

*TOWNSHIP OF NUTLEY*

*COUNTY OF ESSEX*

*REPORT OF AUDIT*

*2014*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
REPORT OF AUDIT  
2014

TOWNSHIP OF NUTLEY  
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TOWNSHIP OF NUTLEY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2014



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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, 2014 and 2013, 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  
Page 2

### ***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 of the Township as of December 31, 2014 and 2013, 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. The basis of accounting is not in conformity with U.S. generally accepted accounting principles but is in accordance with the accounting practices prescribed or permitted by the Division. 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, 2014 and 2013 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, 2014 and 2013, 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.

### ***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 U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *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 Honorable Mayor and Members  
of the Board of Commissioners  
Township of Nutley  
Page 3

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 May 15, 2015 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  
May 15, 2015

NISIVOCCIA LLP



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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
CURRENT FUND

TOWNSHIP OF NUTLEY  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	A-4	\$ 21,591,717.75	\$ 20,181,957.65
Change Fund		300.00	300.00
		<u>21,592,017.75</u>	<u>20,182,257.65</u>
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		<u>140,028.01</u>	<u>123,917.45</u>
		<u>21,732,045.76</u>	<u>20,306,175.10</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,532,683.34	2,001,395.45
Tax Title Liens Receivable	A-8	27,518.07	2,250.18
Property Acquired for Taxes at Assessed Valuation		19,770.00	19,770.00
Revenue Accounts Receivable	A-9	22,273.30	25,716.51
Due Animal Control Fund	B		7,645.46
Due Water Utility Capital Fund	D	<u>10,965.00</u>	
Total Receivables and Other Assets with Full Reserves		<u>1,613,209.71</u>	<u>2,056,777.60</u>
Deferred Charges:			
Special Emergency Authorizations			<u>44,550.00</u>
Total Deferred Charges			<u>44,550.00</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 23,345,255.47</u></u>	<u><u>\$ 22,407,502.70</u></u>

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

A  
2 of 2

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 2,546,587.09	\$ 2,744,129.30
Encumbered	A-3;A-11	1,556,324.43	1,470,874.60
		<u>4,102,911.52</u>	<u>4,215,003.90</u>
Accounts Payable - Vendors		1,957,956.70	1,257,174.01
Prepaid Taxes		350,904.24	305,003.19
Tax Overpayments		206,649.83	340,969.27
County Added and Omitted Taxes Payable		48,239.13	110,303.45
Due Other Trust Funds	B	2,981,052.58	2,227,819.71
Due General Capital Fund	C	2,819,621.42	3,622,462.51
Due Water Utility Capital Fund	D		2,658.00
Due State of New Jersey:			
Construction Code Surcharge Fees		19,543.00	8,593.00
Marriage License Fees		1,100.00	1,350.00
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	369.42
Body Armor Replacement Fund		5,982.84	7,464.15
Contingency			415,000.00
Federal Emergency Management Agency - Superstorm Sandy		233,013.54	197,444.85
Damage to Soccer Field - Restitution		3,600.00	250.00
Pending Tax Appeals		2,950,000.00	1,625,000.00
Sale of Municipal Assets		50,000.00	50,000.00
Redemption of Outside Liens		1,903.38	39,783.13
Master Plan Review		13,610.00	13,610.00
		<u>15,763,085.41</u>	<u>14,456,177.44</u>
Reserve for Receivables and Other Assets	A	1,613,209.71	2,056,777.60
Fund Balance	A-1	5,968,960.35	5,894,547.66
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u><u>\$ 23,345,255.47</u></u>	<u><u>\$ 22,407,502.70</u></u>

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

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

A-1  
1 of 2

	Year Ended December 31,	
	2014	2013
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 4,654,000.00	\$ 4,654,000.00
Miscellaneous Revenue Anticipated	8,433,764.80	5,714,274.26
Receipts from:		
Delinquent Taxes	1,935,785.14	2,163,463.00
Current Taxes	107,802,184.16	108,262,132.37
Nonbudget Revenue	531,629.23	305,606.55
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,513,283.12	1,203,328.89
Senior Citizen/Veteran Allowances on Prior Year Taxes	4,500.00	6,000.00
Cancellation of:		
Due State of NJ - Construction Code Surcharge Fees		1.00
Tax Overpayments	27,349.95	3,697.00
Interfunds Returned	7,645.46	624.64
	124,910,141.86	122,313,127.71
<u>Expenditures</u>		
Budget Appropriations	48,122,485.76	45,941,175.05
County Taxes	18,541,216.09	18,420,540.58
County Share of Added and Omitted Taxes	48,239.12	110,303.45
Local School District Taxes	52,081,835.00	52,474,094.00
Reserve for Pending Tax Appeals	1,350,698.27	686,894.11
Senior Citizen/Veteran Disallowances on Prior Year Taxes	23,250.00	10,010.94
Refund of Prior Year Taxes	3,039.93	21,633.89
Interfunds Advanced	10,965.00	
	120,181,729.17	117,664,652.02

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

A-1  
 2 of 2

(Continued)

		Year Ended December 31,	
	Ref.	2014	2013
Excess in Revenue/Statutory Excess to Fund Balance		\$ 4,728,412.69	\$ 4,648,475.69
<u>Fund Balance</u>			
Balance January 1		5,894,547.66	5,900,071.97
		10,622,960.35	10,548,547.66
Decreased by:			
Utilized as Anticipated Revenue		4,654,000.00	4,654,000.00
Balance December 31	A	\$ 5,968,960.35	\$ 5,894,547.66

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, 2014

A-2  
1 of 4

	<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		36,803.16	\$ 6,803.16
Other	4,000.00		26,814.00	22,814.00
Fees and Permits	170,000.00		160,462.15	9,537.85 *
Fines and Costs:				
Municipal Court	340,000.00		335,870.88	4,129.12 *
Interest and Costs on Taxes	150,000.00		205,734.16	55,734.16
Parking Meters	280,000.00		278,550.75	1,449.25 *
Interest on Investments and Deposits	10,000.00		33,749.27	23,749.27
Fees - Immunization Program	5,000.00		13,074.75	8,074.75
Landscapers Leaf Removal Licenses	1,500.00		965.00	535.00 *
Landscapers Leaf Removal Dumping Tickets	15,000.00		750.00	14,250.00 *
Tree Removal Permits	4,000.00		4,050.00	50.00
Consolidated Municipal Property Tax Relief Aid	234,167.00		234,167.00	
Energy Receipts Tax	2,413,463.00		2,413,463.00	
Replacement Revenue	2,750,153.00		2,750,153.45	0.45
Uniform Construction Code Fees	290,500.00		512,361.00	221,861.00
Township of Montclair - Health Services	14,500.00		9,345.00	5,155.00 *
Drunk Driving Enforcement Fund		\$ 8,510.25	8,510.25	
Drive Sober or Get Pulled Over		7,500.00		7,500.00 *
Clean Communities Program		42,767.16	42,767.16	
Safe and Secure Communities Grant		30,000.00		30,000.00 *
County of Essex Municipal Alliance Grant	22,000.00		9,059.33	12,940.67 *
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	172,984.00		139,388.00	33,596.00 *
County Environmental Health Act		7,000.00	7,000.00	
Reserve for Body Armor Replacement Fund - Unappropriated	7,464.15		7,464.15	
Assistance to Firefighters Grant	31,275.00		31,275.00	
Private Donation - Partners in Health		10,000.00	10,000.00	

TOWNSHIP OF NUTLEY  
 CURRENT FUND  
 STATEMENT OF REVENUE - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2014  
 (Continued)

A-2  
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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	\$ 9,484.00		\$ 9,484.33	\$ 0.33
City of Clifton	2,402.00			2,402.00 *
Residential Furniture Delivery Service	367.00		367.36	0.36
Town of Bloomfield	56,804.00		56,804.51	0.51
Regency Condominiums	10,968.00		10,968.83	0.83
Payment in Lieu of Taxes - Senior Citizen Housing	109,000.00		110,575.68	1,575.68
Passaic Valley Sewer Charges - User Charges	11,530.89		11,441.50	89.39 *
Recycling Program	188,000.00		188,000.00	
Bureau of Housing Inspection	10,000.00		14,595.00	4,595.00
Due from Hoffman-LaRoche - Debt Service	25,083.00		25,083.38	0.38
Uniform Fire Safety Act	27,133.00		20,276.76	6,856.24 *
P.I.L.O.T. - Nutley Senior Manor	43,000.00		44,326.95	1,326.95
Cable Franchise Fee	283,000.00		416,021.17	133,021.17
School Nursing Program	30,000.00		25,707.60	4,292.40 *
Cell Phone Tower Lease	18,000.00		18,000.00	
Donation from NVERS	10,000.00		12,889.42	2,889.42
Reserve for Contingency - Hoffman-LaRoche Redevelopment	250,000.00			250,000.00 *
Federal Emergency Management Agency - Superstorm Sandy	197,444.00		197,444.85	0.85
	<u>8,228,222.04</u>	<u>\$ 105,777.41</u>	<u>8,433,764.80</u>	<u>99,765.35</u>
Receipts from Delinquent Taxes	<u>964,842.00</u>		<u>1,935,785.14</u>	<u>970,943.14</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Municipal Budget:				
Local Tax for Municipal Purposes	37,139,530.59		40,091,090.43	2,951,559.84
Minimum Library Tax	1,240,066.52		1,240,066.52	
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>38,379,597.11</u>		<u>41,331,156.95</u>	<u>2,951,559.84</u>
Budget Totals	<u>52,226,661.15</u>	<u>105,777.41</u>	<u>56,354,706.89</u>	<u>\$ 4,022,268.33</u>
Nonbudget Revenue			<u>531,629.23</u>	
	<u>\$ 52,226,661.15</u>	<u>\$ 105,777.41</u>	<u>\$ 56,886,336.12</u>	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

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(Continued)

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 107,802,184.16
Allocated to:		
County Taxes	\$ 18,541,216.09	
County Share of Added and Omitted Taxes	48,239.12	
Local School District Taxes	52,081,835.00	
		70,671,290.21
Balance for Support of Municipal Budget		37,130,893.95
Add:		
Appropriation "Reserve for Uncollected Taxes"		4,200,263.00
Realized for Support of Municipal Budget		\$ 41,331,156.95

Receipts from Delinquent Taxes:

Delinquent Tax Collections		\$ 1,935,785.14
----------------------------	--	-----------------

Analysis of Other Licenses:

Municipal Clerk		\$ 3,980.00
Public Works		390.00
Board of Health		22,444.00
		\$ 26,814.00

Analysis of Fees and Permits:

Building Inspector		\$ 112,279.50
Board of Health		17,920.00
Tax Search Fees/Miscellaneous		15,770.67
Police		7,541.98
Municipal Clerk		7,197.00
Public Works		1,920.00
		162,629.15
Less: Refunds		2,167.00
		\$ 160,462.15

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer		\$ 33,690.81
Due General Capital Fund		58.46
		\$ 33,749.27

TOWNSHIP OF NUTLEY  
 CURRENT FUND  
 STATEMENT OF REVENUE - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2014  
 (Continued)

A-2  
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Analysis of Landscapers Leaf Removal Licenses:

Collected/Received by Treasurer	\$	1,715.00
Less: Refunds		750.00
	\$	965.00

Analysis of Tree Removal Permits:

Collected/Received by Treasurer	\$	4,400.00
Less: Refunds		350.00
	\$	4,050.00

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Prior Year Revenue:

Safe and Secure Communities Program	\$	114,790.00	
County Environmental Health Act		75,000.00	
County of Essex Municipal Alliance Grant		13,983.59	
Essex County Disaster National Emergency Grant Contract		20,616.20	
Essex County Department of Economic Development, Training & Employment		14,890.00	
Montclair Interlocal Health Agreement		6,230.00	
Total Prior Year Revenue	\$		245,509.79

Refunds/Reimbursements		99,956.54
Insurance Claims		73,550.55
Police/Fire Outside Services - Administrative Fees		36,698.50
Departmental Collections		9,977.41
Payment in Lieu of Taxes		22,694.00
Senior Citizens' and Veterans' Deductions - Administrative Costs		4,581.86
DMV Inspection Fines/Fees		4,437.00
Municipal Court - Public Defender Fees		3,775.00
Bid Specifications		1,675.00
Other Miscellaneous		6,838.31

		509,693.96
Tax Collector - Departmental Collections		22,085.27
		531,779.23
Less: Refunds		150.00
	\$	531,629.23

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, 2014

	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	222.75	\$ 777.25	
Nutley Public Health Reserve Corp:					
Other Expenses	7,500.00	4,500.00	2,150.48	2,349.52	
Department of Health - Local Health Agency:					
Salaries and Wages	484,000.00	484,000.00	463,747.83	20,252.17	
Other Expenses	93,950.00	99,450.00	86,623.95	12,826.05	
Air Pollution Control - Contractual	6,181.00	6,181.00	6,181.00		
Animal Regulation:					
Other Expenses	29,000.00	29,000.00	24,196.00	4,804.00	
Military Veterans Affairs Bureau:					
Salaries and Wages	41,150.00	41,150.00	36,291.74	4,858.26	
Other Expenses	7,500.00	5,000.00	3,602.22	1,397.78	
Immunization Program:					
Other Expenses	10,000.00	10,000.00	9,973.76	26.24	
Mental Health Program - Contractual	10,000.00	10,000.00	10,000.00		
Garbage and Trash Removal - Contractual	2,414,793.00	2,414,793.00	2,187,677.87	227,115.13	
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		
Go Green Initiative:					
Other Expenses	100.00	100.00		100.00	
<b>Total Department of Public Affairs</b>	<b>3,174,424.00</b>	<b>3,174,424.00</b>	<b>2,898,917.60</b>	<b>275,506.40</b>	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
 (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	809.80	\$ 190.20	
Assessment of Taxes:					
Salaries & Wages	230,000.00	226,000.00	225,069.60	930.40	
Other Expenses	116,000.00	127,000.00	123,899.01	3,100.99	
Collection of Taxes:					
Salaries & Wages	240,000.00	208,000.00	164,193.51	43,806.49	
Other Expenses	34,900.00	59,900.00	42,879.87	17,020.13	
Treasurer's Office:					
Salaries & Wages	466,000.00	466,000.00	439,063.98	26,936.02	
Other Expenses	46,500.00	46,500.00	21,097.00	25,403.00	
Grant Writer	40,000.00	40,000.00	39,996.00	4.00	
Township Clerk's Office:					
Salaries & Wages	140,500.00	140,500.00	139,065.91	1,434.09	
Other Expenses	42,500.00	52,500.00	49,048.23	3,451.77	
Other Expenses - Election	60,000.00	13,000.00		13,000.00	
Information Services:					
Salaries & Wages	152,000.00	152,000.00	151,222.51	777.49	
Other Expenses	63,000.00	80,000.00	79,204.33	795.67	
Administration of Township Ordinances:					
Salaries & Wages	255,000.00	221,000.00	181,373.64	39,626.36	
Other Expenses	10,000.00	10,000.00	840.00	9,160.00	
Expense, Stationery and Printing:					
Other Expenses	91,100.00	136,100.00	101,548.22	34,551.78	
Annual Audit:					
Other Expenses - Regular	85,680.00	85,680.00	85,680.00		

