

TOWNSHIP OF NUTLEY

COUNTY OF ESSEX

REPORT OF AUDIT

2023

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
REPORT OF AUDIT
2023

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TOWNSHIP OF NUTLEY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* – of the various funds and account group of the Township of Nutley in the County of Essex (the "Township") as of, and for the years ended December 31, 2023 and 2022, and the related notes to financial statements, as listed in the table of contents.

Qualified Opinion on General Fixed Assets Account Group on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the Basis for Unmodified and Qualified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the general fixed assets account group of the Township as of December 31, 2023 and 2022 in accordance with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Unmodified Opinions on the Various Funds on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund of the Township as of December 31, 2023 and 2022, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended in accordance with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

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 section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2023 and 2022, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

The Honorable Mayor and Members
of the Board of Commissioners
Township of Nutley
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Basis for Unmodified Opinions on the Various Funds and Qualified Opinion on General Fixed Assets Account Group on Regulatory Basis of Accounting

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Division and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Township, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to Qualified Opinion on General Fixed Assets Account Group on Regulatory Basis of Accounting

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

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions prescribed or permitted by the Division which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division's regulatory basis of accounting and the budget laws 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 and pervasive.

Responsibilities of Management for the Financial Statements

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

The Honorable Mayor and Members
of the Board of Commissioners
Township of Nutley
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Division, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds and account group that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the various fund and account group financial statements. The information has been subjected to the auditing procedures applied in the audit of the various fund financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the various fund and account group financial statements or to the various fund and account group financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary data schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the various fund and account group financial statements as a whole.

The Honorable Mayor and Members
of the Board of Commissioners
Township of Nutley
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2024 on our consideration of the Township'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's 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's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 10, 2024

Nisivoccia LLP
NISIVOCCIA LLP

John J. Mooney

John J. Mooney
Registered Municipal Accountant No. 560
Certified Public Accountant

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
CURRENT FUND

TOWNSHIP OF NUTLEY
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
1 of 2

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2023</u>	<u>2022</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	A-4	\$ 47,757,412.46	\$ 42,851,158.48
Change Fund		300.00	300.00
		<u>47,757,712.46</u>	<u>42,851,458.48</u>
School Taxes Prepaid	A-12		2,362.00
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		12,134.84	11,112.92
		<u>47,769,847.30</u>	<u>42,864,933.40</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,235,094.34	1,218,307.51
Property Acquired for Taxes at Assessed Valuation		47,570.00	47,570.00
Revenue Accounts Receivable	A-9	13,541.55	22,502.44
Due Animal Control Fund	B	20,309.48	20,299.48
Due Water Utility Operating Fund	D	1,263,446.58	1,057,656.80
		<u>2,579,961.95</u>	<u>2,366,336.23</u>
Deferred Charges:			
Special Emergency Authorization		110,000.00	220,000.00
		<u>110,000.00</u>	<u>220,000.00</u>
TOTAL ASSETS		<u><u>\$ 50,459,809.25</u></u>	<u><u>\$45,451,269.63</u></u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Appropriation Reserves:			
Unencumbered	A-3;A-11	\$ 3,482,535.43	\$ 3,558,230.59
Encumbered	A-3;A-11	1,397,178.83	1,427,295.43
		<u>4,879,714.26</u>	<u>4,985,526.02</u>
Accounts Payable - Vendors		1,115,491.84	2,966,216.22
Prepaid Taxes		750,781.43	826,230.33
Tax Overpayments		411,135.34	423,399.63
County Added and Omitted Taxes Payable		69,077.58	45,057.59
County PILOT Taxes Payable		139,506.71	124,202.81
Due Other Trust Funds	B	5,966,277.12	6,075,532.28
Due General Capital Fund	C	13,038,363.77	5,677,044.46
Due Water Utility Capital Fund	D	485,000.00	485,000.00
Due State of New Jersey:			
Construction Code Surcharge Fees		10,375.00	6,430.00
Marriage License Fees		1,325.00	225.00
Burial Permit Fees		5.00	5.00
Reserve for:			
Appropriated Grant Funds:			
Municipal Alliance Grant		7,121.78	500.52
Clean Communities		150,843.92	108,151.58
Safety Achievement Award		1,250.00	1,250.00
Staffing for Adequate Fire and Emergency Response (SAFER) Grant		20,668.14	20,668.14

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

A
2 of 2

	Ref.	December 31,	
		2023	2022
<u>LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)</u>			
Reserve for:			
Appropriated Grant Funds:			
Alcohol Education, Rehabilitation and Enforcement Fund		\$ 3,067.11	\$ 3,067.11
Body Armor Replacement Fund		4,727.43	4,727.43
Recycling Tonnage Grant		15,918.85	15,918.85
Partners for Healthy-Healthy Lifestyles		2,382.17	2,382.17
Body Worn Camera Grant		42,997.33	42,997.33
Pedestrian Safety Grant			7,800.00
Private Donation - Partners for Health			1,281.77
Drunk Driving Enforcement Fund			572.81
Distracted Driving		10,500.00	
National Opioids Settlement		10,718.63	
DMHAS Youth Leadership Grant		365.61	
ARP - Premium Pay		2,500.00	
ARP - Firefighter Grant		4,689.90	
Automated License Plate Readers		91,166.00	
Drive Sober or Get Pulled Over		6,405.00	
Unappropriated Grant Funds:			
Alcohol Education, Rehabilitation and Enforcement Fund		1,083.60	1,083.60
Body Armor Replacement Fund		6,244.29	1,457.09
Bullet Proof Vest Program		11,255.25	11,255.25
Pedestrian Safety, Education and Enforcement Fund		28,785.00	11,110.00
Safe & Secure Communities Program		32,400.00	
Lead Program		28,500.00	
National Opioids Settlement		19,352.69	
State and Community Highway Safety		4,602.50	
ARP - Coronavirus State and Local Fiscal Recovery Funds		2,591,145.68	2,976,145.68
Municipal Relief Fund Aid		547,357.95	273,736.76
Purchase of Fire Truck - Insurance Proceeds		7,481.03	7,481.03
Pending Tax Appeals		6,730,680.29	6,730,680.29
Sale of Municipal Assets		66,550.00	66,550.00
Redemption of Outside Liens		7,682.57	
Revaluation of Property		31,210.00	145,536.85
Master Plan Review		13,610.00	13,610.00
Litigation Settlement		560,000.00	670,000.00
Dissolution of Nutley Volunteer Emergency Rescue Squad		255,144.08	255,144.08
Diamond Spring Redevelopment		58,696.83	
Payment in Lieu of Taxes:			
Seton Hall University Medical School		206,936.72	327,616.72
PB-100 Metro Boulevard		690,589.28	1,740,589.28
200 Metro Boulevard		876,501.98	876,501.98
		<u>40,018,184.66</u>	<u>35,932,685.66</u>
Reserve for Receivables and Other Assets	A	2,579,961.95	2,366,336.23
Fund Balance	A-1	<u>7,861,662.64</u>	<u>7,152,247.74</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u><u>\$ 50,459,809.25</u></u>	<u><u>\$45,451,269.63</u></u>

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

TOWNSHIP OF NUTLEY

A-1

CURRENT FUND

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

	Year Ended December 31,	
	2023	2022
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 5,000,000.00	\$ 5,000,000.00
Miscellaneous Revenue Anticipated	12,579,092.14	10,032,579.06
Receipts from:		
Delinquent Taxes	1,192,626.78	1,267,661.18
Current Taxes	126,773,023.54	124,002,275.41
Nonbudget Revenue	386,372.21	558,149.85
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	619,878.29	1,038,933.93
Cancellation of Reserve for Payment in Lieu of Taxes:		
PB-100 Metro Boulevard	1,050,000.00	
Cancellation of Tax Overpayments		525.48
Prior Year Senior Citizens' Deductions Allowed	250.00	
Interfunds and Other Receivables Returned		824,604.41
	<u>147,601,242.96</u>	<u>142,724,729.32</u>
<u>Expenditures</u>		
Budget Appropriations	57,242,013.93	53,458,732.57
County Taxes	20,146,959.74	20,206,096.47
County Share of Added and Omitted Taxes	69,077.58	45,057.59
Local School District Taxes	64,222,239.00	63,098,916.00
Reserve for Pending Tax Appeals		350,000.00
Refund of Prior Year - Taxes	5,738.03	
Interfunds and Other Receivables Advanced	205,799.78	19,048.71
	<u>141,891,828.06</u>	<u>137,177,851.34</u>
Excess in Revenue/Statutory Excess to Fund Balance	5,709,414.90	5,546,877.98
<u>Fund Balance</u>		
Balance January 1	7,152,247.74	6,605,369.76
	<u>12,861,662.64</u>	<u>12,152,247.74</u>
Decreased by:		
Utilized as Anticipated Revenue	5,000,000.00	5,000,000.00
Balance December 31	<u>\$ 7,861,662.64</u>	<u>\$ 7,152,247.74</u>

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

TOWNSHIP OF NUTLEY
CURRENT FUND

STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 5,000,000.00		\$ 5,000,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	30,000.00		32,144.06	\$ 2,144.06
Other	15,000.00		32,170.00	17,170.00
Fees and Permits	145,000.00		124,879.76	20,120.24 *
Fines and Costs:				
Municipal Court	200,000.00		289,750.69	89,750.69
Interest and Costs on Taxes	139,000.00		129,928.43	9,071.57 *
Parking Meters	151,000.00		371,784.41	220,784.41
Interest on Investments and Deposits	100,000.00		842,078.82	742,078.82
Fees - Immunization Program	5,000.00		3,038.85	1,961.15 *
Tree Removal Permits	5,000.00		6,550.00	1,550.00
Energy Receipts Tax	5,283,903.00		5,283,903.46	0.46
Reserve for Municipal Relief Fund Aid	273,736.00		273,736.76	0.76
Uniform Construction Code Fees	375,000.00		501,527.00	126,527.00
Nutley Board of Education:				
Physician Services	11,000.00		11,556.00	556.00
Bulk/Solid Waste	12,500.00		12,500.00	
Fiber Optic Cable	7,500.00		7,500.00	
Drive Sober or Get Pulled Over		\$ 6,405.00	6,405.00	
Clean Communities Program		59,675.87	59,675.87	
County of Essex Municipal Alliance Grant		9,321.27		9,321.27 *
Division of Mental Health and Addiction Services (DMHAS) - Youth Leadership Grant		6,736.60		6,736.60 *
Stormwater Assistance		25,000.00	15,000.00	10,000.00 *
Local Recreation Improvement Grant		72,000.00		72,000.00 *
American Rescue Plan (ARP):				
Premium Pay		385,000.00	385,000.00	
Firefighter Grant		31,000.00		31,000.00 *
Automated License Plate Readers		91,166.00		91,166.00 *

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue:				
Sewer Maintenance Fees - Due from:				
Town of Belleville	\$ 11,680.00		\$ 11,683.68	\$ 3.68
City of Clifton	220.00		222.94	2.94
Residential Furniture Delivery Service	714.00		714.55	0.55
Town of Bloomfield	68,660.00		68,663.59	3.59
Regency Condominiums	6,365.00		6,368.23	3.23
PB Nutclif I LLC, Excess Sewer Charges	149,000.00			149,000.00 *
Payment in Lieu of Taxes:				
Senior Citizen Housing	101,000.00			101,000.00 *
Nutley Senior Manor	43,980.00		38,452.07	5,527.93 *
PB-100 Metro Boulevard	1,003,675.00		1,167,244.75	163,569.75
PB-200 Metro Boulevard	1,270,740.00		1,114,221.11	156,518.89 *
Passaic Valley Sewer Charges - User Charges	11,915.00		11,404.28	510.72 *
Recycling Program	25,000.00		25,000.00	
Bureau of Housing Inspection	7,995.00		13,472.00	5,477.00
Uniform Fire Safety Act	25,500.00		34,954.10	9,454.10
Cable Franchise Fee	370,954.00		370,954.18	0.18
Cell Phone Tower Lease	18,000.00		30,009.68	12,009.68
Emergency Management Services Transportation Billing	600,000.00		727,916.87	127,916.87
Reserve for Payment in Lieu of Taxes - Seton Hall University Medical School	458,681.00		458,681.00	
Reserve for Litigation Settlement	110,000.00		110,000.00	
Board of Education Contribution for Crossing Guards	300,000.00			300,000.00 *
	<u>11,337,718.00</u>	<u>\$ 686,304.74</u>	<u>12,579,092.14</u>	<u>555,069.40</u>
Receipts from Delinquent Taxes	1,099,355.00		1,192,626.78	93,271.78
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	42,043,801.46		45,255,306.68	3,211,505.22
Minimum Library Tax	1,563,260.54		1,563,260.54	
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>43,607,062.00</u>		<u>46,818,567.22</u>	<u>3,211,505.22</u>
Budget Totals	61,044,135.00	686,304.74	65,590,286.14	<u>\$ 3,859,846.40</u>
Nonbudget Revenue			<u>386,372.21</u>	
	<u>\$ 61,044,135.00</u>	<u>\$ 686,304.74</u>	<u>\$ 65,976,658.35</u>	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

A-2
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Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 126,773,023.54
Allocated to:		
County Taxes	\$ 20,146,959.74	
County Share of Added and Omitted Taxes	69,077.58	
Local School District Taxes	64,222,239.00	
		84,438,276.32
Balance for Support of Municipal Budget		42,334,747.22
Add: Appropriation "Reserve for Uncollected Taxes"		4,483,820.00
Realized for Support of Municipal Budget		\$ 46,818,567.22

Analysis of Other Licenses:

Municipal Clerk		
Receipts		\$ 1,230.00
Due from Animal Control Fund		10.00
		1,240.00
Board of Health		30,930.00
		\$ 32,170.00

Analysis of Fees and Permits:

Building Inspector		\$ 96,400.00
Board of Health		11,219.00
Police		5,328.60
Tax Search Fees/Miscellaneous		11,497.76
Public Works		1,230.00
		125,675.36
Less: Refunds		795.60
		\$ 124,879.76

Analysis of Emergency Management Services Transportation Billing:

Treasurer		\$ 728,529.30
Less: Refunds		612.43
		727,916.87
		\$ 727,916.87

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer		\$ 842,078.82
		\$ 842,078.82

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Analysis of Tree Removal Permits:

Parks and Recreation		\$ 6,550.00
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Analysis of Recycling Program:

Due from Other Trust Funds - Reserve for Recycling		\$ 25,000.00
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Analysis of Uniform Construction Code Fees:

Construction Code Official		\$ 501,527.00
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Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Prior Year Revenue:

County of Essex Municipal Alliance Grant		\$ 6,456.36	
Nutley Board of Education Physician Services		1,100.00	

Total Prior Year Revenue		\$ 7,556.36	
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Police Outside Services - Administrative Fees			78,275.00
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Refunds/Reimbursements			58,891.23
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F.E.M.A. COVID-19			173,502.32
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F.E.M.A. Tropical Storm Isaias			11,625.08
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Payment in Lieu of Taxes - Administrative Fees			7,931.84
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Payment in Lieu of Taxes			22,694.00
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Departmental Collections			5,853.02
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Vacant Property Registration			2,000.00
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State of New Jersey:

Senior Citizens' and Veterans' Deductions Administrative Costs			2,359.49
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DMV Inspection Fines/Fees			400.00
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Municipal Court - Public Defender Fees			3,017.04
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Bid Specifications			875.00
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200 Foot List			110.00
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Gun Carry Permit			9,150.00
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Other Miscellaneous			1,935.37
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			386,175.75
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Tax Collector - Departmental Collections			400.00
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			386,575.75
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Less: Refunds			203.54
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			\$ 386,372.21
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TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Appropriations		Expended by		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Cash Disbursed	Encumbered	Paid or Charged	Reserved	
Operations Within "CAPS":							
DEPARTMENT OF PUBLIC AFFAIRS:							
Director of Public Affairs:							
Salaries and Wages	\$ 2,500.00	\$ 2,500.00	2,250.00	\$	2,250.00	\$	250.00
Other Expenses	1,000.00	500.00	477.40		477.40		22.60
Nutley Public Health Reserve Corp:							
Other Expenses	3,250.00	3,250.00	2,131.79		2,131.79		1,118.21
Department of Health - Local Health Agency:							
Salaries and Wages	694,325.00	702,825.00	702,165.71		702,165.71		659.29
Other Expenses	50,150.00	45,650.00	34,175.26	10,160.24	44,335.50		1,314.50
Air Pollution Control - Contractual	6,181.00	6,181.00	6,181.00		6,181.00		
Animal Regulation:							
Other Expenses	62,000.00	58,500.00	58,450.71		58,450.71		49.29
Military Veterans Affairs Bureau:							
Other Expenses	2,500.00	2,500.00	436.02	1,680.50	2,116.52		383.48
Immunization Program:							
Other Expenses	10,000.00	10,000.00	9,340.20		9,340.20		659.80
Diversity:							
Other Expenses	4,000.00	4,000.00	387.60	1,999.84	2,387.44		1,612.56
Mental Health Program - Contractual	20,000.00	20,000.00	20,000.00		20,000.00		
Garbage and Trash Removal - Contractual	2,308,144.00	2,308,144.00	1,818,365.45	175,450.42	1,993,815.87		314,328.13
Services of Nutley Family Service Bureau - Contractual	50,000.00	50,000.00	50,000.00		50,000.00		
Aid to NJ Association for Retarded Children - Contractual	1,000.00	1,000.00	1,000.00		1,000.00		
Total Department of Public Affairs	3,215,050.00	3,215,050.00	2,705,361.14	189,291.00	2,894,652.14		320,397.86

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended by		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Cash Disbursed	Encumbered	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):							
DEPARTMENT OF REVENUE AND FINANCE:							
Director of Revenue and Finance:							
Salaries and Wages	\$ 2,250.00	\$ 2,250.00	2,250.00		2,250.00		
Other Expenses	6,000.00	6,000.00	196.10	510.00	706.10	\$ 5,293.90	
Assessment of Taxes:							
Salaries and Wages	161,000.00	161,000.00	150,732.09		150,732.09	10,267.91	
Other Expenses	105,000.00	105,000.00	61,162.70	9,333.19	70,495.89	34,504.11	
Collection of Taxes:							
Salaries and Wages	146,000.00	146,000.00	145,572.69		145,572.69	427.31	
Other Expenses	45,000.00	45,000.00	23,042.35	429.02	23,471.37	21,528.63	
Treasurer's Office:							
Salaries and Wages	585,000.00	585,000.00	579,349.21		579,349.21	5,650.79	
Other Expenses	28,500.00	28,500.00	12,913.86	8,324.98	21,238.84	7,261.16	
Grant Writer	40,000.00	40,000.00	39,999.96		39,999.96	0.04	
Township Clerk's Office:							
Salaries and Wages	268,770.00	268,770.00	255,905.99		255,905.99	12,864.01	
Other Expenses	81,500.00	81,500.00	37,076.91	1,032.19	38,109.10	43,390.90	
Other Expenses - Election	60,000.00	60,000.00	22,660.72		22,660.72	37,339.28	
Administration of Township Ordinances:							
Salaries and Wages	200,000.00	200,000.00	193,117.84		193,117.84	6,882.16	
Other Expenses	8,000.00	8,000.00	2,039.17	827.99	2,867.16	5,132.84	
Expense, Stationery and Printing:							
Other Expenses	76,000.00	76,000.00	49,653.11	4,546.71	54,199.82	21,800.18	
Annual Audit:							
Other Expenses - Regular	97,000.00	97,000.00	87,000.00		87,000.00	10,000.00	
Economic Redevelopment Project:							
Other Expenses	350,000.00	350,000.00	152,681.83	88,742.34	241,424.17	108,575.83	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended by		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Cash Disbursed	Encumbered	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):							
DEPARTMENT OF REVENUE AND FINANCE (Continued):							
Printing and Legal Advertising:							
Other Expenses	\$ 10,000.00	10,000.00	5,611.32	718.92	6,330.24	3,669.76	
Total Department of Revenue and Finance	2,270,020.00	2,270,020.00	1,820,965.85	114,465.34	1,935,431.19	334,588.81	
DEPARTMENT OF PUBLIC SAFETY:							
Director of Public Safety:							
Salaries and Wages	2,250.00	2,250.00	2,250.00		2,250.00		
Other Expenses	6,000.00	6,000.00	3,081.77	1,050.61	4,132.38	1,867.62	
Municipal Court:							
Salaries and Wages	393,307.00	393,307.00	362,069.16		362,069.16	31,237.84	
Other Expenses	36,200.00	36,200.00	22,007.02	9,541.82	31,548.84	4,651.16	
E-Ticketing - Other Expense	20,000.00	25,000.00		24,284.44	24,284.44	715.56	
Public Defender:							
Salaries and Wages	17,510.00	17,510.00	16,340.81		16,340.81	1,169.19	
Other Expenses	200.00	200.00				200.00	
Police:							
Salaries and Wages	10,253,505.00	10,168,505.00	10,015,179.27		10,015,179.27	153,325.73	
Other Expenses	425,075.00	505,075.00	239,273.03	260,687.64	499,960.67	5,114.33	
Clothing Allowance	140,000.00	140,000.00	100,446.70	39,420.38	139,867.08	132.92	
Purchase of Police Cars	105,000.00	105,000.00		105,000.00	105,000.00		
First Aid Organization:							
Salaries and Wages	230,890.00	230,890.00	119,991.04		119,991.04	110,898.96	
Other Expenses	149,023.00	149,023.00	101,502.38	29,218.57	130,720.95	18,302.05	
Office of Emergency Management:							
Salaries and Wages	169,087.00	169,087.00	160,782.08		160,782.08	8,304.92	
Other Expenses	35,744.00	35,744.00	2,248.00	2,819.50	5,067.50	30,676.50	
Uniform Fire Safety Code:							
Fire:							
Salaries and Wages	50,000.00	50,000.00				50,000.00	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended by		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Cash Disbursed	Encumbered	Paid or Charged	Reserved	
\$ 5,172,646.00	\$ 4,954,646.00	\$ 4,545,944.85	\$ 4,545,944.85	\$ 408,701.15			
204,510.00	404,510.00	160,161.99	112,377.47	131,970.54			
80,000.00	80,000.00	63,523.15		16,476.85			
100.00	100.00			100.00			
156,274.00	156,274.00			156,274.00			
12,000.00	12,000.00			12,000.00			
17,659,321.00	17,641,321.00	15,914,801.25	584,400.43	16,499,201.68	1,142,119.32		

