	10,000
Municipal Alliance - Local Match		2,500	2,500		
Northvale Municipal Alliance		20,695	20,695		
Community Development Block Grant - Senior Center Heating System		10,000			10,000
Drunk Driving Enforcement Fund		2,856	2,856		
Over the Limit Under Arrest		3,818	3,818		
Graduated Driver's License		5,523	5,523		
Click it or Ticket		1,902	1,902		
Junior Police Academy		369	369		
	<u>\$ 21,047</u>	<u>468,522</u>	<u>464,436</u>	<u>(3,785)</u>	<u>21,348</u>
		Cash Receipts	443,741		
		Unappropriated Reserves	<u>20,695</u>		
			<u>\$ 464,436</u>		

BOROUGH OF NORTHVALE

Schedule of Appropriated Reserves for

State and Federal Grants

Year ended December 31, 2009

	Balance, Dec. 31, <u>2008</u>	Transferred from 2009 <u>Budget</u>	<u>Expended</u>	<u>Canceled</u>	Balance, Dec. 31, <u>2009</u>
Alcohol Education Rehabilitation Fund	\$ 4,072		450		3,622
Title III		13,522	13,522		
USDA Food Program		2,640	2,640		
Community Development Block Grant - Senior Center Heating System		10,000			10,000
Police Body Armor Grant	3,354		3,354		
Donations -					
Mary McDougal	30		30		
Mary McDougal	1,805		120		1,685
Clean Communities	4,457		4,457		
Clean Communities	6,029	7,725	6,843		6,911
Recycling Tonnage	3,611		3,611		
Recycling Tonnage	5,559		2,678		2,881
Alcohol Education and Rehabilitation Over the Limit Under Arrest	1,017	928			1,945
Hazardous Discharge Site Remediation-Danzig	10,130	23,044	23,007		10,167
Hazardous Discharge Site Remediation-Deluxe		363,000	330,926		32,074
Municipal Alliance	3,681			(3,681)	
Municipal Alliance	20,500			(104)	20,396
Municipal Alliance		12,500	7,861		4,639
Body Armor	2,945		2,882		63
Over the Limit Under Arrest		3,818	3,818		
Click it or Ticket		1,902	1,902		
Graduated Driver's License		5,523	5,523		
Northvale Municipal Alliance (Golf Program)		20,695	12,217		8,478
Northvale Municipal Alliance	7,171		7,171		
Senior Citizens Caregiver	575				575
Recreation-Batting Cages	2,676				2,676
Drunk Driving Enforcement Fund	8,626		5,399		3,227
Drunk Driving Enforcement Fund	4,708	2,856			7,564
Junior Police Academy		369			369
Senior Citizens Computer Grant	2,073				2,073
	<u>\$ 93,019</u>	<u>468,522</u>	<u>438,411</u>	<u>(3,785)</u>	<u>119,345</u>
		Budget \$ 439,955			
		Appropriations by 40A:4-87 <u>28,567</u>			
		<u>\$ 468,522</u>			
		Cash Disbursed <u>438,411</u>			

BOROUGH OF NORTHVALE

Schedule of Unappropriated Reserves for

State and Federal Grants

Year ended December 31, 2009

<u>Grant</u>	Balance, Dec. 31, <u>2008</u>	Transferred to 2009 <u>Budget</u>	Cash <u>Received</u>	Balance, Dec. 31, <u>2009</u>
Recycling Tonnage Grant	\$		14,066	14,066
Donations - DARE	20,695	20,695	17,170	17,170
Over the Limit	<u>3,845</u>	<u> </u>	<u> </u>	<u>3,845</u>
	<u>\$ 24,540</u>	<u>20,695</u>	<u>31,236</u>	<u>35,081</u>

