

TOWNSHIP OF NUTLEY

COUNTY OF ESSEX

REPORT OF AUDIT

2015

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
REPORT OF AUDIT
2015

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TOWNSHIP OF NUTLEY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2015



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 Mt. Arlington, NJ 07856
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Independent Auditors' Report

The Honorable Mayor and Members
 of the Board of Commissioners
 Township of Nutley
 Nutley, New Jersey

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* – of the various funds of the Township of Nutley in the County of Essex (the "Township") as of, and for the years ended December 31, 2015 and 2014, and the related notes to financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") to demonstrate compliance with the Division's regulatory basis of accounting, and the budget laws of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

The Honorable Mayor and Members
of the Board of Commissioners
Township of Nutley
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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by the Township on the basis of accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above, do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2015 and 2014, and the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion

The Township's general fixed assets account group is stated at historical cost or estimated historical cost in the accompanying financial statements. We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed assets account group. As more fully described in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. Therefore, based upon the underlying accounting records, we have not audited the general fixed assets account group.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the December 31, 2015 and 2014 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Nutley as of December 31, 2015 and 2014, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Emphasis of Matter

As discussed in Note 6 to the financial statements, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the year ended December 31, 2015. Our opinions are not modified with respect to this matter.

The Honorable Mayor and Members
of the Board of Commissioners
Township of Nutley
Page 3

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements.

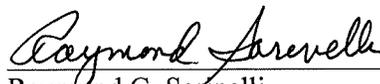
The supplementary data schedules and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund financial statements or to the various fund financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2016 on our consideration of the Township of Nutley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Nutley's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
April 15, 2016

NISIVOCCIA LLP



Raymond G. Sarnelli
Registered Municipal Accountant No. 383
Certified Public Accountant

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
CURRENT FUND

TOWNSHIP OF NUTLEY
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

		December 31,	
	Ref.	2015	2014
<u>ASSETS</u>			
Cash and Cash Equivalents	A-4	\$ 22,383,857.22	\$ 21,591,717.75
Change Fund		300.00	300.00
		22,384,157.22	21,592,017.75
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		128,695.80	140,028.01
		22,512,853.02	21,732,045.76
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,484,057.32	1,532,683.34
Tax Title Liens Receivable	A-8	43,910.78	27,518.07
Property Acquired for Taxes at Assessed Valuation		19,770.00	19,770.00
Revenue Accounts Receivable	A-9	19,892.77	22,273.30
Due Water Utility Capital Fund	D	5,253.00	10,965.00
		1,572,883.87	1,613,209.71
Total Receivables and Other Assets with Full Reserves			
TOTAL ASSETS		\$ 24,085,736.89	\$ 23,345,255.47

TOWNSHIP OF NUTLEY
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

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	Ref.	December 31,	
		2015	2014
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 2,113,609.45	\$ 2,546,587.09
Encumbered	A-3;A-11	1,781,183.21	1,556,324.43
		<u>3,894,792.66</u>	<u>4,102,911.52</u>
Accounts Payable - Vendors		1,921,833.71	1,957,956.70
Prepaid Taxes		311,598.01	350,904.24
Tax Overpayments		139,001.14	206,649.83
County Added and Omitted Taxes Payable		45,825.67	48,239.13
Due Other Trust Funds	B	3,847,498.19	2,981,052.58
Due General Capital Fund	C	2,605,051.65	2,819,621.42
Due Water Utility Operating Fund	D	9,757.07	
Due State of New Jersey:			
Construction Code Surcharge Fees		11,377.00	19,543.00
Marriage License Fees		850.00	1,100.00
Reserve for:			
Grant Funds Appropriated:			
Recycling Tonnage Grant		15,918.85	15,918.85
Grant Funds Unappropriated:			
Alcohol Education, Rehabilitation and Enforcement Fund			1,078.38
Body Armor Replacement Fund		6,057.00	5,982.84
Federal Emergency Management Agency:			
Superstorm Sandy		94,867.69	233,013.54
Hurricane Irene		8,400.31	
Damage to Soccer Field - Restitution			3,600.00
Pending Tax Appeals		3,500,000.00	2,950,000.00
Sale of Municipal Assets		50,000.00	50,000.00
Redemption of Outside Liens		83,848.98	1,903.38
Master Plan Review		13,610.00	13,610.00
		<u>16,560,287.93</u>	<u>15,763,085.41</u>
Reserve for Receivables and Other Assets	A	1,572,883.87	1,613,209.71
Fund Balance	A-1	5,952,565.09	5,968,960.35
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 24,085,736.89</u></u>	<u><u>\$ 23,345,255.47</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY

A-1

CURRENT FUND

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COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS

	Year Ended December 31,	
	2015	2014
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 4,654,000.00	\$ 4,654,000.00
Miscellaneous Revenue Anticipated	11,051,599.41	8,433,764.80
Receipts from:		
Delinquent Taxes	1,483,235.34	1,935,785.14
Current Taxes	106,142,172.43	107,802,184.16
Nonbudget Revenue	227,975.88	531,629.23
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,353,360.53	1,513,283.12
Senior Citizen/Veteran Allowances on Prior Year Taxes	1,139.73	4,500.00
Cancellation of:		
Reserve for Damage to Soccer Field - Restitution	3,600.00	
Due State of NJ - Marriage License Fees	75.00	
Tax Overpayments		27,349.95
Interfunds Returned	5,712.00	7,645.46
	<hr/>	<hr/>
Total Income	124,922,870.32	124,910,141.86
<u>Expenditures</u>		
Budget Appropriations	50,282,953.54	48,122,485.76
County Taxes	17,612,513.14	18,541,216.09
County Share of Added and Omitted Taxes	45,825.67	48,239.12
Local School District Taxes	51,689,491.00	52,081,835.00
Reserve for Pending Tax Appeals	638,296.19	1,350,698.27
Senior Citizen/Veteran Disallowances on Prior Year Taxes	12,168.16	23,250.00
Refund of Prior Year Taxes	4,017.88	3,039.93
Interfunds Advanced		10,965.00
	<hr/>	<hr/>
Total Expenditures	120,285,265.58	120,181,729.17

TOWNSHIP OF NUTLEY
CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS
 (Continued)

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2015</u>	<u>2014</u>
Excess in Revenue/Statutory Excess to Fund Balance		\$ 4,637,604.74	\$ 4,728,412.69
 <u>Fund Balance</u>			
Balance January 1		<u>5,968,960.35</u>	<u>5,894,547.66</u>
		10,606,565.09	10,622,960.35
Decreased by:			
Utilized as Anticipated Revenue		<u>4,654,000.00</u>	<u>4,654,000.00</u>
Balance December 31	A	<u><u>\$ 5,952,565.09</u></u>	<u><u>\$ 5,968,960.35</u></u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

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	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 4,654,000.00		\$ 4,654,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	30,000.00		32,321.84	\$ 2,321.84
Other	14,000.00		23,995.00	9,995.00
Fees and Permits	160,000.00		145,242.69	14,757.31 *
Fines and Costs:				
Municipal Court	335,000.00		313,147.64	21,852.36 *
Interest and Costs on Taxes	155,000.00		138,435.44	16,564.56 *
Parking Meters	275,000.00		274,675.89	324.11 *
Interest on Investments and Deposits	20,000.00		36,911.36	16,911.36
Fees - Immunization Program	5,000.00		16,743.86	11,743.86
Tree Removal Permits	4,000.00		6,400.00	2,400.00
Consolidated Municipal Property Tax Relief Aid	192,939.00		192,939.00	
Energy Receipts Tax	2,454,691.00		2,454,691.00	
Replacement Revenue	5,500,000.00		5,500,000.00	
Uniform Construction Code Fees	294,500.00		445,075.00	150,575.00
Township of Montclair - Health Services	14,500.00		9,194.50	5,305.50 *
Nutley Board of Education - Physician Services	7,000.00		6,300.00	700.00 *
Nutley Board of Education - Bulk/Solid Waste	12,500.00		12,500.00	
Safe and Secure Communities Grant	30,000.00		30,000.00	
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	70,000.00	\$ 31,000.00	263,755.00	162,755.00
Clean Communities Program		51,991.26	51,991.26	
County of Essex Municipal Alliance Grant		22,000.00	11,414.36	10,585.64 *
Pedestrian Safety, Education and Enforcement Fund		16,000.00		16,000.00 *
Safety Achievement Award		1,250.00	1,250.00	
Private Donation - Partners in Health		12,000.00	12,000.00	
Private Donation - Partners in Health		6,505.00	6,505.00	
Reserve for Body Armor Replacement Fund - Unappropriated	5,982.00		5,982.65	0.65
Reserve for Municipal Court Alcohol Education	1,078.00		1,078.38	0.38

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

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	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue:				
Sewer Maintenance Fees - Due from:				
Town of Belleville	\$ 9,905.00		\$ 9,905.28	\$ 0.28
City of Clifton	2,500.00		2,500.00	
Residential Furniture Delivery Service	491.00		491.00	
Town of Bloomfield	60,220.00		60,220.54	0.54
Regency Condominiums	11,023.00		11,023.12	0.12
Payment in Lieu of Taxes - Senior Citizen Housing	111,576.00		111,585.96	9.96
Passaic Valley Sewer Charges - User Charges	14,331.00		12,978.45	1,352.55 *
Recycling Program	25,000.00		25,000.00	
Bureau of Housing Inspection	10,000.00		18,743.00	8,743.00
Due from Hoffman-LaRoche - Debt Service	24,833.00		24,833.38	0.38
Uniform Fire Safety Act	29,718.00		24,550.90	5,167.10 *
P.I.L.O.T. - Nutley Senior Manor	43,000.00		40,117.05	2,882.95 *
Cable Franchise Fee	443,443.00		443,443.86	0.86
School Nursing Program	30,000.00		22,644.00	7,356.00 *
Cell Phone Tower Lease	18,000.00		18,000.00	
Donation from NVERS	10,000.00			10,000.00 *
Federal Emergency Management Agency - Superstorm Sandy	233,013.00		233,013.00	
	10,658,243.00	\$ 140,746.26	11,051,599.41	252,610.15
Receipts from Delinquent Taxes	998,922.00		1,483,235.34	484,313.34
Amount to be Raised by Taxes for Support of Municipal Budget:				
Municipal Budget:				
Local Tax for Municipal Purposes	36,909,843.44		39,867,417.06	2,957,573.62
Minimum Library Tax	1,211,193.56		1,211,193.56	
Total Amount to be Raised by Taxes for Support of Municipal Budget	38,121,037.00		41,078,610.62	2,957,573.62
Budget Totals	54,432,202.00	140,746.26	58,267,445.37	\$ 3,694,497.11
Nonbudget Revenue			227,975.88	
	\$ 54,432,202.00	\$ 140,746.26	\$ 58,495,421.25	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

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Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 106,142,172.43
Allocated to:		
County Taxes	\$ 17,612,513.14	
County Share of Added and Omitted Taxes	45,825.67	
Local School District Taxes	51,689,491.00	
		69,347,829.81
Balance for Support of Municipal Budget		36,794,342.62
 Add:		
Appropriation "Reserve for Uncollected Taxes"		4,284,268.00
 Realized for Support of Municipal Budget		\$ 41,078,610.62

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 1,464,991.69
Tax Title Lien Collections		18,243.65
		\$ 1,483,235.34

Analysis of Other Licenses:

Municipal Clerk		\$ 2,280.00
Board of Health		21,715.00
		\$ 23,995.00

Analysis of Fees and Permits:

Building Inspector		\$ 104,462.00
Board of Health		18,524.00
Tax Search Fees/Miscellaneous		10,142.95
Police		10,553.74
Municipal Clerk		130.00
Public Works		2,430.00
		146,242.69
Less: Refunds		1,000.00
		\$ 145,242.69

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer		\$ 36,911.36
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TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

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Analysis of Tree Removal Permits:

Collected/Received by Treasurer	\$	6,550.00
Less: Refunds		150.00
		150.00
	\$	6,400.00

Analysis of Uniform Construction Code Fees:

Construction Code Official	\$	450,453.00
Less: Refunds		5,378.00
		5,378.00
	\$	445,075.00

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Prior Year Revenue:

Safe and Secure Communities Program	\$	30,000.00	
School Nursing Program		21,967.20	
County of Essex Municipal Alliance Grant		9,025.00	
Drive Sober or Get Pulled Over		4,037.50	
Montclair Interlocal Health Agreement		2,432.50	
		2,432.50	

Total Prior Year Revenue

\$ 67,462.20

Refunds/Reimbursements		103,014.30
Payment in Lieu of Taxes		22,694.00
Insurance Claims		14,484.94
Administrative Costs:		
Senior Citizens' and Veterans' Deductions		4,425.26
Homestead Rebate Reimbursement		1,501.80
Municipal Court - Public Defender Fees		2,795.00
Departmental Collections		1,726.31
DMV Inspection Fines/Fees		1,215.00
Vacant Property Registration		1,000.00
Landscapers Leaf Removal Licenses		975.00
Bid Specifications		975.00
Other Miscellaneous		3,347.07
		3,347.07

225,615.88

Tax Collector - Departmental Collections

2,360.00

\$ 227,975.88

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
DEPARTMENT OF PUBLIC AFFAIRS:					
Director of Public Affairs:					
Salaries and Wages	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00		
Other Expenses	1,000.00	1,000.00	550.00	\$ 450.00	
Nutley Public Health Reserve Corp:					
Other Expenses	7,500.00	7,500.00	1,861.70	5,638.30	
Department of Health - Local Health Agency:					
Salaries and Wages	482,000.00	464,000.00	452,984.17	11,015.83	
Other Expenses	93,950.00	125,950.00	110,401.16	15,548.84	
Air Pollution Control - Contractual	6,181.00	6,181.00	6,181.00		
Animal Regulation:					
Other Expenses	29,000.00	20,000.00	18,879.00	1,121.00	
Military Veterans Affairs Bureau:					
Salaries and Wages	43,000.00	43,000.00	41,567.38	1,432.62	
Other Expenses	7,500.00	5,500.00	2,345.41	3,154.59	
Immunization Program:					
Other Expenses	10,000.00	7,000.00	3,819.62	3,180.38	
Mental Health Program - Contractual	10,000.00	10,000.00	10,000.00		
Garbage and Trash Removal - Contractual	2,402,293.00	2,302,293.00	2,162,820.56	139,472.44	
Services of Nutley Family Service Bureau - Contractual	65,000.00	65,000.00	65,000.00		
Aid to Occupational Center, Orange, NJ - Contractual	1,000.00	1,000.00		1,000.00	
Aid to NJ Association for Retarded Children - Contractual	1,000.00	1,000.00	1,000.00		
Total Department of Public Affairs	3,161,674.00	3,061,674.00	2,879,660.00	182,014.00	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF REVENUE AND FINANCE:					
Director of Revenue and Finance:					
Salaries & Wages	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00		
Other Expenses	1,000.00	1,000.00	999.99	\$ 0.01	
Assessment of Taxes:					
Salaries & Wages	220,000.00	190,000.00	185,590.95	4,409.05	
Other Expenses	126,000.00	156,000.00	140,654.64	15,345.36	
Collection of Taxes:					
Salaries & Wages	220,000.00	180,000.00	115,173.65	64,826.35	
Other Expenses	54,900.00	64,900.00	56,866.41	8,033.59	
Treasurer's Office:					
Salaries & Wages	466,000.00	466,000.00	399,817.91	66,182.09	
Other Expenses	46,500.00	46,500.00	9,831.16	36,668.84	
Grant Writer	40,000.00	40,000.00	39,996.00	4.00	
Township Clerk's Office:					
Salaries & Wages	160,500.00	168,500.00	165,095.76	3,404.24	
Other Expenses	45,500.00	55,500.00	55,462.81	37.19	
Other Expenses - Election	60,000.00				
Information Services:					
Salaries & Wages	160,000.00	161,100.00	160,926.53	173.47	
Other Expenses	70,000.00	68,900.00	65,130.90	3,769.10	
Administration of Township Ordinances:					
Salaries & Wages	295,000.00	295,000.00	223,283.21	71,716.79	
Other Expenses	7,000.00	7,000.00	1,229.85	5,770.15	
Expense, Stationery and Printing:					
Other Expenses	104,000.00	104,000.00	91,478.18	12,521.82	
Annual Audit:					
Other Expenses - Regular	87,394.00	87,394.00	87,394.00		

