

TOWNSHIP OF NUTLEY

COUNTY OF ESSEX

REPORT OF AUDIT

2009

*NISIVOCCIA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
REPORT OF AUDIT
2009

TOWNSHIP OF NUTLEY
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TOWNSHIP OF NUTLEY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2009



Mount Arlington Corporate Center
 200 Valley Road Suite 300
 Mount Arlington, NJ 07856-1320
 Phone: 973-328-1825
 Fax: 973-328-0507

Lawrence Business Park
 11 Lawrence Road
 Newton, NJ 07860
 Phone: 973-383-6699
 Fax: 973-383-6555

Independent Auditors' Report

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

We have audited the financial statements of the various funds of the Township of Nutley in the County of Essex (the "Township") as of December 31, 2009 and 2008, and for the years then ended, as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audits.

Except as discussed in the fourth paragraph, we conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As described in Note 1, these financial statements have been prepared in conformity with accounting principles prescribed by the Division that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the statutory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

We were unable to obtain sufficient evidence to support the cost of the fixed assets of the general fixed asset 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 cost. We are, therefore, unable to express an opinion as to the general fixed assets account group at December 31, 2009 and 2008 stated at \$31,786,885 and \$31,241,407, respectively.

The Honorable Mayor and Members
of the Board of Commissioners
Township of Nutley
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In our opinion, because the Township prepares its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to in the first paragraph, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2009 and 2008, and the results of its operations for the years then ended.

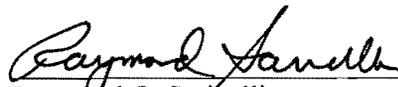
However, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the general fixed assets account group been audited, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Nutley at December 31, 2009 and 2008, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended, in conformity with accounting principles prescribed by the Division, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2010, on our consideration of the Township of Nutley's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming opinions on the financial statements taken as a whole. The information included in the supplementary schedules listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedules of expenditures of federal and state awards are also presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* and are not a required part of the financial statements. This information has been subjected to the auditing procedures applied in the audits of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1 to the financial statements and Note B to the schedules of expenditures of federal and state awards.

Mount Arlington, New Jersey
June 1, 2010

NISIVOCIA & COMPANY LLP



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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
CURRENT FUND

TOWNSHIP OF NUTLEY
CURRENT FUND
COMPARATIVE BALANCE SHEET

A
1 of 2

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	A-4	\$ 12,922,807.93	\$ 10,861,728.77
Change Fund		300.00	300.00
		<u>12,923,107.93</u>	<u>10,862,028.77</u>
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		<u>133,368.03</u>	<u>131,018.02</u>
		<u>13,056,475.96</u>	<u>10,993,046.79</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,954,982.77	1,836,538.21
Tax Title Liens Receivable	A-8	6,101.04	
Property Acquired for Taxes at Assessed Valuation		19,770.00	19,770.00
Revenue Accounts Receivable	A-9	32,428.25	27,955.61
Due Water Utility Capital Fund	D	<u>173,162.27</u>	<u>35,884.75</u>
Total Receivables and Other Assets with Full Reserves		<u>2,186,444.33</u>	<u>1,920,148.57</u>
Deferred Charges:			
Special Emergency Authorizations		<u>80,000.00</u>	<u>40,000.00</u>
TOTAL ASSETS		<u><u>\$ 15,322,920.29</u></u>	<u><u>\$ 12,953,195.36</u></u>

TOWNSHIP OF NUTLEY
CURRENT FUND
COMPARATIVE BALANCE SHEET
(Continued)

A
2 of 2

	Ref.	December 31,	
		2009	2008
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 1,458,484.61	\$ 1,170,734.53
Encumbered	A-3;A-11	1,321,614.04	1,109,360.78
		<u>2,780,098.65</u>	<u>2,280,095.31</u>
Accounts Payable - Vendors		297,322.38	28,127.28
Prepaid Taxes		420,134.99	405,267.59
Tax Overpayments		191,866.89	264,787.53
County Added and Omitted Taxes Payable		44,768.33	65,852.34
Due Other Trust Funds	B	151,519.00	220,519.54
Due General Capital Fund	C	3,654,417.01	1,818,790.24
Due State of New Jersey:			
Construction Code Surcharge Fees		8,205.00	3,793.00
Marriage License Fees		850.00	900.00
Burial Permits		10.00	110.00
Reserve for:			
Grant Funds Appropriated:			
Body Armor Replacement Fund		964.23	
Clean Communities		629.77	
Recycling Tonnage Grant		541.11	
Grant Funds Unappropriated:			
Clean Communities		10,926.27	2,368.20
Federal Emergency Management Agency			48.99
Pending Tax Appeals		350,000.00	475,000.00
Sale of Municipal Assets		50,000.00	50,000.00
Redemption of Outside Liens		3,551.44	22,666.11
Board of Education Contribution - DeMuro Park			10,228.32
Revaluation			82,402.50
Master Plan Review		51,628.75	50,000.00
Payment in Lieu of Taxes - Senior Citizen Housing		8,987.44	
		<u>8,026,421.26</u>	<u>5,780,956.95</u>
Reserve for Receivables and Other Assets	A	2,186,444.33	1,920,148.57
Fund Balance	A-1	5,110,054.70	5,252,089.84
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 15,322,920.29</u></u>	<u><u>\$ 12,953,195.36</u></u>

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

TOWNSHIP OF NUTLEY

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CURRENT FUND

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COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

	Ref.	Year Ended December 31,	
		2009	2008
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized		\$ 4,100,000.00	\$ 4,160,000.00
Miscellaneous Revenue Anticipated		5,950,993.52	6,138,005.84
Receipts from:			
Delinquent Taxes		1,779,451.61	1,709,997.82
Current Taxes		96,961,181.10	93,893,662.07
Nonbudget Revenue		238,672.22	278,321.55
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves		663,562.71	831,307.24
Senior Citizen/Veteran Allowances on Prior Year Taxes		5,750.00	5,750.00
Cancellation of:			
Accounts Payable			2,769.75
Reserve for Board of Education Contribution - DeMuro Park		10,228.32	
Reserve for Revaluation		82,402.50	
Tax Overpayments		27,758.53	9,308.15
Interfunds Returned			419,239.94
		<u>109,820,000.51</u>	<u>107,448,362.36</u>
<u>Expenditures</u>			
Budget Appropriations		41,373,228.55	40,710,703.51
County Taxes		16,990,770.86	17,283,406.93
County Share of Added and Omitted Taxes		44,768.33	65,852.34
Local School District Taxes		47,290,245.50	44,885,271.00
Reserve for Pending Tax Appeals		56,583.11	243,910.95
Senior Citizen/Veteran Disallowances on Prior Year Taxes		4,250.00	4,906.17
Refund of Prior Year Taxes		14,911.78	32,794.41
Interfunds Advanced		137,277.52	35,884.75
		<u>105,912,035.65</u>	<u>103,262,730.06</u>

TOWNSHIP OF NUTLEY

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CURRENT FUND

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COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE

(Continued)

	<u>Ref.</u>	Year Ended December 31,	
		2009	2008
Excess in Revenue		\$ 3,907,964.86	\$ 4,185,632.30
Adjustments Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Special Emergency Authorization		50,000.00	50,000.00
Statutory Excess to Fund Balance		3,957,964.86	4,235,632.30
<u>Fund Balance</u>			
Balance January 1		5,252,089.84	5,176,457.54
		9,210,054.70	9,412,089.84
Decreased by:			
Utilized as Anticipated Revenue		4,100,000.00	4,160,000.00
Balance December 31	A	\$ 5,110,054.70	\$ 5,252,089.84

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

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

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	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Fund Balance Anticipated	\$ 4,100,000.00		\$ 4,100,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	27,000.00		28,583.28	\$ 1,583.28
Other	11,000.00		25,729.00	14,729.00
Fees and Permits	120,000.00		125,793.90	5,793.90
Fines and Costs:				
Municipal Court	395,000.00		396,589.42	1,589.42
Interest and Costs on Taxes	200,000.00		224,673.10	24,673.10
Parking Meters	250,000.00		304,275.43	54,275.43
Interest on Investments and Deposits	200,000.00		46,728.64	153,271.36 *
Fees - Immunization Program	14,000.00		17,220.33	3,220.33
Landscapers Leaf Removal Licenses	3,500.00		2,675.00	825.00 *
Landscapers Leaf Removal Dumping Tickets	20,000.00		24,150.00	4,150.00
Tree Removal Permits	3,000.00		3,000.00	
Consolidated Municipal Property Tax Relief Aid	908,517.00		908,517.00	
Energy Receipts Tax	2,298,788.00		2,298,788.00	
Uniform Construction Code Fees	350,000.00		559,657.00	209,657.00
Township of Montclair - Health Services	15,666.00		8,268.75	7,397.25 *
Public Health Priority Funding	12,126.00			12,126.00 *
NJ Shares Program -	6,000.00			6,000.00 *
Reserve for F.E.M.A. - Emergency Response to Nor'easter Storm Damage	48.99		48.99	
Clean Communities Program	27,880.00		27,880.00	
Safe and Secure Communities Grant	58,852.00		30,127.12	28,724.88 *
Senior Citizens' Health Project Grant	5,400.00		4,050.00	1,350.00 *
County of Essex Municipal Alliance Grant	21,750.00		4,230.00	17,520.00 *

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

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(Continued)

	<u>Budget</u>	<u>Added by NJSA 40A:4-87</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Miscellaneous Revenue:				
County Environmental Health Act	\$ 102,198.00		\$ 102,148.00	\$ 50.00 *
Green Communities Program	3,000.00			3,000.00 *
NJ Transit Jitney Grant	30,000.00		27,557.95	2,442.05 *
Occupant Protection Program - Click It or Ticket		\$ 4,000.00	3,275.00	725.00 *
Reserve for Clean Communities Program	2,368.20		2,368.20	
Community Stewardship Incentive Program		25,000.00	21,250.00	3,750.00 *
Sewer Maintenance Fees:				
Due from:				
Hoffman-LaRoche	69,204.31			69,204.31 *
Town of Belleville	8,765.00		8,765.82	0.82
City of Clifton	3,726.93			3,726.93 *
Residential Furniture Delivery Service	88.00			88.00 *
Town of Bloomfield	51,403.17		51,403.17	
Regency Condominiums	8,860.00		7,185.00	1,675.00 *
Payment in Lieu of Taxes - Senior Citizen Housing	105,924.00		105,930.48	6.48
Passaic Valley Sewer Charges - User Charges	15,526.00		14,214.80	1,311.20 *
Recycling Program	100,000.00		100,000.00	
Bureau of Housing Inspection	6,200.00		14,708.00	8,508.00
Office of Emergency Management	10,000.00			10,000.00 *
Due from Hoffman-LaRoche - Debt Service	40,828.00		40,828.14	0.14
Uniform Fire Safety Act	21,343.00		14,446.24	6,896.76 *
P.I.L.O.T. - Nutley Senior Manor	41,196.00		42,888.45	1,692.45
Cable Franchise Fee	285,178.00		285,178.87	0.87
School Nursing Program	40,000.00		49,860.44	9,860.44
Cell Phone Tower Lease	36,000.00		18,000.00	18,000.00 *
	<u>5,930,336.60</u>	<u>29,000.00</u>	<u>5,950,993.52</u>	<u>8,343.08 *</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009
 (Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Receipts from Delinquent Taxes	\$ 899,334.00		\$ 1,779,451.61	\$ 880,117.61
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	34,347,174.61		36,591,143.77	2,243,969.16
Budget Totals	45,276,845.21	\$ 29,000.00	48,421,588.90	\$ 3,115,743.69
Nonbudget Revenue			238,672.22	
	\$ 45,276,845.21	\$ 29,000.00	\$ 48,660,261.12	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009
(Continued)

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Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 96,961,181.10
Allocated to:		
County Taxes	\$ 16,990,770.86	
County Share of Added and Omitted Taxes	44,768.33	
Local School District Taxes	47,290,245.50	
		64,325,784.69
Balance for Support of Municipal Budget		32,635,396.41
 Add: Appropriation "Reserve for Uncollected Taxes"		 3,955,747.36
 Realized for Support of Municipal Budget		 \$ 36,591,143.77

Analysis of Fees and Permits:

Municipal Clerk		\$ 233.75
Building Inspector		84,191.00
Board of Health		23,665.00
Police		12,386.55
Public Works		2,560.00
Fire		1,045.50
Tax Collector		3,396.85
		127,478.65
Less: Refunds		1,684.75
		\$ 125,793.90

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer		\$ 46,504.31
Due General Capital Fund		224.33
		\$ 46,728.64

Analysis of Tree Removal Permits:

Collected/Received by Treasurer		\$ 3,250.00
Less: Refunds		250.00
		\$ 3,000.00

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009
(Continued)

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Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated - Treasurer:

Treasurer:

Prior Year Revenue:

County of Essex Municipal Alliance Grant	\$ 11,970.78	
Public Health Priority Funding	11,686.00	
Office of Emergency Management	10,000.00	
Adaptive Recreation Grant	8,000.00	
School Nursing Program	3,150.00	
Senior Citizens' Health Project Grant	1,350.00	
Safety Achievement Award	1,000.00	
Essex County Local Arts Program	125.00	
Sewer Maintenance Fees:		
Town of Bloomfield	66,146.51	
Regency Condominiums	8,363.64	
Town of Belleville	8,274.16	
Total Prior Year Revenue	82,970.22	

Total Prior Year Revenue	\$ 130,066.09
Police/Fire Outside Services - Administrative Fees	37,904.08
Payment in Lieu of Taxes	22,694.26
Departmental Collections	15,993.98
Refunds/Reimbursements	15,912.40
Senior Citizens' and Veterans' Deductions - Administrative Costs	6,328.92
DMV Inspection Fines/Fees	3,050.00
Bid Specifications	200.00
Other Miscellaneous	6,162.49
	238,312.22

Tax Collector:

Departmental Collections	360.00
	\$ 238,672.22

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

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
DEPARTMENT OF PUBLIC AFFAIRS:					
Mayor and Director of Public Affairs:					
Salaries and Wages	\$ 2,700.00	\$ 2,700.00	\$ 2,700.00		
Other Expenses	1,000.00	1,000.00	702.78	\$ 297.22	
Administration of Public Assistance:					
Salaries and Wages	15,600.00	15,600.00	15,600.00		
Other Expenses	600.00	600.00	574.00	26.00	
Department of Health - Local Health Agency:					
Salaries and Wages	428,000.00	430,000.00	409,454.71	20,545.29	
Other Expenses	76,500.00	101,500.00	91,141.76	10,358.24	
Air Pollution Control - Contractual	6,100.00	6,200.00	6,181.00	19.00	
Animal Regulation:					
Other Expenses	25,000.00	25,000.00	23,072.30	1,927.70	
Consumer Protection:					
Salaries & Wages	4,000.00	4,000.00	4,000.00		
Other Expenses	100.00	100.00		100.00	
Immunization Program:					
Other Expenses	17,000.00	17,000.00	11,497.44	5,502.56	
Mental Health Program - Contractual	10,000.00	10,000.00	10,000.00		
Garbage and Trash Removal - Contractual	2,412,793.00	2,295,993.00	2,148,199.72	147,793.28	
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		
Aid to Red Cross - Contractual	15,000.00	15,000.00	15,000.00		