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
 (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	365,000.00	365,000.00	\$ 137,633.70	227,366.30	
Printing and Legal Advertising:					
Other Expenses	13,000.00	13,000.00	9,155.58	3,844.42	
NJEIT Administration Fee - Other Expenses	6,000.00	6,000.00	5,340.00	660.00	
<b>Total Department of Revenue and Finance</b>	<b>2,460,530.00</b>	<b>2,451,530.00</b>	<b>1,999,370.89</b>	<b>452,159.11</b>	
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	317,680.00	317,680.00	302,886.10	14,793.90	
Other Expenses	40,500.00	40,500.00	26,810.82	13,689.18	
E-Ticketing - Other Expense	45,000.00	45,000.00	24,800.00	20,200.00	
Public Defender:					
Salaries & Wages	20,000.00	35,000.00	29,509.84	5,490.16	
Other Expenses	300.00	300.00		300.00	
Police:					
Salaries & Wages	8,254,103.00	8,089,103.00	7,810,446.78	278,656.22	
Other Expenses	400,000.00	492,000.00	462,232.60	29,767.40	
Clothing Allowance	137,000.00	137,000.00	115,386.53	21,613.47	
Purchase of Police Cars	90,000.00	148,000.00	147,392.48	607.52	
First Aid Organization:					
Other Expenses	50,000.00	50,000.00	12,889.42	37,110.58	
Office of Emergency Management:					
Salaries & Wages	58,650.00	58,650.00	58,650.00		
Other Expenses	10,200.00	10,200.00	10,076.16	123.84	

TOWNSHIP OF NUTLEY  
 CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2014  
 (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	\$ 27,133.00	\$ 27,133.00	\$ 27,133.00		
Fire:					
Salaries and Wages	3,709,285.00	3,659,285.00	3,546,476.63	\$ 112,808.37	
Other Expenses	152,370.00	202,370.00	166,792.68	35,577.32	
Clothing Allowance	60,000.00	60,000.00	53,016.96	6,983.04	
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	57.28	42.72	
<b>Total Department of Public Safety</b>	<b>13,384,671.00</b>	<b>13,384,671.00</b>	<b>12,796,807.28</b>	<b>587,863.72</b>	
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	76.00	924.00	
Engineering Services and Costs:					
Salaries and Wages	136,000.00	136,000.00	128,346.68	7,653.32	
Other Expenses	186,050.00	186,050.00	157,334.64	28,715.36	
Road Repair and Maintenance:					
Salaries and Wages	683,000.00	668,000.00	656,850.60	11,149.40	
Other Expenses	220,800.00	311,800.00	287,307.75	24,492.25	
Snow Removal:					
Salaries and Wages	65,000.00	71,000.00	69,865.31	1,134.69	
Other Expenses	65,500.00	65,500.00	64,761.18	738.82	
Traffic Maintenance:					
Salaries and Wages	108,000.00	100,000.00	99,195.27	804.73	
Other Expenses	19,500.00	19,500.00	18,598.94	901.06	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
 (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	\$ 15,000.00				
Other Expenses	500.00				
Sewer System:					
Salaries and Wages	52,000.00	\$ 38,000.00	\$ 36,799.55	\$ 1,200.45	
Other Expenses	36,100.00	36,100.00	29,299.40	6,800.60	
Parking Lot and Meter Maintenance:					
Salaries and Wages	145,000.00	130,000.00	128,339.95	1,660.05	
Other Expenses	30,700.00	18,700.00	15,280.85	3,419.15	
Emergency Hire:					
Salaries and Wages	1,500.00				
Leaf Removal:					
Other Expenses - Tipping Fees	69,000.00	69,000.00	61,519.00	7,481.00	
Other Expenses - Landscapers	25,000.00	25,000.00		25,000.00	
Recycling:					
Salaries and Wages	700,000.00	709,000.00	702,136.16	6,863.84	
Other Expenses	27,500.00	27,500.00	27,084.58	415.42	
<b>Total Department of Public Works</b>	<b>2,589,400.00</b>	<b>2,614,400.00</b>	<b>2,485,045.86</b>	<b>129,354.14</b>	
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	265.00	735.00	
Recreation Committee of Nutley:					
Salaries and Wages	281,100.00	263,100.00	255,636.43	7,463.57	
Other Expenses	21,700.00	29,700.00	29,425.82	274.18	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
 (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	\$ 489,000.00	\$ 519,000.00	\$ 513,177.30	\$ 5,822.70	
Other Expenses	70,500.00	145,500.00	122,507.41	22,992.59	
Communications and Technology Services:					
Salaries and Wages	43,220.00	44,220.00	43,217.98	1,002.02	
Shade Tree Commission:					
Salaries and Wages	213,000.00	201,000.00	193,281.95	7,718.05	
Other Expenses	84,500.00	113,700.00	108,045.63	5,654.37	
Senior Citizens Transportation:					
Salaries and Wages	130,000.00	136,000.00	126,536.31	9,463.69	
Other Expenses	4,000.00	4,000.00	600.00	3,400.00	
Debris Removal:					
Other Expenses	10,500.00	15,500.00	13,265.00	2,235.00	
Parks and Playgrounds:					
Salaries and Wages	998,295.00	939,095.00	931,023.02	8,071.98	
Other Expenses	137,950.00	157,150.00	157,147.00	3.00	
Insurance:					
Group Insurance Plan for Employees	6,323,506.00	6,323,506.00	5,875,316.57	448,189.43	
Other Liability Insurance Premiums	687,440.00	637,440.00	600,070.47	37,369.53	
Workers Compensation Insurance	806,040.00	781,040.00	767,332.94	13,707.06	
<b>Total Department of Parks and Public Property</b>	<b>10,304,001.00</b>	<b>10,313,201.00</b>	<b>9,739,098.83</b>	<b>574,102.17</b>	
MAYOR'S OFFICE:					
Mayor:					
Salaries and Wages	450.00	450.00	450.00		
Other Expenses	500.00	500.00	390.51	109.49	
Board of Adjustment:					
Salaries & Wages	26,365.00	29,365.00	28,188.30	1,176.70	
Other Expenses	9,700.00	6,700.00	2,868.00	3,832.00	

TOWNSHIP OF NUTLEY  
 CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2014  
 (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	\$ 27,385.00	\$ 33,385.00	\$ 32,313.30	\$ 1,071.70	
Other Expenses	13,000.00	7,000.00	1,816.00	5,184.00	
Rent Leveling Board:					
Salaries & Wages	7,346.00	7,346.00	7,320.04	25.96	
Other Expenses	2,300.00	2,300.00	100.00	2,200.00	
Township Attorney:					
Salaries & Wages	60,823.00	60,823.00	48,595.31	12,227.69	
Other Expenses	100,300.00	100,300.00	55,054.25	45,245.75	
Celebration of Public Events	55,000.00	55,000.00	54,116.81	883.19	
Municipal Prosecutor:					
Salaries & Wages	100,823.00	100,823.00	78,908.62	21,914.38	
Other Expenses	1,000.00	1,000.00		1,000.00	
<b>Total Mayor's Office</b>	<b>404,992.00</b>	<b>404,992.00</b>	<b>310,121.14</b>	<b>94,870.86</b>	
State Uniform Construction Code:					
Salaries and Wages	330,000.00	334,000.00	331,838.99	2,161.01	
Other Expenses	40,000.00	70,000.00	66,131.93	3,868.07	
Elevator Inspection Fees:					
Other Expenses	36,000.00	36,000.00	17,755.00	18,245.00	
UNCLASSIFIED:					
Gasoline	361,000.00	361,000.00	300,866.27	60,133.73	
Fuel Oil	65,000.00	75,000.00	74,962.22	37.78	
Electricity	350,000.00	350,000.00	318,562.08	31,437.92	
Street Lighting	319,000.00	294,000.00	279,942.05	14,057.95	
Telephone	150,000.00	130,800.00	129,486.62	1,313.38	
<b>Total Operations Within "CAPS"</b>	<b>33,969,018.00</b>	<b>33,994,018.00</b>	<b>31,748,906.76</b>	<b>2,245,111.24</b>	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
 (Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
Contingent	\$ 58,160.00	\$ 58,160.00	\$ 48,956.22	\$ 9,203.78	
Total Operations Including Contingent Within "CAPS"	34,027,178.00	34,052,178.00	31,797,862.98	2,254,315.02	
Detail:					
Salaries and Wages	19,020,158.00	18,657,458.00	17,998,402.14	659,055.86	
Other Expenses	15,007,020.00	15,394,720.00	13,799,460.84	1,595,259.16	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Public Employees Retirement System	1,028,435.00	1,028,435.00	1,028,434.99	0.01	
Social Security System (O.A.S.I.)	850,000.00	850,000.00	777,047.67	72,952.33	
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	2,411,669.00	2,411,669.00	2,411,668.96	0.04	
Public Employees' Retirement System - ERIP	114,517.00	114,517.00	114,517.00		
Police & Firemen's Retirement System - ERIP	100,204.00	100,204.00	100,204.00		
Defined Contribution Retirement Program	6,000.00	6,000.00	4,270.38	1,729.62	
Unemployment Compensation Insurance	150,000.00	125,000.00	95,000.00	30,000.00	
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"	4,666,885.00	4,641,885.00	4,537,203.00	104,682.00	
Total General Appropriations for Municipal Purposes Within "CAPS"	38,694,063.00	38,694,063.00	36,335,065.98	2,358,997.02	

TOWNSHIP OF NUTLEY  
 CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2014  
 (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	\$ 2,881,000.00	\$ 2,881,000.00	\$ 2,879,621.30	\$ 1,378.70	
Maintenance of Free Public Library	1,561,306.00	1,561,306.00	1,561,306.00		
NJPDES Stormwater Permit (N.J.S.A. 40A:-45.3(cc)):					
Street Division:					
Salaries and Wages	30,000.00	30,000.00	23,880.00	6,120.00	
Other Expenses	10,000.00	10,000.00	4,477.85	5,522.15	
State Aid to School to Reduce Taxation	1,317,978.00	1,317,978.00	1,317,978.00		
State Aid to County to Reduce Taxation	462,795.00	462,795.00	462,795.00		
LOSAP:					
First Aid Organization	15,000.00	15,000.00	10,012.50	4,987.50	
Fire	12,000.00	12,000.00		12,000.00	
Shared Services Agreement -					
Township of Montclair - Health Services	14,500.00	14,500.00	11,787.23	2,712.77	
State and Federal Programs Offset by Revenues:					
Safe and Secure Communities Grant:					
State Share (N.J.S.A. 40A:4-87 +\$30,000.00)		30,000.00	18,503.73	11,496.27	
Municipal Alliance Grant:					
State Share	22,000.00	22,000.00	20,485.23	1,514.77	
Local Share	5,500.00	5,500.00	5,334.18	165.82	
State of NJ Drunk Driving Enforcement Fund Grant -					
(N.J.S.A. 40A:4-87 +\$8,510.25)		8,510.25	565.00	7,945.25	
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 +\$7,500.00)		7,500.00	662.50	6,837.50	
Clean Communities Program (N.J.S.A. 40A:4-87 +\$42,767.16)		42,767.16	9,086.94	33,680.22	
Community Environmental Health Act (N.J.S.A. 40A:4-87 +\$7,000.00)		7,000.00	6,461.52	538.48	
Matching Funds for Grants	2,369.00	2,369.00		2,369.00	
Assistance to Firefighters Grant	31,275.00	31,275.00	31,261.90	13.10	
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	172,984.00	172,984.00	89,785.50	83,198.50	

TOWNSHIP OF NUTLEY  
 CURRENT FUND  
 STATEMENT OF EXPENDITURES - REGULATORY BASIS  
 YEAR ENDED DECEMBER 31, 2014  
 (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	\$ 7,464.15	\$ 7,464.15	\$ 6,597.25	\$ 866.90	
Private Donation - Partners for Health (N.J.S.A. 40A:4-87 +\$10,000.00)		10,000.00	3,756.86	6,243.14	
Total Operations Excluded from "CAPS"	6,546,171.15	6,651,948.56	6,464,358.49	187,590.07	
Detail:					
Salaries and Wages	30,000.00	30,000.00	23,880.00	6,120.00	
Other Expenses	6,516,171.15	6,621,948.56	6,440,478.49	181,470.07	
Capital Improvements - Excluded from "CAPS":					
Down Payments on Improvements	197,444.00	197,444.00	197,444.00		
Capital Improvement Fund	125,000.00	125,000.00	125,000.00		
Road Improvements	250,000.00	250,000.00	250,000.00		
Total Capital Improvements Excluded from "CAPS"	572,444.00	572,444.00	572,444.00		
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	267,000.00	267,000.00	263,651.97		\$ 3,348.03
NJ Environmental Infrastructure Trust Loan:					
Principal	130,000.00	130,000.00	130,000.00		
Interest	21,000.00	21,000.00	14,658.23		6,341.77
NJ Department of Environmental Protection Green Acres Loan:					
Principal	22,558.00	22,558.00	22,558.00		
Interest	8,612.00	8,612.00	8,612.00		
Total Municipal Debt Service Excluded from "CAPS"	1,969,170.00	1,969,170.00	1,959,480.20		9,689.80

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
 (Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges - Excluded from "CAPS":					
Special Emergency Authorizations (N.J.S.A. 40A:4-55)	\$ 44,550.00	\$ 44,550.00	\$ 44,550.00		
Deferred Charges to Future Taxation - Unfunded Ordinances	200,000.00	200,000.00	200,000.00		
Total Deferred Charges - Excluded from "CAPS"	244,550.00	244,550.00	244,550.00		
Total General Appropriations - Excluded from "CAPS"	9,332,335.15	9,438,112.56	9,240,832.69	\$ 187,590.07	\$ 9,689.80
Subtotal General Appropriations	48,026,398.15	48,132,175.56	45,575,898.67	2,546,587.09	9,689.80
Reserve for Uncollected Taxes	4,200,263.00	4,200,263.00	4,200,263.00		
Total General Appropriations	<u>\$ 52,226,661.15</u>	<u>\$ 52,332,438.56</u>	<u>\$ 49,776,161.67</u>	<u>\$ 2,546,587.09</u>	<u>\$ 9,689.80</u>

Ref.

