

Report of Audit

on the

Financial Statements

of the

Township of Hillside

in the

County of Union
New Jersey

for the

Year Ended
December 31, 2015



TOWNSHIP OF HILLSIDE

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TOWNSHIP OF HILLSIDE

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TOWNSHIP OF HILLSIDE

PART I

INDEPENDENT AUDITOR'S REPORT ON
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FINANCIAL STATEMENTS - REGULATORY BASIS - ALL FUNDS

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SUPPLEMENTARY SCHEDULES - ALL FUNDS

YEAR ENDED DECEMBER 31, 2015 AND
DECEMBER 31, 2014



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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Township Council
Township of Hillside
County of Union
Hillside, New Jersey 07205

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various individual funds and account group of the Township of Hillside, as of December 31, 2015 and 2014, the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various individual funds for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

SUPLEE, CLOONEY & COMPANY

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

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

Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles.

As described in Note 1 of the regulatory financial statements, the regulatory financial statements are prepared by the Township of Hillside on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the various individual funds and account group of the Township of Hillside as of December 31, 2015 and 2014, or the results of its operations and changes in fund balance for the years then ended of the revenues or expenditures for the year ended December 31, 2015.

Opinion on Regulatory Basis of Accounting

In our opinion, the regulatory financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets of the various individual funds and account group as of December 31, 2015 and 2014, the regulatory basis statement of operations and changes in fund balance for the years then ended and the regulatory basis statement of revenues and expenditures and changes in fund balance for the year ended December 31, 2015 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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Other Matters


Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Hillside's regulatory financial statements. The supplementary information and schedule of expenditures of state financial assistance and data listed in the table of contents as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and schedule of expenditures of federal awards as required by the Uniform Guidance are presented for purposes of additional analysis and are not a required part of the regulatory financial statements.

The supplemental information and schedules listed above and also listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the regulatory financial statements. Such information has been subjected to the auditing procedures applied in the audit of the regulatory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the regulatory financial statements or to the regulatory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and data listed in the table of contents and the schedule of expenditures of state financial assistance as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and schedule of expenditures of federal awards, as required by the Uniform Guidance are fairly stated, in all material respects, in relation to the regulatory financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016 on our consideration of the Township of Hillside's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Hillside's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

November 18, 2016

CURRENT FUND

TOWNSHIP OF HILLSIDE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

<u>ASSETS</u>	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
Cash - Treasurer	A-4	\$ 14,173,963.24	\$ 13,255,033.50
Cash - Change Fund	A-6	690.00	690.00
Due From State of New Jersey: Senior Citizens and Veterans Deductions	A-8	50,535.57	27,451.71
		<u>\$ 14,225,188.81</u>	<u>\$ 13,283,175.21</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	\$ 3,273,499.21	\$ 2,488,383.66
Tax Title Liens Receivable	A-10	674,022.68	592,022.88
Foreclosed Property	A-12	2,280,100.00	2,280,100.00
Revenue Accounts Receivable	A-13	224,413.31	91,961.39
Interfunds Receivable	A-28	879,333.92	685,391.79
Sewer Charges Receivable	A-11	180,719.53	193,764.03
Prepaid School Taxes	A-27	1.00	1.00
	A	<u>\$ 7,512,089.65</u>	<u>\$ 6,331,624.75</u>
Deferred Charges:			
Overexpenditure of 2014 Appropriations	A-29	\$ 82,489.64	\$
Overexpenditure of 2015 Appropriations	A-29	58,388.77	
Expenditure Without an Appropriation	A-29	3,783.47	
Overexpenditure of 2013 Appropriation Reserves	A-29		21,569.62
Overexpenditure of 2014 Appropriations	A-29		19,380.47
Emergency Appropriation 40A:4-46	A-29		161,529.40
Special Emergency Appropriation 40A: 4-53	A-34	972,694.84	1,620,790.84
		<u>\$ 1,117,356.72</u>	<u>\$ 1,823,270.33</u>
		<u>\$ 22,854,635.18</u>	<u>\$ 21,438,070.29</u>
Grant Fund:			
Grant Aid Receivable	A-14	\$ 1,977,393.81	\$ 3,076,071.00
Due Trust Other Fund	A-32	256,355.00	250,000.00
Due Swim Pool Capital Fund	A-33	22,952.50	22,952.50
		<u>2,256,701.31</u>	<u>3,349,023.50</u>
Deferred Charges:			
Overexpenditure of Reserve for Grants Appropriated	A-21	96,523.59	
		<u>\$ 2,353,224.90</u>	<u>\$ 3,349,023.50</u>

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Liabilities:			
Appropriation Reserves	A-3:A-20	\$ 3,619,472.41	\$ 3,081,969.60
Prepaid Sewer Charges	A-15	100.00	990.85
Sewer Overpayments	A-16	10,241.38	1,714.67
Tax Overpayments	A-17	113,436.47	110,324.02
Prepaid Taxes	A-18	206,852.61	169,245.06
Encumbrances Payable	A-19	797,379.59	461,808.29
Accounts Payable	A-31	169.74	80.01
County Taxes Payable	A-26	16,116.21	12,425.64
Interfunds Payable	A-28	1,074,418.14	1,216,606.43
Emergency Note	A-35	1,240,913.00	1,889,771.00
Reserve For:			
Fire Penalties and Assessments	A-23	30,256.65	30,256.65
Codification of Ordinances	A-24	189.38	189.38
Insurance Damages	A-25		24,537.70
Sale of Municipal Assets	A-30	10,500.00	10,500.00
Retirement	A-36	52,249.76	52,249.76
Hurricane Sandy	A-7	8,426.16	8,426.16
Unallocated Receipts - Net		37,142.23	
		<u>\$ 7,217,863.73</u>	<u>\$ 7,071,095.22</u>
Reserve for Receivables and Other Assets	A	7,512,089.65	6,331,624.75
Fund Balance	A-1	<u>8,124,681.80</u>	<u>8,035,350.32</u>
		<u>\$ 22,854,635.18</u>	<u>\$ 21,438,070.29</u>
Grant Fund:			
Due Current Fund	A-28	\$ 683,511.10	\$ 357,991.29
Encumbrances Payable	A-19	8,811.14	474.37
Due State of New Jersey		25.04	25.04
Reserve for:			
Grants - Appropriated	A-21	1,590,042.65	2,863,089.47
Grants - Unappropriated	A-22	<u>70,834.97</u>	<u>127,443.33</u>
		<u>\$ 2,353,224.90</u>	<u>\$ 3,349,023.50</u>

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	YEAR ENDED DECEMBER 31, 2015	YEAR ENDED DECEMBER 31, 2014
<u>REVENUE AND OTHER INCOME REALIZED</u>			
Fund Balance	A-1; A-2	\$ 2,630,000.00	\$ 2,475,069.00
Miscellaneous Revenues Anticipated	A-2	8,377,668.49	8,660,807.51
Receipts From Delinquent Taxes	A-2	2,413,773.25	2,786,366.10
Receipts From Current Taxes	A-2	63,406,277.53	63,111,107.63
Non-Budget Revenue	A-2	700,663.36	1,179,016.05
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	A-20	2,445,710.99	1,244,144.98
Interfunds Returned			81,153.01
<u>TOTAL REVENUE AND OTHER INCOME REALIZED</u>		<u>\$ 79,974,093.62</u>	<u>\$ 79,537,664.28</u>
<u>EXPENDITURES</u>			
Budget Appropriations:			
Municipal Purposes	A-3	\$ 39,756,079.50	\$ 39,757,865.80
County Taxes	A-26	8,764,272.76	8,818,637.32
Local District School Tax	A-27	28,494,736.00	27,387,005.00
Refund Prior Years Revenues	A-4	104,120.52	172,511.31
Interfunds Advanced		193,942.13	
Senior Citizens Due State - Cancelled			10,000.00
Prepaid School Tax			1.00
Grant Receivables Cancelled - Net	A-28		0.47
<u>TOTAL EXPENDITURES</u>		<u>\$ 77,313,150.91</u>	<u>\$ 76,146,020.90</u>
Excess in Revenue		\$ 2,660,942.71	\$ 3,391,643.38
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	<u>58,388.77</u>	<u>780,909.87</u>
Statutory Excess to Fund Balance		\$ 2,719,331.48	\$ 4,172,553.25
Fund Balance, January 1	A	<u>8,035,350.32</u>	<u>6,337,866.07</u>
		\$ 10,754,681.80	\$ 10,510,419.32
Decreased by:			
Utilization as Anticipated Revenue	A-1	<u>2,630,000.00</u>	<u>2,475,069.00</u>
Fund Balance, December 31	A	<u>\$ 8,124,681.80</u>	<u>\$ 8,035,350.32</u>

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

REF.	ANTICIPATED BUDGET	SPECIAL N.J.S. 40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Anticipated	A-1	\$ 2,630,000.00	\$ 2,630,000.00	\$
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverage Control	A-13	14,000.00	14,045.00	45.00
Other	A-2	15,500.00	19,286.40	3,786.40
Fees and Permits:				
Construction Code	A-13	269,000.00	301,180.70	32,180.70
Other	A-2	25,400.00	30,116.98	4,716.98
Fines and Costs:				
Municipal Court	A-13	299,000.00	294,623.97	(4,376.03)
Interest and Costs on Taxes	A-13	786,000.00	605,356.48	(180,643.52)
Interest on Investments and Deposits	A-13	53,000.00	55,875.13	2,875.13
Joint Sewer User Charges	A-2	1,473,000.00	1,619,088.17	146,088.17
Cable T.V. Franchise Fee	A-13	87,000.00	121,580.00	34,580.00
Ambulance Service Fees	A-13	160,000.00	345,364.69	185,364.69
Alarm Fees	A-13	30,000.00	28,689.38	(1,310.62)
Payment in lieu of Taxes - Gargiulo	A-13	82,000.00	81,551.07	(448.93)
Off-Duty Administrative Fees	A-13	122,000.00	126,472.50	4,472.50
Consolidated Municipal Property Tax Relief Aid	A-13	959,106.00	959,106.00	
Energy Receipts Tax	A-13	3,355,593.00	3,355,593.00	
Recycling Tonnage Grant	A-14	11,709.50	11,709.50	
Clean Communities Program	A-14	27,791.63	27,791.63	
Alcohol Education and Rehabilitation	A-14	1,831.48	1,831.48	
Municipal Alliance on Alcoholism and Drug Abuse	A-14	20,800.00	20,800.00	
DOT - Safe Corridor Program - 2014	A-14	54,297.28	54,297.28	
Body Armor Grant	A-14	6,366.63	6,366.63	
DOT - Safe Corridor Program - 2015	A-14	64,096.19	64,096.19	
UEZ-Streets & Roads Summer Work Program	A-14	19,000.00	19,000.00	
Summer Food Program	A-14	25,446.81	25,446.81	
Uniform Fire Safety Act	A-13	34,000.00	14,743.62	(19,256.38)
Sewer Trunk Surplus	A-13	123,655.88	123,655.88	
2015 Infrastructure and Municipal Aid Grant Program	A-14		50,000.00	
	A-1	\$ 8,119,594.40	\$ 8,377,668.49	\$ 208,074.09
Receipts From Delinquent Taxes	A-1:A-2	2,549,793.08	2,413,773.25	(136,019.83)
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	A-9	28,885,536.83	28,620,652.98	(264,883.85)
Minimum Library Tax	A-9	538,406.24	538,406.24	
	A-2	29,423,943.07	29,159,059.22	(264,883.85)
BUDGET TOTALS		\$ 42,723,330.55	\$ 42,580,500.96	\$ (192,829.59)
Non-Budget Revenue	A-1:A-2		700,663.36	700,663.36
		\$ 42,723,330.55	\$ 43,281,164.32	\$ 507,833.77
REF.	A-3		A-3	

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

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

<u>ANALYSIS OF REALIZED REVENUE</u>	<u>REF.</u>	
Allocation of Current Tax Collections:		
Collected	A-1:A-9	\$ 63,406,277.53
Allocated to:		
School and County Taxes		<u>37,259,008.76</u>
Balance for Support of Municipal Budget Appropriations		\$ 26,147,268.77
Add: Reserve for Uncollected Taxes	A-3	<u>3,011,790.45</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 29,159,059.22</u>
Receipts from Delinquent Taxes:		
Delinquent Tax Collections	A-9	\$ 2,376,388.17
Tax Title Lien Collections	A-10	<u>37,385.08</u>
	A-2	<u>\$ 2,413,773.25</u>
Licenses - Other:		
Township Clerk	A-13	\$ 3,963.40
Board of Health	A-13	<u>15,323.00</u>
	A-2	<u>\$ 19,286.40</u>
Fees and Permits - Other:		
Township Clerk	A-13	\$ 1,015.40
Board of Health	A-13	4,396.25
Tax Assessor	A-13	145.00
Fire Department	A-13	23,100.33
Police Department	A-13	<u>1,460.00</u>
	A-2	<u>\$ 30,116.98</u>
Joint Sewer Use Charges	A-11	\$ 1,618,097.32
Prepaid Applied	A-11	<u>990.85</u>
	A-2	<u>\$ 1,619,088.17</u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

REF.

ANALYSIS OF REALIZED REVENUE

ANALYSIS OF NON-BUDGET REVENUE

Miscellaneous Revenue Not Anticipated:

Cable Franchise Fees		\$	107,586.71	
Sale of Fire Hydrants			232,665.00	
Senior Citizen Administrative Fee			2,461.94	
Refunds			143,678.54	
Miscellaneous			<u>76,731.51</u>	
Animal Control Statutory Excess	A-4			\$ 563,123.70
	A-28			<u>4,485.48</u>
				567,609.18
Tax Collector	A-5			<u>133,816.18</u>
				701,425.36
Less: Refunds	A-4			<u>762.00</u>
	A-2			<u>\$ 700,663.36</u>

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

TOWNSHIP OF HILLSIDE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED	UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION				
\$	108,000.00	108,000.00	108,434.55	\$	\$	434.55
GENERAL GOVERNMENT						
Administrative and Executive:						
Salaries and Wages	11,400.00	11,400.00	1,165.93	10,234.07		
Other Expenses:	5,000.00	5,000.00	1,626.48	3,373.52		
Departmental Expenses	16,000.00	16,000.00	16,000.00			
Photocopy and Microfilm						
Townwide Repair and Maintenance Contracts						
Township Clerk:						
Salaries and Wages	178,540.00	178,540.00	178,540.91			40.91
Other Expenses:						
Miscellaneous	10,000.00	32,700.00	32,668.32	31.68		
Advertising	10,000.00	13,000.00	12,991.38	8.62		
Township Council						
Salaries and Wages	50,000.00	50,000.00	48,999.72	1,000.28		
Other Expenses	12,500.00	12,500.00	2,593.44	9,906.56		
Elections:						
Other Expenses	42,000.00	42,000.00	13,013.76	28,986.24		
Financial Administration:						
Salaries and Wages	191,000.00	191,000.00	158,818.83	32,181.17		
Other Expenses	440,000.00	440,000.00	340,277.51	99,722.49		
Annual Audit	50,950.00	50,950.00	50,725.00	225.00		
Assessment of Taxes:						
Salaries and Wages	103,000.00	103,000.00	99,971.04	3,028.96		
Other Expenses:						
Miscellaneous	15,000.00	15,000.00	14,559.41	440.59		
Computer Service Department:						
Other Expenses	2,000.00	2,000.00		2,000.00		
Collection of Taxes:						
Salaries and Wages	145,000.00	145,000.00	142,580.84	2,419.16		
Other Expenses	23,000.00	23,000.00	19,389.17	3,610.83		
Legal Services and Costs:						
Other Expenses	350,000.00	350,000.00	283,919.97	66,080.03		
Municipal Prosecutor						
Salaries and Wages	31,000.00	31,000.00	12,711.31	18,288.69		
Engineering Services						
Other Expenses - General	215,000.00	215,000.00	137,712.35	77,287.65		

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

TOWNSHIP OF HILLSIDE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
	\$	\$	\$	\$	\$	\$
Office of Economic Development:						
Salaries and Wages	70,000.00	70,000.00	1,346.15	68,653.85		
Other Expenses	5,000.00	5,000.00	2,138.00	2,862.00		
Buildings and Grounds:						
Salaries and Wages	252,000.00	252,000.00	250,715.00	1,285.00		
Other Expenses	115,000.00	115,000.00	110,001.70	4,998.30		
Municipal Land Use Law (N.J.S.A. 40:550-1):						
Planning Board:						
Salaries and Wages	2,500.00	2,500.00	1,770.89	729.11		
Other Expenses	2,000.00	2,000.00	1,557.29	442.71		
Zoning Costs:						
Salaries and Wages	2,500.00	2,500.00	1,770.89	729.11		
Other Expenses	2,000.00	2,000.00	1,350.62	649.38		
Alcohol Beverage Control:						
Other Expenses	10,000.00	10,000.00	2,828.00	7,172.00		
Postage:						
Other Expenses	40,000.00	40,000.00	29,251.28	10,748.72		
Insurance:						
Unemployment Compensation Insurance	75,000.00	75,000.00	32,570.24	42,429.76		
Group Insurance Plan for Employees	5,960,718.00	5,960,764.72	5,367,551.14	598,213.58		
Workers Compensation Insurance Trust Fund	300,000.00	300,000.00	226,282.49	73,717.51		
Other Insurance Premiums	640,000.00	640,000.00	635,615.82	4,384.18		
<u>PUBLIC SAFETY</u>						
Fire:						
Salaries and Wages	5,000,000.00	5,000,000.00	4,392,470.37	607,529.63		
Other Expenses:						
Miscellaneous	170,000.00	170,000.00	154,001.13	15,998.87		
Ambulance Services	30,000.00	30,000.00	28,463.57	1,536.43		
Uniform Fire Safety Act:						
Fire Official:						
Salaries and Wages	175,000.00	175,000.00	167,104.86	7,895.14		
Other Expenses	3,000.00	3,000.00	849.95	2,150.05		
Police:						
Salaries and Wages	8,250,000.00	8,250,000.00	8,003,635.10	246,364.90		
Other Expenses						
Departmental Expenses	160,000.00	160,000.00	141,191.06	18,808.94		
Traffic Lights						
Other Expenses	30,000.00	30,000.00	30,000.00			

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

TOWNSHIP OF HILLSIDE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS			EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED			
\$	300,000.00	300,000.00	232,586.65	67,413.35	\$		
<u>PUBLIC SAFETY</u>							
School Crossing Guards:							
Salaries and Wages	216,500.00	216,500.00	92,455.57	124,044.43			
Garage Service and Repair:							
Salaries and Wages	100,000.00	100,000.00	142,855.17				42,855.17
Other Expenses							
Office of Emergency Management:							
Salaries and Wages	9,000.00	9,000.00	7,132.38	1,867.62			
<u>STREETS AND ROADS</u>							
Road Repairs and Maintenance	1,535,000.00	1,535,000.00	1,497,649.04	37,350.96			
Salaries and Wages	135,000.00	135,000.00	105,848.47	29,151.53			
Other Expenses							
<u>SANITATION</u>							
Garbage, Trash, and Recycling Collection:							
Other Expenses	1,800,000.00	1,800,000.00	1,563,858.27	236,141.73			
Sewer System:							
Other Expenses	52,000.00	52,000.00		52,000.00			
Sewer Pumping System:							
Other Expenses	45,000.00	45,000.00	37,584.41	7,415.59			
<u>HEALTH AND WELFARE</u>							
Board of Health:							
Salaries and Wages	305,500.00	305,500.00	247,696.85	57,803.15			
Other Expenses	44,000.00	44,000.00	20,553.05	23,446.95			
Dog License Registration:							
Other Expenses	70,000.00	70,000.00	61,407.28	8,592.72			
<u>RECREATION AND EDUCATION</u>							
Community Recreation Commission:							
Salaries and Wages	242,000.00	242,000.00	234,840.51	7,159.49			
Other Expenses	19,500.00	19,500.00	16,819.11	2,680.89			
Senior Citizens:							
Salaries and Wages	231,000.00	231,000.00	148,007.41	82,992.59			
Other Expenses	15,000.00	15,000.00	14,727.81	272.19			
Celebration of Public Events:							
Other Expenses	5,000.00	5,000.00	4,442.10	557.90			
Mayor & Administration	5,000.00	5,000.00	4,601.25	398.75			
Council							
Municipal Court:							
Salaries and Wages	350,000.00	350,000.00	314,604.42	35,395.58			
Other Expenses	25,000.00	25,000.00	23,912.27	1,087.73			
Public Defender							
Other Expenses	10,000.00	10,000.00	6,325.00	3,675.00			

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

TOWNSHIP OF HILLSIDE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
UNIFORM CONSTRUCTION CODE - APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4.17)						
Sub-Officials:						
Building Inspector:						
Salaries and Wages	\$ 301,550.00	\$ 301,550.00	\$ 266,387.26	\$ 35,162.74	\$	
Other Expenses	10,000.00	10,000.00	9,748.92	251.08		
UNCLASSIFIED						
Utilities - All	714,000.00	714,000.00	547,037.69	166,962.31		
Street Lighting	355,000.00	355,000.00	353,068.58	1,931.42		
Fire Hydrant Service	270,000.00	270,000.00	270,000.00			
Temporary and Summer Employees:						
Salaries and Wages	15,000.00	15,000.00	737.50	14,262.50		
Group Insurance						
Health Benefit Waiver	75,000.00	75,000.00	37,916.66	37,083.34		
Salary Adjustment Account	250,000.00	250,000.00		250,000.00		
TOTAL OPERATIONS WITHIN "CAPS"	30,805,618.00	30,779,864.72	27,521,969.10	3,301,226.25		43,330.63
Contingent	500.00	500.00		500.00		
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	30,806,118.00	30,780,364.72	27,521,969.10	3,301,726.25		43,330.63
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS":						
Deferred Charges:						
Overexpenditure of 2013 Appropriations Reserves	21,570.00	21,570.00	21,569.62		0.38	
Overexpenditure of CY 2014 Appropriations	19,381.00	19,381.00	19,380.47		0.53	
PRIOR YEAR BILLS						
Other Expenses - Margolis Edelstein	7,546.26	7,546.26	7,512.63		33.63	
Other Expenses - Jackson Lewis	24,109.55	24,109.55			24,109.55	
Anticipated Deficit in Swimming Pool Utility Operations	38,488.53	38,488.53	837.32		37,651.21	
Statutory Expenditures:						
Contribution to						
Public Employees Retirement System	540,837.00	540,837.00	540,837.00			
Social Security (O.A.S.I.)	625,000.00	625,000.00	510,761.66	114,238.34		
Consolidated Police and Firemen's Pension Fund			16,924.29	0.71		
Police and Firemen's Retirement System of N.J.			3,019,042.00			
Defined Retirement Contribution Plan	5,000.00	5,000.00	725.00	4,275.00		
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	4,300,974.34	4,317,899.34	4,137,589.99	118,514.05	61,795.30	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	35,107,092.34	35,098,264.06	31,659,559.09	3,420,240.30	61,795.30	43,330.63

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

TOWNSHIP OF HILLSIDE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		PAID OR CHARGED	EXPENDED		UNEXPENDED BALANCE CANCELED	OVER-EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION			RESERVED		
GENERAL APPROPRIATIONS-OPERATIONS EXCLUDED FROM "CAPS":							
Maintenance of Free Public Library	\$ 546,706.24	\$ 546,706.24	\$ 538,406.24	\$ 8,300.00	\$		0.14
Joint Trunk Sewer	1,478,970.00	1,478,970.00	1,478,970.14				
Snow Removal Cost - State of Emergency	150,000.00	150,000.00	98,349.89	51,650.11			
Reserve for Tax Appeals	120,000.00	120,000.00		120,000.00			
Group Insurance Plans for Employees	19,282.00	19,282.00		19,282.00			
INTERLOCAL MUNICIPAL SERVICE AGREEMENTS							
Union County Fire and EMS Dispatch Services 2015	36,414.00	37,142.28	37,142.28				
PUBLIC AND PRIVATE PROGRAMS OFF-SET BY REVENUES							
Municipal Alliance Grant:							
County Aid	20,800.00	20,800.00	20,800.00				
Local Match	5,200.00	5,200.00	5,200.00				
Clean Communities Program	27,791.63	27,791.63	27,791.63				
Body Armor Fund	6,366.63	6,366.63	6,366.63				
Recycling Tonnage Grant	11,709.50	11,709.50	11,709.50				
Alcohol Education and Rehabilitation Fund	1,831.48	1,831.48	1,831.48				
UEZ Summer Work Program	19,000.00	19,000.00	19,000.00				
DOT - Safe Corridors Grant - 2014 (Overexpenditure)	54,297.28	54,297.28	54,297.28				
DOT - Safe Corridors Grant	64,096.19	64,096.19	64,096.19				
Summer Food Service Program - (2014 overexpenditure)	25,446.81	25,446.81	25,446.81				
2015 Infrastructure and Municipal Aid Grant Program		50,000.00	50,000.00				
TOTAL OPERATIONS-EXCLUDED FROM "CAPS":	2,587,911.76	2,638,640.04	2,439,408.07	199,232.11			0.14
CAPITAL IMPROVEMENT FUND - EXCLUDED FROM "CAPS":							
Capital Improvement Fund	100,000.00	100,000.00	100,000.00				
MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS":							
Payment of Bond Principal	320,000.00	320,000.00	320,000.00				
Payment of Bond Anticipation Notes	81,551.00	81,551.00	81,551.00				
Interest on Bonds	23,525.00	23,525.00	23,525.00				
Interest on Notes	38,599.00	38,599.00	38,599.00				
New Jersey Economic Development Authority Loan Principal	7,246.00	7,246.00	7,245.80				0.20

