

TOWNSHIP OF NUTLEY

COUNTY OF ESSEX

REPORT OF AUDIT

2018

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
REPORT OF AUDIT
2018

TOWNSHIP OF NUTLEY
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TOWNSHIP OF NUTLEY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2018



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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the financial statements – *regulatory basis* – of the various funds of the Township of Nutley in the County of Essex (the "Township") as of, and for the years ended December 31, 2018 and 2017, and the related notes to financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above, do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2018 and 2017, or the changes in financial position or, where applicable, cash flows thereof for the years then ended.

Basis for Qualified Opinion

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

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects on the December 31, 2018 and 2017 financial statements of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements referred to above, present fairly, in all material respects, the financial position of the various funds of the Township of Nutley as of December 31, 2018 and 2017, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

Emphasis of Matter

As discussed in Note 16 to the financial statements, the Township implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the year ended December 31, 2018. Our opinions are not modified with respect to this matter.

The Honorable Mayor and Members
of the Board of Commissioners
Township of Nutley
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Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents 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.


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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 6, 2019 on our consideration of the Township of Nutley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 of Nutley's internal control over financial reporting and compliance.

Mount Arlington, New Jersey
May 6, 2019

NISIVOCCIA LLP


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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
CURRENT FUND

TOWNSHIP OF NUTLEY
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
1 of 2

		December 31,	
	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	A-4	\$ 30,997,525.83	\$ 34,709,768.95
Change Fund		300.00	300.00
		<u>30,997,825.83</u>	<u>34,710,068.95</u>
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		<u>124,268.41</u>	<u>124,361.55</u>
		<u>31,122,094.24</u>	<u>34,834,430.50</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,343,636.69	1,386,817.52
Tax Title Liens Receivable	A-8	112,050.86	29,604.59
Property Acquired for Taxes at Assessed Valuation		47,570.00	47,570.00
Revenue Accounts Receivable	A-9	31,996.64	29,098.47
Due Animal Control Fund	B		20.00
Due Other Trust Funds	B		130,707.65
Due Water Utility Operating Fund	D	62,336.75	
Due Water Utility Capital Fund	D		2,500.00
		<u>1,597,590.94</u>	<u>1,626,318.23</u>
Total Receivables and Other Assets with Full Reserves		<u>1,597,590.94</u>	<u>1,626,318.23</u>
TOTAL ASSETS		<u>\$ 32,719,685.18</u>	<u>\$ 36,460,748.73</u>

LIABILITIES, RESERVES AND FUND BALANCE

Appropriation Reserves:			
Unencumbered	A-3;A-11	3,377,252.85	3,860,924.24
Encumbered	A-3;A-11	1,486,207.98	1,419,794.82
		<u>4,863,460.83</u>	<u>5,280,719.06</u>
Accounts Payable - Vendors		2,180,529.10	2,081,260.92
Prepaid Taxes		635,878.23	5,689,107.74
Tax Overpayments		84,633.25	97,360.97
County Added and Omitted Taxes Payable		35,297.85	67,954.85
Due Other Trust Funds	B	4,660,739.65	3,744,226.09
Due General Capital Fund	C	5,181,720.90	6,531,813.24
Due State of New Jersey:			
Construction Code Surcharge Fees		4,690.00	6,668.00
Marriage License Fees		1,700.00	1,850.00
Burial Permit Fees			5.00

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

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		December 31,	
	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)</u>			
Reserve for:			
Appropriated Grant Funds:			
Municipal Alliance Grant		\$ 500.52	\$ 500.52
Clean Communities		45,389.09	20,684.24
Pedestrian Safety Grant		7,800.00	7,800.00
Safety Achievement Award		1,250.00	1,250.00
Staffing for Adequate Fire and Emergency Response (SAFER) Grant		20,668.14	20,668.14
Private Donation - Partners for Health		5,814.26	10,440.19
Alcohol Education, Rehabilitation and Enforcement Fund		478.00	478.00
Bullet Proof Vest Program		1,991.85	
Recycling Tonnage Grant		15,918.85	15,918.85
Unappropriated Grant Funds:			
Alcohol Education, Rehabilitation and Enforcement Fund		586.74	543.88
Body Armor Replacement Fund			9,979.66
Federal Emergency Management Agency:			
Snowstorms/Superstorm Sandy/Emergency Management		194,960.08	202,297.36
Purchase of Fire Truck - Insurance Proceeds		133,707.51	133,707.51
Pending Tax Appeals		6,487,522.57	4,509,000.00
Sale of Municipal Assets		66,550.00	66,550.00
Redemption of Outside Liens		98,570.25	2,638.47
Master Plan Review		13,610.00	13,610.00
		<u>24,743,967.67</u>	<u>28,517,032.69</u>
Reserve for Receivables and Other Assets	A	1,597,590.94	1,626,318.23
Fund Balance	A-1	<u>6,378,126.57</u>	<u>6,317,397.81</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 32,719,685.18	\$ 36,460,748.73

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

TOWNSHIP OF NUTLEY

A-1

CURRENT FUNDCOMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN
FUND BALANCE - REGULATORY BASIS

	Year Ended December 31,	
	2018	2017
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 4,654,000.00	\$ 5,104,000.00
Miscellaneous Revenue Anticipated	9,920,269.30	9,644,366.27
Receipts from:		
Delinquent Taxes	1,361,542.79	1,542,329.75
Current Taxes	113,539,413.11	111,964,439.12
Nonbudget Revenue	1,155,645.06	683,999.57
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,838,250.33	2,310,167.04
Senior Citizen/Veteran Allowances on Prior Year Taxes		500.00
Interfunds Returned	133,227.65	10,704.81
Total Income	132,602,348.24	131,260,506.56
<u>Expenditures</u>		
Budget Appropriations	52,015,151.74	51,554,583.38
County Taxes	18,246,722.68	18,442,730.73
County Share of Added and Omitted Taxes	35,297.85	67,954.85
Local School District Taxes	55,462,637.91	54,640,484.00
Reserve for Pending Tax Appeals	2,057,000.00	1,371,883.33
Senior Citizen/Veteran Disallowances on Prior Year Taxes	4,000.00	4,714.39
Refund of Prior Year Taxes		7,246.43
Refund of Prior Year Revenue	4,472.55	2,707.21
Interfunds Advanced	62,336.75	130,727.65
Total Expenditures	127,887,619.48	126,223,031.97
Excess in Revenue/Statutory Excess to Fund Balance	4,714,728.76	5,037,474.59
<u>Fund Balance</u>		
Balance January 1	6,317,397.81	6,383,923.22
	11,032,126.57	11,421,397.81
Decreased by:		
Utilized as Anticipated Revenue	4,654,000.00	5,104,000.00
Balance December 31	A \$ 6,378,126.57	\$ 6,317,397.81

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, 2018

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 4,654,000.00		\$ 4,654,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	30,000.00		32,143.77	\$ 2,143.77
Other	25,000.00		31,114.00	6,114.00
Fees and Permits	155,000.00		144,804.10	10,195.90 *
Fines and Costs:				
Municipal Court	340,000.00		408,641.70	68,641.70
Interest and Costs on Taxes	150,000.00		150,509.88	509.88
Parking Meters	240,000.00		296,894.71	56,894.71
Interest on Investments and Deposits	55,000.00		188,089.87	133,089.87
Fees - Immunization Program	10,000.00		4,214.87	5,785.13 *
Tree Removal Permits	5,000.00		7,050.00	2,050.00
Consolidated Municipal Property Tax Relief Aid	179,300.00		179,300.00	
Energy Receipts Tax	2,468,330.00		2,468,330.00	
Replacement Revenue	4,100,000.00		4,100,000.00	
Uniform Construction Code Fees	500,000.00		762,129.00	262,129.00
Township of Montclair - Health Services	10,000.00		15,651.00	5,651.00
Nutley Board of Education:				
Physician Services	7,000.00		6,300.00	700.00 *
Bulk/Solid Waste	12,500.00		12,500.00	
Fiber Optic Cable	7,500.00		7,500.00	
Safe and Secure Communities Grant	60,000.00		60,000.00	
Clean Communities Program		\$ 48,312.89	48,312.89	
Distracted Driver Crackdown Grant		6,600.00	6,600.00	
County of Essex Municipal Alliance Grant	19,165.00			19,165.00 *
Pedestrian Safety, Education and Enforcement Fund	15,000.00		11,275.00	3,725.00 *
COPS Grant Program		173,675.98		173,675.98 *