TOWNSHIP OF NUTLEY
 CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2015
 (Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF REVENUE AND FINANCE (Continued):					
Economic Redevelopment Project:					
Salaries & Wages	\$ 100.00	\$ 100.00		\$ 100.00	
Other Expenses	320,000.00	320,000.00	\$ 246,583.66	73,416.34	
Printing and Legal Advertising:					
Other Expenses	13,000.00	13,000.00	5,565.57	7,434.43	
NJEIT Administration Fee - Other Expenses	6,000.00	6,000.00	5,340.00	660.00	
Total Department of Revenue and Finance	2,505,144.00	2,433,144.00	2,058,671.18	374,472.82	
DEPARTMENT OF PUBLIC SAFETY:					
Director of Public Safety:					
Salaries & Wages	2,250.00	2,250.00	2,250.00		
Other Expenses	1,000.00	1,000.00		1,000.00	
Municipal Court:					
Salaries & Wages	324,783.00	324,783.00	320,594.01	4,188.99	
Other Expenses	39,500.00	39,500.00	27,764.14	11,735.86	
E-Ticketing - Other Expense	45,000.00	45,000.00	24,787.00	20,213.00	
Public Defender:					
Salaries & Wages	15,000.00	23,000.00	17,278.70	5,721.30	
Other Expenses	300.00	300.00		300.00	
Police:					
Salaries & Wages	8,479,104.00	8,229,104.00	7,957,452.18	271,651.82	
Other Expenses	400,000.00	603,000.00	585,505.78	17,494.22	
Clothing Allowance	137,000.00	137,000.00	126,752.69	10,247.31	
Purchase of Police Cars	90,000.00	134,000.00	124,453.21	9,546.79	
First Aid Organization:					
Other Expenses	30,000.00	30,000.00	6,845.07	23,154.93	
Office of Emergency Management:					
Salaries & Wages	59,823.00	59,823.00	59,823.00		
Other Expenses	10,404.00	10,404.00	1,276.67	9,127.33	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF PUBLIC SAFETY (Continued):					
Uniform Fire Safety Code:					
Fire:					
Salaries and Wages	\$ 29,718.00	\$ 29,718.00		\$ 29,718.00	
Fire:					
Salaries and Wages	3,804,575.00	3,504,575.00	\$ 3,327,979.19	176,595.81	
Other Expenses	155,417.00	455,417.00	383,399.58	72,017.42	
Clothing Allowance	61,200.00	61,200.00	54,712.61	6,487.39	
Reserve for Accrued Sick and Vacation Pay	100.00	100.00		100.00	
Hazardous Materials:					
Other Expenses - Stipend	9,000.00	9,000.00		9,000.00	
Historic Preservation Commission:					
Other Expenses	100.00	100.00		100.00	
Total Department of Public Safety	13,694,274.00	13,699,274.00	13,020,873.83	678,400.17	
DEPARTMENT OF PUBLIC WORKS:					
Director of Public Works:					
Salaries and Wages	2,250.00	2,250.00	2,250.00		
Other Expenses	1,000.00	1,000.00	897.49	102.51	
Engineering Services and Costs:					
Salaries and Wages	139,000.00	132,000.00	131,718.60	281.40	
Other Expenses	185,050.00	185,050.00	169,491.36	15,558.64	
Road Repair and Maintenance:					
Salaries and Wages	625,000.00	610,000.00	605,537.23	4,462.77	
Other Expenses	211,800.00	323,800.00	301,351.30	22,448.70	
Snow Removal:					
Salaries and Wages	70,000.00	70,000.00	70,000.00		
Other Expenses	67,000.00	67,000.00	66,590.35	409.65	
Traffic Maintenance:					
Salaries and Wages	108,000.00	103,000.00	102,374.11	625.89	
Other Expenses	19,500.00	19,500.00	17,467.38	2,032.62	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF PUBLIC WORKS (Continued):					
Weed and Leaf Removal:					
Salaries and Wages	\$ 10,000.00				
Other Expenses	500.00	\$ 500.00		\$ 500.00	
Sewer System:					
Salaries and Wages	52,000.00	39,000.00	\$ 37,739.27	1,260.73	
Other Expenses	33,600.00	26,600.00	26,598.31	1.69	
Parking Lot and Meter Maintenance:					
Salaries and Wages	120,000.00	124,000.00	123,286.61	713.39	
Other Expenses	27,700.00	27,700.00	24,068.32	3,631.68	
Emergency Hire:					
Salaries and Wages	1,500.00	1,500.00		1,500.00	
Leaf Removal:					
Other Expenses - Tipping Fees	69,000.00	34,000.00	8,548.00	25,452.00	
Recycling:					
Salaries and Wages	713,000.00	702,000.00	696,133.89	5,866.11	
Other Expenses	27,800.00	27,800.00	27,638.66	161.34	
Total Department of Public Works	2,483,700.00	2,496,700.00	2,411,690.88	85,009.12	
DEPARTMENT OF PARKS AND PUBLIC PROPERTY:					
Director of Parks and Public Property:					
Salaries and Wages	2,250.00	2,250.00	2,250.00		
Other Expenses	1,000.00	1,000.00	455.00	545.00	
Recreation Committee of Nutley:					
Salaries and Wages	281,100.00	262,500.00	259,107.41	3,392.59	
Other Expenses	21,700.00	40,300.00	39,970.24	329.76	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF PARKS AND PUBLIC PROPERTY (Continued):					
Public Buildings and Grounds:					
Salaries and Wages	\$ 520,000.00	\$ 520,000.00	\$ 509,114.60	\$ 10,885.40	
Other Expenses	70,500.00	128,500.00	125,310.12	3,189.88	
Communications and Technology Services:					
Salaries and Wages	44,082.00	45,082.00	44,082.00	1,000.00	
Shade Tree Commission:					
Salaries and Wages	213,000.00	206,500.00	198,809.15	7,690.85	
Other Expenses	84,500.00	101,000.00	90,778.35	10,221.65	
Senior Citizens Transportation:					
Salaries and Wages	130,000.00	122,000.00	113,364.46	8,635.54	
Other Expenses	4,000.00	4,000.00	3,338.23	661.77	
Debris Removal:					
Other Expenses	10,500.00	10,500.00	9,989.00	511.00	
Parks and Playgrounds:					
Salaries and Wages	1,047,340.00	1,014,340.00	994,849.27	19,490.73	
Other Expenses	137,950.00	163,950.00	142,902.21	21,047.79	
Insurance:					
Group Insurance Plan for Employees	6,576,446.00	6,356,446.00	6,230,670.44	125,775.56	
Other Liability Insurance Premiums	693,167.00	623,167.00	616,474.30	6,692.70	
Workers Compensation Insurance	816,235.00	823,235.00	822,816.12	418.88	
Total Department of Parks and Public Property	10,653,770.00	10,424,770.00	10,204,280.90	220,489.10	
MAYOR'S OFFICE:					
Mayor:					
Salaries and Wages	450.00	450.00	450.00		
Other Expenses	500.00	500.00	437.29	62.71	
Board of Adjustment:					
Salaries & Wages	30,000.00	30,000.00	27,645.04	2,354.96	
Other Expenses	7,800.00	7,800.00	1,001.57	6,798.43	

TOWNSHIP OF NUTLEY
 CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2015
 (Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
MAYOR'S OFFICE (Continued):					
Planning Board:					
Salaries & Wages	\$ 33,000.00	\$ 33,000.00	\$ 31,145.04	\$ 1,854.96	
Other Expenses	8,000.00	8,000.00	1,025.45	6,974.55	
Rent Leveling Board:					
Salaries & Wages	7,500.00	7,500.00	5,660.73	1,839.27	
Other Expenses	1,300.00	1,300.00	74.00	1,226.00	
Township Attorney:					
Salaries & Wages	72,000.00	72,000.00	71,398.86	601.14	
Other Expenses	100,300.00	95,300.00	58,996.28	36,303.72	
Celebration of Public Events	55,000.00	55,000.00	45,096.05	9,903.95	
Municipal Prosecutor:					
Salaries & Wages	53,000.00	53,000.00	51,899.00	1,101.00	
Other Expenses	1,000.00	1,000.00		1,000.00	
Total Mayor's Office	369,850.00	364,850.00	294,829.31	70,020.69	
State Uniform Construction Code:					
Salaries and Wages	290,000.00	285,000.00	269,770.74	15,229.26	
Other Expenses	43,500.00	48,500.00	44,975.58	3,524.42	
Elevator Inspection Fees:					
Other Expenses	36,000.00	36,000.00	17,854.00	18,146.00	
UNCLASSIFIED:					
Gasoline	350,000.00	350,000.00	174,472.56	175,527.44	
Fuel Oil	65,000.00	65,000.00	51,132.09	13,867.91	
Electricity	350,000.00	350,000.00	348,806.45	1,193.55	
Street Lighting	319,000.00	271,000.00	260,639.84	10,360.16	
Telephone	150,000.00	149,000.00	127,330.45	21,669.55	
Total Operations Within "CAPS"	34,471,912.00	34,034,912.00	32,164,987.81	1,869,924.19	

TOWNSHIP OF NUTLEY
 CURRENT FUND
 STATEMENT OF EXPENDITURES - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2015
 (Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
Contingent	\$ 50,000.00	\$ 50,000.00	\$ 46,694.46	\$ 3,305.54	
Total Operations Including Contingent Within "CAPS"	34,521,912.00	34,084,912.00	32,211,682.27	1,873,229.73	
Detail:					
Salaries and Wages	19,330,825.00	18,582,825.00	17,782,902.65	799,922.35	
Other Expenses	15,191,087.00	15,502,087.00	14,428,779.62	1,073,307.38	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Public Employees Retirement System	1,014,623.00	1,024,623.00	1,023,887.93	735.07	
Social Security System (O.A.S.I.)	850,000.00	810,000.00	788,408.59	21,591.41	
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	2,188,652.00	2,188,652.00	2,188,652.00		
P.E.R.S. - Retro Pension Bill	20,558.00	20,558.00	20,557.11	0.89	
Public Employees' Retirement System - ERIP	114,517.00	114,517.00	114,517.00		
Police & Firemen's Retirement System - ERIP	103,210.00	103,210.00	103,210.00		
Defined Contribution Retirement Program	6,000.00	7,000.00	6,781.24	218.76	
Unemployment Compensation Insurance	150,000.00	101,000.00	75,000.00	26,000.00	
Award of Damages to Disabled Policemen (NJSA 40A:14-154)	6,060.00	6,060.00	6,060.00		
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	4,453,620.00	4,375,620.00	4,327,073.87	48,546.13	
Total General Appropriations for Municipal Purposes Within "CAPS"	38,975,532.00	38,460,532.00	36,538,756.14	1,921,775.86	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Passaic Valley Sewer Commission:					
Other Expenses	\$ 2,991,000.00	\$ 2,991,000.00	\$ 2,961,519.19	\$ 29,480.81	
Maintenance of Free Public Library	1,592,532.00	1,592,532.00	1,592,532.00		
NJPDES Stormwater Permit (N.J.S.A. 40A:-45.3(cc)):					
Street Division:					
Salaries and Wages	30,000.00	30,000.00	5,770.00	24,230.00	
Other Expenses	10,000.00	10,000.00		10,000.00	
State Aid to School to Reduce Taxation	2,627,340.00	2,627,340.00	2,627,340.00		
State Aid to County to Reduce Taxation	935,700.00	935,700.00	935,700.00		
LOSAP:					
First Aid Organization	15,000.00	15,000.00	10,925.00	4,075.00	
Fire	12,000.00	12,000.00		12,000.00	
Insurance (P.L. 2004, C. 92):					
Group Insurance Plan for Employees (P.L. 2007, C. 62)	27,954.00	27,954.00	27,954.00		
Shared Services Agreement -					
Township of Montclair - Health Services	14,500.00	14,500.00	10,527.26	3,972.74	
Nutley Board of Education - Physician Services	7,000.00	7,000.00	6,461.52	538.48	
Nutley Board of Education - Bulk/Solid Waste	12,500.00	12,500.00		12,500.00	
State and Federal Programs Offset by Revenues:					
Safe and Secure Communities Grant:					
State Share	30,000.00	30,000.00	30,000.00		
Municipal Alliance Grant:					
State Share (N.J.S.A. 40A:4-87 +\$22,000.00)		22,000.00	18,578.95	3,421.05	
Clean Communities Program (N.J.S.A. 40A:4-87 +\$51,991.26)		51,991.26	20,331.92	31,659.34	
Pedestrian Safety, Education and Enforcement Fund - (N.J.S.A. 40A:4-87 +\$16,000.00)		16,000.00	1,200.00	14,800.00	
Safety Achievement Award (N.J.S.A. 40A:4-87 +\$1,250.00)		1,250.00		1,250.00	
Staffing for Adequate Fire and Emergency Response (SAFER) Grant - (N.J.S.A. 40A:4-87 +\$31,000.00)	70,000.00	101,000.00	76,378.08	24,621.92	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
State and Federal Programs Offset by Revenues (Continued):					
Reserve for Body Armor Replacement Fund	\$ 5,982.00	\$ 5,982.00	\$ 5,456.13	\$ 525.87	
Reserve for Municipal Court Alcohol Education	1,078.00	1,078.00	600.00	478.00	
Private Donation - Partners for Health (N.J.S.A. 40A:4-87 +\$12,000.00)		12,000.00	7,094.68	4,905.32	
Private Donation - Partners for Health (N.J.S.A. 40A:4-87 +\$6,505.00)		6,505.00	4,006.00	2,499.00	
Total Operations Excluded from "CAPS"	8,382,586.00	8,523,332.26	8,342,374.73	180,957.53	
Detail:					
Salaries and Wages	30,000.00	30,000.00	5,770.00	24,230.00	
Other Expenses	8,352,586.00	8,493,332.26	8,336,604.73	156,727.53	
Capital Improvements - Excluded from "CAPS":					
Down Payments on Improvements	233,013.00	233,013.00	233,013.00		
Capital Improvement Fund	131,882.00	646,882.00	646,882.00		
Road Improvements	200,000.00	200,000.00	189,123.94	10,876.06	
Total Capital Improvements Excluded from "CAPS"	564,895.00	1,079,895.00	1,069,018.94	10,876.06	
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	1,520,000.00	1,520,000.00	1,520,000.00		
Interest on Bonds	224,750.00	224,750.00	224,742.50		\$ 7.50
NJ Environmental Infrastructure Trust Loan:					
Principal	135,000.00	135,000.00	135,000.00		
Interest	14,000.00	14,000.00	8,280.78		5,719.22
NJ Department of Environmental Protection Green Acres Loan:					
Principal	23,011.00	23,011.00	23,011.00		
Interest	8,160.00	8,160.00	8,160.00		
Total Municipal Debt Service Excluded from "CAPS"	1,924,921.00	1,924,921.00	1,919,194.28		5,726.72

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges - Excluded from "CAPS":					
Deferred Charges to Future Taxation - Unfunded Ordinances	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00		
Total Deferred Charges - Excluded from "CAPS"	300,000.00	300,000.00	300,000.00		
Total General Appropriations - Excluded from "CAPS"	11,172,402.00	11,828,148.26	11,630,587.95	\$ 191,833.59	\$ 5,726.72
Subtotal General Appropriations	50,147,934.00	50,288,680.26	48,169,344.09	2,113,609.45	5,726.72
Reserve for Uncollected Taxes	4,284,268.00	4,284,268.00	4,284,268.00		
Total General Appropriations	<u>\$ 54,432,202.00</u>	<u>\$ 54,572,948.26</u>	<u>\$ 52,453,612.09</u>	<u>\$ 2,113,609.45</u>	<u>\$ 5,726.72</u>

Ref.

A

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

A-3
 12 of 12

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 54,432,202.00	
Appropriation by N.J.S.A. 40A:4-87		140,746.26	
		\$ 54,572,948.26	
Reserve for Uncollected Taxes			\$ 4,284,268.00
Reserve for Encumbrances	A		1,781,183.21
Accounts Payable			31,171.00
Due General Capital Fund			1,179,895.00
Cash Disbursed			46,515,568.24
			53,792,085.45
Less: Appropriation Refunds			1,338,473.36
			\$ 52,453,612.09

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
TRUST FUNDS

TOWNSHIP OF NUTLEY
COMPARATIVE BALANCE SHEET - REGULATORY BASIS - TRUST FUNDS

B

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents - Treasurer	B-4	\$ 21,418.46	\$ 25,807.95
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,927,108.86	2,278,645.59
Due Current Fund	A	3,847,498.19	2,981,052.58
		5,774,607.05	5,259,698.17
 TOTAL ASSETS		 \$ 5,796,025.51	 \$ 5,285,506.12
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due State of New Jersey		\$ 9.60	\$ 22.80
Reserve for Animal Control Expenditures	B-6	21,408.86	25,785.15
		21,418.46	25,807.95
Other Trust Funds:			
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits		61,954.99	55,450.49
Reserve for:			
Dedicated Revenue:			
Sealer of Weights & Measures		27,540.75	27,540.75
Uniform Fire Safety - Penalties		46,562.92	37,851.42
Unemployment Insurance		524,449.62	499,335.66
Living Tree Memorial Program		9,884.20	8,383.70
Recreation Commission Fees		317,825.27	282,586.92
Parking Offense Adjudication Act		51,501.11	47,533.11
Recycling		174,536.86	186,026.35
Community Environmental Health Act		865,037.50	717,739.26
Tax Sale Premiums		819,596.00	776,096.00
Community Development Block Grants		0.08	0.07
Accumulated Sick and Vacation Pay		1,902,420.62	1,774,481.73
Snow Removal		359,842.82	353,928.98
Civic Celebration		15,900.02	15,000.02
Law Enforcement Expenditures		158,168.13	149,963.90
Mayor's Wellness Program		11,435.36	11,497.54
COAH		356,905.69	262,658.49
Go Green Program		6,565.10	13,139.61
Municipal Alliance Program		7,625.31	7,625.31
Police Outside Duty		52,731.28	28,974.05
Flexible Spending Account		4,123.42	3,884.81
		5,774,607.05	5,259,698.17
 TOTAL LIABILITIES AND RESERVES		 \$ 5,796,025.51	 \$ 5,285,506.12

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

B-1

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

B-2

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

B-3

NOT APPLICABLE

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
GENERAL CAPITAL FUND

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

C

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 83,228.79	\$ 83,228.79
Due Current Fund	A	2,605,051.65	2,819,621.42
Loan Receivable:			
NJ Department of Environmental Protection Green Acres		501,250.00	501,250.00
Grants Receivable:			
County of Essex Open Space Trust Fund		150,000.00	150,000.00
NJ Department of Environmental Protection Green Acres		248,750.00	248,750.00
NJ Department of Transportation		631,622.76	200,314.76
Federal Repetitive Flood Claims Grants		1,069,012.20	1,069,012.20
Deferred Charges to Future Taxation:			
Funded		7,002,250.00	8,657,250.00
Unfunded	C-4	8,470,301.00	2,518,258.00
TOTAL ASSETS		<u>\$ 20,761,466.40</u>	<u>\$ 16,247,685.17</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 6,356,000.00	\$ 7,876,000.00
Loans Payable:			
NJ Environmental Infrastructure Trust	C-9	145,000.00	280,000.00
NJ Department of Environmental Protection Green Acres	C-9A	501,250.00	501,250.00
Improvement Authorizations:			
Funded	C-5	4,698,106.68	4,446,038.52
Unfunded	C-5	7,753,763.07	2,518,258.00
Capital Improvement Fund	C-6	646,882.00	157,950.72
Down Payments on Improvements		268,720.72	197,444.00
Reserve for:			
Paving			75,000.00
Fiber Optics		21,250.00	
Paving and Fiber Optics			71,250.00
Economic Development Project		246,000.00	
Local Improvements		35,621.00	35,621.00
Redesign of Nutley Streets		3,154.09	3,154.09
Fund Balance	C-1	85,718.84	85,718.84
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 20,761,466.40</u>	<u>\$ 16,247,685.17</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

C-1

	<u>Ref.</u>	
Balance December 31, 2014	C	<u>\$ 85,718.84</u>
Balance December 31, 2015	C	<u>\$ 85,718.84</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
WATER UTILITY FUND

TOWNSHIP OF NUTLEY
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

D
1 of 2

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2015	2014
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 895,127.83	\$ 991,316.75
Due Current Fund	A	9,757.07	
		904,884.90	991,316.75
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	647,617.67	699,797.46
Inventory	D-7	26,566.46	37,613.53
Total Receivables and Inventory with Full Reserves	D	674,184.13	737,410.99
Total Operating Fund		1,579,069.03	1,728,727.74
Capital Fund:			
Cash and Cash Equivalents	D-4	183.05	183.05
Due Water Utility Operating Fund	D	107,731.64	99,182.64
NJ Environmental Infrastructure Trust Loans Receivable		55,376.75	73,721.75
Fixed Capital	D-9	1,938,926.48	1,912,006.48
Fixed Capital Authorized and Uncompleted	D-10	3,706,686.50	3,436,606.50
Total Capital Fund		5,808,904.42	5,521,700.42
<u>TOTAL ASSETS</u>		\$ 7,387,973.45	\$ 7,250,428.16