TOWNSHIP OF HILLSIDE
CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS		EXPENDED		UNEXPENDED BALANCE CANCELED	OVER- EXPENDITURE
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	RESERVED		
<u>MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u> (CONTINUED)						
N.J. Environmental Infrastructure Loan Program:						
Principal	\$ 51,337.00	\$ 51,337.00	\$ 64,535.00	\$	\$	\$ 13,198.00
Interest	12,588.00	12,588.00	14,447.50		0.50	1,860.00
Union County Improvement Authority:						
Principal	471,255.00	471,255.00	469,221.46		2,033.54	
Interest	100,309.00	100,309.00	100,309.00			
<u>TOTAL MUNICIPAL DEBT SERVICE-EXCLUDED FROM "CAPS"</u>	<u>1,106,410.00</u>	<u>1,106,410.00</u>	<u>1,119,433.76</u>		<u>2,034.24</u>	<u>15,058.00</u>
<u>DEFERRED CHARGES-EXCLUDED FROM "CAPS"</u>						
Judgments	500.00	8,600.00	8,580.77		19.23	
Emergency Authorization	161,530.00	161,530.00	161,529.40		0.60	
Special Emergency Authorizations 5 Years	648,096.00	648,096.00	648,096.00			
<u>TOTAL DEFERRED CHARGES-EXCLUDED FROM "CAPS"</u>	<u>810,126.00</u>	<u>818,226.00</u>	<u>818,206.17</u>		<u>19.83</u>	
<u>TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"</u>	<u>\$ 4,604,447.76</u>	<u>\$ 4,663,276.04</u>	<u>\$ 4,477,048.00</u>	<u>\$ 199,232.11</u>	<u>\$ 2,054.07</u>	<u>\$ 15,058.14</u>
<u>SUB-TOTAL GENERAL APPROPRIATIONS</u>	<u>39,711,540.10</u>	<u>39,761,540.10</u>	<u>36,136,607.09</u>	<u>3,619,472.41</u>	<u>63,849.37</u>	<u>58,388.77</u>
Reserve for Uncollected Taxes	3,011,790.45	3,011,790.45	3,011,790.45			
<u>TOTAL GENERAL APPROPRIATIONS</u>	<u>\$ 42,723,330.55</u>	<u>\$ 42,773,330.55</u>	<u>\$ 39,148,397.54</u>	<u>\$ 3,619,472.41</u>	<u>\$ 63,849.37</u>	<u>\$ 58,388.77</u>
REF.	A-2	A-1	A-1	A-1		A-1 A-29
Budget						
Appropriations by 40A.4-87	\$	\$ 42,723,330.55				
		50,000.00				
		<u>42,773,330.55</u>				
Reserve for Uncollected Taxes		\$	3,011,790.45			
Encumbrances Payable			797,379.59			
Reserve for Grants Appropriated			286,539.52			
Deferred Charges - Current Fund			202,479.49			
Deferred Charges - Special Emergency Authorization 40A.4-53			648,096.00			
Disbursed			34,616,038.26			
		\$	39,562,323.31			
			413,925.77			
Less: Refunds			<u>39,148,397.54</u>			

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

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TRUST FUND

"B"

TOWNSHIP OF HILLSIDE

TRUST FUND

BALANCE SHEETS - REGULATORY BASIS

		BALANCE DECEMBER 31, 2015	BALANCE DECEMBER 31, 2014
<u>ASSETS</u>			
Animal Control Fund:			
Cash	B-1	\$ 103,795.33	\$ 98,454.25
		<u>\$ 103,795.33</u>	<u>\$ 98,454.25</u>
Other Trust Funds:			
Cash	B-1	\$ 6,374,205.28	\$ 5,904,848.70
Community Development Block Grants Receivable	B-4	288,027.49	189,430.00
Interfunds Receivable	B-19	834,967.57	739,468.34
		<u>\$ 7,497,200.34</u>	<u>\$ 6,833,747.04</u>
		<u>\$ 7,600,995.67</u>	<u>\$ 6,932,201.29</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	\$ 9,846.00	\$ 9,162.00
Due State of New Jersey	B-3	183.60	12.00
Interfunds Payable	B-20	93,765.73	89,280.25
		<u>\$ 103,795.33</u>	<u>\$ 98,454.25</u>
Other Trust Funds:			
Reserve for:			
Community Development Block Grants	B-5	\$ 229,726.19	\$ 156,695.84
Facade Loan Repayment	B-6	35,134.28	35,134.28
Tax Sale Redemption	B-7	294,607.10	228,399.72
Recreation Trust	B-8	22,853.84	19,474.42
State Unemployment Insurance	B-9	120,084.13	120,084.13
Flexible Spending Account	B-10	1,225.00	1,225.00
UEZ Second Generation Fund	B-11	631,113.71	639,286.70
UEZ Revolving Loan Escrow	B-12	7,195.23	7,117.39
Police Off-Duty Escrow	B-13	216,752.79	96,505.10
Local Law Enforcement Block Grant	B-14	628.02	628.02
Special Law Enforcement	B-15	44,905.58	43,584.60
Miscellaneous Trust Deposits	B-16	4,460,740.06	4,445,820.78
Federal Law Enforcement Trust	B-17	715,172.95	571,496.69
Building Department Escrow	B-18	318,971.25	181,900.33
Retiree Prescription Account	B-22	35,687.88	35,776.86
Encumbrances Payable	B-21	4,673.35	
Interfunds Payable	B-19	357,111.80	250,000.00
Due County of Union		617.18	617.18
		<u>\$ 7,497,200.34</u>	<u>\$ 6,833,747.04</u>
		<u>\$ 7,600,995.67</u>	<u>\$ 6,932,201.29</u>

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

GENERAL CAPITAL FUND

"C"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2014</u>
<u>ASSETS</u>			
Cash	C-2:C-3	\$ 289,657.78	\$ 65,050.99
Deferred Charges to Future Taxation:			
Funded	C-4	1,449,320.49	1,291,760.11
Unfunded	C-8	3,410,766.42	4,041,658.42
Grants Receivable	C-5	6,882.08	6,882.08
U.C.I.A. Lease Receivable	C-14	2,626,928.68	2,626,928.68
Infrastructure Loan Receivable	C-16		493,779.00
Interfunds Receivable	C-6	310,063.99	650,098.72
		<u>\$ 8,093,619.44</u>	<u>\$ 9,176,158.00</u>
<u>LIABILITIES, RESERVES AND FUND BALANCES</u>			
Interfunds Payable	C-6	\$ 32,679.40	\$ 32,679.40
Economic Development Authority Loan Payable	C-7	14,491.60	21,737.40
Capital Improvement Fund	C-9	531,737.46	431,737.46
Contracts Payable	C-10	240,241.10	
Bond Anticipation Note	C-12	2,084,449.00	2,166,000.00
General Serial Bonds	C-13	318,000.00	638,000.00
Infrastructure Loan Payable	C-15	1,116,828.89	632,022.71
Reserve for U.C.I.A.	C-17	1,833,074.47	2,097,523.58
Due U.C.I.A.	C-18	249,428.76	249,428.76
Reserve for Construction of Salt Shed	C-19	89,321.76	89,321.76
Improvement Authorizations:			
Funded	C-11	569,696.81	636,371.81
Unfunded	C-11	989,952.84	2,167,583.04
Fund Balance	C-1	23,717.35	13,752.08
		<u>\$ 8,093,619.44</u>	<u>\$ 9,176,158.00</u>

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

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	
Balance, December 31, 2014	C	\$ 13,752.08
Increased by:		
Premium on Bond Anticipation Note Issued	C-2	<u>9,965.27</u>
Balance, December 31, 2015	C	<u>\$ 23,717.35</u>

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

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SWIM POOL UTILITY FUND

"D"

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
<u>ASSETS</u>			
Operating Fund:			
Cash		\$	\$ 78,374.62
Interfunds Receivable	D-6	25,152.52	76.50
Deferred Charge:			
Overexpenditure of 2014 Appropriations	D-15	0.30	
Overexpenditure of Appropriations	D-15	9,069.25	
Overexpenditure of Appropriation Reserves	D-15	13,967.59	18,445.30
		<u>\$ 48,189.66</u>	<u>\$ 96,896.42</u>
Capital Fund:			
Interfunds Receivable	D-17	\$ 10,584.06	\$ 10,584.06
Grants Receivable	D-7	149,400.00	149,400.00
Fixed Capital	D-14	710,689.24	710,689.24
Fixed Capital Authorized and Uncompleted	D-9	326,310.76	326,310.76
		<u>\$ 1,196,984.06</u>	<u>\$ 1,196,984.06</u>
		<u>\$ 1,245,173.72</u>	<u>\$ 1,293,880.48</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Liabilities:			
Cash (deficit)	D-4	\$ 6,169.94	\$
Appropriation Reserves	D-3:D-5	6,123.40	
Encumbrances Payable	D-8	6,501.76	12,189.46
Interfunds Payable	D-6	10,584.06	42,453.86
Accrued Interest on Notes	D-19	365.20	367.20
		<u>\$ 29,744.36</u>	<u>\$ 55,010.52</u>
Fund Balance	D-1	18,445.30	41,885.90
		<u>\$ 48,189.66</u>	<u>\$ 96,896.42</u>
Capital Fund:			
Improvement Authorizations - Funded	D-10	\$ 45,695.13	\$ 45,695.13
Improvement Authorizations - Unfunded	D-10	101,563.14	101,563.14
Capital Improvement Fund	D-11	10,250.00	10,250.00
Reserve for:			
Amortization	D-12	718,277.24	715,689.24
Deferred Amortization	D-13	150,710.76	150,710.76
Bond Anticipation Note Payable	D-16	72,412.00	75,000.00
Interfunds Payable	D-17	98,075.79	98,075.79
		<u>\$ 1,196,984.06</u>	<u>\$ 1,196,984.06</u>
		<u>\$ 1,245,173.72</u>	<u>\$ 1,293,880.48</u>

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

"D-1"

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

STATEMENTS OF OPERATIONS
AND CHANGES IN OPERATING FUND BALANCE - REGULATORY BASIS

	<u>REF.</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2015</u>	<u>YEAR ENDED</u> <u>DECEMBER</u> <u>31, 2014</u>
<u>REVENUE AND OTHER INCOME</u>			
Fund Balance	D-2	\$ 23,440.60	\$ 36,530.00
Membership Fees	D-2	10,680.00	17,580.00
Non-Resident Membership Fees	D-2	1,650.00	3,275.00
Miscellaneous Revenues	D-2	153,622.00	108,542.00
Food Concession	D-2	4,199.00	4,170.00
Deficit (General Budget)	D-2	837.32	
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves			<u>12,526.44</u>
<u>TOTAL INCOME</u>		<u>\$ 194,428.92</u>	<u>\$ 182,623.44</u>
<u>EXPENDITURES</u>			
Operating	D-3	\$ 174,069.25	\$ 154,640.26
Debt Service	D-3	3,333.92	
Deferred Charges and Statutory Expenditures	D-3	<u>26,095.00</u>	<u>19,835.03</u>
<u>TOTAL EXPENDITURES</u>		<u>\$ 203,498.17</u>	<u>\$ 174,475.29</u>
Excess (Deficit) in Revenue		\$ (9,069.25)	\$ 8,148.15
Adjustment to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	D-3	<u>9,069.25</u>	<u>18,445.30</u>
Statutory Excess to Fund Balance		\$	<u>26,593.45</u>
Fund Balance, January 1	D	<u>41,885.90</u>	<u>51,822.45</u>
Decreased by:		\$ <u>41,885.90</u>	\$ <u>78,415.90</u>
Utilized by Operating Budget		\$ <u>23,440.60</u>	\$ <u>36,530.00</u>
Fund Balance, December 31	D	<u>\$ 18,445.30</u>	<u>\$ 41,885.90</u>

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

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

STATEMENT OF REVENUES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2015

	<u>REF.</u>	<u>BUDGET REVENUE</u>	<u>REALIZED</u>	<u>EXCESS OR (DEFICIT)</u>
Fund Balance	D-1	\$ 23,440.60	\$ 23,440.60	\$
Membership Fees	D-1:D-4	17,500.00	10,680.00	(6,820.00)
Non-Resident Membership Fees	D-1:D-4	3,000.00	1,650.00	(1,350.00)
Miscellaneous	D-1:D-4	108,000.00	153,622.00	45,622.00
Food Concession	D-1:D-4	4,000.00	4,199.00	199.00
Deficit (General Budget)	D-1:D-4	<u>38,488.53</u>	<u>837.32</u>	<u>(37,651.21)</u>
Budget Totals	D-3	\$ <u>194,429.13</u>	\$ <u>194,428.92</u>	\$ <u>(0.21)</u>

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

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2015

	APPROPRIATIONS			PAID OR CHARGED	EXPENDED	RESERVED	OVER-EXPENDITURE	CANCELED	
	BUDGET	BUDGET AFTER MODIFICATION							
Operating:									
Salaries and Wages	\$ 95,000.00	\$ 95,000.00	\$ 104,069.25	\$			\$ 9,069.25		
Other Expenses	70,000.00	70,000.00	65,684.52		4,315.48				
Deferred Charges:									
Overexpenditure of Appropriation	18,445.00	18,445.00	18,445.00						
Debt Service:									
Payment of Bond Anticipation & Capital Notes	2,586.21	2,586.21	2,586.00					0.21	
Interest on Notes	747.92	747.92	747.92						
Statutory Expenditures:									
Social Security	7,650.00	7,650.00	5,842.08		1,807.92				
	<u>\$ 194,429.13</u>	<u>\$ 194,429.13</u>	<u>\$ 197,374.77</u>	<u>\$</u>	<u>6,123.40</u>	<u>\$</u>	<u>9,069.25</u>	<u>\$</u>	<u>0.21</u>
	D-2		D-1	D-1	D:D-1		D-1:D-15	D-1	
Cash Disbursements			\$ 172,389.59						
Accrued Interest on Notes			747.92						
Accounts Payable			5,792.26						
Deferred Charges			18,445.00						
			<u>\$ 197,374.77</u>						

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

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PUBLIC ASSISTANCE TRUST FUND

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TOWNSHIP OF HILLSIDE
PUBLIC ASSISTANCE TRUST FUND
BALANCE SHEETS - REGULATORY BASIS

	<u>REF.</u>	BALANCE DECEMBER <u>31, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
<u>ASSETS</u>			
Due Current Fund		\$ <u>17,137.82</u>	\$ <u>17,137.82</u>
		\$ <u>17,137.82</u>	\$ <u>17,137.82</u>
<u>LIABILITIES AND RESERVES</u>			
Due State of New Jersey		\$ <u>17,137.82</u>	\$ <u>17,137.82</u>
		\$ <u>17,137.82</u>	\$ <u>17,137.82</u>

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

GENERAL FIXED ASSETS ACCOUNT GROUP

"F"

TOWNSHIP OF HILLSIDE
GENERAL FIXED ASSET ACCOUNT GROUP
BALANCE SHEET - REGULATORY BASIS

	BALANCE DECEMBER <u>31, 2015</u>	BALANCE DECEMBER <u>31, 2014</u>
<u>FIXED ASSETS</u>		
Land	\$ 3,622,900.00	\$ 3,622,900.00
Buildings	4,332,700.00	4,332,700.00
Machinery and Equipment	<u>6,914,474.00</u>	<u>6,914,474.00</u>
<u>TOTAL FIXED ASSETS</u>	<u>\$ 14,870,074.00</u>	<u>\$ 14,870,074.00</u>
 <u>RESERVE</u>		
Investments in General Fixed Assets	<u>\$ 14,870,074.00</u>	<u>\$ 14,870,074.00</u>

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

NOTES TO FINANCIAL STATEMENTS

TOWNSHIP OF HILLSIDE

NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015 AND 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Township of Hillside is an instrumentality of the State of New Jersey, established to function as a municipality. The Township Council consists of elected officials and is responsible for the fiscal control of the Township.

Except as noted below, the financial statements of the Township of Hillside include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Township of Hillside, as required by N.J.S.A. 40A: 5-5. Accordingly, the financial statements of the Township of Hillside do not include the operations of the municipal library or the Board of Education, inasmuch as their activities are administered by separate boards.

B. Description of Funds

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB codification establishes three fund types and two account groups to be used by general purpose governmental units when reporting financial position and results of operations in accordance with Generally Accepted Accounting Principles (GAAP).

The Accounting policies of the Township of Hillside 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. 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 financial transactions and accounts of the Township of Hillside are organized on the basis of funds and an account group which is different from the fund structure required by GAAP. A fund or account group is an accounting entity with a separate set of self-balancing accounts established to record the financial position and results of operation of a specific government activity. As required by the Division of Local Government Services, the Township accounts for its financial transactions through the following individual funds and account groups:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Description of Funds (Continued)

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

Trust Fund - receipts, custodianship and disbursements 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.

Swim Pool Utility Operating and Capital Funds - account for the operations and acquisition of capital facilities of the municipally-owned Swim Pool Utility.

Public Assistance Trust Fund - receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey statutes.

General Fixed Asset Account Group - utilized to account for property, land, buildings and equipment that have been acquired by other governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant accounting policies and differences in the State of New Jersey are as follows:

A modified accrual basis of accounting is followed with minor exceptions.

Revenues - are recorded when received in cash except for certain amounts which are due from other governmental units. Federal and State grants are realized as revenue when anticipated in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Township's Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual, are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP requires revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Expenditures - are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuances of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances, at December 31, are reported as a cash liability in the financial statements and constitute part of the Township's regulatory Appropriation Reserve balance. Appropriation reserves covering unexpended appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital and utility bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis, whereas interest on utility indebtedness is on the accrual basis.

Encumbrances - Contractual orders, at December 31, are reported as expenditures through the establishment of encumbrances payable. Under GAAP, encumbrances outstanding at year end are reported as reservations of fund balance because they do not constitute expenditures or liabilities.

Foreclosed Property - is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at its market value.

Sale of Municipal Assets - The proceeds from the sale of municipal assets can be held in a reserve until anticipated as a revenue in a future budget. GAAP requires such proceeds to be recorded as a revenue in the year of sale.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

General Fixed Assets - New Jersey Administrative Code (N.J.A.C. 5:30-5.6), Accounting for Governmental Fixed Assets, which differs in certain respects from generally accepted accounting principles, requires the inclusion of a statement of general fixed assets of the Township as part of its basic financial statements. General fixed assets are defined as nonexpendable personal and real property having a physical existence, a useful life of more than one year and an acquisition cost of \$500.00 or more per unit. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. General Fixed Assets that have been acquired and are utilized in a governmental fund operation are accounted for in the General Fixed Asset Account Group rather than in a governmental fund. No depreciation has been provided on general fixed assets or reported in the financial statements. Fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Buildings and land are stated at the assessed value contained in the Township's most recent property revaluation.

The Township developed a fixed assets accounting and reporting system based on an inspection and valuation prepared by an independent appraisal firm.

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories are not included on the various balance sheets. GAAP requires the cost of inventories to be reported as a current asset and equally offset by a fund balance reserve.

Fixed Capital - Swim Pool Utility

Accounting for utility fund "fixed capital" remains unchanged under the requirements of N.J.A.C. 5:30- 5.6.

Property and equipment purchased by the Swim Pool Utility Fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Fixed Capital - Swim Pool Utility (Continued)

The fixed capital reported is as taken from the municipal records and does not necessarily reflect the true condition of such fixed capital. Contributions in aid of construction are not capitalized. The balances in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the utility capital fund represent charges to operations for the cost of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

Accounting and Financial Reporting for Pensions - In June 2012, the Governmental Accounting Standards Board (GASB) approved Statement No. 68 Accounting and financial reporting for pensions administered by state and local government employers. This Statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

In November of 2013, GASB approved Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date-an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

Statement 68 requires a state or local government employer (or non-employer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or non-employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events.

At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Under GAAP, municipalities are required to recognize the pension liability in Statements of Revenues, Expenses, Changes in Net Assets (balance sheets) and Notes to the Financial Statements in accordance with GASB 68. The liability required to be displayed by GASB 68 is displayed as a separate line item in the Unrestricted Net Assets area of the balance sheet.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Accounting and Financial Reporting for Pensions (Continued)

New Jersey's municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30 6.1(c)(2) requires municipalities to disclose GASB 68 information in the Notes to the Financial Statements. The disclosure must meet the requirements of GASB 68.

D. Basic Financial Statements

The GASB codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents of the "Requirements of Audit and Accounting Revision of 1987" as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which differ from the financial statements required by GAAP.

NOTE 2: CASH AND CASH EQUIVALENTS

The Township considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund and certificates of deposit as cash and cash equivalents.

A. Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

A. Deposits (Continued)

The Township of Hillside had the following cash and cash equivalents at December 31, 2015:

<u>Fund</u>	<u>Cash in Bank</u>	<u>Reconciling Items</u>	<u>Change Funds</u>	<u>Total</u>
Checking Accounts	\$21,767,792.53	(\$832,427.61)		\$20,935,364.92
N.J. Cash Management	86.77			86.77
	<u>21,767,879.30</u>	<u>(832,427.61)</u>		<u>20,935,451.69</u>
Change Funds			\$690.00	690.00
Total Cash and Cash Equivalents	<u>\$21,767,879.30</u>	<u>(\$832,427.61)</u>	<u>\$690.00</u>	<u>\$20,936,141.69</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of December 31, 2013, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$21,767,879.30, \$250,000.00 was covered by Federal Depository Insurance, \$21,517,792.53 was covered under the provisions of NJGUDPA and \$86.77 was on deposit with the New Jersey Cash Management Fund.

B. Investments

The purchase of investments by the Township is strictly limited by the express authority of the New Jersey Local Fiscal Affairs Law, N.J.S.A. 40A:5-15.1. Permitted investments include any of 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 which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. These funds are also required to be rated by a nationally recognized statistical rating organization.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by Local Units;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 5-15.1. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - 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 section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

NOTE 2: CASH AND CASH EQUIVALENTS (CONTINUED)

B. Investments (Continued)

As of December 31, 2013, the Township has \$86.77 on deposit with the New Jersey Cash Management Fund. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices of the Investment Council of the New Jersey Cash Management Fund, the Borough is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments nor is it exposed to foreign currency risk for its deposits and investments.

The Township of Hillside's investment activities during the year were in accordance with the above New Jersey Statute.

NOTE 3: GOVERNMENTAL DEBT

Long-Term Debt

The Local Bond Law, Chapter 40A:2, governs the issuance of bonds to finance general municipal capital expenditures. All bonds are retired in annual installments within the regulatory period of usefulness. All bonds issued by the Township are general obligation bonds, backed by the full faith and credit of the Township. Bond Anticipation Notes, which are issued to temporarily finance capital projects, shall mature and be paid off within ten years or financed by the issuance of bonds.

SUMMARY OF MUNICIPAL DEBT (EXCLUDING CURRENT AND OPERATING DEBT AND TYPE II SCHOOL DEBT)

	<u>CY2015</u>	<u>CY2014</u>	<u>CY2013</u>
Issued:			
General:			
Bonds, Notes and Loans	\$2,997,626.49	\$3,457,760.11	\$3,919,157.33
Swim Pool Utility:			
Notes	<u>72,412.00</u>	<u>75,000.00</u>	<u>75,000.00</u>
Total Issued	<u>\$3,070,038.49</u>	<u>\$3,532,760.11</u>	<u>\$3,994,157.33</u>
Authorized But Not Issued:			
General:			
Bonds and Notes	1,326,317.42	1,875,658.42	981,884.42
Swim Pool Utility:			
Bonds and Notes	<u>100,600.00</u>	<u>100,600.00</u>	<u>100,600.00</u>
Total Authorized But Not Issued	<u>1,426,917.42</u>	<u>1,976,258.42</u>	<u>1,082,484.42</u>
Net Bonds and Notes Issued and and Authorized But Not issued	<u>\$4,496,955.91</u>	<u>\$5,509,018.53</u>	<u>\$5,076,641.75</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt

SUMMARY OF REGULATORY DEBT CONDITION
(ANNUAL DEBT STATEMENT AS OF DECEMBER 31, 2014)

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 regulatory net debt of .264%.