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue:				
Occupant Protection Program - Click It or Ticket		\$ 5,500.00	\$ 3,272.50	\$ 2,227.50 *
Bullet Proof Vest Program		5,284.40	4,691.66	592.74 *
Reserve for Unappropriated Grant Funds:				
Body Armor Replacement Fund	\$ 9,979.00		9,979.66	0.66
Alcohol Education, Rehabilitation and Enforcement Fund	543.00		543.00	
Sewer Maintenance Fees - Due from:				
Town of Belleville	11,025.00		11,025.01	0.01
City of Clifton	233.00		233.50	0.50
Residential Furniture Delivery Service	830.00		830.41	0.41
Town of Bloomfield	65,771.00		65,771.22	0.22
Regency Condominiums	10,193.00		10,193.20	0.20
Payment in Lieu of Taxes:				
Senior Citizen Housing	148,949.00		149,176.25	227.25
Nutley Senior Manor	41,223.00		41,288.50	65.50
Passaic Valley Sewer Charges - User Charges	8,348.00		8,348.20	0.20
Recycling Program	25,000.00		25,000.00	
Bureau of Housing Inspection	10,000.00		15,948.00	5,948.00
Uniform Fire Safety Act	31,053.00		30,321.53	731.47 *
Cable Franchise Fee	457,813.00		457,813.87	0.87
Cell Phone Tower Lease	18,000.00		18,000.00	
Reserve for Federal Emergency Management Agency -				
Superstorm Sandy/Hurricane Irene	102,297.00		102,297.00	
Reserve to Pay Debt Service - Premium on Note Sale	24,175.00		24,175.00	
	<u>9,354,227.00</u>	<u>239,373.27</u>	<u>9,920,269.30</u>	<u>326,669.03</u>
Receipts from Delinquent Taxes	<u>1,150,000.00</u>		<u>1,361,542.79</u>	<u>211,542.79</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purposes	\$ 39,813,388.45		\$ 42,920,509.07	\$ 3,107,120.62
Minimum Library Tax	1,238,941.60		1,238,941.60	
Total Amount to be Raised by Taxes for Support of Municipal Budget	41,052,330.05		44,159,450.67	3,107,120.62
Budget Totals	56,210,557.05	\$ 239,373.27	60,095,262.76	\$ 3,645,332.44
Nonbudget Revenue			1,155,645.06	
	\$ 56,210,557.05	\$ 239,373.27	\$ 61,250,907.82	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 113,539,413.11
Allocated to:		
County Taxes	\$ 18,246,722.68	
County Share of Added and Omitted Taxes	35,297.85	
Local School District Taxes	55,462,637.91	
		<u>73,744,658.44</u>
Balance for Support of Municipal Budget		<u>39,794,754.67</u>
Add: Appropriation "Reserve for Uncollected Taxes"		<u>4,364,696.00</u>
Realized for Support of Municipal Budget		<u>\$ 44,159,450.67</u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 1,349,881.03
Tax Title Lien Collections	<u>11,661.76</u>
	<u>\$ 1,361,542.79</u>

Analysis of Other Licenses:

Municipal Clerk	\$ 4,047.00
Board of Health	<u>27,067.00</u>
	<u>\$ 31,114.00</u>

Analysis of Fees and Permits:

Building Inspector	\$ 108,706.00
Board of Health	14,093.00
Police	12,936.91
Tax Search Fees/Miscellaneous	9,426.19
Public Works	<u>1,800.00</u>
	<u>146,962.10</u>
Less: Refunds	<u>2,158.00</u>
	<u>\$ 144,804.10</u>

Analysis of Tree Removal Permits:

Parks and Recreation	\$ 7,400.00
Less: Refunds	<u>350.00</u>
	<u>\$ 7,050.00</u>

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	<u>\$ 188,089.87</u>
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TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
 (Continued)

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Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Prior Year Revenue:

Nutley Board of Education:

Reimbursement for School Crossing Guards	\$ 437,715.40
Physician Services	700.00
Safe and Secure Communities Grant	60,000.00
County of Essex Municipal Alliance Grant	18,807.06
Donation from NVERS	5,585.32
Safety Achievement Award	1,500.00
NJDLPS - Tarrantino Community Policing Grant	801.00

Total Prior Year Revenue	<hr/>	\$ 525,108.78
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Refunds/Reimbursements		536,759.40
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Departmental Collections		25,043.74
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Payment in Lieu of Taxes		22,694.00
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Insurance Claims		33,985.20
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Administrative Costs:

Senior Citizens' and Veterans' Deductions		3,490.00
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Homestead Rebate Reimbursement		2,129.40
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Bid Specifications		1,045.00
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Restitution		318.00
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Other Miscellaneous		4,814.32
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	<hr/>	1,155,387.84
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Tax Collector - Departmental Collections	<hr/>	257.22
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	<hr/> <hr/>	\$ 1,155,645.06
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TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS":					
DEPARTMENT OF PUBLIC AFFAIRS:					
Director of Public Affairs:					
Salaries and Wages	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00		
Other Expenses	1,000.00	1,000.00	197.70	\$ 802.30	
Nutley Public Health Reserve Corp:					
Other Expenses	3,000.00	3,000.00	163.95	2,836.05	
Department of Health - Local Health Agency:					
Salaries and Wages	523,907.00	525,907.00	493,966.30	31,940.70	
Other Expenses	64,200.00	85,900.00	64,077.54	21,822.46	
Air Pollution Control - Contractual	6,181.00	6,181.00	6,181.00		
Animal Regulation:					
Other Expenses	31,000.00	31,000.00	21,406.00	9,594.00	
Military Veterans Affairs Bureau:					
Salaries and Wages	39,401.00	40,701.00	39,307.49	1,393.51	
Other Expenses	3,500.00	3,500.00	1,517.40	1,982.60	
Immunization Program:					
Other Expenses	10,000.00	10,000.00	8,149.61	1,850.39	
Mental Health Program - Contractual	20,000.00	20,000.00	20,000.00		
Garbage and Trash Removal - Contractual	2,387,793.00	2,362,793.00	2,272,575.30	90,217.70	
Services of Nutley Family Service Bureau - Contractual	25,000.00	25,000.00	25,000.00		
Aid to NJ Association for Retarded Children - Contractual	1,000.00	1,000.00	1,000.00		
Total Department of Public Affairs	3,118,232.00	3,118,232.00	2,955,792.29	162,439.71	

TOWNSHIP OF NUTLEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF REVENUE AND FINANCE:					
Director of Revenue and Finance:					
Salaries & Wages	\$ 2,250.00	\$ 2,250.00	\$ 2,250.00		
Other Expenses	1,000.00	1,000.00	251.00	\$ 749.00	
Assessment of Taxes:					
Salaries & Wages	135,000.00	135,000.00	123,065.89	11,934.11	
Other Expenses	115,000.00	115,000.00	107,105.05	7,894.95	
Collection of Taxes:					
Salaries & Wages	148,000.00	148,000.00	114,973.53	33,026.47	
Other Expenses	48,000.00	48,000.00	32,493.93	15,506.07	
Treasurer's Office:					
Salaries & Wages	513,000.00	478,000.00	421,440.49	56,559.51	
Other Expenses	31,500.00	66,500.00	64,160.26	2,339.74	
Grant Writer	30,000.00	30,000.00	30,000.00		
Township Clerk's Office:					
Salaries & Wages	198,000.00	198,000.00	187,864.86	10,135.14	
Other Expenses	82,500.00	82,500.00	48,578.06	33,921.94	
Other Expenses - Election	30,000.00	30,000.00		30,000.00	
Administration of Township Ordinances:					
Salaries & Wages	255,000.00	255,000.00	211,733.00	43,267.00	
Other Expenses	1,000.00	1,000.00	75.00	925.00	
Expense, Stationery and Printing:					
Other Expenses	90,000.00	90,000.00	71,124.48	18,875.52	
Annual Audit:					
Other Expenses - Regular	90,924.00	90,924.00	90,924.00		
Economic Redevelopment Project:					
Other Expenses	250,000.00	250,000.00	230,462.73	19,537.27	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF REVENUE AND FINANCE (Continued):					
Printing and Legal Advertising:					
Other Expenses	\$ 12,000.00	\$ 12,000.00	\$ 4,863.90	\$ 7,136.10	
Total Department of Revenue and Finance	2,033,174.00	2,033,174.00	1,741,366.18	291,807.82	
DEPARTMENT OF PUBLIC SAFETY:					
Director of Public Safety:					
Salaries & Wages	2,250.00	2,250.00	2,250.00		
Other Expenses	1,000.00	1,000.00	314.84	685.16	
Municipal Court:					
Salaries & Wages	358,145.00	358,145.00	322,646.50	35,498.50	
Other Expenses	35,000.00	35,000.00	19,827.58	15,172.42	
E-Ticketing - Other Expense	45,000.00	45,000.00	26,592.18	18,407.82	
Public Defender:					
Salaries & Wages	16,000.00	16,000.00	15,235.38	764.62	
Other Expenses	300.00	300.00		300.00	
Police:					
Salaries & Wages	9,197,240.00	9,172,240.00	8,957,176.09	215,063.91	
Other Expenses	350,000.00	350,000.00	346,417.11	3,582.89	
Clothing Allowance	130,000.00	130,000.00	125,067.01	4,932.99	
Purchase of Police Cars	60,000.00	60,000.00	59,872.78	127.22	
First Aid Organization:					
Other Expenses	10,000.00	10,000.00	7,874.02	2,125.98	
Office of Emergency Management:					
Salaries & Wages	90,920.00	90,920.00	90,920.00		
Other Expenses	9,775.00	9,775.00	3,577.43	6,197.57	
Uniform Fire Safety Code:					
Fire:					
Salaries and Wages	31,053.00	31,053.00	31,053.00		