TOWNSHIP OF NUTLEY
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
(Continued)

D
2 of 2

		December 31,	
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	Ref.	2015	2014
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-11	\$ 136,021.59	\$ 268,331.11
Encumbered	D-3;D-11	131,072.51	122,740.24
Total Appropriation Reserves		267,094.10	391,071.35
Accrued Interest on Loans		7,393.75	7,643.75
Water Rent Overpayments		51,758.60	16,050.01
Accounts Payable - Vendors		11,000.00	11,000.00
Due Water Utility Capital Fund	D	107,731.64	99,182.64
Reserve for Sustainable Jersey Grant		5,000.00	5,000.00
		449,978.09	529,947.75
Reserve for Receivables and Inventory	D	674,184.13	737,410.99
Fund Balance	D-1	454,906.81	461,369.00
Total Operating Fund		1,579,069.03	1,728,727.74
Capital Fund:			
NJ Environmental Infrastructure Trust Loans Payable	D-18	1,118,716.17	1,194,333.85
Improvement Authorizations:			
Funded	D-12	90,183.06	98,743.58
Unfunded	D-12	2,034,464.52	1,753,988.00
Due Current Fund	A	5,253.00	10,965.00
Reserve for:			
Payment of Debt Service		25,163.75	25,163.75
Down Payments on Improvements	D-13	31,275.85	30,275.85
Amortization	D-15	2,391,907.31	2,279,869.63
Deferred Amortization	D-15A	84,905.25	101,325.25
Fund Balance	D-1A	27,035.51	27,035.51
Total Capital Fund		5,808,904.42	5,521,700.42
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 7,387,973.45</u>	<u>\$ 7,250,428.16</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
OPERATING FUND BALANCE - REGULATORY BASIS

D-1

	Ref.	<u>Year Ended December 31,</u>	
		<u>2015</u>	<u>2014</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	289,322.00	\$ 230,503.00
Rents		4,173,271.28	4,365,411.40
Nonbudget Revenue		18,333.02	10,533.21
Other Credits to Income:			
Accrued Interest on Loans Canceled		250.00	
Accounts Payable Canceled			1,963.06
Appropriation Reserves Lapsed		225,950.19	125,929.45
Total Income		<u>4,707,126.49</u>	<u>4,734,340.12</u>
<u>Expenditures</u>			
Budget Expenditures:			
Operating		4,178,304.00	4,092,090.00
Capital Improvements		1,000.00	1,000.00
Debt Service		93,962.68	109,223.57
Deferred Charges and Statutory Expenditures		151,000.00	128,000.00
Total Expenditures		<u>4,424,266.68</u>	<u>4,330,313.57</u>
Excess in Revenue/Statutory Excess to Fund Balance		282,859.81	404,026.55
<u>Fund Balance</u>			
Balance January 1		461,369.00	287,845.45
		<u>744,228.81</u>	<u>691,872.00</u>
Decreased by:			
Utilization as Anticipated Revenue		<u>289,322.00</u>	<u>230,503.00</u>
Balance December 31	D	<u>\$ 454,906.81</u>	<u>\$ 461,369.00</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS

D-1A

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 27,035.51
Balance December 31, 2015	D	\$ 27,035.51

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	Anticipated	Realized	Excess
Surplus Anticipated	\$ 289,322.00	\$ 289,322.00	
Rents	4,150,000.00	4,173,271.28	\$ 23,271.28
	4,439,322.00	4,462,593.28	23,271.28
Nonbudget Revenue		18,333.02	18,333.02
	\$ 4,439,322.00	\$ 4,480,926.30	\$ 41,604.30

Analysis of Rents:

Cash Received	\$ 4,163,514.21		
Due from Current Fund	9,757.07		
		\$ 4,173,271.28	

Analysis of Nonbudget Revenue

Collector:			
Sale of Water Meters	\$ 1,585.00		
Other Miscellaneous	15,170.71		
		\$ 16,755.71	
Treasurer:			
Interest on Investments		1,577.31	
		\$ 18,333.02	

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

D-3

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 1,517,000.00	\$ 1,442,000.00	\$ 1,412,217.16	\$ 29,782.84	
Other Expenses	652,304.00	652,304.00	606,720.25	45,583.75	
Other Expenses:					
N.J. Water Supply	1,209,000.00	1,209,000.00	1,208,591.00	409.00	
Passaic Valley Water Commission	630,000.00	695,000.00	681,872.27	13,127.73	
City of Newark Water Purchase	170,000.00	180,000.00	159,352.37	20,647.63	
Capital Improvements:					
Down Payments on Improvements	1,000.00	1,000.00	1,000.00		
Debt Service:					
NJEIT Loan Principal	90,618.00	90,618.00	75,617.68		\$ 15,000.32
NJEIT Loan Interest	18,400.00	18,400.00	18,345.00		55.00
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Deferred Charges to Future Revenue	20,000.00	20,000.00	20,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	15,000.00	15,000.00		15,000.00	
Social Security System (O.A.S.I.)	115,000.00	115,000.00	104,529.36	10,470.64	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00	
	\$ 4,439,322.00	\$ 4,439,322.00	\$ 4,288,245.09	\$ 136,021.59	\$ 15,055.32
	Ref.			D	
Cash Disbursed			\$ 4,126,744.01		
Encumbrances Payable	D		131,072.51		
Due Water Utility Capital Fund:					
NJEIT Loan Receivable			18,345.00		
Down Payments on Improvements			1,000.00		
Deferred Charges to Future Revenue			20,000.00		
			4,297,161.52		
Less: Appropriation Refunds			8,916.43		
			\$ 4,288,245.09		

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
PUBLIC ASSISTANCE FUND

TOWNSHIP OF NUTLEY
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

F

	Ref.	December 31,	
		2015	2014
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 73,693.49	\$ 73,198.88
TOTAL ASSETS		<u>\$ 73,693.49</u>	<u>\$ 73,198.88</u>
 <u>RESERVES</u>			
Reserve for Public Assistance Expenditures		\$ 73,693.49	\$ 73,198.88
TOTAL RESERVES		<u>\$ 73,693.49</u>	<u>\$ 73,198.88</u>

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

TOWNSHIP OF NUTLEY
GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
 (Unaudited)

H

	December 31,	
	2015	2014
<u>ASSETS</u>		
Land and Site Improvements	\$ 14,128,899.00	\$ 14,128,899.00
Buildings	8,738,403.00	8,738,403.00
Equipment and Vehicles	12,148,486.00	11,073,881.00
TOTAL ASSETS	\$ 35,015,788.00	\$ 33,941,183.00
 <u>RESERVES</u>		
Reserve for Fixed Assets	\$ 35,015,788.00	\$ 33,941,183.00
TOTAL RESERVES	\$ 35,015,788.00	\$ 33,941,183.00

THE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS
 ARE AN INTEGRAL PART OF THIS STATEMENT

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Except as noted below, the financial statements of the Township of Nutley include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Nutley, as required by N.J.S. 40A:5-5. Accordingly, the financial statements of the Township of Nutley do not include the operations of the municipal library.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining The Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e., benefit of economic resources, access/entitlement to resources, and significance) should be included in the financial reporting entities. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Nutley conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such 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 Township of Nutley accounts for its financial transactions through the following separate funds:

Current Fund - Resources and expenditures for governmental operations of a general nature, including federal and state grant funds.

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

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

Water Utility Operating and Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water utility.

Public Assistance Fund - Receipt and disbursement of funds that provide assistance to certain residents of the municipality pursuant to Title 44 of New Jersey Statutes. The administration of and the cost of administration of the Public Assistance Trust Fund II assistance program was transferred to the County Welfare Agency effective July 1, 2010.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

B. Description of Funds (Cont'd)

General Fixed Assets Account Group (Unaudited) - These accounts were established with estimated values of land, buildings and certain fixed assets of the Township as discussed in Note 1E "Other significant accounting policies".

C. Basis of Accounting

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The following is a summary of the significant accounting policies.

Revenue is recorded when received in cash except for certain amounts which may be due from the State of New Jersey and for the prepayment of future years' revenue. Grant revenue is realized in the operating funds when it is budgeted and in the capital funds when improvements are authorized. The amounts recorded as property taxes and consumer accounts receivable have not been included in revenue. Amounts that are due to the municipality, which are susceptible of accrual, are recorded as receivables with offsetting reserves in the Current Fund.

Expenditures are charged to operations generally based on budgeted amounts. Exceptions to this general rule include:

1. Accumulated unpaid vacation, sick pay and other employee benefit amounts are not accrued.
2. Prepaid expenses, such as insurance premiums applicable to subsequent periods, are not recorded and are charged to current budget appropriations in total.
3. Principal and interest on long-term debt are recognized when due.

Expenditures, if any, in excess of appropriations, appropriation reserves or ordinances become deferred charges which must be raised by future taxes. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements and constitute part of the statutory appropriation reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31 of each year and recorded as liabilities, except for amounts which may be cancelled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income.

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when received; inventories would not be reflected as expenditures at the time of purchase; fixed assets purchased by the Water Utility Capital Fund would be depreciated; and the Township's net pension liability and related deferred inflows and outflows would be recorded.

The cash basis of accounting is followed in the Trust and Capital Funds.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

D. Deferred Charges to Future Taxation - The General Capital Fund balance sheet includes both funded and unfunded deferred charges. Funded means that bonds have been issued and are being paid off on a serial basis. Unfunded means that debt has been authorized but not permanently financed. A municipality can eliminate an unfunded deferred charge by raising it in the budget, by collecting a grant, by selling bonds, by issuing loans or by capital lease purchase agreements.

E. Other significant accounting policies include:

Management Estimates - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents - Amounts include petty cash, change funds, amounts on deposit, and short-term investments with original maturities of three months or less.

Investments - Investments are stated at cost or amortized cost, which approximates market.

Grants Receivable - Grants receivable represent total grant awards less amounts collected to date. Because the amount of grants funds to be collected are dependent on the total costs eligible for reimbursement, the actual amount collected may be less than the total amount awarded.

Allowance for Uncollectible Accounts - No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

Compensated Absences - Expenditures relating to unused vested accumulated vacation and sick pay are not recorded until paid.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. Except for the Water Utility Operating Fund, where the value of inventory is offset by a reserve, the cost of inventories is not included on the various balance sheets.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 1: Summary of Significant Accounting Policies (Cont'd)

E. Other significant accounting policies include: (Cont'd)

General Fixed Assets (Unaudited) - Property and equipment purchased by the Current and Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

General fixed assets are recorded at cost except for land and buildings, which are recorded at estimated historical cost. Infrastructure assets are not included in general fixed assets, as per state directive. Major renewals and betterments are charged to the asset accounts; maintenance and minor repairs and replacements, which do not improve or extend the lives of the respective assets, are expensed currently. Donated fixed assets are valued at their fair market value on the date donated. No depreciation has been provided on general fixed assets. The total value recorded for general fixed assets is offset by a "Reserve for Fixed Assets". When properties are retired or otherwise disposed of, the asset and the reserve are adjusted accordingly. Assets recorded in the General Fixed Assets Account Group may also be recorded in the Current, General Capital and Water Utility Funds. The values recorded in the General Fixed Assets Account Group and the Current, General Capital and Water Utility Funds may not always agree due to differences in valuation methods, timing of recognition of assets and the recognition of infrastructures. Fixed assets are reviewed for impairment.

Property and equipment purchased by the Water Utility Fund are recorded in the Water Utility Capital account at cost and are not adjusted for dispositions and abandonments. The amounts shown do not purport to represent replacement costs or current value. Contributions in aid of construction are not capitalized. The balances in the Reserve and Deferred Reserve for Amortization accounts in the Water Utility Capital Fund represent charges to operations for the costs of acquisitions of property, equipment and improvements. The Water Utility Fund does not record depreciation on fixed assets.

F. Budget/Budgetary Control - Annual appropriated budgets are usually prepared in the first quarter for the Current and Water Utility Operating Funds. The budgets are submitted to the governing body and the Division of Local Government Services. Budgets are prepared using the cash basis of accounting. The legal level of budgetary control is established at the line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the flexible chart of accounts referenced in N.J.S.A. 40A. All budget amendments/transfers must be approved by the Township during the year.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 2: Long-Term Debt

The Local Bond Law governs the issuance of bonds to finance general Township capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. All bonds issued by the Township are general obligation bonds. The Township's full faith and credit and taxing power has been pledged to the payment of the general obligation debt principal and interest.

Summary of Municipal Debt

	December 31,		
	2015	2014	2013
<u>Issued:</u>			
Bonds, Notes and Loans:			
General	\$ 7,002,250	\$ 8,657,250	\$10,307,250
Water Utility	1,118,716	1,194,334	1,806,119
Total Issued	8,120,966	9,851,584	12,113,369
Less - Funds Temporarily Held to Pay			
Bonds, Notes and Loans:			
Reserve for Payment of Debt Service - Water Utility Capital Fund	25,164	25,164	25,164
Total Deductions	25,164	25,164	25,164
Net Issued	8,095,802	9,826,420	12,088,205
<u>Authorized but not Issued:</u>			
Bonds and Notes:			
General	8,470,301	2,518,258	482,433
Water Utility	2,050,084	1,773,084	1,152,642
Total Authorized but not Issued	10,520,385	4,291,342	1,635,075
Net Bonds, Notes and Loans Issued and Authorized but not Issued	\$ 18,616,187	\$ 14,117,762	\$ 13,723,280

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.42%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 42,805,000	\$ 42,805,000	
Water Utility Debt	3,168,800	3,168,800	
General Debt	15,472,551		\$ 15,472,551
	\$ 61,446,351	\$ 45,973,800	\$ 15,472,551

Net Debt: \$15,472,551 divided by Average Equalized Valuations of \$3,642,865,648 of Real Property = 0.42%.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Statutory Debt Condition – Annual Debt Statement (Cont'd)

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

3-1/2% Average Equalized Valuation of Real Property \$ 127,500,298

Net Debt 15,472,551

Remaining Borrowing Power \$ 112,027,747

Calculation of "Self-Liquidating Purpose", Water Utility
Per N.J.S. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges for Year \$ 4,480,926

Deductions:

Operating and Maintenance Cost \$ 4,309,304

Debt Service 93,963

Total Deductions 4,403,267

Excess in Revenue \$ 77,659

Footnote: If there is an "excess in revenue", all such utility debt is deductible. If there is a "deficit", then utility debt is not deductible to the extent of 20 times such deficit amount.

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

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years

	<u>Balance</u> <u>12/31/14</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/15</u>
Serial Bonds:				
General Capital Fund	\$ 7,876,000		\$ 1,520,000	\$ 6,356,000
Loans Payable:				
General Capital Fund:				
NJDEP Green Acres	501,250			501,250
NJEIT	280,000		135,000	145,000
Water Utility Capital Fund:				
NJEIT	<u>1,194,334</u>		<u>75,618</u>	<u>1,118,716</u>
Total	<u>\$ 9,851,584</u>	<u>\$ -0-</u>	<u>\$ 1,730,618</u>	<u>\$ 8,120,966</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 2: Long-Term Debt (Cont'd)

Summary of Municipal Debt Issued and Outstanding - Current and Prior Years (Cont'd)

	<u>Balance</u> <u>12/31/13</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/14</u>
Serial Bonds:				
General Capital Fund	\$ 9,396,000		\$ 1,520,000	\$ 7,876,000
Loans Payable:				
General Capital Fund:				
NJDEP Green Acres	501,250			501,250
NJEIT	410,000		130,000	280,000
Water Utility Capital Fund:				
NJEIT	1,806,119		611,785	1,194,334
Total	<u>\$ 12,113,369</u>	<u>\$ -0-</u>	<u>\$ 2,261,785</u>	<u>\$ 9,851,584</u>

The Township's debt issued and outstanding on December 31, 2015 is described as follows:

General Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
	<u>Date</u>	<u>Amount</u>		
General Improvements	09/01/16-19	\$ 470,000	2.00%	
	09/01/20	470,000	2.25%	
	09/01/21	470,000	2.75%	
	09/01/22-23	470,000	3.00%	\$ 3,760,000
General Improvements	10/01/16	450,000	3.625%	
	10/01/17	446,000	3.625%	896,000
General Improvements	12/01/16	600,000	3.250%	
	12/01/17	600,000	3.500%	
	12/01/18	500,000	3.750%	1,700,000
				<u>\$ 6,356,000</u>

General Capital NJ Department of Environmental Protection (NJDEP) Green Acres Loan

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
General Improvements	04/01/30	2.00%	<u>\$ 501,250</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 2: Long-Term Debt (Cont'd)

The Township's debt issued and outstanding on December 31, 2015 is described as follows: (Cont'd)

General Capital NJ Environmental Infrastructure Trust (NJEIT) Loans

<u>Purpose</u>	<u>Type</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
Nutley Quarry Trunk Sanitary Sewer Replacement	Trust Loan	08/01/16	2.00%	<u>\$ 145,000</u>

Water Utility Capital NJ Environmental Infrastructure Trust (NJEIT) Loans

<u>Purpose</u>	<u>Type</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2015</u>
Replace Water Meters and Retrofit Meter Heads	Trust Loan	08/01/31	2%-5%	\$ 355,000
	Fund Loan	08/01/31	0.00%	<u>763,716</u>
				<u>\$ 1,118,716</u>
TOTAL DEBT ISSUED AND OUTSTANDING				<u>\$ 8,120,966</u>

Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and Thereafter for Bonded Debt and Loans Issued and Outstanding

<u>Calendar Year</u>	<u>General Capital</u>		<u>Water Utility Capital</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2016	\$ 1,688,473	\$ 195,976	\$ 75,618	\$ 17,745	\$ 1,977,812
2017	1,539,945	143,042	75,618	16,745	1,775,350
2018	994,427	95,993	75,618	15,745	1,181,783
2019	494,917	67,352	95,618	14,745	672,632
2020	495,418	57,451	95,618	13,745	662,232
Thereafter:					
2021-2025	1,544,963	104,309	503,087	51,225	2,203,584
2026-2030	133,499	6,763	162,539	21,038	323,839
2031			35,000	1,138	36,138
Total	<u>\$ 6,891,642</u>	<u>\$ 670,886</u>	<u>\$ 1,118,716</u>	<u>\$ 152,126</u>	<u>\$ 8,833,370</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

Note 2: Long-Term Debt (Cont'd)

NJ Environmental Infrastructure Trust (NJEIT) Loans

In 2012, the Township of Nutley entered into two loan agreements with the State of New Jersey, acting by and through a NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust"), in the revised aggregate amount of \$1,982,864, which represents direct obligations of the Township. These loans are recorded in the Water Utility Capital Fund. The loan agreements were obtained to finance a portion of the costs of the township-wide replacement of water meters and retrofit of meter heads.