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

A-3
2 of 13

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF PUBLIC AFFAIRS (Continued):					
Women's History Month:					
Other Expenses	\$ 500.00	\$ 500.00	\$ 487.00	\$ 13.00	
Go Green Initiative:					
Other Expenses	1,000.00	1,000.00	957.54	42.46	
Public Affairs Community Fund:					
Other Expenses	5,000.00	5,000.00	4,966.63	33.37	
Mayor's Wellness Campaign:					
Other Expenses	100.00	100.00		100.00	
Municipal Prosecutor:					
Salaries & Wages	54,000.00	64,000.00	63,999.92	0.08	
Other Expenses	100.00	300.00	150.09	149.91	
Board of Adjustment:					
Salaries & Wages	22,500.00	25,000.00	24,999.78	0.22	
Other Expenses	10,500.00	12,000.00	7,044.33	4,955.67	
Planning Board:					
Salaries & Wages	22,500.00	25,000.00	24,999.78	0.22	
Other Expenses	11,400.00	36,400.00	31,437.04	4,962.96	
Master Plan Review (NJSA 40A:4-53 +\$50,000.00)		50,000.00	50,000.00		
Rent Leveling Board:					
Salaries & Wages	3,000.00	3,000.00	582.77	2,417.23	
Other Expenses	5,400.00	5,400.00	5,090.58	309.42	
Township Attorney:					
Salaries & Wages	54,000.00	54,000.00	53,999.92	0.08	
Other Expenses	75,300.00	85,300.00	63,591.45	21,708.55	
Celebration of Public Events	30,000.00	78,000.00	52,284.58	25,715.42	
Total Department of Public Affairs	3,376,693.00	3,436,693.00	3,189,715.12	246,977.88	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(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	770.73	\$ 229.27	
Assessment of Taxes:					
Salaries & Wages	181,000.00	181,000.00	175,992.60	5,007.40	
Other Expenses	145,000.00	145,000.00	104,848.78	40,151.22	
Collection of Taxes:					
Salaries & Wages	226,000.00	221,000.00	215,041.86	5,958.14	
Other Expenses	20,000.00	25,000.00	22,183.31	2,816.69	
Treasurer's Office:					
Salaries & Wages	405,000.00	382,000.00	369,919.80	12,080.20	
Other Expenses	63,000.00	86,000.00	80,777.07	5,222.93	
Township Clerk's Office:					
Salaries & Wages	111,000.00	113,000.00	110,867.07	2,132.93	
Other Expenses	50,000.00	48,000.00	41,770.79	6,229.21	
Information Services:					
Salaries & Wages	101,000.00	101,000.00	96,719.94	4,280.06	
Administration of Township Ordinances:					
Salaries & Wages	207,300.00	166,300.00	164,216.50	2,083.50	
Other Expenses	10,000.00	3,000.00	2,180.82	819.18	
Expense, Stationery and Printing:					
Other Expenses	85,000.00	85,000.00	74,688.14	10,311.86	
Annual Audit:					
Other Expenses - Regular	84,000.00	79,000.00	69,000.00	10,000.00	
Printing and Legal Advertising:					
Other Expenses	13,000.00	13,000.00	9,166.82	3,833.18	
NJEIT Administration Fee - Other Expenses	6,000.00	6,000.00	5,340.00	660.00	
Total Department of Revenue and Finance	1,710,550.00	1,657,550.00	1,545,734.23	111,815.77	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
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	647.45	\$ 352.55	
Municipal Court:					
Salaries & Wages	325,260.00	325,260.00	305,376.95	19,883.05	
Other Expenses	41,000.00	41,000.00	39,709.21	1,290.79	
Public Defender:					
Salaries & Wages	13,520.00	13,520.00	12,000.04	1,519.96	
Other Expenses	100.00	100.00		100.00	
Police:					
Salaries & Wages	7,634,188.00	7,494,188.00	7,339,192.36	154,995.64	
Other Expenses	350,000.00	463,000.00	445,637.85	17,362.15	
Clothing Allowance	120,000.00	120,000.00	119,373.32	626.68	
Purchase of Police Cars	70,000.00	97,000.00	96,670.00	330.00	
First Aid Organization:					
Salaries & Wages	188,964.00	128,964.00	128,872.51	91.49	
Other Expenses	80,000.00	140,000.00	137,326.87	2,673.13	
Office of Emergency Management:					
Salaries & Wages	41,715.00	41,715.00	41,715.00		
Other Expenses	11,300.00	11,300.00	10,489.43	810.57	
Sealer of Weights and Measures:					
Salaries & Wages	6,000.00	6,000.00	4,060.35	1,939.65	
Other Expenses	1,000.00	1,000.00	20.00	980.00	
Uniform Fire Safety Code:					
Fire:					
Salaries and Wages	21,343.00	21,343.00	21,343.00		

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended Balance Canceled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF PUBLIC SAFETY (Continued):					
Fire:					
Salaries and Wages	\$ 3,447,942.00	\$ 3,418,942.00	\$ 3,402,743.18	\$ 16,198.82	
Other Expenses	105,000.00	124,000.00	117,584.05	6,415.95	
Clothing Allowance	58,000.00	58,000.00	57,180.42	819.58	
Reserve for Accrued Sick and Vacation Pay	100.00	100.00		100.00	
Hazardous Materials:					
Other Expenses - Stipend	2,500.00	2,500.00	1,750.00	750.00	
Total Department of Public Safety	12,521,182.00	12,511,182.00	12,283,941.99	227,240.01	
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				
Engineering Services and Costs:					
Salaries and Wages	121,000.00	125,000.00	123,507.29	1,492.71	
Other Expenses	191,400.00	169,400.00	127,022.46	42,377.54	
Road Repair and Maintenance:					
Salaries and Wages	735,000.00	696,000.00	665,094.99	30,905.01	
Other Expenses	131,000.00	161,000.00	154,440.54	6,559.46	
Snow Removal:					
Salaries and Wages	64,000.00	45,000.00	43,297.58	1,702.42	
Other Expenses	70,000.00	108,000.00	105,077.11	2,922.89	
Traffic Maintenance:					
Salaries and Wages	122,500.00	116,500.00	113,739.86	2,760.14	
Other Expenses	18,000.00	16,000.00	15,611.34	388.66	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(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	\$ 8,000.00	\$ 12,000.00	\$ 5,728.85	\$ 6,271.15	
Other Expenses	2,500.00	500.00		500.00	
Sewer System:					
Salaries and Wages	85,000.00	73,000.00	70,526.06	2,473.94	
Other Expenses	24,900.00	41,900.00	39,519.38	2,380.62	
Parking Lot and Meter Maintenance:					
Salaries and Wages	175,000.00	175,000.00	167,857.30	7,142.70	
Other Expenses	24,000.00	42,000.00	34,603.90	7,396.10	
Emergency Hire:					
Salaries and Wages	1,500.00	1,500.00		1,500.00	
Leaf Removal:					
Other Expenses - Tipping Fees	63,000.00	63,000.00	61,487.00	1,513.00	
Other Expenses - Landscapers	25,000.00	25,000.00	25,000.00		
Recycling:					
Salaries and Wages	615,000.00	602,000.00	588,823.97	13,176.03	
Other Expenses	24,400.00	24,400.00	22,934.14	1,465.86	
Total Department of Public Works	2,504,450.00	2,499,450.00	2,366,521.77	132,928.23	
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	489.00	511.00	
Recreation Committee of Nutley:					
Salaries and Wages	151,900.00	173,900.00	161,614.13	12,285.87	
Other Expenses	28,900.00	39,900.00	35,957.75	3,942.25	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(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	\$ 375,650.00	\$ 415,650.00	\$ 414,634.47	\$ 1,015.53	
Other Expenses	100,000.00	137,500.00	136,926.02	573.98	
Communications and Technology Services:					
Salaries and Wages	38,100.00	38,100.00	35,493.12	2,606.88	
Shade Tree Commission:					
Salaries and Wages	329,471.00	316,971.00	316,477.41	493.59	
Other Expenses	40,000.00	64,500.00	59,261.45	5,238.55	
Senior Citizens Transportation:					
Salaries and Wages	109,000.00	110,000.00	109,149.06	850.94	
Other Expenses	6,000.00	9,000.00	6,906.86	2,093.14	
Debris Removal:					
Other Expenses	10,500.00	10,500.00	9,494.00	1,006.00	
Parks and Playgrounds:					
Salaries and Wages	1,064,887.00	1,036,887.00	1,028,752.66	8,134.34	
Other Expenses	99,150.00	146,650.00	124,379.20	22,270.80	
Total Department of Parks and Public Property	2,356,808.00	2,502,808.00	2,441,785.13	61,022.87	
Insurance:					
Group Insurance Plan for Employees	4,897,568.00	4,809,568.00	4,588,176.02	221,391.98	
Other Liability Insurance Premiums	563,000.00	553,000.00	538,052.55	14,947.45	
Workers Compensation Insurance	780,000.00	732,000.00	724,555.29	7,444.71	
State Uniform Construction Code:					
Salaries and Wages	312,000.00	353,000.00	339,823.49	13,176.51	
Other Expenses	36,000.00	43,000.00	41,851.38	1,148.62	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
Elevator Inspection Fees:					
Other Expenses	\$ 31,000.00	\$ 31,000.00	\$ 27,123.00	\$ 3,877.00	
UNCLASSIFIED:					
Gasoline	260,000.00	250,000.00	194,186.49	55,813.51	
Fuel Oil	60,000.00	60,000.00	50,497.98	9,502.02	
Electricity	396,000.00	396,000.00	314,063.09	81,936.91	
Street Lighting	314,000.00	319,000.00	288,087.09	30,912.91	
Telephone	152,640.00	152,640.00	149,705.01	2,934.99	
Total Operations Within "CAPS"	30,271,891.00	30,306,891.00	29,083,819.63	1,223,071.37	
Contingent	72,500.00	77,500.00	73,420.41	4,079.59	
Total Operations Including Contingent Within "CAPS"	30,344,391.00	30,384,391.00	29,157,240.04	1,227,150.96	
Detail:					
Salaries and Wages	17,833,540.00	17,537,040.00	17,181,918.28	355,121.72	
Other Expenses	12,510,851.00	12,847,351.00	11,975,321.76	872,029.24	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
Deferred Charges:					
Prior Year's Bills:					
Bergen County Department of P.S. - 2/2001-4/2001	530.00	530.00	530.00		
Pennoni - 12/2007	3,449.15	3,449.15	3,449.15		

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS" (Continued):					
Statutory Expenditures:					
Contributions to:					
Public Employees Retirement System	\$ 637,887.00	\$ 637,887.00	\$ 637,887.00		
Social Security System (O.A.S.I.)	808,500.00	808,500.00	737,249.03	\$ 71,250.97	
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	1,835,614.00	1,835,614.00	1,835,614.00		
Consolidated Police and Firemen's Pension Fund	13,000.00	13,000.00	12,327.95	672.05	
Public Employees' Retirement System - ERIP	115,689.00	115,689.00	115,689.00		
Police & Firemen's Retirement System - ERIP	81,073.00	81,073.00	81,073.00		
Unemployment Compensation Insurance	125,000.00	125,000.00	50,000.00	75,000.00	
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"	<u>3,626,802.15</u>	<u>3,626,802.15</u>	<u>3,479,879.13</u>	<u>146,923.02</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>33,971,193.15</u>	<u>34,011,193.15</u>	<u>32,637,119.17</u>	<u>1,374,073.98</u>	
Operations Excluded from "CAPS":					
Public Assistance (State Aid Agreement) (N.J.S.A. 44:8-139)	1,000.00	1,000.00	165.88	834.12	
Passaic Valley Sewer Commission:					
Other Expenses	3,242,000.00	3,242,000.00	3,241,799.77	200.23	
Maintenance of Free Public Library	1,461,395.00	1,461,395.00	1,461,395.00		
NJPDES Stormwater Permit (N.J.S.A. 40A:-45.3(cc)):					
Street Division:					
Salaries and Wages	30,000.00	30,000.00		30,000.00	
Other Expenses	10,000.00	10,000.00	4,103.06	5,896.94	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
LOSAP:					
First Aid Organization	\$ 1,000.00	\$ 1,000.00		\$ 1,000.00	
Fire	12,000.00	22,000.00	\$ 22,000.00		
Interlocal Municipal Service Agreement - Health Services - Montclair Township	15,666.00	15,666.00	10,385.97	5,280.03	
State and Federal Programs Offset by Revenues:					
Public Health Priority Funding Act of 1977	12,126.00	12,126.00	12,126.00		
Senior Citizen's Health Project Grant	5,400.00	5,400.00	5,400.00		
Safe and Secure Communities Grant:					
State Share	58,852.00	58,852.00	58,852.00		
Local Share	14,713.00	14,713.00	14,713.00		
Municipal Alliance Grant:					
State Share	21,750.00	21,750.00	13,072.69	8,677.31	
Local Share	5,437.50	5,437.50	3,115.19	2,322.31	
Clean Communities Program	27,880.00	27,880.00	15,911.74	11,968.26	
Reserve for Clean Communities Program	2,368.20	2,368.20		2,368.20	
Community Environmental Health Act	102,198.00	102,198.00	102,198.00		
Matching Funds for Grants	2,369.00	2,369.00		2,369.00	
NJ Shares Program	6,000.00	6,000.00		6,000.00	
Green Communities Grant	3,000.00	3,000.00		3,000.00	
NJ Transit Jitney Grant	30,000.00	30,000.00	29,325.77	674.23	
Occupant Protection Program - Click It or Ticket - (N.J.S.A. 40A:4-87 +\$4,000.00)		4,000.00	3,275.00	725.00	
Community Stewardship Incentive Program - (N.J.S.A. 40A:4-87 +\$25,000.00)		25,000.00	21,905.00	3,095.00	
Total Operations Excluded from "CAPS"	5,065,154.70	5,104,154.70	5,019,744.07	84,410.63	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
Detail:					
Salaries and Wages	\$ 30,000.00	\$ 30,000.00		\$ 30,000.00	
Other Expenses	5,035,154.70	5,074,154.70	\$ 5,019,744.07	54,410.63	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	75,000.00	75,000.00	75,000.00		
Total Capital Improvements Excluded from "CAPS"	75,000.00	75,000.00	75,000.00		
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	1,223,050.00	1,223,050.00	1,223,050.00		
Payment of Bond Anticipation Notes	300,000.00	300,000.00	300,000.00		
Interest on Bonds	260,000.00	260,000.00	244,989.50		\$ 15,010.50
Interest on Notes	70,000.00	70,000.00	67,818.66		2,181.34
State of New Jersey - Wastewater Treatment Loan:					
Principal	197,000.00	197,000.00	196,218.34		781.66
Interest	49,700.00	49,700.00	40,804.20		8,895.80
Total Municipal Debt Service Excluded from "CAPS"	2,099,750.00	2,099,750.00	2,072,880.70		26,869.30
Deferred Charges - Excluded from "CAPS":					
Special Emergency Authorizations (N.J.S.A. 40A:4-55)	10,000.00	10,000.00	10,000.00		
Deferred Charges to Future Taxation - Unfunded Ordinances	100,000.00	100,000.00	100,000.00		
Total Deferred Charges - Excluded from "CAPS"	110,000.00	110,000.00	110,000.00		

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

	<u>Appropriations</u>		<u>Expended by</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Canceled</u>
Total General Appropriations - Excluded from "CAPS"	\$ 7,349,904.70	\$ 7,388,904.70	\$ 7,277,624.77	\$ 84,410.63	\$ 26,869.30
Subtotal General Appropriations	41,321,097.85	41,400,097.85	39,914,743.94	1,458,484.61	26,869.30
Reserve for Uncollected Taxes	3,955,747.36	3,955,747.36	3,955,747.36		
Total General Appropriations	<u>\$ 45,276,845.21</u>	<u>\$ 45,355,845.21</u>	<u>\$ 43,870,491.30</u>	<u>\$ 1,458,484.61</u>	<u>\$ 26,869.30</u>

Ref.