A

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014  
 (Continued)

A-3  
 12 of 12

		Analysis of	
	Ref.	Budget After Modification	Paid or Charged
Adopted Budget		\$ 52,226,661.15	
Appropriation by N.J.S.A. 40A:4-87		105,777.41	
		\$ 52,332,438.56	
Reserve for Uncollected Taxes			\$ 4,200,263.00
Reserve for Encumbrances	A		1,556,324.43
Accounts Payable			31,170.00
Due General Capital Fund			522,444.00
Deferred Charges - Special Emergency Authorizations			44,550.00
Cash Disbursed			44,560,312.78
			50,915,064.21
Less: Appropriation Refunds			1,138,902.54
			\$ 49,776,161.67

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
TRUST FUNDS

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

B

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents - Treasurer	B-4	\$ 25,807.95	\$ 35,003.66
Other Trust Funds:			
Cash and Cash Equivalents	B-4	2,278,645.59	2,172,990.06
Due Current Fund	A	2,981,052.58	2,227,819.71
		5,259,698.17	4,400,809.77
 TOTAL ASSETS		\$ 5,285,506.12	\$ 4,435,813.43
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due Current Fund	A		\$ 7,645.46
Due State of New Jersey		\$ 22.80	9.60
Reserve for Animal Control Expenditures	B-6	25,785.15	27,348.60
		25,807.95	35,003.66
Other Trust Funds:			
Due Public Assistance Fund	F		80.00
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits		55,450.49	62,401.24
Reserve for:			
Dedicated Revenue:			
Sealer of Weights & Measures		27,540.75	27,540.75
Uniform Fire Safety - Penalties		37,851.42	32,437.03
Unemployment Insurance		499,335.66	433,615.44
Living Tree Memorial Program		8,383.70	6,622.20
Recreation Commission Fees		282,586.92	217,844.60
Parking Offense Adjudication Act		47,533.11	46,755.36
Recycling		186,026.35	320,756.34
Community Environmental Health Act		717,739.26	618,750.93
Tax Sale Premiums		776,096.00	600,596.00
Community Development Block Grants		0.07	0.07
Accumulated Sick and Vacation Pay		1,774,481.73	1,285,466.35
Snow Removal		353,928.98	268,213.01
Civic Celebration		15,000.02	15,150.02
Law Enforcement Expenditures		149,963.90	165,620.86
Mayor's Wellness Program		11,497.54	19,693.04
COAH		262,658.49	236,667.30
Go Green Program		13,139.61	10,354.34
Municipal Alliance Program		7,625.31	7,625.31
Police Outside Duty		28,974.05	22,364.00
Flexible Spending Account		3,884.81	2,255.58
		5,259,698.17	4,400,809.77
 TOTAL LIABILITIES AND RESERVES		\$ 5,285,506.12	\$ 4,435,813.43

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, 2014

B-1

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2014

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, 2014

B-3

NOT APPLICABLE

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
GENERAL CAPITAL FUND

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

C

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 83,228.79	\$ 83,170.33
Due Current Fund	A	2,819,621.42	3,622,462.51
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	
NJ Department of Environmental Protection Green Acres		248,750.00	248,750.00
NJ Department of Transportation		200,314.76	230,936.51
Federal Repetitive Flood Claims Grants		1,069,012.20	1,222,847.55
Deferred Charges to Future Taxation:			
Funded		8,657,250.00	10,307,250.00
Unfunded	C-4	2,518,258.00	482,433.00
<b>TOTAL ASSETS</b>		<u>\$ 16,247,685.17</u>	<u>\$ 16,699,099.90</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 7,876,000.00	\$ 9,396,000.00
Loans Payable:			
NJ Environmental Infrastructure Trust	C-9	280,000.00	410,000.00
NJ Department of Environmental Protection Green Acres	C-9A	501,250.00	501,250.00
Improvement Authorizations:			
Funded	C-5	4,446,038.52	5,559,297.25
Unfunded	C-5	2,518,258.00	482,433.00
Capital Improvement Fund	C-6	157,950.72	150,625.72
Down Payments on Improvements		197,444.00	
Reserve for:			
Paving		75,000.00	75,000.00
Paving and Fiber Optics		71,250.00	
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
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</b>		<u>\$ 16,247,685.17</u>	<u>\$ 16,699,099.90</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, 2013	C	<u>\$ 85,718.84</u>
Balance December 31, 2014	C	<u><u>\$ 85,718.84</u></u>

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
WATER UTILITY FUND

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

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2014</u>	<u>2013</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 991,316.75	\$ 727,848.38
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	699,797.46	794,724.38
Inventory	D-7	37,613.53	13,143.23
Total Receivables and Inventory with Full Reserves	D	<u>737,410.99</u>	<u>807,867.61</u>
Total Operating Fund		<u>1,728,727.74</u>	<u>1,535,715.99</u>
Capital Fund:			
Cash and Cash Equivalents	D-4	183.05	183.05
Due Current Fund	A		2,658.00
Due Water Utility Operating Fund	D	99,182.64	100,133.77
NJ Environmental Infrastructure Trust Loans Receivable		73,721.75	631,688.71
Fixed Capital	D-9	1,912,006.48	1,900,106.48
Fixed Capital Authorized and Uncompleted	D-10	<u>3,436,606.50</u>	<u>3,344,006.50</u>
Total Capital Fund		<u>5,521,700.42</u>	<u>5,978,776.51</u>
<u>TOTAL ASSETS</u>		<u>\$ 7,250,428.16</u>	<u>\$ 7,514,492.50</u>

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

D  
2 of 2

	Ref.	December 31,	
		2014	2013
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-11	\$ 268,331.11	\$ 136,571.74
Encumbered	D-3;D-11	122,740.24	160,648.19
Total Appropriation Reserves		391,071.35	297,219.93
Accrued Interest on Loans		7,643.75	7,831.25
Water Rent Overpayments		16,050.01	27,854.92
Accounts Payable - Vendors		11,000.00	1,963.06
Due Water Utility Capital Fund	D	99,182.64	100,133.77
Reserve for Sustainable Jersey Grant		5,000.00	5,000.00
		529,947.75	440,002.93
Reserve for Receivables and Inventory	D	737,410.99	807,867.61
Fund Balance	D-1	461,369.00	287,845.45
Total Operating Fund		1,728,727.74	1,535,715.99
Capital Fund:			
NJ Environmental Infrastructure Trust Loans Payable	D-18	1,194,333.85	1,806,118.53
Improvement Authorizations:			
Funded	D-12	98,743.58	647,963.42
Unfunded	D-12	1,753,988.00	1,152,642.25
Due Current Fund	A	10,965.00	
Reserve for:			
Payment of Debt Service		25,163.75	25,163.75
Down Payments on Improvements	D-13	30,275.85	34,500.85
Amortization	D-15	2,279,869.63	2,186,851.95
Deferred Amortization	D-15A	101,325.25	98,500.25
Fund Balance	D-1A	27,035.51	27,035.51
Total Capital Fund		5,521,700.42	5,978,776.51
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 7,250,428.16</u>	<u>\$ 7,514,492.50</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

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2014</u>	<u>2013</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	230,503.00	\$ 151,113.00
Rents		4,365,411.40	3,805,128.40
Rents - Rate Increase			346,875.00
Nonbudget Revenue		10,533.21	29,177.44
Other Credits to Income:			
Accounts Payable Canceled		1,963.06	
Appropriation Reserves Lapsed		125,929.45	95,441.51
Total Income		<u>4,734,340.12</u>	<u>4,427,735.35</u>
 <u>Expenditures</u>			
Budget Expenditures:			
Operating		4,092,090.00	3,961,270.00
Capital Improvements		1,000.00	1,000.00
Debt Service		109,223.57	109,587.68
Deferred Charges and Statutory Expenditures		128,000.00	126,000.00
Total Expenditures		<u>4,330,313.57</u>	<u>4,197,857.68</u>
Excess in Revenue/Statutory Excess to Fund Balance		404,026.55	229,877.67
 <u>Fund Balance</u>			
Balance January 1		<u>287,845.45</u>	<u>209,080.78</u>
		691,872.00	438,958.45
Decreased by:			
Utilization as Anticipated Revenue		<u>230,503.00</u>	<u>151,113.00</u>
Balance December 31	D	<u>\$ 461,369.00</u>	<u>\$ 287,845.45</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, 2013	D	<u>\$ 27,035.51</u>
Balance December 31, 2014	D	<u><u>\$ 27,035.51</u></u>

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, 2014

D-2

	Anticipated	Realized	Excess
Surplus Anticipated	\$ 230,503.00	\$ 230,503.00	
Rents	4,100,000.00	4,365,411.40	\$ 265,411.40
	4,330,503.00	4,595,914.40	265,411.40
Nonbudget Revenue		10,533.21	10,533.21
	\$ 4,330,503.00	\$ 4,606,447.61	\$ 275,944.61

Analysis of Rents:

Cash Received	\$ 4,354,561.69	
Water Rent Overpayments Applied	10,849.71	
		\$ 4,365,411.40

Analysis of Nonbudget Revenue

Collector:

Sale of Water Meters	\$ 1,749.00	
Other Miscellaneous	7,878.17	

\$ 9,627.17

Treasurer:

Interest on Investments		906.04

\$ 10,533.21

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, 2014

D-3

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 1,477,000.00	\$ 1,339,000.00	\$ 1,308,308.49	\$ 30,691.51	
Other Expenses	625,090.00	745,090.00	582,304.67	162,785.33	
Other Expenses:					
N.J. Water Supply	1,220,000.00	1,220,000.00	1,208,591.00	11,409.00	
Passaic Valley Water Commission	620,000.00	620,000.00	609,379.77	10,620.23	
City of Newark Water Purchase	150,000.00	168,000.00	148,816.40	19,183.60	
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	90,617.68		\$ 0.32
NJEIT Loan Interest	18,795.00	18,795.00	18,605.89		189.11
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.)	112,000.00	112,000.00	94,358.56	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>\$ 4,330,503.00</u>	<u>\$ 4,330,503.00</u>	<u>\$ 4,061,982.46</u>	<u>\$ 268,331.11</u>	<u>\$ 189.43</u>
				D	
Cash Disbursed			\$ 3,919,636.33		
Accrued Interest on NJEIT Loan			18,605.89		
Encumbrances Payable			122,740.24		
Due Water Utility Capital Fund - Down Payments on Improvements			<u>1,000.00</u>		
			<u>\$ 4,061,982.46</u>		

Ref.

D

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
PUBLIC ASSISTANCE FUND

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

F

	Ref.	December 31,	
		2014	2013
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 73,198.88	\$ 72,628.92
Due Other Trust Funds	B		80.00
TOTAL ASSETS		<u>\$ 73,198.88</u>	<u>\$ 72,708.92</u>
 <u>RESERVES</u>			
Reserve for Public Assistance Expenditures		<u>\$ 73,198.88</u>	<u>\$ 72,708.92</u>
TOTAL RESERVES		<u>\$ 73,198.88</u>	<u>\$ 72,708.92</u>

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(UNAUDITED)

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

H

	December 31,	
	<u>2014</u>	<u>2013</u>
<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	<u>11,073,881.00</u>	<u>10,762,871.00</u>
TOTAL ASSETS	<u>\$ 33,941,183.00</u>	<u>\$ 33,630,173.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 33,941,183.00</u>	<u>\$ 33,630,173.00</u>
TOTAL RESERVES	<u>\$ 33,941,183.00</u>	<u>\$ 33,630,173.00</u>

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

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, 2014  
(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; and fixed assets purchased by the Water Utility Capital Fund would be depreciated.