At December 31, 2015, the Township had borrowed or "drawn down" \$1,387,975 for this project. The difference or unspent proceeds of the "Fund" have been reduced from future debt service payments. Principal payments to the "Fund" commenced August 1, 2012, and will continue on a semiannual basis over 20 years at zero interest. Principal payments to the "Trust" commenced on August 1, 2012 and will continue on a semiannual basis over 20 years. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon on the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account. The Township will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account.

In 1997, the Township of Nutley entered into two loan agreements with the State of New Jersey, acting by and through a NJ Department of Environmental Protection Fund (the "Fund"), and the NJ Environmental Infrastructure Trust (the "Trust"), in the revised aggregate amount of \$3,590,000, which represents direct obligations of the Township. The loan agreements were obtained to finance a portion of the costs of the Nutley quarry truck sanitary sewer replacement project.

At December 31, 2015, the Township had borrowed or "drawn down" \$3,247,834 for these projects. The difference or unspent proceeds of the "Fund" have been reduced from future debt service payments. Principal payments to the "Fund" commenced August 1, 1998, and will continue on a semiannual basis over 20 years at zero interest. Principal payments to the "Trust" commenced on August 1, 1998 and will continue on a semiannual basis over 20 years. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon on the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account. The Township will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account.

NJ Department of Environmental Protection (NJDEP) Green Acres Loan

This program was developed by the New Jersey Department of Environmental Protection to provide low interest loans to local governments for the acquisition, preservation and improvement of land for recreation. At December 31, 2015, the loan balance was \$501,250. Payments of principal and interest on the loan will commence in the year the funds are drawn down and are to continue on a semi-annual basis over a period of 20 years. Interest on the loan is at the rate of 2% annually on the outstanding balance.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 2: Long-Term Debt (Cont'd)

The loan balances as of the end of the year are as follows:

General Capital Fund:

NJ Environmental Infrastructure Trust Loan	<u>\$ 145,000</u>
NJ Department of Environmental Protection Green Acres Loan	<u>\$ 501,250</u>

Water Utility Capital Fund:

NJ Environmental Infrastructure Trust Loan	\$ 355,000
NJ Environmental Infrastructure Fund Loan	<u>763,716</u>
	<u>\$ 1,118,716</u>

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$27,881,719 at June 30, 2015. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$49,782,035 at June 30, 2015. See Note 6 for further information on the PERS and PFRS.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2015 which were appropriated and included as anticipated revenue in their own respective funds in the adopted budget for the year ending December 31, 2016 are as follows:

Current Fund	\$ 4,654,000
Water Utility Operating Fund	402,607

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2015, the Township had no deferred charges.

Note 5: Local School District Taxes

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Township of Nutley has elected not to defer school taxes.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 6: Pension Plans

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employee's Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division).

For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65.

Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$1,023,888 for 2015.

The employee contribution rate was 6.92% effective July 1, 2014 and increased to 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

Pension Liabilities and Pension Expense

At June 30, 2015, the Township's liability was \$27,881,719 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the Township's proportion was 0.1242%, which was an increase of 0.0011% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the Township recognized actual pension expense in the amount of \$1,023,888.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15 – 4.40% based on age
Thereafter	3.15 – 5.40% based on age
Investment Rate of Return	7.90%

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Actuarial Assumptions (Cont'd)

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years of contributions made in relation to the last five years of actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Township's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate as disclosed below, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
Township's proportionate share of the Net Pension Liability	\$ 34,653,566	\$ 27,881,719	\$ 22,204,252

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Police and Firemen's Retirement System (PFRS)

Plan Description

The State of New Jersey, State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the Division).

For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 6: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. The PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except for disability benefits which vest after 4 years of service.

The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. The Local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual amounts over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of the assets.

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. The June 30, 2015 State special funding situation net pension liability amounts are the accumulated differences between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The fiscal year ending June 30, 2015 State special funding situation pension expense is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2015.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 6: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Special Funding Situation (Cont'd)

The pension expense is deemed to be a State administrative expense due to the special funding situation. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific funded amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Township contributions to PFRS amounted to \$2,188,652 for 2015. During the fiscal year ended June 30, 2015, the State of New Jersey contributed \$227,258 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$544,560.

The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined.

Pension Liabilities and Pension Expense

At June 30, 2015, the Township's liability for its proportionate share of the net pension liability was \$49,782,035. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the Township's proportion was 0.299%, which was an increase of 0.014% from its proportion measured as of June 30, 2014.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$4,365,717 as of June 30, 2015. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. The State's proportionate share of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the State's proportion was 0.299%, which was an increase of 0.014% from its proportion measured as of June 30, 2014 which is the same proportion as the Township's.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 6: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Pension Liabilities and Pension Expense (Cont'd)

Township's Proportionate Share of the Net Pension Liability	\$ 49,782,035
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>4,365,717</u>
Total Net Pension Liability	<u>\$ 54,147,752</u>

For the year ended December 31, 2015, the Township recognized total pension expense of \$2,188,652.

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.60% - 9.48% based on age
Thereafter	3.60% - 10.48% based on age
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 6: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 5.79% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the average of the last five years of contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 6: Pension Plans (Cont'd)

B. Police and Firemen's Retirement System (PFRS) (Cont'd)

Sensitivity of the Total Net Pension Liability (including the State's proportionate share of the net pension liability attributable to the Township) to Changes in the Discount Rate

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) as of June 30, 2015 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2015		
	1%	Current	1%
	Decrease (4.79%)	Discount Rate (5.79%)	Increase (6.79%)
Township's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 71,383,928	\$ 54,147,752	\$ 40,093,191

Pension Plan Fiduciary Net Position - PFRS

Detailed information about the PFRS's fiduciary net position is available in the separately issued PFRS financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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 of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 6: Pension Plans (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the Township recognized pension expense of \$6,781 for 2015. Employee contributions to DCRP were \$12,432 for 2015.

Note 7: Accrued Sick, Vacation and Compensatory Time Benefits

The Township permits employees to accrue a limited amount of unused vacation, sick and compensatory time 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 \$1,936,674. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used and/or charged. This amount is partially funded in the Reserve for Accrued Sick and Vacation Pay of \$1,902,421 reflected on the Other Trust Funds' balance sheet as of December 31, 2015.

Note 8: Post-Retirement Medical Benefits

In addition to the pension benefits described in Note 6, the Township provides other post-retirement benefits to certain Township employees after retirement, substantially similar in nature to the health benefits provided to employees presently working.

The Township contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP.

In accordance with the Township's resolution, Township employees are entitled to the following benefits:

Municipal, Police and Fire Employees

Upon retirement, employees with twenty-five (25) years of full-time service with the Township will receive full benefits. The coverage applies to the employee and their dependents. In the event of an employee's death, coverage ceases.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 8: Post-Retirement Medical Benefits (Cont'd)

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.

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

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Township on a monthly basis. The Township's portion of post-retirement benefits is funded on a pay-as-you-go basis from the Current Fund operating budget.

The Township contributions to SHBP for retirees for the years ended December 31, 2015, 2014 and 2013, were approximately \$2,565,127, \$2,136,380 and \$2,245,514, respectively, which equaled the required contributions for each year. There were 143, 137 and 135 retired participants eligible at December 31, 2015, 2014 and 2013, respectively.

The Township also provides a fully paid family dental plan to retired police and firemen and their dependents until they reach the age of 65.

The Township's portion of post-retirement dental benefits is funded on a pay-as-you-go basis from the Current Fund operating budget. The Township contributions for post-retirement dental benefits the years ended December 31, 2015, 2014 and 2013, were approximately \$56,376, \$61,685 and \$43,118, respectively, which equaled the required contributions for each year. There were 47, 55 and 39 retired participants eligible at December 31, 2015, 2014 and 2013, respectively.

Note 9: Deferred Compensation Plan

The Township offers its employees a choice of two deferred compensation plans (the "plans") created in accordance with Section 457 of the Internal Revenue Code. The plans, which are administered by Nationwide and AXA Equitable, are available to all Township employees and permit participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, unforeseeable emergency or upon death to their beneficiaries.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 10: Selected Tax Information

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and the imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the prior year may be placed in lien at a tax sale held after April 1 and through December 31. Unpaid taxes of the current year may be placed in lien at a tax sale held after December 10.

Comparative Schedule of Tax Rate Information

	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Tax Rate</u>	\$ 3.32	\$ 3.27	\$ 3.20

Apportionment of Tax Rate

Municipal	1.18	1.15	1.13
County	0.54	0.56	0.54
Local School	1.60	1.56	1.53

Assessed Valuations

2015	<u>\$ 3,239,875,600</u>		
2014		<u>\$ 3,330,180,800</u>	
2013			<u>\$ 3,419,983,606</u>

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 Collections</u>	<u>Percentage of Collection</u>
2015	\$ 107,713,132	\$ 106,142,172	98.54%
2014	109,313,765	107,802,184	98.61%
2013	110,219,573	108,262,132	98.22%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decreases in budgeted expenditures.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

(Continued)

Note 11: Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, money market accounts, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Township classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the Township ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The Township limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Deposits:

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

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal 5% of the average daily balance of public funds on deposit.

In addition to the above collateral requirement, if public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 11: Cash and Cash Equivalents and Investments (Cont'd)

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund; or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 11: Cash and Cash Equivalents and Investments (Cont'd)

As of December 31, 2015, cash and cash equivalents of the Township of Nutley consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Money Market Accounts</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Current	\$ 300	\$ 1,198,786	\$ 21,185,071		\$ 22,384,157
Animal Control		21,418			21,418
Other Trust		1,927,109			1,927,109
General Capital		83,229			83,229
Water Utility Operating		134,316		\$ 760,812	895,128
Water Utility Capital		183			183
Public Assistance		24,946		48,748	73,694
	<u>\$ 300</u>	<u>\$ 3,389,987</u>	<u>\$ 21,185,071</u>	<u>\$ 809,560</u>	<u>\$ 25,384,918</u>

During the period ended December 31, 2015, the Township did not hold any investments other than certificates of deposit. The carrying amount of the Township's cash and cash equivalents at December 31, 2015, was \$25,384,918 and the bank balance was \$24,487,688.

Note 12: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 5,253	\$ 6,462,307
Other Trust Funds	3,847,498	
General Capital Fund	2,605,052	
Water Utility Operating Fund	9,757	107,732
Water Utility Capital Fund	107,732	5,253
	<u>\$ 6,575,292</u>	<u>\$ 6,575,292</u>

The Current Fund interfund receivable of \$5,253 is a result of disbursing funds on the Water Utility Capital Fund's behalf. The Current Fund interfund payable represents \$3,847,498 due to the Other Trust Funds as a result of receiving funds on the Other Trust Funds' behalf, including the balance of the prior year interfund, and unexpended 2014 appropriation reserve balances for accumulated sick and vacation pay of \$772,730, snow removal of \$50,000, and unemployment insurance of \$30,000; \$2,605,052 due to the General Capital Fund as a result of receiving and disbursing funds on the General Capital Fund's behalf; and the remaining \$9,757 is water rent receipts due to the Water Utility Operating Fund. The \$107,732 Water Utility Operating Fund interfund payable to the Water Utility Capital Fund is a result of receiving and disbursing funds on the Water Utility Capital Fund's behalf.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
 (Continued)

Note 13: Risk Management

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Health benefits are provided to employees through the State of New Jersey Health Benefits Plan.

Property and Liability

The Township of Nutley is a member of the Suburban Essex Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

The following coverages are offered by the Fund to its members:

- a.) Workers' Compensation and Employers' Liability
- b.) Liability Other Than Motor Vehicles
- c.) Property Damage Other Than Motor Vehicles
- d.) Motor Vehicle
- e.) Public Officials' Liability
- f.) Environmental

As a member of the Fund, the Township could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities.

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The December 31, 2015 audit report for the Fund was not available as of the date of this report. Selected financial information for the Fund as of December 31, 2014 is as follows:

Total Assets	\$ 11,554,734
Net Position	\$ 5,013,350
Total Revenue	\$ 8,384,576
Total Expenses	\$ 7,262,220
Members Dividends	\$ 1,165,182
Change in Net Position for the Year Ended December 31	\$ (42,826)

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 13: Risk Management (Cont'd)

Property and Liability (Cont'd)

Financial statements for the Fund are available at the Office of the Executive Director:

Suburban Essex Municipal Joint Insurance Fund
PERMA Risk Management Services
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054
(201) 881-7632

New Jersey Unemployment Compensation Insurance

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

The following is a summary of Township and employee contributions, interest earnings and reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 105,000	\$ -0-	\$ -0-	\$ 79,886	\$ 524,450
2014	95,000	79,337	-0-	108,616	499,336
2013	95,000	-0-	-0-	99,402	433,615

Note 14: Economic Dependency

The Township receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Township's programs and activities.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015
(Continued)

Note 15: Contingencies

The Township is periodically involved in various lawsuits arising in the normal course of business, including claims for property damage, personal injury, and various contract disputes. The Township vigorously contests these lawsuits and believes the ultimate resolution will not have a material adverse effect on their financial position.

Amounts received or receivable from grantors, principally the federal and state governments are subject to regulatory requirements and adjustments by the agencies. Any disallowed claims, including amounts previously recognized by the Township as revenue would constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time, although Township officials expect such amounts, if any, to be immaterial.

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve, which it feels is sufficient, for this contingency in the amount of \$3,500,000.

TOWNSHIP OF NUTLEY

SUPPLEMENTARY DATA

TOWNSHIP OF NUTLEY
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2015

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

Name	Title	Amount of Bond
Alphonse Petracco	Mayor, Director of Public Safety	
Thomas J. Evans	Director of Revenue and Finance	
Steven L. Rogers	Director of Public Affairs	
Dr. Joseph P. Scarpelli	Director of Public Works	
Mauro G. Tucci	Director of Parks and Public Property	
Eleni Pettas	Township Clerk	(B)
Rosemary Costa	Chief Financial Officer; Tax Collector	(A)
Patrick G. Wilkins	Tax Assessor (from 12/15/2015)	(B)
George F. Librizzi	Tax Assessor (to 10/30/2015)	(B)
Joanne Cocchiola	Magistrate	(B)
Patricia Conroy	Municipal Court Administrator	(B)
Ann Rizos	Deputy Municipal Court Administrator	(B)
Thomas A. Restaino	Public Health Coordinator	(B)
Sue Portuese	Health Officer	(B)
Meredith Blank	Health Department Clerk/Registrar	(B)
Pasquale J. Intindola	Code Enforcement Officer	(B)
Thomas J. Strumolo, Jr.	Police Chief	(B)
Philip Nicolette	Fire Chief	(B)
Alan Genitempo	Township Attorney	

(A) Surety bond coverage is provided as follows:

Municipal Excess Liability Joint Insurance Fund - \$1,000,000

(B) All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000 Faithful Performance Bonds provided by Suburban Essex Municipal Joint Insurance Fund and the Municipal Excess Liability Joint Insurance Fund, respectively.

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
CURRENT FUND

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 21,591,717.75
Increased by Receipts:		
Tax Collector		\$110,174,694.86
Revenue Accounts Receivable		10,632,563.63
Miscellaneous Revenue Not Anticipated		225,615.88
Petty Cash Returned		650.00
Interest on Investments and Deposits		36,911.36
Due Other Trust Funds:		
Reserve for Law Enforcement Expenditures		8,152.38
Due General Capital Fund:		
Grants Receivable - State of NJ Department of Transportation		59,250.00
Due Water Utility Operating Fund:		
Water Rents		9,757.07
Due Water Utility Capital Fund:		
Interfund Returned - Water Utility Operating Fund		10,965.00
Reserve for:		
Grant Funds Unappropriated:		
Body Armor Replacement Fund		6,056.81
Federal Emergency Management Agency:		
Superstorm Sandy		94,867.15
Hurricane Irene		8,400.31
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		221,263.03
Construction Code Surcharge Fees		28,469.00
Marriage License Fees		3,875.00
Burial Permits		20.00
Appropriation Refunds		1,338,473.36
		122,859,984.84
		144,451,702.59

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER
(Continued)

	<u>Ref.</u>	
Decreased by Disbursements:		
2015 Appropriation Expenditures	\$ 46,515,568.24	
2014 Appropriation Reserve Expenditures	1,650,820.99	
Petty Cash Advanced	650.00	
Accounts Payable	67,293.99	
Local School District Taxes	51,689,491.00	
County Taxes	17,660,752.27	
Due Other Trust Funds:		
Interfund Returned	536,036.77	
Due General Capital Fund:		
Improvement Authorization Expenditures	1,699,714.77	
Due Water Utility Capital Fund:		
Improvement Authorization Expenditures	5,253.00	
Due State of New Jersey:		
Construction Code Surcharge Fees	36,635.00	
Marriage License Fees	4,050.00	
Burial Permits	20.00	
Reserve for:		
Pending Tax Appeals	88,296.19	
Redemption of Outside Liens	1,450,772.97	
Refund of:		
Tax Overpayments	651,944.30	
Miscellaneous Revenue Anticipated:		
Fees and Permits	1,000.00	
Tree Removal Permits	150.00	
Uniform Construction Code Fees	5,378.00	
Prior Year Revenue - Taxes	4,017.88	
	\$122,067,845.37	
Balance December 31, 2015	A	\$ 22,383,857.22

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2015

A-5

Increased by Receipts:

Taxes Receivable	\$107,017,709.28	
Interest and Costs on Taxes	138,435.44	
2016 Prepaid Taxes	311,598.01	
Tax Overpayments	601,886.96	
Redemption of Outside Liens	1,532,718.57	
Tax Title Liens	18,243.65	
Tax Sale Premiums - Due to Other Trust Funds	541,600.00	
Fees and Permits		
Tax Search Fees/Miscellaneous	10,142.95	
Miscellaneous Revenue Not Anticipated:		
Departmental Collections	<u>2,360.00</u>	
		\$110,174,694.86

Decreased by:

Payments to Municipal Treasurer		<u><u>\$110,174,694.86</u></u>
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SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2015