BOROUGH OF NORTHVALE

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2009

	Animal Trust Fund	Other Funds	Community Development Trust	Unemployment Trust	Open Space Trust	Emergency Services LOSAP Trust
Balance, December 31, 2008	\$ 4,569	345,935	15	54,611	249,384	347,441
Increase by receipts:						
License Fees	2,718					
Due to State of New Jersey	641					
Escrow Deposits		88,793				
POAA Deposits		60				
Grants Receivable			57,379			
Borough Contributions						47,200
Budget Appropriations		11,200				
Tax Collections					100,213	
Due to/from Current Fund		242				
Public Defender Fees		500				
Meal Sales		4,133				
Interest on Investments		544				
	3,359	105,472	57,379	367	1,543	58,953
	7,928	451,407	57,394	367	101,756	106,153
				54,978	351,140	453,594
Decrease by payments:						
Due to State of New Jersey	630					
Animal Trust Expenditures	1,612					
Escrow Expenditures		106,576				
Accumulated Sick payouts		2,834				
Snow Removal Expenditures		42,203				
Due to General Capital Fund					63,532	
Due to Current Fund		2,633				
Community Development Expenditures			57,394			
Recreation Expenditures		13,407				
Food Program Operations		22,221				
Withdrawals						23,761
Investment Depreciation						
Account Charges/Tax Withholdings						
	2,242	189,874	57,394		63,532	2,241
						26,002
Balance, December 31, 2009	\$ 5,686	261,533		54,978	287,608	427,592

BOROUGH OF NORTHVALE

**Schedule of Due to State
of New Jersey**

Animal Trust Fund

Year ended December 31, 2009

Increased by:		
State Fees Collected	\$	641
Decreased by:		
Paid to State of New Jersey		<u>630</u>
Balance, December 31, 2009	\$	<u><u>11</u></u>

BOROUGH OF NORTHVALE
 Schedule of Reserve for Expenditures

Animal Trust Fund

Year ended December 31, 2009

Balance, December 31, 2008	\$	4,569
Increased by:		
Dog license fees collected	\$	2,120
Cat license fees collected		338
Late Fees		205
Interest on Investments		55
		2,718
		7,287
Decreased by:		
Payments		1,612
Balance, December 31, 2009	\$	5,675

<u>Year</u>	<u>License fees collected</u>	<u>Amount</u>
2007		2,949
2008		2,794
		\$ 5,743

BOROUGH OF NORTHVALE

**Schedule of Due to/(from)
General Capital Fund**

Other Trust Funds

Year ended December 31, 2009

Balance, December 31, 2008 \$ 36,393

Balance, December 31, 2009 \$ 36,393

BOROUGH OF NORTHVALE

Schedule of Escrow Deposits

Other Trust Funds

Year ended December 31, 2009

Balance, December 31, 2008	\$ 217,485
Increased by:	
Escrow Deposits	88,793
	<u>306,278</u>
Decreased by:	
Escrow Disbursements/Refunds	<u>106,576</u>
Balance, December 31, 2009	<u>\$ 199,702</u>

Schedule of Grants Receivable

Community Development Fund

Year ended December 31, 2009

Balance, December 31, 2008	\$ 37,919
Increased by:	
2009-2010 Grant	56,239
	<u>94,158</u>
Decreased by:	
Receipts	<u>57,379</u>
Balance, December 31, 2009	<u>\$ 36,779</u>

BOROUGH OF NORTHVALE
Schedule of Reserve for Community
Development Projects
Community Development Fund
Year ended December 31, 2009

Balance, December 31, 2008	\$	27,661
Increased by:		
Grants authorized		56,239
		83,900
Decreased by:		
Expenditures		55,574
Balance, December 31, 2009	\$	28,326

Schedule of Reserve for
Unemployment Compensation
Unemployment Trust Fund
Year ended December 31, 2009

Balance, December 31, 2008	\$	61,524
Increased by:		
Interest on Investments		367
Balance, December 31, 2009	\$	61,891