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
 (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, 2014

(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, 2014  
(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,		
	2014	2013	2012
<u>Issued:</u>			
Bonds, Notes and Loans:			
General	\$ 8,657,250	\$10,307,250	\$ 6,833,672
Water Utility	1,194,334	1,806,119	1,896,736
Total Issued	<u>9,851,584</u>	<u>12,113,369</u>	<u>8,730,408</u>
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	<u>25,164</u>	<u>25,164</u>	<u>25,164</u>
Net Issued	<u>9,826,420</u>	<u>12,088,205</u>	<u>8,705,244</u>
<u>Authorized but not Issued:</u>			
Bonds and Notes:			
General	2,518,258	482,433	3,042,318
Water Utility	1,773,084	1,152,642	1,152,642
Total Authorized but not Issued	<u>4,291,342</u>	<u>1,635,075</u>	<u>4,194,960</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 14,117,762</u>	<u>\$ 13,723,280</u>	<u>\$ 12,900,204</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.30%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 45,145,000	\$ 45,145,000	
General Debt	11,175,508		\$ 11,175,508
Water Utility Debt	2,967,418	2,967,418	
	<u>\$ 59,287,926</u>	<u>\$ 48,112,418</u>	<u>\$ 11,175,508</u>

Net Debt: \$11,175,508 divided by Average Equalized Valuations of \$3,724,717,000 of Real Property = 0.30%.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(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	\$ 130,365,095
Net Debt	<u>11,175,508</u>
Remaining Borrowing Power	<u><u>\$ 119,189,587</u></u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 4,606,448
Deductions:	
Operating and Maintenance Cost	\$ 4,220,090
Debt Service	<u>109,224</u>
Total Deductions	<u>4,329,314</u>
Excess in Revenue	<u><u>\$ 277,134</u></u>

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>12/31/13</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	<u>1,806,119</u>		<u>611,785</u>	<u>1,194,334</u>
Total	<u><u>\$ 12,113,369</u></u>	<u><u>\$ -0-</u></u>	<u><u>\$ 2,261,785</u></u>	<u><u>\$ 9,851,584</u></u>

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

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

	<u>Balance</u> 12/31/12	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> 12/31/13
Serial Bonds:				
General Capital Fund	\$ 5,746,000	\$ 4,700,000	\$ 1,050,000	\$ 9,396,000
Loans Payable:				
General Capital Fund:				
NJDEP Green Acres	501,250			501,250
NJEIT	586,422		176,422	410,000
Water Utility Capital Fund:				
NJEIT	1,896,736		90,617	1,806,119
Total	<u>\$ 8,730,408</u>	<u>\$ 4,700,000</u>	<u>\$ 1,317,039</u>	<u>\$ 12,113,369</u>

The Township's debt issued and outstanding on December 31, 2014 is described as follows:

<u>Purpose</u>	<u>General Capital Serial Bonds</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
	<u>Maturities of Bonds Outstanding</u> <u>Date</u>	<u>Amount</u>		
General Improvements	09/01/15-19	\$ 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%	\$ 4,230,000
General Improvements	10/01/15-16	450,000	3.625%	
	10/01/17	446,000	3.625%	1,346,000
General Improvements	12/01/15	600,000	3.000%	
	12/01/16	600,000	3.250%	
	12/01/17	600,000	3.500%	
	12/01/18	500,000	3.750%	2,300,000
				<u>\$ 7,876,000</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, 2014</u>
General Improvements	04/01/30	2.00%	<u>\$ 501,250</u>

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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

The Township's debt issued and outstanding on December 31, 2014 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, 2014</u>
Nutley Quarry Trunk Sanitary Sewer Replacement	Trust Loan	08/01/16	2.00%	<u>\$ 280,000</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, 2014</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>839,334</u>
				<u>\$ 1,194,334</u>
TOTAL DEBT ISSUED AND OUTSTANDING				<u>\$ 9,851,584</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>	
2015	\$ 1,678,011	\$ 246,901	\$ 90,618	\$ 18,345	\$ 2,033,875
2016	1,688,473	195,976	95,618	17,745	1,997,812
2017	1,539,945	143,042	95,618	16,745	1,795,350
2018	994,427	95,993	95,618	15,745	1,201,783
2019	494,917				494,917
Thereafter:					
2020-2024	2,012,304	222,375	493,088	62,975	2,790,742
2025-2029	146,146	12,581	518,088	32,325	709,140
2030-2031	15,430	920	326,853	6,590	349,793
Total	<u>\$ 8,569,653</u>	<u>\$ 917,788</u>	<u>\$ 1,715,501</u>	<u>\$ 170,470</u>	<u>\$ 11,373,412</u>

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(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, 2014, 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, 2014, 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, 2014, 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, 2014  
(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	\$ 280,000
NJ Department of Environmental Protection Green Acres Loan	\$ 501,250
Water Utility Capital Fund:	
NJ Environmental Infrastructure Trust Loan	\$ 355,000
NJ Environmental Infrastructure Fund Loan	839,334
	<u>\$ 1,194,334</u>

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2014 which were appropriated and included as anticipated revenue in their own respective funds in the adopted budget for the year ending December 31, 2015 are as follows:

Current Fund	\$ 4,654,000
Water Utility Operating Fund	289,322

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, 2014, 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.

Note 6: Pension Plans

Township employees are enrolled in one of two cost sharing multiple-employer public employee retirement systems: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). The State of New Jersey sponsors and administers the PERS and PFRS which cover substantially all Township employees. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join the PERS or the PFRS. However, if an employee is ineligible to enroll in the PERS or the PFRS, the employee may be eligible to enroll in the DCRP.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014

(Continued)

Note 6: Pension Plans (Cont'd)

Employees who are members of PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of creditable service. Vesting occurs after 8 to 10 years of service. Enrolled PFRS members may retire at age 55 with a minimum of 10 years of service required for vesting. The 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 each of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The employee contributions for PFRS are 10.00% of employees' annual compensation, as defined. For PERS, the contribution rate was 6.78% effective July 1, 2013 and increased to 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1<sup>st</sup> to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in both funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. 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.

Township contributions to PFRS amounted to \$2,411,669, \$2,279,373 and \$2,322,523 for 2014, 2013 and 2012, respectively. Township contributions to PERS amounted to \$1,028,435, \$885,690 and \$935,940 for 2014, 2013 and 2012, respectively.

Township contributions to DCRP for 2014 and 2013 amounted to \$5,673 and \$5,037, respectively. For 2012, no Township contributions to the DCRP were required.

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 \$2,157,887. 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 \$1,774,482 reflected on the Other Trust Funds' balance sheet as of December 31, 2014.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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.

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, 2014, 2013 and 2012, were approximately \$2,136,380, \$2,245,514 and \$1,926,135, respectively, which equaled the required contributions for each year. There were 137, 135 and 123 retired participants eligible at December 31, 2014, 2013 and 2012, 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, 2014, 2013 and 2012, were approximately \$61,685, \$43,118 and \$47,826, respectively, which equaled the required contributions for each year. There were 55, 39 and 43 retired participants eligible at December 31, 2014, 2013 and 2012, respectively.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

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.

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>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	\$ 3.27	\$ 3.20	\$ 3.05
<u>Apportionment of Tax Rate</u>			
Municipal	1.15	1.13	1.08
County	0.56	0.54	0.51
Local School	1.56	1.53	1.46
<u>Assessed Valuations</u>			
2014	\$ 3,330,180,800		
2013		\$ 3,419,983,606	
2012			\$ 3,523,288,600

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>
2014	\$ 109,313,765	\$ 107,802,184	98.61%
2013	110,219,573	108,262,132	98.22%
2012	107,701,218	105,508,213	97.96%

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
 (Continued)

Note 10: Selected Tax Information (Cont'd)

Comparison of Tax Levies and Collections Currently (Cont'd)

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.

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, 2014  
(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, 2014  
(Continued)

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

As of December 31, 2014, cash and cash equivalents of the Township of Nutley consisted of the following:

<u>Fund</u>	<u>Cash on</u> <u>Hand</u>	<u>Checking</u> <u>Accounts</u>	<u>Money</u> <u>Market</u> <u>Accounts</u>	<u>Certificates</u> <u>of</u> <u>Deposit</u>	<u>Total</u>
Current	\$ 300	\$ 3,119,218	\$ 18,472,500		\$ 21,592,018
Animal Control		25,808			25,808
Other Trust		2,278,645			2,278,645
General Capital		83,229			83,229
Water Utility Operating		282,809		\$ 708,508	991,317
Water Utility Capital		183			183
Public Assistance		24,576		48,623	73,199
	<u>\$ 300</u>	<u>\$ 5,814,468</u>	<u>\$ 18,472,500</u>	<u>\$ 757,131</u>	<u>\$ 25,044,399</u>

During the period ended December 31, 2014, 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, 2014, was \$25,044,399 and the bank balance was \$22,913,188. The carrying amount of the Township's cash and cash equivalents at December 31, 2013, was \$23,274,082 and the bank balance was \$23,351,331.

Note 12: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2014:

<u>Fund</u>	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
Current Fund	\$ 10,965	\$ 5,800,674
Other Trust Funds	2,981,053	
General Capital Fund	2,819,621	
Water Utility Operating Fund		99,183
Water Utility Capital Fund	99,183	10,965
	<u>\$ 5,910,822</u>	<u>\$ 5,910,822</u>

The Current Fund interfund receivable of \$10,965 is a result of disbursing funds on the Water Utility Capital Fund's behalf. The Current Fund interfund payable represents \$2,981,053 due to the Other Trust Funds as a result of receiving and disbursing funds on the Other Trust Funds' behalf, including the balance of the prior year interfund, and unexpended 2013 appropriation reserve balances for accumulated sick and vacation pay of \$760,439 and snow removal of \$132,410; the remaining \$2,819,621 is due to the General Capital Fund as a result of receiving and disbursing funds on the General Capital Fund's behalf. The \$99,183 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, 2014  
 (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, 2014 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, 2013 is as follows:

Total Assets	<u>\$ 12,197,167</u>
Net Position	<u>\$ 5,056,176</u>
Total Revenue	<u>\$ 8,412,166</u>
Total Expenses	<u>\$ 7,057,894</u>
Members Dividends	<u>\$ 261,240</u>
Change in Net Position for the Year Ended December 31	<u>\$ 1,093,032</u>

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2014  
(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>
2014	\$ 95,000	\$ 79,337	\$ -0-	\$ 108,616	\$ 499,336
2013	95,000	-0-	-0-	99,402	433,615
2012	100,000	-0-	-0-	97,539	438,017

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, 2014  
(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 \$2,950,000.

TOWNSHIP OF NUTLEY

SUPPLEMENTARY DATA

TOWNSHIP OF NUTLEY  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2014

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	
Joseph P. Scarpelli	Director of Public Works	
Mauro G. Tucci	Director of Parks and Public Property	
Eleni Pettas	Township Clerk (from October 2014)	(B)
Evelyn Rosario	Township Clerk (through September 2014)	(B)
Rosemary Costa	Chief Financial Officer; Tax Collector	(A)
George F. Librizzi	Tax Assessor	(B)
Joanne Cocchiola	Magistrate	(B)
Patricia Conroy	Municipal Court Administrator	(B)
Ann Rizos	Deputy Municipal Court Administrator	(B)
Thomas Restaino	Public Health Coordinator	(B)
Sue Portuese	Health Officer	(B)
Meredith Blank	Health Department Clerk/Registrar	(B)
Pat Intindola	Code Enforcement Officer	(B)
Thomas J. Strumolo	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  
2014  
CURRENT FUND

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

A-4  
1 of 2

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 20,181,957.65
Increased by Receipts:		
Tax Collector		\$110,829,827.03
Revenue Accounts Receivable		7,976,868.70
Miscellaneous Revenue Not Anticipated		509,693.96
Petty Cash Returned		650.00
Interest on Investments and Deposits		33,690.81
Due Animal Control Fund - Interfund Returned		7,645.46
Due General Capital Fund:		
Grants Receivable:		
State of NJ Department of Transportation		267,621.75
Federal Repetitive Flood Claims Grants		153,835.35
Reserve for:		
Grant Funds Unappropriated:		
Alcohol Education, Rehabilitation and Enforcement Fund		708.96
Body Armor Replacement Fund		5,982.84
Federal Emergency Management Agency - Superstorm Sandy		233,013.54
Damage to Soccer Field - Restitution		3,350.00
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		206,092.88
Construction Code Surcharge Fees		22,516.00
Marriage License Fees		3,925.00
Burial Permits		10.00
Appropriation Refunds		1,138,902.54
		121,394,334.82
		141,576,292.47

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

A-4  
2 of 2

Ref.

Decreased by Disbursements:

2014 Appropriation Expenditures	\$ 44,560,312.78	
2013 Appropriation Reserve Expenditures	1,442,508.79	
Petty Cash Advanced	650.00	
Accounts Payable	40,500.00	
Local School District Taxes	52,081,835.00	
County Taxes	18,651,519.53	
Due Other Trust Funds:		
Interfund Returned	133,616.43	
Tax Sale Premiums Returned	6,000.00	
Due General Capital Fund:		
Improvement Authorization Expenditures	1,817,933.73	
Due Water Utility Capital Fund:		
Interfund Returned - Water Utility Operating Fund	2,658.00	
Improvement Authorization Expenditures	10,965.00	
Due State of New Jersey:		
Construction Code Surcharge Fees	11,566.00	
Marriage License Fees	4,175.00	
Burial Permits	10.00	
Reserve for:		
Pending Tax Appeals	25,698.27	
Redemption of Outside Liens	1,061,125.35	
Refund of:		
Tax Overpayments	127,043.91	
Miscellaneous Revenue Anticipated:		
Fees and Permits	2,167.00	
Landscapers Leaf Removal Licenses	750.00	
Tree Removal Permits	350.00	
Miscellaneous Revenue Not Anticipated	150.00	
Prior Year Revenue - Taxes	3,039.93	
	\$119,984,574.72	

Balance December 31, 2014

A

\$ 21,591,717.75

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

A-5

Increased by Receipts:

Taxes Receivable	\$109,192,012.67
Interest and Costs on Taxes	205,734.16
2015 Prepaid Taxes	350,904.24
Tax Overpayments	20,074.42
Redemption of Outside Liens	1,023,245.60
Fees and Permits	15,770.67
Miscellaneous Revenue Not Anticipated:	
Departmental Collections	<u>22,085.27</u>

\$110,829,827.03

Decreased by:

Payments to Municipal Treasurer

\$110,829,827.03

SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2014

A-6

NOT APPLICABLE

TOWNSHIP OF NUTLEY

A-7

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2014 Levy	Collections		State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2013		2013	2014				Dec. 31, 2014
2005	\$ 2,741.21							\$ 2,741.21
2006	7,938.79							7,938.79
2007	2,609.14			\$ 4,250.00	\$ (4,250.00)			2,609.14
2008	13,686.53			4,750.00	(4,750.00)			13,686.53
2009	15,353.27			4,750.00	(4,750.00)	\$ 514.64		14,838.63
2010	4,097.25			6,074.17	(2,500.00)			523.08
2011	13,971.11							13,971.11
2012	18,290.92			14,024.15		4,266.77		
2013	1,922,707.23			1,901,936.82	4,250.00		\$ 1,738.05	14,782.36
	2,001,395.45			1,935,785.14	(12,000.00)	4,781.41	1,738.05	71,090.85
2014		\$109,313,765.36	\$ 305,003.19	107,256,227.53	240,953.44	26,837.30	23,151.41	1,461,592.49
	<u>\$2,001,395.45</u>	<u>\$109,313,765.36</u>	<u>\$ 305,003.19</u>	<u>\$109,192,012.67</u>	<u>\$ 228,953.44</u>	<u>\$ 31,618.71</u>	<u>\$ 24,889.46</u>	<u>\$1,532,683.34</u>

Ref. A

A

Analysis of 2014 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 109,029,817.57
Business Personal Property Taxes	301.21
Added and Omitted Taxes (N.J.S.A. 54:4-63.1 et seq.)	283,646.58
	<u>\$109,313,765.36</u>

Tax Levy:

Local School District Taxes	\$ 52,081,835.00
County Taxes	\$ 17,980,809.21
County Open Space Taxes	560,406.88
Due County for Added and Omitted Taxes	48,239.12
	<u>18,589,455.21</u>
	70,671,290.21
Local Tax for Municipal Purposes Levied	37,139,530.59
Minimum Library Tax Levied	1,240,066.52
	<u>38,379,597.11</u>
Add: Additional Tax Levied	262,878.04
	<u>38,642,475.15</u>
	<u>\$109,313,765.36</u>

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS

A-8

	<u>Ref.</u>	
Balance December 31, 2013	A	\$ 2,250.18
Increased by:		
Transfer from Taxes Receivable		\$ 24,889.46
Interest and Costs Accrued at Tax Sale		<u>378.43</u>
		<u>25,267.89</u>
Balance December 31, 2014	A	<u>\$ 27,518.07</u>

TOWNSHIP OF NUTLEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance	Accrued in	Collected by		Balance
	Dec. 31, 2013	2014	Collector	Treasurer	Dec. 31, 2014
Licenses:					
Alcoholic Beverages		\$ 36,803.16		\$ 36,803.16	
Other		26,814.00		26,814.00	
Fees and Permits:					
Building Inspector		112,279.50		112,279.50	
Board of Health		17,920.00		17,920.00	
Tax Search Fees/Miscellaneous		15,770.67	\$ 15,770.67		
Police		7,541.98		7,541.98	
Municipal Clerk		7,197.00		7,197.00	
Public Works		1,920.00		1,920.00	
Fines and Costs - Municipal Court	\$ 25,716.51	332,427.67		335,870.88	\$ 22,273.30
Parking Meters		278,550.75		278,550.75	
Fees - Immunization Program		13,074.75		13,074.75	
Landscapers Leaf Removal Licenses		1,715.00		1,715.00	
Landscapers Leaf Removal Dumping Tickets		750.00		750.00	
Tree Removal Permits		4,400.00		4,400.00	
Consolidated Municipal Property Tax Relief Aid		234,167.00		234,167.00	
Energy Receipts Tax		2,413,463.00		2,413,463.00	
Replacement Revenue		2,750,153.45		2,750,153.45	
Uniform Construction Code Fees		512,361.00		512,361.00	
Township of Montclair - Health Services		9,345.00		9,345.00	
Drunk Driving Enforcement Fund		8,510.25		8,510.25	
Clean Communities Program		42,767.16		42,767.16	
County of Essex Municipal Alliance Grant		9,059.33		9,059.33	
Staffing for Adequate Fire & Emergency Response (SAFER) Grant		139,388.00		139,388.00	
County Environmental Health Act		7,000.00		7,000.00	
Reserve for Body Armor Replacement Fund - Unappropriated		7,464.15		7,464.15	
Assistance to Firefighters Grant		31,275.00		31,275.00	
Private Donation - Partners in Health		10,000.00		10,000.00	
Sewer Maintenance Fees:					
Due from:					
Town of Belleville		9,484.33		9,484.33	
Residential Furniture Delivery Service		367.36		367.36	
Town of Bloomfield		56,804.51		56,804.51	
Regency Condominiums		10,968.83		10,968.83	
Payment in Lieu of Taxes - Senior Citizen Housing		110,575.68		110,575.68	
Passaic Valley Sewer Charges - User Charges		11,441.50		11,441.50	
Recycling Program		188,000.00		188,000.00	
Bureau of Housing Inspection		14,595.00		14,595.00	
Due from Hoffman-LaRoche - Debt Service		25,083.38		25,083.38	
Uniform Fire Safety Act		20,276.76		20,276.76	
P.I.L.O.T. - Nutley Senior Manor		44,326.95		44,326.95	
Cable Franchise Fee		416,021.17		416,021.17	
School Nursing Program		25,707.60		25,707.60	
Cell Phone Tower Lease		18,000.00		18,000.00	
Donation from NVERS		12,889.42		12,889.42	
Federal Emergency Management Agency - Superstorm Sandy		197,444.85		197,444.85	
	<u>\$ 25,716.51</u>	<u>\$ 8,194,105.16</u>	<u>\$ 15,770.67</u>	<u>\$ 8,181,777.70</u>	<u>\$ 22,273.30</u>

Ref. A

A

Cash Receipts	\$ 7,976,868.70
Reserve for Body Armor Replacement Fund - Unappropriated	7,464.15
Reserve for Federal Emergency Management Agency - Superstorm Sandy	197,444.85
	<u>\$ 8,181,777.70</u>

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2014

A-10

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Director of Public Affairs:				
Other Expenses	\$ 448.74	\$ 448.74		\$ 448.74
Nutley Public Health Reserve Corp:				
Other Expenses	2,157.42	2,157.42	\$ 1,706.91	450.51
Department of Health - Local Health Agency:				
Salaries and Wages	5,341.56	5,341.56	5,341.56	
Other Expenses	26,788.73	26,788.73	23,939.94	2,848.79
Air Pollution Control - Contractual	54.00	54.00	54.00	
Animal Regulation:				
Other Expenses	6,493.82	6,493.82	4,354.00	2,139.82
Military Veterans Affairs Bureau:				
Salaries and Wages	28,671.99	28,671.99	28,671.99	
Other Expenses	6,450.00	6,450.00	3,112.88	3,337.12
Immunization Program:				
Other Expenses	135.97	135.97	135.97	
Contractual:				
Garbage and Trash Removal	454,077.77	454,077.77	113,459.55	340,618.22
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	2,010.39	2,010.39	2,010.39	
Other Expenses	792.01	792.01	112.08	679.93
Board of Adjustment:				
Salaries and Wages	406.45	406.45	406.45	
Other Expenses	8,471.23	8,471.23	132.27	8,338.96
Planning Board:				
Salaries and Wages	956.45	956.45	956.45	
Other Expenses	12,847.01	12,847.01	257.00	12,590.01
Rent Leveling Board:				
Salaries and Wages	25.43	25.43	25.43	
Other Expenses	2,219.85	2,219.85		2,219.85
Township Attorney:				
Salaries and Wages	10.39	10.39	10.39	
Other Expenses	53,538.75	53,538.75	42,895.60	10,643.15
Celebration of Public Events	32,646.79	32,646.79	14,908.06	17,738.73
Director of Revenue and Finance:				
Other Expenses	750.89	750.89		750.89
Assessment of Taxes:				
Salaries and Wages	835.76	835.76	835.76	
Other Expenses	38,219.83	38,219.83	36,534.40	1,685.43
Collection of Taxes:				
Salaries and Wages	5,680.79	5,680.79	5,680.79	
Other Expenses	17,801.33	17,801.33	17,522.54	278.79
Treasurer's Office:				
Salaries and Wages	737.50	737.50	737.50	
Other Expenses	31,505.76	31,505.76	55.00	31,450.76

TOWNSHIP OF NUTLEY  
CURRENT FUND

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2 of 5

SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

(Continued)

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Treasurer's Office:				
Legal Services Special Counsel	\$ 25,000.00	\$ 25,000.00		\$ 25,000.00
Grant Writer	3,337.00	3,337.00	\$ 3,333.00	4.00
Township Clerk's Office:				
Salaries and Wages	1,647.13	1,647.13	1,647.13	
Other Expenses	10,107.96	10,107.96	6,188.10	3,919.86
Other Expenses - Election	60,000.00	60,000.00		60,000.00
Information Services:				
Salaries & Wages	88.41	88.41	88.41	
Other Expenses	10,486.46	10,486.46	5,085.80	5,400.66
Administration of Township Ordinances:				
Salaries and Wages	60,663.85	60,663.85	60,663.85	
Other Expenses	14,492.40	14,492.40	3,166.00	11,326.40
Expense, Stationery and Printing:				
Other Expenses	25,219.68	25,219.68	16,456.96	8,762.72
Economic Redevelopment Project:				
Salaries and Wages	100.00	100.00	100.00	
Other Expenses	95,159.64	95,159.64	35,159.64	60,000.00
Printing and Legal Advertising:				
Other Expenses	2,680.86	2,680.86	2,270.38	410.48
NJEIT Administration Fee - Other Expenses	660.00	660.00		660.00
Mayor:				
Other Expenses	172.52	172.52		172.52
Director of Public Safety:				
Other Expenses	748.00	748.00		748.00
Municipal Court:				
Salaries and Wages	13,192.12	13,192.12	13,192.12	
Other Expenses	18,891.48	18,891.48	3,001.48	15,890.00
E-Ticketing - Other Expense	26,406.15	26,406.15	26,406.15	
Public Defender:				
Salaries and Wages	1,281.14	1,281.14	1,281.14	
Other Expenses	300.00	300.00		300.00
Police:				
Salaries and Wages	243,835.68	243,835.68	243,835.68	
Other Expenses	355,936.50	355,936.50	322,151.57	33,784.93
Clothing Allowance	32,200.85	32,200.85	6,839.53	25,361.32
First Aid Organization:				
Other Expenses	39,129.38	39,129.38	2,818.64	36,310.74
Office of Emergency Management:				
Other Expenses	6,345.55	6,345.55	4,365.47	1,980.08
Uniform Fire Safety Code:				
Fire:				
Salaries and Wages	20,929.00	20,929.00	20,929.00	
Fire:				
Salaries and Wages	308,058.24	308,058.24	308,058.24	
Other Expenses	109,718.77	109,718.77	74,718.10	35,000.67
Clothing Allowance	14,167.93	14,167.93	1,835.84	12,332.09
Reserve for Accrued Sick and Vacation	100.00	100.00	100.00	

TOWNSHIP OF NUTLEY

A-11

CURRENT FUND

3 of 5

SCHEDULE OF 2013 APPROPRIATION RESERVES

YEAR ENDED DECEMBER 31, 2014

(Continued)

	Balance Dec. 31, 2013	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	100.00	100.00		100.00
Director of Public Works:				
Other Expenses	740.00	740.00	\$ 305.00	435.00
Engineering Services and Costs:				
Salaries and Wages	1,401.35	1,401.35	1,401.35	
Other Expenses	68,590.69	68,590.69	66,868.81	1,721.88
Road Repair and Maintenance:				
Salaries and Wages	87,357.26	87,057.26	87,057.26	
Other Expenses	109,775.66	109,775.66	106,613.16	3,162.50
Snow Removal:				
Salaries and Wages	22,540.74	22,540.74	22,540.74	
Other Expenses	15,505.60	15,505.60	14,848.75	656.85
Traffic Maintenance:				
Salaries and Wages	14.04	314.04	314.04	
Other Expenses	4,327.37	4,327.37	4,155.61	171.76
Weed and Leaf Removal:				
Salaries and Wages	477.71	477.71	477.71	
Other Expenses	500.00	500.00		500.00
Sewer System:				
Salaries and Wages	1,983.36	1,983.36	1,983.36	
Other Expenses	1,839.11	1,839.11		1,839.11
Parking Lot and Meter Maintenance:				
Salaries and Wages	4,909.94	4,909.94	4,909.94	
Other Expenses	5,699.98	5,699.98	5,007.70	692.28
Leaf Removal:				
Other Expenses - Tipping Fees	38,415.00	38,415.00	36,700.00	1,715.00
Recycling:				
Salaries and Wages	6,141.20	6,141.20	6,141.20	
Other Expenses	2,551.27	2,551.27	2,185.02	366.25
Director of Parks and Public Property:				
Other Expenses	275.85	275.85		275.85
Recreation Committee of Nutley:				
Salaries and Wages	8,524.29	8,524.29	8,524.29	
Other Expenses	25,142.85	25,142.85	25,015.18	127.67
Public Buildings and Grounds:				
Salaries and Wages	148.24	1,448.24	1,448.24	
Other Expenses	14,374.02	14,374.02	11,856.12	2,517.90
Communications and Technology Services:				
Salaries and Wages	0.53	0.53	0.53	
Shade Tree Commission:				
Salaries and Wages	468.19	1,668.19	1,668.19	
Other Expenses	29,197.73	29,197.73	22,831.52	6,366.21

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

A-11  
4 of 5

(Continued)