Operations Within "CAPS" (Continued):
DEPARTMENT OF PUBLIC SAFETY (Continued):

Fire:

Salaries and Wages	
Other Expenses	
Clothing Allowance	
Reserve for Accrued Sick and Vacation Pay	
Hazardous Materials:	
Salaries and Wages	
Other Expenses - Stipend	
Total Department of Public Safety	

DEPARTMENT OF PUBLIC WORKS:

Director of Public Works:	
Salaries and Wages	2,163.50
Other Expenses	96.10
Engineering Services and Costs:	
Salaries and Wages	178,241.89
Other Expenses	136,233.65
Road Repair and Maintenance:	
Salaries and Wages	582,872.59
Other Expenses	173,061.63
Snow Removal:	
Salaries and Wages	26,429.87
Other Expenses	11,717.28
Traffic Maintenance:	
Salaries and Wages	134,189.35
Other Expenses	5,074.11

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations			Expended by			Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Cash Disbursed	Encumbered	Paid or Charged	Reserved			
Operations Within "CAPS" (Continued):									
DEPARTMENT OF PUBLIC WORKS (Continued):									
Weed and Leaf Removal:									
Salaries and Wages	\$ 10,000.00								
Sewer System:									
Salaries and Wages	50,000.00	\$ 55,700.00	55,678.23		\$ 55,678.23	\$ 21.77			
Other Expenses	27,500.00	21,800.00	4,246.21	13,713.38	17,959.59	3,840.41			
Parking Lot and Meter Maintenance:									
Salaries and Wages	205,000.00	225,000.00	218,871.68		218,871.68	6,128.32			
Other Expenses	70,400.00	80,400.00	67,098.75	5,734.66	72,833.41	7,566.59			
Leaf Removal:									
Other Expenses - Tipping Fees	75,000.00	75,000.00	72,671.20	2,328.00	74,999.20	0.80			
Recycling:									
Salaries and Wages	625,000.00	605,000.00	579,508.07		579,508.07	25,491.93			
Other Expenses	21,200.00	21,200.00	14,690.17	5,629.63	20,319.80	880.20			
Other Expenses - Disposal Contract	300,000.00	300,000.00	234,739.49	20,956.24	255,695.73	44,304.27			
Total Department of Public Works	2,936,850.00	2,896,850.00	2,497,583.77	134,112.11	2,631,695.88	265,154.12			
DEPARTMENT OF PARKS AND PUBLIC PROPERTY:									
Director of Parks and Public Property:									
Salaries and Wages	2,250.00	2,250.00	2,250.00		2,250.00				
Other Expenses	50,000.00	50,000.00	10,485.10	176.00	10,661.10	39,338.90			
Recreation Committee of Nutley:									
Salaries and Wages	497,572.00	431,572.00	371,088.69		371,088.69	60,483.31			
Other Expenses	21,700.00	38,700.00	11,382.27	25,255.65	36,637.92	2,062.08			
Public Buildings and Grounds:									
Salaries and Wages	420,760.00	455,760.00	453,034.26		453,034.26	2,725.74			
Other Expenses	79,000.00	99,000.00	66,832.98	31,520.09	98,353.07	646.93			

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended by		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Cash Disbursed	Encumbered	Paid or Charged	Reserved	
\$	220,308.00	\$ 247,308.00	243,064.98	\$	243,064.98	\$	4,243.02
Salaries and Wages	87,000.00	99,000.00	79,729.04	13,361.02	93,090.06	5,909.94	
Other Expenses	194,048.00	194,048.00	192,575.51		192,575.51	1,472.49	
Information Services:	162,000.00	162,000.00	111,602.74	33,885.70	145,488.44	16,511.56	
Senior Citizens Transportation:	116,132.00	148,132.00	147,197.18		147,197.18	934.82	
Salaries and Wages	4,000.00	4,000.00	91.71		91.71	3,908.29	
Other Expenses	14,500.00	14,500.00	13,353.00	886.50	14,239.50	260.50	
Debris Removal:	897,237.00	897,237.00	896,647.46		896,647.46	589.54	
Other Expenses	142,200.00	172,200.00	127,791.69	44,098.60	171,890.29	309.71	
Parks and Playgrounds:	7,107,968.00	7,061,443.15	6,583,043.36	17,809.20	6,600,852.56	460,590.59	
Salaries and Wages	977,198.00	903,198.00	805,525.46		805,525.46	97,672.54	
Other Expenses	1,026,205.00	1,026,205.00	1,023,652.00		1,023,652.00	2,553.00	
Insurance:	100,157.00	113,681.85	113,524.85		113,524.85	157.00	
Group Insurance Plan for Employees	12,120,235.00	12,120,235.00	11,252,872.28	166,992.76	11,419,865.04	700,369.96	
Other Liability Insurance Premiums							
Workers Compensation Insurance							
Health Benefits Waiver							
Total Department of Parks and Public Property							

MAYOR'S OFFICE:

Mayor:							
Salaries and Wages	1,000.00	1,000.00	536.50		536.50	463.50	
Other Expenses	500.00	500.00				500.00	
Board of Adjustment:							
Salaries and Wages	35,000.00	35,000.00	33,061.00		33,061.00	1,939.00	
Other Expenses	5,350.00	5,350.00	1,999.67	60.33	2,060.00	3,290.00	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended by		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Cash Disbursed	Encumbered	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):							
MAYOR'S OFFICE (Continued):							
Planning Board:							
Salaries and Wages	\$ 35,000.00	\$ 35,000.00	\$ 33,586.00		\$ 33,586.00	\$ 1,414.00	
Other Expenses	4,400.00	4,400.00	3,218.01	113.32	3,331.33	1,068.67	
Rent Leveling Board:							
Salaries and Wages	10,000.00	10,000.00	9,136.92		9,136.92	863.08	
Other Expenses	1,000.00	1,000.00				1,000.00	
Township Attorney:							
Salaries and Wages	110,000.00	125,000.00	123,842.16		123,842.16	1,157.84	
Other Expenses	310,200.00	295,200.00	124,306.07	39,575.00	163,881.07	131,318.93	
Celebration of Public Events	80,000.00	80,000.00	55,000.15	17,880.80	72,880.95	7,119.05	
Municipal Prosecutor:							
Salaries and Wages	58,000.00	58,000.00	55,979.25		55,979.25	2,020.75	
Other Expenses	1,000.00	1,000.00				1,000.00	
Total Mayor's Office	651,450.00	651,450.00	440,665.73	57,629.45	498,295.18	153,154.82	
State Uniform Construction Code:							
Salaries and Wages	436,000.00	449,500.00	448,636.48		448,636.48	863.52	
Other Expenses	62,350.00	48,850.00	42,177.93	2,987.07	45,165.00	3,685.00	
UNCLASSIFIED:							
Gasoline	285,000.00	303,000.00	271,005.17	24,064.95	295,070.12	7,929.88	
Fuel Oil	65,000.00	65,000.00	8,100.97	840.76	8,941.73	56,058.27	
Electricity	350,000.00	350,000.00	290,413.29	26,472.85	316,886.14	33,113.86	
Street Lighting	304,000.00	344,000.00	317,678.84	107.60	317,786.44	26,213.56	
Telephone	150,000.00	150,000.00	128,825.44	10,902.49	139,727.93	10,272.07	
Total Operations Within "CAPS"	40,505,276.00	40,505,276.00	36,139,088.14	1,312,266.81	37,451,354.95	3,053,921.05	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended by		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Cash Disbursed	Encumbered	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):							
Contingent	\$ 50,000.00	\$ 50,000.00	8,538.75		\$ 8,538.75	\$ 41,461.25	
Total Operations Including Contingent Within "CAPS"	40,555,276.00	40,555,276.00	36,147,626.89	1,312,266.81	37,459,893.70	3,095,382.30	
Detail:							
Salaries and Wages	23,271,697.00	22,835,349.00	21,849,916.80		21,849,916.80	985,432.20	
Other Expenses	17,283,579.00	17,719,927.00	14,297,710.09	1,312,266.81	15,609,976.90	2,109,950.10	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":							
Statutory Expenditures:							
Contributions to:							
Public Employees Retirement System	1,382,760.00	1,382,760.00	1,382,760.00		1,382,760.00		
Social Security System (O.A.S.I.)	1,035,000.00	1,035,000.00	974,798.58	1,377.95	976,177.53	58,822.47	
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	4,047,885.00	4,047,885.00	4,047,885.00		4,047,885.00		
P.E.R.S. - Retro Pension Bill	25,000.00	25,000.00	25,000.00		25,000.00		
Defined Contribution Retirement Program	14,000.00	14,000.00	13,474.57		13,474.57	525.43	
Unemployment Compensation Insurance	270,120.00	270,120.00				270,120.00	
Award of Damages to Disabled Policemen (NJSA 40A:14-154)	6,060.00	6,060.00	6,060.00		6,060.00		
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	6,780,825.00	6,780,825.00	6,449,978.15	1,377.95	6,451,357.10	329,467.90	
Total General Appropriations for Municipal Purposes Within "CAPS"	47,336,101.00	47,336,101.00	42,597,605.04	1,313,644.76	43,911,250.80	3,424,850.20	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended by			Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Cash Disbursed	Encumbered	Paid or Charged	Reserved		
Operations Excluded from "CAPS":								
Passaic Valley Sewer Commission:								
Other Expenses	\$ 3,994,883.00	\$ 3,994,883.00	3,994,882.02	\$	3,994,882.02	\$	0.98	
Maintenance of Free Public Library	1,705,883.00	1,705,883.00	1,705,883.00		1,705,883.00			
NJDES Stormwater Permit (N.J.S.A. 40A:45.3(cc)):								
Street Division:								
Salaries and Wages	30,000.00	30,000.00	22,218.81		22,218.81		7,781.19	
Other Expenses	10,000.00	10,000.00	7,255.00		7,255.00		2,745.00	
LOSAP:								
Fire	33,750.00	33,750.00					33,750.00	
Group Insurance Plan for Employees	909,942.00	909,942.00	909,942.00		909,942.00			
Shared Services Agreement -								
Nutley Board of Education - Physician Services	11,000.00	11,000.00	11,000.00		11,000.00			
Nutley Board of Education - Bulk/Solid Waste	12,500.00	12,500.00	12,500.00		12,500.00			
Nutley Board of Education - Fiber Optic Cable	7,500.00	7,500.00					7,500.00	
Health Services - Montclair Health Officer	48,595.00	48,595.00	48,595.00		48,595.00			
Statutory Expenditures:								
Contribution to:								
Public Employees Retirement System	47,599.00	47,599.00	47,599.00		47,599.00			
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	178,112.00	178,112.00	178,113.00		178,112.00			
State and Federal Programs Offset by Revenues:								
American Rescue Plan (ARP):								
Premium Pay (N.J.S.A. 40A:4-87 +\$385,000.00)		385,000.00	385,000.00		385,000.00			
Firefighter Grant (N.J.S.A. 40A:4-87 +\$31,000.00)		31,000.00	25,920.54	5,079.46	31,000.00			
Automated License Plate Readers (N.J.S.A. 40A:4-87 +\$91,166.00)		91,166.00	91,166.00		91,166.00			
Stormwater Assistance (N.J.S.A. 40A:4-87 +\$25,000.00)		25,000.00	22,884.70	2,115.30	25,000.00			
Local Recreation Improvement Grant (N.J.S.A. 40A:4-87 +\$72,000.00)		72,000.00		72,000.00	72,000.00			
Municipal Alliance Grant:								
State Share (N.J.S.A. 40A:4-87 +\$9,321.27)		9,321.27	9,321.27		9,321.27			
Division of Mental Health and Addiction Services (DMHAS) -								
Youth Leadership Grant (N.J.S.A. 40A:4-87 +\$6,736.60)		6,736.60	6,647.29	89.31	6,736.60			
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 +\$6,405.00)		6,405.00	6,405.00		6,405.00			
Clean Communities Program (N.J.S.A. 40A:4-87 +\$9,675.87)		59,675.87	49,517.81	4,250.00	53,767.81		5,908.06	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Appropriations		Expended by		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Cash Disbursed	Encumbered	Paid or Charged	Reserved	
Total Operations Excluded from "CAPS"	\$ 6,989,764.00	\$ 7,676,068.74	7,534,850.44	83,534.07	\$ 7,618,383.51	\$ 57,685.23	
Detail:							
Salaries and Wages	30,000.00	30,000.00	22,218.81		22,218.81	7,781.19	
Other Expenses	6,959,764.00	7,646,068.74	7,512,631.63	83,534.07	7,596,164.70	49,904.04	
Capital Improvements - Excluded from "CAPS":							
Capital Improvement Fund	200,000.00	200,000.00	200,000.00		200,000.00		
Road Improvements	100,000.00	100,000.00	100,000.00		100,000.00		
Total Capital Improvements Excluded from "CAPS"	300,000.00	300,000.00	300,000.00		300,000.00		
Municipal Debt Service Excluded from "CAPS":							
Payment of Bond Principal	1,625,000.00	1,625,000.00	1,625,000.00		1,625,000.00		
Interest on Bonds	169,000.00	169,000.00	168,923.75		168,923.75	\$ 76.25	
NJ Department of Environmental Protection Green Acres Loan:							
Principal	24,430.00	24,430.00	19,912.75		19,912.75	4,517.25	
Interest	6,020.00	6,020.00	6,007.69		6,007.69	12.31	
Total Municipal Debt Service Excluded from "CAPS"	1,824,450.00	1,824,450.00	1,819,844.19		1,819,844.19	4,605.81	
Deferred Charges - Excluded from "CAPS":							
Special Emergency Authorizations (N.J.S.A. 40A:4-55)	110,000.00	110,000.00	\$ 110,000.00		110,000.00		
Total Deferred Charges - Excluded from "CAPS"	110,000.00	110,000.00	110,000.00		110,000.00		
Total General Appropriations - Excluded from "CAPS"	9,224,214.00	9,910,518.74	9,764,694.63	\$ 83,534.07	9,848,227.70	57,685.23	\$ 4,605.81
Subtotal General Appropriations	56,560,315.00	57,246,619.74	52,362,299.67	1,397,178.83	53,759,478.50	3,482,535.43	4,605.81
Reserve for Uncollected Taxes	4,483,820.00	4,483,820.00	4,483,820.00		4,483,820.00		
Total General Appropriations	\$ 61,044,135.00	\$ 61,730,439.74	\$ 56,846,119.67	\$ 1,397,178.83	\$ 58,243,298.50	\$ 3,482,535.43	\$ 4,605.81

Ref.

A

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023
(Continued)

A-3
11 of 11

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 61,044,135.00	
Appropriation by N.J.S.A. 40A:4-87		<u>686,304.74</u>	
		<u>\$ 61,730,439.74</u>	
Reserve for Uncollected Taxes			\$ 4,483,820.00
Reserve for Encumbrances	A		1,397,178.83
Reserve for Appropriated Grant Funds:			
Municipal Alliance Grant			6,334.15
Clean Communities			40,607.39
DMHAS Youth Leadership Grant			365.61
ARP - Firefighter Grant			4,689.90
ARP - Premium Pay			2,500.00
Automated License Plate Readers			91,166.00
Drive Sober or Get Pulled Over			6,405.00
Due General Capital Fund:			
Capital Improvement Fund			200,000.00
Reserve for Paving			100,000.00
Deferred Charges - Special Emergency Authorizations			110,000.00
Cash Disbursed			<u>53,061,618.82</u>
			<u>59,504,685.70</u>
Less: Appropriation Refunds			<u>1,261,387.20</u>
			<u>\$ 58,243,298.50</u>

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
TRUST FUNDS

TOWNSHIP OF NUTLEY
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
TRUST FUNDS

B

		December 31,	
<u>ASSETS</u>	<u>Ref.</u>	2023	2022
Animal Control Fund:			
Cash and Cash Equivalents - Treasurer	B-4	\$ 54,259.31	\$ 57,337.28
Other Trust Funds:			
Cash and Cash Equivalents	B-4	3,433,134.73	3,448,806.45
Due Current Fund	A	5,966,277.12	6,075,532.28
		9,399,411.85	9,524,338.73
 TOTAL ASSETS		\$ 9,453,671.16	\$ 9,581,676.01
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due Current Fund	A	\$ 20,309.48	\$ 20,299.48
Due State of New Jersey		6.60	36.00
Reserve for Animal Control Expenditures	B-6	33,943.23	37,001.80
		54,259.31	57,337.28
Other Trust Funds:			
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits		323,073.99	371,027.79
Reserve for:			
Dedicated Revenue:			
Sealer of Weights & Measures		26,570.75	26,570.75
Uniform Fire Safety - Penalties		83,873.85	83,977.57
Unemployment Insurance		622,868.16	722,373.82
Developer's Escrow		8,543.58	10,629.28
Escrow Deposits		242,376.40	232,426.40
Special Deposits		606.05	606.05
Living Tree Memorial Program		24,068.69	37,809.93
Recreation Commission Fees		401,550.98	372,556.70
Parking Offense Adjudication Act		67,230.76	76,551.11
Recycling		302,615.94	309,092.37
Community Environmental Health Act		1,752,363.90	1,625,721.12
Tax Sale Premiums		590,796.00	1,114,696.00
Community Development Block Grants		0.08	0.08
Accumulated Sick and Vacation Pay		1,098,794.01	1,048,012.75
Storm Recovery		1,805,493.21	1,855,335.20
Self Insurance Deductible		340,000.00	340,000.00
Civic Celebration		21,950.02	21,100.02
Law Enforcement Expenditures		626,714.57	289,257.66
Mayor's Wellness Program		11,435.57	11,435.57
Council on Affordable Housing (COAH)		1,024,714.32	955,430.58
Go Green Program		11,294.09	7,216.98
Municipal Alliance Program		7,625.31	7,625.31
Flexible Spending Account		2,417.62	2,731.69
Fire Donation		2,434.00	2,154.00
		9,399,411.85	9,524,338.73
 TOTAL LIABILITIES AND RESERVES		\$ 9,453,671.16	\$ 9,581,676.01