BOROUGH OF NORTHVALE

Schedule of Interfund (Receivables)/Payables - Current Fund

Trust Funds

Year ended December 31, 2009

	Balance due to/(from) <u>Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	Balance due to/(from) <u>Dec. 31, 2009</u>
Other Trust Fund:	\$			
Escrow Trust Fund	6,879	242	2,633	4,488
Public Defender Trust Fund			100	(100)
Community Development Trust Fund	<u>10,273</u>	<u>55,574</u>	<u>57,394</u>	<u>8,453</u>
	<u>\$ 17,152</u>	<u>55,816</u>	<u>60,127</u>	<u>12,841</u>
Interest earned on investments		242		
Cash Disbursements			60,027	
Deposited in Current in error			100	
Expenses paid by Current Fund		<u>55,574</u>		
		<u>\$ 55,816</u>	<u>60,127</u>	

BOROUGH OF NORTHVALE
Schedule of Miscellaneous Reserves

Other Trust Funds

Year ended December 31, 2009

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Reserve for:	\$			
Parking Offenses Adjudication Act	1,623	78		1,701
Archives Commission	413			413
McGuire Food Program	34,114	4,379	22,221	16,272
Recreation	1,761	11,220	13,407	(426)
Public Defender	2,466	624		3,090
Snow Removal	41,983	220	42,203	
Accumulated Sick Leave	2,818	16	2,834	
	<u>\$ 85,178</u>	<u>16,537</u>	<u>80,665</u>	<u>21,050</u>
Interest earned on investments		544		
Due from Current Fund		100		
Cash Receipts		15,893		
Cash Disbursements			80,665	
		<u>\$ 16,537</u>	<u>80,665</u>	

BOROUGH OF NORTHVALE
Schedule of Reserve for Expenditures
Open Space Trust Fund
Year ended December 31, 2009

Balance, December 31, 2008	\$	249,384
Increased by:		
2009 Tax Levy	\$	99,980
Added Assessments		233
Interest earned on deposits		1,543
		101,756
		351,140
Decreased by:		
Due to General Capital - Ord. 871		63,532
Balance, December 31, 2009	\$	287,608

Exhibit B-12

Statement of Service Award Contributions Receivable
Emergency Services Volunteer Length of Service Award Program
Year ended December 31, 2009

Balance, December 31, 2008	\$	47,800
Increased by:		
2009 Service Award Contributions		50,300
		98,100
Decreased by:		
Contributions cancelled	\$	600
Contributions Paid		47,200
		47,800
Balance, December 31, 2009	\$	50,300

BOROUGH OF NORTHVALE

Statement of Net Assets Available for Benefits

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2009

Balance, December 31, 2008		\$	395,241
Increased by:			
Borough Contributions	\$	50,300	
Investment Appreciation		<u>58,953</u>	
			<u>109,253</u>
			504,494
Decreased by:			
Withdrawals		23,761	
Account Charges/Tax Withholdings		2,241	
Prior year contributions cancelled		<u>600</u>	
			<u>26,602</u>
Balance, December 31, 2009		\$	<u><u>477,892</u></u>

BOROUGH OF NORTHVALE

Schedule of General Capital Cash -
Treasurer

General Capital Fund

Year ended December 31, 2009

Balance, December 31, 2008		\$	805,287
Increased by receipts:			
Grant/Contribution receipts	\$	86,707	
General Improvement Bonds		3,310,000	
Premium on Bond Sale		1,000	
Accrued Interest on Bond Sale		<u>1,305</u>	
			<u>3,399,012</u>
			4,204,299
Decreased by disbursements:			
Capital Fund Balance due to Current		240,427	
Bond Anticipation Notes		3,310,800	
Improvement authorizations		<u>166,097</u>	
			<u>3,717,324</u>
Balance, December 31, 2009		\$	<u><u>486,975</u></u>