TOWNSHIP OF NUTLEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
\$ 4,006,239.00	\$	3,506,239.00	\$	23,940.41	
234,600.00		709,600.00		190,191.36	
65,582.00		65,582.00		14,794.54	
100.00		100.00		100.00	
10,947.00		10,947.00		10,947.00	
14,654,151.00		14,604,151.00		542,832.39	

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:
Other Expenses - Stipend

Total Department of Public Safety

DEPARTMENT OF PUBLIC WORKS:

Director of Public Works:

Salaries and Wages
Other Expenses

Engineering Services and Costs:

Salaries and Wages
Other Expenses

Road Repair and Maintenance:

Salaries and Wages
Other Expenses

Snow Removal:

Salaries and Wages
Other Expenses

Traffic Maintenance:

Salaries and Wages
Other Expenses

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF PUBLIC WORKS (Continued):					
Weed and Leaf Removal:					
Salaries and Wages	\$ 5,000.00	\$ 5,000.00		\$ 5,000.00	
Other Expenses	500.00	500.00		500.00	
Sewer System:					
Salaries and Wages	62,000.00	7,000.00		7,000.00	
Other Expenses	31,600.00	31,600.00	\$ 27,127.62	4,472.38	
Parking Lot and Meter Maintenance:					
Salaries and Wages	150,000.00	153,000.00	148,487.83	4,512.17	
Other Expenses	21,000.00	36,000.00	22,900.74	13,099.26	
Emergency Hire:					
Salaries and Wages	1,500.00	1,500.00		1,500.00	
Leaf Removal:					
Other Expenses - Tipping Fees	66,000.00	66,000.00	61,111.04	4,888.96	
Recycling:					
Salaries and Wages	625,000.00	675,000.00	662,133.61	12,866.39	
Other Expenses	21,000.00	21,000.00	13,578.70	7,421.30	
Total Department of Public Works	2,329,100.00	2,354,100.00	2,182,138.43	171,961.57	
DEPARTMENT OF PARKS AND PUBLIC PROPERTY:					
Director of Parks and Public Property:					
Salaries and Wages	2,250.00	2,250.00	2,250.00		
Other Expenses	1,000.00	1,000.00	314.00	686.00	
Recreation Committee of Nutley:					
Salaries and Wages	295,000.00	313,000.00	303,602.71	9,397.29	
Other Expenses	21,700.00	32,700.00	28,841.16	3,858.84	
Public Buildings and Grounds:					
Salaries and Wages	505,000.00	516,000.00	503,903.16	12,096.84	
Other Expenses	79,000.00	84,000.00	77,571.63	6,428.37	

TOWNSHIP OF NUTLEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF PARKS AND PUBLIC PROPERTY (Continued):					
Communications and Technology Services:					
Salaries and Wages	\$ 50,000.00	\$ 53,200.00	\$ 51,568.21	\$ 1,631.79	
Shade Tree Commission:					
Salaries and Wages	216,000.00	216,000.00	191,881.90	24,118.10	
Other Expenses	87,000.00	87,000.00	84,846.54	2,153.46	
Information Services:					
Salaries and Wages	190,000.00	190,000.00	177,582.07	12,417.93	
Other Expenses	91,000.00	91,000.00	63,271.45	27,728.55	
Senior Citizens Transportation:					
Salaries and Wages	116,600.00	116,600.00	112,316.57	4,283.43	
Other Expenses	4,000.00	4,000.00	478.45	3,521.55	
Debris Removal:					
Other Expenses	14,500.00	14,500.00	9,334.00	5,166.00	
Parks and Playgrounds:					
Salaries and Wages	899,700.00	899,700.00	866,487.13	33,212.87	
Other Expenses	139,200.00	154,200.00	150,921.97	3,278.03	
Insurance:					
Group Insurance Plan for Employees	7,387,857.00	7,324,657.00	6,506,351.43	818,305.57	
Other Liability Insurance Premiums	723,253.00	723,253.00	554,918.86	168,334.14	
Workers Compensation Insurance	901,025.00	901,025.00	888,243.39	12,781.61	
Total Department of Parks and Public Property	11,724,085.00	11,724,085.00	10,574,684.63	1,149,400.37	
MAYOR'S OFFICE:					
Mayor:					
Salaries and Wages	10,450.00	10,450.00	450.00	10,000.00	
Board of Adjustment:					
Salaries & Wages	31,000.00	31,000.00	28,389.18	2,610.82	
Other Expenses	4,200.00	4,200.00	3,779.50	420.50	

TOWNSHIP OF NUTLEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
MAYOR'S OFFICE (Continued):					
Planning Board:					
Salaries & Wages	\$ 33,000.00	\$ 33,000.00	\$ 32,789.18	\$ 210.82	
Other Expenses	8,000.00	8,000.00	3,660.58	4,339.42	
Rent Leveling Board:					
Salaries & Wages	7,800.00	8,000.00	7,803.04	196.96	
Other Expenses	1,300.00	1,100.00		1,100.00	
Township Attorney:					
Salaries & Wages	75,000.00	75,000.00	74,283.57	716.43	
Other Expenses	101,800.00	151,800.00	151,800.00		
Celebration of Public Events	47,500.00	47,500.00	45,616.22	1,883.78	
Municipal Prosecutor:					
Salaries & Wages	56,000.00	56,000.00	53,309.29	2,690.71	
Other Expenses	1,000.00	1,000.00		1,000.00	
Total Mayor's Office	377,050.00	427,050.00	401,880.56	25,169.44	
State Uniform Construction Code:					
Salaries and Wages	343,000.00	343,000.00	320,759.91	22,240.09	
Other Expenses	48,850.00	48,850.00	48,667.58	182.42	
Elevator Inspection Fees:					
Other Expenses	25,000.00	25,000.00	21,186.00	3,814.00	
UNCLASSIFIED:					
Gasoline	255,559.00	255,559.00	236,853.19	18,705.81	
Fuel Oil	65,000.00	65,000.00	44,350.79	20,649.21	
Electricity	350,000.00	350,000.00	173,519.33	176,480.67	
Street Lighting	319,000.00	294,000.00	255,785.69	38,214.31	
Telephone	150,000.00	150,000.00	124,932.81	25,067.19	
Total Operations Within "CAPS"	35,792,201.00	35,792,201.00	33,143,236.00	2,648,965.00	

TOWNSHIP OF NUTLEY

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CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
Contingent	\$ 50,000.00	\$ 50,000.00	\$ 1,283.26	\$ 48,716.74	
Total Operations Including Contingent Within "CAPS"	35,842,201.00	35,842,201.00	33,144,519.26	2,697,681.74	
Detail:					
Salaries and Wages	20,069,305.00	19,318,005.00	18,660,830.98	657,174.02	
Other Expenses	15,772,896.00	16,524,196.00	14,483,688.28	2,040,507.72	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
Deferred Charges:					
Anticipated Deficit - Water Utility	343,000.00	343,000.00	280,663.25		\$ 62,336.75
Deficit - Outside Police Duty Trust	20,966.00	20,966.00	20,966.00		
Statutory Expenditures:					
Contributions to:					
Public Employees Retirement System	1,159,054.00	1,159,054.00	1,159,054.00		
Social Security System (O.A.S.I.)	825,000.00	825,000.00	762,623.07	62,376.93	
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	2,797,688.00	2,797,688.00	2,777,263.70	20,424.30	
P.E.R.S. - Retro Pension Bill	15,000.00	15,000.00		15,000.00	
Public Employees' Retirement System - ERIP	114,517.00	114,517.00	114,517.00		
Police & Firemen's Retirement System - ERIP	112,143.00	112,143.00	112,143.00		
Defined Contribution Retirement Program	15,000.00	15,000.00	5,635.16	9,364.84	
Unemployment Compensation Insurance	150,000.00	150,000.00		150,000.00	
Award of Damages to Disabled Policemen (NJSA 40A:14-154)	6,060.00	6,060.00	6,060.00		
Total Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	5,558,428.00	5,558,428.00	5,238,925.18	257,166.07	62,336.75
Total General Appropriations for Municipal Purposes Within "CAPS"	41,400,629.00	41,400,629.00	38,383,444.44	2,954,847.81	62,336.75