A-6

NOT APPLICABLE

TOWNSHIP OF NUTLEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2015 Levy	Collections		Overpayments Applied	State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2014		2014	2015					Dec. 31, 2015
2005	\$ 2,741.21			\$ 2,312.46			\$ 428.75		
2006	7,938.79						7,938.79		
2007	2,609.14						2,609.14		
2008	13,686.53						13,686.53		
2009	14,838.63						14,838.63		
2010	523.08						523.08		
2011	13,971.11						13,971.11		
2013	14,782.36			53.70			14,728.66		
2014	1,461,592.49			1,462,625.53		\$ (11,028.43)		\$ 7,594.19	\$ 2,401.20
	1,532,683.34			1,464,991.69		(11,028.43)	68,724.69	7,594.19	2,401.20
2015		\$ 107,713,131.97	\$ 350,904.24	105,552,717.59	\$ 17,591.35	220,959.25	63,160.08	26,143.34	1,481,656.12
	\$ 1,532,683.34	\$ 107,713,131.97	\$ 350,904.24	\$ 107,017,709.28	\$ 17,591.35	\$ 209,930.82	\$ 131,884.77	\$ 33,737.53	\$ 1,484,057.32
Ref.	A								A

Analysis of 2015 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 107,433,970.40
Business Personal Property Taxes	305.07
Added and Omitted Taxes (N.J.S.A. 54:4-63.1 et seq.)	278,856.50
	<u>\$ 107,713,131.97</u>

Tax Levy:

Local School District Taxes	\$ 51,689,491.00
County Taxes	\$ 17,070,774.48
County Open Space Taxes	541,738.66
Due County for Added and Omitted Taxes	45,825.67
	<u>17,658,338.81</u>
	69,347,829.81
Local Tax for Municipal Purposes Levied	36,909,843.44
Minimum Library Tax Levied	1,211,193.56
	<u>38,121,037.00</u>
Add: Additional Tax Levied	244,265.16
	<u>38,365,302.16</u>
	<u>\$ 107,713,131.97</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2015

	<u>Ref.</u>	
Balance December 31, 2014	A	\$ 27,518.07
Increased by:		
Transfer from Taxes Receivable		\$ 33,737.53
Interest and Costs Accrued at Tax Sale		<u>898.83</u>
		<u>34,636.36</u>
		<u>62,154.43</u>
Decreased by:		
Cash Collections		<u>18,243.65</u>
Balance December 31, 2015	A	<u><u>\$ 43,910.78</u></u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance	Accrued in	Collected by		Balance
	Dec. 31, 2014	2015	Collector	Treasurer	Dec. 31, 2015
Licenses:					
Alcoholic Beverages		\$ 32,321.84		\$ 32,321.84	
Other		23,995.00		23,995.00	
Fees and Permits:					
Building Inspector		104,462.00		104,462.00	
Board of Health		18,524.00		18,524.00	
Tax Search Fees/Miscellaneous		10,142.95	\$ 10,142.95		
Police		10,553.74		10,553.74	
Municipal Clerk		130.00		130.00	
Public Works		2,430.00		2,430.00	
Fines and Costs - Municipal Court	\$ 22,273.30	310,767.11		313,147.64	\$ 19,892.77
Parking Meters		274,675.89		274,675.89	
Fees - Immunization Program		16,743.86		16,743.86	
Tree Removal Permits		6,550.00		6,550.00	
Consolidated Municipal Property Tax Relief Aid		192,939.00		192,939.00	
Energy Receipts Tax		2,454,691.00		2,454,691.00	
Replacement Revenue		5,500,000.00		5,500,000.00	
Uniform Construction Code Fees		450,453.00		450,453.00	
Township of Montclair - Health Services		9,194.50		9,194.50	
Nutley Board of Education - Physician Services		6,300.00		6,300.00	
Nutley Board of Education - Bulk/Solid Waste		12,500.00		12,500.00	
Staffing for Adequate Fire & Emergency Response (SAFER) Grant		263,755.00		263,755.00	
Clean Communities Program		51,991.26		51,991.26	
County of Essex Municipal Alliance Grant		11,414.36		11,414.36	
Safety Achievement Award		1,250.00		1,250.00	
Private Donation - Partners in Health		12,000.00		12,000.00	
Private Donation - Partners in Health		6,505.00		6,505.00	
Reserve for Body Armor Replacement Fund - Unappropriated		5,982.65		5,982.65	
Reserve for Municipal Court Alcohol Education		1,078.38		1,078.38	
Sewer Maintenance Fees - Due from:					
Town of Belleville		9,905.28		9,905.28	
City of Clifton		2,500.00		2,500.00	
Residential Furniture Delivery Service		491.00		491.00	
Town of Bloomfield		60,220.54		60,220.54	
Regency Condominiums		11,023.12		11,023.12	
Payment in Lieu of Taxes - Senior Citizen Housing		111,585.96		111,585.96	
Passaic Valley Sewer Charges - User Charges		12,978.45		12,978.45	
Recycling Program		25,000.00		25,000.00	
Bureau of Housing Inspection		18,743.00		18,743.00	
Due from Hoffman-LaRoche - Debt Service		24,833.38		24,833.38	
Uniform Fire Safety Act		24,550.90		24,550.90	
P.I.L.O.T. - Nutley Senior Manor		40,117.05		40,117.05	
Cable Franchise Fee		443,443.86		443,443.86	
School Nursing Program		22,644.00		22,644.00	
Cell Phone Tower Lease		18,000.00		18,000.00	
Federal Emergency Management Agency - Superstorm Sandy		233,013.00		233,013.00	
	<u>\$ 22,273.30</u>	<u>\$10,880,400.08</u>	<u>\$ 10,142.95</u>	<u>\$10,872,637.66</u>	<u>\$ 19,892.77</u>

Ref.

A

A

Cash Receipts	\$10,632,563.63
Reserve for Body Armor Replacement Fund - Unappropriated	5,982.65
Reserve for Municipal Court Alcohol Education	1,078.38
Reserve for Federal Emergency Management Agency - Superstorm Sandy	233,013.00
	<u>\$10,872,637.66</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2015

A-10

NOT APPLICABLE

TOWNSHIP OF NUTLEY

A-11

CURRENT FUND

1 of 5

SCHEDULE OF 2014 APPROPRIATION RESERVES

YEAR ENDED DECEMBER 31, 2015

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
Director of Public Affairs:				
Other Expenses	\$ 879.25	\$ 879.25	\$ 102.00	\$ 777.25
Nutley Public Health Reserve Corp:				
Other Expenses	2,558.50	2,558.50	208.98	2,349.52
Department of Health - Local Health Agency:				
Salaries and Wages	20,252.17	20,252.17	20,250.00	2.17
Other Expenses	27,777.71	27,777.71	15,508.17	12,269.54
Animal Regulation:				
Other Expenses	4,804.00	4,804.00		4,804.00
Military Veterans Affairs Bureau:				
Salaries and Wages	4,858.26	4,858.26	4,850.00	8.26
Other Expenses	1,947.78	1,947.78	550.00	1,397.78
Immunization Program:				
Other Expenses	26.24	26.24		26.24
Contractual:				
Garbage and Trash Removal	346,596.50	346,596.50	118,167.25	228,429.25
Services of Nutley Family Service Bureau	10,833.31	10,833.31	10,833.31	
Contractual Aid to:				
Occupational Center, Orange, NJ	1,000.00	1,000.00		1,000.00
Go Green Initiative:				
Other Expenses	100.00	100.00		100.00
Municipal Prosecutor:				
Salaries and Wages	21,914.38	21,914.38	21,910.00	4.38
Other Expenses	1,000.00	1,000.00		1,000.00
Board of Adjustment:				
Salaries and Wages	1,176.70	1,176.70	1,175.00	1.70
Other Expenses	5,163.52	5,163.52	1,343.50	3,820.02
Planning Board:				
Salaries and Wages	1,071.70	1,071.70	1,070.00	1.70
Other Expenses	6,553.27	6,553.27	1,343.50	5,209.77
Rent Leveling Board:				
Salaries and Wages	25.96	25.96	25.00	0.96
Other Expenses	2,291.90	2,291.90		2,291.90
Township Attorney:				
Salaries and Wages	12,227.69	12,227.69	12,225.00	2.69
Other Expenses	77,044.84	77,044.84	3,031.60	74,013.24
Celebration of Public Events	25,950.87	25,950.87	22,336.21	3,614.66
Director of Revenue and Finance:				
Other Expenses	780.20	780.20	590.00	190.20
Assessment of Taxes:				
Salaries and Wages	930.40	930.40	930.00	0.40
Other Expenses	21,945.80	21,945.80	18,317.82	3,627.98
Collection of Taxes:				
Salaries and Wages	43,806.49	43,806.49	43,802.14	4.35
Other Expenses	20,279.69	20,279.69	3,024.56	17,255.13

TOWNSHIP OF NUTLEY

A-11

CURRENT FUND

2 of 5

SCHEDULE OF 2014 APPROPRIATION RESERVES

YEAR ENDED DECEMBER 31, 2015

(Continued)

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
Treasurer's Office:				
Salaries and Wages	\$ 26,936.02	\$ 26,936.02	\$ 26,935.00	\$ 1.02
Other Expenses	33,978.00	33,978.00	8,629.00	25,349.00
Grant Writer	3,337.00	3,337.00	3,333.00	4.00
Township Clerk's Office:				
Salaries and Wages	1,434.09	1,434.09	1,431.64	2.45
Other Expenses	6,049.68	6,049.68	2,597.88	3,451.80
Other Expenses - Election	13,000.00	13,000.00		13,000.00
Information Services:				
Salaries & Wages	777.49	777.49	775.00	2.49
Other Expenses	63,136.80	63,136.80	62,524.36	612.44
Administration of Township Ordinances:				
Salaries and Wages	39,626.36	39,626.36	39,625.00	1.36
Other Expenses	9,160.00	9,160.00		9,160.00
Expense, Stationery and Printing:				
Other Expenses	39,742.28	39,742.28	5,123.52	34,618.76
Economic Redevelopment Project:				
Salaries and Wages	100.00	100.00	100.00	
Other Expenses	272,083.31	272,083.31	271,933.92	149.39
Printing and Legal Advertising:				
Other Expenses	5,662.83	5,662.83	1,818.41	3,844.42
NJEIT Administration Fee - Other Expenses	660.00	660.00		660.00
Mayor:				
Other Expenses	109.49	109.49		109.49
Director of Public Safety:				
Other Expenses	1,000.00	1,000.00		1,000.00
Municipal Court:				
Salaries and Wages	14,793.90	14,793.90	14,790.53	3.37
Other Expenses	22,266.31	22,266.31	6,536.22	15,730.09
E-Ticketing - Other Expense	20,212.92	20,212.92		20,212.92
Public Defender:				
Salaries and Wages	5,490.16	5,490.16	5,490.00	0.16
Other Expenses	300.00	300.00		300.00
Police:				
Salaries and Wages	278,656.22	278,656.22	278,653.98	2.24
Other Expenses	268,559.16	268,559.16	249,291.30	19,267.86
Clothing Allowance	32,376.70	32,376.70	14,233.29	18,143.41
Purchase of Police Cars	121,061.25	121,061.25	120,456.09	605.16
First Aid Organization:				
Other Expenses	37,274.15	37,274.15	163.57	37,110.58
Office of Emergency Management:				
Other Expenses	8,778.82	8,778.82	8,380.00	398.82
Fire:				
Salaries and Wages	112,868.37	112,868.37	112,863.40	4.97
Other Expenses	90,452.12	90,452.12	54,482.73	35,969.39
Clothing Allowance	7,223.00	7,223.00	239.96	6,983.04
Reserve for Accrued Sick and Vacation	100.00	100.00	100.00	

TOWNSHIP OF NUTLEY

A-11

CURRENT FUND

3 of 5

SCHEDULE OF 2014 APPROPRIATION RESERVES

YEAR ENDED DECEMBER 31, 2015

(Continued)

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
Hazardous Materials:				
Other Expenses - Stipend	\$ 9,000.00	\$ 9,000.00		\$ 9,000.00
Historic Preservation Commission:				
Other Expenses	42.72	42.72		42.72
Director of Public Works:				
Other Expenses	924.00	924.00		924.00
Engineering Services and Costs:				
Salaries and Wages	7,653.32	7,653.32	\$ 7,650.00	3.32
Other Expenses	61,014.68	61,014.68	40,139.20	20,875.48
Road Repair and Maintenance:				
Salaries and Wages	81,149.40	81,149.40	81,144.55	4.85
Other Expenses	118,366.32	118,366.32	118,366.32	
Snow Removal:				
Salaries and Wages	1,134.69	1,134.69	1,130.00	4.69
Other Expenses	9,590.73	9,590.73	8,851.91	738.82
Traffic Maintenance:				
Salaries and Wages	804.73	804.73	800.00	4.73
Other Expenses	5,904.12	5,904.12	5,003.06	901.06
Sewer System:				
Salaries and Wages	1,200.45	1,200.45	1,196.80	3.65
Other Expenses	15,860.64	15,860.64	9,287.85	6,572.79
Parking Lot and Meter Maintenance:				
Salaries and Wages	1,660.05	1,660.05	1,660.00	0.05
Other Expenses	10,716.28	10,716.28	8,662.40	2,053.88
Leaf Removal:				
Other Expenses - Tipping Fees	68,481.00	68,481.00	56,020.05	12,460.95
Other Expenses - Landscapers	25,000.00	25,000.00		25,000.00
Recycling:				
Salaries and Wages	6,863.84	6,863.84	6,861.25	2.59
Other Expenses	5,897.19	5,897.19	5,481.77	415.42
Director of Parks and Public Property:				
Other Expenses	735.00	735.00		735.00
Recreation Committee of Nutley:				
Salaries and Wages	7,463.57	7,463.57	7,461.62	1.95
Other Expenses	15,940.80	15,940.80	15,831.66	109.14
Public Buildings and Grounds:				
Salaries and Wages	5,822.70	5,822.70	5,820.17	2.53
Other Expenses	41,517.85	41,517.85	41,517.85	
Communications and Technology Services:				
Salaries and Wages	1,002.02	1,002.02	1,000.00	2.02
Shade Tree Commission:				
Salaries and Wages	7,718.05	7,718.05	7,714.00	4.05
Other Expenses	37,295.64	37,295.64	31,339.53	5,956.11

TOWNSHIP OF NUTLEY

A-11

CURRENT FUND

4 of 5

SCHEDULE OF 2014 APPROPRIATION RESERVES

YEAR ENDED DECEMBER 31, 2015

(Continued)

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
Senior Citizens Transportation:				
Salaries and Wages	\$ 9,463.69	\$ 9,463.69	\$ 9,460.00	\$ 3.69
Other Expenses	3,400.00	3,400.00		3,400.00
Debris Removal:				
Other Expenses	3,320.00	3,320.00	1,085.00	2,235.00
Parks and Playgrounds:				
Salaries and Wages	8,071.98	8,071.98	8,068.41	3.57
Other Expenses	37,325.54	37,325.54	35,318.73	2,006.81
Insurance:				
Group Insurance Plan for Employees	481,025.83	481,025.83	37,687.34	443,338.49
Other Liability Insurance Premiums	37,369.53	22,369.53	22,369.53	
Workers Compensation Insurance	23,707.06	23,707.06	10,000.00	13,707.06
State Uniform Construction Code:				
Salaries and Wages	2,161.01	2,161.01	2,160.00	1.01
Other Expenses	34,660.80	34,660.80	30,792.73	3,868.07
Elevator Inspection Fees:				
Other Expenses	18,279.00	18,279.00	34.00	18,245.00
Unclassified:				
Gasoline	87,899.48	87,899.48	27,765.75	60,133.73
Fuel Oil	11,675.32	26,675.32	17,040.97	9,634.35
Electricity	81,303.79	81,303.79	49,865.87	31,437.92
Street Lighting	66,280.21	66,280.21	52,222.26	14,057.95
Telephone	17,523.80	17,523.80	14,997.67	2,526.13
Contingent	9,203.78	9,203.78	9,203.78	
Statutory Expenditures:				
Public Employees Retirement System	0.01	0.01		0.01
Social Security System (O.A.S.I)	74,205.67	74,205.67	74,203.38	2.29
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	0.04	0.04		0.04
Defined Contribution Retirement Program	1,729.62	1,729.62		1,729.62
Unemployment Compensation Insurance	30,000.00	30,000.00	30,000.00	
Passaic Valley Sewer Commission:				
Other Expenses	1,378.70	1,378.70		1,378.70
NJPDES Stormwater Permit (NJSA 40A:-45.3(cc)):				
Street Division:				
Salaries and Wages	6,120.00	6,120.00	6,120.00	
Other Expenses	6,553.50	6,553.50	1,031.35	5,522.15
LOSAP:				
First Aid Organization	4,987.50	4,987.50		4,987.50
Fire	12,000.00	12,000.00		12,000.00
Shared Services Agreement -				
Township of Montclair - Health Services	2,712.77	2,712.77		2,712.77
State and Federal Programs Offset by Revenue:				
Safe and Secure Communities Grant:				
State Share	11,496.27	11,496.27	11,496.27	
Municipal Alliance Grant:				
State Share	1,683.36	1,683.36	1,437.79	245.57
Local Share	222.01	222.01	222.01	

TOWNSHIP OF NUTLEY

A-11

CURRENT FUND

5 of 5

SCHEDULE OF 2014 APPROPRIATION RESERVES

YEAR ENDED DECEMBER 31, 2015

(Continued)

	Balance Dec. 31, 2014	Balance After Transfers	Paid or Charged	Balance Lapsed
State and Federal Programs Offset by Revenue:				
State of NJ Drunk Driving Enforcement Fund Grant	\$ 7,945.25	\$ 7,945.25	\$ 165.00	\$ 7,780.25
Drive Sober or Get Pulled Over	6,837.50	6,837.50	3,550.00	3,287.50
Community Environmental Health Act	538.48	538.48	538.46	0.02
Clean Communities Program	36,778.47	36,778.47	28,817.69	7,960.78
Matching Funds for Grants	2,369.00	2,369.00		2,369.00
Assistance to Firefighters Grant	13.10	13.10		13.10
Private Donation - Partners for Health	6,243.14	6,243.14	2,662.08	3,581.06
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	83,198.50	83,198.50	83,198.50	
Body Armor Replacement Fund	866.90	866.90	771.10	95.80
Capital Improvements - Excluded From "CAPS":				
Road Improvements	122,597.56	122,597.56	122,223.49	374.07
	<u>\$4,102,911.52</u>	<u>\$4,102,911.52</u>	<u>\$2,749,550.99</u>	<u>\$1,353,360.53</u>

Analysis of Balance December 31, 2014:

	<u>Ref.</u>	
Unencumbered	A	\$2,546,587.09
Encumbered	A	<u>1,556,324.43</u>
		<u>\$4,102,911.52</u>

Cash Disbursed	\$1,650,820.99
Due to General Capital Fund - Reserve for Economic Development Project	246,000.00
Due to Other Trust Funds - Reserve for:	
Unemployment Insurance	30,000.00
Accumulated Sick and Vacation Pay	772,730.00
Snow Removal	<u>50,000.00</u>
	<u>\$2,749,550.99</u>