	<u>GROSS DEBT</u>	<u>DEDUCTIONS</u>	<u>NET DEBT</u>
Swim Pool Debt	\$173,012.00	\$173,012.00	-0-
General Debt	<u>4,323,943.91</u>	<u>-0-</u>	<u>\$4,323,943.91</u>
	<u>\$4,496,955.91</u>	<u>\$173,012.00</u>	<u>\$4,323,943.91</u>

NET DEBT \$4,323,943.91 DIVIDED BY EQUALIZED VALUATION BASIS PER N.J.S.A. 40A:2-2, AS AMENDED, \$1,639,179,462.33 EQUALS .264%.

BORROWING POWER UNDER N.J.S.40A:2-6 AS AMENDED - DEBT LIMITATION

Equalized Valuation Basis* - December 31, 2015	\$1,639,179,462.33
3-1/2 of Equalized Valuation Basis	57,371,281.18
Net Debt	<u>4,323,943.91</u>
Remaining Borrowing Power	<u>\$53,047,337.27</u>

*Equalized Valuation Basis is the average of the equalized valuations of Real Estate, including improvements, and the assessed valuation of Class II Rail Road Property of the Township for the last three (3) preceding years.

SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT ISSUED AND OUTSTANDING
AS OF DECEMBER 31, 2015

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2016	<u>\$318,000.00</u>	<u>\$11,925.00</u>	<u>\$329,925.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt

General Improvement bonds payable with their outstanding balances are comprised of the following individual issues:

<u>ISSUE</u>	OUTSTANDING BALANCE DECEMBER 31, 2015
\$3,598,000.00 in General Improvement Bonds dated October 15, 2003, due in one remaining installment of \$318,000.00 due October 15, 2016 with interest at 3.75%	<u>\$318,000.00</u>
	<u>\$318,000.00</u>

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

At December 31, 2015, the Township has authorized but not issued bonds and notes as follows:

General Capital Fund	<u>\$ 1,326,317.42</u>
Swim Pool Capital Fund	<u>\$ 100,600.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS

The Township has entered into four Environmental Infrastructure Trust Loan Agreements with the State of New Jersey for the Joint Meeting of Essex and Union Counties project. The loans are payable over 20 years. The first loan 2002A dated 10/15/02, consists of two parts, an interest bearing portion of \$200,000.00 (the Trust Loan) and a non-interest bearing portion of \$208,697.00 (the Fund Loan). The rate of Interest on the Trust Loan is variable ranging from 3.00% to 5.25%.

Following are the maturities and debt schedule for the outstanding principal and interest on the loan:

<u>Year</u>	<u>Trust Loan 2002A</u>		<u>Fund Loan</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2016	\$10,000.00	\$4,712.50	\$9,529.83	\$24,242.33
2017	10,000.00	4,212.50	9,205.95	23,418.45
2018	15,000.00	3,712.50	12,120.77	30,833.27
2019	15,000.00	2,962.50	11,634.97	29,597.47
2020	15,000.00	2,212.50	11,149.16	28,361.66
2021	15,000.00	1,462.50	10,663.36	27,125.86
2023	15,000.00	712.50	10,177.77	25,890.27
	<u>\$95,000.00</u>	<u>\$19,987.50</u>	<u>\$74,481.81</u>	<u>\$189,469.31</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS (CONTINUED)

The second Environmental Infrastructure Trust loan, 2006A dated 11/09/06, also consists of two parts, an interest bearing portion of \$105,000.00 (the Trust Loan) and a non-interest bearing portion of \$300,397.00 (the Fund Loan). The rate of Interest on the Trust Loan is variable ranging from 4.00% to 5.00%.

Following are the maturities and debt schedule for the outstanding principal and interest on the loan:

<u>Year</u>	<u>Trust Loan 2006A</u>		<u>Fund Loan</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2016	\$5,000.00	\$2,775.00	\$14,758.12	\$22,533.12
2017	5,000.00	2,525.00	14,283.58	21,808.58
2018	5,000.00	2,325.00	13,903.95	21,228.95
2019	5,000.00	2,125.00	13,524.32	20,649.32
2020	5,000.00	1,925.00	13,144.69	20,069.69
2021	5,000.00	1,725.00	12,765.06	19,490.06
2022	5,000.00	1,518.76	12,373.56	18,892.32
2023	5,000.00	1,312.50	11,982.08	18,294.58
2024	5,000.00	1,100.00	11,578.72	17,678.72
2025	10,000.00	850.00	20,594.94	31,444.94
2026	10,000.00	425.00	19,788.39	30,213.39
	<u>\$65,000.00</u>	<u>\$18,606.26</u>	<u>\$158,697.41</u>	<u>\$242,303.67</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS (CONTINUED)

The third Environmental Infrastructure Trust loan, 2010A dated 03/10/10, also consists of two parts, an interest bearing portion of \$125,000.00 (the Trust Loan) and a non-interest bearing portion of \$122,926.00 (the Fund Loan). The rate of interest on the Trust Loan is variable ranging from 4.00% to 5.00%.

Following are the maturities and debt schedule for the outstanding principal and interest on the loan:

<u>Year</u>	<u>Trust Loan 2010A</u>		<u>Fund Loan</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2016	\$5,000.00	\$4,100.00	\$6,250.47	\$15,350.47
2017	5,000.00	3,850.00	6,250.47	15,100.47
2018	5,000.00	3,600.00	6,250.47	14,850.47
2019	5,000.00	3,350.00	6,250.47	14,600.47
2020	5,000.00	3,150.00	6,250.47	14,400.47
2021	5,000.00	2,900.00	6,250.47	14,150.47
2022	5,000.00	2,750.00	6,250.47	14,000.47
2023	5,000.00	2,550.00	6,250.47	13,800.47
2024	10,000.00	2,350.00	6,250.47	18,600.47
2025	10,000.00	1,950.00	6,250.47	18,200.47
2026	10,000.00	1,550.00	6,250.47	17,800.47
2027	10,000.00	1,200.00	6,250.47	17,450.47
2028	10,000.00	800.00	6,250.47	17,050.47
2030	10,000.00	400.00	6,250.56	16,650.56
	<u>\$100,000.00</u>	<u>\$34,500.00</u>	<u>\$87,506.67</u>	<u>\$222,006.67</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt

ENVIRONMENTAL INFRASTRUCTURE TRUST LOANS (CONTINUED)

The fourth Environmental Infrastructure Trust loan, 2015A-1 dated 05/28/15, also consists of two parts, an interest bearing portion of \$160,000.00 (the Trust Loan) and a non-interest bearing portion of \$389,341.00 (the Fund Loan). The rate of interest on the Trust Loan is variable ranging from 4.00% to 5.00%.

Following are the maturities and debt schedule for the outstanding principal and interest on the loan:

<u>Year</u>	<u>Trust Loan JMECU</u>		<u>Fund Loan</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	
2016	\$5,000.00	\$7,200.00	\$19,797.00	\$31,997.00
2017	5,000.00	6,950.00	19,797.00	31,747.00
2018	5,000.00	6,700.00	19,797.00	31,497.00
2019	5,000.00	6,450.00	19,797.00	31,247.00
2020	5,000.00	6,200.00	19,797.00	30,997.00
2021	5,000.00	5,950.00	19,797.00	30,747.00
2022	10,000.00	5,700.00	19,797.00	35,497.00
2023	10,000.00	5,200.00	19,797.00	34,997.00
2024	10,000.00	4,700.00	19,797.00	34,497.00
2025	10,000.00	4,200.00	19,797.00	33,997.00
2026	10,000.00	3,700.00	19,797.00	33,497.00
2027	10,000.00	3,200.00	19,797.00	32,997.00
2028	10,000.00	2,800.00	19,797.00	32,597.00
2029	10,000.00	2,400.00	19,797.00	32,197.00
2030	10,000.00	2,000.00	19,797.00	31,797.00
2031	10,000.00	1,600.00	19,797.00	31,397.00
2032	10,000.00	1,200.00	19,797.00	30,997.00
2033	10,000.00	800.00	19,797.00	30,597.00
2034	10,000.00	400.00	19,797.00	30,197.00
	<u>\$160,000.00</u>	<u>\$77,350.00</u>	<u>\$376,143.00</u>	<u>\$613,493.00</u>

NOTE 3: GOVERNMENTAL DEBT (CONTINUED)

Long-Term Debt

ECONOMIC DEVELOPMENT AUTHORITY LOAN

The Township has also entered into a Loan agreements with the Economic Development Authority of New Jersey, dated 05/30/07 totaling \$72,458.00 for the removal of Underground Storage Tanks. The loans are not interest bearing.

Following are the maturities and debt schedule for the outstanding principal on the loan:

<u>YEAR</u>	<u>PRINCIPAL</u>
2016	\$7,245.80
2017	7,245.80
	<u>\$14,491.60</u>

Short-Term Debt

BOND ANTICIPATION NOTES

Outstanding Bond Anticipation Notes are summarized as follows:

General Capital Fund:

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2015</u>
09-019	08/12/09	08/07/15	08/05/16	1.500%	\$1,282,187.00
08-020	08/12/09	08/07/15	08/05/16	1.500%	802,262.00
					<u>\$2,084,449.00</u>

Swim Pool Utility Capital Fund:

<u>Ordinance Number</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance December 31, 2015</u>
12-011	08/10/12	08/07/15	08/05/16	1.500%	<u>\$72,412.00</u>

NOTE 4: FUND BALANCE APPROPRIATED

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

Current Fund	<u>\$2,648,000.00</u>
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NOTE 5: PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of July 1. Taxes are levied based on the final adoption of the current year municipal budget, and are payable in four installments on February 1, May 1, August 1 and November 1. The Township bills and collects its own property taxes and also the taxes for the County and local school district. The collections and remittance of county and school taxes are accounted for in the Current Fund. Township property tax revenues are recognized when collected in cash and any receivables are recorded with offsetting reserves on the balance sheet of the Township's Current Fund.

Taxes Collected in Advance - Taxes collected in advance and recorded as cash liabilities in the financial statements are as follows:

	BALANCE DECEMBER 31, <u>2015</u>	BALANCE DECEMBER 31, <u>2014</u>
Prepaid Taxes	<u>\$206,852.61</u>	<u>\$169,245.06</u>

NOTE 6: PENSION PLANS

Plan Descriptions

Substantially all eligible employees participate in the Public Employees' Retirement System (PERS), the Police, Firemen's Retirement System (PFRS), the Consolidated Police and Firemen's Pension Fund or the Defined Contribution Retirement System (DCRP), which have been established by state statute and are administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System, Police and Fireman's Retirement System and Consolidated Police and Firemen's Pension Fund.

These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625 or are available online at www.nj.gov/treasury/pensions/annrpts.shtml.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple employer plan. Membership is mandatory for substantially, all full-time employees of the State of New Jersey or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund.

Police and Fireman's Retirement System (PFRS) - The Police and Fireman's Retirement System (PFRS) was established as of July 1, 1944, under the provisions of N.J.S.A. 43:16A, to provide retirement, death, and disability benefits to its members. The PFRS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially, all full-time county and municipal police or firemen or officer employees with police powers appointed after June 30, 1944.

NOTE 6: PENSION PLANS (CONTINUED)

Consolidated Police and Firemen's Pension Fund

The Consolidated Police and Firemen's Retirement System (CPFRS) is a closed system with no active members and was established in January 1952 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944.

Defined Contribution Retirement Program (DCRP)

The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and was expanded under the provisions of Chapter 89, P.L. 2009. The DCRP provides eligible employees and their beneficiaries with a tax-sheltered, defined contribution retirement benefit, along with life insurance coverage and disability coverage.

Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43:36. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service. Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving ten years of service credit, in which case, benefits would begin the first day of the month after the member attains normal retirement age.

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A and 43:36. All benefits vest after ten years of service, except for disability benefits, which vest after four years of service. Retirement benefits for age and service are available at age 55. Members may seek special retirement after achieving 25 years of creditable service or they may elect deferred retirement after achieving ten years of service.

Newly elected or appointed officials that have an existing DCRP account, or are a member of another State-administered retirement system are immediately invested in the DCRP. For newly elected or appointed officials that do not qualify for immediate vesting in the DCRP, employee and employer contributions are held during the initial year of membership. Upon commencing the second year of DCRP membership, the member is fully invested. However, if a member is not eligible to continue in the DCRP for a second year of membership, the member may apply for a refund of the employee contributions from the DCRP, while the employer contributions will revert back to the employer. Employees are required to contribute 5.5% of their base salary and employers contribute 3.0%.

NOTE 6: PENSION PLANS (CONTINUED)

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan members and employer contributions may be amended by State of New Jersey legislation. During 2014 PERS provides for employee contributions of 7.06% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums.

The contribution policy for PFRS is set by N.J.S.A. 43: 16A and requires contributions by active members and contributing employers. Plan member and employer contributions *may* be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. During 2014, members contributed at a uniform rate of 10.00% of base salary.

Certain portions of the cost are contributed by the employees. The Township's share of pension costs, which is based upon the annual billings received from the State, amounted to \$3,577,528.29 for 2015, \$3,310,151.64 for 2014 and \$3,369,427.19 for 2013.

All contributions were equal to the required contributions for each of the three years, respectively.

Certain Township employees are also covered by the Federal Insurance Contribution Act.

Information as to the comparison of the actuarially computed value of vested benefit with the system's assets is not available from the State Retirement System and, therefore, is not presented.

NOTE 6: PENSION PLANS

Accounting and Financial Reporting for Pensions – GASB #68

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68 “Accounting and Financial Reporting for Public Employees Pensions” and is effective for fiscal years beginning after June 15, 2014. This statement requires the State of New Jersey to calculate and allocate, for note disclosure purposes only, the unfunded net pension liability of Public Employees Retirement System (PERS) and the Police and Firemen’s Retirement System (PFRS) of the participating municipality as of December 31, 2015. The statement does not alter the amounts of funds that must be budgeted for pension payments under existing state law.

Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, any unfunded net pension liability of the municipality, allocated by the State of New Jersey, is not required to be reported in the financial statements as presented and any pension contributions required to be paid are raised in that year’s budget and no liability is accrued at December 31, 2015. As of the date of this report, the State of New Jersey has not allocated any unfunded net pension liability to the municipality and the amount to disclose in the notes to the financial statements is not presently known, but is probably material.

Public Employees Retirement System (PERS)

At June 30, 2015, the State reported a net pension liability of \$11,477,820.00 for the Township of Hillside’s proportionate share of the total net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The Township’s proportion of the net pension liability was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Township’s proportion was 0.0511307129 percent, which was an decrease of 0.0112569628 percent from its proportion measured as of June 30, 2014.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$318,599.00 for the Township of Hillside's proportionate share of the total pension expense. The pension expense recognized in the Township's financial statement based on the April 1, 2015 billing was \$514,315.00.

At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		\$273,820.00
Changes of assumptions		1,232,626.00
Net difference between projected and actual earnings on pension plan investments	\$184,541.00	
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>2,034,568.00</u>	<u> </u>
	<u>\$2,219,109.00</u>	<u>\$1,506,446.00</u>

Other local amounts reported by the State as the Township's proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the State's actuarially calculated pension expense as follows:

Year Ended	Amount
<u>June 30</u>	<u> </u>
2016	(\$189,360.00)
2017	(\$189,360.00)
2018	(\$189,360.00)
2019	(\$15,334.00)
2020	(\$129,249.00)

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$5,086,138,484	\$1,032,618,058
Collective deferred inflows of resources	478,031,236	\$1,726,631,532
Collective net pension liability - local	22,447,996,119	18,722,735,003
Township's proportion	0.0511307129%	0.0623876757%

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. These actuarial valuations used the following assumptions:

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Inflation	3.01 Percent	3.04 Percent
Salary Increases (based on age)		
2012-2021	2.15-4.40 Percent	2.15-4.40 Percent
Thereafter	3.15-5.40 Percent	3.15-5.40 Percent
Investment Rate of Return	7.90 Percent	7.90 percent

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

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

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

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2015 is summarized in the following table:

<u>Asset Class</u>	<u>June 30, 2015</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Core Bond		
Intermediate Term Bonds		
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Markets	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Returns	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Global Debt ex US	3.50%	(0.40)%
REIT	4.25%	5.12%
	<u>100.00%</u>	

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.90% and 5.39% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% , and a municipal bond rate of 4.30% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2015		
	1% Decrease <u>3.90%</u>	At Current Discount Rate <u>4.90%</u>	1% Increase <u>5.90%</u>
Township's proportionate share of the pension liability	\$14,265,526.00	\$11,477,820.00	\$9,140,628.00

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS)

At June 30, 2015, the State reported a net pension liability of \$59,961,216.00 for the Township of Hillside's proportionate share of the total PFRS net pension liability. The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Township's proportion was 0.3599865857 percent, which was a decrease of 0.0097145417 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2015, the State recognized an actuarially determined pension expense of \$5,204,315.00. The pension expense recognized in the Township's financial statement based on the April 1, 2015 billing was \$2,839,560.00.

At June 30, 2015, the State reported deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience	\$517,185.00	
Changes of assumptions		\$11,070,330.00
Net difference between projected and actual earnings on pension plan investments	1,043,573.00	
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>1,279,427.00</u>	<u>1,321,470.00</u>
	<u>\$2,840,185.00</u>	<u>\$12,391,800.00</u>

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	<u>Amount</u>
<u>June 30</u>	
2016	\$1,837,511.00
2017	\$1,837,511.00
2018	\$1,837,511.00
2019	\$3,023,930.00
2020	\$1,015,152.00

Additional Information

Collective balances at June 30, 2015 and 2014 are as follows:

	<u>6/30/2015</u>	<u>6/30/2014</u>
Collective deferred outflows of resources	\$3,527,123,787	\$456,706,121
Collective deferred inflows of resources	466,113,435	\$1,283,652,103
Collective net pension liability - local	16,656,514,197	12,579,072,492
Township's proportion	0.3599865857%	0.3697011274%

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which rolled forward to June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions:

Inflation	3.04 Percent	3.01 Percent
Salary Increases (based on age)		
2012-2021	2.60-9.48 Percent	3.95-8.62 Percent
Thereafter	3.60-10.48 Percent	4.95-9.62 Percent
Investment Rate of Return	7.90 Percent	7.90 Percent

Mortality rates used for the July 1, 2014 valuation were based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and one year using Projection Scale BB for male service retirements with adjustments for mortality improvements from the base year based on Projection Scale BB. Mortality rates were based on the RP-2000 Combined Healthy Mortality Tables projected fourteen years using Projection Scale BB for female service retirements and beneficiaries with adjustments for mortality improvements from the base year of 2014 based on Projection Scale BB.

Mortality rates used for the July 1, 2013 valuation were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2011 based on Projection Scale AA.

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

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2007 to June 30, 2010.

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>June 30, 2015</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
Core Bonds		
Intermediate-Term Bonds		
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	(0.40)%
REIT	4.25%	5.12%
US Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
	<u>100.00%</u>	

NOTE 6: PENSION PLANS (CONTINUED)

Accounting and Financial Reporting for Pensions - GASB 68 (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.79% and 6.32% as of June 30, 2015 and 2014, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90%, and a municipal bond rate of 3.80% and 4.29% as of June 30, 2015 and 2014, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2045. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2045, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2015 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

	June 30, 2015		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>4.79%</u>	<u>5.79%</u>	<u>6.79%</u>
Township's proportionate share of the PFRS pension liability	\$79,047,920.00	\$59,961,217.00	\$44,397,716.00

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Police and Firemen's Retirement System (PFRS).

NOTE 6: PENSION PLANS (CONTINUED)

Pension Contribution Deferral

The State of New Jersey has enacted Public Law 2011, C.19, which authorizes the State Department of Treasury, Division of Pensions and Benefits to provide non-state contributing employers the option of paying an amount that represents a fifty percent (50%) reduction of the normal and accrued liability payment of the required contributions to the Police and Fire Retirement System (PFRS) and the Public Employees Retirement System (PERS) which would have been due April 1, 2011. If the deferral is elected, the amount deferred must be repaid, with interest, over a period of fifteen years, beginning in April, 2012; however, the contributing employer is permitted to pay off the obligation at any time by contacting the Division of Pension and Benefits for a payoff amount. The following schedule reflects the 2014 activity of the principal portion deferral.

<u>Retirement System</u>	<u>Original Amount Deferred</u>	<u>Balance December 31, 2014</u>	<u>2015 Payments</u>	<u>Balance December 31, 2015</u>
PFRS	1,195,640.00	1,043,615.00	\$ 72,071.00	971,544.00
PERS	<u>173,872.00</u>	<u>148,028.00</u>	<u>10,650.00</u>	<u>137,378.00</u>
Total	\$ <u>1,369,512.00</u>	\$ <u>1,191,643.00</u>	\$ <u>82,721.00</u>	\$ <u>1,108,922.00</u>

The interest on the deferral is variable and is adjusted based on the rate of return on the actuarial value of assets. Interest on the deferral paid in 2014 totaled \$123,283.00.

NOTE 7: COMPENSATED ABSENCES (UNAUDITED)

Under the existing policy of the Township, certain employees are allowed to accumulate unused vacation and sick pay over the life of their working careers, which may be taken as time off, or paid at the later date, at an agreed upon rate. At December 31, 2015, the current cost of such unpaid compensation has not been determined but is probably material. Under accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the accumulated cost of such unpaid compensation is not required to be reported in the financial statements as presented. The Township has accumulated \$52,249.75 for this purpose in the Current Fund and continues to budget funds to provide for these liabilities as they arise.

NOTE 8: LITIGATION

The Township Attorney's letter did not indicate any litigation, claims or contingent liabilities that are either not covered by the Township's insurance carrier or would have a material financial impact on the Township.

NOTE 9: TAX APPEALS

There are several tax appeals filed with the State Tax Court of New Jersey requesting a reduction of assessments. Any reduction in assessed valuation will result in a refund of prior year's taxes in the year of settlement, which may be funded from tax revenues through the establishment of a reserve or by the issuance of refunding bonds per N.J.S.40A:2-51.

NOTE 10: CONTINGENT LIABILITIES

The Township participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. The state and federal grants received and expended in 2015 were subject to the Federal Uniform Guidance and State of New Jersey OMB Circular 15-08, which mandates that grant revenues and expenditures be audited in conjunction with the Township's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in detail in Part II, Single Audit Section, 2015 audit. In addition, these programs are also subject to compliance and financial audits by the grantors or their representatives. As of December 31, 2015, the Township does not believe that any material liabilities will result from such audits.

NOTE 11: 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. The Township maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Township. Settled claims have not exceeded this commercial coverage in any of the past three years.

The Township has also established a self-insurance program in accordance with New Jersey Statute Chapter 40:10. The statute enables the governing body of any local unit to provide insurance coverage for its exposure to a wide variety of property and liability casualty risks. The Township self-insures for workers compensation exposure. The Township has purchased a separate excess workers' compensation policy for coverage of losses in excess of a \$450,000.00 per occurrence.

At December 31, 2015, the Township's exposure for claims incurred under the above self-insurance programs is not presently determinable.