A

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009
(Continued)

		Analysis of	
	<u>Ref.</u>	Budget After Modification	Paid or Charged
Adopted Budget		\$ 45,276,845.21	
Appropriation by N.J.S.A. 40A:4-87		29,000.00	
Special Emergency Appropriation NJSA 40A:4-53		50,000.00	
		\$ 45,355,845.21	
Reserve for Uncollected Taxes			\$ 3,955,747.36
Reserve for Encumbrances	A		1,321,614.04
Reserve for Master Plan Review			50,000.00
Due General Capital Fund			175,000.00
Deferred Charges - Special Emergency Authorizations			10,000.00
Cash Disbursed			38,953,552.05
			44,465,913.45
Less: Appropriation Refunds			595,422.15
			\$ 43,870,491.30

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
TRUST FUNDS

TOWNSHIP OF NUTLEY
COMPARATIVE BALANCE SHEET - TRUST FUNDS

B

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents - Treasurer	B-4	\$ 6,677.70	\$ 9,228.00
Other Trust Funds:			
Cash and Cash Equivalents	B-4	1,700,662.11	1,611,338.84
Due Current Fund	A	151,519.00	220,519.54
		<u>1,852,181.11</u>	<u>1,831,858.38</u>
 TOTAL ASSETS		 <u>\$ 1,858,858.81</u>	 <u>\$ 1,841,086.38</u>
 <u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due State of New Jersey		\$ 22.80	\$ 138.60
Reserve for Animal Control Expenditures	B-6	6,654.90	9,089.40
		<u>6,677.70</u>	<u>9,228.00</u>
Other Trust Funds:			
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits		42,567.46	39,902.46
Reserve for:			
Dedicated Revenue:			
Sealer of Weights & Measures		27,540.75	24,565.75
Uniform Fire Safety - Penalties		12,711.18	14,203.85
Unemployment Insurance		328,910.12	266,444.14
Living Tree Memorial Program		9,577.70	5,561.70
Recreation Commission Fees		65,074.90	88,135.92
Parking Offense Adjudication Act		21,192.09	19,230.09
Recycling		162,686.87	155,052.09
Community Environmental Health Act		127,480.78	155,235.51
Tax Sale Premiums		250,700.00	323,700.00
Community Development Block Grants		0.05	0.05
Accumulated Sick and Vacation Pay		599,205.75	564,001.31
Snow Removal		144,050.57	144,050.57
Civic Celebration		14,236.83	11,494.23
Law Enforcement Expenditures		368.00	928.00
Mayor's Wellness Program		4,165.71	4,615.88
COAH		36,058.74	14,736.83
Go Green Program		3,288.99	
Breast Cancer Awareness Program		1,281.61	
Municipal Alliance Program		1,083.01	
		<u>1,852,181.11</u>	<u>1,831,858.38</u>
 TOTAL LIABILITIES AND RESERVES		 <u>\$ 1,858,858.81</u>	 <u>\$ 1,841,086.38</u>

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

TOWNSHIP OF NUTLEY
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE
YEAR ENDED DECEMBER 31, 2009

B-1

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

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
YEAR ENDED DECEMBER 31, 2009

B-3

NOT APPLICABLE

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
GENERAL CAPITAL FUND

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET

C

	Ref.	December 31,	
		2009	2008
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 82,404.85	\$ 82,180.52
Due Current Fund	A	3,654,417.01	1,818,790.24
Due Water Utility Operating Fund	D	50,000.00	50,000.00
Grants Receivable:			
NJ Department of:			
Community Affairs		66,639.00	91,639.00
Transportation		170,104.36	184,178.21
Due County of Essex		350,000.00	125,000.00
Deferred Charges to Future Taxation:			
Funded		10,828,736.48	7,548,004.82
Unfunded	C-4	1,974.73	3,879,881.23
TOTAL ASSETS		<u>\$ 15,204,276.43</u>	<u>\$ 13,779,674.02</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 9,608,000.00	\$ 6,043,000.00
Loans Payable:			
NJ Environmental Infrastructure Trust	C-9	1,220,736.48	1,416,954.82
Essex County Improvement Authority	C-9A		88,050.00
Bond Anticipation Notes Payable	C-7		1,734,000.00
Improvement Authorizations:			
Funded	C-5	4,062,620.17	1,179,242.71
Unfunded	C-5	1,974.73	2,992,844.94
Capital Improvement Fund	C-6	236,491.97	226,128.47
Reserve for:			
Local Improvements		60,621.00	85,621.00
Redesign of Nutley Streets		3,154.09	3,154.09
Fund Balance	C-1	10,677.99	10,677.99
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 15,204,276.43</u>	<u>\$ 13,779,674.02</u>

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

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE

C-1

	<u>Ref.</u>	
Balance December 31, 2008	C	<u>\$ 10,677.99</u>
Balance December 31, 2009	C	<u>\$ 10,677.99</u>

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
WATER UTILITY FUND

TOWNSHIP OF NUTLEY
WATER UTILITY FUND
COMPARATIVE BALANCE SHEET

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 1,627,716.31	\$ 1,704,878.51
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	605,073.21	578,583.02
Inventory	D-7	19,385.62	20,205.82
Total Receivables and Inventory with Full Reserves	D	624,458.83	598,788.84
Total Operating Fund		2,252,175.14	2,303,667.35
Capital Fund:			
Cash and Cash Equivalents	D-4	183.05	183.05
Due Water Utility Operating Fund	D	348,954.52	267,954.52
Fixed Capital	D-9	1,698,871.48	1,498,938.96
Fixed Capital Authorized and Uncompleted	D-10	343,211.50	521,700.00
Total Capital Fund		2,391,220.55	2,288,776.53
<u>TOTAL ASSETS</u>		<u>\$ 4,643,395.69</u>	<u>\$ 4,592,443.88</u>

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

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	December 31,	
		2009	2008
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-11	\$ 145,763.19	\$ 265,198.38
Encumbered	D-3;D-11	104,585.73	48,519.39
Total Appropriation Reserves		250,348.92	313,717.77
Accrued Interest on Bonds		580.00	1,123.75
Water Rent Overpayments		161.91	
Due General Capital Fund	C	50,000.00	50,000.00
Due Water Utility Capital Fund	D	348,954.52	267,954.52
		650,045.35	632,796.04
Reserve for Receivables and Inventory	D	624,458.83	598,788.84
Fund Balance	D-1	977,670.96	1,072,082.47
Total Operating Fund		2,252,175.14	2,303,667.35
Capital Fund:			
Serial Bonds Payable	D-17	64,000.00	124,000.00
Improvement Authorizations:			
Funded	D-12	83,450.19	178,725.69
Unfunded	D-12		20,558.00
Due Current Fund	A	173,162.27	35,884.75
Reserve for:			
Payment of Debt Service		33,120.00	
Down Payments on Improvements	D-13	32,369.60	32,464.60
Amortization	D-15	1,744,871.48	1,773,938.96
Deferred Amortization	D-15A	233,211.50	96,625.00
Fund Balance	D-1A	27,035.51	26,579.53
Total Capital Fund		2,391,220.55	2,288,776.53
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		<u>\$ 4,643,395.69</u>	<u>\$ 4,592,443.88</u>

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

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND

D-1

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN OPERATING FUND BALANCE

	<u>Ref.</u>	<u>Year Ended December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>Revenue and Other Income Realized</u>			
Fund Balance Utilized	\$	276,780.00	\$ 271,820.00
Rents		3,596,577.14	3,709,164.51
Sale of Water Meters		29,575.00	14,270.00
Nonbudget Revenue		35,573.60	63,006.61
Other Credits to Income:			
Water Rent Overpayments Canceled			121.96
Appropriation Reserves Lapsed		208,864.00	145,861.59
Total Income		<u>4,147,369.74</u>	<u>4,204,244.67</u>
 <u>Expenditures</u>			
Budget Expenditures:			
Operating		3,701,400.00	3,684,000.00
Capital Improvements		1,000.00	1,000.00
Debt Service		63,951.25	66,070.00
Deferred Charges and Statutory Expenditures		198,650.00	198,650.00
Total Expenditures		<u>3,965,001.25</u>	<u>3,949,720.00</u>
Excess in Revenue/Statutory Excess to Fund Balance		182,368.49	254,524.67
 <u>Fund Balance</u>			
Balance January 1		<u>1,072,082.47</u>	<u>1,089,377.80</u>
		1,254,450.96	1,343,902.47
Decreased by:			
Utilization as Anticipated Revenue		<u>276,780.00</u>	<u>271,820.00</u>
Balance December 31	D	<u>\$ 977,670.96</u>	<u>\$ 1,072,082.47</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

D-1A

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 26,579.53
Increased by:		
Improvement Authorizations Canceled		<u>116,455.98</u>
		143,035.51
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>116,000.00</u>
Balance December 31, 2009	D	<u>\$ 27,035.51</u>

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

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE
YEAR ENDED DECEMBER 31, 2009

D-2

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Surplus Anticipated	\$ 276,780.00	\$ 276,780.00	
Rents	3,675,000.00	3,596,577.14	\$ 78,422.86 *
Sale of Water Meters	14,270.00	29,575.00	15,305.00
	<u>3,966,050.00</u>	<u>3,902,932.14</u>	<u>63,117.86 *</u>
Nonbudget Revenue		<u>35,573.60</u>	<u>35,573.60</u>
	<u>\$ 3,966,050.00</u>	<u>\$ 3,938,505.74</u>	<u>\$ 27,544.26 *</u>

Analysis of Nonbudget Revenue

Collector:	
Water Service Renewals	\$ 25,435.35
Treasurer:	
Prior Year Refunds	1,414.56
Interest on Investments	<u>8,723.69</u>
	<u>\$ 35,573.60</u>

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

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES
YEAR ENDED DECEMBER 31, 2009

D-3

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget	Paid or Charged	Reserved	
		After Modification			
Operating:					
Salaries and Wages	\$1,232,000.00	\$1,217,000.00	\$ 1,194,678.53	\$ 22,321.47	
Other Expenses	447,000.00	447,000.00	419,116.28	27,883.72	
Other Expenses:					
N.J. Water Supply	1,192,400.00	1,192,400.00	1,192,395.96	4.04	
Passaic Valley Water Commission	460,000.00	475,000.00	434,618.40	40,381.60	
City of Newark Water Purchase	120,000.00	120,000.00	101,732.54	18,267.46	
Town of Kearny Water Purchase	250,000.00	250,000.00	241,340.20	8,659.80	
Capital Improvements:					
Down Payments on Improvements	1,000.00	1,000.00	1,000.00		
Debt Service:					
Payment of Bond Principal	60,000.00	60,000.00	60,000.00		
Interest on Bonds	5,000.00	5,000.00	3,951.25		\$ 1,048.75
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Deferred Charges to Future Revenue	80,000.00	80,000.00	80,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	20,000.00	20,000.00		20,000.00	
Social Security System (O.A.S.I.)	97,650.00	97,650.00	90,404.90	7,245.10	
Unemployment Compensation Insurance - (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00	
	<u>\$3,966,050.00</u>	<u>\$3,966,050.00</u>	<u>\$ 3,819,238.06</u>	<u>\$145,763.19</u>	<u>\$ 1,048.75</u>
				D	
Cash Disbursed			\$ 3,641,337.94		
Accrued Interest on Bonds			3,951.25		
Encumbrances Payable			104,585.73		
Due Water Utility Capital Fund:					
Down Payments on Improvements			81,000.00		
			<u>3,830,874.92</u>		
Less: Appropriation Refunds			<u>11,636.86</u>		
			<u>\$ 3,819,238.06</u>		

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
PUBLIC ASSISTANCE FUND

TOWNSHIP OF NUTLEY
PUBLIC ASSISTANCE FUND
COMPARATIVE BALANCE SHEET

F

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2009</u>	<u>2008</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	<u>\$ 272,086.70</u>	<u>\$ 239,656.63</u>
TOTAL ASSETS		<u><u>\$ 272,086.70</u></u>	<u><u>\$ 239,656.63</u></u>
 <u>RESERVES</u>			
Reserve for Public Assistance Expenditures		<u>\$ 272,086.70</u>	<u>\$ 239,656.63</u>
TOTAL RESERVES		<u><u>\$ 272,086.70</u></u>	<u><u>\$ 239,656.63</u></u>

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

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

H

	December 31,	
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Land and Site Improvements	\$ 14,128,899.00	\$ 14,071,777.00
Buildings	8,738,403.00	8,716,393.00
Equipment and Vehicles	8,919,583.00	8,453,237.00
 TOTAL ASSETS	 <u>\$ 31,786,885.00</u>	 <u>\$ 31,241,407.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 31,786,885.00</u>	<u>\$ 31,241,407.00</u>
 TOTAL RESERVES	 <u>\$ 31,786,885.00</u>	 <u>\$ 31,241,407.00</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, 2009

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, 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 principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the 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.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
 (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 accounting policies of the Township of Nutley conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which differ in certain respects from accounting principles generally accepted in the United States of America applicable to local governmental units. The following is a summary of the significant 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.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

C. Basis of Accounting (Cont'd)

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.

- D. Deferred Charges to Future Taxation - The 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.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

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

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 are not included on the various balance sheets.

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 General 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 Group may also be recorded in the Current, General Capital and Water Utility Funds. The values recorded in the General Fixed Asset Account 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. Capital 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, 2009
(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,		
	2009	2008	2007
<u>Issued:</u>			
Bonds, Notes and Loans:			
General	\$ 10,828,736	\$ 9,282,005	\$ 9,906,507
Water Utility	64,000	124,000	184,000
Total Issued	<u>10,892,736</u>	<u>9,406,005</u>	<u>10,090,507</u>
<u>Authorized but not Issued:</u>			
Bonds and Notes:			
General	1,975	2,145,881	1,660,361
Water Utility		26,075	95,625
Total Authorized but not Issued	<u>1,975</u>	<u>2,171,956</u>	<u>1,755,986</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 10,894,711</u>	<u>\$ 11,577,961</u>	<u>\$ 11,846,493</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 .25%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 52,828,000	\$ 52,828,000	
General Debt	10,830,711		\$ 10,830,711
Water Utility Debt	64,000	64,000	
	<u>\$ 63,722,711</u>	<u>\$ 52,892,000</u>	<u>\$ 10,830,711</u>

Net Debt: \$10,830,711 divided by Average Equalized Valuations of \$4,337,857,185 of Real Property = .25%.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(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	\$ 151,825,001
Net Debt	<u>10,830,711</u>
Remaining Borrowing Power	<u><u>\$ 140,994,290</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	\$ 4,147,370
Deductions:	
Operating and Maintenance Cost	\$ 3,820,050
Debt Service	<u>63,951</u>
Total Deductions	<u>3,884,001</u>
Excess in Revenue	<u><u>\$ 263,369</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>12/31/08</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/09</u>
Serial Bonds:				
General Capital Fund	\$ 6,043,000	\$ 4,700,000	\$ 1,135,000	\$ 9,608,000
Water Utility	124,000		60,000	64,000
Bond Anticipation Notes:				
General Capital Fund	1,734,000		1,734,000	
Loans Payable:				
General Capital Fund:				
NJEIT	1,416,955		196,219	1,220,736
ECIA	88,050		88,050	
Total	<u><u>\$ 9,406,005</u></u>	<u><u>\$ 4,700,000</u></u>	<u><u>\$ 3,213,269</u></u>	<u><u>\$ 10,892,736</u></u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

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

	<u>Balance</u> <u>12/31/07</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>12/31/08</u>
Serial Bonds:				
General Capital Fund	\$ 7,168,000		\$ 1,125,000	\$ 6,043,000
Water Utility	184,000		60,000	124,000
Bond Anticipation Notes:				
General Capital Fund	946,000	\$ 1,088,000	300,000	1,734,000
Loans Payable:				
General Capital Fund:				
NJEIT	1,616,407		199,452	1,416,955
ECIA	176,100		88,050	88,050
Total	<u>\$ 10,090,507</u>	<u>\$ 1,088,000</u>	<u>\$ 1,772,502</u>	<u>\$ 9,406,005</u>

The Township's debt issued and outstanding on December 31, 2009 is described as follows:

General Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest</u> <u>Rate</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
	<u>Date</u>	<u>Amount</u>		
General Improvements	08/15/10-11	\$ 600,000	4.85%	\$ 1,362,000
	08/15/12	162,000	4.85%	
General Improvements	10/01/10	400,000	3.625%	3,546,000
	10/01/11-16	450,000	3.625%	
	10/01/17	446,000	3.625%	
General Improvements	12/01/10-11	300,000	2.000%	4,700,000
	12/01/12	600,000	2.000%	
	12/01/13	600,000	2.500%	
	12/01/14	600,000	2.750%	
	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%	
			<u>4,700,000</u>	
			<u>\$ 9,608,000</u>	

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

The Township's debt issued and outstanding on December 31, 2009 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, 2009</u>
Nutley Quarry Trunk Sanitary	Trust Loan	08/01/16	2.00%	\$ 875,000
Sewer Replacement	Fund Loan	08/01/13	0.00%	<u>345,736</u>
				<u>\$ 1,220,736</u>

Water Utility Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2009</u>
	<u>Date</u>	<u>Amount</u>		
Water Improvements	10/01/10	\$ 64,000	3.625%	<u>\$ 64,000</u>
TOTAL DEBT ISSUED AND OUTSTANDING				<u>\$ 10,892,736</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>	
2010	\$ 1,501,218	\$ 371,100	\$ 64,000	\$ 2,320	\$ 1,938,638
2011	1,564,291	316,250			1,880,541
2012	1,430,806	259,087			1,689,893
2013	1,226,421	216,918			1,443,339
2014	1,050,000	179,355			1,229,355
Thereafter:					
2015-2018	<u>4,056,000</u>	<u>313,690</u>			<u>4,369,690</u>
Total	<u>\$ 10,828,736</u>	<u>\$ 1,656,400</u>	<u>\$ 64,000</u>	<u>\$ 2,320</u>	<u>\$ 12,551,456</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
 (Continued)

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

NJ Environmental Infrastructure Trust (NJEIT) Loans

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, 2009, the Township has 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.