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS":					
Passaic Valley Sewer Commission:					
Other Expenses	\$ 3,208,000.00	\$ 3,208,000.00	\$ 3,156,889.80	\$ 51,110.20	
Maintenance of Free Public Library	1,556,870.00	1,556,870.00	1,556,870.00		
NJPDES Stormwater Permit (N.J.S.A. 40A:45.3(cc)):					
Street Division:					
Salaries and Wages	30,000.00	30,000.00	16,401.00	13,599.00	
Other Expenses	10,000.00	10,000.00	8,184.32	1,815.68	
State Aid to School to Reduce Taxation	1,982,120.09	1,982,120.09	1,982,120.09		
State Aid to County to Reduce Taxation	669,363.96	669,363.96	669,363.96		
LOSAP:					
First Aid Organization	15,000.00	15,000.00		15,000.00	
Fire	33,750.00	33,750.00		33,750.00	
Shared Services Agreement -					
Township of Montclair - Health Services	10,000.00	10,000.00	8,522.36	1,477.64	
Nutley Board of Education - Physician Services	7,000.00	7,000.00	6,730.75	269.25	
Nutley Board of Education - Bulk/Solid Waste	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	41,920.00	41,920.00	41,920.00		
State and Federal Programs Offset by Revenues:					
Safe and Secure Communities Grant:					
State Share	60,000.00	60,000.00	27,047.48	32,952.52	
Municipal Alliance Grant:					
State Share	19,165.00	19,165.00	3,715.56	15,449.44	
Clean Communities Program (N.J.S.A. 40A:4-87 +\$48,312.89)		48,312.89	5,826.14	42,486.75	
Distracted Driving Crackdown Grant (N.J.S.A. 40A:4-87 +\$6,600.00)		6,600.00	6,600.00		
Pedestrian Safety, Education and Enforcement Fund	15,000.00	15,000.00	11,275.00	3,725.00	
COPS Grant Program (N.J.S.A. 40A:4-87 +\$173,675.98)		173,675.98	100,940.32	72,735.66	

TOWNSHIP OF NUTLEY

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CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Excluded from "CAPS" (Continued):					
State and Federal Programs Offset by Revenues (Continued):					
Reserve for Body Armor Replacement Fund	\$ 9,979.00	\$ 9,979.00	\$	9,979.00	
Occupant Protection Program - Click It or Ticket (N.J.S.A. 40A:4-87 +\$5,500.00)		5,500.00	\$ 3,272.50	2,227.50	
Reserve for Municipal Court Alcohol Education	543.00	543.00		543.00	
Bullet Proof Vest Program (N.J.S.A. 40A:4-87 +\$5,284.40)		5,284.40		5,284.40	
Total Operations Excluded from "CAPS"	7,688,711.05	7,928,084.32	7,605,679.28	322,405.04	
Detail:					
Salaries and Wages	30,000.00	30,000.00	16,401.00	13,599.00	
Other Expenses	7,658,711.05	7,898,084.32	7,589,278.28	308,806.04	
Capital Improvements - Excluded from "CAPS":					
Capital Improvement Fund	200,000.00	200,000.00	200,000.00		
Road Improvements	100,000.00	100,000.00		100,000.00	
Total Capital Improvements Excluded from "CAPS"	300,000.00	300,000.00	200,000.00	100,000.00	
Municipal Debt Service Excluded from "CAPS":					
Payment of Bond Principal	970,000.00	970,000.00	970,000.00		
Payment of Bond Anticipation Notes	1,216,540.00	1,216,540.00	1,216,540.00		
Interest on Bonds	172,250.00	172,250.00	164,504.90		\$ 7,745.10
Interest on Notes	71,810.00	71,810.00	71,809.83		0.17
NJ Department of Environmental Protection Green Acres Loan:					
Principal	18,027.00	18,027.00	18,026.76		0.24
Interest	7,894.00	7,894.00	7,893.68		0.32
Total Municipal Debt Service Excluded from "CAPS"	2,456,521.00	2,456,521.00	2,448,775.17		7,745.83

TOWNSHIP OF NUTLEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2018

(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Total General Appropriations - Excluded from "CAPS"	\$ 10,445,232.05	\$ 10,684,605.32	\$ 10,254,454.45	\$ 422,405.04	\$ 7,745.83
Subtotal General Appropriations	51,845,861.05	52,085,234.32	48,637,898.89	3,377,252.85	70,082.58
Reserve for Uncollected Taxes	4,364,696.00	4,364,696.00	4,364,696.00		
Total General Appropriations	\$ 56,210,557.05	\$ 56,449,930.32	\$ 53,002,594.89	\$ 3,377,252.85	\$ 70,082.58

Ref.

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TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018
 (Continued)

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	<u>Ref.</u>	Analysis of	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 56,210,557.05	
Appropriation by N.J.S.A. 40A:4-87		<u>239,373.27</u>	
		<u>\$ 56,449,930.32</u>	
Reserve for Uncollected Taxes			\$ 4,364,696.00
Reserve for Encumbrances	A		1,486,207.98
Due General Capital Fund			1,033,840.00
Cash Disbursed			<u>47,546,694.94</u>
			54,431,438.92
Less: Appropriation Refunds			<u>1,428,844.03</u>
			<u>\$ 53,002,594.89</u>

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
TRUST FUNDS

TOWNSHIP OF NUTLEY
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
TRUST FUNDS

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		December 31,	
	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents - Treasurer	B-4	\$ 26,181.79	\$ 29,024.25
Other Trust Funds:			
Cash and Cash Equivalents	B-4	2,688,298.86	2,585,371.87
Due Current Fund	A	4,660,739.65	3,744,226.09
Due General Capital Fund	C		11,960.00
Due Payroll Agency			3,350.45
Deferred Charges:			
Deficit in Reserve for Police Outside Duty			20,965.95
		<u>7,349,038.51</u>	<u>6,365,874.36</u>
TOTAL ASSETS		<u>\$ 7,375,220.30</u>	<u>\$ 6,394,898.61</u>

TOWNSHIP OF NUTLEY
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
TRUST FUNDS
(Continued)

B
2 of 2

	<u>Ref.</u>	<u>December 31,</u>	
		<u>2018</u>	<u>2017</u>
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due Current Fund	A		\$ 20.00
Due State of New Jersey		\$ 24.60	18.00
Reserve for Animal Control Expenditures	B-6	<u>26,157.19</u>	<u>28,986.25</u>
		<u>26,181.79</u>	<u>29,024.25</u>
Other Trust Funds:			
Due Current Fund	A		130,707.65
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits		180,740.26	92,297.86
Reserve for:			
Dedicated Revenue:			
Sealer of Weights & Measures		26,570.75	26,570.75
Uniform Fire Safety - Penalties		86,941.48	77,225.48
Unemployment Insurance		519,350.49	578,355.64
Developer's Escrow		3,005.26	5,455.66
Escrow Deposits		168,022.70	124,892.70
Special Deposits		261.05	441.00
Living Tree Memorial Program		15,063.21	13,622.65
Recreation Commission Fees		259,084.56	261,604.29
Parking Offense Adjudication Act		59,817.11	53,627.11
Recycling		76,433.47	302,519.24
Community Environmental Health Act		1,196,590.53	1,171,214.51
Tax Sale Premiums		525,996.00	673,596.00
Community Development Block Grants		0.08	0.08
Accumulated Sick and Vacation Pay		2,023,936.18	1,620,194.99
Storm Recovery		1,043,825.62	493,825.62
Self Insurance Deductible		239,000.00	
Civic Celebration		18,800.02	17,900.02
Law Enforcement Expenditures		175,570.87	170,944.73
Mayor's Wellness Program		11,435.57	11,435.57
COAH		583,029.42	519,092.85
Go Green Program		5,024.72	9,461.03
Municipal Alliance Program		7,625.31	7,625.31
Police Outside Duty		119,087.05	
Flexible Spending Account		<u>3,826.80</u>	<u>3,263.62</u>
		<u>7,349,038.51</u>	<u>6,365,874.36</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 7,375,220.30</u>	<u>\$ 6,394,898.61</u>