NOTE 11: RISK MANAGEMENT (CONTINUED)

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. Below is a summary of Township contributions, employee contributions, 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:

Year	Contributions		Amount Reimbursed	Ending Balance
	Township	Employee		
2014	-0-	-0-	-0-	\$120,084.13
2014	-0-	\$39,664.49	-0-	120,084.13
2013	-0-	-0-	\$4,283.52	80,419.64

In 2015 the Township did not transfer the Budget Appropriation to the Trust Fund. Instead unemployment expenditures, totaling \$32,570.24, were charged directly to the 2015 Appropriations. In addition, employee contribution were not remitted for payroll agency to the State Unemployment Trust in the amount of \$19,722.08

NOTE 12: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2015, the following deferred charges are shown on the Balance Sheets of the Township:

	BALANCE DECEMBER 31 <u>2015</u>	2016 BUDGET <u>APPROPRIATION</u>	DEFERRED <u>AMOUNT</u>
Current Fund:			
Special Emergency Authorization 40A:4-53	\$972,694.84	\$449,680.34	\$523,014.50
Expenditure without an Appropriation	3,783.47	3,783.47	-0-
Overexpenditure of Appropriations	58,388.77	58,388.77	-0-
Overexpenditure of Appropriation Reserves	82,489.64	82,489.64	-0-
Overexpenditure of Appropriated Grant Reserve	96,523.59	96,523.59	-0-
	<u>\$1,213,880.31</u>	<u>\$690,865.81</u>	<u>\$523,014.50</u>
Swim Pool Utility Operating Fund:			
Overexpenditure of 2014 Appropriations	\$0.30	\$0.30	\$-0-
Overexpenditure of Appropriations	9,069.25	9,069.25	-0-
Overexpenditure of Appropriation Reserves	13,967.59	13,967.59	-0-
	<u>\$13,967.59</u>	<u>\$13,967.59</u>	<u>\$-0-</u>

NOTE 13: DEFERRED COMPENSATION PLAN

The Township offers its employees deferred compensation plans created in accordance with Internal Revenue Code Sections 457. The plan, available to all Township employees, permits them to defer a portion of their salaries until future years. The township does not make any contribution to the plans. The deferred compensation is not available to employees until retirement, death, disability, termination or financial hardship.

In accordance with the requirements of the Small Business Job Protection Act of 1996 and the funding requirements of Internal Revenue Code Section 457(g), the Township's Plans were amended to require that all amounts of compensation deferred under the Plans are held for the exclusive benefits of plan participants and beneficiaries. All assets and income under the Plans are held in trust, in annuity contracts or custodial accounts. All assets of the plans are held by independent administrators.

The accompanying financial statements do not include the Township's Deferred Compensation Plans activities.

NOTE 14: INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 879,333.92	\$ 1,074,418.14
Grant Fund	279,307.50	683,511.10
Animal Control Trust Fund		93,765.73
Trust Other Fund	834,967.57	357,111.80
General Capital Fund	310,063.99	32,679.40
Swim Pool Operating Fund	25,152.52	10,584.06
Swim Pool Capital Fund	10,584.06	98,075.79
Public Assistance Trust Fund II	17,137.82	
Net Payroll Account	8,025.14	11,049.71
Payroll Agency Account	100,756.80	104,133.59
	<u>\$ 2,465,329.32</u>	<u>\$ 2,465,329.32</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 15: LEASE PURCHASE AGREEMENT

The Township has entered into the following agreements with the Union County Improvement Authority to lease purchase various capital items as follows:

<u>DATE</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
2004	Capital Equipment	\$1,542,811.61
2006	Capital Equipment	\$7,951,779.52

In accordance with the terms of the lease agreements, the Township will be obligated to make the following rental payments:

<u>Year Ended December 31</u>	<u>Capital Equipment Lease - 2004</u>	<u>Capital Equipment Lease - 2006</u>	<u>Total</u>
2016	\$63,101.82	\$489,802.89	\$552,904.71
2017	61,185.00	317,149.32	378,334.32
2018	59,140.40	306,577.68	365,718.08
2019	55,817.90	296,006.04	351,823.94
2020		285,434.40	285,434.40
2021		274,862.76	274,862.76
	<u>\$239,245.12</u>	<u>\$1,969,833.09</u>	<u>\$2,209,078.21</u>

NOTE 16: SUBSEQUENT EVENTS

The Township has evaluated material subsequent events occurring after the financial statement date through September 29, 2015 which is the date the financial statements were available to be issued. Based upon this evaluation, the Township has determined that there are no material subsequent events needed to be disclosed with the exception of the following:

Debt Issued

On August 5, 2016, the Township issued a \$2,432,722.00 Bond Anticipation Note with an interest rate of 2.25% maturing August 4, 2017. The proceeds of the note will be used to fund outstanding bond anticipation notes and to fund unfinanced portions of various capital projects.

NOTE 17: GASB 45: OTHER POST-EMPLOYMENT BENEFITS

The Township provides Post-Retirement Benefits to certain employees who have retired after twenty-five years of service, in accordance with the terms of their various labor agreements or in accordance with municipal ordinance. These benefits, which include health insurance, prescription, dental and vision coverage, are provided for life.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pension." This statement requires the municipality to disclose in the notes to the financial statements the present value of the estimated future cost of the other post employment benefits (OPEB). OPEB obligations are non-pension benefits that the municipality has contractually or otherwise agreed to provide employees once they have retired.

Under current New Jersey budget and financial reporting requirements, the municipality is not required to fund any amounts in excess of their current costs on a pay-as-you-go basis. Additionally, the municipality is not required to recognize any long-term obligations resulting from OPEB on their balance sheets; however, OPEB obligations are required to be disclosed in the notes, commencing with the 2008 fiscal year.

The Township has not determined its OPEB obligations as of December 31, 2015; therefore, no amount is disclosed herein.

TOWNSHIP OF HILLSIDE
SUPPLEMENTARY SCHEDULES
YEAR ENDED DECEMBER 31, 2015

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF CASH - TREASURER

	REF.	GRANT FUND	CURRENT FUND
		\$	\$
Balance, December 31, 2014	A	-0-	13,255,033.50
Increased by Receipts:			
Collector	A-5		69,750,915.53
Miscellaneous Revenue Not Anticipated	A-2		563,123.70
Senior Citizens and Veterans Deductions	A-8		123,096.75
Appropriation Refunds	A-3		413,925.77
Revenue Accounts Receivable	A-13		5,790,333.25
Grants Receivable	A-14	1,245,098.38	
Reserve for Grants - Unappropriated	A-22	70,834.97	
Interfunds Returned	A-28, A-32	1,647,773.16	
Due General Capital Fund	A-33		5,747,780.14
Emergency Note Payable	A-35		1,240,913.00
Unidentified Receipts - Net		2,963,706.51	37,142.23
		\$ 2,963,706.51	\$ 83,667,230.37
Decreased by Disbursements:			
2015 Appropriations	A-3		34,616,038.26
Appropriation Reserves	A-20		1,180,386.80
Interfunds Advanced	A-28, A-32	1,315,933.35	7,600,718.08
Refund of Tax Overpayments	A-17		72,784.60
Reserve for Grants Appropriated	A-21	1,647,773.16	
County Taxes	A-26		8,760,582.19
Local District School Tax	A-27		28,494,736.00
Expenditure without an Appropriation	A-29		3,783.47
Accounts Payable	A-31		80.01
Reserve for:			
Insurance Damages	A-25		24,537.70
Emergency Note Payable	A-35		1,889,771.00
Refund of:			
Miscellaneous Revenue Not Anticipated	A-2		762.00
Prior Year Revenue	A-1	2,963,706.51	104,120.52
		\$ -0-	\$ 82,748,300.63
Balance, December 31, 2015	A		\$ 14,173,963.24

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF CASH - COLLECTOR

	<u>REF.</u>		
Increased by:			
Revenue Accounts Receivable	A-13	\$ 686,907.55	
Taxes Receivable	A-9	65,467,240.03	
Tax Title Liens	A-10	37,385.08	
Sewer Charges Receivable	A-11	1,618,097.32	
Prepaid Sewer Charges	A-15	100.00	
Sewer Overpayments	A-16	8,526.71	
Tax Overpayments	A-17	75,897.05	
Prepaid Taxes	A-18	206,852.61	
Due Trust Other Fund	A-28	1,508,618.00	
Grants Receivable	A-14	7,475.00	
Miscellaneous Revenue Not Anticipated	A-2	<u>133,816.18</u>	
			\$ <u>69,750,915.53</u>
Decreased by:			
Payment to Treasurer	A-4		\$ <u><u>69,750,915.53</u></u>

"A-6"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF CHANGE FUNDS

REF.

Balance December 31, 2014
and December 31, 2015

A

\$ 690.00

Tax Collector
Municipal Court
Board of Health
Police

\$ 400.00
40.00
50.00
200.00

\$ 690.00

"A-7"

SCHEDULE OF RESERVE FOR HURRICANE SANDY

Balance, December 31, 2014
and December 31, 2015

A

\$ 8,426.16

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF DUE TO/FROM STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

	<u>REF.</u>		
Balance, December 31, 2014 (Due From)	A		\$ 27,451.71
Increased by:			
Senior Citizens' and Veterans' Deductions Per Tax Billings	A-8	\$ 130,750.00	
Senior Citizens' and Veterans' Deductions Granted by Tax Collector:			
2014 Taxes	A-8	<u>15,463.49</u>	
			\$ <u>146,213.49</u>
			\$ <u>173,665.20</u>
Decreased by:			
Cash Receipts	A-4	\$ 123,096.75	
Senior Citizens' Deductions Disallowed by Tax Collector:			
2013 Taxes	A-8	<u>32.88</u>	
			\$ <u>123,129.63</u>
Balance, December 31, 2015 (Due From)	A		\$ <u><u>50,535.57</u></u>

ANALYSIS OF REALIZED REVENUE

Senior Citizens' and Veterans' Deductions Per Tax Billings	A-8	\$ 130,750.00	
Senior Citizens' and Veterans' Deductions Granted by Tax Collector	A-8	<u>15,463.49</u>	
			\$ <u>146,213.49</u>
Less: Senior Citizens' Deductions Disallowed by Tax Collector	A-8	<u>32.88</u>	
	A-9		\$ <u><u>146,180.61</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

YEAR	BALANCE DECEMBER 31, 2014	2015 LEVY	ADDED TAXES	CASH COLLECTIONS 2014	2015	TRANSFERRED TO TAX TITLE LIENS	CANCELED	BALANCE DECEMBER 31, 2015
SFY2011	\$ 2,657.04							\$ 2,657.04
TY 2012	10,873.50							10,873.50
2012	16,953.58							16,953.58
2013	43,199.04							24,998.71
2014	2,414,700.50		11,753.25		18,200.33			47,156.16
	<u>2,488,383.66</u>	<u>\$ 66,852,317.87</u>	<u>\$ 11,753.25</u>	<u>169,245.06</u>	<u>2,356,187.84</u>	<u>15,900.05</u>	<u>5,209.70</u>	<u>102,638.99</u>
2015								
	<u>\$ 2,488,383.66</u>	<u>\$ 66,852,317.87</u>	<u>\$ 11,753.25</u>	<u>\$ 169,245.06</u>	<u>\$ 65,613,420.64</u>	<u>\$ 114,609.79</u>	<u>\$ 181,660.08</u>	<u>\$ 3,273,499.21</u>
	A		A-2, A-18	A-2	A-10			A

REF. Collections A-5
State of New Jersey A-8

ANALYSIS OF 2015
PROPERTY TAX LEVY

TAX YIELD
General Purpose Tax
Added Taxes (54-4-63.1 et seq.)

TAX LEVY
Local District School Tax A-27
County Tax A-26
County Added A-26

Local Tax for Municipal Purposes A-2
Minimum Library Tax A-2
Add: Additional Taxes Levied

\$ 65,467,240.03	\$ 66,668,827.80	\$ 8,748,156.55	\$ 28,885,536.83
<u>146,180.61</u>	<u>183,490.07</u>	<u>16,116.21</u>	<u>536,406.24</u>
<u>\$ 65,613,420.64</u>	<u>\$ 66,852,317.87</u>	<u>8,764,272.76</u>	<u>169,366.04</u>
	\$ 28,494,736.00		<u>29,593,309.11</u>
			<u>\$ 66,852,317.87</u>

"A-10"

TOWNSHIP OF HILLSIDE
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS

	<u>REF.</u>		
Balance, December 31, 2014	A	\$	592,022.88
Increased by:			
Transferred from Property Taxes Receivable	A-9	\$	114,609.79
Transfer from Sewer Use Charges Receivable	A-11		393.00
Other Charges			<u>4,382.09</u>
			119,384.88
		\$	<u>711,407.76</u>
Decreased by:			
Collections	A-2:A-5	\$	<u>37,385.08</u>
			<u>37,385.08</u>
Balance, December 31, 2015	A	\$	<u><u>674,022.68</u></u>

"A-11"

SCHEDULE OF SEWER USE CHARGES RECEIVABLE

Balance, December 31, 2014	A	\$	193,764.03
Increased by:			
Levy			<u>1,606,436.67</u>
		\$	<u>1,800,200.70</u>
Decreased by:			
Collections	A-2:A-5	\$	1,618,097.32
Prepaid Applied	A-2;A-15		990.85
Transferred to Liens	A-10		<u>393.00</u>
			<u>1,619,481.17</u>
Balance, December 31, 2015	A	\$	<u><u>180,719.53</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF FORECLOSED PROPERTY

<u>BLOCK</u>	<u>LOT</u>	BALANCE DECEMBER 31, <u>2015</u>	BALANCE DECEMBER 31, <u>2014</u>
406	11	\$ 41,800.00	\$ 41,800.00
424	18	283,300.00	283,300.00
424	19	48,000.00	48,000.00
1209	7	648,400.00	648,400.00
1209	8	481,500.00	481,500.00
203	15	345,000.00	345,000.00
606	15	40,000.00	40,000.00
305	19	1,000.00	1,000.00
401	68	76,100.00	76,100.00
602	10	91,700.00	91,700.00
1209	22	19,000.00	19,000.00
1417	37	126,100.00	126,100.00
1713	43	78,200.00	78,200.00
		<u>\$ 2,280,100.00</u>	<u>\$ 2,280,100.00</u>

REF.

A

A

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

REF.	BALANCE DECEMBER 2014	ACCRUED	COLLECTED BY		BALANCE DECEMBER 31, 2015
			TREASURER	COLLECTOR	
Clerk:					
Licenses:					
Alcoholic Beverage		\$ 14,045.00	\$ 14,045.00	\$	
Other		3,963.40	3,963.40		
Fees and Permits		1,015.40	1,015.40		
Tax Assessor:					
Fees and Permits		145.00	145.00		
Board of Health:					
Licenses					
Fees and Permits	99.00	15,224.00	15,323.00		
Fire Department:	200.00	4,196.25	4,396.25		
Fees and Permits					
Police Department		34,681.63	23,100.33		11,581.30
Fees and Permits					
Municipal Court:					
Fines and Costs		1,460.00	1,460.00		
Interest and Costs on Taxes					
Interest on Investments and Deposits	19,169.10	296,519.06	294,623.97		21,064.19
Cable T.V. Franchise Fees		605,356.48		605,356.48	
Ambulance Service Fees		55,875.13	55,875.13		
Alarm Fees		121,580.00	121,580.00		
Off Duty Administrative Fees		345,364.69	345,364.69		
Payment in Lieu of Taxes - Gargiulo		28,689.38	28,689.38		
Consolidated Municipal Property Tax Relief Aid		126,472.50	126,472.50		
Energy Receipts Tax		81,551.07		81,551.07	
Construction Code Official:		959,106.00	959,106.00		
Fees and Permits		3,355,593.00	3,355,593.00		
Uniform Fire Safety Act	72,493.29	420,455.23	301,180.70		191,767.82
Sewer Trunk Surplus		14,743.62	14,743.62		
		123,655.88	123,655.88		
	<u>\$ 91,951.39</u>	<u>\$ 6,609,692.72</u>	<u>\$ 5,790,333.25</u>	<u>\$ 686,907.55</u>	<u>\$ 224,413.31</u>
REF.	A		A-4	A-5	A

TOWNSHIP OF HILLSIDE

GRANTS FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>		
Balance, December 31, 2014	A		\$ 3,076,071.00
Increased by:			
Anticipated as Miscellaneous Revenue in 2015 Budget	A-2		281,339.52
			<u>\$ 3,357,410.52</u>
Decreased by:			
Cash Receipts			
Treasurer	A-4	\$ 1,245,098.38	
Collector	A-5	7,475.00	
Unappropriated Applied	A-22	<u>127,443.33</u>	
			<u>1,380,016.71</u>
Balance, December 31, 2015	A		<u>\$ 1,977,393.81</u>

ANALYSIS OF BALANCE

Mayor's Advisory Council on Drug & Alcohol Abuse		\$ 822.99
CY2013 (Extended to 06/30/14)		824.87
FY2015		20,800.00
FY2016		27,319.33
Summer Food Service Program - 2013		50,000.00
County of Union - Field of Dreams Grant		125,000.00
County of Union - Green the Streets		30,000.00
Union County Kids Recreation Trust Grant		2,500.00
Kids Recreation Grant		24,916.15
Kids Recreation Grant - 2008		131,170.00
Kids Recreation Grant - 2010		7,000.00
Greening Union County		37,604.40
Edward Byrne Memorial Justice Assistance Grant		100,000.00
Neighborhood Stabilization Program (ARRA)		100,000.00
Kids Recreation Trust Fund FY2011		14,067.90
Edward Byrne Memorial Justice Assistance Grant		50,269.75
DOT - Liberty Ave		97,627.00
DOT - Burrnett Street		390,000.00
DOT - Burrnett Street - 2014		83,174.02
DOT - Hollywood Ave Section II		10,662.21
DOT - Westminster Ave		250,000.00
Evans Terminal Storm Water Replacement		15,000.00
Greening Union County		57,000.00
UEZ - Streets & Roads Summer Work Program		198,580.00
FEMA - OEM Hazard Mitigation		38,959.00
Kids Recreation Trust Fund 2014		64,096.19
DOT - Safe Corridor - 2015		50,000.00
2015 Infrastructure and Municipal Aid Grant Program		<u>50,000.00</u>
		<u>\$ 1,977,393.81</u>

"A-15"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF PREPAID SEWER CHARGES

	<u>REF.</u>		
Balance, December 31, 2014	A	\$	990.85
Increased by:			
Cash Receipts	A-5		100.00
		\$	<u>1,090.85</u>
Decreased by:			
Applied	A-11		990.85
Balance, December 31, 2015	A	\$	<u><u>100.00</u></u>

"A-16"

SCHEDULE OF SEWER OVERPAYMENTS

Balance, December 31, 2014	A	\$	1,714.67
Increased by:			
Cash Receipts	A-5		8,526.71
Balance, December 31, 2015	A	\$	<u><u>10,241.38</u></u>

"A-17"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF TAX OVERPAYMENTS

	<u>REF.</u>		
Balance, December 31, 2014	A	\$	110,324.02
Increased by:			
Overpayments	A-5		<u>75,897.05</u>
			186,221.07
Decreased by:			
Refunded	A-4	\$	<u>72,784.60</u>
			<u>72,784.60</u>
Balance, December 31, 2015	A	\$	<u><u>113,436.47</u></u>

"A-18"

SCHEDULE OF PREPAID TAXES

Balance, December 31, 2014	A	\$	169,245.06
Increased by:			
Collection of 2016 Taxes	A-5		<u>206,852.61</u>
			376,097.67
Decreased by:			
Applied to 2015 Taxes	A-9		<u>169,245.06</u>
Balance, December 31, 2015	A	\$	<u><u>206,852.61</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

	<u>REF.</u>		
Balance, December 31, 2014			\$ 462,282.66
Increased by:			
2015 Appropriations	A-3	\$ 797,379.59	
Reserve for Grants Appropriated	A-21	<u>8,336.77</u>	
			<u>805,716.36</u>
			\$ <u>1,267,999.02</u>
Decreased by:			
Transferred to Appropriation Reserves	A-20	\$ <u>461,808.29</u>	
			<u>461,808.29</u>
Balance, December 31, 2015			\$ <u><u>806,190.73</u></u>
Current Fund	A		797,379.59
Grant Fund	A		<u>8,811.14</u>
			\$ <u><u>806,190.73</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	BALANCE AFTER TRANSFERS	PAID OR CHARGED	UNEXPENDED BALANCE LAPSED	OVER- EXPENDITURE
SALARIES AND WAGES:					
Administrative and Executive	\$ 26,920.92	\$ 26,920.92	\$	\$ 26,920.92	\$
Township Clerk	31,255.64	31,255.64		31,255.64	
Township Council	8,112.98	8,112.98		8,112.98	
Financial Administration	20,294.04	20,294.04		20,294.04	
Assessment of Taxes	4,983.25	4,983.25		4,983.25	
Economic Development	7,150.00	7,150.00		7,150.00	
Municipal Prosecutor	12,000.00	12,000.00		12,000.00	
Buildings and Grounds	32,022.41	32,022.41		32,022.41	
Planning Board	1,291.58	1,291.58		1,291.58	
Zoning Costs	1,291.58	1,291.58		1,291.58	
Police	257,755.42	257,755.42		257,755.42	
Fire	126,795.89	126,795.89		126,795.89	
Fire Official	2,895.14	2,895.14		2,895.14	
Crossing Guards	47,121.40	47,121.40		47,121.40	
Senior Citizens	12,315.24	12,315.24		12,315.24	
Garage Service and Repairs	53,902.40	53,902.40		53,902.40	
Emergency Management	1,425.70	1,425.70		1,425.70	
Road Repair & Maintenance	419,882.54	419,882.54		419,882.54	
Board of Health	149,111.29	149,111.29		149,111.29	
Recreation	2,698.43	2,698.43		2,698.43	
Municipal Court	9,219.07	9,219.07		9,219.07	
Temporary & Summer Employees	2,445.00	2,445.00		2,445.00	
Building Inspector	2,991.01	2,991.01		2,991.01	
Salary Adjustment Account	375,000.00	375,000.00		375,000.00	
	\$ 1,608,880.93	\$ 1,608,880.93	\$	\$ 1,608,880.93	\$

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2013	BALANCE AFTER TRANSFERS	PAID OR CHARGED	UNEXPENDED BALANCE LAPSED	OVER- EXPENDITURE
<u>OTHER EXPENSES:</u>					
Administrative and Executive:					
Departmental Expenses	\$ 6,000.00	\$ 6,000.00		\$ 6,000.00	\$
Photocopy and Film	5,776.00	5,776.00	366.49	5,409.51	
Townwide Repair and Maintenance Contracts	4,695.18	6,695.42	3,154.11	3,541.31	
Record Retention - All Departments	500.00	500.00		500.00	
Township Clerk					
Other Expenses	5,484.55	16,442.25	10,866.71	5,575.54	
Advertising	5,812.25	5,992.25	755.94	5,236.31	
Township Council	3,835.99	4,000.99	375.75	3,625.24	
Elections	8,566.91	8,566.91	8,566.91		
Financial Administration	125,708.02	130,475.07	37,046.92	93,428.15	
Annual Audit	225.00	225.00		225.00	
Assessment of Taxes	4,240.25	4,240.25	6,115.17		1,874.92
Computer Service Department: (Data Processing)	8,215.00	8,215.00		8,215.00	
Collection of Taxes	3,088.39	3,584.19	625.30	2,958.89	
Legal/Professional Services and Costs	8,683.56	95,231.99	129,935.14		34,703.15
Prosecutor	500.00	500.00		500.00	
Engineering Services - General	106,392.50	109,772.50	83,170.01	26,602.49	
Engineering Services - Environmental	50,000.00	50,000.00		50,000.00	
Economic Development	19,039.54	22,000.00	2,876.65	19,123.35	
Public Buildings and Grounds	1,282.68	12,512.13	46,777.81		34,265.68
Planning Board	2,634.82	3,609.82	975.00	2,634.82	
Zoning Costs	2,878.83	3,853.83	975.00	2,878.83	

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE AFTER TRANSFERS</u>	<u>PAID OR CHARGED</u>	<u>UNEXPENDED BALANCE LAPSED</u>	<u>OVER- EXPENDITURE</u>
<u>OTHER EXPENSES (CONTINUED):</u>					
Alcohol Beverage Control	\$ 5,300.54	\$ 5,300.54	\$ 60.00	\$ 5,240.54	\$
Postage	10,356.62	10,413.47	132.72	10,280.75	
Group Insurance Plan for Employees	197,722.95	197,722.95	126,598.69	71,124.26	
Unemployment Compensation Insurance	37,774.04	37,774.04	16,956.59	20,817.45	
Other Insurance Premiums	52,792.79	52,792.79		52,792.79	
Fire:					
Miscellaneous	28,416.00	103,411.20	30,082.78	73,328.42	
Ambulance Services	18,125.23	25,311.72	25,311.72		
Fire Official	210.00	210.00		210.00	
Police Department					
Departmental Expenses	2,792.33	29,587.71	23,085.71	6,502.00	
School Crossing Guards	500.00	500.00		500.00	
Traffic Lights	16,191.74	16,191.74	887.18	15,304.56	
Garage Service and Repairs	6,938.14	24,868.40	15,458.42	9,409.98	
Emergency Management	2,000.00	2,000.00		2,000.00	
Mayor's Committee on Drugs & Alcohol	500.00	500.00		500.00	
Roads Repair & Maintenance	11,078.55	45,056.91	42,948.07	2,108.84	
Garbage, Trash and Recycling Collection	280,247.03	387,931.45	244,536.03	143,395.42	
Sewer Pumping System	121,787.69	133,661.43	124,254.36	9,407.07	
Joint Sewer Administrative Costs	2,000.00	2,000.00		2,000.00	
Board of Health	17,427.44	19,180.96	18,897.65	283.31	
Dog License Regulation	7,947.72	13,530.20	11,164.96	2,365.24	
Community Recreation Commission	538.85	5,109.38	4,959.43	149.95	
Building Inspector (Code Enforcement)	7,891.95	10,874.18	3,255.21	7,618.97	
Celebration of Public Events	4,109.39	5,884.39	94.99	5,789.40	
Municipal Court	16,827.81	20,540.90	3,713.09	16,827.81	