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

TOWNSHIP OF NUTLEY
ASSESSMENT TRUST FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

B-1

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

B-2

NOT APPLICABLE

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

TOWNSHIP OF NUTLEY
ASSESSMENT TRUST FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

B-3

NOT APPLICABLE

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
GENERAL CAPITAL FUND

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

C

	Ref.	December 31,	
		2023	2022
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 83,228.79	\$ 83,228.79
Due Current Fund	A	13,038,363.77	5,677,044.46
Loan Receivable:			
NJ Department of Environmental Protection Green Acres		87,529.00	87,529.00
Grants Receivable:			
County of Essex Open Space Trust Fund		150,000.00	150,000.00
NJ Department of Environmental Protection Green Acres		1,989,711.00	960,956.00
NJ Department of Transportation		965,966.43	1,154,604.50
Federal Repetitive Flood Claims Grants		1,069,012.20	1,069,012.20
Deferred Charges to Future Taxation:			
Funded		13,478,953.97	9,983,866.72
Unfunded	C-4	246,385.53	6,221,567.41
TOTAL ASSETS		<u>\$ 31,109,150.69</u>	<u>\$ 25,387,809.08</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 13,106,000.00	\$ 9,591,000.00
Loans Payable:			
NJ Department of Environmental Protection Green Acres	C-9	372,953.97	392,866.72
Improvement Authorizations:			
Funded	C-5	10,590,096.99	5,759,787.54
Unfunded	C-5	246,385.53	3,926,815.82
Capital Improvement Fund	C-6	3,858,446.00	3,237,296.00
Down Payments on Improvements		194,707.72	194,707.72
Reserve for:			
Payment of Debt Service		758,859.05	503,633.85
Paving		605,995.12	405,995.12
Fiber Optics		21,250.00	21,250.00
Economic Development Project		1,110,477.72	1,110,477.72
Local Improvements		35,621.00	35,621.00
Redesign of Nutley Streets		3,154.09	3,154.09
Fund Balance	C-1	205,203.50	205,203.50
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 31,109,150.69</u>	<u>\$ 25,387,809.08</u>

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

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
STATEMENT OF FUND BALANCE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

C-1

	<u>Ref.</u>	
Balance December 31, 2022	C	<u>\$ 205,203.50</u>
Balance December 31, 2023	C	<u><u>\$ 205,203.50</u></u>

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
WATER UTILITY FUND

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

D
1 of 2

<u>ASSETS</u>	<u>Ref.</u>	December 31,	
		2023	2022
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 1,747,479.05	\$ 1,901,247.14
Due Water Utility Capital Fund	D	94,215.73	
		1,841,694.78	1,901,247.14
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	846,342.82	754,248.75
Inventory	D-7	61,195.00	61,195.00
Total Receivables and Inventory with Full Reserves	D	907,537.82	815,443.75
Total Operating Fund		2,749,232.60	2,716,690.89
Capital Fund:			
Cash and Cash Equivalents	D-4	183.05	183.05
Due Current Fund	A	485,000.00	485,000.00
Due Water Utility Operating Fund	D		22,232.98
Fixed Capital	D-9	2,048,926.48	2,048,926.48
Fixed Capital Authorized and Uncompleted	D-10	5,286,286.50	4,997,536.50
Total Capital Fund		7,820,396.03	7,553,879.01
<u>TOTAL ASSETS</u>		\$ 10,569,628.63	\$ 10,270,569.90

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

D
2 of 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	December 31,	
		2023	2022
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-11	\$ 90,411.32	\$ 288,108.61
Encumbered	D-3;D-11	160,595.18	107,377.89
Total Appropriation Reserves		251,006.50	395,486.50
Accrued Interest on Bonds and Loans		5,962.80	8,160.40
Water Rent Overpayments		23,622.05	20,113.57
Accounts Payable		10,941.17	98.92
Due Current Fund	A	1,263,446.58	1,057,656.80
Due Water Utility Capital Fund	D	22,232.98	22,232.98
		1,554,979.10	1,503,749.17
Reserve for Receivables and Inventory	D	907,537.82	815,443.75
Fund Balance	D-1	286,715.68	397,497.97
Total Operating Fund		2,749,232.60	2,716,690.89
Capital Fund:			
Serial Bonds Payable	D-17	355,000.00	420,000.00
NJ Infrastructure Bank Loans Payable	D-18	398,774.73	499,392.41
Improvement Authorizations:			
Funded	D-12	562,251.14	562,251.14
Unfunded	D-12	2,744,561.07	2,572,259.78
Due Water Utility Operating Fund	D	94,215.73	
Reserve for:			
Down Payments on Improvements	D-13	25,525.85	25,525.85
Amortization	D-15	3,511,848.75	3,346,231.07
Deferred Amortization	D-15A	127,515.25	127,515.25
Fund Balance	D-1A	703.51	703.51
Total Capital Fund		7,820,396.03	7,553,879.01
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 10,569,628.63	\$ 10,270,569.90

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

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

D-1

	<u>Year Ended December 31,</u>	
	<u>Ref.</u> <u>2023</u>	<u>2022</u>
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 350,000.00	\$ 561,000.00
Rents	4,061,774.69	4,180,107.47
Utility Maintenance Fee	274,678.29	275,553.91
Nonbudget Revenue	95,134.64	113,370.28
Other Credits to Income:		
Appropriation Reserves Lapsed	207,629.77	89,385.85
Total Income	<u>4,989,217.39</u>	<u>5,219,417.51</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	4,435,805.00	4,514,665.00
Capital Improvements	1,000.00	10,000.00
Debt Service	175,194.68	182,334.68
Deferred Charges and Statutory Expenditures	138,000.00	161,000.00
Total Expenditures	<u>4,749,999.68</u>	<u>4,867,999.68</u>
Excess in Revenue/Statutory Excess to Fund Balance	239,217.71	351,417.83
<u>Fund Balance</u>		
Balance January 1	<u>397,497.97</u>	<u>607,080.14</u>
	636,715.68	958,497.97
Decreased by:		
Utilization as Anticipated Revenue	<u>350,000.00</u>	<u>561,000.00</u>
Balance December 31	D <u>\$ 286,715.68</u>	<u>\$ 397,497.97</u>

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

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

D-1A

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ <u>703.51</u>
Balance December 31, 2023	D	\$ <u><u>703.51</u></u>

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

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

D-2

	Anticipated	Realized	Excess or Deficit *
Surplus Anticipated	\$ 350,000.00	\$ 350,000.00	
Rents	4,150,000.00	4,061,774.69	\$ 88,225.31 *
Utility Maintenance Fees	250,000.00	274,678.29	24,678.29
	4,750,000.00	4,686,452.98	63,547.02 *
Nonbudget Revenue		95,134.64	95,134.64
	\$ 4,750,000.00	\$ 4,781,587.62	\$ 31,587.62

Analysis of Nonbudget Revenue

Collector:		
Sale of Water Meters	\$ 4,305.10	
Fire Line	33,030.22	
Other Miscellaneous	44,168.37	
		\$ 81,503.69
Treasurer:		
Interest on Investments		13,630.95
		\$ 95,134.64

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

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2023

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 1,700,805.00	\$ 1,825,805.00	\$ 1,818,683.64	\$ 7,121.36	
Other Expenses	550,000.00	425,000.00	417,869.31	7,130.69	
Other Expenses:					
N.J. Water Supply	1,250,000.00	1,200,000.00	1,196,506.00	3,494.00	
Passaic Valley Water Commission	800,000.00	900,000.00	898,244.76	1,755.24	
City of Newark Water Purchase	135,000.00	85,000.00	25,002.84	59,997.16	
Capital Improvements:					
Down Payments on Improvements	1,000.00	1,000.00		1,000.00	
Debt Service:					
Payment of Bond Principal	65,000.00	65,000.00	65,000.00		
Interest on Bonds	3,612.00	3,612.00	3,612.00		
NJIB Loan Principal	100,618.00	100,618.00	100,617.68		\$ 0.32
NJIB Loan Interest	5,965.00	5,965.00	5,965.00		
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	1,000.00	1,000.00		1,000.00	
Social Security System (O.A.S.I.)	135,000.00	135,000.00	128,087.13	6,912.87	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00	
Other Insurance	1,000.00	1,000.00		1,000.00	
	<u>\$ 4,750,000.00</u>	<u>\$ 4,750,000.00</u>	<u>\$ 4,659,588.36</u>	<u>\$ 90,411.32</u>	<u>\$ 0.32</u>
				D	
Cash Disbursed			\$ 4,597,868.11		
Accrued Interest on Bonds			3,612.00		
Accrued Interest on NJIB Loan			5,965.00		
Encumbrances Payable			160,595.18		
Due Current Fund			5,789.78		
			<u>4,773,830.07</u>		
Less: Appropriation Refunds			<u>114,241.71</u>		
			<u>\$ 4,659,588.36</u>		

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
PUBLIC ASSISTANCE FUND

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

F

	<u>Ref.</u>	December 31,	
<u>ASSETS</u>		2023	2022
Cash and Cash Equivalents	F-1	\$ 76,911.44	\$ 76,911.44
TOTAL ASSETS		\$ 76,911.44	\$ 76,911.44
<u>RESERVES</u>			
Reserve for Public Assistance Expenditures		\$ 76,911.44	\$ 76,911.44
TOTAL RESERVES		\$ 76,911.44	\$ 76,911.44

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

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

H

	December 31,	
	2023	2022
<u>ASSETS</u>		
Land and Site Improvements	\$ 14,228,194.00	\$ 14,209,353.00
Buildings	9,656,126.00	9,366,226.00
Equipment and Vehicles	18,074,588.00	17,122,112.00
 TOTAL ASSETS	 <u>\$ 41,958,908.00</u>	 <u>\$ 40,697,691.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 41,958,908.00</u>	<u>\$ 40,697,691.00</u>
 TOTAL RESERVES	 <u>\$ 41,958,908.00</u>	 <u>\$ 40,697,691.00</u>

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

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

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. As the financial reporting entity was established in accordance with New Jersey statutes, the requirements of GASB Codification Section 2100 were not followed and, accordingly, the reporting entity could be different from accounting principles generally accepted in the United States of America.

B. Description of Funds

The accounting policies of the Township of Nutley conform to the accounting practices applicable to municipalities which have been prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"). Such practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township of Nutley accounts for its financial transactions through the following separate funds:

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

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

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

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

B. Description of Funds (Cont'd)

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

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

C. Basis of Accounting

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

The following is a summary of the significant accounting policies.

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

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

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

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
 (Continued)

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

C. Basis of Accounting (Cont'd)

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

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

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

E. Other significant accounting policies include:

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

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

Investments - Investments are stated at cost.

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

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

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

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

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

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

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased, except for the Water Utility Operating Fund, where the value of inventory is offset by a reserve and included on the related balance sheet.

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

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

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	December 31,		
	2023	2022	2021
<u>Issued:</u>			
Bonds, Notes and Loans:			
General	\$13,478,954	\$ 9,983,867	\$12,912,703
Redevelopment Area	903,426	924,285	944,342
Water Utility	753,775	919,392	1,085,010
Total Issued	<u>15,136,155</u>	<u>11,827,544</u>	<u>14,942,055</u>
Less:			
Redevelopment Area Bonds	903,426	924,285	944,342
Funds Temporarily Held to Pay Bonds, Notes and Loans:			
Reserve for Payment of Debt Service - General Capital Fund	758,859	503,634	503,634
Total Deductions	<u>1,662,285</u>	<u>1,427,919</u>	<u>1,447,976</u>
Net Issued	<u>13,473,870</u>	<u>10,399,625</u>	<u>13,494,079</u>
<u>Authorized but not Issued:</u>			
Bonds and Notes:			
General	246,386	6,221,567	8,084,090
Water Utility	2,942,074	2,653,324	2,653,324
Total Authorized but not Issued	<u>3,188,460</u>	<u>8,874,891</u>	<u>10,737,414</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$ 16,662,330</u>	<u>\$ 19,274,516</u>	<u>\$ 24,231,493</u>

Summary of Statutory Debt Condition – Annual Debt Statement

The summarized statement of debt condition, which follows, is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.274%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 25,450,000	\$ 25,450,000	
Water Utility Debt	3,695,849	3,695,849	
General Debt	14,628,766	1,662,285	\$ 12,966,481
	<u>\$ 43,774,615</u>	<u>\$ 30,808,134</u>	<u>\$ 12,966,481</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

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

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

Net Debt: \$12,966,481 divided by Average Equalized Valuations of \$4,726,908,288 of Real Property = 0.274%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 165,441,790
Net Debt	<u>12,966,481</u>
Remaining Borrowing Power	<u>\$ 152,475,309</u>

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

Cash Receipts from Fees, Rents or Other Charges for Year	\$ 4,781,588
Deductions:	
Operating and Maintenance Cost	\$ 4,573,805
Debt Service	<u>175,195</u>
Total Deductions	<u>4,749,000</u>
Excess in Revenue	<u>\$ 32,588</u>

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

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

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

	Balance 12/31/2022	Additions	Retirements	Balance 12/31/2023
Serial Bonds:				
General Capital Fund	\$ 9,591,000	\$ 5,140,000	\$ 1,625,000	\$ 13,106,000
Redevelopment Area	924,285		20,859	903,426
Water Utility	420,000		65,000	355,000
Loans Payable:				
General Capital Fund:				
NJDEP Green Acres	392,867		19,913	372,954
Water Utility Capital Fund:				
NJIB	<u>499,392</u>		<u>100,617</u>	<u>398,775</u>
Total	<u>\$ 11,827,544</u>	<u>\$ 5,140,000</u>	<u>\$ 1,831,389</u>	<u>\$ 15,136,155</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

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

	Balance 12/31/2021	Additions	Retirements	Balance 12/31/2022
Serial Bonds:				
General Capital Fund	\$ 11,206,000		\$ 1,615,000	\$ 9,591,000
Redevelopment Area	944,342		20,057	924,285
Water Utility	485,000		65,000	420,000
Bond Anticipation Notes:				
General Capital Fund	1,294,316		1,294,316	
Loans Payable:				
General Capital Fund:				
NJDEP Green Acres	412,387		19,520	392,867
Water Utility Capital Fund:				
NJIB	600,010		100,618	499,392
Total	<u>\$ 14,942,055</u>	<u>\$ -0-</u>	<u>\$ 3,114,511</u>	<u>\$ 11,827,544</u>

The Township's debt issued and outstanding on December 31, 2023 is described as follows:

General Capital Serial Bonds

Purpose	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2023
	Date	Amount		
General Improvements	04/15/24-27	\$ 545,000	3.00%	
	04/15/28	521,000	3.00%	\$ 2,701,000
General Improvements	04/01/24	620,000	1.00%	
	04/01/25	630,000	1.00%	
	04/01/26	640,000	1.00%	
	04/01/27	650,000	1.00%	
	04/01/28	665,000	1.25%	
	04/01/29	675,000	1.50%	
	04/01/30	685,000	1.50%	
04/01/31	700,000	1.50%	5,265,000	

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

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

The Township's debt issued and outstanding on December 31, 2023 is described as follows: (Cont'd)

General Capital Serial Bonds (Cont'd)

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>
	<u>Date</u>	<u>Amount</u>		
General Improvements	10/01/24	\$ 425,000	5.00%	
	10/01/25	450,000	5.00%	
	10/01/26	465,000	5.00%	
	10/01/27	475,000	5.00%	
	10/01/28	500,000	5.00%	
	10/01/29	525,000	5.00%	
	10/01/30	550,000	5.00%	
	10/01/31	565,000	4.00%	
	10/01/32	585,000	4.00%	
	10/01/33	600,000	4.00%	<u>\$ 5,140,000</u>
				<u>\$13,106,000</u>

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

<u>Purpose</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>
Improvement of Father Glotzbach Soccer Field	07/15/43	0.00%	<u>87,529</u>
			<u>\$ 372,954</u>

Water Utility Capital NJ Infrastructure Bank (NJIB) Loans

<u>Purpose</u>	<u>Type</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>
Retrofit Meter Heads	Fund Loan	08/01/31	0.00%	<u>158,775</u>
				<u>\$ 398,775</u>

Water Utility Capital Serial Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>
	<u>Date</u>	<u>Amount</u>		
Water Improvements	04/01/24	\$ 70,000	1.00%	
	04/01/25	70,000	1.00%	
	04/01/26	70,000	1.00%	
	04/01/27	70,000	1.00%	
	04/01/28	75,000	1.25%	<u>\$ 355,000</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

The Township's debt issued and outstanding on December 31, 2023 is described as follows: (Cont'd)

<u>Purpose</u>	<u>Redevelopment Area Bonds</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2023</u>
	<u>Maturities of Bonds Outstanding Date</u>	<u>Amount</u>		
Redevelopment Project	09/29/24	\$ 21,693	4.00%	
	09/29/25	22,560	4.00%	
	09/29/26	23,463	4.00%	
	09/29/27	24,402	4.00%	
	09/29/28	25,378	4.00%	
	09/29/29	26,393	4.00%	
	09/29/30	27,449	4.00%	
	09/29/31	28,546	4.00%	
	09/29/32	29,688	4.00%	
	09/29/33	30,876	4.00%	
	09/29/34	32,111	4.00%	
	09/29/35	33,396	4.00%	
	09/29/36	34,731	4.00%	
	09/29/37	36,121	4.00%	
	09/29/38	37,565	4.00%	
	09/29/39	39,068	4.00%	
	09/29/40	40,631	4.00%	
	09/29/41	42,256	4.00%	
	09/29/42	43,946	4.00%	
	09/29/43	45,704	4.00%	
	09/29/44	47,532	4.00%	
	09/29/45	49,433	4.00%	
	09/29/46	51,411	4.00%	
	09/29/47	53,467	4.00%	
09/29/48	55,606	4.00%	<u>\$ 903,426</u>	
TOTAL DEBT ISSUED AND OUTSTANDING				<u>\$15,136,155</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

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

The Township's debt issued and outstanding on December 31, 2023 is described as follows: (Cont'd)
Schedule of Annual Debt Service for Principal and Interest for the Next Five Years and

Thereafter for Bonded Debt and Loans Issued and Outstanding

Calendar Year	General Capital		Water Utility Capital		Redevelopment Area		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2024	\$ 1,614,802	\$ 362,843	\$ 170,618	\$ 12,383	\$ 21,693	\$ 36,137	\$ 2,218,476
2025	1,650,210	335,217	170,618	10,433	22,561	35,269	2,224,308
2026	1,675,627	289,600	107,539	8,483	23,463	34,367	2,139,079
2027	1,696,052	243,126	100,000	6,283	24,402	33,428	2,103,291
2028	1,712,484	195,546	105,000	4,564	25,378	32,453	2,075,425
Thereafter:							
2029-2033	5,024,236	422,185	100,000	6,590	142,952	146,201	5,842,164
2034-2038	85,344	1,900			173,923	115,228	376,395
2039-2043	20,199				211,605	77,545	309,349
2044-2048					257,449	31,701	289,150
Total	<u>\$ 13,478,954</u>	<u>\$ 1,850,417</u>	<u>\$ 753,775</u>	<u>\$ 48,736</u>	<u>\$ 903,426</u>	<u>\$ 542,329</u>	<u>\$ 17,577,637</u>

NJ Infrastructure Bank (NJIB) Loans

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

At December 31, 2023, the Township had borrowed or "drawn down" \$1,387,975 for this project. The difference or unspent proceeds of the "Fund" have been reduced from future debt service payments. Principal payments to the "Fund" commenced August 1, 2012 and will continue on a semiannual basis over 20 years at zero interest. Principal payments to the "Trust" commenced on August 1, 2012 and will continue on a semiannual basis over 20 years. It is expected that interest will be paid from trust bond proceeds on deposit in the capitalized interest account (as defined in the bond resolution), and earnings thereon on the debt service reserve fund (as defined in the bond resolution) transferred to such capitalized interest account. The Township will nonetheless be responsible for all such interest payments to the extent such trust bond proceeds and interest earnings are not available from the capitalized interest account.