BOROUGH OF NORTHVALE
Analysis of General Capital Cash

General Capital Fund

December 31, 2009

Fund balance		\$ 313,054
Capital Improvement Fund		39,233
Due to Current Fund		1,305
Due from Escrow Trust Fund		(36,393)
Grants receivable		(658,754)
Due from Federal and State Grant Fund		(22,875)
Improvement authorizations:		
Ordinance		
<u>number</u>	<u>Improvement description</u>	
497	Improvement various streets	(32,594)
507/523	Acquisition ambulance	(855)
512	Acquisition equipment	(4,000)
561/590	Renovate Borough Hall	(12,180)
808	Various Improvements	84,732
810	Engineering Services for Intersection Imp. at Livingston Street and Paris Ave.	22,324
813/857	Refurbishing of Hogan's Park	174
825	Various Improvements	236,864
847	Purchase of Property-217 NY Ave.	(6,250)
849	Road and Drainage Improvements	109,816
856	Various Public Improvements	117,826
861	Reconstruction of Livingston Street	212,617
871	Various Capital Improvements	122,931
		<u>\$ 486,975</u>

BOROUGH OF NORTHVALE

Schedule of Deferred Charges to
Future Taxation - Funded

General Capital Fund

Year ended December 31, 2009

Balance, December 31, 2008	\$ 2,213,000
Increased by:	
General Improvement Bonds Issued	<u>3,310,000</u>
	5,523,000
Decreased by:	
Paid via Budget Appropriation	<u>545,000</u>
Balance, December 31, 2009	<u>\$ 4,978,000</u>

Schedule of Due to Current Fund

Year Ended December 31, 2009

Increased by:	
Accrued Interest received	\$ <u>1,305</u>
Balance, December 31, 2009	<u>\$ 1,305</u>

BOROUGH OF NORTHEVALE

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2009

Ordinance number	Improvement description	Balance, Dec. 31, 2008	2009 Authori- zation	Reduced in 2009	Balance, Dec. 31, 2009	Analysis of balance	
						Expendi- tures	Unexpended improve- ment authori- zation
497	Improvement of various streets	\$ 32,594			32,594	32,594	
512	Acquisition of equipment	4,000			4,000	4,000	
523	Acquisition of ambulance	855			855	855	
561/590	Renovation of Borough Hall	12,180			12,180	12,180	
775	Various Improvements	336,500		336,000	500		500
781	Various Improvements	553,000		553,000			
794	Various Improvements	647,000		647,000			
808	Various Improvements	549,000		549,000			
825	Various Improvements	664,000		664,000			
847	Purchase of Property-217 NY Ave.	6,250			6,250	6,250	
849	Road and Drainage Improvements	238,000		238,000			
856	Various Public Improvements	323,300		323,000	300		300
871	Various Capital Improvements		19,000		19,000		19,000
		\$ 3,366,679	19,000	3,310,000	75,679	55,879	19,800

General Improvement Bonds Issued 3,310,000

Improvement Authorizations - Unfunded 19,800

BOROUGH OF NORTHVALE
Schedule of Due from Escrow Trust Fund
General Capital Fund
Year ended December 31, 2009

Balance, December 31, 2008	\$ <u>36,393</u>
Balance, December 31, 2009	\$ <u><u>36,393</u></u>

BOROUGH OF NORTHVALE

Schedule of Grants Receivable

General Capital Fund

Year ended December 31, 2009

Balance, December 31, 2008	\$	573,397
Increased by:		
Grant and Contribution Awards		<u>172,064</u>
		745,461
Decreased by:		
Cash Receipts		<u>86,707</u>
Balance, December 31, 2009	\$	<u><u>658,754</u></u>

Analysis of Balance

Department of Transportation			
School Safety Program	\$	1,984	
Extension of Birchwood Road		259	
Improvements to Veteran's Drive		5,718	
Improvements to Veteran's Drive, Phase II		11,413	
Repairs/Imps. to White Avenue Culvert		26,825	
Hogan's Park Bikeway/Walking Path		<u>100,000</u>	
			146,199
Community Development Block Grant:			
Road/Drainage Improvements		4,100	
Emergency Generator for Senior Center		<u>45,000</u>	
			49,100
Bergen County Open Space Trust Fund:			
Improvements to Veteran's Field		15,017	
Refurbishing of Hogan's Park		89,154	
Imps. To Veteran's Park		<u>63,532</u>	
			167,703
Bergen County Direct Contributions:			
Improvements to Tappan Road		83,136	
Reconstruction of Livingston Street		<u>212,616</u>	
			<u>295,752</u>
	\$		<u><u>658,754</u></u>