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF APPROPRIATION RESERVES

	BALANCE DECEMBER 31, 2014	BALANCE AFTER TRANSFERS	PAID OR CHARGED	UNEXPENDED BALANCE LAPSED	OVER- EXPENDITURE
<u>OTHER EXPENSES (CONTINUED):</u>					
Public Defender	\$ 3,305.00	\$ 3,305.00	\$	\$ 3,305.00	\$
Senior Citizens	168.62	3,044.42	2,869.68	174.74	
Board of Health Blood Borne Pathogens	500.00	500.00		500.00	
Utilities - All	105,707.49	126,524.18	97,015.19	29,508.99	
Street Lighting	27,737.79	31,232.79	31,232.79		
Fire Hydrant Service	3,703.36	3,887.48	15,533.37		
Contingent	500.00	500.00		500.00	11,645.89
Social Security (O.A.S.I.)	92,476.53	92,476.53		92,476.53	
Consolidated Police and Firemen's Pension Fund	239.36	239.36		239.36	
Joint Trunk Sewer	0.24	0.24		0.24	
Union County Fire & EMS Dispatch Services	714.00	9,639.00	8,925.00	714.00	
Matching Funds for Grants	15,000.00	15,000.00		15,000.00	
Sub-Total Other Expenses	<u>1,473,088.67</u>	<u>1,934,896.96</u>	<u>1,180,556.54</u>	<u>836,830.06</u>	<u>82,489.64</u>
	\$ <u>3,081,969.60</u>	\$ <u>3,543,777.89</u>	\$ <u>1,180,556.54</u>	\$ <u>2,445,710.99</u>	\$ <u>82,489.64</u>
REF.	A			A-1	A-29
Appropriation Reserves	\$	\$ 3,081,969.60			
Transferred from Accounts Payable	A-19	<u>461,808.29</u>			
		\$ <u>3,543,777.89</u>			
Cash Disbursements	A-4		\$ 1,180,386.80		
Transferred to Accounts Payable	A-31		<u>169.74</u>		
			\$ <u>1,180,556.54</u>		

TOWNSHIP OF HILLSIDE

GRANTS FUND

SCHEDULE OF RESERVE FOR GRANTS-APPROPRIATED

	<u>REF.</u>		
Balance, December 31, 2014	A		\$ 2,863,089.47
Increased by:			
Budget Appropriations	A-3	\$ 286,539.52	
Overexpenditures	A	<u>96,523.59</u>	
			383,063.11
			<u>\$ 3,246,152.58</u>
Decreased by:			
Cash Disbursements	A-4	\$ 1,647,773.16	
Encumbrances Payable	A-19	<u>8,336.77</u>	
			<u>1,656,109.93</u>
Balance, December 31, 2015	A		<u>\$ 1,590,042.65</u>
<u>ANALYSIS OF BALANCE, DECEMBER 31, 2015</u>			
Alcohol Education & Rehabilitation Program			\$ 2,412.48
Clean Communities Program			53,833.35
Recycling Tonnage Grant			46,805.03
Body Armor Grant			5,486.90
Mayor's Advisory Council on Drug & Alcohol Abuse FY2015 Grant:			
Local Match			502.93
FY2016 Grant:			
County Share			7,233.71
Local Match			5,200.00
Comcast Government & Community Affairs Grant			33,823.28
County of Union - Green the Streets			226,789.15
County of Union - Green the Streets - Match			21,647.92
DOT - Hollywood Ave Section II			6,066.93
DOT - Burmett Street			93,259.32
DOT - Burmett Street - 2014			68,660.83
DOT - Long Avenue Section Four			16,271.60
Economic Development/UEZ			26,062.88
Edward Byrne Memorial Justice Assistance Grant			5,456.05
Green Communities Program - Match			1,500.00
Greening Union County			5,550.00
Homeland Security FEMA Grant - Match			4,316.44
Kids Recreation Grant - FY2008			521.00
Kids Recreation Trust Fund FY2011			81,646.50
Neighborhood Stabilization Program (ARRA)			100,000.00
Nonpublic Nursing Aid Grant			15,150.00
Summer Food Service Program 2013			27,848.53
Summer Food Service Program 2015			(25,776.17)
UEZ Green the Streets			200,000.00
UEZ Liberty Avenue			12,159.53
UEZ Relocation Grant - Crane Group International			200,000.00
Union County Kids Recreation Trust Grant - FY2007			1,378.26
Union County Kids Recreation Trust Grant - FY2010			6,888.20
Urban Enterprise Zone - Summer Work Program 2015			19,000.00
Urban Enterprise Zone - Summer Work Program 2014			4,415.00
Urban Enterprise Zone - Summer Work Program 2013			1,080.00
FEMA - OEM Hazard Mitigation			192,315.00
Kids Recreation Trust Fund 2014			68,688.00
Hillside Outdoor Music Event (H.O.M.E.)			3,850.00
2015 Infrastructure and Municipal Aid Grant Program			<u>50,000.00</u>
			<u>\$ 1,590,042.65</u>

TOWNSHIP OF HILLSIDE

GRANTS FUND

SCHEDULE OF RESERVE FOR GRANTS-UNAPPROPRIATED

	BALANCE DECEMBER 31, 2014	CASH RECEIPTS	APPLIED	BALANCE DECEMBER 31, 2015
Recycling Tonnage Grant	\$ 11,709.50	\$	11,709.50	\$
Body Armor Fund	6,366.63	5,888.43	6,366.63	5,888.43
Alcohol Education and Rehabilitation	1,831.48	1,473.33	1,831.48	1,473.33
Clean Communities	27,791.63	33,797.04	27,791.63	33,797.04
DOT Highway Safety Grant - Safe Corridors	54,297.28		54,297.28	
Summer Food Service Program	25,446.81	25,776.17	25,446.81	25,776.17
Impaired Driving Grant		3,900.00		3,900.00
	<u>\$ 127,443.33</u>	<u>\$ 70,834.97</u>	<u>\$ 127,443.33</u>	<u>\$ 70,834.97</u>

REF.

A

A-4

A-14

A

"A-23"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR FIRE PENALTIES AND ASSESSMENTS

REF.

Balance, December 31, 2014 and December 31, 2015	A	\$ <u>30,256.65</u>
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"A-24"

SCHEDULE OF RESERVE FOR CODIFICATION OF ORDINANCES

Balance, December 31, 2014 and December 31, 2015	A	\$ <u>189.38</u>
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"A-25"

SCHEDULE OF RESERVE FOR INSURANCE DAMAGES

Balance, December 31, 2014	A	\$ 24,537.70
Decreased by: Cash Disbursements	A-4	\$ <u>24,537.70</u>

"A-26"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF COUNTY TAXES PAYABLE

	<u>REF.</u>		
Balance December 31, 2014	A		\$ 12,425.64
Increased by:			
Tax Levy	A-9	\$ 8,748,156.55	
Added Taxes			
2015	A-9	14,920.74	
2014	A-9	1,195.47	
	A-1		<u>8,764,272.76</u>
			\$ <u>8,776,698.40</u>
Decreased by:			
Payments	A-4		<u>8,760,582.19</u>
Balance December 31, 2015	A		\$ <u><u>16,116.21</u></u>

"A-27"

SCHEDULE OF SCHOOL TAXES PAYABLE

Balance December 31, 2014 (Prepaid)	A		\$ (1.00)
Increased by:			
Levy	A-1:A-9		<u>28,494,736.00</u>
			\$ <u>28,494,735.00</u>
Decreased by:			
Disbursements	A-4		<u>28,494,736.00</u>
Balance December 31, 2015 (Prepaid)	A		\$ <u><u>(1.00)</u></u>

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	ANIMAL CONTROL TRUST FUND	TRUST OTHER FUND	GENERAL CAPITAL FUND	SWIM POOL UTILITY OPERATING FUND	SWIM POOL UTILITY CAPITAL FUND	GRANT FUND	PUBLIC ASSISTANCE TRUST FUND II	PAYROLL AGENCY ACCOUNT	PAYROLL ACCOUNT
A	\$ 685,391.79	\$ 87,280.25	\$ 624,493.18	\$ 574,975.43	\$ 31,869.80	\$	\$ 357,991.29	\$ 17,137.82	\$ 104,193.36	\$ 104,057.09
A	1,216,606.43									
Receipts:										
A-4	5,747,780.14		2,063,875.28	2,094,414.27	95,281.74	72,412.00	1,309,578.35		112,218.50	
A-5	1,516,093.00		1,508,618.00				7,475.00			
	5,200.00						5,200.00			
A-4	7,600,718.08		3,407,748.00	2,434,449.00	38,335.92	72,412.00	1,647,773.16			
A-2	4,485.48	4,485.48								
Disbursements										
A	879,333.92	91,765.73	\$ 789,238.46	\$ 234,940.70	\$ 25,076.02	\$	\$ 683,511.10	\$ 17,137.82	\$ 8,025.14	\$ 104,057.09
A	1,074,418.14									

Balance, December 31, 2014

Due From

Due To

Receipts:

Treasurer

Collector

Grant Match

Disbursements

Statutory Excess

Balance, December 31, 2015

Due From

Due To

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2014	ADDED IN 2015	RAISED IN 2015 BUDGET	BALANCE DECEMBER 31, 2015
Emergency Appropriation 40A: 4-46	\$ 161,529.40	\$	\$ 161,529.40	\$
Overexpenditure of 2015 Appropriations		58,388.77		58,388.77
Overexpenditure of 2014 Appropriations		82,489.64		82,489.64
Overexpenditure of 2014 Appropriations	19,380.47		19,380.47	
Overexpenditure of 2013 Appropriations Reserves	21,569.62		21,569.62	
Expenditure without an Appropriation		3,783.47		3,783.47
	<u>\$ 202,479.49</u>	<u>\$ 144,661.88</u>	<u>\$ 202,479.49</u>	<u>\$ 144,661.88</u>

REF. A A-3 A

2015 Appropriations				
2014 Appropriation Reserves	\$	58,388.77		
Cash Disbursements		82,489.64		
		<u>3,783.47</u>		
	\$	<u>144,661.88</u>		

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR SALE OF MUNICIPAL ASSETS

REF.

Balance, December 31, 2014
and December 31, 2015

A

\$ 10,500.00

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF ACCOUNTS PAYABLE

	<u>REF.</u>		
Balance, December 31, 2014	A	\$	80.01
Increased by:			
Transferred from Appropriation Reserves	A-20		<u>169.74</u>
		\$	<u>249.75</u>
Decreased by:			
Cash Disbursements	A-4		<u>80.01</u>
Balance, December 31, 2015	A	\$	<u><u>169.74</u></u>

"A-32"

TOWNSHIP OF HILLSIDE

GRANT FUND

SCHEDULE OF DUE TRUST OTHER FUND

	<u>REF.</u>	
Balance, December 31, 2014 (Do From)	A	\$ 250,000.00
Increased by:		
Cash Disbursements	A-4	<u>6,355.00</u>
Balance December 31, 2015 (Due from)	A	<u>\$ 256,355.00</u>

"A-33"

SCHEDULE OF DUE SWIM POOL CAPITAL FUND

Balance, December 31, 2014 and December 31, 2015	A	<u>\$ 22,952.50</u>
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TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF DEFERRED CHARGES
SPECIAL EMERGENCY - N.J.S.A. 40A 4-53

<u>DATE</u> <u>AUTHORIZED</u>	<u>PURPOSE</u>	<u>NET AMOUNT</u> <u>AUTHORIZED</u>	<u>1/5 OF NET AMOUNT</u> <u>AUTHORIZED</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2014</u>	<u>RAISED IN</u> <u>2015 BUDGET</u>	<u>BALANCE</u> <u>DECEMBER 31,</u> <u>2015</u>
4/5/2011	Contractually Required Severance Liabilities	\$ 992,079.54	\$ 198,415.31	\$ 198,416.54	\$ 198,416.54	\$
8/7/2012	Contractually Required Severance Liabilities	192,781.02	38,556.20	115,669.02	38,554.46	77,114.56
9/4/2012	Contractually Required Severance Liabilities	622,287.28	124,457.46	373,372.28	124,458.00	248,914.28
10/15/2013	Contractually Required Severance Liabilities	500,000.00	100,000.00	333,333.00	166,667.00	166,666.00
11/10/2014	Contractually Required Severance Liabilities	600,000.00	120,000.00	600,000.00	120,000.00	480,000.00
				<u>\$ 1,620,790.84</u>	<u>\$ 648,096.00</u>	<u>\$ 972,694.84</u>

REF.

A

A-3

A

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF EMERGENCY NOTE

PURPOSE	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2014	INCREASED	DECREASED	BALANCE DECEMBER 31, 2015
Contractually Required Severance Liabilities	5/19/2011	8/8/2014	8/7/2015	1.000%	\$ 198,400.00	\$	198,400.00	\$
Contractually Required Severance Liabilities	1/22/2013	1/30/2014 1/30/2014	1/30/2015 1/30/2015	1.000% 1.000%	333,333.00		333,333.00	166,666.00
Contractually Required Severance Liabilities	2/1/2013	1/30/2014 1/30/2015	1/30/2015 1/29/2016	1.000% 1.279%	373,371.28	248,913.28	373,371.28	248,913.28
Contractually Required Severance Liabilities	2/1/2013	1/30/2014 1/30/2015	1/30/2015 1/29/2016	1.000% 1.279%	384,666.72	345,333.72	384,666.72	345,333.72
Contractually Required Severance Liabilities	12/23/2014	12/23/2014 8/7/2015	8/7/2015 8/5/2016	1.000% 1.500%	600,000.00	480,000.00	600,000.00	480,000.00
					<u>\$ 1,889,771.00</u>	<u>\$ 1,240,913.00</u>	<u>\$ 1,889,771.00</u>	<u>\$ 1,240,913.00</u>
				<u>REF.</u>	A	A-4	A-4	A

"A-36"

TOWNSHIP OF HILLSIDE

CURRENT FUND

SCHEDULE OF RESERVE FOR RETIREMENT

REF.

Balance, December 31, 2014 and
December 31, 2015

A

\$ 52,249.76

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF CASH - TREASURER

REF.	ANIMAL CONTROL	OTHER
B	\$ 98,454.25	\$ 5,904,848.70
B-2	6,083.80	
B-3	1,326.00	
B-4		140,874.28
B-7		1,968,143.08
B-8		23,207.00
B-11		9,835.62
B-12		77.84
B-13		845,336.35
B-15		1,320.98
B-16		1,564,411.00
B-17		306,226.99
B-18		137,070.92
B-22		16,114.80
B-19	7,409.80	3,575,862.12
	\$ 105,864.05	\$ 8,588,480.98
		14,493,329.68
B-2	914.32	
B-3	1,154.40	
B-5		160,196.34
B-7		1,901,935.70
B-8		19,827.58
B-11		18,008.61
B-13		725,088.66
B-16		1,549,491.72
B-17		162,550.73
B-22		16,203.78
B-19	2,068.72	3,565,821.28
	\$ 103,795.33	\$ 8,119,124.40
B		6,374,205.28

Balance, December 31, 2014

Increased by Receipts:

- Animal Control Fees
- Dog Registration Fees - Due State of New Jersey
- Community Development Block Grant Receivable
- Reserve for:
 - Tax Sale Redemption
 - Recreation Trust
 - UEZ 2nd Generation Fund
 - UEZ Revolving Loan Escrow
 - Police Off Duty Escrow
 - Special Law Enforcement Trust
 - Miscellaneous Trust Deposits
 - Federal Law Enforcement Trust
 - Building Department Escrow
 - Retiree Prescription Account
 - Interfunds Receivable

Decreased by Disbursements:

- Animal Control Expenditures
- New Jersey State Board of Health
- Community Development Block Grant
- Reserve for:
 - Tax Sale Redemption
 - Recreation Trust
 - UEZ Second Generation Fund
 - Police Off Duty Escrow
 - Miscellaneous Trust Deposits
 - Federal Law Enforcement Trust
 - Retiree Prescription Account
 - Due Current Fund

Balance, December 31, 2015

"B-2"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>REF.</u>		
Balance, December 31, 2014	B		\$ 9,162.00
Increased by:			
Dog License Fees	B-1	\$ 5,085.00	
Miscellaneous	B-1	998.80	
			<u>6,083.80</u>
			\$ <u>15,245.80</u>
Decreased by:			
Cash Disbursements	B-1	\$ 914.32	
Statutory Excess Due Current Fund	B-20	4,485.48	
			<u>5,399.80</u>
Balance, December 31, 2015	B		\$ <u><u>9,846.00</u></u>

<u>LICENSE FEES COLLECTED</u>	
<u>YEAR</u>	<u>AMOUNT</u>
2013	4,410.00
2014	<u>5,436.00</u>
	\$ <u><u>9,846.00</u></u>

"B-3"

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FEES DUE STATE OF NEW JERSEY

Balance, December 31, 2014	B	\$ 12.00
Increased by:		
Cash Receipts	B-1	<u>1,326.00</u>
		\$ <u>1,338.00</u>
Decreased by:		
Cash Disbursements	B-1	<u>1,154.40</u>
Balance, December 31, 2015	B	\$ <u><u>183.60</u></u>

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

<u>PROGRAM DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>GRANTS APPROVED BY COUNTY OF UNION</u>	<u>CASH RECEIPTS</u>	<u>CANCELED</u>	<u>BALANCE DECEMBER 31, 2015</u>
Program Year 39:					
Street Reconstruction and Resurfacing	\$ 60,000.00	\$	\$ 60,000.00	\$	\$
Program Year 40:					
Senior Citizens Health Care Program	13,690.00		4,329.00		13,690.00
Senior Citizens Program	11,680.00		3,779.88		7,351.00
Buie Center Youth Recreation	13,560.00		17,500.00	2,223.63	9,780.12
Maternal Child Health Care	25,500.00		55,265.40	9,734.60	5,776.37
Code Enforcement	65,000.00				
Program Year 41:					
Street Reconstruction and Resurfacing		125,000.00			125,000.00
Senior Citizens Health Care Program		13,190.00			13,190.00
Senior Citizens Program		10,180.00			10,180.00
Buie Center Youth Recreation		13,060.00			13,060.00
Maternal Child Health Care		25,000.00			25,000.00
Code Enforcement		65,000.00			65,000.00
	<u>\$ 189,430.00</u>	<u>\$ 251,430.00</u>	<u>\$ 140,874.28</u>	<u>\$ 11,958.23</u>	<u>\$ 288,027.49</u>

REF.

B

B-5

B-1

B-5

B

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT

PROGRAM DESCRIPTION	BALANCE DECEMBER 31, 2014	GRANTS APPROVED BY COUNTY OF UNION	EXPENDED	ADJUSTMENTS/ CANCELLED	BALANCE DECEMBER 31, 2015
Program Year 31:					
Bathroom Renovations	\$ 13,360.67	\$			\$ 13,360.67
Program Year 39:					
Buie Center Youth Recreation	(1,125.00)			(1,125.00)	
Senior Citizens Program	381.00			381.00	
Maternal Child Health Care	1,099.92			1,099.92	
Senior Citizens Health Care Program	0.48			0.48	
Street Reconstruction and Resurfacing	52,657.50		52,657.50		
Program Year 40:					
Senior Citizens Health Care Program	10,554.64		11,850.01	(2,135.36)	839.99
Senior Citizens Program	5,046.14		8,503.00	(3,456.86)	
Buie Center Youth Recreation	10,693.08		10,763.17	(250.08)	179.99
Maternal Child Health Care	19,442.28		10,161.02	9,281.26	
Code Enforcement	42,500.00		32,765.40	9,734.60	
Program Year 41:					
Street Reconstruction and Resurfacing		125,000.00			125,000.00
Senior Citizens Health Care Program		13,190.00	7,921.44		5,268.56
Senior Citizens Program		10,180.00	2,778.00		7,402.00
Buie Center Youth Recreation		13,060.00	3,694.53		9,365.47
Maternal Child Health Care		25,000.00	2,535.61		22,464.39
Code Enforcement		65,000.00	21,240.01		43,759.99
Program Income - Sidewalk Reimbursements	\$ 154,610.71	\$ 251,430.00	\$ 164,869.69	\$ 13,529.96	\$ 227,641.06
	2,085.13				2,085.13
	\$ 156,695.84	\$ 251,430.00	\$ 164,869.69	\$ 13,529.96	\$ 229,726.19
	B	B-4			B
Cash Disbursements			\$ 160,196.34		
Transferred to Encumbrances Payable			4,673.35		
			\$ 164,869.69		
Community Development Block Grant Receivable				\$ 11,958.23	
Transfer of Charges - Current Fund				1,571.73	
				\$ 13,529.96	

"B-6"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR FACADE LOAN REPAYMENTS

	<u>REF.</u>	
Balance, December 31, 2014 and December 31, 2015	B	\$ <u>35,134.28</u>

"B-7"

SCHEDULE OF RESERVE FOR TAX SALE REDEMPTION

Balance, December 31, 2014	B	\$ 228,399.72
Increased by: Cash Receipts	B-1	<u>1,968,143.08</u>
		\$ <u>2,196,542.80</u>
Decreased by: Cash Disbursements	B-1	<u>1,901,935.70</u>
Balance, December 31, 2015	B	\$ <u>294,607.10</u>

"B-8"

SCHEDULE OF RESERVE FOR RECREATION TRUST

Balance, December 31, 2014	B	\$ 19,474.42
Increased by: Cash Receipts	B-1	<u>23,207.00</u>
		\$ <u>42,681.42</u>
Decreased by: Cash Disbursements	B-1	<u>19,827.58</u>
Balance, December 31, 2015	B	\$ <u>22,853.84</u>

"B-9"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR STATE UNEMPLOYMENT INSURANCE

REF.

Balance, December 31, 2014 and
December 31, 2015

B

\$ 120,084.13

"B-10"

SCHEDULE OF RESERVE FOR FLEXIBLE SPENDING ACCOUNT

Balance, December 31, 2014 and
December 31, 2015

B

\$ 1,225.00

"B-11"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR UEZ 2ND GENERATION FUND

	<u>REF.</u>		
Balance, December 31, 2014	B	\$	639,286.70
Increased by:			
Cash Receipts	B-1		<u>9,835.62</u>
		\$	649,122.32
Decreased by:			
Cash Disbursements	B-1		<u>18,008.61</u>
Balance, December 31, 2015	B	\$	<u><u>631,113.71</u></u>

"B-12"

SCHEDULE OF RESERVE FOR UEZ REVOLVING LOAN ESCROW

Balance, December 31, 2014	B	\$	7,117.39
Increased by:			
Cash Receipts	B-1		<u>77.84</u>
Balance, December 31, 2015	B	\$	<u><u>7,195.23</u></u>

"B-13"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF POLICE OFF-DUTY ESCROW

	<u>REF.</u>	
Balance, December 31, 2014	B	\$ 96,505.10
Increased by:		
Cash Receipts	B-1	<u>845,336.35</u>
		\$ <u>941,841.45</u>
Decreased by:		
Cash Disbursements	B-1	<u>725,088.66</u>
Balance, December 31, 2015	B	\$ <u><u>216,752.79</u></u>

"B-14"

SCHEDULE OF RESERVE FOR LOCAL LAW ENFORCEMENT BLOCK GRANT

Balance, December 31, 2014 and December 31, 2015	B	\$ <u><u>628.02</u></u>
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"B-15"

SCHEDULE OF RESERVE FOR SPECIAL LAW ENFORCEMENT TRUST

Balance, December 31, 2014	B	\$ 43,584.60
Increased by:		
Cash Receipts	B-1	<u>1,320.98</u>
Balance, December 31, 2015	B	\$ <u><u>44,905.58</u></u>

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR MISCELLANEOUS TRUST DEPOSITS

<u>DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>RECEIPTS</u>	<u>EXPENDED</u>	<u>BALANCE DECEMBER 31, 2015</u>
Reserve For:				
Miscellaneous:				
Tax Sale Premium	\$ 2,371,213.06	\$ 1,508,618.00	\$ 1,261,100.00	\$ 2,618,731.06
Zoning & Planning Escrow	4,480.00			4,480.00
D.C.A. Fees due State of New Jersey	4,052.00	9,179.00	9,667.00	3,564.00
Electrical Inspection Fees	2,030.00			2,030.00
Elevator Inspection Fees	10,303.00	6,580.00	13,808.00	3,075.00
Police Department Donations	2,561.85		489.22	2,072.63
Fire Fines and Penalties (UFC Fees)	23,756.56	12,203.00		35,959.56
Fire Department Donations	8,060.46			8,060.46
UFC Training	14,285.00			14,285.00
National Night Out	320.72	225.00		545.72
Hillside Street Fair	3,566.34			3,566.34
Board of Health	3,625.46			3,625.46
Burial Permit Fees due State of New Jersey	515.00			515.00
Medicare	3,158.56			3,158.56
Senior Citizens Funds	2,522.75			2,522.75
Parking Offence Adjudication Act	27,148.86	2,094.00		29,242.86
Public Defender	10,909.50	14,637.00	19,250.00	6,296.50
UEZ Donation	1,927,958.13		225,000.00	1,702,958.13
Environmental Health Commission	3,370.43		400.00	2,970.43
Street Opening Deposits	4,935.60			4,935.60
Entranceway Signage Project	1,950.00			1,950.00
Evan Terminal Reconstruction	14,577.50		14,577.50	
Musicfest		8,775.00	3,200.00	5,575.00
Miscellaneous Deposits	245.00			245.00
Sub-total Miscellaneous	\$ 4,445,820.78	\$ 1,564,411.00	\$ 1,549,491.72	\$ 4,460,740.06

REF.