NJ Department of Environmental Protection (NJDEP) Green Acres Loans

This program was developed by the New Jersey Department of Environmental Protection to provide low interest loans to local governments for the acquisition, preservation and improvement of land for recreation. At December 31, 2023, the loan balances were \$392,867. Payments of principal and interest on the first loan commenced in 2017 and on the second loan will tentatively commence in 2023 and are to continue on a semi-annual basis over a period of 20 years. Interest on the first loan is at the rate of 2% annually and on the second loan is at the rate of 0% annually on the outstanding balances.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
 (Continued)

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

Redevelopment Area Bonds

In 2016, the Township of Nutley issued \$1,000,000 of Redevelopment Area Bonds. Principal and interest on these bonds will be funded by payments in lieu of taxes (PILOT) from the developer and is not subject to guarantee by ad valorem taxes as it is only guaranteed by the payment of the specific PILOT by the developer. Payments of bond interest commenced in 2018 and of bond principal commenced in 2019 on an annual basis over a period of 31 and 30 years, respectively. Interest on the bonds is at the rate of 4% annually on the outstanding balance.

Bond Rating

The Township has a Capital and Debt Service Policy. This Policy includes such requirements as limiting new debt authorized each year, limiting Bond Issuance to 10 years, and the practice of replacing existing Bonded Debt with new Bonded Debt when the final payment of the previous bond issue is made. This practice has minimized the impact of debt service in any given year and helped stabilize taxation.

On September 13, 2023, Nutley Township requested a rating review for its \$5.14M. Bond Issue dated October 1, 2023. The Township received an upgraded rating of AA+ from S & P Global ratings. The rating summary made statements about the Township such as, experienced management team with strong and well-embedded financial management practices and a strong institutional framework; track record of strong financial performance and increasing fund balance. The Township received a favorable rate on its Bond Issue.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2023 which were appropriated and included as anticipated revenue in their own respective funds in the introduced budget for the year ending December 31, 2024 are as follows:

Current Fund	\$5,851,917
Water Utility Operating Fund	\$250,000

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2023, the Township had the following deferred charge:

	Balance Dec. 31, 2023	Required 2024 Budget Appropriation
Current Fund:		
Special Emergency Appropriations - (N.J.S.A. 40A:4-53)	\$ 110,000	\$ 110,000

The 2024 Budget Appropriation is not less than that required by Statute.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
 (Continued)

Note 5: Local School District Taxes

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

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

Note 6: Pension Plans

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

A. Public Employees’ Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees’ Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division’s annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

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

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 6: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

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

Township contributions to PERS amounted to \$1,407,359 for the year ended December 31, 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$36,016 to the PERS for normal pension benefits on behalf of the Township.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation (Cont'd)

The amounts contributed on behalf of the local participating employers under the legislation is considered to be special fund situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statement of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities and Pension Expense

At June 30, 2022, the Township's liability was \$17,117,577 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the Township's proportion was 0.1134%, which was a decrease of 0.0006% from its proportion measured as of June 30, 2021. The Township has rolled forward the net pension liability as of June 30, 2022 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2022 information in the Notes to the Financial Statements as the June 30, 2023 information has not been released as of the date of this audit.

There was no state proportionate share of net pension liability attributable to the Township as of June 30, 2022.

For the year ended December 31, 2023, the Township recognized actual pension expense in the amount of \$1,407,760.

Actuarial Assumptions

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 6: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) 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 real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

Note 6: Pension Plans (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2022 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's proportionate share of the Net Pension Liability	\$ 21,991,072	\$ 17,117,577	\$ 12,970,036

Pension Plan Fiduciary Net Position

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

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

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PFRS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 6: Pension Plans (Cont'd)

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

Benefits Provided

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

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

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

Contributions

The contribution policy for PFRS is set by N.J.S.A. 43:16A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal costs and unfunded accrued liability. For fiscal year 2022, the State contributed an amount more than the actuarially determined amount.

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation

Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation are considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

Township contributions to PFRS amounted to \$4,225,997 for the year ended December 31, 2023. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$824,079 to the PFRS for normal pension benefits on behalf of the Township, which is more than the contractually required contribution of \$763,700.

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

Pension Liabilities and Pension Expense

At June 30, 2022, the Township's liability for its proportionate share of the net pension liability was \$37,193,605. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the Township's proportion was 0.32493%, which was a decrease of 0.0106% from its proportion measured as of June 30, 2021. The Township has rolled forward the net pension liability as of June 30, 2022 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2022 information in the Notes to the Financial Statements as the June 30, 2023 information has not been released as of the date of this audit.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

Additionally, the State’s proportionate share of the net pension liability attributable to the Township is \$6,619,371 as of June 30, 2022. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the Township was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the State's proportion was 0.32493%, which was a decrease of 0.0106% from its proportion measured as of June 30, 2021 which is the same proportion as the Township’s.

Township's Proportionate Share of the Net Pension Liability	\$ 37,193,605
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>6,619,371</u>
Total Net Pension Liability	<u><u>\$ 43,812,976</u></u>

For the year ended December 31, 2023, the Township recognized total pension expense of \$4,225,997.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 – 16.25% based on years of service
Thereafter	Not Applicable
Investment Rate of Return	7.00%

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 6: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) 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 real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	7.60%
Real Assets	3.00%	11.19%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 6: Pension Plans (Cont'd)

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

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

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) as of June 30, 2022 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 60,116,136	\$ 43,812,976	\$ 30,240,518

Pension Plan Fiduciary Net Position – PFRS,

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

C. Defined Contribution Retirement Program (DCRP)

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 6: Pension Plans (Cont'd)

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

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

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

For DCRP, the Township recognized pension expense of \$13,475 for 2023. Employee contributions to DCRP were \$31,943 for 2023.

Note 7: Accrued Sick, Vacation and Compensatory Time Benefits

The Township permits employees to accrue a limited amount of unused vacation, sick and compensatory time pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation approximates \$2,771,955. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used and/or charged. This amount is partially funded in the Reserve for Accumulated Sick and Vacation Pay of \$1,098,794 reflected on the Other Trust Funds' balance sheet as of December 31, 2023.

Note 8: Deferred Compensation Plan

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

Note 9: Selected Tax Information

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

Comparative Schedule of Tax Rate Information

	<u>2023 *</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	\$ 2.576	\$ 3.864	\$ 3.712

Apportionment of Tax Rate

Municipal	0.878	1.308	1.283
County	0.405	0.620	0.594
Local School	1.293	1.936	1.835

Assessed Valuations

2023 *	<u>\$ 4,968,025,300</u>		
2022		<u>\$ 3,259,403,760</u>	
2021			<u>\$ 3,253,575,000</u>

* - Revaluation became effective in this year.

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2023	\$ 128,372,094	\$ 126,773,024	98.75%
2022	126,224,158	124,002,275	98.23%
2021	125,287,395	123,883,377	98.87%

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 10: Cash and Cash Equivalents and Investments

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

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

GASB requires disclosure of the level of custodial credit risk assumed by the Township in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

Custodial Credit Risk – The Township's policy with respect to custodial credit risk requires that the Township ensures that Township funds are only deposited in financial institutions in which New Jersey municipalities are permitted to invest their funds.

Deposits:

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

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

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

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

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the local unit or bonds or other obligations of school districts of which the local unit is a part or within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law" P.L. 1983, c. 313 (C.40A:5A-1 et seq.) Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Local Government Services in the Department of Community Affairs for investment by local units;
- (6) Local government investment pools;
- (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 a. or are bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983 c.313 (C.40A:5A-1 et seq.);
 - (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.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

Note 10: Cash and Cash Equivalents and Investments (Cont'd)

As of December 31, 2023, cash and cash equivalents of the Township of Nutley consisted of the following:

<u>Fund</u>	Cash on Hand	Checking Accounts	Money Market Accounts	Short-Term Certificates of Deposit	Total
Current	\$ 300	\$ 33,782,069	\$ 13,975,344		\$ 47,757,713
Animal Control		54,259			54,259
Other Trust		3,433,135			3,433,135
General Capital		83,229			83,229
Water Utility Operating		960,458		\$ 787,021	1,747,479
Water Utility Capital		183			183
Public Assistance		26,636		50,275	76,911
	<u>\$ 300</u>	<u>\$ 38,339,969</u>	<u>\$ 13,975,344</u>	<u>\$ 837,296</u>	<u>\$ 53,152,909</u>

During the period ended December 31, 2023, the Township did not hold any investments other than certificates of deposit. The carrying amount of the Township's cash and cash equivalents at December 31, 2023 was \$53,152,909 and the bank balance was \$53,741,414.

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2023:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,283,756	\$ 19,489,641
Animal Control Fund		20,309
Other Trust Funds	5,966,277	
General Capital Fund	13,038,364	
Water Utility Operating Fund	94,216	1,263,447
Water Utility Capital Fund	485,000	94,216
	<u>\$ 20,867,613</u>	<u>\$ 20,867,613</u>

The Current Fund interfund receivable represents \$20,299 of statutory excess in the reserve for animal control expenditures from prior years and \$10 other licenses due from the Animal Control Fund and the balance of interfund advances due from the Water Utility Operating Fund of \$1,263,447. The Current Fund interfund payable represents \$5,966,277 due to the Other Trust Funds as a result of receiving and disbursing funds on the Other Trust Funds' behalf; \$13,038,364 due to the General Capital Fund (\$11,029,364 as a result of receiving and disbursing funds on the General Capital Fund's behalf, 2023 budget and 2022 appropriation reserve appropriations for capital improvement fund of \$200,000 and \$1,709,000, respectively, and 2023 budget appropriation of \$100,000 for paving); and \$485,000 of 2021 bond proceeds due to the Water Utility Capital Fund. The Water Utility Operating Fund interfund receivable is due from the Water Utility Capital Fund as a result of receiving and disbursing funds on the Water Utility Capital Fund's behalf.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 12: Risk Management

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

Property and Liability

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

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

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

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

The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The December 31, 2023 audit report of the Suburban Metro Joint Insurance Fund is not filed as of the date of this audit. Selected financial information for the Fund as of is as follows:

Total Assets	<u>\$ 11,305,706</u>
Net Position	<u>\$ 1,985,426</u>
Total Revenue	<u>\$ 9,094,146</u>
Total Expenses	<u>\$ 10,252,022</u>
Members Dividends	<u>\$ 152,475</u>
Change in Net Position for the Year Ended December 31	<u>\$ (1,310,351)</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

Note 12: Risk Management (Cont'd)

Property and Liability (Cont'd)

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

Suburban Metro Joint Insurance Fund
 PERMA Risk Management Services
 9 Campus Drive, Suite 216
 Parsippany, New Jersey 07054-4412
 (201) 881-7632

New Jersey Unemployment Compensation Insurance

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2023	\$ -0-	\$ -0-	\$ -0-	\$ 99,506	\$ 622,868
2022	60,000	-0-	-0-	42,494	722,374
2021	150,000	-0-	-0-	47,217	704,868

Self Insurance Deductible

The Reserve for Self Insurance Deductible account was established in the Other Trust Funds to fund the Township’s self-insured retention for Employment Practices Liability (“EPL”) and Proof of Loss (“POL”) claims should they occur.

Note 13: Contingencies

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

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

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township’s assessments. The Township has established a reserve, which it feels is sufficient, for this contingency in the amount of \$6,730,680.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
 (Continued)

Note 14: Economic Dependency

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

Note 15: Postemployment Benefits Other Than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost sharing multiple employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

The Plan provides medical and prescription drug coverage to retirees and their dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage.

Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
 (Continued)

Note 15: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

General Information about the OPEB Plan (Cont'd)

Benefits Provided (Cont'd)

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

Municipal, Police and Fire Employees

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

Contributions

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

OPEB Expense

The Township has rolled forward the net OPEB liability as of June 30, 2022 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2022 OPEB information in the Notes to the Financial Statements as the June 30, 2023 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

Note 15: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

OPEB Expense (Cont'd)

At June 30, 2022, the Township had a liability of \$60,187,927 for its proportionate share of the net OPEB liability. At June 30, 2022, the Township's proportion was .37269% which was an increase of .00414% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the Township's OPEB expense, as determined by the State of New Jersey Division of Pensions and Benefits, was \$1,529,148.

The Township's actual postemployment payments in 2023 for approximately 145 retiree employees were \$3,040,417.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Salary Increases*:

Public Employees' Retirement System (PERS):

Rate for All Future Years 2.75% to 6.55%

Police and Firemens' Retirement System (PFRS):

Rate for All Future Years 3.25% to 16.25%

* - Salary increases are based on years of service within the respective plan.

Mortality:

PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of the PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 15: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

State Health Benefit Local Government Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is 6.25% for fiscal year 2023 and decreases to a 4.50% long term trend rate in 2030. For PPO post 65 medical benefits, the trend rate is -1.89% for fiscal year 2023 and increases to a 4.50% trend rate starting with fiscal year 2033 and later. For HMO Post 65 medical benefits, the trend rate is -1.99% for fiscal year 2023 and increases to a 4.50% trend rate starting with fiscal year 2033 and later. For prescription drug benefits, the trend rate is 8.00% for fiscal year 2023 and decreases to a 4.50% trend rate in 2030 and later.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond rate as chosen by the State. The source is 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the Net OPEB Liability Attributable to the Township to Changes in the Discount Rate

The following presents the net OPEB Liability of the Township as of June 30, 2022, calculated using the discount rate as disclosed in this note, as well as what the net OPEB Liability of the Township would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
Net OPEB Liability Attributable to the Township	\$ 69,769,924	\$ 60,187,927	\$ 52,478,314

Sensitivity of the Net OPEB Liability Attributable to the Township to Changes in the Healthcare Trend Rate

The following presents the net OPEB Liability of the Township as of June 30, 2022, calculated using the healthcare trend rate as disclosed in this note, as well as what the net OPEB Liability of the Township would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability Attributable to the Township	\$ 51,059,231	\$ 60,187,927	\$ 71,879,217

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(Continued)

Note 16: Tax Abatements

As of December 31, 2023, the Township provides a tax abatement to a Phase I redevelopment project which consists of the development of a new medical school, the relocation of the Seton Hall University College of Nursing and School of Health and Medical Science, the creation of an incubator facility and state of the art research and laboratory facilities for bio-pharma and related companies in the Township. Pursuant to the Redevelopment Bond Law and together with the Redevelopment Law and the Exemption Law under N.J.S.A. 40A:12A-66, the Township is authorized to provide for a tax exemption and payments in lieu of taxes in accordance with the Exemption Law. In consideration of the abatement of taxes, the redeveloper is required to pay to the Township an annual service charge for municipal services supplied in the Phase I redevelopment project which sum is in lieu of taxes on the improvements pursuant to the Exemption Law (N.J.S.A. 40A:20-12), which shall be comprised of a pledged annual service charge which shall be equal to debt service on the redevelopment bonds plus the unpledged annual service charge. The unpledged annual service charge shall be equal to \$379,663 with such amount to increase by 5 percent every 5 years with the first of such increases to occur on the 5th anniversary of the annual service charge start date during the term of the agreement. To the extent that the redeveloper subleases all of the spaces in the existing buildings that are not part of the academic space, then for the term of the sublease (but not to exceed the term of the agreement), the unpledged annual service charge shall be increased by an amount equal to \$135,427 which amount shall be further increased by 2 percent annually during the terms of the agreement and any such sublease. The long term tax exemption commenced on the Annual Service Charge Start Date and shall remain in effect until the earlier of 35 years from the start of the execution hereof or 30 years from the project completion date, unless the agreement is earlier terminated by the Township.

The agreement specifically notes that the redeveloper shall not at any time terminate this agreement and expressly rejects, refuses, relinquishes, surrenders and otherwise waives any and all rights of relinquishment of its status under this agreement that it may have otherwise been entitled to in accordance with any applicable law. In the event that the redeveloper fails to cure or remedy the default within the time period provided for by the terms of the agreement, the Township may, but is not required to, terminate this agreement upon 30 days written notice to the redeveloper. Default under this agreement is defined as a breach or failure of the redeveloper to perform any obligation imposed upon the redeveloper by the terms of the Phase I redevelopment agreement.

The Township collected \$488,494.84 from this annual service charge or payment in lieu of taxes of which \$131,064.28 was anticipated and realized as 2023 revenue, \$338,001.00 is recorded as a Reserve for Payment in Lieu of Taxes – Seton Hall University Medical School and \$19,429.56 is recorded as County PILOT Taxes payable at December 31, 2023. The taxes which would have been paid on this property for 2023 without the abatement would have been \$657,338.53 of which \$224,046.28 would have been for the local municipal tax and minimum library tax. In accordance with the Exemption Law, the County is entitled to 5 percent of the annual service charge which shall be paid from the unpledged annual service charge.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
 (Continued)

Note 16: Tax Abatements (Cont'd)

As of December 31, 2023, the Township provides a tax abatement to PB-100 Metro Urban Renewal, LLC for a Phase IIA redevelopment project which consists of the renovation of the seven-story building at 100 Metro Boulevard. Pursuant to the Exemption Law under N.J.S.A. 40A:20-1, the Township is authorized to provide for a tax exemption and payments in lieu of taxes in accordance with the Exemption Law. In consideration of the abatement of taxes, the redeveloper is required to pay to the Township an annual service charge for municipal services supplied in the Phase IIA redevelopment project which sum is in lieu of taxes on the improvements pursuant to the Exemption Law (N.J.S.A. 40A:20-12). The minimum unpledged annual service charge shall be equal to \$927,241 with such amount to increase by 2 percent each year during the term of the agreement. For years one through fifteen, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge or 11.92% of the annual gross revenue. For years sixteen through twenty-one, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 20% of the amount of taxes otherwise due on the value of land improvements. For years twenty-two through twenty-seven, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 40% of the amount of taxes otherwise due on the value of land improvements. For years twenty-eight through twenty-nine, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 60% of the amount of taxes otherwise due on the value of land improvements. For year thirty, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 80% of the amount of taxes otherwise due on the value of land improvements. The long term tax exemption commenced on the Annual Service Charge Start Date and shall remain in effect until the earlier of 35 years from the start of the execution hereof or 30 years from the project completion date, unless the agreement is earlier terminated by the Township.

The agreement specifically notes that the redeveloper shall not at any time terminate this agreement and expressly rejects, refuses, relinquishes, surrenders and otherwise waives any and all rights of relinquishment of its status under this agreement that it may have otherwise been entitled to in accordance with any applicable law. In the event that the redeveloper fails to cure or remedy the default within the time period provided for by the terms of the agreement, the Township may, but is not required to, terminate this agreement upon 30 days written notice to the redeveloper. Default under this agreement is defined as a breach or failure of the redeveloper to perform any obligation imposed upon the redeveloper by the terms of the Phase IIA redevelopment agreement.

The Township collected \$1,228,678.68 from this annual service charge or payment in lieu of taxes of which \$1,167,244.75 was anticipated and realized as 2023 revenue and \$61,433.93 is recorded as County PILOT Taxes payable at December 31, 2023. The taxes which would have been paid on this property for 2023 without the abatement would have been \$1,419,283.26 of which \$483,746.39 would have been for the local municipal tax and minimum library tax. In accordance with the Exemption Law, the County is entitled to 5 percent of the annual service charge which shall be paid from the unpledged annual service charge.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
 (Continued)

Note 16: Tax Abatements (Cont'd)

As of December 31, 2023, the Township provides a tax abatement to PB-200 Metro Urban Renewal, LLC for a Phase IIA redevelopment project which consists of the renovation of the fifteen-story building at 200 Metro Boulevard. Pursuant to the Exemption Law under N.J.S.A. 40A:20-1, the Township is authorized to provide for a tax exemption and payments in lieu of taxes in accordance with the Exemption Law. In consideration of the abatement of taxes, the redeveloper is required to pay to the Township an annual service charge for municipal services supplied in the Phase IIA redevelopment project which sum is in lieu of taxes on the improvements pursuant to the Exemption Law (N.J.S.A. 40A:20-12). The minimum unpledged annual service charge shall be equal to \$1,173,967 with such amount to increase by 2 percent each year during the term of the agreement. For years one through fifteen, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge or 13.50% of the annual gross revenue. For years sixteen through twenty-one, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 13.50% of the annual gross revenue or 20% of the amount of taxes otherwise due on the value of land improvements. For years twenty-two through twenty-seven, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 13.50% of the annual gross revenue or 40% of the amount of taxes otherwise due on the value of land improvements. For years twenty-eight through twenty-nine, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 13.50% of the annual gross revenue or 60% of the amount of taxes otherwise due on the value of land improvements. For year thirty, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 13.50% of the annual gross revenue or 80% of the amount of taxes otherwise due on the value of land improvements. The long term tax exemption commenced on the Annual Service Charge Start Date and shall remain in effect until the earlier of 35 years from the start of the execution hereof or 30 years from the project completion date, unless the agreement is earlier terminated by the Township.