BOROUGH OF NORTHALE
Schedule of Improvement Authorizations
General Capital Fund

Year ended December 31, 2009

Ordinance number	Description	Ordinance Date	Amount	Balance, Dec. 31, 2008		Authorizations	Paid or charged	Cancelled	Balance, Dec. 31, 2009	
				Funded	Unfunded				Funded	Unfunded
775	Various Capital Improvements	April 10, 2002	\$ 534,000		213,710			(213,210)		500
777	Demolition of Deluxe Cleaners	July 10, 2002	15,000	337				(337)		
781	Various Improvements	May 14, 2003	651,400		117,381		54,066	(63,315)		
794	Various Improvements	May 12, 2004	820,300		801			(801)		
808	Various Improvements	Sept. 14, 2005	621,750		89,005		4,273		84,732	
810	Engineering Services for Intersection Imp. At Livingston Street and Paris Ave.	Oct. 12, 2005	96,634	22,664			340		22,324	
813/857	Refurbishing of Hogan's Park	2006	250,000	7,134			6,960		174	
825	Various Improvements	2006	698,000		236,864				236,864	
849	Road Drainage Improvements	2007	277,300		109,878		62		109,816	
856	Various Public Improvements	June 11, 2008	389,600		168,389		50,263		117,826	300
861	Reconstruction of Livingston Street	Dec. 9, 2008	750,000						212,617	
871	Various Capital Improvements	June 10, 2009	192,064				50,133		122,931	19,000
			\$ 242,752	\$ 936,028		192,064	166,097	(277,663)	907,284	19,800
	Grants				108,532					
	Due from Municipal Open Space Trust Fund				63,532					
	Capital Improvement Fund				1,000					
	Deferred Charges to Future Taxation-Unfunded				19,000					
				\$ 192,064						

BOROUGH OF NORTHVALE

Schedule of General Serial Bonds

General Capital Fund

Year ended December 31, 2009

Purpose	Date of issue	Original issue	Maturity of bonds		Interest rate	Balance, Dec. 31, 2008	Increased	Decreased	Balance, Dec. 31, 2009	
			Outstanding Dec. 31, 2009	Amount						
General Improvements	June 1, 1999	2,720,000	Feb. 1, 2010	375,000	4.50	\$ 1,110,000		350,000	760,000	
			Feb. 1, 2011	385,000						
General Improvements	April 15, 2002	1,913,000	Apr. 15, 2010	200,000	4.30	1,103,000		195,000	908,000	
			Apr. 15, 2011	225,000						
			Apr. 15, 2012	483,000						
General Improvements	February 15, 2009	3,310,000	Feb. 15, 2010	25,000	2.00		3,310,000		3,310,000	
			Feb. 15, 2011	25,000	2.00					
			Feb. 15, 2012	50,000	2.00					
			Feb. 15, 2013	340,000	2.00					
			Feb. 15, 2014	355,000	2.00					
			Feb. 15, 2015	370,000	2.50					
			Feb. 15, 2016	390,000	3.00					
			Feb. 15, 2017	410,000	3.125					
			Feb. 15, 2018	430,000	3.125					
			Feb. 15, 2019	450,000	3.25					
Feb. 15, 2020	465,000	3.50								
						\$ 2,213,000	3,310,000	545,000	4,978,000	

BOROUGH OF NORTHVALE
 Schedule of Capital Improvement Fund
 General Capital Fund
 Year ended December 31, 2009

Balance, December 31, 2008	\$	40,233
Decreased by:		
Down payment on improvements		1,000
Balance, December 31, 2009	\$	39,233