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

Trust Loan	\$	875,000
Fund Loan		<u>345,736</u>
		<u><u>\$ 1,220,736</u></u>

Note 3: Fund Balances Appropriated

The budget for the year ending December 31, 2010 has not been introduced as of the date of this report. Therefore, fund balances at December 31, 2009 to be appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2010 are not known.

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the exceeding years. At December 31, 2009, the following deferred charge is shown on the balance sheet of the following fund:

	2010 Required Budget Appropriation	Balance Deferred to Succeeding Years' Budgets
Balance Dec. 31, 2009		
Current Fund:		
Special Emergency Appropriation - (N.J.S.A. 40A:4-53)	\$ 80,000.00	\$ 20,000.00
	<u><u>\$ 80,000.00</u></u>	<u><u>\$ 20,000.00</u></u>

The 2010 Budget Appropriation will not be less than that required by statute.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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. The State of New Jersey sponsors and administers these two plans which cover substantially all Township employees. As a general rule, all full-time employees are eligible to join one of the two public employee retirement systems. Several retired Township police and firemen are enrolled in the Consolidated Police and Firemen's Pension Fund (CPFPPF) of New Jersey.

Employees who are members of PERS and retire at or after age 55 are entitled to a retirement benefit based upon a formula which takes 1/55th of the average annual compensation for the highest three fiscal year's compensation for each year of membership 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 State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above systems. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employee contributions are based on percentages of 5.5% for PERS and 8.5% for PFRS of employees' annual compensation, as defined. There are no active members in the CPFPPF. Employers are required to contribute at an actuarially determined rate in the three Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits. In the PERS, the employer contribution includes funding for post-retirement medical premiums.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 6: Pension Plans (Cont'd)

For PFRS and PERS, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

Three-Year Trend for PERS			
Year Funding June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 657,887	100.00%	\$ 657,887
2008	728,649	80.00%	582,919
2007	640,872	60.00%	384,523

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PERS for local employers for State fiscal years 2005-2008. The local employer PERS normal and accrued liability contributions required for State fiscal years 2005-2008 are as follows:

- 20% for payments due in State fiscal year 2005
- Not more than 40% for payments due in State fiscal year 2006
- Not more than 60% for payments due in State fiscal year 2007
- Not more than 80% for payments due in State fiscal year 2008

Three-Year Trend for PFRS			
Year Funding June 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 1,835,614	100.00%	\$ 1,835,614
2008	1,847,860	100.00%	1,847,860
2007	1,492,499	80.00%	1,193,999

Effective July 1, 2003, Chapter 108, P.L. 2003 provides for a reduction or "phase-in" of the required pension contribution to PFRS for local employers for State fiscal years 2004-2007. The local employer PFRS normal and accrued liability contributions required for State fiscal years 2004-2007 are as follows:

- 20% for payments due in State fiscal year 2004
- Not more than 40% for payments due in State fiscal year 2005
- Not more than 60% for payments due in State fiscal year 2006
- Not more than 80% for payments due in State fiscal year 2007

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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 would approximate \$2,659,838. 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 reserved in the Reserve for Accrued Sick and Vacation Pay of \$599,206 reflected on the Other Trust Funds' balance sheet as of December 31, 2009.

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 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2008.pdf>.

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.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

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 the years ended December 31, 2009, 2008 and 2007, were approximately \$1,476,812, \$1,412,441, and \$1,461,383, respectively, which equaled the required contributions for each year. There were 104 retired participants eligible at December 31, 2009, 2008 and 2007, 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, 2009, 2008 and 2007, were approximately \$30,950, \$31,288 and \$38,614, respectively, which equaled the required contributions for each year. There were 30, 31 and 38 retired participants eligible at December 31, 2009, 2008 and 2007, respectively.

Note 9: Deferred Compensation Plan

The Township offers its employees a choice of two deferred compensation plans (the "plans") created in accordance with Section 457 of the Internal Revenue Code. The plans, which are administered by Nationwide and Citistreet, 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.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 10: Selected Tax Information (Cont'd)

Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate</u>	<u>\$ 2.38</u>	<u>\$ 2.28</u>	<u>\$ 2.18</u>
<u>Apportionment of Tax Rate</u>			
Municipal	0.83	0.80	0.75
County	0.41	0.41	0.41
Local School	1.14	1.07	1.02
<u>Assessed Valuations</u>			
2009	<u>\$ 4,139,359,100</u>		
2008		<u>\$ 4,176,524,000</u>	
2007			<u>\$ 4,163,063,500</u>

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2009	\$ 98,917,056	\$ 96,961,181	98.02%
2008	95,792,063	93,893,662	98.01%
2007	91,096,689	89,281,893	98.00%

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.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

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 below and 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.

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;

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

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

Investments: (Cont'd)

New Jersey statutes permit the Township to purchase the following types of securities: (Cont'd)

- (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.

As of December 31, 2009, 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	\$ 185,550	\$ 10,733,394	\$ 2,003,864	\$ 12,923,108
Animal Control		6,678			6,678
Other Trust		1,105,367	595,295		1,700,662
General Capital		82,405			82,405
Water Utility Operating		142,787		1,484,929	1,627,716
Water Utility Capital		183			183
Public Assistance		125,005		147,082	272,087
	<u>\$ 300</u>	<u>\$ 1,647,975</u>	<u>\$ 11,328,689</u>	<u>\$ 3,635,875</u>	<u>\$ 16,612,839</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
 (Continued)

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

During the period ended December 31, 2009, 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, 2009, was \$16,612,839 and the bank balance was \$16,672,105. The carrying amount of the Township's cash and cash equivalents at December 31, 2008, was \$14,509,494 and the bank balance was \$14,477,707.

Note 12: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2009:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 173,162	\$ 3,805,936
Other Trust Funds	151,519	
General Capital Fund	3,704,417	
Water Utility Operating Fund		398,955
Water Utility Capital Fund	348,955	173,162
	<u>\$ 4,378,053</u>	<u>\$ 4,378,053</u>

The Current Fund interfund receivable of \$173,162 is a result of the Current Fund disbursing funds on the Water Utility Capital Fund's behalf. The Current Fund interfund payable represents \$151,519 due to the Other Trust Funds for the unexpended appropriation reserve balance for accrued sick and vacation pay and on-behalf receipts for uniform fire safety penalties and \$3,654,417 due to the General Capital Fund as a result of receiving and disbursing funds on the General Capital Fund's behalf. The Water Utility Operating Fund interfund payable represents \$348,955 due to the Water Utility Capital Fund (\$81,000 current year appropriations and \$267,955 from prior years not cleared as of December 31, 2009) and \$50,000 due to the General Capital Fund from the prior year not cleared as of December 31, 2009.

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.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 13: Risk Management (Cont'd)

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 Government 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, 2009 audit report of the Suburban Essex Municipal Joint Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2008 is as follows:

Total Assets	<u>\$ 9,410,448</u>
Net Assets	<u>\$ 2,596,221</u>
Total Revenue	<u>\$ 8,236,801</u>
Total Expenses	<u>\$ 8,918,841</u>
Change in Net Assets for the Year Ended December 31	<u>\$ (682,040)</u>
Net Assets Distribution to Participating Members	<u>\$ -0-</u>

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

Suburban Essex Municipal Joint Insurance Fund
PERMA Risk Management Services
250 Pehle Avenue, Suite 701
Saddle Brook, New Jersey 07663
(201) 587-0555

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2009
(Continued)

Note 13: Risk Management (Cont'd)

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>
2009	\$ 150,000	\$ -0-	\$ 48	\$ 87,582	\$ 328,910
2008	90,000	24,487	1,569	48,951	266,444
2007	-0-	23,500	4,461	72,196	199,339

Note 14: Fixed Assets (Unaudited)

The following schedule is a summarization of general fixed assets for the fiscal year ended December 31, 2009:

	<u>Balance Dec. 31, 2008</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance Dec. 31, 2009</u>
Land and Site Improvements	\$ 14,071,777	\$ 57,122		\$ 14,128,899
Buildings	8,716,393	22,010		8,738,403
Equipment and Vehicles	8,453,237	466,346		8,919,583
	<u>\$ 31,241,407</u>	<u>\$ 545,478</u>	<u>\$ -0-</u>	<u>\$ 31,786,885</u>

Note 15: 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, 2009
(Continued)

Note 16: 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 \$350,000.

Hoffman-LaRoche, Inc. ("HLR") made overpayment to the Township for sewerage charges in the amount of \$750,000. At December 31, 2009, \$500,000 of the overpayment due to HLR remained unfunded and is payable over a period of ten years and is not expected to have a material adverse effect on the Township's financial position.

TOWNSHIP OF NUTLEY

SUPPLEMENTARY DATA

TOWNSHIP OF NUTLEY
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2009

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

Name	Title	Amount of Bond*	Name of Corporate or Personal Surety
Joanne Cocchiola	Mayor; Director of Public Affairs		
Thomas J. Evans	Director of Revenue and Finance		
Alphonse Petracco	Director of Public Safety		
Joseph P. Scarpelli	Director of Public Works		
Mauro G. Tucci	Director of Parks and Public Property		
Evelyn Rosario-Garcia	Township Clerk	\$ 50,000	Suburban Excess Municipal JIF
Rosemary Costa	Chief Financial Officer	1,000,000	Municipal Excess Liability JIF
George F. Librizzi	Tax Assessor		
Jodi DeMaio	Tax Collector	1,000,000	Municipal Excess Liability JIF
Kathleen A. Kirk	Assistant Tax Collector		
Michael Viola	Magistrate	50,000	Suburban Excess Municipal JIF
Patricia Conroy	Municipal Court Administrator	50,000	Suburban Excess Municipal JIF
Ann Rizos	Deputy Municipal Court Administrator	50,000	Suburban Excess Municipal JIF
Thomas Restaino	Health Officer		
JoAnn Dunleavy	Senior Clerk; Registrar		
Lorraine Travers	Welfare Director	50,000	Suburban Excess Municipal JIF
William Spiezio	Code Enforcement Officer		
John Holland	Police Chief		
Thomas Peters	Fire Chief		
Kevin Harkins	Township Attorney		
Alan Genitempo	Assistant Township Attorney		

There is a Public Employee Dishonesty Bond with the Suburban Essex Municipal Joint Insurance Fund covering all court employees not required to be separately bonded in the amount of \$50,000.

There is a Public Employee Dishonesty Bond with the Suburban Essex Municipal Joint Insurance Fund covering all Township employees, except those required to be separately bonded and court employees, in the amount of \$50,000.

* All employees, who are not specifically bonded, are covered under a \$1,000,000 Faithful Performance Blanket Bond with the Municipal Excess Liability Joint Insurance Fund.

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
CURRENT FUND

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER

A-4
1 of 2

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ 10,861,728.77
Increased by Receipts:		
Tax Collector		\$ 99,543,959.89
Revenue Accounts Receivable		5,675,712.49
Miscellaneous Revenue Not Anticipated		238,312.22
Petty Cash Returned		650.00
Interest on Investments and Deposits		46,504.31
Due Other Trust Funds - Uniform Fire Safety - Penalties		1,519.00
Due General Capital Fund:		
Bond Proceeds		4,700,000.00
Grants Receivable - State of NJ Department of:		
Transportation		254,073.85
Community Affairs		25,000.00
Improvement Authorization Refunds		4,185.80
Reserve for Grant Funds Unappropriated:		
Clean Communities		10,926.27
Reserve for Payment in Lieu of Taxes - Senior Citizen Housing		8,987.44
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		316,445.86
Construction Code Surcharge Fees		70,011.00
Marriage License Fees		3,600.00
Burial Permits		30.00
Accounts Payable		250,000.00
Appropriation Refunds		595,422.15
		111,745,340.28
		122,607,069.05

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

A-4
2 of 2

	<u>Ref.</u>	
Decreased by Disbursements:		
2009 Appropriation Expenditures	\$ 38,953,552.05	
2008 Appropriation Reserve Expenditures	1,431,072.55	
Petty Cash Advanced	650.00	
Accounts Payable	14,129.84	
Local School District Taxes	47,290,245.50	
County Taxes	17,056,623.20	
Due Other Trust Funds - Interfund Returned	220,519.54	
Due General Capital Fund:		
Improvement Authorization Expenditures	1,888,408.55	
Bond Anticipation Notes Redeemed	1,434,000.00	
Due Water Utility Capital Fund:		
Improvement Authorization Expenditures	137,277.52	
Due State of New Jersey:		
Construction Code Surcharge Fees	65,599.00	
Marriage License Fees	3,650.00	
Burial Permits	130.00	
Reserve for:		
Pending Tax Appeals	181,583.11	
Redemption of Outside Liens	596,715.66	
Master Plan Review	48,371.25	
Refund of:		
Tax Overpayments	344,886.82	
Miscellaneous Revenue Anticipated:		
Fees and Permits	1,684.75	
Tree Removal Permits	250.00	
Prior Year Revenue:		
Taxes	14,911.78	
	14,911.78	
		\$109,684,261.12
Balance December 31, 2009	A	\$ 12,922,807.93

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2009

A-5

Increased by Receipts:

Taxes Receivable	\$ 97,989,393.58	
Interest and Costs on Taxes	224,673.10	
2010 Prepaid Taxes	420,134.99	
Tax Overpayments	328,400.38	
Redemption of Outside Liens	577,600.99	
Tax Search Fees/Miscellaneous	3,396.85	
Departmental Collections	360.00	
	<hr/>	
		\$ 99,543,959.89

Decreased by:

Payments to Municipal Treasurer		<u>\$ 99,543,959.89</u>
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SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2009