The agreement specifically notes that the redeveloper shall not at any time terminate this agreement and expressly rejects, refuses, relinquishes, surrenders and otherwise waives any and all rights of relinquishment of its status under this agreement that it may have otherwise been entitled to in accordance with any applicable law. In the event that the redeveloper fails to cure or remedy the default within the time period provided for by the terms of the agreement, the Township may, but is not required to, terminate this agreement upon 30 days written notice to the redeveloper. Default under this agreement is defined as a breach or failure of the redeveloper to perform any obligation imposed upon the redeveloper by the terms of the Phase IIA redevelopment agreement.

The Township collected \$1,172,864.33 from this annual service charge or payment in lieu of taxes of which \$1,114,221.11 was anticipated and realized as 2023 revenue and \$58,643.22 is recorded as County PILOT Taxes payable at December 31, 2023. The taxes which would have been paid on this property for 2023 without the abatement would have been \$1,695,873.54 of which \$578,019.01 would have been for the local municipal tax and minimum library tax. In accordance with the Exemption Law, the County is entitled to 5 percent of the annual service charge which shall be paid from the unpledged annual service charge.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

Note 16: Tax Abatements (Cont'd)

Additionally, as of December 31, 2023, the Township provides a tax abatement to a senior citizen housing development in the Township for which a copy of the related tax abatement agreement was not available as of the date of this audit. The Township recognized revenue in the amount of \$38,452.07 from this payment in lieu of taxes agreement for the current year which is recorded as anticipated miscellaneous revenue in the Current Fund. The taxes which would have been paid on this property for 2023 without the abatement would have been \$248,331.55 of which \$84,640.96 would have been for the local municipal tax and minimum library tax.

TOWNSHIP OF NUTLEY

SUPPLEMENTARY DATA

TOWNSHIP OF NUTLEY
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2023

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

Name	Title	Amount of Bond
Dr. Joseph P. Scarpelli	Mayor, Director of Public Works	
Thomas J. Evans	Director of Revenue and Finance	
John V. Kelly, III	Director of Public Affairs	
Alphonse Petracco	Director of Public Safety	
Mauro G. Tucci	Director of Parks and Public Property	
Eleni Pettas	Township Clerk	(B)
Stephanie Santana	Chief Financial Officer (from 4/5/2024)	(A)
Heather McNamara	Chief Financial Officer (from 1/23/24 to 4/5/2024)	(A)
John Ditinyak	Chief Financial Officer (to 1/2/24)	(A)
Rosemarie Berry	Tax Collector	(A)
Edmund B. Brown	Tax Assessor	(B)
Alan Genitempo	Magistrate	(B)
Adriana Marzullo	Municipal Court Administrator	(B)
Jennifer Garner	Deputy Municipal Court Administrator	(B)
Thomas A. Restaino	Public Health Coordinator	(B)
Sue Portuese	Health Officer	(B)
Meredith Blank	Health Department Clerk/Registrar	(B)
David Berry	Code Enforcement Officer	(B)
Thomas J. Strumolo, Jr.	Police Chief	(B)
Paul Cafone	Deputy Fire Chief	(B)
Jonathan Bruno	Township Attorney	

(A) Surety bond coverage is provided as follows:

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

(B) All employees, who are not specifically bonded, are covered under \$50,000 and \$950,000

Faithful Performance Bonds provided by Suburban Metro Joint Insurance Fund
and the Municipal Excess Liability Joint Insurance Fund, respectively.

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
CURRENT FUND

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER

A-4
1 of 2

	<u>Ref.</u>	
Balance December 31, 2022	A	\$ 42,851,158.48
Increased by Receipts:		
Tax Collector		\$ 128,688,886.09
Revenue Accounts Receivable		10,344,567.40
Miscellaneous Revenue Not Anticipated		386,175.75
Petty Cash Returned		650.00
Interest on Investments and Deposits		842,078.82
County PILOT Taxes Payable		139,506.71
Due Other Trust Funds:		
Reserve for Civic Celebration		625.00
Reserve for Law Enforcement Expenditures		348,619.04
Due General Capital Fund:		
Bond Proceeds		5,140,000.00
Reserve for Payment of Debt Service:		
Premium on Sale of Bonds		255,225.20
Deferred Charges to Future Taxation - Unfunded:		
Hurricane Ida Insurance Reimbursements		1,852,588.83
Hurricane Ida F.E.M.A. Reimbursements		952,493.05
Grants Receivable - State of NJ Department of Transportation		721,410.07
Improvement Authorization Refunds		402,117.81
Reserve for:		
Unappropriated Grant Funds:		
Body Armor Replacement Fund		4,787.20
Safe & Secure Communities Program		32,400.00
Lead Program		28,500.00
National Opioids Settlement		19,352.69
State and Community Highway Safety		4,602.50
Pedestrian Safety, Education and Enforcement Fund		17,675.00
Municipal Relief Fund Aid		547,357.95
Diamond Spring Redevelopment		58,696.83
Payment in Lieu of Taxes - Seton Hall University Medical School		338,001.00
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		117,974.65
Construction Code Surcharge Fees		34,213.00
Marriage License Fees		2,100.00
Appropriation Refunds		1,261,387.20
		152,541,991.79
		195,393,150.27

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

	<u>Ref.</u>	
Decreased by Disbursements:		
2023 Appropriation Expenditures	\$	53,061,618.82
2022 Appropriation Reserve Expenditures		1,556,456.53
Petty Cash Advanced		650.00
Accounts Payable		2,127,324.89
Local School District Taxes		64,219,877.00
County Taxes		20,192,017.33
County PILOT Taxes Payable		124,202.81
Due Other Trust Funds:		
Interfund Returned		1,303,000.00
Living Tree Memorial Program Expenditures		26,399.20
Due General Capital Fund:		
Improvement Authorization Expenditures		4,071,515.65
Due Water Utility Operating Fund:		
2023 Appropriation Expenditures		5,789.78
Interfund Advanced		200,000.00
Due State of New Jersey:		
Construction Code Surcharge Fees		30,268.00
Marriage License Fees		1,000.00
Reserve for Appropriated Grant Funds:		
Pedestrian Safety Grant		7,800.00
Private Donation - Partners for Health		1,281.77
Drunk Driving Enforcement Fund		572.81
Reserve for:		
Redemption of Outside Liens		512,996.25
Revaluation of Property		114,326.85
Refund of:		
Tax Overpayments		71,290.52
Miscellaneous Revenue Anticipated:		
Fees and Permits		795.60
Emergency Management Services Transportation Billing		612.43
Miscellaneous Revenue Not Anticipated		203.54
Prior Year Revenue - Taxes		5,738.03
		\$ 147,635,737.81
Balance December 31, 2023	A	\$ 47,757,412.46

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2023

A-5

Increased by Receipts:

Taxes Receivable	\$ 127,008,147.53	
Interest and Costs on Taxes	129,928.43	
2024 Prepaid Taxes	750,781.43	
Tax Overpayments	71,552.12	
Redemption of Outside Liens	520,678.82	
Tax Sale Premiums - Due to Other Trust Funds	195,900.00	
Fees and Permits - Tax Search Fees/Miscellaneous	11,497.76	
Miscellaneous Revenue Not Anticipated - Departmental Collections	400.00	
	<hr/>	
		\$ 128,688,886.09

Decreased by:

Payments to Municipal Treasurer		<u><u>\$ 128,688,886.09</u></u>
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SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2023

A-6

NOT APPLICABLE

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance		2023 Levy		Collections		Overpayments Applied	State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Balance Dec. 31, 2023
	Dec. 31, 2022	2022	2022	2023	2022	2023				
2021	\$ 413.05				\$ 263.31					\$ 149.74
2022	1,217,894.46				1,192,363.47			\$ 250.00	\$ 8,551.03	16,729.96
2023	1,218,307.51		\$128,372,094.18		1,192,626.78		\$ 12,525.89	250.00	8,551.03	16,879.70
			\$128,372,094.18		125,815,520.75			118,746.57	380,856.00	1,218,214.64
	\$ 1,218,307.51	\$ 826,230.33	\$ 128,372,094.18	\$ 127,008,147.53			\$ 12,525.89	\$ 118,996.57	\$ 389,407.03	\$ 1,235,094.34

Ref. A

A

Analysis of 2023 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 127,937,866.76
Business Personal Property Taxes	257.60
Added and Omitted Taxes	433,969.82
	<u>\$128,372,094.18</u>

Tax Levy:

Local School District Taxes	
County Taxes	\$ 19,436,908.72
County Open Space Taxes	710,051.02
Due County for Added and Omitted Taxes	69,077.58
	<u>20,216,037.32</u>
	<u>84,438,276.32</u>

Local Tax for Municipal Purposes Levied
 Minimum Library Tax Levied

	42,043,801.46
	1,563,260.54
	<u>43,607,062.00</u>
Add: Additional Tax Levied	326,755.86
	<u>43,933,817.86</u>

\$128,372,094.18

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2023

A-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance	Accrued in	Collected by		Balance
	Dec. 31, 2022	2023	Collector	Treasurer	Dec. 31, 2023
Licenses:					
Alcoholic Beverages		\$ 32,144.06		\$ 32,144.06	
Other		32,170.00		32,170.00	
Fees and Permits:					
Building Inspector		96,400.00		96,400.00	
Board of Health		11,219.00		11,219.00	
Police		5,328.60		5,328.60	
Tax Search Fees/Miscellaneous		11,497.76	\$ 11,497.76		
Public Works		1,230.00		1,230.00	
Fines and Costs - Municipal Court	\$ 22,502.44	280,789.80		289,750.69	\$ 13,541.55
Parking Meters		371,784.41		371,784.41	
Fees - Immunization Program		3,038.85		3,038.85	
Tree Removal Permits		6,550.00		6,550.00	
Energy Receipts Tax		5,283,903.46		5,283,903.46	
Uniform Construction Code Fees		501,527.00		501,527.00	
Nutley Board of Education:					
Physician Services		11,556.00		11,556.00	
Bulk/Solid Waste		12,500.00		12,500.00	
Fiber Optic Cable		7,500.00		7,500.00	
Drive Sober or Get Pulled Over		6,405.00		6,405.00	
Clean Communities Program		59,675.87		59,675.87	
Stormwater Assistance		15,000.00		15,000.00	
Sewer Maintenance Fees - Due from:					
Town of Belleville		11,683.68		11,683.68	
City of Clifton		222.94		222.94	
Residential Furniture Delivery Service		714.55		714.55	
Town of Bloomfield		68,663.59		68,663.59	
Regency Condominiums		6,368.23		6,368.23	
Payment in Lieu of Taxes:					
Nutley Senior Manor		38,452.07		38,452.07	
PB-100 Metro Boulevard		1,167,244.75		1,167,244.75	
200 Metro Boulevard		1,114,221.11		1,114,221.11	

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE
(Continued)

	Balance Dec. 31, 2022	Accrued In 2023	Collected by		Balance Dec. 31, 2023
			Collector	Treasurer	
Passaic Valley Sewer Charges - User Charges	\$ 11,404.28	\$ 11,404.28	\$	\$ 11,404.28	
Recycling Program	25,000.00	25,000.00		25,000.00	
Bureau of Housing Inspection	13,472.00	13,472.00		13,472.00	
Uniform Fire Safety Act	34,954.10	34,954.10		34,954.10	
Cable Franchise Fee	370,954.18	370,954.18		370,954.18	
Cell Phone Tower Lease	30,009.68	30,009.68		30,009.68	
Emergency Management Services Transportation Billing	728,529.30	728,529.30		728,529.30	
	<u>\$ 22,502.44</u>	<u>\$ 10,372,114.27</u>	<u>\$ 11,497.76</u>	<u>\$ 10,369,577.40</u>	<u>\$ 13,541.55</u>

Ref. A

A

Cash Receipts	\$ 10,344,567.40
Due from Animal Control Fund	10.00
Due from Other Trust Funds	25,000.00
	<u>\$ 10,369,577.40</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2023

A-10

NOT APPLICABLE

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

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1 of 5

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charged	Balance Lapsed
Director of Public Affairs:				
Salaries and Wages	\$ 250.00	\$ 250.00		\$ 250.00
Other Expenses	238.49	238.49	\$ 100.00	138.49
Nutley Public Health Reserve Corp:				
Other Expenses	1,887.86	1,887.86		1,887.86
Department of Health - Local Health Agency:				
Salaries and Wages	63,351.65	38,451.65	38,450.00	1.65
Other Expenses	20,489.71	10,489.71	9,927.99	561.72
Animal Regulation:				
Other Expenses	4,695.38	195.38		195.38
Military Veterans Affairs Bureau:				
Salaries and Wages	1,249.44	1,249.44		1,249.44
Other Expenses	74.46	74.46		74.46
Immunization Program:				
Other Expenses	1,331.67	331.67		331.67
Diversity:				
Other Expenses	1,935.23	1,935.23	1,630.03	305.20
Garbage and Trash Removal	475,181.67	195,181.67	175,277.37	19,904.30
Municipal Prosecutor:				
Salaries and Wages	1,999.92	999.92		999.92
Other Expenses	1,000.00	1,000.00		1,000.00
Board of Adjustment:				
Other Expenses	1,789.22	1,789.22	1,700.97	88.25
Planning Board:				
Other Expenses	2,185.55	1,585.55	1,558.99	26.56
Rent Leveling Board:				
Salaries and Wages	458.36	458.36		458.36
Other Expenses	1,000.00	1,000.00		1,000.00
Township Attorney:				
Salaries and Wages	13,281.22	281.22		281.22
Other Expenses	203,899.02	38,899.02	34,994.18	3,904.84
Celebration of Public Events	19,090.95	18,870.95	18,870.00	0.95
Assessment of Taxes:				
Salaries and Wages	4,411.44	4,411.44		4,411.44
Other Expenses	65,812.81	15,812.81	10,007.80	5,805.01
Collection of Taxes:				
Salaries and Wages	7,912.12	7,912.12		7,912.12
Other Expenses	18,177.98	177.98	108.34	69.64
Treasurer's Office:				
Salaries and Wages	15,448.67	15,448.67	15,000.00	448.67
Other Expenses	17,870.04	2,870.04	1,988.90	881.14
Grant Writer	3,333.37	3,333.37	3,333.37	

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023
(Continued)

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	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charged	Balance Lapsed
Township Clerk's Office:				
Salaries and Wages	\$ 48,658.54	\$ 48,658.54	\$ 48,000.00	\$ 658.54
Other Expenses	49,623.96	14,623.96	9,972.13	4,651.83
Other Expenses - Election	37,553.43	2,553.43		2,553.43
Administration of Township Ordinances:				
Salaries and Wages	7,407.49	7,407.49		7,407.49
Other Expenses	7,869.62	7,869.62	7,869.62	
Expense, Stationary and Printing:				
Other Expenses	18,078.36	8,078.36	7,713.97	364.39
Annual Audit:				
Other Expenses - Regular	781.00	781.00		781.00
Economic Redevelopment Project:				
Other Expenses	330,303.44	121,038.44	121,034.56	3.88
Printing and Legal Advertising:				
Other Expenses	4,495.92	4,495.92	936.08	3,559.84
Mayor:				
Salaries and Wages	550.00	550.00		550.00
Other Expenses	305.00	305.00		305.00
Director of Public Safety:				
Other Expenses	278.45	278.45		278.45
Municipal Court:				
Salaries and Wages	75,181.69	75,181.69		75,181.69
Other Expenses	12,031.87	12,031.87	8,106.65	3,925.22
E-Ticketing - Other Expense	20,000.00	20,000.00	20,000.00	
Public Defender:				
Salaries and Wages	981.36	981.36		981.36
Other Expenses	200.00	200.00		200.00
Police:				
Salaries and Wages	586,217.26	546,217.26	546,000.00	217.26
Other Expenses	228,579.95	220,504.95	220,504.56	0.39
Clothing Allowance	42,153.15	42,153.15	37,372.69	4,780.46
Purchase of Police Cars	135,240.00	135,240.00	135,240.00	
First Aid Organization:				
Salaries and Wages	7,392.24	7,392.24		7,392.24
Other Expenses	14,272.51	14,272.51	13,424.15	848.36
Office of Emergency Management:				
Salaries and Wages	6,875.75	6,875.75	4,000.00	2,875.75
Other Expenses	8,871.50	3,871.50	565.00	3,306.50
Uniform Fire Safety Code:				
Fire:				
Salaries and Wages	32,759.00	32,759.00		32,759.00
Fire:				
Salaries and Wages	69,905.92	49,905.92	49,000.00	905.92
Other Expenses	287,808.16	137,808.16	137,804.49	3.67
Clothing Allowance	18,565.63	18,565.63	9,856.85	8,708.78
Reserve for Accrued Sick and Vacation	100.00	100.00		100.00
Hazardous Materials:				
Other Expenses - Stipend	11,616.00	11,616.00		11,616.00

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023
(Continued)

A-11
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	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charged	Balance Lapsed
Director of Public Works:				
Other Expenses	\$ 399.60	\$ 399.60		\$ 399.60
Engineering Services and Costs:				
Salaries and Wages	3,043.07	3,043.07		3,043.07
Other Expenses	86,824.85	75,359.85	\$ 75,359.83	0.02
Road Repair and Maintenance:				
Salaries and Wages	87,697.50	87,697.50	87,697.00	0.50
Other Expenses	61,225.03	61,225.03	61,223.51	1.52
Snow Removal:				
Salaries and Wages	37,374.31	37,374.31	37,373.00	1.31
Other Expenses	30,847.44	30,847.44	30,845.73	1.71
Traffic Maintenance:				
Salaries and Wages	2,031.64	2,031.64		2,031.64
Other Expenses	10,858.02	10,858.02	6,063.40	4,794.62
Weed and Leaf Removal:				
Salaries and Wages	3,260.21	3,260.21		3,260.21
Sewer System:				
Salaries and Wages	4,733.00	4,733.00		4,733.00
Other Expenses	20,444.40	20,444.40	20,192.77	251.63
Parking Lot and Meter Maintenance:				
Salaries and Wages	2,230.82	2,230.82		2,230.82
Other Expenses	10,758.79	10,758.79	4,331.23	6,427.56
Leaf Removal:				
Other Expenses - Tipping Fees	22,334.20	22,334.20	18,587.30	3,746.90
Recycling:				
Salaries and Wages	38,566.59	38,566.59		38,566.59
Other Expenses	6,699.01	6,699.01	3,272.43	3,426.58
Other Expenses - Disposal Contract	91,583.40	46,583.40	41,841.66	4,741.74
Director of Parks and Public Property:				
Other Expenses	40,167.85	40,167.85	39,167.85	1,000.00
Recreation Committee of Nutley:				
Salaries and Wages	3,991.81	3,991.81		3,991.81
Other Expenses	25,834.20	25,834.20	23,526.82	2,307.38
Public Buildings and Grounds:				
Other Expenses	10,603.38	10,603.38	9,393.12	1,210.26
Shade Tree Commission:				
Other Expenses	16,360.30	16,360.30	14,813.81	1,546.49
Information Services:				
Salaries and Wages	35.25	35.25		35.25
Other Expenses	32,773.72	32,773.72	28,296.59	4,477.13
Senior Citizens Transportation:				
Other Expenses	4,000.00	4,000.00		4,000.00