BOROUGH OF NORTHVALE
 Schedule of Bond Anticipation Notes
 General Capital Fund

Year ended December 31, 2009

Ordinance number	Improvement description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2008	Decreased
775	Various Improvements	February 22, 2006	February 20, 2008	February 20, 2009	2.50	\$ 336,500	336,500
781	Various Improvements	February 22, 2006	February 20, 2008	February 20, 2009	2.50	553,000	553,000
794	Various Improvements	February 22, 2006	February 20, 2008	February 20, 2009	2.50	647,000	647,000
808	Various Improvements	February 22, 2006	February 20, 2008	February 20, 2009	2.50	549,000	549,000
825	Various Improvements	August 1, 2008	August 1, 2008	February 20, 2009	2.25	664,000	664,000
849	Road and Drainage Improvements	August 1, 2008	August 1, 2008	February 20, 2009	2.25	238,000	238,000
856	Various Improvements	August 1, 2008	August 1, 2008	February 20, 2009	2.25	323,300	323,300
						<u>\$ 3,310,800</u>	<u>3,310,800</u>
							Bond Sale Proceeds 3,310,000
							Re-establish authorized not Issued 800
							<u>\$ 3,310,800</u>

BOROUGH OF NORTHVALE

Schedule of Bonds and Notes Authorized but not Issued

General Capital Fund

Year ended December 31, 2009

<u>Ordinance number</u>	<u>Description</u>	<u>Balance, Dec. 31, 2008</u>	<u>Current year authorization</u>	<u>Balance, Dec. 31, 2009</u>
497	Improvement of various streets	\$ 32,594		32,594
512	Acquisition of equipment	4,000		4,000
561/590	Renovation of Borough Hall	12,180		12,180
523	Acquisition of ambulance	855		855
775	Various Capital Improvements		500	500
847	Purchase of Property-217 NY Ave.	6,250		6,250
856	Various Public Improvements		300	300
871	Various Public Improvements		19,000	19,000
		<u>\$ 55,879</u>	<u>19,800</u>	<u>75,679</u>
	Reestablish authorized not issued 2009 Improvement Authorizations		800	
			<u>19,000</u>	
			<u>\$ 19,800</u>	

BOROUGH OF NORTHVALE

Schedule of Cash-Treasurer

Public Assistance Fund

Year Ended December 31, 2009

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2007	\$ <u>9,659</u>	<u>106</u>	<u>9,553</u>
Increased by:			
State Aid	1,000		1,000
Interest Earned	<u>76</u>	<u>1</u>	<u>75</u>
	<u>1,076</u>	<u>1</u>	<u>1,075</u>
	10,735	107	10,628
Decreased by:			
Public Assistance 2009	<u>2,608</u>		<u>2,608</u>
Balance - December 31, 2008	\$ <u><u>8,127</u></u>	<u><u>107</u></u>	<u><u>8,020</u></u>

BOROUGH OF NORTHVALE

Schedule of Public Assistance Cash and Reconciliation
Per N.J.S.A. 40A:5-5

Public Assistance Fund

Year Ended December 31, 2009

Balance - December 31, 2009	\$	8,127
Increased by:		
Interest on Investments		<u>17</u>
Balance - May 31, 2010	\$	<u><u>8,144</u></u>

<u>Reconciliation - May 31, 2010</u>	<u>PATF I</u> <u>Account</u>	<u>PATF II</u> <u>Account</u>	<u>Total</u>
Balance on Deposit per Bank Statement:			
Checking	\$ <u>107</u>	<u>8,037</u>	<u><u>8,144</u></u>
Less: Outstanding Checks	\$ <u>107</u>	<u>8,037</u>	\$ <u><u>8,144</u></u>