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, 2018

B-1

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

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, 2018

B-3

NOT APPLICABLE

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
GENERAL CAPITAL FUND

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

C

		December 31,	
	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 83,228.79	\$ 83,228.79
Due Current Fund	A	5,181,720.90	6,531,813.24
Loan Receivable:			
NJ Department of Environmental Protection Green Acres		87,529.00	87,529.00
Grants Receivable:			
NJ Department of Environmental Protection Green Acres		412,586.00	412,586.00
NJ Department of Transportation		593,968.66	976,867.66
Federal Repetitive Flood Claims Grants		1,069,012.20	1,069,012.20
Deferred Charges to Future Taxation:			
Funded		9,609,670.68	3,806,697.44
Unfunded	C-4	4,130,120.00	10,237,660.00
TOTAL ASSETS		<u>\$ 21,167,836.23</u>	<u>\$ 23,205,394.33</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 9,141,000.00	\$ 3,320,000.00
Loans Payable:			
NJ Department of Environmental Protection Green Acres	C-9	468,670.68	486,697.44
Bond Anticipation Notes Payable	C-7	2,693,300.00	9,867,000.00
Due Other Trust Funds	B		11,960.00
Improvement Authorizations:			
Funded	C-5	5,590,624.76	3,617,312.17
Unfunded	C-5	1,471,884.22	4,167,418.10
Capital Improvement Fund	C-6	995,241.00	895,241.00
Down Payments on Improvements		35,707.72	35,707.72
Reserve for:			
Payment of Debt Service		62,079.42	24,175.19
Paving		96,153.34	21,697.32
Fiber Optics		21,250.00	21,250.00
Economic Development Project		553,150.00	403,150.00
Local Improvements		35,621.00	35,621.00
Redesign of Nutley Streets		3,154.09	3,154.09
Fund Balance	C-1		295,010.30
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 21,167,836.23</u>	<u>\$ 23,205,394.33</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, 2018

C-1

	<u>Ref.</u>	
Balance December 31, 2017	C	\$ 295,010.30
Increased by:		
Premium on Sale of Bonds		<u>4,989.70</u>
		300,000.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>\$ 300,000.00</u>

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
WATER UTILITY FUND

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

D
1 of 2

		December 31,	
	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 1,101,565.40	\$ 990,028.59
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	658,122.47	661,697.73
Inventory	D-7	24,702.37	25,644.49
Total Receivables and Inventory with Full Reserves	D	682,824.84	687,342.22
Total Operating Fund		1,784,390.24	1,677,370.81
Capital Fund:			
Cash and Cash Equivalents	D-4	183.05	183.05
Due Water Utility Operating Fund	D	126,375.83	100,263.83
NJ Environmental Infrastructure Trust Loans Receivable		5,141.75	20,886.75
Fixed Capital	D-9	1,938,926.48	1,938,926.48
Fixed Capital Authorized and Uncompleted	D-10	4,310,286.50	4,053,686.50
Total Capital Fund		6,380,913.61	6,113,946.61
<u>TOTAL ASSETS</u>		\$ 8,165,303.85	\$ 7,791,317.42

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

D
2 of 2

		December 31,	
	Ref.	2018	2017
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-11	\$ 391,048.55	\$ 568,838.82
Encumbered	D-3;D-11	89,642.42	103,248.79
Total Appropriation Reserves		480,690.97	672,087.61
Accrued Interest on Loans		6,143.75	6,560.42
Water Rent Overpayments		22,355.09	17,328.39
Accounts Payable		368,874.67	11,000.00
Due Current Fund	A	62,336.75	
Due Water Utility Capital Fund	D	126,375.83	100,263.83
Reserve for Water Connection Fees		22,000.00	
Reserve for Sustainable Jersey Grant		5,000.00	5,000.00
		1,093,777.06	812,240.25
Reserve for Receivables and Inventory	D	682,824.84	687,342.22
Fund Balance	D-1	7,788.34	177,788.34
Total Operating Fund		1,784,390.24	1,677,370.81
Capital Fund:			
NJ Environmental Infrastructure Trust Loans Payable	D-18	891,863.13	967,480.81
Improvement Authorizations:			
Funded	D-12	129,451.81	116,601.81
Unfunded	D-12	2,494,457.96	2,263,840.96
Due Current Fund	A		2,500.00
Reserve for:			
Payment of Debt Service		25,163.75	25,163.75
Down Payments on Improvements	D-13	4,525.85	16,375.85
Amortization	D-15	2,693,760.35	2,593,142.67
Deferred Amortization	D-15A	114,655.25	101,805.25
Fund Balance	D-1A	27,035.51	27,035.51
Total Capital Fund		6,380,913.61	6,113,946.61
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 8,165,303.85	\$ 7,791,317.42

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

	Year Ended December 31,	
Ref.	2018	2017
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 170,000.00	\$ 330,000.00
Rents	3,983,533.14	4,036,881.65
Deficit - General Budget	280,663.25	
Nonbudget Revenue	28,400.19	52,392.05
Other Credits to Income:		
Accrued Interest on Loans Canceled	416.67	416.66
Appropriation Reserves Lapsed	29,954.43	356,236.58
Total Income	<u>4,492,967.68</u>	<u>4,775,926.94</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	4,244,605.00	4,320,005.00
Capital Improvements	1,000.00	1,000.00
Debt Service	91,362.68	92,362.68
Deferred Charges and Statutory Expenditures	156,000.00	181,000.00
Refund of Prior Year Revenue		5,000.00
Total Expenditures	<u>4,492,967.68</u>	<u>4,599,367.68</u>
Excess in Revenue/Statutory Excess to Fund Balance	- 0 -	176,559.26
<u>Fund Balance</u>		
Balance January 1	<u>177,788.34</u>	<u>331,229.08</u>
	177,788.34	507,788.34
Decreased by:		
Utilization as Anticipated Revenue	<u>170,000.00</u>	<u>330,000.00</u>
Balance December 31	D <u>\$ 7,788.34</u>	<u>\$ 177,788.34</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, 2017	D	<u>\$ 27,035.51</u>
Balance December 31, 2018	D	<u><u>\$ 27,035.51</u></u>

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

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

D-2

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Surplus Anticipated	\$ 170,000.00	\$ 170,000.00	
Rents	4,000,350.00	3,983,533.14	\$ 16,816.86 *
Deficit - General Budget	<u>343,000.00</u>	<u>280,663.25</u>	<u>62,336.75 *</u>
	4,513,350.00	4,434,196.39	79,153.61 *
Nonbudget Revenue	<u> </u>	<u>28,400.19</u>	<u>28,400.19</u>
	<u><u>\$ 4,513,350.00</u></u>	<u><u>\$ 4,462,596.58</u></u>	<u><u>\$ 50,753.42 *</u></u>

Analysis of Nonbudget Revenue

Collector:

Sale of Water Meters

\$ 7,640.00

Other Miscellaneous

16,589.64

\$ 24,229.64

Treasurer:

Interest on Investments

4,170.55

\$ 28,400.19

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, 2018

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 1,610,000.00	\$ 1,560,000.00	\$ 1,405,474.93	\$ 154,525.07	
Other Expenses	590,605.00	640,605.00	558,430.18	82,174.82	
Other Expenses:					
N.J. Water Supply	1,209,000.00	1,209,000.00	1,208,591.00	409.00	
Passaic Valley Water Commission	630,000.00	630,000.00	582,882.04	47,117.96	
City of Newark Water Purchase	205,000.00	205,000.00	122,220.46	82,779.54	
Capital Improvements:					
Down Payments on Improvements	1,000.00	1,000.00	1,000.00		
Debt Service:					
NJ/EIT Loan Principal	96,000.00	96,000.00	75,617.68		\$ 20,382.32
NJ/EIT Loan Interest	15,745.00	15,745.00	15,745.00		
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Deferred Charges to Future Revenue - Ord. 3296	25,000.00	25,000.00	25,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	15,000.00	15,000.00		15,000.00	
Social Security System (O.A.S.I.)	115,000.00	115,000.00	106,957.84	8,042.16	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00	
	<u>\$ 4,513,350.00</u>	<u>\$ 4,513,350.00</u>	<u>\$ 4,101,919.13</u>	<u>\$ 391,048.55</u>	<u>\$ 20,382.32</u>
				D	
Cash Disbursed			\$ 3,972,252.17		
Encumbrances Payable			89,642.42		
Due Water Utility Capital Fund:					
NJ/EIT Loan			15,745.00		
Down Payments on Improvements			1,000.00		
Deferred Charges to Future Revenue			25,000.00		
			<u>4,103,639.59</u>		
Less: Appropriation Refunds			<u>1,720.46</u>		
			<u>\$ 4,101,919.13</u>		