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023
(Continued)

A-11
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	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charged	Balance Lapsed
Parks and Playgrounds:				
Salaries and Wages	\$ 9,466.43	\$ 9,466.43		\$ 9,466.43
Other Expenses	42,604.59	42,604.59	\$ 36,941.95	5,662.64
Insurance:				
Group Insurance Plan for Employees	137,363.67	137,363.67	129,626.90	7,736.77
Other Liability Insurance Premiums	105,934.45	105,934.45	100,031.23	5,903.22
Workers Compensation Insurance	15,077.25	15,077.25		15,077.25
Insurance Administration	623.04	623.04		623.04
State Uniform Construction Code:				
Salaries and Wages	439.20	439.20		439.20
Other Expenses	10,582.17	10,582.17	9,772.61	809.56
Unclassified:				
Gasoline	44,696.64	84,696.64	83,146.64	1,550.00
Fuel Oil	56,503.91	56,503.91	22,275.89	34,228.02
Electricity	41,130.74	41,130.74	23,636.76	17,493.98
Street Lighting	82,754.93	82,754.93	80,101.36	2,653.57
Telephone	40,390.45	40,390.45	27,843.45	12,547.00
Contingent	27,500.00	27,500.00	3,000.00	24,500.00
Statutory Expenditures:				
Public Employees Retirement System	899.00	899.00		899.00
Social Security System (O.A.S.I)	184,319.94	34,319.94	33,227.43	1,092.51
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	463.00	463.00		463.00
P.E.R.S. - Retro Pension Bill	25,000.00	25,000.00		25,000.00
Defined Contribution Retirement Program	1,758.88	1,758.88		1,758.88
Unemployment Compensation Insurance	210,120.00	60,120.00		60,120.00
Passaic Valley Sewer Commission:				
Other Expenses	492.74	492.74		492.74
NJPDES Stormwater Permit (NJSA 40A:-45.3(cc)):				
Street Division:				
Salaries and Wages	16,542.50	16,542.50		16,542.50
Other Expenses	3,704.90	3,704.90	3,468.00	236.90
LOSAP:				
Fire	33,750.00	33,750.00		33,750.00
Shared Services Agreement -				
Nutley Board of Education - Fiber Optic Cable	7,500.00	7,500.00		7,500.00
State and Federal Programs Offset by Revenue:				
Municipal Alliance Grant:				
State Share	4,885.67	4,885.67	4,885.67	

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023
(Continued)

	Balance Dec. 31, 2022	Balance After Transfers	Paid or Charged	Balance Lapsed
State and Federal Programs Offset by Revenue:				
Distracted Driving Crackdown Grant	\$ 10,500.00	\$ 10,500.00	\$ 10,500.00	
Bullet Proof Vest Program	5,484.05	5,484.05	5,484.05	
Safe and Secure Communities Grant	17,446.08	17,446.08	17,446.08	
Office of Emergency Management	10,000.00	10,000.00		\$ 10,000.00
National Opioids Settlement Grant	11,796.50	11,796.50	11,796.50	
Clean Communities Program	52,204.72	52,204.72	52,204.72	
Body Armor Replacement Fund	5,898.75	5,898.75	5,898.75	
Capital Improvements - Excluded From "CAPS":				
Capital Improvement Fund		1,412,025.00	1,412,025.00	
Road Improvements	100,000.00	100,000.00	100,000.00	
	<u>\$4,985,526.02</u>	<u>\$4,985,526.02</u>	<u>\$4,365,647.73</u>	<u>\$ 619,878.29</u>

Analysis of Balance December 31, 2022:

	<u>Ref.</u>		
Unencumbered	A	\$3,558,230.59	
Encumbered	A	<u>1,427,295.43</u>	
		<u>\$4,985,526.02</u>	

Cash Disbursed	\$ 1,556,456.53
Accounts Payable	276,600.51
Reserve for Grant Funds Appropriated:	
Municipal Alliance Grant	287.11
Clean Communities	2,084.95
Distracted Driving	10,500.00
National Opioids Settlement	10,718.63
Due to General Capital Fund:	
Reserve for Paving	100,000.00
Capital Improvement Fund	1,709,000.00
Due to Other Trust Funds - Reserve for:	
Accumulated Sick and Vacation Pay	500,000.00
Storm Recovery	<u>200,000.00</u>
	<u>\$ 4,365,647.73</u>

TOWNSHIP OF NUTLEY

A-12

CURRENT FUND

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE/(PREPAID)

YEAR ENDED DECEMBER 31, 2023

	<u>Ref.</u>	
Balance December 31, 2022 (Prepaid)	A	\$ (2,362.00)
Increased by:		
Levy - Calendar Year 2023		<u>64,222,239.00</u>
		64,219,877.00
Decreased by:		
Payments to Local School District		<u><u>64,219,877.00</u></u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
TRUST FUNDS

TOWNSHIP OF NUTLEY
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

B-4

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2022	B	\$ 57,337.28	\$ 3,448,806.45
Increased by Receipts:			
Dog License Fees		\$ 16,048.60	
Cat License Fees		1,197.00	
Impounding, Boarding, Late Fees and Penalties		177.36	
State Registration Fees		1,883.40	
Due Current Fund:			
Licenses - Other		10.00	
Interfund Returned			\$ 1,303,000.00
Road Opening, Sewer Maintenance and			
Planning Board Escrow Deposits			121,614.46
Escrow Deposits			9,950.00
Uniform Fire Safety - Penalties			10,552.12
Living Tree Memorial Program			14,986.00
Recreation Commission Fees			660,559.95
Parking Offense Adjudication Act			5,442.00
Recycling			45,308.22
Community Environmental Health Act			208,731.92
Community Development Block Grants			548,696.80
Civic Celebration			225.00
Law Enforcement Expenditures			4,957.96
COAH			72,846.74
Go Green Program			12,840.00
Flexible Spending Account			749.84
Fire Donation			280.00
		19,316.36	3,020,741.01
		76,653.64	6,469,547.46
Decreased by Disbursements:			
State Registration Fees		\$ 1,912.80	
Administrative Expenses		20,481.53	
Road Opening, Sewer Maintenance and			
Planning Board Escrow Deposits			\$ 169,568.26
Developer's Escrow			2,085.70
Uniform Fire Safety - Penalties			10,655.84
Unemployment Insurance			99,505.66
Living Tree Memorial Program			2,328.04
Recreation Commission Fees			631,565.67
Parking Offense Adjudication Act			14,762.35
Recycling			26,784.65
Community Environmental Health Act			82,089.14
Tax Sale Premiums			719,800.00
Community Development Block Grants			548,696.80
Accumulated Sick and Vacation Pay			449,218.74
Storm Recovery			249,841.99
Law Enforcement Expenditures			16,120.09
COAH			3,563.00
Go Green Program			8,762.89
Flexible Spending Account			1,063.91
		\$ 22,394.33	\$ 3,036,412.73
Balance December 31, 2023	B	\$ 54,259.31	\$ 3,433,134.73

TOWNSHIP OF NUTLEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2023

B-4A

NOT APPLICABLE

TOWNSHIP OF NUTLEY
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2023

B-5

NOT APPLICABLE

TOWNSHIP OF NUTLEY
ANIMAL CONTROL FUND

B-6

SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

	<u>Ref.</u>	
Balance December 31, 2022	B	\$ 37,001.80
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 16,048.60
Cat Licenses		1,197.00
		<u>17,245.60</u>
Impounding, Boarding, Late Fees, Penalties and Postage Fees		<u>177.36</u>
		<u>17,422.96</u>
		<u>54,424.76</u>
Decreased by:		
Animal Control Expenditures		<u>20,481.53</u>
Balance December 31, 2023	B	<u><u>\$ 33,943.23</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2021	\$ 19,052.60
2022	<u>18,107.60</u>
Maximum Allowable Reserve	<u><u>\$ 37,160.20</u></u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
GENERAL CAPITAL FUND

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

	<u>Ref.</u>	
Balance December 31, 2022	C	<u>\$ 83,228.79</u>
Balance December 31, 2023	C	<u><u>\$ 83,228.79</u></u>

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

C-3
1 of 3

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance/ (Deficit)	Transfers		Balance/ (Deficit)
	Dec. 31, 2022	From	To	Dec. 31, 2023
Fund Balance	\$ 205,203.50			\$ 205,203.50
Capital Improvement Fund	3,237,296.00	\$ 1,287,850.00	\$ 1,909,000.00	3,858,446.00
Down Payments on Improvements	194,707.72			194,707.72
Due Current Fund	(5,677,044.46)	11,432,834.96	4,071,515.65	(13,038,363.77)
Loan Receivable:				
State of NJ Department of Environmental Protection Green Acres	(87,529.00)			(87,529.00)
Grants Receivable:				
County of Essex Open Space Trust Fund	(150,000.00)			(150,000.00)
State of NJ Department of Environmental Protection Green Acres	(960,956.00)	1,028,755.00		(1,989,711.00)
State of NJ Department of Transportation	(1,154,604.50)	532,772.00	721,410.07	(965,966.43)
Federal Repetitive Flood Claims Grants	(1,069,012.20)			(1,069,012.20)
Reserve for:				
Paving	405,995.12		200,000.00	605,995.12
Fiber Optics	21,250.00			21,250.00
Economic Development Project	1,110,477.72			1,110,477.72
Local Improvements	35,621.00			35,621.00
Redesign of Nutley Streets	3,154.09			3,154.09
Payment of Debt Service	503,633.85		255,225.20	758,859.05
Ord. No.	<u>Improvement Description</u>			
2776	Certain Local Improvements			
2850	Various Capital Improvements			
2852	Sewer Repair and Related Work			
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park			
2927	Certain Local Improvements			
2992	Upgrades to Memorial Park			
2993;				
3046	Various Capital Improvements			
3029	Various Capital Improvements			
	100.00			100.00
	1,814.42	1,814.42		
	27,391.52	27,390.58		0.94
	1,219.26			1,219.26
	3,600.00			3,600.00
	22,698.95	6,300.00		16,398.95
	9,712.43			9,712.43
	146,502.65			146,502.65

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL FUND CASH
(Continued)

Ord. No.	Improvement Description	Transfers		Balance/ (Deficit) Dec. 31, 2023
		From	To	
3063;				
3093;				
3101	Various Capital Improvements	\$ 3,992.91		\$ 103,784.46
3100	Acquisition of a Fire Truck			10,800.64
3106	Local Improvements			265.33
3116	Various Capital Improvements			57,826.88
3149	Various Capital Improvements			80,774.13
3153	Voice and Data Network Upgrades			1,271.29
3171	Donna Court Acquisition and Remediation			413,170.40
3172	Donna Court Acquisition and Remediation			756,759.46
3181	Various Capital Improvements			2,632.79
3196	Renovation of Police Desk			1,588.67
3214	Various Capital Improvements			6,015.27
3216	Local Improvements			3,522.37
3242	Various Capital Improvements			67,704.69
3292	Reconstruction of the Roadway on Park Ave (Section 2)			1,218.29
3294	Various Capital Improvements	848.77		151,989.27
3321	Reconstruction of Various Roadways and Sidewalks			36,387.73
3323	Various Improvements or Purposes	18,467.01		172,011.10
3324	Paving of East Centre Street			45,867.63
3331	Acquisition of Lands			41.76
3332	Acquisition of Lands	3,476.52		19,347.05
3344	Various Improvements or Purposes	29,991.79		155,282.19
3345	Reconstruction of Various Roadways and Sidewalks			16,103.66
3371	Reconstruction of Various Roadways and Sidewalks			4,612.40
3372	Various Improvements or Purposes	209.43		204,874.33
3375	Purchase of a Fire Truck			0.89
3378	Digital Archiving of Code Enforcement Records			0.54
3391	Reconstruction of the Roadway on Harrison Street (Section 4)			36,226.88
3407	Reconstruction of Various Roadways and Sidewalks	144,427.30		26,804.67
3408	Various Improvements or Purposes	65.31		376,195.45

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

Ord. No.	Improvement Description	Balance/ (Deficit)		Transfers		Balance/ (Deficit) Dec. 31, 2023
		Dec. 31, 2022		From	To	
3410	Digital Archiving of Code Enforcement and Municipal Clerk's Office Records	\$ 1,463.08				\$ 1,463.08
3422	Reconstruction of the Roadway on Grant Ave	94,771.57				94,771.57
3423	Reconstruction of Various Roadways and Sidewalks	378,465.88	\$ 263,587.68			114,878.20
3425	Various Improvements or Purposes	394,163.42	134,187.27			259,976.15
3440	Reconstruction of the Roadway on Grant Ave, Section 2	16,880.63				16,880.63
3455	Various Improvements or Purposes	904,680.22	\$ 806,246.52		\$ 401,482.81	499,916.51
3456	Reconstruction of Various Roadways and Sidewalks	273,516.34	254,452.55			19,063.79
3458	Improvement of DeMuro Park	(178,873.00)			178,873.00	
3470	Washington Avenue Roadway Improvement Project	66,978.91	13,502.91			53,476.00
3477	Reconstruction of Various Roadways and Sidewalks	(77,260.12)	22,639.04			498,600.84
3479	Various Improvements or Purposes	(209,768.88)	322,491.51		1,098,746.00	566,485.61
3481	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida	(1,664,225.30)	419,917.36		3,103,285.88	1,019,143.22
3483	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida	(164,624.29)	190,839.51		997,312.00	641,848.20
3484	Chestnut Street Roadway Improvement Project	461,269.00	461,269.00			
3513	Technology Infrastructure Improvements		132,631.44		134,000.00	1,368.56
3519	Improvement of Nutley Board of Education Buildings, Facilities and Fields		600,000.00		600,000.00	
3524	Various Improvements or Purposes		112,766.82		2,072,850.00	1,960,083.18
3527	Improvement of Nutley Board of Education Buildings, Facilities and Fields		100,000.00		450,000.00	350,000.00
3528	Reconstruction of the Roadway on Vreeland Ave				532,772.00	532,772.00
3535	Improvements to Monsignor Owens Park				1,028,755.00	1,028,755.00
		\$ 83,228.79	\$ 18,353,727.61		\$ 18,353,727.61	\$ 83,228.79

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

Ord. No.	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Bonds Issued	Funded by		Balance Dec. 31, 2023	Analysis of Balance Dec. 31, 2023
					Insurance Claim Proceeds	Hurricane Ida F.E.M.A. Reimbursements		
3458	Improvement of DeMuro Park	\$ 178,873.00		\$ 178,873.00				Unexpended Improvement Authorizations
3477	Reconstruction of Various Roadways and Sidewalks	598,500.00		598,500.00				
3479	Various Improvements or Purposes	1,098,746.00		1,098,746.00				
3481	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida	3,347,948.41		297,569.00	\$ 1,852,588.83	\$ 952,493.05	\$ 245,297.53	\$ 245,297.53
3483	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida	997,500.00		997,312.00			188.00	188.00
3524	Various Improvements or Purposes		\$ 1,969,900.00	1,969,000.00			900.00	900.00
		\$ 6,221,567.41	\$ 1,969,900.00	\$ 5,140,000.00	\$ 1,852,588.83	\$ 952,493.05	\$ 246,385.53	\$ 246,385.53

Ref. C

C

Analysis of Unexpended Improvement Authorizations:
Improvement Authorizations - Unfunded

\$ 246,385.53

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Date	Ordinance		Balance December 31, 2022		Other Sources	2023 Authorizations		Balance December 31, 2023	
			Amount	Funded	Unfunded	Deferred Charges to Future Taxation - Unfunded		Capital Improvement Fund	Paid or Charged	Funded	Unfunded
2776	Certain Local Improvements	04/01/03	\$ 55,000.00	\$ 100.00						\$ 100.00	
2850	Various Capital Improvements	10/05/04	515,000.00	1,814.42					\$ 1,814.42		
2852	Sewer Repair and Related Work	10/05/04	362,000.00	27,391.52					27,390.58		0.94
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park	07/19/05	60,000.00	1,219.26							1,219.26
2914	Various Capital Improvements	09/06/05	400,000.00	3,600.00							3,600.00
2992	Upgrades to Memorial Park	12/19/06	125,000.00	22,698.95					6,300.00		16,398.95
2993;	Various Capital Improvements	12/19/06;	790,460.00								
3046		12/04/07		9,712.43							9,712.43
3029	Various Capital Improvements	11/20/07	1,011,100.00	146,502.65							146,502.65
3063;	Various Capital Improvements	07/16/08;	1,227,600.00								
3093;		04/07/09;		107,777.37					3,992.91		103,784.46
3101		05/19/09		10,800.64							10,800.64
3100	Acquisition of a Fire Truck	05/05/09	264,000.00								
3106	Local Improvements	06/16/09	25,000.00	265.33							265.33
3116	Various Capital Improvements	09/01/09	748,980.00	57,826.88							57,826.88
3149	Various Capital Improvements	11/09/10	793,875.00	80,774.13							80,774.13
3150	Reconstruction of Various Streets and Sidewalks	11/09/10	273,750.00								
3153	Voice and Data Network Upgrades	12/07/10	63,000.00	1,271.29							1,271.29
3171	Donna Court Acquisition and Remediation	07/05/11	854,500.00	413,170.40							413,170.40
3172	Donna Court Acquisition and Remediation	07/05/11	1,644,000.00	756,759.46							756,759.46
3181	Various Capital Improvements	11/15/11	985,000.00	2,632.79							2,632.79
3196	Renovation of Police Desk	03/06/12	300,000.00	1,588.67							1,588.67
3214	Various Capital Improvements	07/17/12	620,000.00	6,015.27							6,015.27
3216	Local Improvements	09/04/12	25,000.00	3,522.37							3,522.37
3242	Various Capital Improvements	07/16/13	1,481,700.00	67,704.69							67,704.69
3292	Reconstruction of the Roadway on Park Ave (Section 2)	08/05/14	237,000.00	1,218.29							1,218.29
3294	Various Capital Improvements	09/02/14	1,363,500.00	152,838.04					848.77		151,989.27
3321	Reconstruction of Various Roadways and Sidewalks	10/06/15	825,000.00	36,387.73							36,387.73
3323	Various Improvements or Purposes	10/06/15	1,346,730.00	190,478.11					18,467.01		172,011.10
3324	Paving of East Centre Street	10/20/15	125,000.00	45,867.63							45,867.63
3331	Acquisition of Lands	12/15/15	900,000.00	41.76							41.76
3332	Acquisition of Lands	12/15/15	3,500,000.00	22,823.57							
3344	Various Improvements or Purposes	09/06/16	982,500.00	185,273.98					29,991.79		155,282.19
3345	Reconstruction of Various Roadways and Sidewalks	09/06/16	460,000.00	16,103.66							16,103.66
3371	Reconstruction of Various Roadways and Sidewalks	11/08/17	409,000.00	4,612.40							4,612.40
3372	Various Improvements or Purposes	11/08/17	1,181,300.00	205,083.76					209.43		204,874.33
3375	Purchase of a Fire Truck	12/19/17	233,013.00	0.89							0.89
3378	Digital Archiving of Code Enforcement Records	01/16/18	200,000.00	0.54							0.54
3391	Reconstruction of the Roadway on Harrison Street (Section 4)	07/07/18	346,605.00	36,226.88							36,226.88
3407	Reconstruction of Various Roadways and Sidewalks	12/20/18	330,000.00	171,231.97					144,427.30		26,804.67