BOROUGH OF NORTHVALE

Schedule of Public Assistance Cash and Reconciliation

Public Assistance Fund

Year Ended December 31, 2009

Balance - December 31, 2008		\$	9,659
Increased by:			
State Aid	\$	1,000	
Interest Earned		<u>76</u>	
			<u>1,076</u>
			10,735
Decreased by:			
Public Assistance 2009			<u>2,608</u>
Balance - December 31, 2009		\$	<u><u>8,127</u></u>

<u>Reconciliation - December 31, 2009</u>	<u>PATF I</u> <u>Account</u>	<u>PATF II</u> <u>Account</u>	<u>Total</u>
Balance on Deposit per Bank Statement:			
Checking	\$ <u>107</u>	<u>8,020</u>	<u>8,127</u>

BOROUGH OF NORTHVALE

Schedule of Reserve for Public Assistance Expenditures

Public Assistance Fund

Year Ended December 31, 2009

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Balance - December 31, 2008	\$ <u>9,659</u>	<u>1,106</u>	<u>8,553</u>
Increased by:			
State Aid	1,000		1,000
Interest Earned	<u>76</u>	<u>1</u>	<u>75</u>
	<u>1,076</u>	<u>1</u>	<u>1,075</u>
	10,735	1,107	9,628
Dereased by:			
Public Assistance 2009	<u>2,608</u>		<u>2,608</u>
	<u>2,608</u>		<u>2,608</u>
Balance - December 31, 2009	\$ <u><u>8,127</u></u>	<u><u>1,107</u></u>	<u><u>7,020</u></u>

BOROUGH OF NORTHVALE
 Schedule of Revenues - Cash Basis
 Public Assistance Fund
 Year Ended December 31, 2009

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
State Aid	\$ 1,000		1,000
Interest Earned	<u>76</u>	<u>1</u>	<u>75</u>
Total Revenues (P.A.T.F.)	<u>\$ 1,076</u>	<u>1</u>	<u>1,075</u>

Exhibit E-6

Schedule of Expenditures - Cash Basis
 Public Assistance Fund
 Year Ended December 31, 2009

	<u>Total</u>	<u>P.A.T.F. Account #1</u>	<u>P.A.T.F. Account #2</u>
Reported:			
Current Year Assistance (State Matching):			
Maintenance Payments	<u>2,608</u>	<u></u>	<u>2,608</u>
Total Payments Reported	<u>2,608</u>	<u></u>	<u>2,608</u>
Total Disbursements (P.A.T.F.)	<u>\$ 2,608</u>	<u></u>	<u>2,608</u>

BOROUGH OF NORTHVALE

PART II

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

Ferraioli, Wielkocz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
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James J. Cerullo, CPA, RMA
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and
Members of the Borough Council
Borough of Northvale
County of Bergen, New Jersey

We have audited the financial statements-regulatory basis of the Borough of Northvale in the County of Bergen as of and for the year ended December 31, 2009, and have issued our report thereon dated September 22, 2010. Our report disclosed that, as described in Note 1 to the financial statements-regulatory basis, the Borough of Northvale prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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



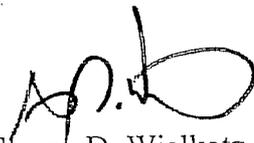
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

Compliance and Other Matters

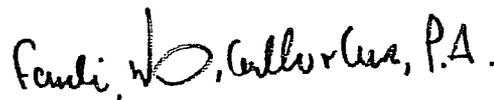
As part of obtaining reasonable assurance about whether the Borough of Northvale's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could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

We noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Northvale in the accompanying comments and recommendations section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CROO413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 22, 2010



BOROUGH OF NORTHVALE

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

Effective July 1, 2005, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$21,000 and with a qualified purchasing agent the threshold may be up to \$29,000.