B

B-1

B-1

B

"B-17"

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR FEDERAL LAW ENFORCEMENT TRUST FUND

	<u>REF.</u>		
Balance, December 31, 2014	B	\$	571,496.69
Increased by:			
Cash Receipts	B-1		<u>306,226.99</u>
		\$	<u>877,723.68</u>
Decreased by:			
Cash Disbursements	B-1		<u>162,550.73</u>
Balance, December 31, 2015	B	\$	<u><u>715,172.95</u></u>

"B-18"

SCHEDULE OF RESERVE FOR BUILDING DEPARTMENT ESCROW

Balance, December 31, 2014	B	\$	181,900.33
Increased by:			
Cash Receipts - Net	B-1		<u>137,070.92</u>
Balance, December 31, 2015	B	\$	<u><u>318,971.25</u></u>

TOWNSHIP OF HILLSIDE

TRUST OTHER FUND

SCHEDULE OF INTERFUNDS

REF.	TOTAL	CURRENT FUND	ANIMAL CONTROL TRUST FUND	GENERAL CAPITAL FUND	GRANT FUND	PAYROLL ACCOUNT	PAYROLL AGENCY ACCOUNT
Balance, December 31, 2014							
Due From	\$ 739,468.34	\$ 624,493.18	\$ 2,000.00	\$ 32,679.40	\$ 250,000.00	\$ 11,049.71	\$ 69,246.05
Due To	<u>250,000.00</u>						
Receipts	3,575,862.12	3,399,504.27			6,355.00		170,002.85
Transfer Charges	<u>1,571.73</u>	<u>1,571.73</u>					
Disbursements	<u>3,565,821.28</u>	<u>3,565,821.28</u>					
Balance, December 31, 2015							
Due From	\$ 834,967.57	\$ 789,238.46	\$ 2,000.00	\$ 32,679.40	\$ 256,355.00	\$ 11,049.71	\$ 100,756.80
Due To	<u>357,111.80</u>						

TOWNSHIP OF HILLSIDE

ANIMAL CONTROL TRUST FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>TRUST OTHER FUND</u>
Balance, December 31, 2014				
Due To	B	\$ <u>89,280.25</u>	\$ <u>87,280.25</u>	\$ <u>2,000.00</u>
Statutory Excess	B-2	<u>4,485.48</u>	<u>4,485.48</u>	<u> </u>
Balance, December 31, 2015				
Due To	B	\$ <u><u>93,765.73</u></u>	\$ <u><u>91,765.73</u></u>	\$ <u><u>2,000.00</u></u>

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF ENCUMBRANCES PAYABLE

REF.

Increased by:

Transfer from Reserve for Community Development
Block Grant

B-5

\$ 4,673.35

Balance, December 31, 2015

B

\$ 4,673.35

TOWNSHIP OF HILLSIDE

TRUST FUND

SCHEDULE OF RESERVE FOR RETIREE PRESCRIPTION ACCOUNT

	<u>REF.</u>		
Balance, December 31, 2014	B	\$	35,776.86
Increased by:			
Cash Receipts	B-1		<u>16,114.80</u>
		\$	51,891.66
Decreased by:			
Cash Disbursements	B-1		<u>16,203.78</u>
Balance, December 31, 2015	B	\$	<u><u>35,687.88</u></u>

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF GENERAL CAPITAL CASH - TREASURER

	<u>REF.</u>		
Balance, December 31, 2014	C		\$ 65,050.99
Increased by:			
Capital Improvement Fund	C-9	\$ 100,000.00	
Interfunds Returned	C-6	2,434,449.00	
Bond Anticipation Note	C-12	2,084,449.00	
Infrastructure Loan Receivable	C-16	1,043,120.00	
Premium on Bond Anticipation Note Issued	C-1	<u>9,965.27</u>	
			<u>5,671,983.27</u>
			\$ 5,737,034.26
Decreased by:			
Contracts Payable	C-10	\$ 1,268,513.21	
Interfunds Advanced	C-6	2,094,414.27	
Bond Anticipation Note	C-12	<u>2,084,449.00</u>	
			<u>5,447,376.48</u>
Balance, December 31, 2015	C		\$ <u><u>289,657.78</u></u>

"C-3"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

ANALYSIS OF CASH

<u>DESCRIPTION</u>	<u>BALANCE</u> <u>DECEMBER</u> <u>31, 2015</u>
Capital Improvement Fund	\$ 531,737.46
Reserve for U.C.I.A.	1,833,074.47
Due U.C.I.A.	249,428.76
Reserve for Construction of Salt Shed	89,321.76
Grants Receivable	(6,882.08)
U.C.I.A. Receivable	(2,626,928.68)
Improvement Authorizations Funded (Set Forth on Exhibit "C-11")	569,696.81
Improvement Authorizations Expended (Set Forth on Exhibit "C-8")	(135,845.70)
Unexpended Proceeds of Bond Anticipation Notes	(200,518.88)
Interfunds Receivable	(310,063.99)
Interfunds Payable	32,679.40
Fund Balance	<u>23,717.35</u>
	<u>\$ 289,657.78</u>

REF.

C

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>REF.</u>		
Balance, December 31, 2014	C		\$ 1,291,760.11
Increased by:			
Infrastructure Loan Receivable	C-17		<u>549,341.00</u>
			\$ 1,841,101.11
Decreased by:			
Budget Appropriation to Pay Serial Bonds	C-13	\$ 320,000.00	
Budget Appropriation to Pay Loans Payable:			
Underground Storage Tank Loan	C-7	7,245.80	
Infrastructure Loans	C-15	<u>64,534.82</u>	
			<u>391,780.62</u>
Balance, December 31, 2015	C		<u>\$ 1,449,320.49</u>

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance December 31, 2014 and December 31, 2015	C	\$ <u>6,882.08</u>
<u>Analysis of Balance</u> Department of Transportation - West King Street		\$ <u><u>6,882.08</u></u>

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT</u> <u>FUND</u>	<u>TRUST</u> <u>OTHER FUND</u>	<u>SWIM POOL</u> <u>UTILITY</u> <u>CAPITAL</u> <u>FUND</u>
Balance, December 31, 2014					
Due from	C	\$ 650,098.72	\$ 574,975.43		\$ 75,123.29
Due to	C	<u>32,679.40</u>	<u> </u>	\$ <u>32,679.40</u>	<u> </u>
Receipts	C-2	<u>2,434,449.00</u>	<u>2,434,449.00</u>	<u> </u>	<u> </u>
Disbursements	C-2	<u>2,094,414.27</u>	<u>2,094,414.27</u>	<u> </u>	<u> </u>
Balance, December 31, 2015					
Due from	C	310,063.99	\$ 234,940.70		\$ 75,123.29
Due to	C	\$ <u><u>32,679.40</u></u>	<u><u> </u></u>	\$ <u><u>32,679.40</u></u>	<u><u> </u></u>

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

ECONOMIC DEVELOPMENT AUTHORITY

SCHEDULE OF LOAN PAYABLE

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF</u>		<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>BALANCE DECEMBER 31, 2015</u>
			<u>LOAN OUTSTANDING DECEMBER 31, 2015</u>	<u>AMOUNT</u>			
Underground Storage Tank Loan	5/30/2007	\$ 72,458.00	06/01/16-17	\$ 7,245.80	0.00%	\$ 21,737.40	\$ 14,491.60
						\$ 7,245.80	\$ 7,245.80
						\$ 21,737.40	\$ 14,491.60

REF.

C

C-4

C

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION-UNFUNDED

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ANALYSIS OF BALANCE, DECEMBER 31, 2015			
		BALANCE DECEMBER 31, 2015	BOND ANTICIPATION NOTES	EXPENDITURES	UNFUNDED IMPROVEMENT AUTHORIZATIONS
475	Various Capital Improvements	\$ 800.02	\$	\$	800.02
00-018	Various Public Improvements	50.00			50.00
02-023	Demolition of Unsafe Buildings and Structures at Various Locations	50,096.40		15,914.00	34,182.40
02-024	Township's Portion of Joint Meeting Capital Improvement Plan	16,303.00		2,070.57	14,232.43
06-016	Townships Portion of Joint Meeting Capital Improvement Plan	15,423.00		9,687.13	5,735.87
0-07-002	Environmental Remediation, Hollywood Ave Firehouse	22,542.00			22,542.00
09-017	Township's Portion of Joint Meeting Capital Improvement Plan	520,000.00			520,000.00
09-019	Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery	1,282,561.00	1,282,187.00		374.00
08-020	Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery	802,786.00	802,262.00		524.00
09-025	Hillside Ave Stormwater Management System	356,221.00			356,221.00
14-13	Townships Portion of Joint Meeting Capital Improv. Plan	230,659.00			230,659.00
14-16	Acquisition of a Sewer Jet Vacuum Machine	113,325.00		108,174.00	5,151.00
		<u>\$ 3,410,766.42</u>	<u>\$ 2,084,449.00</u>	<u>\$ 135,845.70</u>	<u>\$ 1,190,471.72</u>

REF.

C

C-12

C-3

Unexpended Improvement Authorizations-Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes

C-11
C-3

\$

989,952.84
-200,518.88

\$

1,190,471.72

"C-9"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>		
Balance, December 31, 2014	C	\$	431,737.46
Increased by:			
Budget Appropriation	C-2		<u>100,000.00</u>
Balance, December 31, 2015	C	\$	<u><u>531,737.46</u></u>

"C-10"

SCHEDULE OF CONTRACTS PAYABLE

Increased by:			
Contracts Payable:			
Improvement Authorizations	C-11	\$	1,244,305.20
Reserve for U.C.I.A.	C-17		<u>264,449.11</u>
			<u>1,508,754.31</u>
Decreased by:			
Cash Disbursements	C-2	\$	<u>1,268,513.21</u>
		\$	<u><u>1,268,513.21</u></u>
Balance, December 31, 2015	C	\$	<u><u>240,241.10</u></u>
Improvement Authorizations		\$	26,106.20
Reserve for U.C.I.A. (Memo Only)	C-14		<u>214,134.90</u>
		\$	<u><u>240,241.10</u></u>

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2014		CONTRACTS PAYABLE	BALANCE DECEMBER 31, 2015	
				FUNDED	UNFUNDED		FUNDED	UNFUNDED
475	Various Improvements to Public Property and Buildings and the Acquisition of Equipment and Machinery	06/25/96	\$ 453,000.00	\$	800.02	\$	\$	800.02
476	Tax Appeal Refunds	01/25/97	2,510,000.00	53,426.99			53,426.99	
99-023	Township Portion of Joint Meeting Capital Improvement Plan	09/28/99	385,000.00	0.23			0.23	
00-006	Acquisition of New and Replacement Equipment	02/29/00	76,000.00	109.54			109.54	
00-018	Various Public Improvements	06/05/00	940,000.00	1,976.27	50.00		1,976.27	50.00
99-009	Purchase of Services and Equipment to Prepare for Y2K Compliance	07/27/99	150,000.00	1,431.27			1,431.27	
02-023	Demolition of Unsafe Buildings and Structures at Various Locations	06/11/02	105,000.00		34,182.40			34,182.40
02-024	Township's Portion of Joint Meeting Capital Improvement Plan	06/25/02	425,000.00		14,232.43			14,232.43
02-036	Purchase of Leaf Collector - Public Works	09/24/02	28,000.00	118.42			118.42	
03-020	Various Public Improvements, Demolition of Unsafe Buildings and Structures at Various Locations	06/10/03	330,000.00	14,906.86			14,906.86	
06-002	Structures at Various Locations							
06-016	Townships Portion of Joint Meeting Capital Improvement Plan	06/27/06	420,820.00		5,735.87			5,735.87
07-002	Environmental Remediation, Hollywood Ave Firehouse	04/15/07	100,000.00	3,601.86			3,601.86	
09-017	Township's Portion of Joint Meeting Capital Improvement Plan	06/23/09	520,000.00		520,000.00			22,542.00
09-019	Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery					493,779.00		26,221.00
08-020	Various Public Improvements and Acquisition of New, Additional or Replacement Equipment and Machinery	06/23/09	1,514,500.00		221,597.80			198,340.10
09-025	Hillside Ave Stormwater Management System	08/19/08	1,020,000.00			3,078.50		95,818.02
11-018	Various Public Improvements	10/27/09	850,000.00	493,779.00			493,779.00	356,221.00
14-13	Townships Portion of Joint Meeting	12/27/11	93,000.00	346.37			346.37	
14-16	Acquisition of a Sewer Jet Vacuum	10/21/14	180,000.00		780,000.00			230,659.00
		10/21/14	180,000.00	66,675.00	113,325.00		174,849.00	5,151.00
			\$	636,371.81	2,167,583.04	1,244,305.20	569,696.81	989,952.84
	REF.			C	C	C-10	C-C-3	C-C-8

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

<u>ORDINANCE</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>DATE OF ORIGINAL NOTE</u>	<u>DATE OF ISSUE</u>	<u>DATE OF MATURITY</u>	<u>DATE OF INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>INCREASED</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2015</u>
09-019	Various Public Improvements and Acquisition of New, Additional or or Replacement Equipment and Machinery	8/12/2009	8/8/2014	8/7/2015	1.000%	\$ 1,322,000.00	\$ 1,322,000.00		
		8/12/2009	8/7/2015	8/5/2016	1.500%		1,282,187.00		1,282,187.00
08-020	Various Public Improvements and Acquisition of New, Additional or or Replacement Equipment and Machinery	8/12/2009	8/8/2014	8/7/2015	1.000%	844,000.00		844,000.00	
		8/12/2009	8/7/2015	8/5/2016	1.500%		802,262.00		802,262.00
						<u>\$ 2,166,000.00</u>	<u>\$ 2,084,449.00</u>	<u>\$ 2,166,000.00</u>	<u>\$ 2,084,449.00</u>
						C	C-2		C
	Cash Disbursements						\$ 2,084,449.00		
	Paid by Budget						<u>81,551.00</u>		
							\$ 2,166,000.00		

TOWNSHIP OF HILLSIDE
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS

<u>PURPOSE</u>	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>MATURITIES OF BONDS OUTSTANDING DECEMBER 31, 2015</u>	<u>INTEREST RATE</u>	<u>BALANCE DECEMBER 31, 2014</u>	<u>DECREASED</u>	<u>BALANCE DECEMBER 31, 2015</u>
General Improvement Bonds	10/15/03	\$ 3,598,000.00	10/15/16 \$ 318,000.00	3.750%	\$ 638,000.00	\$ 320,000.00	\$ 318,000.00
					<u>\$ 638,000.00</u>	<u>\$ 320,000.00</u>	<u>\$ 318,000.00</u>
				<u>REF.</u>	C	C-4	C

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF U.C.I.A. LEASE RECEIVABLE

	<u>REF.</u>	
Balance December 31, 2014 and December 31, 2015	C	\$ <u>2,626,928.68</u>
<u>Analysis of Balance:</u>		
Reserve for UCIA (Memo Only)	C-17	\$ 1,833,074.47
Contracts Payable (Memo Only)	C-10	<u>214,134.90</u>
		2,047,209.37
Unreimbursed Expenditures - Net		<u>579,719.31</u>
		\$ <u>2,626,928.68</u>

"C-15"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF INFRASTRUCTURE LOAN PAYABLE

	<u>REF.</u>		
Balance December 31, 2014	C		\$ 632,022.71
Increased by:			
Infrastructure Trust Loan	C-16		<u>549,341.00</u>
			\$ 1,181,363.71
Decreased by:			
Loan Paid by Budget	C-4	\$ <u>64,534.82</u>	<u>64,534.82</u>
Balance December 31, 2015	C		\$ <u><u>1,116,828.89</u></u>

"C-16"

SCHEDULE OF INFRASTRUCTURE LOAN RECEIVABLE

Balance December 31, 2014	C		\$ 493,779.00
Increased by:			
Infrastructure Trust Loan	C-15		<u>549,341.00</u>
			1,043,120.00
Decreased by:			
Cash Receipts	C-2		\$ <u><u>1,043,120.00</u></u>

"C-17"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR U.C.I.A. (MEMO ONLY)

	<u>REF.</u>	
Balance December 31, 2014	C	\$ 2,097,523.58
Decreased by:		
Contracts Payable	C-10	<u>264,449.11</u>
Balance December 31, 2015	C	<u>\$ 1,833,074.47</u>

"C-18"

SCHEDULE OF DUE TO U.C.I.A.

Balance December 31, 2014 and December 31, 2015	C	<u>\$ 249,428.76</u>
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"C-19"

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF RESERVE FOR CONSTRUCTION OF SALT SHED

REF.

Balance December 31, 2014
and December 31, 2015

C

\$ 89,321.76

TOWNSHIP OF HILLSIDE

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2015</u>
475	Various Capital Improvements	\$ 800.02
00-018	Various Public Improvements	50.00
02-023	Demolition of Unsafe Buildings and Structures at Various Locations	50,096.40
02-024	Townships Portion of Joint Meeting Capital Improvement Plan	16,303.00
06-016	Townships Portion of Joint Meeting Capital Improvement Plan	15,423.00
0-07-002	Environmental Remediation, Hollywood Ave Firehouse	22,542.00
09-017	Township's Portion of Joint Meeting Capital Improvement Plan	520,000.00
09-019	Various Public Improvement and Acquisition of New, Additional or Replacement Equipment and Machinery	374.00
08-020	Var. Public Improv & Acq of New, Additional or Replacement Equip and Machinery	524.00
09-025	Hillside Ave Stormwater Management System	356,221.00
14-13	Townships Portion of Joint Meeting Capital Improv. Plan	230,659.00
14-16	Acquisition of a Sewer Jet Vacuum Machine	<u>113,325.00</u>
		<u>\$ 1,326,317.42</u>

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

SCHEDULE OF CASH - TREASURER

	<u>REF.</u>		<u>OPERATING</u>
Balance, December 31, 2014	D		\$ 78,374.62
Increased by:			
Miscellaneous Revenues	D-2	\$ 153,622.00	
Membership Fees	D-2	10,680.00	
Non-Resident Fees	D-2	1,650.00	
Food Concession	D-2	4,199.00	
Deficit (General Budget)	D-2	837.32	
Interfunds Receivable	D-6	<u>38,335.92</u>	
			<u>209,324.24</u>
			\$ <u>287,698.86</u>
Decreased by Disbursements:			
2015 Budget Appropriations	D-3	\$ 172,389.59	
Appropriation Reserves	D-5	25,447.55	
Accrued Interest on Notes	D-18	749.92	
Interfunds Payable	D-6	<u>95,281.74</u>	
			<u>293,868.80</u>
Balance, December 31, 2015 (Deficit)	D		\$ <u><u>(6,169.94)</u></u>

"D-5"

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

SCHEDULE OF APPROPRIATION RESERVES

	<u>BUDGET AFTER MODIFICATION</u>	<u>NET PAID OR CHARGED</u>	<u>OVER- EXPENDITURE</u>
Operating:			
Other Expenses	\$ <u>11,479.96</u>	\$ <u>25,447.55</u>	\$ <u>13,967.59</u>
	\$ <u><u>11,479.96</u></u>	\$ <u><u>25,447.55</u></u>	\$ <u><u>13,967.59</u></u>
	<u>REF.</u>	D-4	D
Appropriation Reserves	\$ -0-		
Reestablish Accounts Payable	D-8 <u>11,479.96</u>		
	\$ <u><u>11,479.96</u></u>		

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

SCHEDULE OF INTERFUNDS

SWIM POOL
UTILITY
CAPITAL
FUND

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>PAYROLL AGENCY</u>	<u>SWIM POOL UTILITY CAPITAL FUND</u>
Balance, December 31, 2014					
Due From	D	\$ 76.50	\$	76.50	
Due to	D	<u>42,453.86</u>	<u>31,869.80</u>		<u>\$ 10,584.06</u>
Receipts	D-4	<u>38,335.92</u>	<u>38,335.92</u>		
Disbursements	D-4	<u>95,281.74</u>	<u>95,281.74</u>		
Balance, December 31, 2015					
Due From	D	\$ 25,152.52	\$ 25,076.02	\$ 76.50	
Due to	D	<u>10,584.06</u>			<u>\$ 10,584.06</u>

"D-7"

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF GRANTS RECEIVABLE

	<u>REF.</u>	
Balance December 31, 2014 and December 31, 2015	D	\$ <u>149,400.00</u>

"D-8"

SCHEDULE OF ENCUMBRANCES PAYABLE

Balance December 31, 2014	D	\$ 12,189.46
Increased by:		
2015 Encumbrances Payable	D-3	\$ <u>5,792.26</u>
		\$ <u>5,792.26</u>
		\$ <u>17,981.72</u>
Decreased by:		
Transferred to Appropriations Reserves	D-5	<u>11,479.96</u>
Balance December 31, 2015	D	\$ <u>6,501.76</u>

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF FIXED CAPITAL
AUTHORIZED AND UNCOMPLETED

<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>		<u>BALANCE</u>	<u>BALANCE</u>
	<u>DATE</u>	<u>AMOUNT</u>	<u>DECEMBER 31, 2015</u>	<u>DECEMBER 31, 2014</u>
Rebuild Swim Pool Complex	06/04/84	\$ 3,000.00	\$ 160.94	\$ 160.94
Rehabilitation of Municipal Pool	11/09/88	285,000.00	1,149.82	1,149.82
Various Improvements of Municipal Pool	06/12/12	150,000.00	150,000.00	150,000.00
Various Improvements of Municipal Pool	10/03/12	175,000.00	<u>175,000.00</u>	<u>175,000.00</u>
			<u>\$ 326,310.76</u>	<u>\$ 326,310.76</u>
		<u>REF.</u>	D	D

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE DATE</u>	<u>AMOUNT</u>	<u>BALANCE DECEMBER 31, 2014</u>		<u>BALANCE DECEMBER 31, 2015</u>	
			<u>FUNDED</u>	<u>UNFUNDED</u>	<u>FUNDED</u>	<u>UNFUNDED</u>
General Improvement:						
Rebuild Swimming Pool Complex	06/04/84	\$ 3,000.00	\$ 160.94	\$	\$ 160.94	\$
Rehabilitation of Municipal Pool	11/09/88	285,000.00	1,149.82		1,149.82	
Various Improvements of Municipal Pool	06/12/12	150,000.00		963.14		963.14
Various Improvements of Municipal Pool	10/03/12	175,000.00	44,384.37	100,600.00	44,384.37	100,600.00
			<u>\$ 45,695.13</u>	<u>\$ 101,563.14</u>	<u>\$ 45,695.13</u>	<u>\$ 101,563.14</u>

REF.