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Senior Citizens Transportation:				
Salaries and Wages	\$ 2,348.72	\$ 2,348.72	\$ 2,348.72	
Other Expenses	601.19	601.19	165.82	\$ 435.37
Debris Removal:				
Other Expenses	10,262.04	10,262.04	10,262.04	
Parks and Playgrounds:				
Salaries and Wages	18,052.19	18,052.19	18,052.19	
Other Expenses	37,924.60	39,924.60	36,541.03	3,383.57
Insurance:				
Group Insurance Plan for Employees	292,206.40	289,706.40	30,732.60	258,973.80
Other Liability Insurance Premiums	59,631.49	56,714.27	50.34	56,663.93
Workers Compensation Insurance	45,699.50	45,699.50		45,699.50
State Uniform Construction Code:				
Salaries and Wages	4,514.62	4,514.62	4,514.62	
Other Expenses	9,119.69	9,119.69	4,158.72	4,960.97
Elevator Inspection Fees:				
Other Expenses	17,191.00	17,191.00	540.00	16,651.00
Unclassified:				
Gasoline	187,706.10	187,706.10	59,359.27	128,346.83
Fuel Oil	13,037.45	13,954.67	13,954.67	
Electricity	136,880.06	136,880.06	55,263.23	81,616.83
Street Lighting	56,223.44	56,223.44	52,693.43	3,530.01
Telephone	30,121.27	30,121.27	16,027.86	14,093.41
Contingent	133,254.48	133,254.48	133,254.48	
Statutory Expenditures:				
Social Security System (O.A.S.I)	73,588.54	73,588.54	73,588.54	
Unemployment Compensation Insurance	55,000.00	55,000.00		55,000.00
Public Assistance (State Aid Agreement) (NJSA 44:8-139)				
Contributions to:				
Award of Damages to Disabled Policemen (NJSA 40A:14-154)	505.00	505.00	505.00	
Passaic Valley Sewer Commission:				
Other Expenses	66.32	66.32		66.32
NJPDES Stormwater Permit (NJSA 40A:-45.3(cc)):				
Street Division:				
Salaries and Wages	13,957.17	13,957.17	13,957.17	
Other Expenses	4,070.00	4,070.00	3,731.37	338.63
LOSAP:				
First Aid Organization	2,062.50	2,062.50	2,062.50	
Fire	12,000.00	12,000.00		12,000.00
Shared Services Agreement -				
Township of Montclair - Health Services	4,134.96	4,134.96	200.00	3,934.96
State and Federal Programs Offset by Revenue:				
Safe and Secure Communities Grant:				
State Share	40,342.62	40,342.62	40,342.62	
Municipal Alliance Grant:				
State Share	8,009.03	8,009.03	2,086.36	5,922.67
Local Share	1,115.51	1,115.51	214.85	900.66

TOWNSHIP OF NUTLEY  
CURRENT FUND

A-11  
5 of 5

SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

(Continued)

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
State and Federal Programs Offset by Revenue:				
Essex County Disaster National Emergency Grant	\$ 2,642.00	\$ 2,642.00		\$ 2,642.00
Clean Communities Program	36,356.93	36,356.93	\$ 30,909.58	5,447.35
Matching Funds for Grants	2,369.00	2,369.00		2,369.00
Urban Area Security Initiative (UASI)				
Decontamination Training Grant	501.88	501.88		501.88
Assistance to Firefighters Grant	3,472.00	3,472.00		3,472.00
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	50,000.00	50,000.00	50,000.00	
Nutro Dog Park Grant	2,000.00	2,000.00		2,000.00
Hoffman La Roche Planner Donation	19,871.91	19,871.91	19,871.91	
Body Armor Replacement Fund	5,929.00	5,929.00	5,929.00	
Capital Improvements - Excluded From "CAPS":				
Paving and Fiber Optic Project	120,000.00	120,000.00	120,000.00	
	<u>\$4,215,003.90</u>	<u>\$4,215,003.90</u>	<u>\$2,701,720.78</u>	<u>\$1,513,283.12</u>

Analysis of Balance December 31, 2013:

	<u>Ref.</u>	
Unencumbered	A	\$2,744,129.30
Encumbered	A	<u>1,470,874.60</u>
		<u>\$4,215,003.90</u>

Cash Disbursed	\$1,442,508.79
Accounts Payable	295,112.69
Due to General Capital Fund - Reserve for Paving and Fiber Optics	71,250.00
Due to Other Trust Funds:	
Reserve for Accumulated Sick and Vacation Pay	760,439.20
Reserve for Snow Removal	<u>132,410.10</u>
	<u>\$2,701,720.78</u>

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

A-12

Increased by:

Levy - Calendar Year 2014

\$ 52,081,835.00

Decreased by:

Payments to Local School District

\$ 52,081,835.00

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
TRUST FUNDS

TOWNSHIP OF NUTLEY  
TRUST FUNDS  
SCHEDULE OF CASH - TREASURER

B-4

	Ref.	Animal Control Fund	Other Trust Funds
Balance December 31, 2013	B	\$35,003.66	\$ 2,172,990.06
Increased by Receipts:			
Dog License Fees		\$17,681.20	
Cat License Fees		1,260.00	
Impounding, Boarding, Late Fees and Penalties		1,010.00	
State Registration Fees		2,050.80	
Due Current Fund:			
Interfund Returned			\$ 133,616.43
Interest Earnings			100.78
Budget Appropriation:			
Community Environmental Health Act			150,000.00
Road Opening, Sewer Maintenance and			
Planning Board Escrow Deposits			26,290.00
Uniform Fire Safety - Penalties			11,316.83
Unemployment Insurance			174,336.28
Living Tree Memorial Program			7,297.00
Recreation Commission Fees			589,391.21
Parking Offense Adjudication Act			5,049.00
Recycling			54,470.01
Community Environmental Health Act			63,545.21
Tax Sale Premiums			530,100.00
Community Development Block Grants			154,649.71
Snow Removal			4,640.70
Civic Celebration			300.00
Law Enforcement Expenditures			9,768.04
COAH			25,991.19
Go Green Program			5,991.00
Police Outside Duty			314,840.89
Flexible Spending Account			4,809.86
		22,002.00	2,266,504.14
		57,005.66	4,439,494.20
Decreased by Disbursements:			
State Registration Fees		2,037.60	
Administrative Expenses		21,514.65	
Due Current Fund:			
Interfund Returned		7,645.46	
Interest Earnings			100.78
Due Public Assistance Fund - Interfund Returned			80.00
Road Opening, Sewer Maintenance and			
Planning Board Escrow Deposits			33,240.75
Uniform Fire Safety - Penalties			5,902.44
Unemployment Insurance			108,616.06
Living Tree Memorial Program			5,535.50
Recreation Commission Fees			524,648.89
Parking Offense Adjudication Act			4,271.25
Recycling			189,200.00
Community Environmental Health Act			114,556.88
Tax Sale Premiums			348,600.00
Community Development Block Grants			154,649.71
Accumulated Sick and Vacation Pay			271,423.82
Snow Removal			51,334.83
Civic Celebration			450.00
Law Enforcement Expenditures			25,425.00
Mayor's Wellness Program			8,195.50
Go Green Program			3,205.73
Police Outside Duty			308,230.84
Flexible Spending Account			3,180.63
		31,197.71	2,160,848.61
Balance December 31, 2014	B	\$25,807.95	\$ 2,278,645.59

TOWNSHIP OF NUTLEY  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

B-4A

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2014

B-5

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
ANIMAL CONTROL FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2013	B	\$ 27,348.60
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 17,681.20
Cat Licenses		1,260.00
		18,941.20
Impounding, Boarding, Late Fees and Penalties		1,010.00
		19,951.20
		47,299.80
Decreased by:		
Animal Control Expenditures		21,514.65
		21,514.65
Balance December 31, 2014	B	\$ 25,785.15

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 18,340.00
2013	19,141.40
	\$ 37,481.40
Maximum Allowable Reserve	

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
GENERAL CAPITAL FUND

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

C-2

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 83,170.33
Increased by Receipts:		
Due Current Fund - Interest Earned		<u>58.46</u>
Balance December 31, 2014	C	<u>\$ 83,228.79</u>

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

C-3  
1 of 4

	Balance/ (Deficit) Dec. 31, 2013	Receipts Miscellaneous	Transfers		Balance/ (Deficit) Dec. 31, 2014
			From	To	
Fund Balance	\$ 85,718.84				\$ 85,718.84
Capital Improvement Fund	150,625.72		\$ 117,675.00	\$ 125,000.00	157,950.72
Down Payments on Improvements				197,444.00	197,444.00
Due Current Fund	(3,622,462.51)	\$ 58.46	1,015,151.10	1,817,933.73	(2,819,621.42)
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	(230,936.51)		237,000.00	267,621.75	(200,314.76)
Federal Repetitive Flood Claims Grants	(1,222,847.55)			153,835.35	(1,069,012.20)
Reserve for Paving	75,000.00				75,000.00
Reserve for Paving and Fiber Optics				71,250.00	71,250.00
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
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

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

C-3  
2 of 4

(Continued)

Ord. No.	Improvement Description	Balance/ (Deficit)	Receipts	Transfers		Balance/ (Deficit)
		Dec. 31, 2013	Miscellaneous	From	To	Dec. 31, 2014
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	30,280.34		\$ 2,178.79		28,101.55
2852	Sewer Repair and Related Work	50,046.52				50,046.52
2889	Various Transportation Projects	13,552.62				13,552.62
2897;						
2925;						
2959	Reconstruction of Various Streets and Sidewalks	20,130.54				20,130.54
2899	Various Capital Improvements	231,571.06		12,199.48		219,371.58
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	99,061.99		449.53		98,612.46

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

C-3  
3 of 4

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2013	Receipts		Transfers		Balance/ (Deficit) Dec. 31, 2014
			Miscellaneous		From	To	
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	Various Capital Improvements	191,806.34		\$ 4,307.25			187,499.09
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
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	91,387.53			2,978.00		88,409.53
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	223,170.40				\$ 190,000.00	413,170.40
3172	Donna Court Acquisition and Remediation	757,519.46			760.00		756,759.46
3181	Various Capital Improvements	57,820.60			12,472.74		45,347.86
3183	Reconstruction of Various Streets and Sidewalks	255,554.54					255,554.54
3196	Renovation of Police Desk	13,971.67			12,383.00		1,588.67
3207	Monsignor Owens Park Field Turf Project	14,957.10			14,957.10		
3213	Reconstruction of Various Streets and Sidewalks	69,652.77			3,946.54		65,706.23
3214	Various Capital Improvements	101,966.47			57,561.00		44,405.47
3216	Local Improvements	20,251.22			16,088.85		4,162.37

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

Ord. No.	Improvement Description	Balance/ (Deficit)	Receipts	Transfers		Balance/ (Deficit)
		Dec. 31, 2013	Miscellaneous	From	To	Dec. 31, 2014
3240	Reconstruction of the Roadway on Bloomfield Ave	\$ 27,029.00		\$ 27,029.00		
3242	Various Capital Improvements	1,122,545.82		621,486.54	\$ 10,000.00	\$ 511,059.28
3243	Reconstruction of Various Roadways and Sidewalks	1,139,044.14		782,688.86		356,355.28
3273	Acquisition of Computer and Technology Equipment	15,600.00		15,379.80		220.20
3284	Monsignor Owens Memorial Park Improvement Project			27,980.29	150,000.00	122,019.71
3292	Reconstruction of the Roadway on Park Ave (Section 2)			202,194.97	237,000.00	34,805.03
3294	Various Capital Improvements			891.99	68,175.00	67,283.01
3295	Reconstruction of Various Roadways and Sidewalks				49,500.00	49,500.00
		<u>\$ 83,170.33</u>	<u>\$ 58.46</u>	<u>\$ 3,337,759.83</u>	<u>\$ 3,337,759.83</u>	<u>\$ 83,228.79</u>

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND

C-4

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2014	Analysis of Balance Dec. 31, 2014
						Unexpended Improvement Authorizations
3171	Donna Court Acquisition and Remediation	\$ 190,000.00		\$ 190,000.00		
3242	Various Capital Improvements	292,433.00		10,000.00	\$ 282,433.00	\$ 282,433.00
3294	Various Capital Improvements		\$ 1,295,325.00		1,295,325.00	1,295,325.00
3295	Reconstruction of Various Roadways and Sidewalks		940,500.00		940,500.00	940,500.00
		<u>\$ 482,433.00</u>	<u>\$ 2,235,825.00</u>	<u>\$ 200,000.00</u>	<u>\$ 2,518,258.00</u>	<u>\$ 2,518,258.00</u>

Ref.

C

C

Analysis of Unexpended Improvement Authorizations:  
Improvement Authorizations Unfunded

\$ 2,518,258.00

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance December 31, 2013		2014 Authorizations			Balance December 31, 2014	
				Funded	Unfunded	Other Sources	Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund	Due to Current Fund Paid or Charged	Funded
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		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		11,642.50						11,642.50
2565	Redesign and Construction of Various Streets	05/04/99		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	30,280.34				\$ 2,178.79		28,101.55
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	231,571.06				12,199.48		219,371.58
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park	07/19/05	60,000.00	1,219.26						1,219.26
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

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

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2013		2014 Authorizations			Balance December 31, 2014		
		Date	Amount	Funded	Unfunded	Other Sources	Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund	Due to Current Fund Paid or Charged	Funded	Unfunded
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		99,061.99					\$ 449.53	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		191,806.34					4,307.25	187,499.09	
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	91,387.53					2,978.00	88,409.53	
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	223,170.40	\$ 190,000.00					413,170.40	
3172	Donna Court Acquisition and Remediation	07/05/11	1,644,000.00	757,519.46					760.00	756,759.46	
3181	Various Capital Improvements	11/15/11	985,000.00	57,820.60					12,472.74	45,347.86	
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	13,971.67					12,383.00	1,588.67	
3207	Monsignor Owens Park Field Turf Project	05/15/12	186,000.00	14,957.10						14,957.10	
3213	Reconstruction of Various Streets and Sidewalks	07/17/12	350,000.00	69,652.77					3,946.54	65,706.23	
3214	Various Capital Improvements	07/17/12	620,000.00	101,966.47					57,561.00	44,405.47	
3216	Local Improvements	09/04/12	25,000.00	20,251.22					16,088.85	4,162.37	
3240	Reconstruction of the Roadway on Bloomfield Ave	06/18/13	240,000.00	27,029.00					27,029.00		
3242	Various Capital Improvements	07/16/13	1,481,700.00	1,122,545.82	292,433.00				621,486.54	511,059.28	\$ 282,433.00
3243	Reconstruction of Various Roadways and Sidewalks	07/16/13	1,150,000.00	1,139,044.14					782,688.86	356,355.28	
3273	Acquisition of Computer and Technology Equipment	12/17/13	55,000.00	15,600.00					15,379.80	220.20	



TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2013	C	\$ 150,625.72
Increased by:		
2014 Budget Appropriation - Due from Current Fund		<u>125,000.00</u>
		275,625.72
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>117,675.00</u>
Balance December 31, 2014	C	<u><u>\$ 157,950.72</u></u>

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

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		Balance Dec. 31, 2014
		Outstanding Dec. 31, 2014 Date	Amount		Dec. 31, 2013	Matured	
General Improvement Bonds	10/01/2005	10/01/2015-16	\$ 450,000.00	3.625%	\$ 1,796,000.00	\$ 450,000.00	\$ 1,346,000.00
		10/01/2017	446,000.00	3.625%			
General Improvement Bonds	12/01/2009	12/01/2015	600,000.00	3.000%	2,900,000.00	600,000.00	2,300,000.00
		12/01/2016	600,000.00	3.250%			
		12/01/2017	600,000.00	3.500%			
		12/01/2018	500,000.00	3.750%			
General Improvement Bonds	09/01/2013	09/01/2015-19	470,000.00	2.00%	4,700,000.00	470,000.00	4,230,000.00
		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>\$ 9,396,000.00</u>	<u>\$ 1,520,000.00</u>	<u>\$ 7,876,000.00</u>
<u>Ref.</u>					C		C

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND

C-9

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOAN PAYABLE

Ord. No.	Improvement Description	Balance Dec. 31, 2013	Matured	Balance Dec. 31, 2014
2495	Nutley Quarry Trunk Sanitary Sewer Replacement	\$ 410,000.00	\$ 130,000.00	\$ 280,000.00
	<u>Ref.</u>	C		C

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2014

Payment Number	Due Date	Trust		Balance of Loan
		Interest	Principal	
				\$ 280,000.00
29	02/01/2015	\$ 7,000.00		280,000.00
30	08/01/2015	7,000.00	\$ 135,000.00	145,000.00
31	02/01/2016	3,625.00		145,000.00
32	08/01/2016	3,625.00	145,000.00	-0-
		<u>\$ 21,250.00</u>	<u>\$ 280,000.00</u>	

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, 2013	Matured	Balance Dec. 31, 2014
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, 2014, no required payments were due in 2014. 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, 2014

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, 2014

(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, 2013	2014 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2014
3171	Donna Court Acquisition and Remediation	\$ 190,000.00		\$ 190,000.00	
3242	Various Capital Improvements	292,433.00		10,000.00	\$ 282,433.00
3294	Various Capital Improvements		\$ 1,295,325.00		1,295,325.00
3295	Reconstruction of Various Roadways and Sidewalks		940,500.00		940,500.00
		<u>\$ 482,433.00</u>	<u>\$ 2,235,825.00</u>	<u>\$ 200,000.00</u>	<u>\$ 2,518,258.00</u>

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
WATER UTILITY FUND

TOWNSHIP OF NUTLEY  
WATER UTILITY FUND  
SCHEDULE OF CASH - TREASURER

D-4

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2013	D	\$ 727,848.38	\$ 183.05
Increased by Receipts:			
Utility Collector		\$ 4,366,291.27	
Nonbudget Revenue - Treasurer		906.04	
Due Water Utility Capital Fund:			
Due Current Fund - Interfund Returned		2,658.00	
NJ Environmental Infrastructure Trust Loans Receivable		36,799.96	
		<u>4,406,655.27</u>	
		5,134,503.65	183.05
Decreased by Disbursements:			
2014 Appropriation Expenditures		3,919,636.33	
2013 Appropriation Reserves		160,290.48	
Interest on Loans		18,793.39	
Due Water Utility Capital Fund:			
Improvement Authorization Expenditures		41,409.09	
Refund of Water Rent Overpayments		3,057.61	
		<u>4,143,186.90</u>	
Balance December 31, 2014	D	<u>\$ 991,316.75</u>	<u>\$ 183.05</u>

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CASH - WATER COLLECTOR  
YEAR ENDED DECEMBER 31, 2014

D-4A

Increased by:

Consumer Accounts Receivable	\$ 4,354,561.69
Water Rent Overpayments	2,102.41
Nonbudget Revenue	9,627.17
	<hr/> 4,366,291.27

Decreased by:

Disbursed to Water Treasurer	<u><u>\$ 4,366,291.27</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, 2013	From	To	Dec. 31, 2014
Capital Fund Balance	\$ 27,035.51			\$ 27,035.51
Due Current Fund	(2,658.00)		\$ 13,623.00	10,965.00
Due Water Utility Operating Fund	(100,133.77)	\$ 49,607.25	50,558.38	(99,182.64)
Loans Receivable:				
New Jersey Environmental Infrastructure Trust (NJEIT)	(631,688.71)	9,149.29	567,116.25	(73,721.75)
Reserve for Payment of Debt Service	25,163.75			25,163.75
Down Payments on Improvements	34,500.85	5,225.00	1,000.00	30,275.85
<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
3115	Acquisition of Fire Hydrants	1,559.09	1,559.09	
3140	Replacement of Water Meters and Retrofit of Meter Heads	624,894.87	551,017.00	73,877.87
3151	Utility Infrastructure GIS Mapping	1,368.75	10,965.00	(9,596.25)
3182	Purchase of Fire Hydrants	500.00	10,000.00	(9,500.00)
3296	Various Water Utility Improvements		5,225.00	5,225.00
		<u>\$ 183.05</u>	<u>\$ 637,522.63</u>	<u>\$ 637,522.63</u>
			<u>\$ 5,225.00</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, 2013	D	\$ 794,724.38
Increased by:		
Water Rents Levied		4,259,634.77
		5,054,359.15
Decreased by:		
Collections		4,354,561.69
		4,354,561.69
Balance December 31, 2014	D	\$ 699,797.46

WATER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

D-7

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 13,143.23
Increased by:		
Adjustment to Actual Inventory Per Listing Provided by Water Department		24,470.30
		24,470.30
Balance December 31, 2014	D	\$ 37,613.53

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF RETURN ITEM ACCOUNT  
YEAR ENDED DECEMBER 31, 2014

D-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

D-9

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions by</u> <u>Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Water Mains	\$ 1,157,462.54		\$ 1,157,462.54
Water Utility Improvements	43,115.11		43,115.11
Machinery and Equipment	664,528.83	\$ 11,900.00	676,428.83
Geographic Information System	35,000.00		35,000.00
	<u>\$ 1,900,106.48</u>	<u>\$ 11,900.00</u>	<u>\$ 1,912,006.48</u>
<u>Ref.</u>	D		D

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

D-10

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2013	2014 Authorizations	Transferred to Fixed Capital	Balance Dec. 31, 2014
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
3115	09/01/09	Acquisition of Fire Hydrants	1,900.00		\$ 1,900.00	
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
3182	11/15/11	Purchase of Fire Hydrants	10,000.00		10,000.00	
3296	09/02/14	Various Water Utility Improvements		\$ 104,500.00		104,500.00
			<u>\$ 3,344,006.50</u>	<u>\$ 104,500.00</u>	<u>\$ 11,900.00</u>	<u>\$ 3,436,606.50</u>

Ref.

D

D

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2013 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2014

D-11

	Balance Dec. 31, 2013	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 79,067.85	\$ 74,067.85	\$ 8,833.96	\$ 65,233.89
Other Expenses	71,213.04	76,213.04	56,524.76	19,688.28
Other Expenses:				
N.J. Water Supply	525.48	525.48		525.48
Passaic Valley Water Commission	105,567.38	105,567.38	94,782.73	10,784.65
City of Newark Water Purchase	11,977.54	11,977.54	11,149.03	828.51
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.)	12,868.64	12,868.64		12,868.64
Unemployment Compensation Insurance - (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00
	\$ 297,219.93	\$ 297,219.93	\$ 171,290.48	\$ 125,929.45

Ref.

Analysis of Balance December 31, 2013:

Unencumbered	D	\$ 136,571.74	
Encumbered	D	160,648.19	
		\$ 297,219.93	

Cash Disbursed	\$ 160,290.48
Accounts Payable	11,000.00
	\$ 171,290.48

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2013		2014 Authorizations		Paid or Charged	Balance December 31, 2014	
		Date	Amount	Funded	Unfunded	Down Payments on Improvements	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
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
3115	Acquisition of Fire Hydrants	09/01/09	21,900.00	1,559.09				\$ 1,559.09		
3140	Replacement of Water Meters and Retrofit of Meter Heads	06/15/10	3,100,000.00	624,894.87	\$ 1,117,136.00			29,850.00		73,877.87 \$ 1,638,303.00
3151	Utility Infrastructure GIS Mapping	11/09/10	27,375.00	1,368.75	26,006.25			10,965.00		16,410.00
3182	Purchase of Fire Hydrants	11/15/11	10,000.00	500.00	9,500.00			10,000.00		
3296	Various Water Utility Improvements	09/02/14	104,500.00			\$ 5,225.00	\$ 99,275.00			5,225.00 99,275.00
				<u>\$ 647,963.42</u>	<u>\$ 1,152,642.25</u>	<u>\$ 5,225.00</u>	<u>\$ 99,275.00</u>	<u>\$ 52,374.09</u>		<u>\$ 98,743.58</u> <u>\$ 1,753,988.00</u>
		<u>Ref.</u>	D	D						D D
								\$ 41,409.09		
								10,965.00		
								<u>\$ 52,374.09</u>		

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

D-13

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 34,500.85
Increased by:		
2014 Budget Appropriation		<u>1,000.00</u>
		35,500.85
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>5,225.00</u>
Balance December 31, 2014	D	<u><u>\$ 30,275.85</u></u>

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2014

D-14

NOT APPLICABLE

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

D-15

	<u>Ref.</u>	
Balance December 31, 2013	D	\$ 2,186,851.95
Increased by:		
Paid by Operating Budget:		
New Jersey Environmental Infrastructure Trust (NJEIT) Loans	\$ 90,617.68	
Transfer from Deferred Reserve for Amortization	<u>2,400.00</u>	
		<u>93,017.68</u>
Balance December 31, 2014	D	<u><u>\$ 2,279,869.63</u></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, 2013	2014 Authorizations	To Reserve for Amortization	Balance Dec. 31, 2014
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
3115	Acquisition of Fire Hydrants	09/01/09	1,900.00		\$ 1,900.00	
3151	Utility Infrastructure GIS Mapping	11/09/10	1,368.75			1,368.75
3182	Purchase of Fire Hydrants	11/15/11	500.00		500.00	
3296	Various Water Utility Improvements	09/02/14		\$ 5,225.00		5,225.00
			<u>\$ 98,500.25</u>	<u>\$ 5,225.00</u>	<u>\$ 2,400.00</u>	<u>\$ 101,325.25</u>
	<u>Ref.</u>		D			D

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2014

D-16

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2014

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, 2013	D	\$ 1,806,118.53
Decreased by:		
Matured		\$ 90,617.68
Balance of Fund Loan Deobligated		446,167.00
Credits to be Applied		<u>75,000.00</u>
		<u>611,784.68</u>
Balance December 31, 2014	D	<u>\$ 1,194,333.85</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2014

<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>		
					\$ 1,194,333.85
6	02/01/2015	\$ 9,172.50 *		\$ 25,205.89	1,169,127.96
7	08/01/2015	9,172.50 *	\$ 15,000.00 *	50,411.79	1,103,716.17
8	02/01/2016	8,872.50 *		25,205.89	1,078,510.28
9	08/01/2016	8,872.50 *	20,000.00 *	50,411.79	1,008,098.49
10	02/01/2017	8,372.50 *		25,205.89	982,892.60
11	08/01/2017	8,372.50 *	20,000.00 *	50,411.79	912,480.81
12	02/01/2018	7,872.50 *		25,205.89	887,274.92
13	08/01/2018	7,872.50 *	20,000.00 *	50,411.79	816,863.13
14	02/01/2019	7,372.50 *		25,205.89	791,657.24
15	08/01/2019	7,372.50	20,000.00	50,411.79	721,245.45
16	02/01/2020	6,872.50		25,205.89	696,039.56
17	08/01/2020	6,872.50	20,000.00	50,411.79	625,627.77
18	02/01/2021	6,372.50		25,205.89	600,421.88
19	08/01/2021	6,372.50	25,000.00	50,411.79	525,010.09

\* - Credits to be applied to total interest and principal due in fiscal years 2015-2018 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, 2014  
(Continued)

Payment Number	Due Date	Trust		Fund	Balance of Loan
		Interest	Principal	Principal	
					\$ 525,010.09
20	02/01/2022	\$ 5,747.50		\$ 25,205.89	499,804.20
21	08/01/2022	5,747.50	\$ 25,000.00	50,411.79	424,392.41
22	02/01/2023	5,122.50		25,205.89	399,186.52
23	08/01/2023	5,122.50	25,000.00	50,411.79	323,774.73
24	02/01/2024	4,497.50		25,205.89	298,568.84
25	08/01/2024	4,497.50	25,000.00	50,411.79	223,157.05
26	02/01/2025	3,872.50		25,205.89	197,951.16
27	08/01/2025	3,872.50	25,000.00	50,411.79	122,539.37
28	02/01/2026	3,247.50		7,539.37	115,000.00
29	08/01/2026	3,247.50	30,000.00		85,000.00
30	02/01/2027	2,497.50			85,000.00
31	08/01/2027	2,497.50	30,000.00		55,000.00
32	02/01/2028	2,047.50			55,000.00
33	08/01/2028	2,047.50	30,000.00		25,000.00
34	02/01/2029	1,597.50			25,000.00
35	08/01/2029	1,597.50	30,000.00		(5,000.00)
36	02/01/2030	1,128.75			(5,000.00)
37	08/01/2030	1,128.75	35,000.00		(40,000.00)
38	02/01/2031	568.75			(40,000.00)
39	08/01/2031	568.75	35,000.00		(75,000.00)
Credits to be Applied		(73,721.75) *	(75,000.00) *		
		<u>\$ 96,748.25</u>	<u>\$ 355,000.00</u>	<u>\$ 839,333.85</u>	

\* - Credits to be applied to total interest and principal due in fiscal years 2015-2018 and \$5,141.75 of first interest payment due in fiscal year 2019.