BOROUGH OF NORTHVALE

GENERAL COMMENTS

(continued)

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

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

Food Service to the Senior Center
White Avenue Culvert Headwall

Veteran's Park Basketball Court Improvements

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The governing body on January 3, 2009 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, Public Law No. 435, which changes the rate of interest charged for delinquent taxes, has been enacted;

BE IT RESOLVED by the Mayor and Council of the Borough of Northvale that the rate of interest on delinquent taxes and Borough charges shall be at 8% per annum on the first \$1,500 of the delinquency, and 18% per annum on any amount in excess of \$1,500 for the year 1998, except that the rate will be one thousandth of one percent per annum on the taxes for any current quarter if the taxes are paid during the first ten days following February 1st, May 1st, August 1st, and November 1st; and

BE IT FURTHER RESOLVED that if the office of the Tax Collector is closed on the tenth day of February, May, August, or November, then the rate of one thousandth of one percent per annum above described shall be extended to include the first business day thereafter.

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

BOROUGH OF NORTHVALE

COMMENTS

Finance/Treasurer

1. *Formal bank reconciliations are not maintained for the Community Development Trust Fund as required by N.J.S.A. 50A:5-5.
2. *Formal general ledgers are not being maintained for the Recreation and Community Development Trust Funds as required by N.J.S.A. 50A:5-5.
3. *The percentage of employees' state unemployment withholdings that are to be retained by the borough are not being received and/or deposited into the Unemployment Trust Fund as required under the Benefit Reimbursement Method.
4. *The inventory of General Fixed Assets was not updated for 2009 as required by Technical Accounting Directive 85-2, Accounting for Fixed Assets.
5. *Payments for referee services are being made payable to "cash" and are not processed through the Borough's purchasing system.
6. There are various outstanding grant/contribution receivables in the General Capital Fund.
7. The Recreation Trust Fund has a deficit balance at year end.
8. The prior year interfund balance between the Escrow Trust Fund and the General Capital Fund has not been liquidated.

Purchasing/Accounts Payable

1. *Goods/Services are being ordered prior to being encumbered in violation of Technical Accounting Directive 85-1.
2. *Invoices to support expenditures were not always available for review.

Payroll

1. Not all employees who are eligible to participate in the pension system have been enrolled.

BOROUGH OF NORTHVALE

COMMENTS, (cont.)

Departments

Board of Health:

1. There was an instance in which a monthly dog license report was prepared incorrectly resulting in a liability to the State at year end for licenses collected but not reported.

Municipal Court:

1. A review of the court's December 2009 monthly management report revealed an excessive amount of tickets eligible for FTA over 14 days.

BOROUGH OF NORTHVALE

RECOMMENDATIONS

Finance/Treasurer

1. A formal bank reconciliation for the Community Development Trust be performed on a monthly basis.
2. A general ledger be implemented and maintained for the Recreation and Community Development Trust Funds as required by N.J.S.A. 50A:5-5.
3. The percentage portion of the employees' unemployment withholdings due to the unemployment trust fund be recouped from the payroll service provider and deposited into the Unemployment Trust Fund.
4. The inventory of general fixed assets be updated and maintained on a current basis.
5. The practice of issuing checks to cash be discontinued and payments for referee services be processed through the borough's purchasing system.
6. Old outstanding grants/contributions receivable in the General Capital Fund be investigated for possible collection.
7. The Recreation Trust fund bank account reconciled deficit balance be funded.
8. All prior year interfunds be liquidated.

Purchasing/Accounts Payable

1. That all goods/services be encumbered prior to being ordered.
2. All purchase orders must have documentation to support the amount paid.

Payroll

1. Borough officials review all employees and their status to ensure all eligible employees are enrolled in the pension system.

Departments

Board of Health:

1. A review of dog license reports be made prior to submission to ensure all licenses issued and collected are accurately reported.

Municipal Court:

1. All tickets eligible for FTA be reviewed and acted upon in a timely manner.

Status of Prior Years Audit Findings/Recommendation

A review was performed on all prior years' recommendations and corrective action was taken on all except those with an "*".

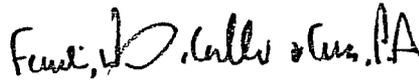
Acknowledgment

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

September 22, 2010