D D D D D D

"D-11"

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>REF.</u>	
Balance, December 31, 2014 and December 31, 2015	D	\$ <u>10,250.00</u>

"D-12"

SCHEDULE OF RESERVE FOR AMORTIZATION

Balance, December 31, 2014	D	\$ 715,689.24
Increased by: Notes paid by budget	D-16	<u>2,588.00</u>
Balance, December 31, 2015	D	\$ <u>718,277.24</u>

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF DEFERRED RESERVE FOR AMORTIZATION

<u>IMPROVEMENT DESCRIPTION</u>	<u>ORDINANCE</u>	BALANCE DECEMBER 31, <u>2015</u>	BALANCE DECEMBER 31, <u>2014</u>
Rebuild Swimming Pool Complex	6/4/84	\$ 160.94	\$ 160.94
Rehabilitation of Municipal Pool	11/9/88	1,149.82	1,149.82
Various Improvements of Municipal Pool	6/12/12	<u>149,400.00</u>	<u>149,400.00</u>
		<u>\$ 150,710.76</u>	<u>\$ 150,710.76</u>
	<u>REF.</u>	D	D

"D-14"

TOWNSHIP OF HILLSIDE
SWIM POOL UTILITY FUND
SCHEDULE OF FIXED CAPITAL

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2015</u>	<u>BALANCE DECEMBER 31, 2014</u>
332	Construction of Swimming Pool, Central Avenue Playground	\$ 318,000.00	\$ 318,000.00
423	Improvement of Pool Complex	20,000.00	20,000.00
425	Rebuild Swimming Pool Complex	2,839.06	2,839.06
432	Swimming Pool Facilities	86,000.00	86,000.00
441	Rehabilitation of Municipal Pool	283,850.18	283,850.18
		<u>\$ 710,689.24</u>	<u>\$ 710,689.24</u>
	<u>REF.</u>	D	D

"D-15"

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

SCHEDULE OF DEFERRED CHARGES

	BALANCE DECEMBER 31, 2014	ADDED IN 2015	RAISED IN 2015 BUDGET	BALANCE DECEMBER 31, 2015
Overexpenditure of 2014 Appropriations	\$ 18,445.30 \$	\$	18,445.00 \$	0.30
Overexpenditure of 2015 Appropriations		9,069.25		9,069.25
Overexpenditure of 2014 Approp Reserves		13,967.59		13,967.59
	<u>\$ 18,445.30 \$</u>	<u>23,036.84 \$</u>	<u>18,445.00 \$</u>	<u>23,037.14</u>

REF

D

D-3

D-3

D

TOWNSHIP OF HILLSIDE
SWIM POOL CAPITAL FUND

SCHEDULE OF BOND ANTICIPATION NOTES

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2014	INCREASE/DECREASE		BALANCE DECEMBER 31, 2015
							INCREASED	DECREASED	
12-011	Various Improvements of Municipal Pool	8/10/2012 8/10/2012	8/8/2014 8/7/2015	8/7/2015 8/5/2016	1.000% 1.500%	75,000.00 \$	72,412.00	75,000.00 \$	72,412.00
						75,000.00 \$	72,412.00	75,000.00 \$	72,412.00
					<u>REF.</u>	D	D-17		D
		Note Paid by Current Fund			D-17			\$ 72,412.00	
		Paid by Budget			D-12			2,588.00	
								\$ 75,000.00	

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF INTERFUNDS

	<u>REF.</u>	<u>TOTAL</u>	<u>CURRENT FUND</u>	<u>GENERAL CAPITAL FUND</u>	<u>SWIM POOL UTILITY OPERATING FUND</u>	<u>GRANT FUND</u>
Balance, December 31, 2014						
Due from	D	\$ 10,584.06	\$	\$	\$ 10,584.06	
Due to	D	<u>98,075.79</u>		<u>75,123.29</u>		<u>22,952.50</u>
Notes paid by Current Fund	D-16	<u>72,412.00</u>	<u>72,412.00</u>			
Notes received in Current Fund	D-16	<u>72,412.00</u>	<u>72,412.00</u>			
Balance, December 31, 2015						
Due from	D	10,584.06	\$	\$	10,584.06	
Due to	D	<u>98,075.79</u>		<u>75,123.29</u>		<u>22,952.50</u>

TOWNSHIP OF HILLSIDE

SWIM POOL UTILITY FUND

SCHEDULE OF ACCRUED INTEREST ON NOTES

	<u>REF.</u>	
Balance, December 31, 2014	D	\$ 367.20
Increased by:		
Budget Appropriations for:		
Interest on Notes	D-3	<u>747.92</u>
		\$ <u>1,115.12</u>
Decreased by:		
Disbursements	D-4	<u>749.92</u>
Balance, December 31, 2015	D	\$ <u><u>365.20</u></u>

"D-19"

TOWNSHIP OF HILLSIDE

SWIM POOL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>ORDINANCE NUMBER</u>	<u>IMPROVEMENT DESCRIPTION</u>	<u>BALANCE DECEMBER 31, 2015</u>
12-018	Various Improvements of Municipal Pool	\$ <u>100,600.00</u>
		\$ <u><u>100,600.00</u></u>

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TOWNSHIP OF HILLSIDE

PART II

SINGLE AUDIT SECTION

INDEPENDENT AUDITOR'S 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

REPORTS ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE
PROGRAMS AND INTERNAL CONTROL REQUIRED BY
THE UNIFORM GUIDANCE

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL
AWARDS AND STATE FINANCIAL ASSISTANCE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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E-mail info@scnco.com

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

The Honorable Mayor and Members
of the Township Council
Township of Hillside
County of Union
Hillside, New Jersey 07205

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory financial statements of the various individual funds and the account group of the Township of Hillside, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's regulatory financial statements, and have issued our report thereon dated November 18, 2016. Our report disclosed that, as described in Note 1 to the financial statements, the Township of Hillside prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Internal Control Over Financial Reporting

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

SUPLEE, CLOONEY & COMPANY

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 of Hillside's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings as item 2015-01. We also noted other instances of noncompliance which are discussed in Part III, General Comments and Recommendations Section of this report.

Township of Hillside's Response to Findings

The Township of Hillside's response to the findings identified in our audit will be described in the Township's Corrective Plan on file in the Township Clerk's Office. We did not audit the Township's response and, accordingly, we express no opinion on it.

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

November 18, 2016



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS AND INTERNAL CONTROL REQUIRED BY THE UNIFORM GUIDANCE

The Honorable Mayor and Members
of the Township Council
Township of Hillside
County of Union
Hillside, New Jersey 07205

Report on Compliance for Each Major Federal Program

We have audited the Township of Hillside's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Township of Hillside's major federal programs for the year ended December 31, 2015. The Township's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Hillside's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Township of Hillside's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

SUPLEE, CLOONEY & COMPANY

Opinion on Each Major Federal Program

In our opinion, the Township of Hillside complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control Over Compliance

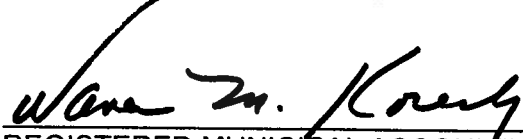
Management of the Township of Hillside is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Township of Hillside's internal control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

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

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

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


CERTIFIED PUBLIC ACCOUNTANTS


REGISTERED MUNICIPAL ACCOUNTANT NO. 419

November 18, 2016

TOWNSHIP OF HILLSIDE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	GRANTORS NUMBER	GRANT AWARD AMOUNT	GRANT PERIOD		RECEIVED 2015	EXPENDITURES 2015	CUMULATIVE EXPENDITURES DECEMBER 31, 2015
				FROM	TO			
<u>U.S. Department of Housing and Urban Development</u>								
<u>Pass Through from County of Union:</u>								
14 218	Community Development Block Grant-Year 31	Various	\$ 466,039.06	9/1/05	8/31/06	\$ -0-	\$ -0-	\$ 452,678.39
14 218	Community Development Block Grant-Year 39	Various	183,369.97	9/1/13	8/31/14	60,000.00	52,657.50	183,369.97
14 218	Community Development Block Grant-Year 40	Various	212,471.77	9/1/14	8/31/15	80,874.28	71,137.81	212,471.77
14 218	Community Development Block Grant-Year 41	Various	251,430.00	9/1/15	8/31/16	-0-	36,401.03	36,401.03
						<u>\$ 140,874.28</u>	<u>\$ 160,196.34</u>	<u>\$ 884,921.16</u>
<u>U.S. Department of Homeland Security</u>								
<u>Disaster Grants - Public Assistance:</u>								
97 036	Debris Removal	PA-02-NJ-4086-PW-02064(1)	659,816.25	10/30/2012	4/30/13	-0-	-0-	659,816.25
97 036	Emergency Protective Measures	PA-02-NJ-4086-PW-02858(1)	159,714.25	10/30/2012	4/30/13	-0-	-0-	159,714.25
97 036	Debris Removal (Spoiled Food and Bulk Waste)	PA-02-NJ-4086-PW-02974(1)	21,447.76	10/30/2012	4/30/13	-0-	-0-	21,447.76
97 036	Hillside CAT E (Playground Fencing)	PA-02-NJ-4086-PW-02979(0)	42,332.40	10/30/2012	4/30/13	-0-	-0-	42,332.40
97 036	Curbs, Sidewalk and Roadside	PA-02-NJ-4086-PW-03116(1)	66,523.63	10/30/2012	4/30/13	-0-	-0-	-0-
97 036	Hazardous Mitigation Grant Program	FEMA-DR-4086-0240-R	75,000.00	4/20/2015	4/13/18	-0-	-0-	6,265.00
						<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 889,575.66</u>
<u>U.S. Department of Transportation</u>								
<u>Pass Through from State of N.J. Division of Highway Safety</u>								
20 205	Westminster Avenue - Municipal Aid	N/A	192,160.00	Continuous	Continuous	\$ 181,497.79	\$ 179,010.00	\$ 192,160.00
20 205	Long Avenue - Municipal Aid	10-480-078-6320-AKN-6010	178,000.00	Continuous	Continuous	-0-	-0-	161,728.40
20 205	Liberty Ave - Municipal Aid	11-480-078-6320-AK3-6010	190,000.00	Continuous	Continuous	-0-	-0-	190,000.00
20 205	Liberty Ave - Urban Aid	11-480-078-6320-AK1-6010	11,079.00	Continuous	Continuous	-0-	-0-	11,079.00
20 205	Hollywood Ave Section II - Municipal Aid	12-480-078-6320-ALC-6010	185,000.00	Continuous	Continuous	-0-	-0-	178,933.07
20 205	Burnett Street - Discretionary Aid	12-480-078-6320-AK4-6010	127,500.00	Continuous	Continuous	29,873.00	10,286.35	34,240.68
20 205	Burnett Street	14-480-078-6320	390,000.00	Continuous	Continuous	-0-	316,491.00	316,491.00
20 602	You Drink, You Drive, You Lose	AL05-163	4,000.00	8/19/05	9/30/05	-0-	-0-	3,800.00
20 602	Aggressive Driving	PT05-63-01-10	12,805.00	2/1/05	10/31/05	-0-	-0-	11,000.00
20 616	Impaired Driving	15-100-086-1160-157	3,900.00	8/21/15	9/7/15	3,900.00	-0-	-0-
						<u>\$ 215,270.79</u>	<u>\$ 505,787.35</u>	<u>\$ 1,099,432.15</u>

TOWNSHIP OF HILLSIDE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2015

<u>FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANTORS NUMBER</u>	<u>GRANT AWARD AMOUNT</u>	<u>GRANT PERIOD FROM TO</u>	<u>RECEIVED 2015</u>	<u>EXPENDITURES 2015</u>	<u>CUMULATIVE EXPENDITURES DECEMBER 31, 2015</u>
U.S. Department of Homeland Security: Assistance to Firefighters Grant Program	97 044	EMW-2010-FH-00089	\$ 3,302,469.00	8/14/11 10/15/15	\$ 1,021,227.46	\$ 899,017.30	\$ 3,302,469.00
U.S. Department of the Treasury: Treasury Forfeiture Fund	N/A	N/A	2,633,338.86	7/1/09 12/31/13	\$ 303,988.70	\$ 162,550.73	\$ 1,918,165.91
U.S. Department of Justice: Pass Through from County of Union: Edward Byrne Memorial Justice Assistance Grant Program	16 804	2010-DJ-BX-1177	14,067.90	N/A	\$ -0-	\$ -0-	\$ 8,611.85
					\$ -0-	\$ -0-	\$ 8,611.85
					\$ 1,681,361.23	\$ 1,727,551.72	\$ 8,103,175.73

TOWNSHIP OF HILLSIDE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2015

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD		GRANT AWARD AMOUNT	RECEIVED 2015	EXPENDITURES 2015	CUMULATIVE EXPENDITURES DECEMBER 31, 2015
		FROM	TO				
<u>Pass Through County of Union:</u>							
Drug and Alcohol Abuse Program - 2015	15-ALL-113	7/1/2014	6/30/2015	\$ 19,975.13	\$ 19,975.13	\$ 8,528.01	\$ 19,975.13
Drug and Alcohol Abuse Program - 2016	16-ALL-113	7/1/2015	6/30/2016	20,800.00	-0-	10,077.69	10,077.69
				\$	\$ 19,975.13	\$ 18,605.70	\$ 30,052.82
<u>Department of Transportation</u>							
<u>New Jersey Trust Fund Authority:</u>							
Highway Safety Grant - Safe Corridors	15-100-078-6100-100-51	1/1/2015	12/31/2015	64,096.19	-0-	64,096.19	64,096.19
				\$	\$	\$ 64,096.19	\$ 64,096.19
<u>Department of Law & Public Safety</u>							
Body Armor Replacement Fund - Prior	14-718-066-1020-001		Continuous	13,988.19	-0-	6,067.46	13,988.19
Body Armor Replacement Fund - 2015	15-718-066-1020-001		Continuous	6,366.63	-0-	879.73	879.73
Body Armor Replacement Fund - 2016	16-718-066-1020-001		Continuous	5,888.43	5,888.43	-0-	-0-
				\$	\$ 5,888.43	\$ 6,947.19	\$ 14,867.92
<u>Department of Environmental Protection:</u>							
Recycling Tonnage Grant - 2012	12-100-042-4910-224		Continuous	11,300.96	-0-	1,284.57	4,465.53
Recycling Tonnage Grant - 2013	13-100-042-4910-224		Continuous	20,381.10	-0-	-0-	-0-
Recycling Tonnage Grant - 2014	14-100-042-4910-224		Continuous	7,879.00	-0-	-0-	-0-
Recycling Tonnage Grant - 2015	15-100-042-4910-224		Continuous	11,709.01	-0-	-0-	-0-
Clean Communities Program - 2012	12-765-042-4900-004	1/1/2012	12/31/2012	25,242.71	-0-	8,866.76	25,242.71
Clean Communities Program - 2013	13-765-042-4900-004	1/1/2013	12/31/2013	29,636.98	-0-	3,595.26	3,595.26
Clean Communities Program - 2014	14-765-042-4900-004	1/1/2014	12/31/2014	27,791.63	-0-	-0-	-0-
Clean Communities Program - 2015	15-765-042-4900-004	1/1/2015	12/31/2015	33,797.04	33,797.04	-0-	-0-
				\$	\$ 33,797.04	\$ 13,746.59	\$ 33,303.50

TOWNSHIP OF HILLSIDE
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2014

STATE GRANTOR/PROGRAM TITLE	STATE ACCOUNT NUMBER	GRANT PERIOD FROM TO	GRANT AWARD AMOUNT	RECEIVED 2015	EXPENDITURES 2015	CUMULATIVE EXPENDITURES DECEMBER 31, 2015
<u>The Judiciary</u>						
Alcohol, Education, Enforcement Fund	13-760-098-9735-001	Continuous	\$ 580.52	\$ -0-	\$ -0-	\$ -0-
Alcohol, Education, Enforcement Fund	14-760-098-9735-001	Continuous	1,831.48	-0-	-0-	-0-
Alcohol, Education, Enforcement Fund	15-760-098-9735-001	Continuous	1,473.33	1,473.33	-0-	-0-
			\$ 1,473.33	\$ 1,473.33	\$ -0-	\$ -0-
<u>Department of Education</u>						
Summer Food Service - 2015	16-100-010-3550-033	7/1/2015 12/31/2015	27,104.01	25,776.17	27,104.01	27,104.01
			\$ 27,104.01	\$ 25,776.17	\$ 27,104.01	\$ 27,104.01
Grand Totals			\$ 86,910.10	\$ 130,499.68	\$ 169,424.44	

TOWNSHIP OF HILLSIDE

NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE

YEAR ENDED DECEMBER 31, 2015

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal and state financial assistance programs of the Township of Hillside, County of Union, New Jersey. All federal and state financial assistance received directly from federal or state agencies, as well as federal awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of financial assistance are presented on the prescribed basis of accounting, modified accrual basis with certain exceptions, prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with the budget laws of New Jersey, which is a comprehensive basis of accounting, other than U.S. generally accepted accounting principles. The basis of accounting, with exception, is described in Note 1 to the Township's financial statements - regulatory basis.

NOTE 3. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 4. RELATIONSHIP TO FINANCIAL STATEMENTS - REGULATORY BASIS

Amounts reported in the accompanying schedules of expenditures agree with amounts reported in the Township's regulatory basis financial statements. These amounts are reported in either the Current Fund, Grant Fund or Trust Other Fund.

Revenues:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$	\$	\$
Grant Fund:			
Appropriated	1,232,598.25	19,975.13	1,252,573.38
Unappropriated	3,900.00	66,934.97	70,834.97
Trust Other Fund			
Community Development			
Block Grant	140,874.28		140,874.28
Federal Forfeiture			
Trust Fund	<u>303,988.70</u>		<u>303,988.70</u>
	<u>\$ 1,681,361.23</u>	<u>\$ 86,910.10</u>	<u>\$ 1,768,271.33</u>

Expenditures:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Grant Fund	\$ 1,404,804.65	\$ 130,499.68	\$ 1,535,304.33
Trust Other Fund			
Community Development			
Block Grant	160,196.34		160,196.34
Federal Forfeiture			
Trust Fund	<u>162,550.73</u>		<u>162,550.73</u>
	<u>\$ 1,727,551.72</u>	<u>\$ 130,499.68</u>	<u>\$ 1,858,051.40</u>

NOTE 5. OTHER

Matching contributions expended by the Township in accordance with terms of the various grants are not reported in the accompanying schedules of expenditures.

Township of Hillside
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weakness identified? | Yes |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to basic financial statements noted? | Yes |

Federal Program(s)

- | | | | | | | | | |
|--------------|---|--------------|----------------|--------|-----------------------------------|--------|-----------------------------------|--|
| (1) | Internal Control Over Major Federal Programs: | | | | | | | |
| | (a) Material weakness identified? | No | | | | | | |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No | | | | | | |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified | | | | | | |
| (3) | Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance and listed in Section III of this schedule? | No | | | | | | |
| (4) | Identification of Major Federal Program(s): | | | | | | | |
| | <table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><u>Grant</u></td> <td style="text-align: center;"><u>Program</u></td> </tr> <tr> <td style="text-align: center;">14.218</td> <td style="text-align: center;">Community Development Block Grant</td> </tr> <tr> <td style="text-align: center;">20.205</td> <td style="text-align: center;">Highway Planning and Construction</td> </tr> </table> | <u>Grant</u> | <u>Program</u> | 14.218 | Community Development Block Grant | 20.205 | Highway Planning and Construction | |
| <u>Grant</u> | <u>Program</u> | | | | | | | |
| 14.218 | Community Development Block Grant | | | | | | | |
| 20.205 | Highway Planning and Construction | | | | | | | |
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$750,000.00
Type B Federal Program Threshold <= \$750,000.00 | | | | | | | |
| (6) | Auditee qualified as a low-risk auditee under the Uniform Guidance? | No | | | | | | |

Township of Hillside
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Compliance Findings

Finding #2015-001

Criteria

Per N.J.A.C. 5:30-5.7, Municipalities are required to maintain general ledgers for all funds.

Condition

During 2015, the Township did not completely maintain General Ledgers for any funds.

Context

General Ledgers are the permanent fiscal records which provide a summary of all financial transactions as they have been recorded in the books of original entry utilizing a double entry accounting system. Through the use of general ledgers, the books of original entry and supporting subsidiary ledgers, the financial statements would be prepared.

Cause

This appears to have occurred, in part, due to turnover of personnel in the Finance Office.

Effect or Potential Effect

By not maintaining General Ledgers, errors and irregularities that could have a negative impact on the Township may not be detected in a timely manner which in turn could lead to a misstatement of the financial statements.

Recommendation

That the Township maintain general ledgers for all funds in compliance with N.J.A.C 5:30-5.7.

View of Responsible Officials and Planned Corrective Action

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

Township of Hillside
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards (Continued)

Internal Control Findings

Finding #FY 2015-002

As discussed in detail in #2015-001, the Township of Hillside has deficiencies in the design and operation of its internal control over financial reporting.

Section III – Findings and Questioned Costs Relative to Major Federal Programs

None

Township of Hillside
Schedule of Prior Year Audit Findings

Finding #2014-01

Per N.J.A.C. 5:30-5.7, Municipalities are required to maintain general ledgers for all funds. During 2014 the Township did not completely maintain General Ledgers for any funds. General Ledgers are the permanent fiscal records which provide a summary of all financial transactions as they have been recorded in the books of original entry utilizing a double entry accounting system. Through the use of general ledgers, the books of original entry and supporting subsidiary ledgers, the financial statements would be prepared.

Recommendation

That the Township maintain general ledgers for all funds in compliance with N.J.A.C 5:30-5.7.

Current Status

This finding is repeated in the current year as finding 2015-001.

Finding #2014-002

As discussed in detail in 2013-001, the Township of Hillside has deficiencies in the design and operation of its internal control over financial reporting.

Current Status

This finding is repeated in the current year as finding 2015-002 as it relates to the maintenance of general ledgers for all funds.

U.S. Department of the Treasury – Treasury Forfeiture Fund – CFDA #16.922

Finding #2013-06:

During the course of our audit of the Treasury Forfeiture Funds, we noted two expenditures that exceed the bid threshold that were not awarded by resolution of the governing body.

Recommendation

We recommend that all expenditures in excess of the bid threshold be awarded by resolution of the governing body.

Current Status

During 2014, we again noted an expenditure charged to the Treasury Forfeiture Fund that exceeded the bid threshold that exceeded the bid threshold.

Township of Hillside
Schedule of Prior Year Audit Findings

Finding #2013-08:

Per the Guidelines, the proceeds of assets purchased are to be deposited back into the Federal Forfeiture Trust Fund bank accounts. The Township's Fixed Asset Inventory does not disclose the source of funding for assets purchased with Equitable Sharing Agreement funds

Recommendation

We recommend that all equipment purchases made with Equitable Sharing Funds be recorded in the Fixed Asset Inventory and that those entries disclose the source of the funds.

Current Status

This finding has not been corrected as the Township has not updated its Fixed Assets inventory.

U.S. Department of Homeland Security – Disaster Grants – Public Assistance – 97.036

Finding #2013-09:

We noted that expenditures reported on the Project Worksheet for Debris Removal related to Force labor were not calculated correctly as a result of Township requesting reimbursement for regular time in excess of the 30 day limit imposed by FEMA. Questioned costs for regular time submitted for reimbursement in excess of the 30 period totaled \$17,620.79.

Recommendation:

That all FEMA project workbooks be reviewed for compliance with FEMA regulations prior to being filed with the federal agency.

Current Status

This finding has not been corrected

Finding #2013-10:

Our examination of the calculation for Fringe Benefits reported on the Project Worksheet for Debris Removal related to Force labor do not appear to be calculated correctly. Certain allowable costs were not included in the regular time reimbursement rate, while the rate used for overtime appears to include some costs that are not reimbursable. The effect of these errors has not been determined.

Recommendation:

That the calculation of Fringe Benefit for all FEMA project workbooks be reviewed for accuracy, completeness and compliance with FEMA regulations prior to being filed with the federal agency and resubmitted as necessary.

Current Status

This finding has not been corrected.