TOWNSHIP OF NUTLEY

A-12

CURRENT FUND

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

YEAR ENDED DECEMBER 31, 2015

Increased by:

Levy - Calendar Year 2015

\$ 51,689,491.00

Decreased by:

Payments to Local School District

\$ 51,689,491.00

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
TRUST FUNDS

TOWNSHIP OF NUTLEY
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

B-4

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2014	B	\$25,807.95	\$ 2,278,645.59
Increased by Receipts:			
Dog License Fees		\$17,059.40	
Cat License Fees		1,185.00	
Impounding, Boarding, Late Fees and Penalties		449.14	
State Registration Fees		1,995.60	
Due Current Fund:			
Interfund Returned			\$ 536,036.77
Interest Earnings			164.74
Budget Appropriation:			
Community Environmental Health Act			150,000.00
Road Opening, Sewer Maintenance and			
Planning Board Escrow Deposits			39,530.00
Uniform Fire Safety - Penalties			8,711.50
Unemployment Insurance			75,000.00
Living Tree Memorial Program			8,420.00
Recreation Commission Fees			795,483.24
Parking Offense Adjudication Act			5,174.00
Recycling			14,710.51
Community Environmental Health Act			31,955.95
Community Development Block Grants			464,444.00
Civic Celebration			900.00
Law Enforcement Expenditures			774.85
COAH			130,048.54
Go Green Program			6,520.00
Police Outside Duty			502,331.90
Flexible Spending Account			2,934.92
		<u>20,689.14</u>	<u>2,773,140.92</u>
		46,497.09	5,051,786.51
Decreased by Disbursements:			
State Registration Fees		2,008.80	
Administrative Expenses		23,069.83	
Due Current Fund:			
Interest Earnings			164.74
Road Opening, Sewer Maintenance and			
Planning Board Escrow Deposits			33,025.50
Unemployment Insurance			79,886.04
Living Tree Memorial Program			6,919.50
Recreation Commission Fees			760,244.89
Parking Offense Adjudication Act			1,206.00
Recycling			26,200.00
Community Environmental Health Act			34,657.71
Tax Sale Premiums			498,100.00
Community Development Block Grants			464,443.99
Accumulated Sick and Vacation Pay			644,791.11
Snow Removal			44,086.16
Law Enforcement Expenditures			723.00
Mayor's Wellness Program			62.18
COAH			35,801.34
Go Green Program			13,094.51
Police Outside Duty			478,574.67
Flexible Spending Account			2,696.31
		<u>25,078.63</u>	<u>3,124,677.65</u>
Balance December 31, 2015	B	<u>\$21,418.46</u>	<u>\$ 1,927,108.86</u>

TOWNSHIP OF NUTLEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2015

B-4A

NOT APPLICABLE

TOWNSHIP OF NUTLEY
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2015

B-5

NOT APPLICABLE

TOWNSHIP OF NUTLEY
ANIMAL CONTROL FUND
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2014	B	\$ 25,785.15
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 17,059.40
Cat Licenses		<u>1,185.00</u>
		18,244.40
Impounding, Boarding, Late Fees and Penalties		<u>449.14</u>
		<u>18,693.54</u>
		44,478.69
Decreased by:		
Animal Control Expenditures		<u>23,069.83</u>
Balance December 31, 2015	B	<u><u>\$ 21,408.86</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2013	\$ 19,141.40
2014	<u>18,941.20</u>
Maximum Allowable Reserve	<u><u>\$ 38,082.60</u></u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
GENERAL CAPITAL FUND

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

C-2

	<u>Ref.</u>	
Balance December 31, 2014	C	<u>\$ 83,228.79</u>
Balance December 31, 2015	C	<u><u>\$ 83,228.79</u></u>

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance/ (Deficit)	Transfers		Balance/ (Deficit)
	Dec. 31, 2014	From	To	Dec. 31, 2015
Fund Balance	\$ 85,718.84			\$ 85,718.84
Capital Improvement Fund	157,950.72	\$ 157,950.72	\$ 646,882.00	646,882.00
Down Payments on Improvements	197,444.00	161,736.28	233,013.00	268,720.72
Due Current Fund	(2,819,621.42)	1,485,145.00	1,699,714.77	(2,605,051.65)
Loan Receivable:				
State of NJ Department of Environmental Protection Green Acres	(501,250.00)			(501,250.00)
Grants Receivable:				
County of Essex Open Space Trust Fund	(150,000.00)			(150,000.00)
State of NJ Department of Environmental Protection Green Acres	(248,750.00)			(248,750.00)
State of NJ Department of Transportation	(200,314.76)	490,558.00	59,250.00	(631,622.76)
Federal Repetitive Flood Claims Grants	(1,069,012.20)			(1,069,012.20)
Reserve for Paving	75,000.00	125,000.00	50,000.00	
Reserve for Fiber Optics			21,250.00	21,250.00
Reserve for Paving and Fiber Optics	71,250.00	71,250.00		
Reserve for Economic Development Project			246,000.00	246,000.00
Reserve for Local Improvements	35,621.00			35,621.00
Reserve for Redesign of Nutley Streets	3,154.09			3,154.09
Ord.				
No.	Improvement Description			
2384;				
2439	Various Capital Improvements	568.60		568.60
2413;	Various Capital Improvements (Removal/Disposal/			
2452	Replacement of Underground Tanks)	8,104.57		8,104.57

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH
(Continued)

C-3
2 of 5

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2014	Transfers		Balance/ (Deficit) Dec. 31, 2015
			From	To	
2521; 2700	Various Capital Improvements	\$ 63,473.35			\$ 63,473.35
2548	Various Capital Improvements	11,642.50			11,642.50
2565	Redesign and Construction of Various Streets	5,358.63			5,358.63
2636; 2644; 2651	Various Capital Improvements	4,918.79			4,918.79
2654	Construction of a Senior Citizen Multi-Purpose Facility	41,337.48			41,337.48
2655	Construction of a Full Size Recreation Soccer Field and Little League Baseball Field	11,937.94			11,937.94
2702	Reconstruction of Sidewalks and Resurfacing of Various Municipal Streets	467.14			467.14
2703	Street Improvements	7,796.30			7,796.30
2705; 2742	Various Capital Improvements	2.28			2.28
2749; 2860	Various Capital Improvements	72,943.81			72,943.81
2776	Certain Local Improvements	100.00			100.00
2800	Street Improvements	9,766.41			9,766.41
2807; 2839; 2859	Various Capital Improvements	56,015.51			56,015.51
2850	Various Capital Improvements	28,101.55	\$ 1,182.86		26,918.69
2852	Sewer Repair and Related Work	50,046.52			50,046.52
2889	Various Transportation Projects	13,552.62			13,552.62

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH
(Continued)

C-3
3 of 5

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2014	Transfers		Balance/ (Deficit) Dec. 31, 2015
			From	To	
2897; 2925; 2959	Reconstruction of Various Streets and Sidewalks	\$ 20,130.54			\$ 20,130.54
2899	Various Capital Improvements	219,371.58	\$ 80,821.81		138,549.77
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park	1,219.26			1,219.26
2927	Certain Local Improvements	3,600.00			3,600.00
2970	Hurricane Disaster Preparedness Program	1,695.47			1,695.47
2992	Upgrades to Memorial Park	80,696.30			80,696.30
2993; 3046	Various Capital Improvements	98,612.46			98,612.46
2995	Reconstruction of Various Streets and Sidewalks	45,478.54			45,478.54
3010	Various Capital Improvements	5,087.65			5,087.65
3027	Reconstruction of Various Streets and Sidewalks	11,640.00			11,640.00
3029	Various Capital Improvements	187,229.90			187,229.90
3053	Reconstruction of the Roadway on Passaic Avenue	64,740.24			64,740.24
3063; 3093; 3101	Various Capital Improvements	187,499.09	24,960.73		162,538.36
3065	Reconstruction of Various Streets and Sidewalks	17,476.30			17,476.30
3066	Acquisition of Property	61,674.66			61,674.66
3095	Reconstruction of Roadway on Bloomfield Ave (Section 4)	14,500.34			14,500.34
3100	Acquisition of a Fire Truck	10,800.64			10,800.64
3106	Local Improvements	265.33			265.33
3114	Reconstruction of Various Streets and Sidewalks	14,936.35			14,936.35

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH
(Continued)

C-3
4 of 5

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2014	Transfers		Balance/ (Deficit) Dec. 31, 2015
			From	To	
3116	Various Capital Improvements	\$ 82,707.55			\$ 82,707.55
3131	Redevelopment of Monsignor Owens Park	47,741.00			47,741.00
3149	Various Capital Improvements	88,409.53	\$ 7,635.40		80,774.13
3150	Reconstruction of Various Streets and Sidewalks	13,687.50			13,687.50
3153	Voice and Data Network Upgrades	2,809.09			2,809.09
3162	Reconstruction of the Roadway on Bloomfield Ave	49,957.69			49,957.69
3171	Donna Court Acquisition and Remediation	413,170.40			413,170.40
3172	Donna Court Acquisition and Remediation	756,759.46			756,759.46
3181	Various Capital Improvements	45,347.86	16,607.00		28,740.86
3183	Reconstruction of Various Streets and Sidewalks	255,554.54			255,554.54
3196	Renovation of Police Desk	1,588.67			1,588.67
3213	Reconstruction of Various Streets and Sidewalks	65,706.23	370.89		65,335.34
3214	Various Capital Improvements	44,405.47	7,147.13		37,258.34
3216	Local Improvements	4,162.37			4,162.37
3242	Various Capital Improvements	511,059.28	169,230.52	\$ 282,433.00	624,261.76
3243	Reconstruction of Various Roadways and Sidewalks	356,355.28	192,292.34		164,062.94
3273	Acquisition of Computer and Technology Equipment	220.20			220.20
3284	Monsignor Owens Memorial Park Improvement Project	122,019.71	122,019.71		
3292	Reconstruction of the Roadway on Park Ave (Section 2)	34,805.03	33,586.74		1,218.29
3294	Various Capital Improvements	67,283.01	362,367.34	17,567.00	(277,517.33)
3295	Reconstruction of Various Roadways and Sidewalks	49,500.00	488,520.60		(439,020.60)
3313	Reconstruction of the Roadway on Park Ave (Section 3)		192,971.70	232,000.00	39,028.30
3314	Reconstruction of the Roadways at Various Locations			175,000.00	175,000.00
3317	Reconstruction of the Roadways at Various Locations			83,558.00	83,558.00
3321	Reconstruction of Various Roadways and Sidewalks			41,250.00	41,250.00

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL FUND CASH
 (Continued)

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2014	Transfers		Balance/ (Deficit) Dec. 31, 2015
			From	To	
3323	Various Improvements or Purposes			\$ 67,337.00	\$ 67,337.00
3324	Paving of East Centre Street			125,000.00	125,000.00
3331	Acquisition of Lands			44,100.00	44,100.00
3332	Acquisition of Lands			167,000.00	167,000.00
		\$ 83,228.79	\$ 4,191,354.77	\$ 4,191,354.77	\$ 83,228.79

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

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2015	Analysis of Balance Dec. 31, 2015	
						Expenditures	Unexpended Improvement Authorizations
3242	Various Capital Improvements	\$ 282,433.00		\$ 282,433.00			
3294	Various Capital Improvements	1,295,325.00		17,567.00	\$ 1,277,758.00	\$ 277,517.33	\$ 1,000,240.67
3295	Reconstruction of Various Roadways and Sidewalks	940,500.00			940,500.00	439,020.60	501,479.40
3321	Reconstruction of Various Roadways and Sidewalks		\$ 783,750.00		783,750.00		783,750.00
3323	Various Improvements or Purposes		1,279,393.00		1,279,393.00		1,279,393.00
3331	Acquisition of Lands		855,900.00		855,900.00		855,900.00
3332	Acquisition of Lands		3,333,000.00		3,333,000.00		3,333,000.00
		<u>\$ 2,518,258.00</u>	<u>\$ 6,252,043.00</u>	<u>\$ 300,000.00</u>	<u>\$ 8,470,301.00</u>	<u>\$ 716,537.93</u>	<u>\$ 7,753,763.07</u>

Ref.

C

C

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations Unfunded

\$ 7,753,763.07

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2014		2015 Authorizations			Balance December 31, 2015		
		Date	Amount	Funded	Unfunded	Other Sources	Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund	Due to Current Fund Paid or Charged	Funded	Unfunded
2384;		10/20/92;	\$ 556,500.00								
2439	Various Capital Improvements	09/20/94		\$ 568.60						\$ 568.60	
2413;	Various Capital Improvements (Removal/Disposal/	10/19/93;	380,000.00								
2452	Replacement of Underground Tanks)	01/09/95	150,000.00		8,104.57					8,104.57	
2521;		07/01/97;	739,000.00								
2700	Various Capital Improvements	11/07/01		63,473.35						63,473.35	
2548	Various Capital Improvements	09/01/98	562,000.00		11,642.50					11,642.50	
2565	Redesign and Construction of Various Streets	05/04/99	339,000.00		5,358.63					5,358.63	
2636;		07/06/00;	964,500.00								
2644;		09/05/00;									
2651	Various Capital Improvements	10/17/00		4,918.79						4,918.79	
2654	Construction of a Senior Citizen Multi-Purpose Facility	11/21/00	100,000.00		41,337.48					41,337.48	
2655	Construction of a Full Size Recreation Soccer Field and Little League Baseball Field	10/17/00	200,000.00		11,937.94					11,937.94	
2702	Reconstruction of Sidewalks and Resurfacing of Various Municipal Streets	11/07/01	150,000.00		467.14					467.14	
2703	Street Improvements	11/07/01	220,000.00		7,796.30					7,796.30	
2705;		11/07/01;	1,245,000.00								
2742	Various Capital Improvements	07/09/02		2.28						2.28	
2749;		09/03/02;	1,233,900.00								
2860	Various Capital Improvements	11/22/04		72,943.81						72,943.81	
2776	Certain Local Improvements	04/01/03	55,000.00		100.00					100.00	
2800	Street Improvements	09/02/03	150,000.00		9,766.41					9,766.41	
2807;		10/09/03;	916,800.00								
2839;		06/01/04;									
2859	Various Capital Improvements	11/22/04		56,015.51						56,015.51	
2850	Various Capital Improvements	10/05/04	515,000.00		28,101.55			\$ 1,182.86		26,918.69	
2852	Sewer Repair and Related Work	10/05/04	362,000.00		50,046.52					50,046.52	
2889	Various Transportation Projects	06/06/05	300,000.00		13,552.62					13,552.62	
2897;		07/19/05;	330,000.00								
2925;		10/04/05;									
2959	Reconstruction of Various Streets and Sidewalks	07/19/06		20,130.54						20,130.54	
2899	Various Capital Improvements	07/19/05	902,000.00		219,371.58				80,821.81	138,549.77	
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park	07/19/05	60,000.00		1,219.26					1,219.26	

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
(Continued)

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2014		2015 Authorizations			Balance December 31, 2015		
		Date	Amount	Funded	Unfunded	Other Sources	Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund	Due to Current Fund Paid or Charged	Funded	Unfunded
2914	Various Capital Improvements	09/06/05	\$ 400,000.00	\$ 3,600.00						\$ 3,600.00	
2970	Hurricane Disaster Preparedness Program	09/05/06	75,000.00	1,695.47						1,695.47	
2992	Upgrades to Memorial Park	12/19/06	125,000.00	80,696.30						80,696.30	
2993;		12/19/06;	790,460.00								
3046	Various Capital Improvements	12/04/07		98,612.46						98,612.46	
2995	Reconstruction of Various Streets and Sidewalks	12/19/06	352,000.00	45,478.54						45,478.54	
3010	Various Capital Improvements	06/19/07	50,000.00	5,087.65						5,087.65	
3027	Reconstruction of Various Streets and Sidewalks	11/20/07	291,500.00	11,640.00						11,640.00	
3029	Various Capital Improvements	11/20/07	1,011,100.00	187,229.90						187,229.90	
3053	Reconstruction of the Roadway on Passaic Avenue	02/19/08	270,000.00	64,740.24						64,740.24	
3063;	Various Capital Improvements	07/16/08;	1,227,600.00								
3093;		04/07/09;									
3101		05/19/09		187,499.09					\$ 24,960.73	162,538.36	
3065	Reconstruction of Various Streets and Sidewalks	07/15/08	220,000.00	17,476.30						17,476.30	
3066	Acquisition of Property	07/15/08	314,000.00	61,674.66						61,674.66	
3095	Reconstruction of Roadway on Bloomfield Ave (Section 4)	04/07/09	240,000.00	14,500.34						14,500.34	
3100	Acquisition of a Fire Truck	05/05/09	264,000.00	10,800.64						10,800.64	
3106	Local Improvements	06/16/09	25,000.00	265.33						265.33	
3114	Reconstruction of Various Streets and Sidewalks	09/01/09	273,750.00	14,936.35						14,936.35	
3116	Various Capital Improvements	09/01/09	748,980.00	82,707.55						82,707.55	
3131	Redevelopment of Monsignor Owens Park	02/02/10	995,000.00	47,741.00						47,741.00	
3149	Various Capital Improvements	11/09/10	793,875.00	88,409.53					7,635.40	80,774.13	
3150	Reconstruction of Various Streets and Sidewalks	11/09/10	273,750.00	13,687.50						13,687.50	
3153	Voice and Data Network Upgrades	12/07/10	63,000.00	2,809.09						2,809.09	
3162	Reconstruction of the Roadway on Bloomfield Ave	04/19/11	228,000.00	49,957.69						49,957.69	
3171	Donna Court Acquisition and Remediation	07/05/11	854,500.00	413,170.40						413,170.40	
3172	Donna Court Acquisition and Remediation	07/05/11	1,644,000.00	756,759.46						756,759.46	
3181	Various Capital Improvements	11/15/11	985,000.00	45,347.86					16,607.00	28,740.86	
3183	Reconstruction of Various Streets and Sidewalks	11/15/11	380,000.00	255,554.54						255,554.54	
3196	Renovation of Police Desk	03/06/12	300,000.00	1,588.67						1,588.67	
3213	Reconstruction of Various Streets and Sidewalks	07/17/12	350,000.00	65,706.23					370.89	65,335.34	
3214	Various Capital Improvements	07/17/12	620,000.00	44,405.47					7,147.13	37,258.34	
3216	Local Improvements	09/04/12	25,000.00	4,162.37						4,162.37	
3242	Various Capital Improvements	07/16/13	1,481,700.00	511,059.28	\$ 282,433.00				169,230.52	624,261.76	
3243	Reconstruction of Various Roadways and Sidewalks	07/16/13	1,150,000.00	356,355.28					192,292.34	164,062.94	
3273	Acquisition of Computer and Technology Equipment	12/17/13	55,000.00	220.20						220.20	