A-6

NOT APPLICABLE

TOWNSHIP OF NUTLEY

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2009 Levy	Collections		Overpayments Applied	State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance
	Dec. 31, 2008		2008	2009					Dec. 31, 2009
2005	\$ 2,741.21								\$ 2,741.21
2006	17,681.17						\$ 9,742.38		7,938.79
2007	3,192.76			\$ 583.62					2,609.14
2008	1,812,923.07			1,778,867.99		\$ 1,500.00		\$ 2,804.79	29,750.29
	1,836,538.21			1,779,451.61		1,500.00	9,742.38	2,804.79	43,039.43
2009		\$98,917,056.38	\$ 405,267.59	96,209,941.97	\$ 28,675.67	317,295.87	40,695.83	3,236.11	1,911,943.34
	<u>\$ 1,836,538.21</u>	<u>\$98,917,056.38</u>	<u>\$ 405,267.59</u>	<u>\$97,989,393.58</u>	<u>\$ 28,675.67</u>	<u>\$ 318,795.87</u>	<u>\$ 50,438.21</u>	<u>\$ 6,040.90</u>	<u>\$ 1,954,982.77</u>

Ref. A

A

Analysis of 2009 Property Tax Levy

Tax Yield:

General Purpose Tax	\$98,462,162.36
Business Personal Property Taxes	197,681.77
Added and Omitted Taxes (N.J.S.A. 54:4-63.1 et seq.)	257,212.25
	<u>\$98,917,056.38</u>

Tax Levy:

Local School District Taxes	\$47,290,245.50
County Taxes	\$16,343,198.61
County Open Space Taxes	647,572.25
Due County for Added and Omitted Taxes	44,768.33
	<u>17,035,539.19</u>
	64,325,784.69
Local Tax for Municipal Purposes Levied	34,347,174.61
Add: Additional Tax Levied	244,097.08
	<u>34,591,271.69</u>
	<u>\$98,917,056.38</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>Ref.</u>	
Balance December 31, 2008	A	\$ -0-
Increased by:		
Transfer from Taxes Receivable	\$ 6,040.90	
Interest and Costs Accrued at Tax Sale	<u>60.14</u>	
		<u>6,101.04</u>
Balance December 31, 2009	A	<u>\$ 6,101.04</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-9

	Balance	Accrued In	Collected by		Balance
	Dec. 31, 2008	2009	Collector	Treasurer	Dec. 31, 2009
Licenses:					
Alcoholic Beverages		\$ 28,583.28		\$ 28,583.28	
Other		25,729.00		25,729.00	
Fees and Permits:					
Municipal Clerk		233.75		233.75	
Building Inspector		84,191.00		84,191.00	
Board of Health		23,665.00		23,665.00	
Police		12,386.55		12,386.55	
Public Works		2,560.00		2,560.00	
Fire		1,045.50		1,045.50	
Tax Search Fees/Miscellaneous		3,396.85	\$ 3,396.85		
Fines and Costs:					
Municipal Court	\$ 27,955.61	401,062.06		396,589.42	\$ 32,428.25
Parking Meters		304,275.43		304,275.43	
Fees - Immunization Program		17,220.33		17,220.33	
Landscapers Leaf Removal Licenses		2,675.00		2,675.00	
Landscapers Leaf Removal Dumping Tickets		24,150.00		24,150.00	
Tree Removal Permits		3,250.00		3,250.00	
Consolidated Municipal Property Tax Relief Aid		908,517.00		908,517.00	
Energy Receipts Tax		2,298,788.00		2,298,788.00	
Uniform Construction Code Fees		559,657.00		559,657.00	
Township of Montclair - Health Services		8,268.75		8,268.75	
Clean Communities Program		27,880.00		27,880.00	
Safe and Secure Communities Grant		30,127.12		30,127.12	
Senior Citizens' Health Project Grant		4,050.00		4,050.00	
County of Essex Municipal Alliance Grant		4,230.00		4,230.00	
County Environmental Health Act		102,148.00		102,148.00	
NJ Transit Jitney Grant		27,557.95		27,557.95	
Occupant Protection Program - Click It or Ticket		3,275.00		3,275.00	
Community Stewardship Incentive Program		21,250.00		21,250.00	
Sewer Maintenance Fees:					
Due from:					
Town of Belleville		8,765.82		8,765.82	
Town of Bloomfield		51,403.17		51,403.17	
Regency Condominiums		7,185.00		7,185.00	
Payment in Lieu of Taxes - Senior Citizen Housing		105,930.48		105,930.48	
Passaic Valley Sewer Charges - User Charges		14,214.80		14,214.80	
Recycling Program		100,000.00		100,000.00	
Bureau of Housing Inspection		14,708.00		14,708.00	
Due from Hoffman-LaRoche - Debt Service		40,828.14		40,828.14	
Uniform Fire Safety Act		14,446.24		14,446.24	
P.I.L.O.T. - Nutley Senior Manor		42,888.45		42,888.45	
Cable Franchise Fee		285,178.87		285,178.87	
School Nursing Program		49,860.44		49,860.44	
Cell Phone Tower Lease		18,000.00		18,000.00	
	<u>\$ 27,955.61</u>	<u>\$ 5,683,581.98</u>	<u>\$ 3,396.85</u>	<u>\$ 5,675,712.49</u>	<u>\$ 32,428.25</u>

Ref.

A

A

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2009

A-10

NOT APPLICABLE

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

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	Balance Dec. 31, 2008	Balance After Transfers	Paid or Charged	Balance Lapsed
Mayor and Director of Public Affairs:				
Other Expenses	\$ 18.66	\$ 18.66		\$ 18.66
Administration of Public Assistance:				
Other Expenses	476.00	476.00		476.00
Department of Health - Local Health Agency:				
Salaries and Wages	3,362.60	3,362.60		3,362.60
Other Expenses	16,712.95	16,712.95	\$ 16,586.12	126.83
Animal Regulation:				
Other Expenses	1,264.14	1,264.14		1,264.14
Consumer Protection:				
Salaries and Wages	82.58	82.58		82.58
Other Expenses	84.62	84.62		84.62
Immunization Program:				
Other Expenses	1,799.90	1,799.90	1,177.75	622.15
Contractual:				
Air Pollution Control	1,560.00	1,560.00	1,488.00	72.00
Mental Health Program	10,000.00	10,000.00	10,000.00	
Garbage and Trash Removal	312,172.41	162,172.41	125,217.11	36,955.30
Contractual Aid to:				
Occupational Center, Orange, NJ	1,000.00	1,000.00	1,000.00	
NJ Association for Retarded Children	1,000.00	1,000.00	1,000.00	
Red Cross	15,000.00	15,000.00	15,000.00	
Mayor's Wellness Campaign:				
Other Expenses	100.00	100.00		100.00
Municipal Prosecutor:				
Salaries and Wages	9,999.94	9,999.94		9,999.94
Other Expenses	500.00	500.00		500.00
Board of Adjustment:				
Salaries and Wages	2,500.02	2,500.02		2,500.02
Other Expenses	9,828.08	9,828.08	2,503.25	7,324.83
Planning Board:				
Salaries and Wages	2,500.02	2,500.02		2,500.02
Other Expenses	3,001.59	3,001.59	750.00	2,251.59
Rent Leveling Board:				
Other Expenses	3,781.71	3,781.71	204.72	3,576.99
Township Attorney:				
Salaries and Wages	0.08	0.08		0.08
Other Expenses	14,128.57	14,128.57	1,962.50	12,166.07
Celebration of Public Events	36,793.06	36,793.06	35,321.47	1,471.59
Director of Revenue and Finance:				
Other Expenses	409.00	409.00		409.00
Assessment of Taxes:				
Salaries and Wages	182.93	182.93		182.93
Other Expenses	62,977.68	62,977.68	36,458.29	26,519.39
Collection of Taxes:				
Salaries and Wages	832.22	832.22	310.78	521.44
Other Expenses	6,384.43	6,384.43	326.75	6,057.68

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009
(Continued)

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2 of 5

	Balance Dec. 31, 2008	Balance After Transfers	Paid or Charged	Balance Lapsed
Treasurer's Office:				
Salaries and Wages	\$ 21,134.05	\$ 18,634.05	\$ 15,000.00	\$ 3,634.05
Other Expenses	4,297.07	6,797.07	6,261.24	535.83
Township Clerk's Office:				
Salaries and Wages	1,506.02	1,506.02		1,506.02
Other Expenses	5,689.91	5,689.91	5,559.21	130.70
Information Services:				
Salaries & Wages	245.64	200,245.64	193,887.93	6,357.71
Expense, Stationery and Printing:				
Other Expenses	49,376.45	49,376.45	44,877.22	4,499.23
Printing and Legal Advertising:				
Other Expenses	6,251.97	6,251.97	808.87	5,443.10
NJEIT Administration Fee - Other Expenses	660.00	660.00		660.00
Director of Public Safety:				
Other Expenses	426.36	426.36	426.36	
Municipal Court:				
Salaries and Wages	2,228.52	2,228.52	383.89	1,844.63
Other Expenses	19,200.03	19,200.03	2,044.75	17,155.28
Public Defender:				
Salaries and Wages	999.96	999.96		999.96
Other Expenses	100.00	100.00		100.00
Police:				
Salaries and Wages	68,726.53	63,726.53	53,984.42	9,742.11
Other Expenses	139,780.86	144,780.86	140,641.91	4,138.95
Clothing Allowance	5,284.35	5,284.35		5,284.35
Purchase of Police Cars	24,049.26	24,049.26	23,197.59	851.67
First Aid Organization:				
Salaries and Wages	52.17	1,752.17	769.41	982.76
Other Expenses	17,526.96	15,826.96	11,513.49	4,313.47
Office of Emergency Management:				
Other Expenses	9,495.52	9,495.52	2,144.00	7,351.52
Sealer of Weights and Measures:				
Salaries and Wages	639.96	639.96		639.96
Other Expenses	887.60	887.60	420.78	466.82
Administration of Township Ordinances:				
Salaries and Wages	21,228.46	21,228.46	325.38	20,903.08
Other Expenses	8,663.05	8,663.05	3,888.51	4,774.54
Fire:				
Salaries and Wages	2,841.17	1,841.17		1,841.17
Other Expenses	96,876.13	96,876.13	88,324.01	8,552.12
Clothing Allowance	147.87	1,147.87	1,099.90	47.97

TOWNSHIP OF NUTLEY

A-11

CURRENT FUND

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SCHEDULE OF 2008 APPROPRIATION RESERVES

YEAR ENDED DECEMBER 31, 2009

(Continued)

	Balance Dec. 31, 2008	Balance After Transfers	Paid or Charged	Balance Lapsed
Senior Citizen Transportation:				
Salaries and Wages	\$ 2,815.39	\$ 2,815.39		\$ 2,815.39
Other Expenses	6,810.25	6,810.25	\$ 1,967.29	4,842.96
Reserve for Accrued Sick and Vacation	100.00	100.00		100.00
Director of Public Works:				
Other Expenses	315.13	315.13	80.00	235.13
Engineering Services and Costs:				
Salaries and Wages	9,679.33	9,679.33		9,679.33
Other Expenses	125,873.44	116,873.44	17,702.69	99,170.75
Road Repair and Maintenance:				
Salaries and Wages	15,054.23	15,054.23	1,674.68	13,379.55
Other Expenses	41,363.60	41,363.60	33,128.34	8,235.26
Snow Removal:				
Salaries and Wages	53,480.04	53,480.04	24,394.15	29,085.89
Other Expenses	28,802.82	28,802.82	22,333.45	6,469.37
Traffic Maintenance:				
Salaries and Wages	285.84	285.84	69.23	216.61
Other Expenses	12,945.81	12,945.81	4,787.39	8,158.42
Weed and Leaf Removal:				
Salaries and Wages	1,522.59	1,522.59		1,522.59
Other Expenses	2,500.00	2,500.00		2,500.00
Sewer System:				
Salaries and Wages	11,958.72	11,958.72	1,387.04	10,571.68
Other Expenses	7,069.60	7,069.60	5,535.42	1,534.18
Parking Lot and Meter Maintenance:				
Salaries and Wages	11.68	11.68		11.68
Other Expenses	18,362.23	18,362.23	1,787.79	16,574.44
Emergency Hire:				
Salaries and Wages	1,500.00	1,500.00		1,500.00
Leaf Removal:				
Other Expenses - Tipping Fees	31,100.00	31,100.00	29,587.00	1,513.00
Other Expenses - Landscapers	25,000.00	25,000.00	25,000.00	
Recycling:				
Salaries and Wages	28,739.62	18,739.62	879.46	17,860.16
Other Expenses	12,921.28	12,921.28	7,076.45	5,844.83
Director of Parks and Public Property:				
Other Expenses	475.00	475.00		475.00
Recreation Committee of Nutley:				
Salaries and Wages	449.39	449.39		449.39
Other Expenses	28,267.80	22,367.80	22,159.62	208.18
Public Buildings and Grounds:				
Salaries and Wages	2,778.65	1,928.65	1,682.65	246.00
Other Expenses	88,155.32	84,655.32	63,200.23	21,455.09

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

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(Continued)

	Balance Dec. 31, 2008	Balance After Transfers	Paid or Charged	Balance Lapsed
Communications and Technology Services:				
Salaries and Wages	\$ 269.29	\$ 269.29		\$ 269.29
Shade Tree Commission:				
Salaries and Wages	192.24	1,042.24	\$ 1,027.79	14.45
Other Expenses	19,155.80	28,655.80	27,948.26	707.54
Debris Removal:				
Other Expenses	20,101.80	20,101.80	19,387.00	714.80
Parks and Playgrounds:				
Salaries and Wages	1,807.13	1,807.13	1,619.27	187.86
Other Expenses	63,519.79	49,944.79	47,302.02	2,642.77
Insurance:				
Group Insurance Plan for Employees	17,299.66	35,799.66	35,799.66	
Other Liability Insurance Premiums	928.00	928.00		928.00
Workers Compensation Insurance	88.35	88.35		88.35
State Uniform Construction Code:				
Salaries and Wages	11,695.92	11,695.92		11,695.92
Other Expenses	1,422.39	1,422.39	1,390.76	31.63
Elevator Inspection Fees:				
Other Expenses	3,419.00	3,419.00	3,383.00	36.00
Unclassified:				
Gasoline	50,958.61	50,958.61	42,215.80	8,742.81
Fuel Oil	9,107.32	10,107.32	10,081.45	25.87
Electricity	62,433.77	58,633.77	58,447.57	186.20
Street Lighting	51,313.95	70,313.95	52,043.32	18,270.63
Telephone	19,324.29	17,099.29	16,760.85	338.44
Contingent	50,000.00	50,000.00	27,500.00	22,500.00
Statutory Expenditures:				
Social Security System (O.A.S.I)	32,197.37	2,197.37		2,197.37
Consolidated Police and Firemen's Pension Fund	82.43	82.43		82.43
Unemployment Compensation Insurance	125,000.00	105,000.00	100,000.00	5,000.00
Public Assistance (State Aid Agreement) (NJSA 44:8-139)	1,000.00	1,000.00	1,000.00	
Passaic Valley Sewer Commission:				
Other Expenses	955.88	955.88		955.88
NJPDES Stormwater Permit (NJSA 40A:-45.3(cc)):				
Street Division:				
Salaries and Wages	42,000.00	42,000.00		42,000.00
Other Expenses	20,000.00	20,000.00		20,000.00
Contribution to Public Employees' Retirement System	69.60	69.60	10.89	58.71
LOSAP:				
First Aid Organization	1,000.00	1,000.00		1,000.00
Fire	12,000.00	12,000.00	12,000.00	
Interlocal Services Agreement -				
Township of Montclair - Health Services	16,236.72	16,236.72		16,236.72

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009
(Continued)