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
PUBLIC ASSISTANCE FUND

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

F

		December 31,	
	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	<u>\$ 75,821.02</u>	<u>\$ 75,202.64</u>
TOTAL ASSETS		<u><u>\$ 75,821.02</u></u>	<u><u>\$ 75,202.64</u></u>
<u>RESERVES</u>			
Reserve for Public Assistance Expenditures		<u>\$ 75,821.02</u>	<u>\$ 75,202.64</u>
TOTAL RESERVES		<u><u>\$ 75,821.02</u></u>	<u><u>\$ 75,202.64</u></u>

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

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

H

	December 31,	
	2018	2017
<u>ASSETS</u>		
Land and Site Improvements	\$ 14,153,063.00	\$ 14,128,899.00
Buildings	8,793,603.00	8,738,403.00
Equipment and Vehicles	13,051,337.00	12,472,675.00
TOTAL ASSETS	<u>\$ 35,998,003.00</u>	<u>\$ 35,339,977.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 35,998,003.00</u>	<u>\$ 35,339,977.00</u>
TOTAL RESERVES	<u>\$ 35,998,003.00</u>	<u>\$ 35,339,977.00</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, 2018

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, 2018
(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, 2018
(Continued)

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

C. Basis of Accounting (Cont'd)

Had the Township's financial statements been prepared under accounting principles generally accepted in the United States of America, encumbrances would not be considered as expenditures; appropriation reserves would not be recorded; revenue susceptible to accrual would have been reflected without offsetting reserves; Federal and State grants and assistance would be recognized when earned, not when received; inventories would not be reflected as expenditures at the time of purchase; 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 capital lease purchase agreements.

- E. Other significant accounting policies include:

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

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

Investments - Investments are stated at cost.

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

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

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

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

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

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

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

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, 2018
(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,		
	2018	2017	2016
<u>Issued:</u>			
Bonds, Notes and Loans:			
General	\$12,302,971	\$13,673,697	\$14,440,840
Redevelopment Area	1,000,000	1,000,000	1,000,000
Water Utility	891,863	967,481	1,043,098
Total Issued	<u>14,194,834</u>	<u>15,641,178</u>	<u>16,483,938</u>
<u>Less:</u>			
Redevelopment Area Bonds	1,000,000	1,000,000	1,000,000
Funds Temporarily Held to Pay Bonds,			
Notes and Loans:			
Reserve for Payment of Debt Service -			
General Capital Fund	62,079	24,175	97,669
Water Utility Capital Fund	25,164	25,164	25,164
Total Deductions	<u>1,087,243</u>	<u>1,049,339</u>	<u>1,122,833</u>
Net Issued	<u>13,107,591</u>	<u>14,591,839</u>	<u>15,361,105</u>
<u>Authorized but not Issued:</u>			
Bonds and Notes:			
General	1,436,820	370,660	370,676
Water Utility	2,548,934	2,330,184	2,219,184
Total Authorized but not Issued	<u>3,985,754</u>	<u>2,700,844</u>	<u>2,589,860</u>
Net Bonds, Notes and Loans Issued and			
Authorized but not Issued	<u>\$ 17,093,345</u>	<u>\$ 17,292,683</u>	<u>\$ 17,950,965</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 0.37%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$ 37,640,000	\$ 37,640,000	
Water Utility Debt	3,440,797	3,440,797	
General Debt	<u>14,739,791</u>	<u>1,062,079</u>	<u>\$ 13,677,712</u>
	<u>\$ 55,820,588</u>	<u>\$ 42,142,876</u>	<u>\$ 13,677,712</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

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

Net Debt: \$13,677,712 divided by Average Equalized Valuations of \$3,731,035,792 of Real Property = 0.37%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 130,586,253
Net Debt	<u>13,677,712</u>
Remaining Borrowing Power	<u>\$ 116,908,541</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	\$ 4,592,179
Deductions:	
Operating and Maintenance Cost	\$ 4,400,605
Debt Service	<u>91,363</u>
Total Deductions	<u>4,491,968</u>
Excess in Revenue	<u>\$ 100,211</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 12/31/17	Additions	Retirements	Balance 12/31/18
Serial Bonds:				
General Capital Fund	\$ 3,320,000	\$ 6,791,000	\$ 970,000	\$ 9,141,000
Redevelopment Area	1,000,000			1,000,000
Bond Anticipation Notes:				
General Capital Fund	9,867,000		7,173,700	2,693,300
Loans Payable:				
General Capital Fund:				
NJDEP Green Acres	486,697		18,026	468,671
Water Utility Capital Fund:				
NJEIT	<u>967,481</u>		<u>75,618</u>	<u>891,863</u>
Total	<u>\$ 15,641,178</u>	<u>\$ 6,791,000</u>	<u>\$ 8,237,344</u>	<u>\$ 14,194,834</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

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

	Balance 12/31/16	Additions	Retirements	Balance 12/31/17
Serial Bonds:				
General Capital Fund	\$ 4,836,000		\$ 1,516,000	\$ 3,320,000
Redevelopment Area	1,000,000			1,000,000
Bond Anticipation Notes:				
General Capital Fund	9,188,000	\$ 1,510,800	831,800	9,867,000
Loans Payable:				
General Capital Fund:				
NJDEP Green Acres	416,840	87,529	17,672	486,697
Water Utility Capital Fund:				
NJEIT	1,043,098		75,617	967,481
Total	<u>\$ 16,483,938</u>	<u>\$ 1,598,329</u>	<u>\$ 2,441,089</u>	<u>\$ 15,641,178</u>

The Township's debt issued and outstanding on December 31, 2018 is described as follows:

General Capital Bond Anticipation Notes

Purpose	Issue Date	Maturity Date	Interest Rate	Balance Dec. 31, 2018
General Improvements	04/18/2018	04/18/2019	2.75%	<u>\$ 2,693,300</u>

General Capital Serial Bonds

Purpose	Date	Amount	Interest Rate	Balance Dec. 31, 2018
General Improvements	09/01/19	\$ 470,000	2.00%	\$ 2,350,000
	09/01/20	470,000	2.25%	
	09/01/21	470,000	2.75%	
	09/01/22-23	470,000	3.00%	
General Improvements	04/15/19-21	1,000,000	2.00%	6,791,000
	04/15/22	545,000	2.00%	
	04/15/23	545,000	2.25%	
	04/15/24-27	545,000	3.00%	
	04/15/28	521,000	3.00%	
				<u>\$ 9,141,000</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

The Township's debt issued and outstanding on December 31, 2018 is described as follows: (Cont'd)

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, 2018</u>
General Improvements	03/29/36	2.00%	\$ 381,142
General Improvements	07/14/38	0.00%	87,529
			<u>\$ 468,671</u>

Water Utility Capital NJ Environmental Infrastructure Trust (NJEIT) Loans

<u>Purpose</u>	<u>Type</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2018</u>
Replace Water Meters and	Trust Loan	08/01/31	2%-5%	\$ 355,000
Retrofit Meter Heads	Fund Loan	08/01/31	0.00%	536,863
				<u>\$ 891,863</u>

Redevelopment Area Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2018</u>
	<u>Date</u>	<u>Amount</u>		
Redevelopment Project	09/29/19	\$ 17,830	4.00%	
	09/29/20	18,543	4.00%	
	09/29/21	19,285	4.00%	
	09/29/22	20,057	4.00%	
	09/29/23	20,859	4.00%	
	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%	

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

The Township's debt issued and outstanding on December 31, 2018 is described as follows: (Cont'd)

<u>Redevelopment Area Bonds (Cont'd)</u>				
<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2018</u>
	<u>Date</u>	<u>Amount</u>		
Redevelopment Project	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>\$ 1,000,000</u>
TOTAL DEBT ISSUED AND OUTSTANDING				<u>\$14,194,834</u>

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

<u>Calendar Year</u>	<u>General Capital</u>		<u>Water Utility Capital</u>		<u>Redevelopment Area</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2019	\$ 1,490,633	\$ 222,825	\$ 95,618	\$ 14,745	\$ 17,830	\$ 40,000	\$ 1,881,651
2020	1,493,248	193,055	95,617	13,745	18,543	39,287	1,853,495
2021	1,493,625	162,103	100,618	12,745	19,285	38,545	1,826,921
2022	1,039,008	133,343	100,618	11,495	20,056	37,774	1,342,294
2023	1,019,489	107,269	100,617	10,245	20,859	36,971	1,295,450
Thereafter:							
2024-2028	2,827,092	225,006	298,775	32,325	117,497	171,654	3,672,349
2029-2033	136,934	12,810	100,000	6,590	142,952	146,198	545,484
2034-2038	109,642	1,900			173,924	115,228	400,694
2039-2043					211,605	77,545	289,150
2044-2048					257,449	31,701	289,150
Total	<u>\$9,609,671</u>	<u>\$1,058,311</u>	<u>\$ 891,863</u>	<u>\$101,890</u>	<u>\$1,000,000</u>	<u>\$ 734,903</u>	<u>\$13,396,638</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

NJ Environmental Infrastructure Trust (NJEIT) Loans

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

At December 31, 2018, 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, 2018, the loan balances were \$468,671. Payments of principal and interest on the first loan commenced in 2017 and on the second loan will tentatively commence in 2019 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.