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS
(Continued)

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2014		2015 Authorizations			Balance December 31, 2015		
		Date	Amount	Funded	Unfunded	Other Sources	Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund	Due to Current Fund Paid or Charged	Funded	Unfunded
3284	Monsignor Owens Memorial Park Improvement Project	07/01/14	\$ 150,000.00	\$ 122,019.71					\$ 122,019.71		
3292	Reconstruction of the Roadway on Park Ave (Section 2)	08/05/14	237,000.00	34,805.03					33,586.74	\$ 1,218.29	
3294	Various Capital Improvements	09/02/14	1,363,500.00	67,283.01	\$1,295,325.00				362,367.34		\$1,000,240.67
3295	Reconstruction of Various Roadways and Sidewalks	09/02/14	990,000.00	49,500.00	940,500.00				488,520.60		501,479.40
3313	Reconstruction of the Roadway on Park Ave (Section 3)	07/07/15	232,000.00			\$ 232,000.00			192,971.70	39,028.30	
3314	Reconstruction of the Roadways at Various Locations	07/07/15	175,000.00			175,000.00				175,000.00	
3317	Reconstruction of the Roadways at Various Locations	08/18/15	83,558.00			83,558.00				83,558.00	
3321	Reconstruction of Various Roadways and Sidewalks	10/06/15	825,000.00				\$ 783,750.00	\$ 41,250.00		41,250.00	783,750.00
3323	Various Improvements or Purposes	10/06/15	1,346,730.00				1,279,393.00	67,337.00		67,337.00	1,279,393.00
3324	Paving of East Centre Street	10/20/15	125,000.00			125,000.00				125,000.00	
3331	Acquisition of Lands	12/15/15	900,000.00				855,900.00	44,100.00		44,100.00	855,900.00
3332	Acquisition of Lands	12/15/15	3,500,000.00			161,736.28	3,333,000.00	5,263.72		167,000.00	3,333,000.00
				<u>\$4,446,038.52</u>	<u>\$2,518,258.00</u>	<u>\$ 777,294.28</u>	<u>\$6,252,043.00</u>	<u>\$ 157,950.72</u>	<u>\$1,699,714.77</u>	<u>\$4,698,106.68</u>	<u>\$7,753,763.07</u>
		<u>Ref.</u>	<u>C</u>	<u>C</u>							
Down Payments on Improvements						\$ 161,736.28					
Reserve for Paving						125,000.00					
NJ Department of Transportation Grants						490,558.00					
						<u>\$ 777,294.28</u>					

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2014	C	\$ 157,950.72
Increased by:		
2015 Budget Appropriation - Due from Current Fund		<u>646,882.00</u>
		804,832.72
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>157,950.72</u>
Balance December 31, 2015	C	<u><u>\$ 646,882.00</u></u>

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2015

C-7

NOT APPLICABLE

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

C-8

Purpose	Date of Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
		Outstanding Dec. 31, 2015 Date	Amount				
General Improvement Bonds	10/01/2005	10/01/2016	\$ 450,000.00	3.625%	\$ 1,346,000.00	\$ 450,000.00	\$ 896,000.00
		10/01/2017	446,000.00	3.625%			
General Improvement Bonds	12/01/2009	12/01/2016	600,000.00	3.250%	2,300,000.00	600,000.00	1,700,000.00
		12/01/2017	600,000.00	3.500%			
		12/01/2018	500,000.00	3.750%			
General Improvement Bonds	09/01/2013	09/01/2016-19	470,000.00	2.00%	4,230,000.00	470,000.00	3,760,000.00
		09/01/2020	470,000.00	2.25%			
		09/01/2021	470,000.00	2.75%			
		09/01/2022-23	470,000.00	3.00%			
					<u>\$ 7,876,000.00</u>	<u>\$ 1,520,000.00</u>	<u>\$ 6,356,000.00</u>
<u>Ref.</u>					C		C

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOAN PAYABLE

Ord. No.	Improvement Description	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
2495	Nutley Quarry Trunk Sanitary Sewer Replacement	\$ 280,000.00	\$ 135,000.00	\$ 145,000.00
	<u>Ref.</u>	C		C

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2015

Payment Number	Due Date	Trust		Balance of Loan
		Interest	Principal	
				\$ 145,000.00
31	02/01/2016	\$ 3,625.00		145,000.00
32	08/01/2016	3,625.00	\$ 145,000.00	-0-
		\$ 7,250.00	\$ 145,000.00	

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

C-9A

1 of 2

SCHEDULE OF NJ DEPARTMENT OF ENVIRONMENTAL PROTECTION
(NJDEP) GREEN ACRES LOAN PAYABLE

Ord. No.	Improvement Description	Balance Dec. 31, 2014	Matured	Balance Dec. 31, 2015
3131	Redevelopment of Monsignor Owens Park	\$ 501,250.00	\$ -0- *	\$ 501,250.00
	<u>Ref.</u>	C		C

* - As no loan funds were drawn down as of December 31, 2015, no required payments were due in 2015. Once the loan funds have been drawn down, the NJ Department of Environmental Protection will update the amortization schedule and the required payments will commence.

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2015

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 501,250.00
1	04/02/2011 *	\$ 5,012.50 *	\$ 10,572.16 *	490,677.84
2	09/30/2011 *	4,906.78 *	10,677.88 *	479,999.96
3	04/01/2012 *	4,800.00 *	10,784.66 *	469,215.30
4	09/29/2012 *	4,692.15 *	10,892.51 *	458,322.79
5	04/01/2013 *	4,583.23 *	11,001.43 *	447,321.36
6	09/29/2013 *	4,473.21 *	11,111.45 *	436,209.91
7	04/01/2014 *	4,362.10 *	11,222.56 *	424,987.35
8	09/30/2014 *	4,249.87 *	11,334.79 *	413,652.56
9	04/02/2015 *	4,136.53 *	11,448.14 *	402,204.42
10	09/30/2015 *	4,022.04 *	11,562.62 *	390,641.80
11	04/01/2016	3,906.42	11,678.24	378,963.56
12	09/29/2016	3,789.64	11,795.03	367,168.53
13	04/01/2017	3,671.69	11,912.98	355,255.55
14	09/29/2017	3,552.56	12,032.11	343,223.44
15	04/01/2018	3,432.23	12,152.43	331,071.01
16	09/30/2018	3,310.71	12,273.95	318,797.06
17	04/02/2019	3,187.97	12,396.69	306,400.37
18	09/30/2019	3,064.00	12,520.66	293,879.71
19	04/01/2020	2,938.80	12,645.86	281,233.85
20	09/29/2020	2,812.34	12,772.32	268,461.53
21	04/01/2021	2,684.62	12,900.05	255,561.48
22	09/29/2021	2,555.61	13,029.05	242,532.43
23	04/01/2022	2,425.32	13,159.34	229,373.09
24	09/30/2022	2,293.73	13,290.93	216,082.16
25	04/02/2023	2,160.82	13,423.84	202,658.32
26	09/30/2023	2,026.58	13,558.08	189,100.24
27	04/01/2024	1,891.00	13,693.66	175,406.58
28	09/29/2024	1,754.07	13,830.60	161,575.98

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

C-9A

2 of 2

SCHEDULE OF NJ DEPARTMENT OF ENVIRONMENTAL PROTECTION
(NJDEP) GREEN ACRES LOAN PAYABLE

(Continued)

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2015

(Continued)

<u>Payment Number</u>	<u>Due Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance of Loan</u>
				\$ 161,575.98
29	04/01/2025	\$ 1,615.76	\$ 13,968.90	147,607.08
30	09/29/2025	1,476.07	14,108.59	133,498.49
31	04/01/2026	1,334.98	14,249.68	119,248.81
32	09/30/2026	1,192.49	14,392.17	104,856.64
33	04/02/2027	1,048.57	14,536.10	90,320.54
34	09/30/2027	903.21	14,681.46	75,639.08
35	04/01/2028	756.39	14,828.27	60,810.81
36	09/29/2028	608.11	14,976.55	45,834.26
37	04/01/2029	458.34	15,126.32	30,707.94
38	09/29/2029	307.08	15,277.58	15,430.36
39	04/01/2030	154.30	15,430.36	
		<u>\$ 106,551.82</u>	<u>\$ 501,250.00</u>	

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

C-10

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2015
3242	Various Capital Improvements	\$ 282,433.00		\$ 282,433.00	
3294	Various Capital Improvements	1,295,325.00		17,567.00	\$ 1,277,758.00
3295	Reconstruction of Various Roadways and Sidewalks	940,500.00			940,500.00
3321	Reconstruction of Various Roadways and Sidewalks		\$ 783,750.00		783,750.00
3323	Various Improvements or Purposes		1,279,393.00		1,279,393.00
3331	Acquisition of Lands		855,900.00		855,900.00
3332	Various Improvements or Purposes		3,333,000.00		3,333,000.00
		<u>\$ 2,518,258.00</u>	<u>\$ 6,252,043.00</u>	<u>\$ 300,000.00</u>	<u>\$ 8,470,301.00</u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
WATER UTILITY FUND

TOWNSHIP OF NUTLEY
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2014	D	\$ 991,316.75	\$ 183.05
Increased by Receipts:			
Utility Collector		\$ 4,370,385.63	
Nonbudget Revenue - Treasurer		1,577.31	
Appropriation Refunds		8,916.43	
		<u>4,380,879.37</u>	
		5,372,196.12	<u>183.05</u>
Decreased by Disbursements:			
2015 Appropriation Expenditures		4,126,744.01	
2014 Appropriation Reserves		165,121.16	
Due Water Utility Capital Fund:			
Due Current Fund - Interfund Returned		10,965.00	
Improvement Authorization Expenditures		19,831.00	
Refund of Water Rent Overpayments		154,407.12	
		<u>4,477,068.29</u>	
Balance December 31, 2015	D	<u>\$ 895,127.83</u>	<u>\$ 183.05</u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - WATER COLLECTOR
YEAR ENDED DECEMBER 31, 2015

D-4A

Increased by:

Consumer Accounts Receivable	\$ 4,163,514.21
Water Rent Overpayments	190,115.71
Nonbudget Revenue	16,755.71
	<hr/> 4,370,385.63

Decreased by:

Disbursed to Water Treasurer	<u><u>\$ 4,370,385.63</u></u>
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TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER UTILITY CAPITAL CASH

D-5

	Balance/ (Deficit)	Transfers		Balance/ (Deficit)
	Dec. 31, 2014	From	To	Dec. 31, 2015
Capital Fund Balance	\$ 27,035.51			\$ 27,035.51
Due Current Fund	10,965.00	\$ 10,965.00	\$ 5,253.00	5,253.00
Due Water Utility Operating Fund	(99,182.64)	39,345.00	30,796.00	(107,731.64)
Loans Receivable:				
New Jersey Environmental Infrastructure Trust (NJEIT)	(73,721.75)		18,345.00	(55,376.75)
Reserve for Payment of Debt Service	25,163.75			25,163.75
Down Payments on Improvements	30,275.85		1,000.00	31,275.85
<u>Improvement Authorizations:</u>				
Ord. No.	<u>Improvement Description</u>			
2869; 3055	Preliminary Plans and Specifications for Water Distribution System	13,765.43		13,765.43
2994	Water Capital Improvements	2,539.76		2,539.76
3026	Acquisition of Fire Hydrants	3,150.00	3,150.00	
3064	Acquisition of Fire Hydrants	185.52	185.52	
3140	Replacement of Water Meters and Retrofit of Meter Heads	73,877.87		73,877.87
3151	Utility Infrastructure GIS Mapping	(9,596.25)	4,053.00	10,500.00
3182	Purchase of Fire Hydrants	(9,500.00)		9,500.00
3296	Various Water Utility Improvements	5,225.00	16,495.48	(11,270.48)
3322	Improvement of the Water Supply and Distribution System		1,200.00	(1,200.00)
		<u>\$ 183.05</u>	<u>\$ 75,394.00</u>	<u>\$ 75,394.00</u>
				<u>\$ 183.05</u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF CONSUMER ACCOUNTS RECEIVABLE

D-6

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 699,797.46
Increased by:		
Water Rents Levied		4,121,091.49
		<u>4,820,888.95</u>
Decreased by:		
Collections:		
Collections		\$ 4,163,514.21
Due from Current Fund		9,757.07
		<u>4,173,271.28</u>
Balance December 31, 2015	D	<u><u>\$ 647,617.67</u></u>

WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

D-7

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 37,613.53
Decreased by:		
Adjustment to Actual Inventory Per Listing Provided by Water Department		11,047.07
		<u>11,047.07</u>
Balance December 31, 2015	D	<u><u>\$ 26,566.46</u></u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF RETURN ITEM ACCOUNT
YEAR ENDED DECEMBER 31, 2015

D-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

D-9

	<u>Balance</u> <u>Dec. 31, 2014</u>	<u>Additions by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2015</u>
Water Mains	\$ 1,157,462.54		\$ 1,157,462.54
Water Utility Improvements	43,115.11		43,115.11
Machinery and Equipment	676,428.83	\$ 26,920.00	703,348.83
Geographic Information System	35,000.00		35,000.00
	<u>\$ 1,912,006.48</u>	<u>\$ 26,920.00</u>	<u>\$ 1,938,926.48</u>
<u>Ref.</u>	D		D

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2014	2015 Authorizations	Transferred to Fixed Capital	Balance Dec. 31, 2015
2869; 3055	12/28/04; 03/18/08	Preliminary Plans and Specifications for Water Distribution System	\$ 110,000.00			\$ 110,000.00
2994	11/21/06	Water Capital Improvements	67,811.50			67,811.50
3026	11/20/07	Acquisition of Fire Hydrants	16,021.00		\$ 16,021.00	
3064	07/15/08	Acquisition of Fire Hydrants	10,899.00		10,899.00	
3140	06/15/10	Replacement of Water Meters and Retrofit of Meter Heads	3,100,000.00			3,100,000.00
3151	11/09/10	Utility Infrastructure GIS Mapping	27,375.00			27,375.00
3296	09/02/14	Various Water Utility Improvements	104,500.00			104,500.00
3322	10/06/15	Improvement of the Water Supply and Distribution System		\$ 297,000.00		297,000.00
			<u>\$ 3,436,606.50</u>	<u>\$ 297,000.00</u>	<u>\$ 26,920.00</u>	<u>\$ 3,706,686.50</u>

Ref.

D

D

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF 2014 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2015

D-11

	Balance Dec. 31, 2014	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 30,691.51	\$ 30,691.51	\$ 9,293.64	\$ 21,397.87
Other Expenses	224,555.17	224,555.17	75,673.52	148,881.65
Other Expenses:				
N.J. Water Supply	11,409.00	11,409.00		11,409.00
Passaic Valley Water Commission	71,590.63	71,590.63	60,970.40	10,620.23
City of Newark Water Purchase	19,183.60	19,183.60	19,183.60	
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	15,000.00	15,000.00		15,000.00
Social Security System (O.A.S.I.)	17,641.44	17,641.44		17,641.44
Unemployment Compensation Insurance - (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00
	<u>\$ 391,071.35</u>	<u>\$ 391,071.35</u>	<u>\$ 165,121.16</u>	<u>\$ 225,950.19</u>

Ref.

Analysis of Balance December 31, 2014:

Unencumbered	D	\$ 268,331.11
Encumbered	D	<u>122,740.24</u>
		<u>\$ 391,071.35</u>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2014		2015 Authorizations	Paid or Charged	Balance December 31, 2015	
		Date	Amount	Funded	Unfunded	Deferred Charges to Future Revenue		Funded	Unfunded
2869; 3055	Preliminary Plans and Specifications for Water Distribution System	12/28/04; 03/18/08	\$ 110,000.00	\$ 13,765.43				\$ 13,765.43	
2994	Water Capital Improvements	11/21/06	79,200.00	2,539.76				2,539.76	
3026	Acquisition of Fire Hydrants	11/20/07	16,500.00	3,150.00			\$ 3,150.00		
3064	Acquisition of Fire Hydrants	07/15/08	11,000.00	185.52			185.52		
3140	Replacement of Water Meters and Retrofit of Meter Heads	06/15/10	3,100,000.00	73,877.87	\$ 1,638,303.00			73,877.87	\$ 1,638,303.00
3151	Utility Infrastructure GIS Mapping	11/09/10	27,375.00		16,410.00		4,053.00		12,357.00
3296	Various Water Utility Improvements	09/02/14	104,500.00	5,225.00	99,275.00		16,495.48		88,004.52
3322	Improvement of the Water Supply and Distribution System	10/06/15	297,000.00			\$ 297,000.00	1,200.00		295,800.00
				<u>\$ 98,743.58</u>	<u>\$ 1,753,988.00</u>	<u>\$ 297,000.00</u>	<u>\$ 25,084.00</u>	<u>\$ 90,183.06</u>	<u>\$ 2,034,464.52</u>
		<u>Ref.</u>		D	D			D	D
			Due to Water Utility Operating Fund				\$ 19,831.00		
			Due to Current Fund				<u>5,253.00</u>		
							<u>\$ 25,084.00</u>		

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF DOWN PAYMENTS ON IMPROVEMENTS

D-13

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 30,275.85
Increased by:		
2015 Budget Appropriation		<u>1,000.00</u>
Balance December 31, 2015	D	<u><u>\$ 31,275.85</u></u>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2015

D-14

NOT APPLICABLE

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF RESERVE FOR AMORTIZATION

D-15

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 2,279,869.63
Increased by:		
Paid by Operating Budget:		
New Jersey Environmental Infrastructure Trust (NJEIT) Loans	\$	75,617.68
Funded by Budget Appropriation		9,500.00
Transfer from Deferred Reserve for Amortization		26,920.00
		<u>112,037.68</u>
Balance December 31, 2015	D	<u>\$ 2,391,907.31</u>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

D-15A

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2014	Funded by Budget Appropriation	To Reserve for Amortization	Balance Dec. 31, 2015
2994	Water Capital Improvements	11/21/06	\$ 67,811.50			\$ 67,811.50
3026	Acquisition of Fire Hydrants	11/20/07	16,021.00		\$ 16,021.00	
3064	Acquisition of Fire Hydrants	07/15/08	10,899.00		10,899.00	
3151	Utility Infrastructure GIS Mapping	11/09/10	1,368.75	\$ 10,500.00		11,868.75
3296	Various Water Utility Improvements	09/02/14	5,225.00			5,225.00
			<u>\$ 101,325.25</u>	<u>\$ 10,500.00</u>	<u>\$ 26,920.00</u>	<u>\$ 84,905.25</u>
		<u>Ref.</u>	D			D

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2015

D-16

NOT APPLICABLE

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2015

D-17

NOT APPLICABLE

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOAN PAYABLE

D-18
1 of 2

	<u>Ref.</u>	
Balance December 31, 2014	D	\$ 1,194,333.85
Decreased by:		
Matured		<u>75,617.68</u>
Balance December 31, 2015	D	<u>\$ 1,118,716.17</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2015

<u>Payment Number</u>	<u>Due Date</u>	<u>Trust</u>		<u>Fund Principal</u>	<u>Balance of Loan</u>
		<u>Interest</u>	<u>Principal</u>		
					\$ 1,118,716.17
8	02/01/2016	\$ 8,872.50 *		\$ 25,205.89	1,093,510.28
9	08/01/2016	8,872.50 *	\$ 20,000.00 *	50,411.79	1,023,098.49
10	02/01/2017	8,372.50 *		25,205.89	997,892.60
11	08/01/2017	8,372.50 *	20,000.00 *	50,411.79	927,480.81
12	02/01/2018	7,872.50 *		25,205.89	902,274.92
13	08/01/2018	7,872.50 *	20,000.00 *	50,411.79	831,863.13
14	02/01/2019	7,372.50 *		25,205.89	806,657.24
15	08/01/2019	7,372.50	20,000.00	50,411.79	736,245.45
16	02/01/2020	6,872.50		25,205.89	711,039.56
17	08/01/2020	6,872.50	20,000.00	50,411.79	640,627.77
18	02/01/2021	6,372.50		25,205.89	615,421.88
19	08/01/2021	6,372.50	25,000.00	50,411.79	540,010.09

* - Credits to be applied to total interest and principal due in fiscal years 2016-2018 and \$5,141.75 of first interest payment due in fiscal year 2019.