A-11
5 of 5

	Balance Dec. 31, 2008	Balance After Transfers	Paid or Charged	Balance Lapsed
State and Federal Programs Offset by Revenue:				
Safe and Secure Communities Grant:				
State Share	\$ 2,878.24	\$ 2,878.24	\$ 2,878.24	
Local Share	719.56	719.56	719.56	
Municipal Alliance Grant:				
State Share	7,417.92	7,417.92	7,303.80	\$ 114.12
Local Share	5,437.50	5,437.50	1,824.61	3,612.89
Clean Communities Program	9,655.65	9,655.65	9,655.65	
Matching Funds for Grants	2,369.00	2,369.00		2,369.00
Reserve for Body Armor Replacement Fund	964.23	964.23	964.23	
Occupant Protection Program - Click It or Ticket	162.50	162.50		162.50
Reserve for Bullet Proof Vest Program	5,392.25	5,392.25	5,392.25	
Adaptive Recreation Grant	6,617.42	6,617.42	783.22	5,834.20
Recycling Tonnage Grant	19,794.91	19,794.91	19,794.91	
	<u>\$2,280,095.31</u>	<u>\$2,280,095.31</u>	<u>\$1,616,532.60</u>	<u>\$663,562.71</u>

Analysis of Balance December 31, 2008:

	<u>Ref.</u>	
Unencumbered	A	\$1,170,734.53
Encumbered	A	<u>1,109,360.78</u>
		<u>\$2,280,095.31</u>

Cash Disbursed	\$1,431,072.55
Accounts Payable	33,324.94
Reserve for Grant Funds Appropriated:	
Body Armor Replacement Fund	964.23
Clean Communities	629.77
Recycling Tonnage Grant	541.11
Due to Other Trust Funds:	
Reserve for Accumulated Sick and Vacation Pay	<u>150,000.00</u>
	<u>\$1,616,532.60</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2009

A-12

Increased by:

Levy - Calendar Year 2009

\$ 47,290,245.50

Decreased by:

Payments to Local School District

\$ 47,290,245.50

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
TRUST FUNDS

TOWNSHIP OF NUTLEY
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

B-4

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2008	B	\$ 9,228.00	\$ 1,611,338.84
Increased by Receipts:			
Dog License Fees		\$ 8,526.00	
Cat License Fees		904.00	
State Registration Fees		2,005.20	
Due Current Fund - Interfund Returned			\$ 220,519.54
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits			7,635.00
Sealer of Weights & Measures			2,975.00
Unemployment Insurance			150,047.66
Living Tree Memorial Program			12,285.00
Recreation Commission Fees			513,041.91
Parking Offense Adjudication Act			7,660.00
Recycling			107,634.78
Community Environmental Health Act			197,584.97
Tax Sale Premiums			105,400.00
Community Development Block Grants			32,600.00
Civic Celebration			11,320.00
Law Enforcement Expenditures			3,135.00
Mayor's Wellness Program			2,000.00
COAH			21,321.91
Go Green Program			4,114.00
Breast Cancer Awareness Program			4,500.00
Municipal Alliance Program			1,083.01
		<u>11,435.20</u>	<u>1,404,857.78</u>
		20,663.20	3,016,196.62
Decreased by Disbursements:			
State Registration Fees		\$ 2,121.00	
Administrative Expenses		11,864.50	
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits			\$ 4,970.00
Uniform Fire Safety - Penalties			3,011.67
Unemployment Insurance			87,581.68
Living Tree Memorial Program			8,269.00
Recreation Commission Fees			536,102.93
Parking Offense Adjudication Act			5,698.00
Recycling			100,000.00
Community Environmental Health Act			225,339.70
Tax Sale Premiums			178,400.00
Community Development Block Grants			32,600.00
Accumulated Sick and Vacation Pay			114,795.56
Civic Celebration			8,577.40
Law Enforcement Expenditures			3,695.00
Mayor's Wellness Program			2,450.17
Go Green Program			825.01
Breast Cancer Awareness Program			3,218.39
		<u>\$ 13,985.50</u>	<u>\$ 1,315,534.51</u>
Balance December 31, 2009	B	<u>\$ 6,677.70</u>	<u>\$ 1,700,662.11</u>

TOWNSHIP OF NUTLEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2009

B-4A

NOT APPLICABLE

TOWNSHIP OF NUTLEY
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2009

B-5

NOT APPLICABLE

TOWNSHIP OF NUTLEY
ANIMAL CONTROL FUND

B-6

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2008	B	\$ 9,089.40
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 8,526.00
Cat Licenses		904.00
		<u>9,430.00</u>
		18,519.40
Decreased by:		
Animal Control Expenditures		<u>11,864.50</u>
Balance December 31, 2009	B	<u><u>\$ 6,654.90</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2007	\$ 8,185.20
2008	<u>9,173.00</u>
Maximum Allowable Reserve	<u><u>\$ 17,358.20</u></u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
GENERAL CAPITAL FUND

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

C-2

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 82,180.52
Increased by Receipts:		
Due Current Fund - Interest Earned		<u>224.33</u>
Balance December 31, 2009	C	<u>\$ 82,404.85</u>

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

C-3
1 of 4

	Balance/ (Deficit) Dec. 31, 2008	Receipts Miscellaneous	Transfers		Balance/ (Deficit) Dec. 31, 2009
			From	To	
Fund Balance	\$ 10,677.99				\$ 10,677.99
Capital Improvement Fund	226,128.47		\$ 64,636.50	\$ 75,000.00	236,491.97
Due Current Fund	(1,818,790.24)	\$ 224.33	5,158,259.65	3,322,408.55	(3,654,417.01)
Due Water Utility Operating Fund	(50,000.00)				(50,000.00)
Grants Receivable:					
State of NJ Department of:					
Community Affairs	(91,639.00)			25,000.00	(66,639.00)
Transportation	(184,178.21)		240,000.00	254,073.85	(170,104.36)
Due County of Essex	(125,000.00)		225,000.00		(350,000.00)
Reserve for Local Improvements	85,621.00		25,000.00		60,621.00
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
2486	Construction of Gabion Walls in Floodway of Third River				
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

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

C-3
2 of 4

Ord. No.	Improvement Description	Balance/ (Deficit)	Receipts	Transfers		Balance/ (Deficit)
		Dec. 31, 2008	Miscellaneous	From	To	Dec. 31, 2009
2654	Construction of a Senior Citizen Multi-Purpose Facility	\$ 41,337.48				\$ 41,337.48
2655	Construction of a Full Size Recreation Soccer Field and Little League Baseball Field	11,937.94				11,937.94
2702	Reconstruction of Sidewalks and Resurfacing of Various Municipal Streets	467.14				467.14
2703	Street Improvements	7,796.30				7,796.30
2705; 2742	Various Capital Improvements	2.28				2.28
2749; 2860	Various Capital Improvements	88,943.81		\$ 16,000.00		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
2837	Acquisition and Installation of a Telephone System for Municipal Buildings	2,316.74				2,316.74
2850	Various Capital Improvements	151,552.11		8,986.38		142,565.73
2852	Sewer Repair and Related Work	50,046.52				50,046.52
2889	Various Transportation Projects	13,552.62				13,552.62
2894	ADA Improvements to Municipally Owned Historic Building - Van Ripper House	125.00				125.00
2895	Traffic Signal Installation on Chestnut Street	8,115.00				8,115.00
2897; 2925; 2959	Reconstruction of Various Streets and Sidewalks	20,488.80		358.26		20,130.54

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

C-3
3 of 4

Ord. No.	Improvement Description	Balance/ (Deficit)	Receipts	Transfers		Balance/ (Deficit)
		Dec. 31, 2008	Miscellaneous	From	To	Dec. 31, 2009
2899	Various Capital Improvements	\$ 275,408.17		\$ 29,988.90		\$ 245,419.27
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park	900.98			\$ 318.28	1,219.26
2908	Reconstruction of the Roadway on Bloomfield Avenue from Coeyman Avenue to High Street (Section 2)	(21,470.95)			21,470.95	
2914	Various Capital Improvements	111,830.35		8,000.00		103,830.35
2927	Certain Local Improvements	3,600.00				3,600.00
2970	Hurricane Disaster Preparedness Program	7,693.62		3,488.15	250.00	4,455.47
2971	Street Improvements	(1,415.00)			1,415.00	
2992	Upgrades to Memorial Park	86,630.00				86,630.00
2993;						
3046	Various Capital Improvements	189,574.15		361,715.04	374,937.00	202,796.11
2995	Reconstruction of Various Streets and Sidewalks	47,395.30		222,250.00	222,400.00	47,545.30
2997	Purchase and Installation of Computer Network Upgrades for Hardware and Software	(500.00)			500.00	
2999	Reconstruction of the Roadway on Bloomfield Avenue from Raymond to Centre Street	0.33				0.33
3001	Construction of the Spring Garden School Drop Off Lane - South Spring Garden Avenue	13,673.60				13,673.60
3010	Various Capital Improvements	(33,923.31)		5,576.16	49,146.07	9,646.60
3027	Reconstruction of Various Streets and Sidewalks	196,117.34		443,507.07	276,925.00	29,535.27
3029	Various Capital Improvements	171,186.18		814,257.37	960,545.00	317,473.81
3053	Reconstruction of the Roadway on Passaic Avenue	81,038.24		16,298.00		64,740.24
3063	Various Capital Improvements	315,137.32		934,145.99	1,166,220.00	547,211.33
3065	Reconstruction of Various Streets and Sidewalks	11,000.00		163,086.35	209,000.00	56,913.65
3066	Acquisition of Property	15,700.00		358.26	298,300.00	313,641.74

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, 2008	Miscellaneous	From	To	Dec. 31, 2009
3095	Reconstruction of the Roadway on Bloomfield Avenue (Section 4)			\$ 166,521.53	\$ 240,000.00	\$ 73,478.47
3100	Acquisition of a Fire Truck			120,588.31	264,000.00	143,411.69
3106	Local Improvements			7,111.80	25,665.00	18,553.20
3114	Reconstruction of Various Streets and Sidewalks				273,750.00	273,750.00
3116	Various Capital Improvements			170.98	748,980.00	748,809.02
3122	Monsignor Owens Field Lighting Project				225,000.00	225,000.00
		<u>\$ 82,180.52</u>	<u>\$ 224.33</u>	<u>\$ 9,035,304.70</u>	<u>\$ 9,035,304.70</u>	<u>\$ 82,404.85</u>

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

Ord. No.	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Bonds Issued	Funded by Budget Appropriation	Notes Paid by Budget Appropriation	Balance Dec. 31, 2009	Analysis of
								Balance Dec. 31, 2009 Unexpended Improvement Authorizations
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park	\$ 318.28			\$ 318.28			
2908	Reconstruction of the Roadway on Bloomfield Avenue from Coeyman Avenue to High Street (Section 2)	21,470.95			21,470.95			
2970	Hurricane Disaster Preparedness Program	250.00			250.00			
2971	Street Improvements	1,415.00			1,415.00			
2993; 3046	Various Capital Improvements	562,937.00		\$ 344,517.00	30,420.00	\$ 188,000.00		
2995	Reconstruction of Various Streets and Sidewalks	334,400.00		222,400.00		112,000.00		
2997	Purchase and Installation of Computer Network Upgrades for Hardware and Software	500.00			500.00			
3010	Various Capital Improvements	47,600.00			45,625.27		\$ 1,974.73	\$ 1,974.73
3027	Reconstruction of Various Streets and Sidewalks	276,925.00		276,925.00				
3029	Various Capital Improvements	960,545.00		960,545.00				
3063	Various Capital Improvements	1,166,220.00		1,166,220.00				
3065	Reconstruction of Various Streets and Sidewalks	209,000.00		209,000.00				
3066	Acquisition of Property	298,300.00		298,300.00				

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

Ord. No.	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Bonds Issued	Funded by Budget Appropriation	Notes Paid by Budget Appropriation	Balance Dec. 31, 2009	Analysis of Balance Dec. 31, 2009
								Unexpended Improvement Authorizations
3100	Acquisition of a Fire Truck		\$ 250,500.00	\$ 250,500.00				
3114	Reconstruction of Various Streets and Sidewalks		260,062.50	260,062.00	\$ 0.50			
3116	Various Capital Improvements		711,531.00	711,531.00				
		<u>\$ 3,879,881.23</u>	<u>\$ 1,222,093.50</u>	<u>\$ 4,700,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ 1,974.73</u>	<u>\$ 1,974.73</u>

Ref.

C

C

Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations Unfunded \$ 1,974.73

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2008		Other Sources	2009 Authorizations		Due to Current Fund Paid or Charged	Balance December 31, 2009	
		Date	Amount	Funded	Unfunded		Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund		Funded	Unfunded
2384;		10/20/92;	\$ 556,500.00								
2439	Various Capital Improvements	09/20/94		\$ 568.60						\$ 568.60	
2413;	Various Capital Improvements (Removal/Disposal/	10/19/93;	380,000.00								
2452	Replacement of Underground Tanks)	01/09/95		8,104.57						8,104.57	
2521;		07/01/97;	739,000.00								
2700	Various Capital Improvements	11/07/01		63,473.35						63,473.35	
2548	Various Capital Improvements	09/01/98	562,000.00	11,642.50						11,642.50	
2565	Redesign and Construction of Various Streets	05/04/99	339,000.00	5,358.63						5,358.63	
2636;		07/06/00;	964,500.00								
2644;		09/05/00;									
2651	Various Capital Improvements	10/17/00		4,918.79						4,918.79	
2654	Construction of a Senior Citizen Multi-Purpose Facility	11/21/00	100,000.00	41,337.48						41,337.48	
2655	Construction of a Full Size Recreation Soccer Field and Little League Baseball Field	10/17/00	200,000.00	11,937.94						11,937.94	
2702	Reconstruction of Sidewalks and Resurfacing of Various Municipal Streets	11/07/01	150,000.00	467.14						467.14	
2703	Street Improvements	11/07/01	220,000.00	7,796.30						7,796.30	
2705;		11/07/01;	1,245,000.00								
2742	Various Capital Improvements	07/09/02		2.28						2.28	
2749;		09/03/02;	1,233,900.00								
2860	Various Capital Improvements	11/22/04		88,943.81					\$ 16,000.00	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	
2837	Acquisition and Installation of a Telephone System for Municipal Buildings	04/06/04	255,000.00	2,316.74						2,316.74	
2850	Various Capital Improvements	10/05/04	515,000.00	151,552.11					8,986.38	142,565.73	
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	
2894	ADA Improvements to Municipally Owned Historic Building - Van Riper House	07/05/05	10,000.00	125.00						125.00	
2895	Traffic Signal Installation on Chestnut Street	07/05/05	85,000.00	8,115.00						8,115.00	
2897;		07/19/05;	330,000.00								
2925;		10/04/05;									
2959	Reconstruction of Various Streets and Sidewalks	07/19/06		20,488.80					358.26	20,130.54	
2899	Various Capital Improvements	07/19/05	902,000.00	275,408.17					29,988.90	245,419.27	

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2008	C	\$ 226,128.47
Increased by:		
2009 Budget Appropriation - Due from Current Fund		<u>75,000.00</u>
		301,128.47
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>64,636.50</u>
Balance December 31, 2009	C	<u><u>\$ 236,491.97</u></u>

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2009

C-7

Ord. No.	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2008	Matured	
		Issue of Original Note	Issue				Maturity
2993;		12/27/07	12/26/08	12/18/09	4.00%	\$ 312,000.00	\$ 312,000.00
3046	Various Capital Improvements	12/26/08	12/26/08	12/18/09	4.00%	188,000.00	188,000.00
2995	Reconstruction of Various Streets and Sidewalks	12/27/07	12/26/08	12/18/09	4.00%	334,000.00	334,000.00
3027	Reconstruction of Various Streets and Sidewalks	12/26/08	12/26/08	12/18/09	4.00%	200,000.00	200,000.00
3029	Various Capital Improvements	12/26/08	12/26/08	12/18/09	4.00%	400,000.00	400,000.00
3063	Various Capital Improvements	12/26/08	12/26/08	12/18/09	4.00%	300,000.00	300,000.00
						<u>\$ 1,734,000.00</u>	<u>\$ 1,734,000.00</u>
					<u>Ref.</u>	C	
							\$ 1,434,000.00
							300,000.00
							<u>\$ 1,734,000.00</u>