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

D-19

<u>Ord.</u>	<u>Date</u>	<u>Improvement Description</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>2014</u> <u>Authorizations</u>	<u>New Jersey</u> <u>Environmental</u> <u>Infrastructure</u> <u>Trust Loans</u> <u>Deobligated</u> <u>and Credits to</u> <u>be Applied</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
3140	06/15/10	Replacement of Water Meters and Retrofit of Meter Heads	\$ 1,117,136.00		\$ 521,167.00	\$ 1,638,303.00
3151	11/09/10	Utility Infrastructure GIS Mapping	26,006.25			26,006.25
3182	11/15/11	Purchase of Fire Hydrants	9,500.00			9,500.00
3296	09/02/14	Various Water Utility Improvements		\$ 99,275.00		99,275.00
			<u>\$ 1,152,642.25</u>	<u>\$ 99,275.00</u>	<u>\$ 521,167.00</u>	<u>\$ 1,773,084.25</u>

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2014  
PUBLIC ASSISTANCE FUND

TOWNSHIP OF NUTLEY  
PUBLIC ASSISTANCE FUND  
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	<u>P.A.T.F. I</u>
Balance December 31, 2013	F	\$ 72,628.92
Increased by Receipts:		
NJ Shares - Utility Company Donation		\$ 390.00
Interest		99.96
Due Other Trust Funds - Interfund Returned		80.00
		<u>569.96</u>
Balance December 31, 2014	F	<u>\$ 73,198.88</u>

TOWNSHIP OF NUTLEY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2014

TOWNSHIP OF NUTLEY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Federal Funding Department	Program	CFDA #	State Program Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO
						From	To		Cumulative Total Expenditures
US Department of Environmental Protection:									
Passed through NJ Department of Environmental Protection	Environmental Infrastructure Trust and Fund Program	66.468	100-042-4860- 006-093050	\$1,982,864.00	\$ 36,799.96	05/01/12	12/31/14	\$ 36,799.96	\$ 1,387,975.25
Total US Department of Environmental Protection					36,799.96			36,799.96	1,387,975.25
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	-0-	01/01/14	12/31/15	662.50	662.50
Total US Department of Transportation					-0-			662.50	662.50
US Department of Homeland Security:									
	Operations and Firefighter Safety Program - Assistance to Firefighters Grants	97.044	N/A	31,275.00	31,275.00	01/01/14	12/31/15	31,261.90	31,261.90
	Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	N/A	678,242.00	139,388.00	10/08/13	10/07/16	139,785.50	139,785.50
Passed through NJ Department of Law and Public Safety	F.E.M.A. Repetitive Flood Claims	97.092	100-066-1200- 985-NJSP	1,644,000.00	117,534.37	01/01/11	12/31/14	760.00	886,480.54
Passed through NJ Department of Law and Public Safety	F.E.M.A. Flood Mitigation Assistance	97.029	100-066-1200- 656-NJSP	640,875.00	36,300.98	01/01/11	12/31/14		329,827.20
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	525,121.39	233,013.54	10/30/12	12/31/12	233,013.54 *	525,121.39
Total US Department of Homeland Security					557,511.89			404,820.94	1,912,476.53

N/A - Not Available/Applicable

\* - Expended in 2012

TOWNSHIP OF NUTLEY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

Federal Funding Department	Program	CFDA #	State Program Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO
						From	To		Cumulative Total Expenditures
US Department of Housing & Urban Development:									
Passed through Essex County Office of Community Development	Community Development Block Grant: Reconstruct and Resurface:	14.218	N/A						
	Sargent Street			\$ 70,060.00	\$ 70,060.00	01/01/14	12/31/14	\$ 70,060.00	\$ 70,060.00
	Essex Street			61,000.00	61,000.00	01/01/14	12/31/14	61,000.00	61,000.00
	Monsignor Owens Field ADA Bleachers			23,590.00	23,589.71	01/01/14	12/31/14	23,589.71	23,589.71
Total US Department of Housing & Urban Development					<u>154,649.71</u>			<u>154,649.71</u>	<u>154,649.71</u>
TOTAL FEDERAL AWARDS					<u>\$ 748,961.56</u>			<u>\$ 596,933.11</u>	<u>\$ 3,455,763.99</u>

N/A - Not Available/Applicable

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, 2014

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	100-066-1020-232-6120	\$ 60,000.00	\$ 54,790.00	08/01/12	07/31/13		\$ 58,585.08
			60,000.00	60,000.00	08/01/13	07/31/14	\$ 40,342.62	60,000.00
			30,000.00		08/01/14	07/31/15	18,503.73	18,503.73
				114,790.00			58,846.35	137,088.81
	Drunk Driving Enforcement Fund	100-078-6400-260-YYYY	8,510.25	8,510.25	01/01/14	12/31/15	565.00	565.00
	Body Armor Replacement Fund	718-066-1020-001-6120	5,929.08		01/01/12	12/31/14	5,929.08	5,929.08
			7,464.07		01/01/13	12/31/15	6,597.17	6,597.17
			5,982.84	5,982.84	01/01/14	12/31/15	-0-	-0-
				5,982.84			12,526.25	12,526.25
	Total Department of Law and Public Safety				129,283.09			71,937.60
Department of Environmental Protection	Clean Communities Program	765-042-4900-004-6020	45,607.38		01/01/13	12/31/14	30,909.58	40,160.03
			42,767.16	42,767.16	01/01/14	12/31/15	5,988.69	5,988.69
				42,767.16			36,898.27	46,148.72
Passed through the County of Essex	County Environmental Health Act	100-042-4840-094-6110	150,000.00	75,000.00	01/01/13	12/31/13		150,000.00
			7,000.00	7,000.00	01/01/14	12/31/15	6,461.52	6,461.52
				82,000.00			6,461.52	156,461.52
Total Department of Environmental Protection				124,767.16			43,359.79	202,610.24
Department of Health & Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-4240-001-040000	708.96	708.96	01/01/14	12/31/15		
Total Department of Health and Senior Services				708.96			-0-	-0-

TOWNSHIP OF NUTLEY  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
 (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	\$ 33,000.00	\$ 23,042.92	01/01/13	06/30/14	\$ 17,068.36	\$ 31,059.33
					07/01/14	06/30/15	5,334.64	5,334.64
				<u>23,042.92</u>			<u>22,403.00</u>	<u>36,393.97</u>
Total Department of Treasury				<u>23,042.92</u>			<u>22,403.00</u>	<u>36,393.97</u>
	NJ Transportation Trust Fund Authority Act - Municipal Aid:	480-078-6320-156-601385						
	Bloomfield Avenue		240,000.00	89,871.75	01/01/13	12/31/14	27,029.00	240,000.00
	Park Avenue		237,000.00	177,750.00	01/01/13	12/31/15	202,194.97	202,194.97
				<u>267,621.75</u>			<u>229,223.97</u>	<u>442,194.97</u>
TOTAL STATE AWARDS				<u>\$ 545,423.88</u>			<u>\$ 366,924.36</u>	<u>\$ 831,379.24</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, 2014

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, 2014. The information in these schedules is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *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 OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

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. THRESHOLD FOR FEDERAL AWARDS

The threshold for distinguishing federal Type A and B programs was \$300,000. The Township qualified as a "low-risk" auditee under the provisions of section 530 of the federal Circular for federal programs.

E. STATE LOANS OUTSTANDING

The Township of Nutley has the following loans outstanding as of December 31, 2014:

General Capital Fund:	
NJ Environmental Infrastructure Trust Loan	\$ 280,000
NJ Department of Environmental Protection Green Acres Loan	\$ 501,250
Water Utility Capital Fund:	
NJ Environmental Infrastructure Trust Loan	\$ 355,000
NJ Environmental Infrastructure Fund Loan	839,334
	<u>\$ 1,194,334</u>

TOWNSHIP OF NUTLEY  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2014  
(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, 2014, 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, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated May 15, 2015. 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 Questioned Costs as Finding 2014-001, 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 Questioned Costs. 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  
May 15, 2015

NISIVOCCIA LLP



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



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Report on Compliance for Each Major Federal Program;  
 Report on Internal Control Over Compliance Required by OMB Circular A-133

Independent Auditors' Report

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

**Report on Compliance for Each Major Federal Program**

We have audited the Township of Nutley's (the "Township's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Township's major federal programs for the year ended December 31, 2014. The Township's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Township's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Township's compliance.

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

### ***Unmodified Opinion on Each Major Federal Program***

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

### **Report on Internal Control Over Compliance**

Management of the Township is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control over compliance.

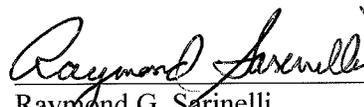
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey  
May 15, 2015

NISIVOCIA LLP



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

TOWNSHIP OF NUTLEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014

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.
- There were no material weaknesses or significant deficiencies in internal control over major federal programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by OMB Circular A-133*.
- The auditor's report on compliance for the major federal programs for the Township expresses an unmodified opinion on the major federal programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with Section 510(a) of Federal OMB Circular A-133.
- The Township was not subject to the single audit provisions of New Jersey's OMB Circular 04-04 for the year ended December 31, 2014 as state grant expenditures were less than the single audit threshold of \$500,000 identified in the Circular.
- The Township's programs tested as major federal programs for the current year consisted of the following federal programs:

	CFDA #	Award Amount	Expenditures
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	\$ 678,242	\$ 139,786
Community Development Block Grants:	14.218		
Reconstruct and Resurface:			
Sargent Street		70,060	70,060
Essex Street		61,000	61,000
Monsignor Owens Field ADA Bleachers		23,590	23,590
Subtotal Community Development Block Grants		154,650	154,650
		<u>\$ 832,892</u>	<u>\$ 294,436</u>

TOWNSHIP OF NUTLEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2014  
(Continued)

Summary of Auditors' Results (Cont'd):

- The threshold for distinguishing between Type A and Type B federal programs was \$300,000.
- The single audit threshold identified in Federal OMB Circular A-133 was \$500,000.
- The Township qualified as a "low-risk" auditee under the provisions of section 530 of the federal Circular for federal programs.

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 2014-001:

*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.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the federal Circular.

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, 2014

The Township's prior year finding regarding segregation of duties was not resolved in 2014 and is included on the Schedule of Findings and Questioned Costs for the year ended December 31, 2014.

TOWNSHIP OF NUTLEY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2014

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.

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.

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 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 May 20, 2014, the governing body adopted a resolution authorizing interest to be charged on delinquent taxes and water rents at the rate of 8% 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 23, 2014 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>
2014	5
2013	2
2012	3

Tax Collector

During 2014, tax overpayments from prior years continued to be researched and many were resolved. At December 31, 2014, a significant percentage of overpayments were from December 31, 2013 or prior that are being actively investigated. While no formal recommendation is required, the tax department should continue to monitor and resolve all tax overpayments.

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, 2014.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance Dec. 31, 2013	Receipts	Disbursements	Balance Dec. 31, 2014
Municipal Treasurer:				
Fines and Costs	\$ 25,716.51	\$ 332,427.67	\$ 335,870.88	\$ 22,273.30
P.O.A.A. Fines	398.00	5,039.00	5,049.00	388.00
Public Defender	64.00	3,961.00	3,775.00	250.00
Transcript Fees		250.00	250.00	
Interest:				
Regular Account	28.87	87.00	109.25	6.62
State Treasurer	21,439.04	258,557.26	263,239.11	16,757.19
County Treasurer	6,242.45	94,991.03	95,988.48	5,245.00
Weights and Measures		500.00	500.00	
Restitution	865.67	9,841.68	10,667.35	40.00
Cash Bail	14,424.08	123,480.00	130,382.24	7,521.84
	<u>\$ 69,178.62</u>	<u>\$ 829,134.64</u>	<u>\$ 845,831.31</u>	<u>\$ 52,481.95</u>

Our review of the tickets and special complaints assigned but not issued reports at December 31, 2014 revealed that, although significant improvement was 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.

The Municipal Court bail account bank reconciliation includes bank fees from the current and prior years.

It is recommended that the Municipal Court bail account bank fees from the current and prior years be reviewed for proper disposition.

Management's Response

The Municipal Court will review bank fees from the current and prior years for proper disposition during 2015.

TOWNSHIP OF NUTLEY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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.

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.

Other Trust Funds – Recreation

The collections activity for recreation is recorded in a general ledger account titled “reserve for recreation expenditures” rather than being allocated to the specific general ledger recreation activity accounts for which the collection is related.

It is recommended that the collections activity for recreation be allocated to the specific general ledger recreation activity accounts for which the collection is related.

Management's Response:

The Township will allocate collections activity for recreation to the specific general ledger recreation activity accounts the collections relate to.

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.

TOWNSHIP OF NUTLEY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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.

Staffing for Adequate Fire and Emergency Response (SAFER) Grant

Our audit of the SAFER Grant program disclosed that the semi-annual SF-425 fiscal reports were not filed during 2014 and the grant reimbursement request for the grant period 10/08/2013 through 06/30/2014 was not in agreement with the Township's financial records.

It is recommended that the semi-annual SF-425 reports be filed on a timely basis and that expenditures reported on grant reimbursement requests filed be in agreement with the Township's financial records.

Management's Response:

The necessary steps will be taken to ensure that the required SAFER grant reports are filed timely and expenditures reported on grant reimbursement requests are in agreement with the Township's financial records. In addition, the next SAFER grant request for reimbursement filed will be amended to reflect the actual costs for the period 10/08/2013 through 06/30/2014.

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2013 audit report. Recommendation 2b was resolved. Recommendations 1a, 2a, 3a, 4a 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.
  - b. The Municipal Court bail account bank fees from the current and prior years be reviewed for proper disposition.
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. Other Trust Funds:
  - a. The collections activity for recreation be allocated to the specific general ledger recreation activity accounts for which the collection is related.
5. 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.
6. Staffing for Adequate Fire and Emergency Response (SAFER) Grant:
  - a. The semi-annual SF-425 reports be filed on a timely basis and that expenditures reported on grant reimbursement requests filed be in agreement with the Township's financial records.

\* \* \* \* \*