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND

D-18

2 of 2

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOAN PAYABLE

(Continued)

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2015

(Continued)

Payment Number	Due Date	Trust		Fund Principal	Balance of Loan
		Interest	Principal		
					\$ 540,010.09
20	02/01/2022	\$ 5,747.50		\$ 25,205.89	514,804.20
21	08/01/2022	5,747.50	\$ 25,000.00	50,411.79	439,392.41
22	02/01/2023	5,122.50		25,205.89	414,186.52
23	08/01/2023	5,122.50	25,000.00	50,411.79	338,774.73
24	02/01/2024	4,497.50		25,205.89	313,568.84
25	08/01/2024	4,497.50	25,000.00	50,411.79	238,157.05
26	02/01/2025	3,872.50		25,205.89	212,951.16
27	08/01/2025	3,872.50	25,000.00	50,411.79	137,539.37
28	02/01/2026	3,247.50		7,539.37	130,000.00
29	08/01/2026	3,247.50	30,000.00		100,000.00
30	02/01/2027	2,497.50			100,000.00
31	08/01/2027	2,497.50	30,000.00		70,000.00
32	02/01/2028	2,047.50			70,000.00
33	08/01/2028	2,047.50	30,000.00		40,000.00
34	02/01/2029	1,597.50			40,000.00
35	08/01/2029	1,597.50	30,000.00		10,000.00
36	02/01/2030	1,128.75			10,000.00
37	08/01/2030	1,128.75	35,000.00		(25,000.00)
38	02/01/2031	568.75			(25,000.00)
39	08/01/2031	568.75	35,000.00		(60,000.00)
Credits to be Applied		(55,376.75) *	(60,000.00) *		
		<u>\$ 96,748.25</u>	<u>\$ 355,000.00</u>	<u>\$ 763,716.17</u>	

* - Credits to be applied to total interest and principal due in fiscal years 2016-2018 and \$5,141.75 of first interest payment due in fiscal year 2019.

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2015
PUBLIC ASSISTANCE FUND

TOWNSHIP OF NUTLEY
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

F-1

	<u>Ref.</u>	<u>P.A.T.F. I</u>
Balance December 31, 2014	F	\$ 73,198.88
Increased by Receipts:		
NJ Shares - Utility Company Donation		\$ 370.00
Interest		124.61
		<u>494.61</u>
Balance December 31, 2015	F	<u>\$ 73,693.49</u>

TOWNSHIP OF NUTLEY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF NUTLEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

Federal Funding Department	Program	CFDA #	State Program Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO
						From	To		Cumulative Total Expenditures
US Department of Transportation:									
Passed through NJ Department of Law and Public Safety	Drive Sober or Get Pulled Over	20.601	100-066-1160- 157-DHTS	\$ 7,500.00	\$ 4,037.50	01/01/14	12/31/15	\$ 3,550.00	\$ 4,212.50
Passed through NJ Department of Law and Public Safety	Pedestrian Safety Education and Enforcement Grant	20.600	480-078-6320- xxx-xxxxxx	16,000.00		01/01/15	12/31/16	1,200.00	1,200.00
Total US Department of Transportation					4,037.50			4,750.00	5,412.50
US Department of Homeland Security:									
	Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	N/A	678,242.00	263,755.00	10/08/13	10/07/16	159,576.58	299,362.08
Passed through NJ Department of Law and Public Safety	Disaster Grants - Public Assistance - F.E.M.A. Superstorm Sandy	97.036	100-066-1200- A92-NJSP	619,988.54	94,867.15	10/30/12	12/31/12	94,867.15 *	619,988.54
	F.E.M.A. Hurricane Irene	97.036		32,643.31	8,400.31	01/01/11	12/31/11	8,400.31 *	32,643.31
Total US Department of Homeland Security					103,267.46			103,267.46	652,631.85
					367,022.46			262,844.04	951,993.93
US Department of Housing & Urban Development:									
Passed through Essex County Office of Community Development	Community Development Block Grant: Reconstruction: Hancox and Union Ave to Morris Place and Conover Ave	14.218	N/A	\$ 354,908.00	\$ 354,908.00	01/01/15	12/31/15	\$ 354,907.99	\$ 354,907.99
	Willow and Chestnut Place			93,536.00	93,536.00	01/01/15	12/31/15	93,536.00	93,536.00
	Monsignor Owens Field ADA Ramp			16,000.00	16,000.00	01/01/15	12/31/15	16,000.00	16,000.00
Total US Department of Housing & Urban Development					464,444.00			464,443.99	464,443.99
TOTAL FEDERAL AWARDS					\$ 835,503.96			\$ 732,038.03	\$ 1,421,850.42

N/A - Not Available/Applicable
* - Expended in 2012 and 2011

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF NUTLEY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

State Funding Department	State Program	State Grant Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO
					From	To		Cumulative Total Expenditures
Department of Law & Public Safety	Safe & Secure Communities Program	232-6120	\$ 30,000.00	\$ 30,000.00	08/01/14	07/31/15	\$ 11,496.27	\$ 30,000.00
			30,000.00	30,000.00	08/01/15	07/31/16	30,000.00	30,000.00
				60,000.00			41,496.27	60,000.00
	Drunk Driving Enforcement Fund	100-078-6400-260-YYYY	8,510.25		01/01/14	12/31/15	165.00	730.00
Body Armor Replacement Fund	718-066-1020-001-6120	7,464.07		01/01/13	12/31/15	771.10	7,368.27	
		5,982.84		01/01/14	12/31/16	5,397.70	5,397.70	
		6,056.81	6,056.81	01/01/15	12/31/16	-0-	-0-	
			6,056.81			6,168.80	12,765.97	
Total Department of Law and Public Safety				66,056.81			47,830.07	73,495.97
Department of Environmental Protection	Clean Communities Program	765-042-4900-004-6020	42,767.16		01/01/14	12/31/15	28,817.69	34,806.38
			51,991.26	51,991.26	01/01/15	12/31/16	13,569.97	13,569.97
				51,991.26			42,387.66	48,376.35
Passed through the County of Essex	County Environmental Health Act	100-042-4840-094-6110	7,000.00		01/01/14	12/31/15	538.46	6,999.98
Total Department of Environmental Protection				51,991.26			42,926.12	55,376.33

TOWNSHIP OF NUTLEY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015
(Continued)

State Funding Department	State Program	State Grant Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO
					From	To		Cumulative Total Expenditures
Department of Treasury:								
Passed through the County of Essex	Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program	100-082-2000- 044-995120	\$ 22,000.00 22,000.00	\$ 9,025.00 11,414.36 <u>20,439.36</u>	07/01/14 07/01/15 06/30/15 06/30/16		\$ 1,437.79 16,204.55 <u>17,642.34</u>	\$ 10,754.43 16,204.55 <u>26,958.98</u>
Total Department of Treasury				<u>20,439.36</u>			<u>17,642.34</u>	<u>26,958.98</u>
	NJ Transportation Trust Fund Authority Act - Municipal Aid:	480-078-6320- 156-601385						
	Park Avenue		237,000.00	59,250.00	01/01/13 12/31/15		33,586.74	235,781.71
	Park Avenue		232,000.00		01/01/15 12/31/16		192,971.70	192,971.70
				<u>59,250.00</u>			<u>226,558.44</u>	<u>428,753.41</u>
TOTAL STATE AWARDS				<u>\$ 197,737.43</u>			<u>\$ 334,956.97</u>	<u>\$ 584,584.69</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWNSHIP OF NUTLEY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2015

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards (the "Schedules") include the federal and state grant activity of the Township of Nutley under programs of the federal and state governments for the year ended December 31, 2015. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township of Nutley, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township of Nutley.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying Schedules of Expenditures of Federal and State Awards are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through identifying numbers are presented where available. The Township has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

D. STATE LOANS OUTSTANDING

The Township of Nutley has the following loans outstanding as of December 31, 2015:

General Capital Fund:

NJ Environmental Infrastructure Trust Loan	<u>\$ 145,000</u>
NJ Department of Environmental Protection Green Acres Loan	<u>\$ 501,250</u>

Water Utility Capital Fund:

NJ Environmental Infrastructure Trust Loan	\$ 355,000
NJ Environmental Infrastructure Fund Loan	<u>763,716</u>
	<u>\$ 1,118,716</u>

TOWNSHIP OF NUTLEY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2015
(Continued)

E. STATE LOANS OUTSTANDING (Cont'd)

Currently, the Township is in the process of repaying the NJ Environmental Infrastructure loan balances. The General Capital Fund project which relates to the NJ Environmental Infrastructure loan is complete. There were no loan receipts or expenditures in the current year for the General Capital Fund project which relates to the NJ Department of Environmental Protection Green Acres Loan. At December 31, 2015, with regard to the Water Utility Capital Fund project, the Township has received and expended \$1,387,975 of the \$1,896,736 Loan funds for the Township-wide replacement of water meters and retrofit of meter heads. The project which relates to the loans was completed in 2014.



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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*

Independent Auditors' Report

The Honorable Mayor and Members
 of the Board of Commissioners
 Township of Nutley
 Nutley, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Township of Nutley, in the County of Essex (the "Township") as of, and for the years ended, December 31, 2015 and 2014, and the related notes to the financial statements and have issued our report thereon dated April 15, 2016. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Township's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2015-001, that we consider to be a significant deficiency.

The Honorable Mayor and Members
of the Board of Commissioners
Township of Nutley
Page 2

Compliance and Other Matters

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

The Township's Response to the Finding

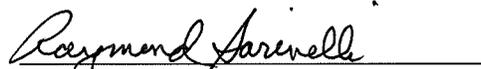
The Township's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Township's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mount Arlington, New Jersey
April 15, 2016

NISIVOCCIA LLP



Raymond G. Sarinelli
Certified Public Accountant
Registered Municipal Accountant No. 383

TOWNSHIP OF NUTLEY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- A significant deficiency was disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*. No material weaknesses are reported.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for 2015 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit disclosed the following significant deficiency required to be reported under Generally Accepted Government Auditing Standards:

Finding 2015-001:

Segregation of Duties

The Township does not maintain an adequate segregation of duties with respect to the payroll and general ledger functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The preparation of the general ledger for the various funds, the processing of payroll and the preparation of the quarterly payroll reports are performed by the Chief Financial Officer. This is due to the position of Payroll Clerk currently being vacant and a lack of sufficient personnel to perform the general ledger functions. Accordingly, management and the Board of Commissioners should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

Due to budgetary constraints, the Township is currently evaluating whether or not the vacancy will be filled. In the meantime, the Township is making every effort to reassign staff to achieve an adequate segregation of duties with regard to the payroll and preparation of the general ledger functions.

TOWNSHIP OF NUTLEY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2015
(Continued)

Findings and Questioned Costs for Federal Awards:

- Not Applicable since federal expenditures were below the single audit threshold.

Findings and Questioned Costs for State Awards:

- Not Applicable since state expenditures were below the single audit threshold.

TOWNSHIP OF NUTLEY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2015

The Township's prior year finding regarding segregation of duties was not resolved in 2015 and is included on the Schedule of Findings and Responses for the year ended December 31, 2015.

TOWNSHIP OF NUTLEY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS

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

N.J.S. 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 (N.J.S. 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 (N.J.S. 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 (N.J.S. 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. 40A:11-4 states: "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 therefore, except as is provided otherwise in this act or 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 January 1, 2011 and thereafter, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the bid threshold may be up to \$36,000.

Effective July 1, 2015 and thereafter, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 and with a qualified purchasing agent the bid threshold may be up to \$40,000.

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (Cont'd)

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

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" or "Extraordinary Unspecifiable Services" in accordance with 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 materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Collection of Interest on Delinquent Taxes and Assessments

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

On January 20, 2015, the governing body adopted a resolution authorizing interest to be charged on delinquent taxes and water rents at the rate of 8% per annum to \$1,500 and any amount in excess of \$1,500 shall be fixed at the rate of 18% per annum. An additional penalty of 6% will be imposed on delinquencies in excess of \$10,000.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 22, 2015 and was complete with respect to all items eligible for sale.

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

<u>Year</u>	<u>Number of Liens</u>
2015	5
2014	5
2013	2

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2015.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

	Balance Dec. 31, 2014	Receipts	Disbursements	Balance Dec. 31, 2015
Municipal Treasurer:				
Fines and Costs	\$ 22,273.30	\$ 310,767.11	\$ 313,147.64	\$ 19,892.77
P.O.A.A. Fines	388.00	5,208.00	5,174.00	422.00
Public Defender	250.00	2,695.00	2,795.00	150.00
Interest:				
Regular Account	6.62	82.86	83.62	5.86
State Treasurer	16,757.19	244,764.34	242,751.68	18,769.85
County Treasurer	5,245.00	84,556.92	82,275.42	7,526.50
Fish and Game		141.00	141.00	
Weights and Measures		1,150.00	1,150.00	
Restitution	40.00	9,170.94	9,110.94	100.00
S.P.C.A.		250.00	250.00	
Cash Bail	7,521.84	89,404.80	87,246.08	9,680.56
	<u>\$ 52,481.95</u>	<u>\$ 748,190.97</u>	<u>\$ 744,125.38</u>	<u>\$ 56,547.54</u>

Our review of the tickets and special complaints assigned but not issued reports at December 31, 2015 revealed that, although significant improvement was again made, there are still tickets and special complaints listed on these reports which were assigned over six months ago which the Court Administrator is currently in the process of addressing.

It is recommended that the process of reviewing all assigned but not issued tickets and special complaints over six months old be continued so that they are collected from the respective officers and voided.

Management's Response

The Court Administrator will continue the process of reviewing all assigned but not issued tickets and special complaints over six months old so that they are collected from the respective officers and voided.

General and Water Utility Capital Funds

Various older improvement authorizations have unexpended balances.

It is recommended that all older improvement authorization balances be reviewed for possible cancellation.

Management's Response

A complete review of improvement authorizations will be made in order to cancel any unspent balances which are no longer needed.

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Water Rents

During our review of the water rents accounts receivable records we noted that, other than for refunds and cancellations of water rents approved by resolution of the governing body, billing adjustments were not always approved by an employee or official independent of the water rents billing and adjustment process. A Water Utility Collector has not been appointed to be responsible for Water Utility billing and collections.

It is recommended that a Water Utility Collector be appointed and all water billing adjustments be approved by an employee or official independent of the water rents billing and adjustment process.

Management's Response

The Township will review the feasibility of appointing a Water Utility Collector charged with the responsibility of approving all water billing adjustments.

New Jersey Administrative Code Accounting Requirements

The Division of Local Government Services has established three (3) accounting requirements which are prescribed in the New Jersey Administrative Code. They are as follows:

1. Maintenance of an encumbrance accounting system.
2. Fixed asset accounting and reporting system.
3. General ledger accounting system.

The Township is currently in compliance with the above accounting requirements.

Segregation of Duties

The Township does not maintain an adequate segregation of duties with respect to the payroll and general ledger functions. Segregation of duties refers to separating those functions that place too much control over a transaction or class of transactions that would enable a person to perpetuate errors and prevent detection within a reasonable period of time. The preparation of the general ledger for the various funds, the processing of payroll and the preparation of the quarterly payroll reports are performed by the Chief Financial Officer. This is due to the position of Payroll Clerk currently being vacant and a lack of sufficient personnel to perform the general ledger functions. Accordingly, management and the Board of Commissioners should be aware of this situation and realize that the concentration of duties and responsibilities in a limited number of individuals is not desirable from a control point of view.

Management's Response:

Due to budgetary constraints, the Township is currently evaluating whether or not the vacancy will be filled. In the meantime, the Township is making every effort to reassign staff to achieve an adequate segregation of duties with regard to the payroll and preparation of the general ledger functions.

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Management Suggestions

Deferred Compensation Plans

The Township has a fiduciary responsibility to its employees related to the deferred compensation plans offered by the Township. The Township should consider a periodic review of the benefits, features, costs, and performance of its deferred compensation plans and make that information available to employees to assist employees in making suitable choices for investing their retirement funds while fulfilling the Township's fiduciary responsibilities.

Cyber Security

Cybercrime has become much more prevalent in the last few years. Websites and internal networks, including personally identifiable information ("PII"), have been hacked and resulted in significant losses to organizations, both financial and reputational. We suggest that the Township consider options to test and protect the Township from cybercrime.

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2014 audit report. Recommendations 1b, 4a and 6a were resolved. Recommendations 1a, 2a, 3a and 5a are included in the current year recommendations and are in the process of being implemented.

TOWNSHIP OF NUTLEY
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Municipal Court:
 - a. The process of reviewing all assigned but not issued tickets and special complaints over six months old be continued so that they are collected from the respective officers and voided.
2. General and Water Utility Capital Funds:
 - a. All unexpended improvement authorizations be reviewed for possible cancellation.
3. Water Rents:
 - a. A Water Utility Collector be appointed and all water billing adjustments be approved by an employee or official independent of the water rents billing and adjustment process.
4. Segregation of Duties:
 - a. Consideration be given to providing for a more adequate segregation of duties with respect to the payroll and general ledger functions.

* * * * *