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

C-8

Purpose	Date of Issue	Maturities of Bonds		Interest Rate	Balance Dec. 31, 2008	Issued	Matured	Balance Dec. 31, 2009
		Outstanding Dec. 31, 2009 Date	Amount					
General Improvement Bonds	07/15/1997				\$ 185,000.00		\$ 185,000.00	
General Improvement Bonds	08/15/2000	08/15/2010-11	\$ 600,000.00	4.850%				
		08/15/2012	162,000.00	4.850%	1,962,000.00		600,000.00	\$ 1,362,000.00
General Improvement Bonds	10/01/2005	10/01/2010	400,000.00	3.625%				
		10/01/2011-16	450,000.00	3.625%				
		10/01/2017	446,000.00	3.625%	3,896,000.00		350,000.00	3,546,000.00
General Improvement Bonds	12/01/2009	12/01/2010-11	300,000.00	2.000%				
		12/01/2012	600,000.00	2.000%				
		12/01/2013	600,000.00	2.500%				
		12/01/2014	600,000.00	2.750%				
		12/01/2015	600,000.00	3.000%				
		12/01/2016	600,000.00	3.250%				
		12/01/2017	600,000.00	3.500%				
		12/01/2018	500,000.00	3.750%		\$ 4,700,000.00		4,700,000.00
					\$ 6,043,000.00	\$ 4,700,000.00	\$ 1,135,000.00	\$ 9,608,000.00
				<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, 2008	Matured	Balance Dec. 31, 2009
2495	Nutley Quarry Trunk Sanitary Sewer Replacement	\$ 1,416,954.82	\$ 196,218.34	\$ 1,220,736.48
	<u>Ref.</u>	C		C

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2009

Payment Number	Due Date	Trust		Fund Principal	Balance of Loan
		Interest	Principal		
					\$ 1,220,736.48
19	02/01/2010	\$ 21,875.00		\$ 14,149.76	1,206,586.72
20	08/01/2010	21,875.00	\$ 105,000.00	82,068.59	1,019,518.13
21	02/01/2011	19,250.00		12,451.79	1,007,066.34
22	08/01/2011	19,250.00	115,000.00	86,839.08	805,227.26
23	02/01/2012	16,375.00		10,592.10	794,635.16
24	08/01/2012	16,375.00	120,000.00	88,213.63	586,421.53
25	02/01/2013	13,375.00		8,651.57	577,769.96
26	08/01/2013	13,375.00	125,000.00	42,769.96	410,000.00
27	02/01/2014	10,250.00			410,000.00
28	08/01/2014	10,250.00	130,000.00		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>\$ 232,250.00</u>	<u>\$ 975,000.00</u>	<u>\$ 441,954.82</u>	

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

C-9A

SCHEDULE OF ESSEX COUNTY IMPROVEMENT AUTHORITY (ECIA) LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2009

Ord. No.	Improvement Description	Balance Dec. 31, 2008	Matured
2532	Acquisition of Property, Demolition of Existing Structures and Construction of a Parking Lot	<u>\$ 88,050.00</u>	<u>\$ 88,050.00</u>
	<u>Ref.</u>	C	

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

C-10
1 of 2

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Bonds Issued	Funded by Budget Appropriation	Balance Dec. 31, 2009
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park	\$ 318.28			\$ 318.28	
2908	Reconstruction of the Roadway on Bloomfield Avenue from Coeyman Avenue to High Street (Section 2)	21,470.95			21,470.95	
2970	Hurricane Disaster Preparedness Program	250.00			250.00	
2971	Street Improvements	1,415.00			1,415.00	
2993; 3046	Various Capital Improvements	62,937.00		\$ 32,517.00	30,420.00	
2995	Reconstruction of Various Streets and Sidewalks	400.00		400.00		
2997	Purchase and Installation of Computer Network Upgrades for Hardware and Software	500.00			500.00	
3010	Various Capital Improvements	47,600.00			45,625.27	\$ 1,974.73
3027	Reconstruction of Various Streets and Sidewalks	76,925.00		76,925.00		
3029	Various Capital Improvements	560,545.00		560,545.00		
3063	Various Capital Improvements	866,220.00		866,220.00		
3065	Reconstruction of Various Streets and Sidewalks	209,000.00		209,000.00		

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
(Continued)

Ord. No.	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Bonds Issued	Funded by Budget Appropriation	Balance Dec. 31, 2009
3066	Acquisition of Property	\$ 298,300.00		\$ 298,300.00		
3100	Acquisition of a Fire Truck		\$ 250,500.00	250,500.00		
3114	Reconstruction of Various Streets and Sidewalks		260,062.50	260,062.00	\$ 0.50	
3116	Various Capital Improvements		711,531.00	711,531.00		
		<u>\$ 2,145,881.23</u>	<u>\$ 1,222,093.50</u>	<u>\$ 3,266,000.00</u>	<u>\$ 100,000.00</u>	<u>\$ 1,974.73</u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
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, 2008	D	\$ 1,704,878.51	\$ 183.05
Increased by Receipts:			
Utility Collector		\$ 3,652,089.50	
Nonbudget Revenue - Treasurer		10,138.25	
Appropriation Refunds		<u>11,636.86</u>	
		<u>3,673,864.61</u>	
		5,378,743.12	<u>183.05</u>
Decreased by Disbursements:			
2009 Appropriation Expenditures		3,641,337.94	
2008 Appropriation Reserves		104,853.77	
Accrued Interest on Bonds		4,495.00	
Refund of Water Rent Overpayments		<u>340.10</u>	
		<u>3,751,026.81</u>	
Balance December 31, 2009	D	<u>\$ 1,627,716.31</u>	<u>\$ 183.05</u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - WATER COLLECTOR
YEAR ENDED DECEMBER 31, 2009

D-4A

Increased by:

Consumer Accounts Receivable	\$ 3,596,577.14
Sale of Water Meters	29,575.00
Water Rent Overpayments	502.01
Nonbudget Revenue	25,435.35
	<hr/>
	3,652,089.50

Decreased by:

Disbursed to Water Treasurer	<u><u>\$ 3,652,089.50</u></u>
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TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER UTILITY CAPITAL CASH

D-5

	Balance/ (Deficit) Dec. 31, 2008	Transfers		Balance/ (Deficit) Dec. 31, 2009
		From	To	
Capital Fund Balance	\$ 26,579.53	\$ 116,000.00	\$ 116,455.98	\$ 27,035.51
Due Current Fund	35,884.75		137,277.52	173,162.27
Due Water Utility Operating Fund	(267,954.52)	81,000.00		(348,954.52)
Reserve for Payment of Debt Service			33,120.00	33,120.00
Down Payments on Improvements	32,464.60	1,095.00	1,000.00	32,369.60

Improvement Authorizations:

Ord. No.	Improvement Description			
2441	Cement Lining of Water Mains	99,570.28	99,570.28	
2851	Purchase of Water Vehicles/Loader	5,397.20	5,397.20	
2869; 3055	Preliminary Plans and Specifications for Water Distribution System	59,179.95	45,414.52	13,765.43
2898	Purchase of Front End Loader	100.00	100.00	
2994	Water Capital Improvements	13,928.26	11,388.50	2,539.76
3026	Acquisition of Fire Hydrants	(5,517.00)		15,625.00
3064	Acquisition of Fire Hydrants	550.00		10,450.00
3094	Acquisition of Water Meters		91,863.00	116,000.00
3115	Acquisition of Fire Hydrants			21,900.00
		<u>\$ 183.05</u>	<u>\$ 451,828.50</u>	<u>\$ 451,828.50</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, 2008	D	\$ 578,583.02
Increased by:		
Water Rents Levied		3,623,067.33
		<u>4,201,650.35</u>
Decreased by:		
Collections		3,596,577.14
		<u>3,596,577.14</u>
Balance December 31, 2009	D	<u>\$ 605,073.21</u>

WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

D-7

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 20,205.82
Decreased by:		
Adjustment to Actual Inventory Per Listing Provided by Water Department		820.20
		<u>820.20</u>
Balance December 31, 2009	D	<u>\$ 19,385.62</u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF RETURN ITEM ACCOUNT
YEAR ENDED DECEMBER 31, 2009

D-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

D-9

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Additions</u> <u>By Ordinance</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Water Mains	\$ 1,157,032.82	\$ 429.72	\$ 1,157,462.54
Water Utility Improvements	43,115.11		43,115.11
Machinery and Equipment	298,791.03	199,502.80	498,293.83
	<u>\$ 1,498,938.96</u>	<u>\$ 199,932.52</u>	<u>\$ 1,698,871.48</u>

Ref.

D

D

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

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2008	2009 Authorizations	Improvement Authorizations Canceled	Transferred to Fixed Capital	Balance Dec. 31, 2009
2441	09/20/94	Cement Lining of Water Mains	\$ 100,000.00		\$ 99,570.28	\$ 429.72	
2851	10/05/04	Purchase of Water Vehicles/Loader	80,000.00		5,397.20	74,602.80	
2869; 3055	12/28/04; 03/18/08	Preliminary Plans and Specifications for Water Distribution System	110,000.00				\$ 110,000.00
2898	07/19/05	Purchase of Front End Loader	125,000.00		100.00	124,900.00	
2994	11/21/06	Water Capital Improvements	79,200.00		11,388.50		67,811.50
3026	11/20/07	Acquisition of Fire Hydrants	16,500.00				16,500.00
3064	07/15/08	Acquisition of Fire Hydrants	11,000.00				11,000.00
3094	04/07/09	Acquisition of Water Meters		\$ 116,000.00			116,000.00
3115	09/01/09	Acquisition of Fire Hydrants		21,900.00			21,900.00
			<u>\$ 521,700.00</u>	<u>\$ 137,900.00</u>	<u>\$ 116,455.98</u>	<u>\$ 199,932.52</u>	<u>\$ 343,211.50</u>

Ref.

D

D

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF 2008 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2009

D-11

	Balance Dec. 31, 2008	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 20,322.21	\$ 14,322.21	\$ 6,736.89	\$ 7,585.32
Other Expenses	46,083.32	52,083.32	20,495.70	31,587.62
Other Expenses:				
N.J. Water Supply	3.12	3.12		3.12
Passaic Valley Water Commission	115,903.91	115,903.91	63,359.87	52,544.04
City of Newark Water Purchase	18,032.01	18,032.01	14,261.31	3,770.70
Town of Kearny Water Purchase	83,141.80	83,141.80		83,141.80
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	20,000.00	20,000.00		20,000.00
Social Security System (O.A.S.I.)	9,231.40	9,231.40		9,231.40
Unemployment Compensation Insurance - (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00
	<u>\$ 313,717.77</u>	<u>\$ 313,717.77</u>	<u>\$ 104,853.77</u>	<u>\$ 208,864.00</u>

Ref.

Analysis of Balance December 31, 2008:

Unencumbered	D	\$ 265,198.38
Encumbered	D	48,519.39
		<u>\$ 313,717.77</u>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2008		2009 Authorizations			Due to Current Fund Paid or Charged	Improvement Authorizations Canceled	Balance December 31, 2009 Funded
		Date	Amount	Funded	Unfunded	Down Payments on Improvements	Capital Fund Balance	Deferred Charges to Future Revenue			
2441	Cement Lining of Water Mains	09/20/94	\$ 100,000.00	\$ 99,570.28						\$ 99,570.28	
2851	Purchase of Water Vehicles/Loader	10/05/04	80,000.00	5,397.20						5,397.20	
2869; 3055	Preliminary Plans and Specifications for Water Distribution System	12/28/04; 03/18/08	110,000.00	59,179.95					\$ 45,414.52		\$ 13,765.43
2898	Purchase of Front End Loader	07/19/05	125,000.00	100.00						100.00	
2994	Water Capital Improvements	11/21/06	79,200.00	13,928.26						11,388.50	2,539.76
3026	Acquisition of Fire Hydrants	11/20/07	16,500.00		\$ 10,108.00						10,108.00
3064	Acquisition of Fire Hydrants	07/15/08	11,000.00	550.00	10,450.00						11,000.00
3094	Acquisition of Water Meters	04/07/09	116,000.00				\$ 116,000.00		91,863.00		24,137.00
3115	Acquisition of Fire Hydrants	09/01/09	21,900.00			\$ 1,095.00		\$ 20,805.00			21,900.00
				<u>\$ 178,725.69</u>	<u>\$ 20,558.00</u>	<u>\$ 1,095.00</u>	<u>\$ 116,000.00</u>	<u>\$ 20,805.00</u>	<u>\$ 137,277.52</u>	<u>\$ 116,455.98</u>	<u>\$ 83,450.19</u>
		<u>Ref</u>		D	D						D

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

D-13

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 32,464.60
Increased by:		
2009 Budget Appropriation		<u>1,000.00</u>
		33,464.60
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>1,095.00</u>
Balance December 31, 2009	D	<u><u>\$ 32,369.60</u></u>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2009

D-14

NOT APPLICABLE

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

D-15

	<u>Ref.</u>	
Balance December 31, 2008	D	\$ 1,773,938.96
Increased by:		
Serial Bonds Paid by Operating Budget		\$ 60,000.00
Transfer from Deferred Reserve for Amortization		<u>6,900.00</u>
		<u>66,900.00</u>
		1,840,838.96
Decreased by:		
Improvement Authorizations Canceled		<u>95,967.48</u>
Balance December 31, 2009	D	<u><u>\$ 1,744,871.48</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, 2008	2009 Authorizations	Funded by Budget Appropriation	Improvement Authorizations Canceled	To Reserve for Amortization	Balance Dec. 31, 2009
2441	Cement Lining of Water Mains	09/20/94	\$ 5,000.00			\$ 5,000.00		
2851	Purchase of Water Vehicles/Loader	10/05/04	4,000.00			4,000.00		
2898	Purchase of Front End Loader	07/19/05	7,000.00			100.00	\$ 6,900.00	
2994	Water Capital Improvements	11/21/06	79,200.00			11,388.50		\$ 67,811.50
3026	Acquisition of Fire Hydrants	11/20/07	875.00		\$ 15,625.00			16,500.00
3064	Acquisition of Fire Hydrants	07/15/08	550.00		10,450.00			11,000.00
3094	Acquisition of Water Meters	04/07/09		\$ 116,000.00				116,000.00
3115	Acquisition of Fire Hydrants	09/01/09		1,095.00	20,805.00			21,900.00
			<u>\$ 96,625.00</u>	<u>\$ 117,095.00</u>	<u>\$ 46,880.00</u>	<u>\$ 20,488.50</u>	<u>\$ 6,900.00</u>	<u>\$ 233,211.50</u>

Ref.