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

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2022		Other Sources	Charges to Future Taxation - Unfunded	Capital Improvement Fund	Paid or Charged	Balance December 31, 2023	
				Funded	Unfunded					Funded	Unfunded
3408	Various Improvements or Purposes	12/20/18	\$ 1,670,000.00	\$ 376,260.76					\$ 65.31	\$ 376,195.45	
3410	Digital Archiving of Code Enforcement and Municipal Clerk's Office Records	12/20/18	100,000.00	1,463.08						1,463.08	
3422	Reconstruction of the Roadway on Grant Ave	08/06/19	424,193.00	94,771.57						94,771.57	
3423	Reconstruction of Various Roadways and Sidewalks	08/06/19	384,125.00	378,463.88					263,587.68	114,878.20	
3425	Various Improvements or Purposes	08/06/19	1,905,750.00	394,163.42					134,187.27	259,976.15	
3440	Reconstruction of the Roadway on Grant Ave, Section 2	04/07/20	406,964.00	16,880.63						16,880.63	
3455	Various Improvements or Purposes	11/05/20	2,126,500.00	904,680.22					404,763.71	499,916.51	
3456	Reconstruction of Various Roadways and Sidewalks	11/05/20	400,000.00	273,316.34					254,452.55	19,063.79	
3470	Washington Avenue Roadway Improvement Project	05/04/21	426,702.00	66,978.91					13,502.91	53,476.00	
3477	Reconstruction of Various Roadways and Sidewalks	10/05/21	630,000.00		\$ 521,239.88				22,639.04	498,600.84	
3479	Various Improvements or Purposes	10/05/21	1,156,575.00	888,977.12					322,491.51	566,485.61	
3481	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida	11/04/21	5,700,000.00	1,683,723.11					419,282.36	1,019,143.22	\$ 245,297.53
3483	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida	11/30/21	1,050,000.00	832,875.71					190,839.51	641,848.20	188.00
3484	Chestnut Street Roadway Improvement Project	01/18/22	461,269.00	461,269.00					461,269.00		
3513	Technology Infrastructure Improvements	05/02/23	134,000.00					\$ 134,000.00	132,631.44	1,368.56	
3519	Improvement of Nutley Board of Education Buildings, Facilities and Fields	08/01/23	600,000.00					600,000.00	600,000.00		900.00
3524	Various Improvements or Purposes	08/15/23	2,073,750.00				\$ 1,969,900.00	103,850.00	112,766.82	1,960,083.18	
3527	Improvement of Nutley Board of Education Buildings, Facilities and Fields	09/05/23	450,000.00					450,000.00	100,000.00	350,000.00	
3528	Reconstruction of the Roadway on Vreeland Ave	10/03/23	532,772.00		\$ 532,772.00					532,772.00	
3535	Improvements to Monsignor Owens Park	12/19/23	1,028,755.00		1,028,755.00					1,028,755.00	
				\$5,759,787.54	\$3,926,815.82	\$1,561,527.00	\$1,969,900.00	\$1,287,850.00	\$3,669,397.84	\$10,590,096.99	\$ 246,385.53
				Ref.	C	C	C	C	C	C	C
				NJ Department of Transportation Grant							
				NJ Department of Environmental Protection:							
				Green Acres Grant							
				1,028,755.00							
				<u>\$ 1,561,527.00</u>							
				Due to Current Fund							
				Less: Improvement Authorization Refunds Due from Current Fund							
				\$4,071,515.65							
				<u>402,117.81</u>							
				<u>\$3,669,397.84</u>							

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2022	C	\$ 3,237,296.00
Increased by:		
Due from Current Fund:		
2023 Budget Appropriation		\$ 200,000.00
2022 Appropriation Reserves		<u>1,709,000.00</u>
		<u>1,909,000.00</u>
		<u>5,146,296.00</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>1,287,850.00</u>
Balance December 31, 2023	C	<u><u>\$ 3,858,446.00</u></u>

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2023

C-7

NOT APPLICABLE

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Maturities of Bonds				Interest Rate	Balance Dec. 31, 2022	Issued	Matured	Balance Dec. 31, 2023
		Outstanding Date	Dec. 31, 2023	Amount	Balance Dec. 31, 2022					
General Improvement Bonds	09/01/2013					\$ 470,000.00		\$ 470,000.00		
General Improvement Bonds	04/30/2018	04/15/2024-27	\$ 545,000.00		3.00%					
		04/15/2028	521,000.00		3.00%	3,246,000.00		545,000.00	\$ 2,701,000.00	
General Improvement Bonds	04/13/2021	04/01/2024	620,000.00		1.00%					
		04/01/2025	630,000.00		1.00%					
		04/01/2026	640,000.00		1.00%					
		04/01/2027	650,000.00		1.00%					
		04/01/2028	665,000.00		1.25%					
		04/01/2029	675,000.00		1.50%					
		04/01/2030	685,000.00		1.50%					
		04/01/2031	700,000.00		1.50%	5,875,000.00		610,000.00	5,265,000.00	
General Improvement Bonds	10/26/2023	10/01/2024	425,000.00		5.00%					
		10/01/2025	450,000.00		5.00%					
		10/01/2026	465,000.00		5.00%					
		10/01/2027	475,000.00		5.00%					
		10/01/2028	500,000.00		5.00%					
		10/01/2029	525,000.00		5.00%					
		10/01/2030	550,000.00		5.00%					
		10/01/2031	565,000.00		4.00%					
		10/01/2032	585,000.00		4.00%					
		10/01/2033	600,000.00		4.00%					
						\$ 5,140,000.00			5,140,000.00	
						\$ 9,591,000.00	\$ 5,140,000.00	\$ 1,625,000.00	\$ 13,106,000.00	

Ref.

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C

TOWNSHIP OF NUTLEY

C-9

GENERAL CAPITAL FUND

1 of 2

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

Ord. No.	Improvement Description	Balance Dec. 31, 2022	Less: Matured	Balance Dec. 31, 2023
3131	Redevelopment of Monsignor Owens Park	\$ 305,337.72	\$ 19,912.75	\$ 285,424.97
3369	Improvement of Father Glotzbach Soccer Field	87,529.00		87,529.00
		<u>\$ 392,866.72</u>	<u>\$ 19,912.75</u>	<u>\$ 372,953.97</u>

Ref. C

C

SCHEDULE OF PRINCIPAL AND
INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2023

Redevelopment of Monsignor Owens Park

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 285,424.97
15	03/29/2024	\$ 2,854.25	\$ 10,105.97	275,319.00
16	09/29/2024	2,753.19	10,207.03	265,111.97
17	03/29/2025	2,651.12	10,309.10	254,802.87
18	09/29/2025	2,548.03	10,412.19	244,390.68
19	03/29/2026	2,443.91	10,516.31	233,874.37
20	09/29/2026	2,338.74	10,621.48	223,252.89
21	03/29/2027	2,232.53	10,727.69	212,525.20
22	09/29/2027	2,125.25	10,834.97	201,690.23
23	03/29/2028	2,016.90	10,943.32	190,746.91
24	09/29/2028	1,907.47	11,052.75	179,694.16
25	03/29/2029	1,796.94	11,163.28	168,530.88
26	09/29/2029	1,685.31	11,274.91	157,255.97
27	03/29/2030	1,572.56	11,387.66	145,868.31
28	09/29/2030	1,458.68	11,501.54	134,366.77
29	03/29/2031	1,343.67	11,616.55	122,750.22
30	09/29/2031	1,227.50	11,732.72	111,017.50
31	03/29/2032	1,110.17	11,850.05	99,167.45
32	09/29/2032	991.67	11,968.55	87,198.90
33	03/29/2033	871.99	12,088.23	75,110.67
34	09/29/2033	751.11	12,209.11	62,901.56
35	03/29/2034	629.02	12,331.21	50,570.35
36	09/29/2034	505.70	12,454.52	38,115.83
37	03/29/2035	381.16	12,579.06	25,536.77
38	09/29/2035	255.37	12,704.85	12,831.92
39	03/29/2036	128.31	12,831.92	
		<u>\$ 38,580.55</u>	<u>\$285,424.97</u>	

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

C-9
2 of 2

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

SCHEDULE OF PRINCIPAL AND
INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2023

Improvement of Father Glotzbach Soccer Field (Tentative)

<u>Payment Number</u>	<u>Due Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 87,529.00
1	07/15/2024	\$ 2,244.33	85,284.67
2	01/15/2025	2,244.34	83,040.33
3	07/15/2025	2,244.33	80,796.00
4	01/15/2026	2,244.33	78,551.67
5	07/15/2026	2,244.34	76,307.33
6	01/15/2027	2,244.33	74,063.00
7	07/15/2027	2,244.33	71,818.67
8	01/15/2028	2,244.34	69,574.33
9	07/15/2028	2,244.33	67,330.00
10	01/15/2029	2,244.33	65,085.67
11	07/15/2029	2,244.34	62,841.33
12	01/15/2030	2,244.33	60,597.00
13	07/15/2030	2,244.33	58,352.67
14	01/15/2031	2,244.34	56,108.33
15	07/15/2031	2,244.33	53,864.00
16	01/15/2032	2,244.33	51,619.67
17	07/15/2032	2,244.34	49,375.33
18	01/15/2033	2,244.33	47,131.00
19	07/15/2033	2,244.33	44,886.67
20	01/15/2034	2,244.34	42,642.33
21	07/15/2034	2,244.33	40,398.00
22	01/15/2035	2,244.33	38,153.67
23	07/15/2035	2,244.34	35,909.33
24	01/15/2036	2,244.33	33,665.00
25	07/15/2036	2,244.33	31,420.67
26	01/15/2037	2,244.34	29,176.33
27	07/15/2037	2,244.33	26,932.00
28	01/15/2038	2,244.33	24,687.67
29	07/15/2038	2,244.34	22,443.33
30	01/15/2039	2,244.33	20,199.00
31	07/15/2039	2,244.33	17,954.67
32	01/15/2040	2,244.34	15,710.33
33	07/15/2040	2,244.33	13,466.00
34	01/15/2041	2,244.33	11,221.67
35	07/15/2041	2,244.34	8,977.33
36	01/15/2042	2,244.33	6,733.00
37	07/15/2042	2,244.33	4,488.67
38	01/15/2043	2,244.34	2,244.33
39	07/15/2043	2,244.33	
		<u>\$ 87,529.00</u>	

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

Ord. No.	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Bonds Issued	Funded by		Balance Dec. 31, 2023
					Insurance Claim Proceeds	Hurricane Ida F.E.M.A. Reimbursements	
3458	Improvement of DeMuro Park	\$ 178,873.00		\$ 178,873.00			
3477	Reconstruction of Various Roadways and Sidewalks	598,500.00		598,500.00			
3479	Various Improvements or Purposes	1,098,746.00		1,098,746.00			
3481	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida	3,347,948.41		297,569.00	\$ 1,852,588.83	\$ 952,493.05	\$ 245,297.53
3483	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida	997,500.00		997,312.00			188.00
3524	Various Improvements or Purposes		\$ 1,969,900.00	1,969,000.00			900.00
		<u>\$6,221,567.41</u>	<u>\$ 1,969,900.00</u>	<u>\$ 5,140,000.00</u>	<u>\$ 1,852,588.83</u>	<u>\$ 952,493.05</u>	<u>\$ 246,385.53</u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
WATER UTILITY FUND

TOWNSHIP OF NUTLEY
WATER UTILITY FUND
SCHEDULE OF CASH - TREASURER

D-4

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance December 31, 2022	D	\$ 1,901,247.14	\$ 183.05
Increased by Receipts:			
Utility Collector		\$ 4,427,762.55	
Nonbudget Revenue - Treasurer		13,630.95	
Due Current Fund - Interfund Advanced		200,000.00	
Appropriation Refunds		114,241.71	
		<u>4,755,635.21</u>	
		6,656,882.35	<u>183.05</u>
Decreased by Disbursements:			
2023 Appropriation Expenditures		4,597,868.11	
2022 Appropriation Reserves		177,014.48	
Interest on Bonds		4,062.50	
Interest on Loans		7,712.10	
Due Water Utility Capital Fund:			
Improvement Authorization Expenditures		116,448.71	
Refund of Water Rent Overpayments		6,297.40	
		<u>4,909,403.30</u>	
Balance December 31, 2023	D	<u>\$ 1,747,479.05</u>	<u>\$ 183.05</u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - WATER COLLECTOR
YEAR ENDED DECEMBER 31, 2023

D-4A

Increased by:

Consumer Accounts Receivable	\$ 4,061,774.69
Water Rent Overpayments	9,805.88
Utility Maintenance Fees	274,678.29
Nonbudget Revenue	81,503.69
	<hr/>
	4,427,762.55

Decreased by:

Disbursed to Water Treasurer	\$ 4,427,762.55
	<hr/> <hr/>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER UTILITY CAPITAL CASH

D-5

	Balance/ (Deficit)	Transfers		Balance/ (Deficit)
	Dec. 31, 2022	From	To	Dec. 31, 2023
Capital Fund Balance	\$ 703.51			\$ 703.51
Due Current Fund	(485,000.00)			(485,000.00)
Due Water Utility Operating Fund	(22,232.98)		\$ 116,448.71	94,215.73
Down Payments on Improvements	25,525.85			25,525.85
<u>Improvement Authorizations:</u>				
Ord. No.	Improvement Description			
2994	Water Capital Improvements	2,539.76		2,539.76
3140	Replacement of Water Meters and Retrofit of Meter Heads	73,877.87		73,877.87
3151	Utility Infrastructure GIS Mapping	1,368.75		1,368.75
3296	Various Water Utility Improvements	9,500.00		9,500.00
3322	Improvement of the Water Supply and Distribution System	(80,127.47)	\$ 40,942.13	(121,069.60)
3343	Improvement of the Water Supply and Distribution System	(937.00)	5,507.18	(6,444.18)
3370	Improvement of the Water Supply and Distribution System	8,000.00		8,000.00
3409	Various Water Utility Improvements	234,128.76		234,128.76
3424	Various Water Utility Improvements	232,836.00		232,836.00
3457	Various Water Utility Improvements		19,999.40	(19,999.40)
3478	Various Water Utility Improvements		50,000.00	(50,000.00)
		<u>\$ 183.05</u>	<u>\$ 116,448.71</u>	<u>\$ 183.05</u>
			<u>\$ 116,448.71</u>	

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

D-6

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 754,248.75
Increased by:		
Water Rents Levied		4,153,868.76
		<u>4,908,117.51</u>
Decreased by:		
Collections		4,061,774.69
		<u>4,061,774.69</u>
Balance December 31, 2023	D	<u><u>\$ 846,342.82</u></u>

WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

D-7

	<u>Ref.</u>	
Balance December 31, 2022	D	<u>\$ 61,195.00</u>
Balance December 31, 2023	D	<u><u>\$ 61,195.00</u></u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF RETURN ITEM ACCOUNT
YEAR ENDED DECEMBER 31, 2023

D-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

	Balance Dec. 31, 2022	Balance Dec. 31, 2023
Water Mains	\$ 1,157,462.54	\$ 1,157,462.54
Water Utility Improvements	43,115.11	43,115.11
Machinery and Equipment	703,348.83	703,348.83
Geographic Information System	35,000.00	35,000.00
Water Distribution System	110,000.00	110,000.00
	\$ 2,048,926.48	\$ 2,048,926.48
<u>Ref.</u>	D	D

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

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Balance Dec. 31, 2023
2994	11/21/06	Water Capital Improvements	\$ 67,811.50		\$ 67,811.50
3140	06/15/10	Replacement of Water Meters and Retrofit of Meter Heads	3,100,000.00		3,100,000.00
3151	11/09/10	Utility Infrastructure GIS Mapping	27,375.00		27,375.00
3296	09/02/14	Various Water Utility Improvements	104,500.00		104,500.00
3322	10/06/15	Improvement of the Water Supply and Distribution System	297,000.00		297,000.00
3343	09/06/16	Improvement of the Water Supply and Distribution System	178,000.00		178,000.00
3370	11/08/17	Improvement of the Water Supply and Distribution System	169,000.00		169,000.00
3409	12/20/18	Various Water Utility Improvements	256,600.00		256,600.00
3424	08/06/19	Various Water Utility Improvements	257,250.00		257,250.00
3457	11/05/20	Various Water Utility Improvements	255,000.00		255,000.00
3478	10/05/21	Various Water Utility Improvements	285,000.00		285,000.00
3523	08/15/23	Various Water Utility Improvements	_____	\$ 288,750.00	288,750.00
			<u>\$ 4,997,536.50</u>	<u>\$ 288,750.00</u>	<u>\$ 5,286,286.50</u>
		<u>Ref.</u>	D		D

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF 2022 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2023

D-11

	Balance Dec. 31, 2022	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 38,539.41	\$ 38,539.41		\$ 38,539.41
Other Expenses	41,187.91	41,187.91	\$ 17,298.11	23,889.80
Other Expenses:				
N.J. Water Supply	53,494.00	53,494.00		53,494.00
Passaic Valley Water Commission	139,832.59	139,832.59	139,832.59	
City of Newark Water Purchase	76,575.37	76,575.37	30,726.03	45,849.34
Capital Improvements:				
Capital Outlay	10,000.00	10,000.00		10,000.00
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	15,000.00	15,000.00		15,000.00
Social Security System (O.A.S.I.)	9,857.22	9,857.22		9,857.22
Unemployment Compensation Insurance - (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00
Other Insurance	10,000.00	10,000.00		10,000.00
	\$ 395,486.50	\$ 395,486.50	\$ 187,856.73	\$ 207,629.77

Ref.

Analysis of Balance December 31, 2022:

Unencumbered	D	\$ 288,108.61
Encumbered	D	107,377.89
		\$ 395,486.50

Cash Disbursed	\$ 177,014.48
Accounts Payable	10,842.25
	\$ 187,856.73

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance Date	Ordinance Amount	Balance December 31, 2022		Paid or Charged	2023 Authorizations		Balance December 31, 2023	
				Funded	Unfunded		Deferred	Charges to Future Revenue	Funded	Unfunded
2994	Water Capital Improvements	11/21/06	\$ 79,200.00	\$ 2,539.76				\$ 2,539.76		
3140	Replacement of Water Meters and Retrofit of Meter Heads	06/15/10	3,100,000.00	73,877.87	\$ 1,638,303.00			73,877.87	\$ 1,638,303.00	
3151	Utility Infrastructure GIS Mapping	11/09/10	27,375.00	1,368.75				1,368.75		
3296	Various Water Utility Improvements	09/02/14	104,500.00	9,500.00				9,500.00		
3322	Improvement of the Water Supply and Distribution System	10/06/15	297,000.00		64,793.78	\$ 40,942.13				23,851.65
3343	Improvement of the Water Supply and Distribution System	09/06/16	178,000.00	168,163.00		5,507.18				162,655.82
3370	Improvement of the Water Supply and Distribution System	11/08/17	169,000.00	8,000.00	161,000.00			8,000.00		161,000.00
3409	Various Water Utility Improvements	12/20/18	256,600.00	234,128.76				234,128.76		
3424	Various Water Utility Improvements	08/06/19	257,250.00	232,836.00				232,836.00		
3457	Various Water Utility Improvements	11/05/20	255,000.00	255,000.00		19,999.40				235,000.60
3478	Various Water Utility Improvements	10/05/21	285,000.00	285,000.00		50,000.00				235,000.00
3523	Various Water Utility Improvements	08/15/23	288,750.00	288,750.00				288,750.00		288,750.00
				<u>\$562,251.14</u>	<u>\$ 2,572,259.78</u>	<u>\$ 116,448.71</u>	<u>\$ 562,251.14</u>	<u>\$ 2,744,561.07</u>		

Ref. D D D D D

Due to Water Utility Operating Fund \$ 116,448.71

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

	<u>Ref.</u>	
Balance December 31, 2022	D	<u>\$ 25,525.85</u>
Balance December 31, 2023	D	<u><u>\$ 25,525.85</u></u>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2023

D-14

NOT APPLICABLE

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

D-15

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 3,346,231.07
Increased by:		
Paid by Operating Budget:		
Serial Bonds		\$ 65,000.00
New Jersey Infrastructure Bank (NJIB) Loans		100,617.68
		165,617.68
Balance December 31, 2023	D	\$ 3,511,848.75

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

D-15A

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2022	Balance Dec. 31, 2023
2994	Water Capital Improvements	11/21/06	\$ 67,811.50	\$ 67,811.50
3151	Utility Infrastructure GIS Mapping	11/09/10	11,868.75	11,868.75
3296	Various Water Utility Improvements	09/02/14	5,225.00	5,225.00
3343	Improvement of the Water Supply and Distribution System	09/06/16	8,900.00	8,900.00
3370	Improvement of the Water Supply and Distribution System	11/08/17	8,000.00	8,000.00
3409	Various Water Utility Improvements	12/20/18	12,850.00	12,850.00
3424	Various Water Utility Improvements	08/06/19	12,860.00	12,860.00
			<u>\$ 127,515.25</u>	<u>\$ 127,515.25</u>
		<u>Ref.</u>	D	D

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2023

D-16

NOT APPLICABLE

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

Purpose	Date of Issue	Outstanding Dec. 31, 2023		Interest Rate	Balance Dec. 31, 2022	
		Date	Amount		Matured	Balance Dec. 31, 2022
Water Improvement Bonds	04/13/2021	04/01/2024-27	\$ 70,000.00	1.00%		
		04/01/2028	75,000.00	1.25%	\$ 420,000.00	\$ 65,000.00
					<u>\$ 420,000.00</u>	<u>\$ 65,000.00</u>
					<u>\$ 420,000.00</u>	<u>\$ 355,000.00</u>

Ref.