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 will commence 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.

Net Pension Liability

The State of New Jersey Public Employees' Retirement System's (PERS) net pension liability was calculated to be \$28,873,270 at December 31, 2017. The State of New Jersey Police and Firemen's Retirement System's (PFRS) net pension liability was calculated to be \$48,802,252 at December 31, 2017. See Note 6 for further information on the PERS and PFRS.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

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

Net OPEB Liability

The Township's net OPEB liability related to the State Health Benefit Local Government Retired Employees Plan was calculated to be \$58,960,798. Additionally, the State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2017 was \$31,863,907.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2018 which were appropriated and included as anticipated revenue in their own respective funds in the adopted budget for the year ending December 31, 2019 are as follows:

Current Fund	\$4,654,000
Water Utility Operating Fund	\$ - 0 -

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, 2018, the Township had no deferred charges.

Note 5: Local School District Taxes

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

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

Note 6: Pension Plans

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

For additional information about the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.nj.gov/treasury/pensions/financial-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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

The following represents the membership tiers for PERS:

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

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

Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 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. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$1,159,054 for the year ended December 31, 2018.

The employee contribution rate was 7.34% effective July 1, 2017 and increased to 7.50% effective July 1, 2018. Subsequent increases after October 1, 2011 were phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.50% of base salary as of July 1, 2018.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

At December 31, 2017, the Township's liability was \$28,873,270 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the Township's proportion was 0.1240%, which was a decrease of 0.0004% from its proportion measured as of June 30, 2016. For the year ended December 31, 2018, the Township recognized actual pension expense in the amount of \$1,159,054. The Township has rolled forward the net pension liability to December 31, 2017 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 to include the June 30, 2017 pension information in the Notes to the Financial Statements as the June 30, 2018 pension information has not been released as of the date of this audit.

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

A. Public Employees' Retirement System (PERS) (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, 2017) 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, 2017 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.00% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the contribution rate in the most recent fiscal year. The local employers contributed 100% of their actuarially determined contributions.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Discount Rate (Cont'd)

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

The following presents the Township's proportionate share of the collective net pension liability as of December 31, 2017 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:

	December 31, 2017		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(4.00%)	(5.00%)	(6.00%)
Township's proportionate share of the			
Net Pension Liability	\$ 35,819,251	\$ 28,873,270	\$ 23,086,407

Pension Plan Fiduciary Net Position

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

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

Plan Description

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

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

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:

Tier	Definition
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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

Special Funding Situation

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

However, the notes to 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. The June 30, 2017 State special funding situation net pension liability amount is the accumulated difference between the annual actuarially determined State obligation under the special funding situation and the actual State contribution through the valuation date. The State special funding situation pension expense for the fiscal year ending June 30, 2017 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2017. The pension expense is deemed to be a State administrative expense due to the special funding situation.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation (Cont'd)

Township contributions to PFRS amounted to \$2,777,264 for the year ended December 31, 2018. During the fiscal year ended June 30, 2017, the State of New Jersey contributed \$273,336 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$668,647.

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

Pension Liabilities and Pension Expense

At December 31, 2017, the Township's liability for its proportionate share of the net pension liability was \$48,802,252. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the Township's proportion was 0.3161%, which was an increase of 0.0143% from its proportion measured as of June 30, 2016. The Township has rolled forward the net pension liability to December 31, 2017 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 to include the June 30, 2017 pension information in the Notes to the Financial Statements as the June 30, 2018 pension information has not been released as of the date of this audit.

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$5,466,263 as of June 30, 2017. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. 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, 2017, the State's proportion was 0.3161%, which was an increase of 0.0143% from its proportion measured as of June 30, 2016 which is the same proportion as the Township's. The Township has rolled forward the net pension liability to December 31, 2017 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.

Township's Proportionate Share of the Net Pension Liability	\$ 48,802,252
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>5,466,263</u>
Total Net Pension Liability	<u>\$ 54,268,515</u>

For the year ended December 31, 2018, the Township recognized total pension expense of \$2,777,264.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016 which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	2.10% - 8.98% based on age
Thereafter	3.10% - 9.98% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Pre-retirement mortality tables projected thirteen years using Projection Scale BB and then projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for male service retirements and beneficiaries are based on the RP-2000 Combined Healthy Mortality Tables projected one year using Projection Scale AA and three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Post-retirement mortality rates for female service retirements and beneficiaries were based on the RP-2000 Combined Healthy Mortality Tables projected thirteen years using Projection Scale BB and then three years using the plan actuary's modified 2014 projection scales and further projected on a generational basis using the plan actuary's modified 2014 projection scales. Disability retirement rates were based on the special mortality tables used for the period after disability retirement.

The actuarial assumptions used in the July 1, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2017) 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.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 6: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 6.14% as of June 30, 2017. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.58% as of June 30, 2017 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be made based on the contribution rate in the most recent fiscal year. The State employer contributed 40% of the actuarially determined contributions and the local employers contributed 100% of their actuarially determined contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(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 December 31, 2017 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:

	December 31, 2017		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(5.14%)	(6.14%)	(7.14%)
Township's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 71,503,238	\$ 54,268,515	\$ 40,108,231

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, 2018
(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 \$5,635 for 2018. Employee contributions to DCRP were \$15,491 for 2018.

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 \$2,134,660. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used and/or charged. This amount is partially funded in the Reserve for Accrued Sick and Vacation Pay of \$2,023,936 reflected on the Other Trust Funds' balance sheet as of December 31, 2018.

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, 2018
(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>2018</u>	<u>2017</u>	<u>2016</u>
<u>Tax Rate</u>	\$ 3.511	\$ 3.473	\$ 3.367

Apportionment of Tax Rate

Municipal	1.256	1.227	1.197
County	0.558	0.567	0.550
Local School	1.697	1.679	1.620

Assessed Valuations

2018	<u>\$ 3,268,891,100</u>		
2017		<u>\$ 3,254,084,500</u>	
2016			<u>\$ 3,248,752,600</u>

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2018	\$ 114,992,667	\$ 113,539,413	98.73%
2017	113,430,583	111,964,439	98.70%
2016	109,812,924	108,113,853	98.45%

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, 2018
(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, 2018
 (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, 2018
(Continued)

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

As of December 31, 2018, 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	\$ 10,085,947	\$ 20,911,579		\$ 30,997,826
Animal Control		26,182			26,182
Other Trust		2,688,299			2,688,299
General Capital		83,229			83,229
Water Utility Operating		248,126		\$ 853,439	1,101,565
Water Utility Capital		183			183
Public Assistance		26,556		49,265	75,821
	<u>\$ 300</u>	<u>\$ 13,158,522</u>	<u>\$ 20,911,579</u>	<u>\$ 902,704</u>	<u>\$ 34,973,105</u>

During the period ended December 31, 2018, 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, 2018 was \$34,973,105 and the bank balance was \$35,319,974.

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2018:

<u>Fund</u>	Interfund Receivable	Interfund Payable
Current Fund	\$ 62,337	\$ 9,842,461
Other Trust Funds	4,660,740	
General Capital Fund	5,181,721	
Water Utility Operating Fund		188,713
Water Utility Capital Fund	126,376	
	<u>\$ 10,031,174</u>	<u>\$ 10,031,174</u>

The Current Fund interfund receivable of \$62,337 is a result of an interfund advance to the Water Utility Operating Fund. The Current Fund interfund payable represents \$4,660,740 due to the Other Trust Funds as a result of receiving and disbursing funds on the Other Trust Funds' behalf and unexpended 2017 appropriation reserve balances of \$600,000, \$550,000 and \$239,000 transferred to the reserves for accumulated sick and vacation pay, storm recovery and self insurance, respectively; and \$5,181,721 due to the General Capital Fund as a result of receiving and disbursing funds on the General Capital Fund's behalf and unexpended 2017 appropriation reserve balances for economic development project of \$150,000 and paving of \$74,456. The Water Utility Operating Fund interfund payable of \$188,713 is comprised of an interfund advance from the Current Fund of \$62,337 and \$126,376 due to 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, 2018
(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 Essex Municipal Joint Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of municipalities established for the purpose of providing certain low-cost insurance coverage for member municipalities in order to keep local property taxes at a minimum.