D

D

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2009

D-16

NOT APPLICABLE

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

D-17

Purpose	Date of Issue	Maturities of Bonds		Interest Rate	Balance	Matured	Balance
		Outstanding Dec. 31, 2009 Date	Amount		Dec. 31, 2008		Dec. 31, 2009
General Improvement Bonds	10/01/2005	10/01/10	\$ 64,000.00	3.625%	\$ 124,000.00	\$ 60,000.00	\$ 64,000.00
				<u>Ref.</u>	D		D

TOWNSHIP OF NUTLEY

WATER UTILITY CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ord. No.</u>	<u>Ord. Date</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2008</u>	<u>2009 Authorizations</u>	<u>Funded by Budget Appropriation</u>	<u>Balance Dec. 31, 2009</u>
3026	11/20/07	Acquisition of Fire Hydrants	\$ 15,625.00		\$ 15,625.00	
3064	07/15/08	Acquisition of Fire Hydrants	10,450.00		10,450.00	
3115	09/01/09	Acquisition of Fire Hydrants		\$ 20,805.00	20,805.00	
			<u>\$ 26,075.00</u>	<u>\$ 20,805.00</u>	<u>\$ 46,880.00</u>	<u>\$ -0-</u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2009
PUBLIC ASSISTANCE FUND

TOWNSHIP OF NUTLEY
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

F-1

	<u>Ref.</u>	<u>Total</u>	<u>P.A.T.F. I</u>	<u>P.A.T.F. II</u>
Balance December 31, 2008	F	\$ 239,656.63	\$ 180,310.29	\$ 59,346.34
Increased by Receipts:				
NJ Shares - Utility Company Donation		3,800.00	3,800.00	
Interest		918.57	918.57	
Donations		1,000.00	1,000.00	
Client Reimbursements		662.50		662.50
State Aid		165,646.00		165,646.00
Supplemental Security Income:				
Client Reimbursements		1,205.60		1,205.60
Township Reimbursements		15,152.05		15,152.05
 Total Receipts		 <u>188,384.72</u>	 <u>5,718.57</u>	 <u>182,666.15</u>
Decreased by Disbursements:				
Ineligible Assistance		3,856.55	3,856.55	
Current Year Assistance (Reported):				
Maintenance		70,971.00		70,971.00
Temporary Rental Assistance		68,076.50		68,076.50
Transportation		4,153.00		4,153.00
Emergency Assistance		7,692.00		7,692.00
Supplemental Security Income:				
Client Reimbursements		1,205.60		1,205.60
 Total Disbursements		 <u>155,954.65</u>	 <u>3,856.55</u>	 <u>152,098.10</u>
Balance December 31, 2009	F	<u>\$ 272,086.70</u>	<u>\$ 182,172.31</u>	<u>\$ 89,914.39</u>

TOWNSHIP OF NUTLEY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2009

TOWNSHIP OF NUTLEY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Funding Department	Program	CFDA #	State Program Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO
						From	To		Cumulative Total Expenditures
US Department of Transportation:									
Passed through NJ Department of Transportation	NJ Transportation Trust Fund Authority Act - Municipal Aid:	20.205	480-078-6320-156-601385						
	River Road Fencing Project			\$ 60,000.00	\$ 16,597.50	01/01/08	12/31/08		\$ 60,000.00
	Passaic Avenue			270,000.00	221,337.11	01/01/08	12/31/10	\$ 16,298.00	205,259.76
	Bloomfield Avenue			240,000.00	133,855.37	01/01/09	12/31/10	166,521.53	166,521.53
					371,789.98			182,819.53	431,781.29
Passed through NJ Department of Law and Public Safety	Click It or Ticket	20.614	100-066-1160-116-6120	4,000.00	3,275.00	01/01/09	12/31/10	3,275.00	3,275.00
Total US Department of Transportation					375,064.98			186,094.53	435,056.29
US Department of Health and Human Services:									
Passed through the County of Essex	Special Programs for the Aging - Title IIIID: Senior Citizens' Health Project Grant	93.043	100-046-4110-265-6110	5,400.00	1,350.00	01/01/08	12/31/08		5,400.00
				5,400.00	4,050.00	01/01/09	12/31/09	5,400.00	5,400.00
Total US Department of Health and Human Services					5,400.00			5,400.00	10,800.00
US Department of Justice	Bulletproof Vest Partnership Program	16.607	N/A	5,392.25	-0-	01/01/07	12/31/09	5,392.25	5,392.25
Total US Department of Justice					-0-			5,392.25	5,392.25
US Department of Homeland Security:									
Passed through NJ Department of Law and Public Safety	Disaster Assistance - Severe Storm, Flooding and Mud Slides	97.088	100-066-1200-715-YEMR	15,611.29	-0-	01/01/08	12/31/09	48.99	15,611.29
Total US Department of Homeland Security					-0-			48.99	15,611.29
US Department of Housing & Urban Development:									
Passed through Essex County Office of Community Development to Nutley	Community Development Block Grant, ADA Improvements to American Red Cross Building	14.218	N/A	38,100.00	32,600.00	10/03/07	12/31/09	32,600.00	38,100.00
Total US Department of Housing & Urban Development					32,600.00			32,600.00	38,100.00
TOTAL FEDERAL AWARDS					\$ 413,064.98			\$ 229,535.77	\$ 504,959.83

N/A - Not Available/Applicable

TOWNSHIP OF NUTLEY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

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	\$ 56,500.00		08/01/07	07/31/08	\$ 2,878.24	\$ 56,500.00
			58,852.00	\$ 30,127.12	08/01/08	07/31/09	58,852.00	58,852.00
Total Department of Law and Public Safety				30,127.12			61,730.24	115,352.00
Department of Environmental Protection	Clean Communities Program	765-042-4900-004-6020	30,248.20		01/01/08	12/31/10	1,973.28	27,250.23
			38,806.27	38,806.27	01/01/09	12/31/10	15,911.74	15,911.74
				38,806.27			17,885.02	43,161.97
	Recycling Tonnage Grant	752-042-4900-004-178840	19,794.91		01/01/08	12/31/09	13,753.30	19,253.80
	Community Stewardship Incentive Program	100-042-4870-074-6120	25,000.00	21,250.00	01/01/09	12/31/10	21,905.00	21,905.00
Passed through the County of Essex	County Environmental Health Act	100-042-4840-094-6110	102,198.00	60,000.00	01/01/09	12/31/09	102,198.00	102,198.00
Total Department of Environmental Protection				120,056.27			155,741.32	186,518.77
Department of Community Affairs	Recreational Opportunities for Individuals with Disabilities - Adaptive Recreation Grant	100-022-8050-035-051570	8,000.00	8,000.00	01/01/08	12/31/09	-0-	2,949.02
	Special Legislative Grants: Improvements to Municipally Owned Buildings: Nutley Public Library	100-022-8030-FFFF-6120	25,000.00	25,000.00	01/01/05	12/31/07	-0-	25,000.00
Total Department of Community Affairs				33,000.00			-0-	27,949.02

TOWNSHIP OF NUTLEY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Continued)

State Funding Department	State Program	State Grant Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	Memo
					From	To		Cumulative Total Expenditures
Department of Human Services	Payments to Municipalities for Cost of General Assistance (State Share)	100-054-7550-121-158010	\$165,646.00	\$ 165,646.00	01/01/09	12/31/09	\$ 150,892.50	\$ 150,892.50
Total Department of Human Services				165,646.00			150,892.50	150,892.50
Department of Health & Senior Services	Community Health Services - Public Health Priority Fund	100-046-4220-109-021030	11,686.00	11,686.00	01/01/08	12/31/08		11,686.00
			12,126.00		01/01/09	12/31/09	12,126.00	12,126.00
Total Department of Health and Senior Services				11,686.00			12,126.00	23,812.00
Department of Treasury Passed through the County of Essex	Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program	100-082-2000-044-995120	21,750.00	11,970.78	01/01/08	12/31/09		21,635.88
			21,750.00	4,230.00	01/01/09	12/31/10	13,072.69	13,072.69
				16,200.78			13,072.69	34,708.57
Total Department of Treasury				16,200.78			13,072.69	34,708.57
TOTAL STATE AWARDS				\$376,716.17			\$ 393,562.75	\$ 539,232.86

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, 2009

A. GENERAL

The accompanying Schedules of Expenditures of Federal and State Awards present the activity of all federal and state awards of the Township of Nutley. The Township of Nutley is defined in Note 1 to the Township's financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies are included on the schedules of expenditures of federal and state awards.

B. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal and State Awards are presented using the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of federal OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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 AND STATE AWARDS

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

E. STATE LOANS OUTSTANDING

The Township of Nutley has the following loans outstanding as of December 31, 2009:

General Capital Fund:	
NJ Environmental Infrastructure Trust Loan	\$ 875,000
NJ Environmental Infrastructure Fund Loan	<u>345,736</u>
	<u>\$ 1,220,736</u>

Currently, the Township is in the process of repaying the loan balances. There were no loan receipts or expenditures in the current year. The projects which relate to the loans are complete.



Mount Arlington Corporate Center
 200 Valley Road Suite 300
 Mount Arlington, NJ 07856-1320
 Phone: 973-328-1825
 Fax: 973-328-0507

Lawrence Business Park
 11 Lawrence Road
 Newton, NJ 07860
 Phone: 973-383-6699
 Fax: 973-383-6555

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

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

We have audited the financial statements of the Township of Nutley, in the County of Essex (the "Township") as of, and for the years ended, December 31, 2009 and 2008 and have issued our report thereon dated June 1, 2010, which indicated that the financial statements have been prepared on an other comprehensive basis of accounting, and was qualified as the scope of our audit did not include the general fixed assets account group. We conducted our audits 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, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Internal Control Over Financial Reporting (Cont'd)

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2009-01 that we consider to be a significant deficiency in internal control over financial reporting. 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.

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*. However, we noted certain matters that we reported to management in the "Comments and Recommendations" section of this report.

This report is intended solely for the information and use of management, the Mayor and Members of the Board of Commissioners, others within the Township and to meet the requirements for filing with the Division of Local Government Services, federal and state awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mount Arlington, New Jersey
June 1, 2010

NISIVOCCIA & COMPANY 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, 2009

Summary of Auditors' Results:

- A qualified report was issued on the Township's financial statements prepared on another comprehensive basis of accounting as the scope of our audit did not include the general fixed assets account group.
- The audit did not disclose any material weaknesses or significant deficiencies in the internal controls of the Township.
- The audit did not disclose any noncompliance that is material to the financial statements of the Township.
- The Township was not subject to the single audit provisions of Federal OMB Circular A-133 (the "Circular") and New Jersey's OMB Circular NJOMB 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, for 2009 as grant expenditures were less than the single audit thresholds of \$500,000 identified in the Circulars.

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards, except as follows:

Finding 2009-1:

Segregation of Duties

The Township does not maintain an adequate segregation of duties with respect to the payroll function. 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 review of the quarterly payroll reports are performed by the Chief Financial Officer. This is due to the position of Payroll Clerk currently being vacant. 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 or if duties of current personnel will be modified in order to achieve an adequate segregation of duties with regard to the payroll function.

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

TOWNSHIP OF NUTLEY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

The Township had no prior year audit findings.

TOWNSHIP OF NUTLEY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2009

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

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.

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.

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

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 February 3, 2009, 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 December 3, 2009 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>
2009	1
2008	0
2007	0

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, 2009.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Balance</u> <u>Dec. 31, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>Dec. 31, 2009</u>
Municipal Treasurer:				
Fines and Costs	\$ 27,955.61	\$ 401,062.06	\$ 396,589.42	\$ 32,428.25
P.O.A.A. Fines	713.00	7,563.00	7,660.00	616.00
State Treasurer	21,885.46	285,799.58	282,740.44	24,944.60
County Treasurer	7,052.25	109,049.60	106,089.00	10,012.85
Fish and Game		200.00	200.00	
Weights and Measures	900.00	2,200.00	3,100.00	
Transcript Fees	50.00	300.00	300.00	50.00
Restitution	65.00	10,924.15	10,969.15	20.00
Miscellaneous	848.94			848.94
Cash Bail	8,339.00	123,475.68	126,922.68	4,892.00
	<u>\$ 67,809.26</u>	<u>\$ 940,574.07</u>	<u>\$ 934,570.69</u>	<u>\$ 73,812.64</u>

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court (Cont'd)

Our review of the tickets and special complaints assigned but not issued reports at December 31, 2009 revealed that there are a number of 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.

Finance Department

There are a number of interfund receivables on the various balance sheets at December 31, 2009. These interfund receivables place restrictions on the cash flow of the various funds and the interfund receivable in the Current Fund places a restriction on fund balance as well.

It is recommended that all interfund balances be liquidated on a timely basis and that every effort be made to limit interfund activity in the future.

Management's Response

The Township will liquidate the interfund receivables and make every effort to ensure that, in the future, interfund activity is limited and interfund balances are liquidated on a timely basis.

Outside Offices

During our review of the various outside offices, it was noted the Board of Health and Police Departments' receipts were not always turned over to the cashier's office for deposit within 48 hours.

It is recommended that in order to strengthen controls over incoming receipts, the Board of Health and Police Departments' receipts should be turned over to the cashier's office for deposit within 48 hours.

Management's Response

The Township will ensure that the Board of Health and Police Departments' receipts are turned over to the cashier's office for deposit within 48 hours.

General Capital Fund

The General Capital Fund balance sheet contains a number of grants receivable balances in excess of two years old.

It is recommended that the Township determine whether it is feasible to continue to pursue collection of the grants receivable or whether the receivables should be cancelled.

Management's Response

The Township will determine the best course of action to take with respect to these receivables in 2010.

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

General Capital Fund (Cont'd)

Various improvement authorizations have unexpended balances.

It is recommended that all improvement authorizations 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.

Tax Collector

During 2009, tax overpayments from prior years were researched and some were resolved. However, at December 31, 2009, approximately 35% of overpayments were from December 31, 2008 or prior, which also were being actively investigated; some of which were resolved in early 2010. While no formal recommendation is required, the tax department should continue to monitor and resolve all tax overpayments.

During our review of the Tax Collector's records, it was noted the Tax Office collections were not always deposited within 48 hours of receipt.

It is recommended that in order to strengthen controls over incoming receipts, the Tax Office collections be deposited within 48 hours of receipt.

Management's Response

The Tax Office will make every effort to ensure that collections are deposited within 48 hours of receipt.

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.

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Other Trust Funds – Police Outside Special Duty

The billings and collections activity for police salaries for special outside duties has not been fully implemented. This process should be formalized in accordance with Local Finance Notice 2000-14.

It is recommended that the billings and collections activity for police special outside duties be fully implemented in accordance with Local Finance Notice 2000-14 and the Township Ordinance be amended to formalize the requirement in accordance with the Local Finance Notice.

Management's Response:

The Township will fully implement the billings and collections activity for police special outside duties in accordance with Local Finance Notice 2000-14 and the Township Ordinance amended to formalize the requirement in accordance with the Local Finance Notice.

Technical Accounting Directives

The Division of Local Government Services has established three (3) technical accounting directives which are prescribed by the revision of 1987 draft "Requirements of Audit and Accounting". 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 technical accounting directives.

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2009 audit report. Recommendations 1, 2b, 3 and 4 were resolved. Recommendations 2a and 5 are included in the current year recommendations as recommendations 7 and 8 and are in the process of being implemented.

TOWNSHIP OF NUTLEY
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Segregation of Duties:
 - a. Consideration be given to providing for a more adequate segregation of duties with respect to the payroll function.
2. 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.
3. Finance Department:
 - a. All interfund balances be liquidated on a timely basis and that every effort be made to limit interfund activity in the future.
4. Outside Offices:
 - a. In order to strengthen controls over incoming cash receipts, the Board of Health and Police Departments' receipts should be turned over to the cashier's office for deposit within 48 hours.
5. General Capital Fund:
 - a. The Township determine whether it is feasible to continue to pursue collection of these grants receivable or whether the receivables should be cancelled.
 - b. All improvement authorizations be reviewed for possible cancellation.
6. Tax Collector:
 - a. In order to strengthen controls over incoming cash receipts, the Tax Office collections be deposited within 48 hours of receipt.
7. 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.
8. Other Trust Funds:
 - a. The billings and collections activity for police special outside duties be fully implemented in accordance with Local Finance Notice 2000-14 and the Township Ordinance be amended to formalize the requirement in accordance with the Local Finance Notice.

* * * * *