D

D

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF NJ INFRASTRUCTURE BANK (NJIB) LOAN PAYABLE

D-18

	<u>Ref.</u>	
Balance December 31, 2022	D	\$ 499,392.41
Decreased by:		
Matured		100,617.68
Balance December 31, 2023	D	\$ 398,774.73

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2023

Payment Number	Due Date	Trust		Fund Principal	Balance of Loan
		Interest	Principal		
					\$ 398,774.73
24	02/01/2024	\$ 4,497.50		\$ 25,205.89	373,568.84
25	08/01/2024	4,497.50	\$ 25,000.00	50,411.79	298,157.05
26	02/01/2025	3,872.50		25,205.89	272,951.16
27	08/01/2025	3,872.50	25,000.00	50,411.79	197,539.37
28	02/01/2026	3,247.50		7,539.37	190,000.00
29	08/01/2026	3,247.50	30,000.00		160,000.00
30	02/01/2027	2,497.50			160,000.00
31	08/01/2027	2,497.50	30,000.00		130,000.00
32	02/01/2028	2,047.50			130,000.00
33	08/01/2028	2,047.50	30,000.00		100,000.00
34	02/01/2029	1,597.50			100,000.00
35	08/01/2029	1,597.50	30,000.00		70,000.00
36	02/01/2030	1,128.75			70,000.00
37	08/01/2030	1,128.75	35,000.00		35,000.00
38	02/01/2031	568.75			35,000.00
39	08/01/2031	568.75	35,000.00		-0-
		\$ 38,915.00	\$ 240,000.00	\$ 158,774.73	

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

Ord. No.	Date	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Balance Dec. 31, 2023
3140	06/15/10	Replacement of Water Meters and Retrofit of Meter Heads	\$ 1,638,303.00		\$ 1,638,303.00
3322	10/06/15	Improvement of the Water Supply and Distribution System	144,921.25		144,921.25
3343	09/06/16	Improvement of the Water Supply and Distribution System	169,100.00		169,100.00
3370	11/08/17	Improvement of the Water Supply and Distribution System	161,000.00		161,000.00
3457	11/05/20	Various Water Utility Improvements	255,000.00		255,000.00
3478	10/05/21	Various Water Utility Improvements	285,000.00		285,000.00
3523	08/15/23	Various Water Utility Improvements		\$ 288,750.00	288,750.00
			<u>\$ 2,653,324.25</u>	<u>\$ 288,750.00</u>	<u>\$ 2,942,074.25</u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2023
PUBLIC ASSISTANCE FUND

TOWNSHIP OF NUTLEY
PUBLIC ASSISTANCE FUND
SCHEDULE OF CASH - TREASURER

F-1

	<u>Ref.</u>	<u>P.A.T.F. I</u>
Balance December 31, 2022	F	<u>\$ 76,911.44</u>
Balance December 31, 2023	F	<u><u>\$ 76,911.44</u></u>

TOWNSHIP OF NUTLEY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2023

TOWNSHIP OF NUTLEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Federal Funding Department	Program	Assistance Listing #	State Program Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO Cumulative Total Expenditures	Amounts Provided to Subrecipients
							From	To			
US Department of Transportation:											
Highway Safety Cluster:											
Passed through NJ Department of Law and Public Safety											
		State and Community Highway Safety	20.600	100-066-1160-119-031750	\$ 4,602.50	\$ 4,602.50	01/01/23	12/31/24			
		Drive Sober or Get Pulled Over	20.616	100-066-1160-157-031020	6,405.00	6,405.00	01/01/23	12/31/24			
		Pedestrian Safety Education and Enforcement Grant	20.616	100-066-1160-163-030340	7,800.00	17,675.00	01/01/16	12/31/23	\$ 7,800.00	\$ 7,800.00	
					17,675.00	17,675.00	01/01/23	12/31/24	7,800.00	7,800.00	
		Total US Department of Transportation / Highway Safety Cluster			28,682.50	28,682.50			7,800.00	7,800.00	
US Department of Justice:											
Office of Justice Programs,											
Bureau of Justice Assistance											
		Bulletproof Vest Partnership Program	16.607	N/A	5,484.05		01/01/22	12/31/23	5,484.05	5,484.05	
US Department of Homeland Security:											
Passed through NJ Department of Law and Public Safety											
		Disaster Grants - Public Assistance - F.E.M.A. Tropical Storm Isatas	97.036	100-066-1200-C73-069820	299,033.98	11,625.08	08/05/20	12/31/20	11,625.08 *	310,659.06	
		F.E.M.A. Hurricane Ida	97.036	C84-069910	1,589,711.65	952,493.05	09/01/21	12/31/21	952,493.05 *	1,589,711.65	
		F.E.M.A. COVID-19	97.036	C50-063710	173,502.32	173,502.32	03/13/20	12/31/22	173,502.32 *	173,502.32	
		Total US Department of Homeland Security			1,137,620.45	1,137,620.45			1,137,620.45	2,073,873.03	
US Department of Housing & Urban Development:											
CDBG - Entitlement Grants Cluster:											
Passed through Essex County Office of Community Development											
		Community Development Block Grant: Library ADA Elevator	14.218	N/A	177,950.00	83,950.00	01/01/22	12/31/23	83,950.00	177,950.00	
		Reconstruction of Glass Avenue			107,066.00	84,538.30	01/01/22	12/31/23	84,538.30	84,538.30	
		Reconstruction of Ravine Avenue			358,033.50	177,208.50	01/01/23	12/31/24	177,208.50	177,208.50	
		Reconstruction of King Street			203,000.00	203,000.00	01/01/23	12/31/24	203,000.00	203,000.00	
		Total CDBG - Entitlement Grants Cluster			548,696.80	548,696.80			548,696.80	642,696.80	
		Total US Department of Housing & Urban Development			548,696.80	548,696.80			548,696.80	642,696.80	
US Department of Treasury:											
Passed through NJ Department of Community Affairs											
		COVID-19 - American Rescue Plan Act: Coronavirus State and Local Fiscal Recovery Funds	21.027	100-022-8030-687-046010	2,976,145.68		03/03/21	12/31/24	382,500.00	382,500.00	
		Firefighter Assistance	21.027	689-046180	31,000.00		01/01/23	12/31/24	21,230.64	21,230.64	
		Total US Department of Treasury			-0-	-0-			403,730.64	403,730.64	-0-
		TOTAL FEDERAL AWARDS			\$ 1,714,999.75	\$ 1,714,999.75			\$ 2,103,331.94	\$ 3,133,584.52	\$ -0-

N/A - Not Available/Applicable
 * - Expended in prior year(s)

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

TOWNSHIP OF NUTLEY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

State Funding Department	State Program	State Grant Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO Cumulative Total Expenditures
					From	To		
Department of Law & Public Safety	Safe & Secure Communities Program	100-066-1020-	\$ 32,400.00	\$ 32,400.00	08/01/22	07/31/23	\$ 17,446.08	\$ 32,400.00
		232-090940	32,400.00	32,400.00	08/01/23	07/31/24	17,446.08	32,400.00
	Drunk Driving Enforcement Fund	100-078-6400-260-YYYY	7,780.25		01/01/20	12/31/23	572.81	7,780.25
	Body Armor Replacement Fund	718-066-1020-001-090160	3,041.92	3,041.92	01/01/21	12/31/23	3,041.92	3,041.92
			4,313.92	2,856.83	01/01/22	12/31/24	2,856.83	2,856.83
			4,787.20	4,787.20	01/01/23	12/31/24	5,898.75	5,898.75
				4,787.20				
	Total Department of Law and Public Safety			37,187.20			23,917.64	46,079.00
Department of Environmental Protection	Clean Communities Program	765-042-4900-	53,204.68	59,675.87	01/01/22	12/31/24	50,119.77	51,119.93
		004-178910	59,675.87	59,675.87	01/01/23	12/31/24	8,910.42	8,910.42
	Water Resources Monitoring and Planning - Constitutional Dedication: Stormwater Assistance	100-042-4850-099-290400	25,000.00	15,000.00	01/01/23	12/31/24	22,884.70	22,884.70
	Recycling Tonnage Grant	100-042-4910-224-238490	45,308.22	45,308.22	01/01/22	12/31/22	45,308.22 *	45,308.22
	Total Department of Environmental Protection			119,984.09			127,223.11	128,223.27
Department of Treasury: Passed through the County of Essex	Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program	100-082-2000-	8,700.00	6,456.36	07/01/22	06/30/23	4,598.56	8,412.89
		044-995120	8,700.00	6,456.36	07/01/23	06/30/24	2,987.12	2,987.12
	Total Department of Treasury			6,456.36			7,585.68	11,400.01
Department of Human Services	Division of Mental Health and Addiction Services (DMHAS) - Youth Leadership Grant	N/A	6,736.60		01/01/23	12/31/24	6,281.68	6,281.68
				-			6,281.68	6,281.68
	Total Department of Human Services			-			6,281.68	6,281.68

N/A - Not applicable/available
 * - Expended in prior year(s)

TOWNSHIP OF NUTLEY
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023
 (Continued)

State Funding Department	State Program	State Grant Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO Cumulative Total Expenditures
					From	To		
Department of Transportation	NJ Transportation Trust Fund Authority Act - Municipal Aid: Grant Avenue	480-078-6300-ANP-605179 &			01/01/20	12/31/24		
		ANR-605199	\$ 406,964.00	\$ 342,017.96	01/01/21	12/31/24	\$ 13,502.91	\$ 390,083.37
		N/A	426,702.00		01/01/22	12/31/24		461,269.00
		AO1-606282 & AO3-606482	461,269.00		01/01/23	12/31/24		
		APH-606283 & APH-606483	532,772.00	379,392.11				
Total Department of Transportation				721,410.07			474,771.91	1,224,578.37
TOTAL STATE AWARDS				\$ 885,037.72			\$ 639,780.02	\$ 1,416,562.33

N/A - Not Available/Applicable

TOWNSHIP OF NUTLEY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2023

A. BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards (the “Schedules”) include the federal and state grant activity of the Township of Nutley under programs of the federal and state governments for the year ended December 31, 2023. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the Township of Nutley, they are not intended to and do not present the financial position, changes in fund balance or cash flows of the Township of Nutley.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

C. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

D. STATE LOANS OUTSTANDING

The Township of Nutley has the following loans outstanding as of December 31, 2023:

General Capital Fund:

NJ Department of Environmental Protection Green Acres Loans:

Redevelopment of Monsignor Owens Park	\$ 285,425
Improvement of Father Glotzbach Soccer Field	87,529
	\$ 372,954

Water Utility Capital Fund:

NJ Infrastructure Bank Trust Loan	\$ 240,000
NJ Infrastructure Bank Fund Loan	158,775
	\$ 398,775

TOWNSHIP OF NUTLEY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2023

(Continued)

D. STATE LOANS OUTSTANDING (Cont'd)

Currently, the Township is in the process of repaying the NJ Infrastructure Bank loan balances. The Water Utility Capital Fund project which relates to the NJ Infrastructure Bank loan is complete. With regard to the General Capital Fund NJ Department of Environmental Protection Green Acres loans, there were no monies received or expended in the current year. The first project which they relate to is complete and loan payments commenced in 2017 and the other project has not begun and loan payments on the \$87,529 loan will tentatively commence in 2024.

Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Township of Nutley, in the County of Essex (the "Township") as of, and for the years ended, December 31, 2023 and 2022, and the related notes to the financial statements and have issued our report thereon dated May 10, 2024. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material deficiencies or significant deficiencies may exist that were not identified.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mount Arlington, New Jersey
May 10, 2024

Nisivoccia LLP
NISIVOCCIA LLP

John J. Mooney

John J. Mooney
Certified Public Accountant
Registered Municipal Accountant No. 560

Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Township of Nutley's (the "Township's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Township's major federal program for the year ended December 31, 2023. The Township's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*) 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Township's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Mount Arlington, New Jersey
May 10, 2024

Nisivoccia LLP
NISIVOCCIA LLP

John J. Mooney

John J. Mooney
Certified Public Accountant
Registered Municipal Accountant No. 560

TOWNSHIP OF NUTLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major federal program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance*.
- The auditor's report on compliance for the major federal program for the Township expresses an unmodified opinion on its major federal program.
- The audit did not disclose any findings which are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.
- The Township was not subject to the single audit provisions of New Jersey's OMB Circular 15-08 for the year ended December 31, 2023 as state grant expenditures were less than the single audit threshold of \$750,000 identified in New Jersey's OMB Circular 15-08.
- The threshold for distinguishing between Type A and B state programs was \$750,000.
- The Township was not determined to be a "low-risk" auditee for federal programs.
- The Township's program tested as a major federal program for the current fiscal year consisted of the following award:

	<u>Assistance Listing Number</u>	<u>Expenditures</u>
Disaster Grants - Public Assistance -		
F.E.M.A. Tropical Storm Isaias	97.036	\$ 11,625.08
F.E.M.A. Hurricane Ida	97.036	952,493.05
F.E.M.A. COVID-19	97.036	173,502.32
		<u>\$ 1,137,620.45</u>

TOWNSHIP OF NUTLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

(Continued)

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

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any audit findings which are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

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

TOWNSHIP OF NUTLEY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2023

The Township had no prior year audit findings.

TOWNSHIP OF NUTLEY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS

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

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

a. " When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, C.198 (N.J.S. 40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, C.198 (N.J.S. 40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, C.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, C.198 (N.J.S. 40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

Effective July 1, 2020 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500 for a contracting unit without a qualified purchasing agent and \$44,000 for a contracting unit with a qualified purchasing agent.

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

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

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

The minutes indicated that bids were requested by public advertising per N.J.S. 40A:11-4. The minutes also indicated that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" or "Extraordinary Unspecifiable Services" in accordance with N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Payroll

Recommendation:

During our audit, the Township of Nutley Administration had brought to our attention that health insurance deductions, for certain employees, were being deducted after tax, and not pre-tax. It was noted that the deduction status for the employees who were affected has been corrected in 2024. The Township has engaged an accounting firm to perform a comprehensive review of all years impacted, and report on its findings. Revised tax filings reports will be completed and employee remediation will occur. It is recommended that all employees' health insurance deductions be withheld on a pre-tax basis going forward, and all new employees of the Township of Nutley have their payroll information reviewed prior to receiving wages. It is further recommended that the Township payroll employees participate in continuing education programs for payroll related issues to ensure they are trained on matters which impact the payroll process.

Management's Response:

The Township has hired an accounting firm to perform a comprehensive review of all years that were impacted by this error. The Chief Financial Officer will ensure that all necessary personnel are current with respect to these matters and to matters of payroll employees being current on continuing education related to the payroll process.

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS

(Continued)

Financial Reporting:

Recommendation:

During our audit, we noted that the financial technology system used by the Township was not being used to its full capacity, which on occasion delayed certain positions and reconciliations. It is recommended that the full capacity of the financial technology system be explored and implemented to ensure records are maintained in an effective manner.

Management’s Response:

The new Chief Financial Officer will be responsible for overseeing the implementation of the full capacity of the financial technology system.

Collection of Interest on Delinquent Taxes and Assessments

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

On January 3, 2023, the governing body adopted a resolution authorizing interest to be charged on delinquent taxes and water rents at the rate of 8% per annum to \$1,500 and any amount in excess of \$1,500 shall be fixed at the rate of 18% per annum. An additional penalty of 6% will be imposed on delinquencies in excess of \$10,000 at year end.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on September 12, 2023 and was complete with respect to all items eligible for sale.

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

Year	Number of Liens
2023	0
2022	0
2021	0

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township’s Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2023.

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

	Balance Dec. 31, 2022	Receipts	Disbursements	Balance Dec. 31, 2023
Municipal Treasurer:				
Fines and Costs	\$ 22,502.44	\$ 280,564.71	\$ 289,750.69	\$ 13,316.46
P.O.A.A. Fines	466.00	5,382.00	5,442.00	406.00
Public Defender	750.00	3,350.00	3,617.04	482.96
State Treasurer	14,436.94	215,972.60	220,252.04	10,157.50
County Treasurer	5,945.50	74,386.50	77,660.00	2,672.00
Conditional Discharge/Dismissal	5.00	1,039.00	1,044.00	
Restitution		3,418.51	2,805.51	613.00
Cash Bail	2,460.00	32,130.00	33,090.00	1,500.00
	<u>\$ 46,565.88</u>	<u>\$ 616,243.32</u>	<u>\$ 633,661.28</u>	<u>\$ 29,147.92</u>

Municipal Court (Cont'd)

During our review of the Municipal Court records, we noted that the tickets and special complaints assigned but not issued reports at December 31, 2023 still include tickets and special complaints which were assigned over six months ago which the Court Administrator is currently in the process of addressing. As significant improvement was made and the Court Administrator is currently in the process of addressing the remaining tickets and special complaints not issued which were assigned over six months ago, no formal recommendation is deemed to be warranted.

New Jersey Administrative Code Accounting Requirements

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

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

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

Water Utility Capital Fund

There are two ordinances in the Water Utility Capital Fund over five years old with deficit cash balances as of December 31, 2023. This situation arises when expenditures are made from an ordinance without the related debt being issued. As the deficit cash balances are not significant and funding for these ordinances will be included in the Water Utility Operating Fund's future budgets, a formal recommendation is judged to be unnecessary at this time.

Management Suggestions

Improvement Authorizations

During the course of our audit, we noticed that there are various older improvement authorizations in the General Capital and Water Utility Capital Funds with unexpended balances. We suggest that the Township review these various older improvement authorizations with unexpended balances for possible cancellation.

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Management Suggestions (Cont'd)

Appropriated Grant Reserves and Grants and Loans Receivable

During our review of the Current and General Capital Funds, we noticed that there are various older appropriated grant reserve balances in the Current Fund and grants receivable balances in the General Capital Fund and an older loan receivable in the General Capital Fund. We suggest that the Township review these older appropriated grant reserves and grants and loans receivable balances for continued recognition.

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 101, *Compensated Absences*, is effective for the year ended December 31, 2024. This statement requires that the liability for compensated absences to be calculated for 1 – leave that has not been used and 2 – leave that has been used but not yet paid. The liability should be recognized for leave that has not been used if (a) – the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. The Statement directs that for leave that has not been used the calculation should generally use an employee’s pay rate as of the date of the financial statements.

COVID-19 Federal Funding

It is possible that the Township will undergo some review of its COVID-19 funding by the federal government. We strongly suggest that the Township ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the Township ensures that these funds are separately accounted for in the Township’s accounting records and that any applicable Township policies are current with respect to federal grant requirements.

Because of the nature of these funds, being new programs, generally of a significant dollar amount, and some of which may be expended over a period of years, they may be subject to federal or state audit several years from now. It is important that the grant files maintained by local governments be complete, self-explanatory, and fully document the program(s) undertaken as part of the funding.

The American Rescue Plan funding must be obligated by December 31, 2024 and the liquidation of the obligation must be completed by December 31, 2026.

Corrective Action Plan

The Township was not required to initiate a corrective action plan since there were no recommendations in the 2022 audit report.

TOWNSHIP OF NUTLEY
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. All employees' health insurance deductions are withheld on a pre-tax basis going forward, and all new employees of the Township of Nutley have their payroll information reviewed prior to receiving wages.
2. The full capacity of the financial technology system be explored and implemented to ensure records are maintained in an effective manner.

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