PART III

TOWNSHIP OF HILLSIDE

STATISTICAL DATA

LIST OF OFFICIALS

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2015

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - CURRENT FUND

	<u>DECEMBER 31, 2015</u>		<u>DECEMBER 31, 2014</u>	
	<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance	\$ 2,630,000.00	3.29%	\$ 2,475,069.00	3.11%
Miscellaneous - From Other Than Local Property				
Tax Levies	11,524,042.84	14.41%	11,165,121.55	14.04%
Collection of Delinquent Taxes and				
Tax Title Liens	2,413,773.25	3.02%	2,786,366.10	3.50%
Collection of Current Tax Levy	<u>63,406,277.53</u>	<u>79.28%</u>	<u>63,111,107.63</u>	<u>79.35%</u>
<u>TOTAL INCOME</u>	<u>\$ 79,974,093.62</u>	<u>100.00%</u>	<u>\$ 79,537,664.28</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Budget Expenditures:				
Municipal Purposes	\$ 39,756,079.50	51.42%	\$ 39,757,865.80	52.21%
County Taxes	8,764,272.76	11.34%	8,818,637.32	11.58%
Local School Taxes	28,494,736.00	36.86%	27,387,005.00	35.97%
Other Expenditures	<u>298,062.65</u>	<u>0.39%</u>	<u>182,512.78</u>	<u>0.24%</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 77,313,150.91</u>	<u>100.00%</u>	<u>\$ 76,146,020.90</u>	<u>100.00%</u>
<u>Excess in Revenue</u>	<u>\$ 2,660,942.71</u>		<u>\$ 3,391,643.38</u>	
Adjustment to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budgets of Succeeding Years	<u>58,388.77</u>		<u>780,909.87</u>	
Statutory Excess to Fund Balance	\$ 2,719,331.48		\$ 4,172,553.25	
Fund Balance, January 1	<u>8,035,350.32</u>		<u>6,337,866.07</u>	
	\$ 10,754,681.80		\$ 10,510,419.32	
Less: Utilization as Anticipated Revenue	<u>2,630,000.00</u>		<u>2,475,069.00</u>	
Fund Balance, December 31	<u>\$ 8,124,681.80</u>		<u>\$ 8,035,350.32</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND
CHANGES IN FUND BALANCE - SWIM POOL UTILITY FUND

	DECEMBER 31, 2015		DECEMBER 31, 2014	
	AMOUNT	%	AMOUNT	%
<u>REVENUE AND OTHER INCOME REALIZED</u>				
Fund Balance	\$ 23,440.60	12.06%	\$ 36,530.00	20.00%
Membership Fees	10,680.00	5.49%	17,580.00	9.63%
Non-Resident Membership Fees	1,650.00	0.85%	3,275.00	1.79%
Miscellaneous Revenues	157,821.00	81.17%	125,238.44	68.58%
Deficit (General Budget)	837.32	0.43%		
<u>TOTAL INCOME</u>	<u>\$ 194,428.92</u>	<u>100.00%</u>	<u>\$ 182,623.44</u>	<u>100.00%</u>
<u>EXPENDITURES</u>				
Operating	\$ 174,069.25	85.54%	\$ 154,640.26	88.63%
Debt Service	3,333.92	1.64%		
Deferred Charges and Statutory Expenditures	26,095.00	12.82%	19,835.03	11.37%
<u>TOTAL EXPENDITURES</u>	<u>\$ 203,498.17</u>	<u>100.00%</u>	<u>\$ 174,475.29</u>	<u>100.00%</u>
Excess/(Deficit) in Revenue	\$ (9,069.25)		\$ 8,148.15	
Adjustment to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute				
Deferred Charges to Budget of Succeeding Year	9,069.25		18,445.30	
Statutory Excess to Fund Balance			26,593.45	
Fund Balance, January 1	41,885.90		51,822.45	
Less:	\$ 41,885.90		\$ 78,415.90	
Fund Balance Utilized	23,440.60		36,530.00	
Fund Balance, December 31	<u>\$ 18,445.30</u>		<u>\$ 41,885.90</u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Tax Rate	<u>7.490</u>	<u>7.372</u>	<u>7.159</u>
Apportionment of Tax Rate:			
Local Municipal	3.246	3.245	3.193
Municipal Library	0.061	0.063	0.064
County	0.955	0.960	0.936
County Open Space	0.027	0.028	0.029
Local School	3.201	3.076	2.937

ASSESSED VALUATION:

2015	<u>\$890,104,510.00</u>		
2014		<u>\$890,387,292.00</u>	
2013			<u>\$895,792,362.00</u>

COMPARISON OF TAX LEVIES AND COLLECTION 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 COLLECTION</u>	<u>PERCENTAGE OF COLLECTIONS</u>
CY2015	\$66,852,317.87	\$63,406,277.53	94.85%
CY2014	\$65,732,043.22	\$63,111,107.63	96.01%
CY2013	\$64,169,660.49	\$61,236,069.56	95.43%

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>YEAR</u>	<u>AMOUNT OF TAX TITLE LIENS</u>	<u>AMOUNT OF DELINQUENT TAXES</u>	<u>TOTAL DELINQUENT</u>	<u>PERCENTAGE OF TAX LEVY</u>
CY2015	\$674,022.68	\$3,273,499.21	\$3,947,521.89	5.90%
CY2014	\$592,022.88	\$2,488,383.66	\$3,080,406.54	4.69%
CY2013	\$501,655.90	\$2,875,122.81	\$3,376,778.71	5.26%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens at year end on the basis of the last assessed valuation of such properties was as follows:

<u>YEAR</u>	<u>AMOUNT</u>
CY2015	\$2,280,100.00
CY2014	\$2,280,100.00
CY2013	\$1,888,000.00

COMPARISON OF SWIM POOL UTILITY MEMBERSHIP FEES

<u>YEAR ENDED</u>	<u>BUDGET</u>	
	<u>ANTICIPATION</u>	<u>REALIZED</u>
December 31, 2015	\$20,500.00	\$12,330.00
December 31, 2014	\$23,500.00	\$20,855.00
December 31, 2013	\$62,460.00	\$23,890.00

COMPARATIVE SCHEDULE OF FUND BALANCE

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Current Fund	December 31, 2015	\$8,124,681.80	\$2,648,000.00
	December 31, 2014	\$8,035,350.32	\$2,630,000.00
	December 31, 2013	\$6,337,866.07	\$2,475,069.00
	December 31, 2012	\$5,855,392.98	\$2,245,121.50
	December 31, 2011	\$3,630,074.81	\$2,100,000.00

	<u>YEAR</u>	<u>BALANCE DECEMBER 31</u>	<u>UTILIZED IN BUDGET OF SUCCEEDING YEAR</u>
Swim Pool Utility Operating Fund	December 31, 2015	\$18,445.30	-0-
	December 31, 2014	\$41,885.90	\$23,440.60
	December 31, 2013	\$51,822.45	\$36,530.00
	December 31, 2012	\$97,822.45	\$16,000.00
	December 31, 2011	\$75,828.74	\$29,525.00

EQUALIZED VALUATIONS - REAL PROPERTY

<u>YEAR</u>	<u>AMOUNT</u>
2015	\$1,633,585,082.00
2014	\$1,614,687,080.00
2013	\$1,669,266,225.00

OFFICIALS IN OFFICE

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF CORPORATE OR PERSONAL SURETY</u>
Angela Garretson	Mayor	*	
Diane Murray-Clements	Councilwoman at Large	*	
Sip Whitaker	Councilman at Large	*	
George Tony Alston, Jr.	Councilman at Large	*	
Tonia Hobbs	Councilwoman Ward 1	*	
Salonia Saxon	Councilwoman Ward 2	*	
Donald DeAugustine	Councilman Ward 3	*	
Gerald Pateesh Freedman	Councilman Ward 4	*	
Rayna Harris	Township Clerk	*	
Mauricio Canto	Chief Financial Officer to 09/30/15	**	
Sonya Wingate	Tax Collector/Tax Search Officer	**	
Norma Garcia Anstatt	Presiding Municipal Judge	**	
Lara D. Fabrizio	Presiding Municipal Judge to 03/16/15	**	
Carl L. Marshall	Chief Municipal Judge from 03/17/15	**	
Jessica Ciuia	Court Administrator	**	
Rosanne F. Amato	Deputy Court Administrator	**	
Christine Burgress	Acting Township Attorney	*	
Kraid M. Dowd	Township Attorney from 03/17/15	*	
Matthew O'Keefe	Construction Code Official	*	
Elizabeth Geminder	Health Administrator	*	
Louis Panarese	Chief of Police	*	
Dominick Naples	Fire Chief	*	

OFFICIALS IN OFFICE (CONTINUED)

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

<u>NAME</u>	<u>TITLE</u>	<u>AMOUNT OF BOND</u>	<u>NAME OF CORPORATE OR PERSONAL SURETY</u>
David Klurman	Director of Recreation Commission	*	
Bernard Murdoch	Tax Assessor	*	
Moshood Muftan	Municipal Prosecutor	*	

*Public Officials Professional Liability policy of \$250,000.00 maintained for all employees not covered by specific bonds through Travelers Insurance Company.

** We were unable to verify the amounts and durations of the bonds for these employees that are statutorily required to be bonded as the bonds were unavailable for audit.

COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

CONTRACTS AND AGREEMENT REQUIRED TO BE ADVERTISED FOR (N.J.S.A. 40A:11-4)

Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds, not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, material or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in or the amount calculated by the Governor pursuant to Section 3 of P.L. 1971 c.189 (C.40A:11-3), except by contract or agreements.

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-4 is \$17,500.00 or up to \$40,000.00 if the entity has a Qualified Purchasing Agent. The Township of Hillside has not appointed a Qualified Purchasing Agent and therefore their bid threshold remains at \$17,500.00

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

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

New Roof for Municipal Building
Boiler Replacement

In as much 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.

Our audit disclosed that cumulative purchases exceeding the bid threshold were made for Payroll Service with no evidence that bids were requested by public advertisement or that proper authorization to waive bidding procedures were adopted.

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5 as follows:

Auditing and Accounting Services
Legal Services
Engineering Services
Computer Software Services
Appraisal Services
Insurance Consultant

DELINQUENT TAXES AND TAX TITLE LIENS

The last tax sale was held on December 11, 2015.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

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

<u>YEAR</u>	<u>NUMBER OF LIENS</u>
CY2015	35
CY2014	34
CY2013	31

VERIFICATION OF DELINQUENT TAXES AND OTHER CHARGES

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>TYPE</u>	<u>NUMBER MAILED</u>
Payments of 2015 Taxes	50
Delinquent Taxes	50

OTHER COMMENTS

Interfunds

Transactions invariably occur in one fund which requires a corresponding entry to be made in another fund, thus, creating interfund balances. Reference to the various balance sheets show the interfund balances remaining at year end. As a general rule all interfund balances should be closed out at year end.

OTHER COMMENTS (CONTINUED)

Treasurer

The records maintained in the Finance Office were not maintained in an accurate condition during 2015. General Ledgers, as required by N.J.A.C 5:30-5.7, were not maintained for any funds. Books of original entry were not currently or completely maintained. Some Current Fund receipts could not be identified and are reserved on the balance sheet as such. Bank reconciliations were not performed on a timely basis. In some cases certain bank accounts were not reconciled at all until 2016. In addition the Appropriation, Appropriation Reserve and other subsidiary ledgers were not properly maintained with many items not posted. Additionally these ledgers were not proven to the cash disbursement records on a monthly basis.

The Township also underwent a change in the accounting software during 2015. During this process many account balances were not transferred to the new system resulting in the balances in the sub-ledgers being incorrect and unreliable.

During 2015 the Finance Office experienced turn over in key positions. This resulted in the Chief Financial Officer's position being vacant for three months and the Payroll Clerks position being vacant for two months. This created a situation where critical accounting duties such as, signing checks, performing bank reconciliations, payroll duties, maintaining the general ledger and posting the cash receipts and disbursement records could not be adequately segregated. Segregation of duties among different personnel serves as a check and balance, maintains a system of internal control and provides reliability on the Township's records.

As a result of these records not being maintained currently or completely, the following overexpenditures occurred:

Current Fund 2015 Appropriations	\$58,388.77
Current Fund 2014 Appropriation Reserves	82,489.64
Expenditure without an Appropriation	3,783.47
Swim Pool Operating 2015 Appropriations	9,069.25
Swim Pool Operating 2014 Appropriation Reserves	13,967.59
Reserve for Grants Appropriated	96,523.59

The Township has not maintained a complete encumbrance accounting system in accordance with the N.J.A.C. 5:30-5.2. A significant number of purchase orders tested were determined to be confirming orders; that is, purchases were made for goods or services without providing a written purchase order to the Chief Financial Officer to encumber on a timely basis. In effect, the controls that minimize the possibility of overexpenditures and unauthorized purchases are not in operation.

Per N.J.S.A 40A: 4-87, grants received after budget adoption may be appropriated by resolution of the governing body. We noted that the expenditures were made against one grant that was not properly authorized by the governing body through a budget amendment. This grant has been subsequent appropriated in the 2016 budget.

OTHER COMMENTS (CONTINUED)

The General Fixed Asset Ledger was not currently maintained as required by N.J.A.C. 5:30-5.6.

Our audit disclosed that the 3rd Quarter County tax remittance was not made by required date. The late remittance resulted in the Township being assessed a \$12,686.90 interest penalty.

A Corrective Action Plan for the 2014 Audit was not prepared and filed with the Division of Local Government Services in accordance with Local Finance Notice #97-16.

Submission of reimbursement vouchers for expenditures made for items leased through the Union County Improvement Authority have not been submitted on a timely basis. As of the date of this audit there are \$330,230.94 in expenditures that have not been reimbursed.

In addition the Trustee Bank Accounts, where the lease proceeds are held, has not been reconciled to the balances on the accounting records. This is a critical internal control that insures that the projects authorized through the lease are properly funded.

In 2011, the Township passed resolution 11-372 which established procedures to utilize the funds received from the State of New Jersey as a result of the discontinuation of the Urban Enterprise Program. These funds deposited in the Township's Trust Other Fund and could only be use if appropriated by resolution of the Township Council. In 2015 we noted that expenditures were charged directly to the trust without the required Council approval.

The detailed analysis of trust deposits was not reconciled to the reconciled bank balance in the Trust Other Fund.

The Builder Escrow banks accounts were not reconciled at all during 2015. As of the date of this audit there are still bank statements from 2015 that are not available for audit. As mention previously, the Township changed accounting software during 2015 during this transition the Builders Escrow balances were not brought forward into the new software. As a result we were unable to determine whether any escrow balances were overexpended. The 2014 balances did show that some escrows were overexpended and there is no evidence that these overage were ever resolved. The Township also lacks formal procedures relating to obtaining of additional escrow account deposits in these cases.

Per Local Finance Notice 2000-14, Police Outside Overtime escrow deposits are to be received in advance of services rendered. The records maintained by the Finance Department detailing these escrows were incomplete as they did not reflect beginning balances or the receipt of escrows. We were therefore unable to determine the Township's compliance with the requirement.

We noted several Grant Receivable and Reserve accounts that were inactive during 2015. These grant balances should be examined for validity.

Per N.J.A.C. 5-30-15.3, the annual audit required of every local unit shall report, each year, on the value of compensated absence owed to employees and the amount accumulated for payment. This information shall be reflected in the annual audit in the Notes to the Financial Statements. The Township did not perform this calculation and therefore this liability is not disclosed in the Notes to the Financial Statements.

OTHER COMMENTS (CONTINUED)

Payroll

Our audit of the Net Payroll and Payroll Agency Accounts disclosed that the accounts were not reconciled on a monthly basis and that a detailed analysis of the account balances were not maintained during 2015.

It was also noted that payroll checks are signed electronically by the payroll service provider. Only the Chief Financial Officer is authorized to control the check signing process.

Our examination of the Payroll records also disclosed that the Township uses an outside service provider to calculate and disburse payroll taxes. Per N.J.A.C. 5:30-17.6, the contract authorizing such service must meet certain requirements including provisions that require the provider to be responsible for any errors or omissions and to maintain insurance to indemnify the Township in such cases. The last contact available from the provider was several years old and did not meet the requirement of the Administrative Code.

The code also requires that a resolution of the governing body be passed authorizing the provider to perform the disbursement function. The resolution is also required to designate a responsible individual to authorize and supervise the activities of the provider. No resolution authorizing the service or designating an individual to authorize and supervise the activities of the provider was available for audit.

In situations where the municipality permits the outside service provider to disburse payroll taxes the process must be monitored to insure that disbursements are made timely, in the correct amount and that the payments are credited to the Township at the taxing agency. We found no evidence that the outside service provider's disbursement of payroll taxes was monitored nor was any attempt made to confirm that the taxes were credited to the Township at the taxing agencies during 2015.

The New Jersey Division of Pension and Benefits requires that employee withholdings be remitted by the 7th day of the succeeding month with interest being assessed for payments not received within 15 days of the due date. During 2015, we noted that three months were not remitted within the required timeframe.

The Township is required to report both Federal and State taxes on a quarterly basis to the taxing agencies. As a matter of internal control these reports should be reconciled to the detail payroll records to insure proper reporting. We noted that the 3rd quarter filings for both Federal and State taxes were not reconciled to the detail payroll records.

Tax Collector

Documentation of the process for approving cancellations and adjustments to the tax and sewer records was unavailable for audit.

The detailed analysis of Outside Liens and Tax Sale Premiums at December 31, 2015 were not reconciled to the cash on deposit.

OTHER COMMENTS (CONTINUED)

Purchasing

Our examination of vendors paid in excess of the bid threshold revealed one instance where a vendor was paid in excess of the threshold without approval of by resolution of the governing body.

Surety Bond

Per N.J.A.C. 5:30-8.2 Municipalities are encouraged to provide a fidelity bond with faithful performance coverage for the chief financial officer or other individual holding overall management responsibility for the local unit's finances separate from the local unit's blanket fidelity bond. In addition the law provides for recommended levels of coverage based upon the amount of the municipality's revenue. Our examination of the Township's surety bonds revealed that the Chief Financial Officer's bonding was substantially below the recommended level.

Community Development Block Grant

Our examination of the financial records for the Community Development Block Grant Program revealed that the current year grant awards were not properly established on the system. This led to expenditures being recorded against the wrong grant year.

We also noted that expenditures that were charged to the Community Development Block Grants on the Township accounting records did not agree to amounts submitted for reimbursement.

Public Assistance Trust Fund

The operation of the Public Assistance Program was transferred to the County of Union in November of 2011. In February 2011, the Township received \$16,988.57 in Supplemental Security Income payments from the State of New Jersey. The Township should investigate the proper disposition of these funds.

Payment in Lieu of Taxes Agreements

The Township has entered into two Payment in Lieu of Tax Agreements. Under the terms of the agreements the Redevelopers are required to submit their audit report to the Township for the previous fiscal year within 90 days of that fiscal year's end.

During 2015, we noted that neither entity provided the Township with an audit report.

Swim Pool

Cash Receipts collected in 2015 for the Swim Pool Operating Fund were not classified by revenue type on a timely basis.

Guest fees collected at the Swim Pool are controlled by pre-numbered wrist bands, however they are not controlled by periodic inventories. In addition remaining wristbands from the 2015 season were not retained for audit.

OTHER COMMENTS (CONTINUED)

Urban Enterprise Zone Revolving Loans

The Township has made loan from funds received through the Urban Enterprise Zone program. Through the terms set forth in the loan agreements these funds are to be repaid to the Township with interest. Records tracking the status of these outstanding loans was unavailable for audit.

In addition we noted an expenditure of \$18,000.00 from the UEZ 2nd Generation Fund bank account that was unidentified in the accounting records.

Other Departments

During the course of our audit it was noted that departmental receipts are remitted to the Finance office prior to being deposited. In numerous cases, the receipts were not being deposited within 48 hours. In addition, with a limited number of personnel in the various departments and to strengthen the internal control over cash collections, consideration should be given to establishing a no cash collection policy and restrict the payment of fees to checks, money orders or credit cards.

Our examination also revealed many departments are not remitting their receipts to the Treasurer on a monthly basis. In some cases no receipts were remitted at all during 2015.

We also noted that many departments are not preparing formal bank reconciliations on a monthly basis.

Our audit of the Fire Department disclosed that unpaid Fire Fines and penalties are not pursued due to a lack of staff.

Post Retirement Benefits

The Township has not completed the calculation of its other post-employment benefits obligations and reported them in the Notes to the Financial Statements as required by Local Finance Notice 2007-15.

RECOMMENDATIONS

*That General Ledgers for all funds be currently and completely maintained and proven to subsidiary records on a monthly basis.

*That books of original entry for all funds be maintained completely and on a timely basis and that unidentified 2015 items investigated and properly classified.

*That the books of original entry be proven to the subsidiary ledgers on a monthly basis.

That all bank accounts be reconciled on a monthly basis.

*That sufficient appropriation balances be available prior to the commitment or payment of funds.

That the Township maintain a complete encumbrance accounting system in compliance with N.J.A.C 5:30-5.2.

*That grants approved after the budget adoption be established on the financial records and expended only after a budget amendment has been approved by the governing body in accordance with N.J.S.A. 40A: 4-87.

*That the Township maintain a General Fixed Asset Ledger in compliance with N.J.A.C 5:30-5.6.

That County Taxes be remitted on a timely basis.

That the Township prepare a Corrective Action Plan for recommendations included in the 2014 Audit report and to file a copy with the Division of Local Government Services as required by Local Finance Notice 97-16.

*That reimbursement vouchers be submitted to the Union County Improvement Authority for all eligible outstanding costs on a timely basis.

That the records maintained in the Finance Office be reconciled to the cash on account in the Trustee's Bank Statements for all U.C.I.A Capital Leases.

That the use of Urban Enterprise Trust Funds be made in accordance with resolution 11-372.

*That the detailed analysis of Trust Other and Builders Escrow deposits be agreed to the reconciled balance in the bank account.

*That sufficient balance be made available prior to the commitment or payment of funds from the Builders Escrow Account.

That the Township develops suitable controls and procedures relating to obtaining of additional builders escrow account deposits.

That the Builders Escrow Bank Account Bank Reconciliations be brought up to date and that all bank statement for these accounts be made available for audit.

RECOMMENDATIONS (CONTINUED)

That adequate records be maintained detailing the activity of the Police Outside Overtime Trust in accordance with Local Finance Notice 2000-14.

*That all inactive Grant Receivable and Reserve accounts be examined for validity.

*That the Township calculate and disclose the liability for Accumulated Absences in accordance with N.J.A.C. 5-30-15.3.

*That a detailed analysis of the balances in the Net Payroll and Payroll Agency Account be prepared on a monthly basis.

*That the Township's use of payroll processing and disbursement services be brought in to compliance with the requirements of N.J.A.C. 5:30-17.

That the outside service organization's disbursement of payroll taxes be monitored by the Township and that payment of payroll taxes be confirmed with the taxing agencies.

That employees' pension withholding be remitted on a timely basis in accordance with the rules and regulations of the New Jersey Division of Pensions and Benefits.

That the information on the quarterly payroll tax filings be reconciled with the detailed payroll records and that the filings for the 3rd Quarter be reviewed and revised.

*That the process for approving cancellations and adjustments to the tax and sewer records be documented and made available for audit.

*That the detailed analysis of Outside Liens and Tax Sale Premiums be reconciled to the Cash on Deposit on a monthly basis.

*That all expenditures in excess of the bid threshold be awarded by resolution of the governing body.

*That the Township consider increasing the level of coverage for the Chief Financial Officer's surety bond to the level recommended under N.J.A.C. 5:30-8.2.

*That all surety bonds be on file and made available for audit.

*That Community Development Block Grant awards and cancellation be properly recorded on the Township's financial records and that grant drawdown be reconciled to those accounting records.

*That excess public assistance monies be investigated and remitted to the proper agency.

*That the Redeveloper's for the Township's Payment in Lieu of Tax Agreements remit their annual audit within 90 days of the close of the fiscal year.

That the revenue for the Swim Pool Operating Fund be properly classified by revenue source upon receipt and that all supporting documentation for these receipts be retained for audit.

*That the Township Swim Pool's pre-numbered wristbands be properly accounted through periodic inventories and that and remaining wristbands be retained for audit.

RECOMMENDATIONS (CONTINUED)

That the records tracking the status Urban Enterprise Zone Revolving loans be made available for audit.

That the Township investigate and identify the disbursement made from the Urban Enterprise 2nd Generation Fund bank account.

*That all departmental receipts be deposited within 48 hours per N.J.S.A. 40A:5-15.

That Departmental Receipts be remitted to the Finance Department on a monthly basis.

*That strong consideration be given to establishing a "No" Cash Policy for fees collected by Township Departments.

*That all Township Departments prepare a formal Cash Proof and Bank Reconciliation on a monthly basis.

*That delinquent Fire Fines and Penalties be examined for collectability.

That the Township complete it's calculation of its other post-employment benefits obligations and reported them in the Notes to the Financial Statements as required by Local Finance Notice 2007-15.

*That all FEMA project workbooks be reviewed for accuracy prior to being filed with the federal agency and that all project workbooks previously submitted be examined for any additional errors.

*Unresolved 2014 Audit Recommendations