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

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

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

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

The December 31, 2018 audit report for the Fund was not available as of the date of this report. Selected financial information for the Fund as of December 31, 2017 is as follows:

Total Assets	<u>\$ 11,832,734</u>
Net Position	<u>\$ 5,473,303</u>
Total Revenue	<u>\$ 8,570,068</u>
Total Expenses	<u>\$ 8,412,876</u>
Members Dividends	<u>\$ 37,704</u>
Change in Net Position for the Year Ended December 31	<u>\$ 119,488</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(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 Essex Municipal Joint Insurance Fund
PERMA Risk Management Services
9 Campus Drive, Suite 16
Parsippany, New Jersey 07054
(201) 881-7632

New Jersey Unemployment Compensation Insurance

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2018	\$ -0-	\$ 68,449	\$ -0-	\$ 127,455	\$ 519,350
2017	75,000	-0-	-0-	18,333	578,356
2016	76,000	-0-	-0-	78,761	521,689

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: Economic Dependency

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 14: Fixed Assets (Unaudited)

The following schedule is a summarization of general fixed assets for the fiscal year ended December 31, 2018:

	Balance Dec. 31, 2017	Additions	Disposals	Balance Dec. 31, 2018
Land and Site Improvements	\$ 14,128,899	\$ 24,164		\$ 14,153,063
Buildings	8,738,403	55,200		8,793,603
Equipment and Vehicles	12,472,675	578,662		13,051,337
	<u>\$ 35,339,977</u>	<u>\$ 658,026</u>	<u>\$ -0-</u>	<u>\$ 35,998,003</u>

	Balance Dec. 31, 2016	Additions	Disposals	Balance Dec. 31, 2017
Land and Site Improvements	\$ 14,128,899			\$ 14,128,899
Buildings	8,738,403			8,738,403
Equipment and Vehicles	12,205,677	\$ 266,998		12,472,675
	<u>\$ 35,072,979</u>	<u>\$ 266,998</u>	<u>\$ -0-</u>	<u>\$ 35,339,977</u>

Note 15: Contingencies

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

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

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve, which it feels is sufficient, for this contingency in the amount of \$6,487,523.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 16: 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. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*; therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), 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 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, 2018
(Continued)

Note 16: 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.

Special Funding Situation

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. For New Jersey local governments who report under the regulatory basis of accounting, the net OPEB liability and related deferred inflows are not recorded in the financial statements and there is only note disclosure of this information. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred outflows of resources, or deferred inflows of resources 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 OPEB liability that is associated with the local participating employer.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 16: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

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

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 expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB 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 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, 2016 through June 30, 2017. Employer and nonemployer allocation percentages were rounded for presentation purposes.

OPEB Expense

The total OPEB liability as of June 30, 2018 was not available from the State of New Jersey Division of Pensions and Benefits as of the date of this report. The total OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017.

At June 30, 2017, the Township had a liability of \$58,960,798 for its proportionate share of the net OPEB liability. At June 30, 2017, the Township's proportion was .2888% which was a decrease of .0314% from its proportion measured as of June 30, 2016. Additionally, the State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2017 was \$31,863,907. At June 30, 2017, the State's proportion related to the Township was .366445%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

For the year ended June 30, 2017 the Township's OPEB expense as determined by the State of New Jersey Division of Pensions and Benefits was \$3,182,425. Additionally, during the year ended June 30, 2017 the State of New Jersey's OPEB expense related to the Township was \$2,280,375.

The Township's actual postemployment payments in 2018 for 144 retiree employees were \$2,566,515.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 16: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

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

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.

Inflation Rate	2.50%
Salary Increases*:	
Through 2026	1.65% - 8.98%
Thereafter	2.65% to 9.98%

* - Salary increases are based on the defined benefit plan that the member is enrolled in and his or her age.

Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

Certain actuarial assumptions used in the June 30, 2016 valuation were based on the results of the pension plans' experience studies for which the members are eligible for coverage under this Plan - the Police and Firemen Retirement System (PFRS) and the Public Employees' Retirement System (PERS). The PFRS and PERS experience studies were prepared for the periods July 1, 2010 to June 30, 2013 and July 1, 2011 – June 30, 2014, respectively.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018
(Continued)

Note 16: Postemployment Benefits Other Than Pensions (OPEB) (Cont'd)

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

Discount Rate

The discount rate for June 30, 2017 was 3.58%. The discount rate for June 30, 2016 was 2.85%. 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, 2017, 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, 2017		
	At 1% Decrease (2.58%)	At Discount Rate (3.58%)	At 1% Increase (4.58%)
Net OPEB Liability Attributable to the Township	\$ 69,546,019	\$ 58,960,798	\$ 50,561,604

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, 2017, 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, 2017		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability Attributable to the Township	\$ 48,998,145	\$ 58,960,798	\$ 71,933,326

TOWNSHIP OF NUTLEY

SUPPLEMENTARY DATA

TOWNSHIP OF NUTLEY
OFFICIALS IN OFFICE AND SURETY BONDS
YEAR ENDED DECEMBER 31, 2018

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	
Steven L. Rogers	Director of Public Affairs	
Alphonse Petracco	Director of Public Safety	
Mauro G. Tucci	Director of Parks and Public Property	
Eleni Pettas	Township Clerk	(B)
Rosemary Costa	Chief Financial Officer; Tax Collector	(A)
Edmund B. Brown	Tax Assessor	(B)
Joanne Cocchiola	Magistrate	(B)
Adriana Russo	Municipal Court Administrator	(B)
Ann Rizos	Deputy Municipal Court Administrator	(B)
Thomas A. Restaino	Public Health Coordinator	(B)
Sue Portuese	Health Officer	(B)
Meredith Blank	Health Department Clerk/Registrar	(B)
David Berry	Code Enforcement Officer	(B)
Thomas J. Strumolo, Jr.	Police Chief	(B)
Philip Nicolette	Fire Chief	(B)
Alan Genitempo	Township Attorney	

(A) Surety bond coverage is provided as follows:

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

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
CURRENT FUND

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER

A-4

1 of 2

	<u>Ref.</u>	
Balance December 31, 2017	A	\$ 34,709,768.95
Increased by Receipts:		
Tax Collector	\$ 111,039,175.12	
Revenue Accounts Receivable	9,437,756.70	
Miscellaneous Revenue Not Anticipated	1,155,387.84	
Petty Cash Returned	650.00	
Interest on Investments and Deposits	188,089.87	
Due Animal Control Fund - Interfund Returned	20.00	
Due Other Trust Funds - Interfund Returned	130,707.65	
Due General Capital Fund:		
Bond Proceeds	6,791,000.00	
Premium on Sale of Bonds	45,439.93	
Premium on Sale of Notes	21,629.00	
Grants Receivable - State of NJ Department of Transportation	729,504.00	
Due Water Utility Capital Fund:		
Interfund Returned - Water Utility Operating Fund	2,500.00	
Reserve for:		
Unappropriated Grant Funds:		
Alcohol Education, Rehabilitation and Enforcement Fund	585.86	
Federal Emergency Management Agency:		
Superstorm Sandy	85,559.72	
Emergency Management	9,400.00	
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions	174,500.00	
Construction Code Surcharge Fees	57,550.00	
Marriage License Fees	4,150.00	
Appropriation Refunds	1,428,844.03	
		<u>131,302,449.72</u>
		166,012,218.67

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

A-4
2 of 2

Ref.

Decreased by Disbursements:

2018 Appropriation Expenditures	\$ 47,546,694.94
2017 Appropriation Reserve Expenditures	1,599,887.77
Petty Cash Advanced	650.00
Accounts Payable	103,160.06
Local School District Taxes	55,462,637.91
County Taxes	18,314,677.53
Due Other Trust Funds:	
Interfund Returned	850,000.00
Living Tree Memorial Program Expenditures	4,186.44
Due General Capital Fund:	
Due Other Trust Funds - Interfund Returned	11,960.00
Improvement Authorization Expenditures	3,368,826.29
Bond Anticipation Notes Redeemed	6,791,000.00
Due Water Utility Operating Fund - Interfund Advanced	62,336.75
Due State of New Jersey:	
Construction Code Surcharge Fees	59,528.00
Marriage License Fees	4,300.00
Burial Permits	5.00
Appropriated Reserve for Grant Funds:	
Private Donation - Partners for Health	4,625.93
Reserve for:	
Pending Tax Appeals	78,477.43
Redemption of Outside Liens	597,980.83
Refund of:	
Tax Overpayments	146,777.41
Miscellaneous Revenue Anticipated:	
Uniform Construction Code Fees	2,158.00
Tree Removal Permits	350.00
Prior Year Revenue - Other	4,472.55

\$ 135,014,692.84

Balance December 31, 2018

A

\$ 30,997,525.83

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2018

A-5

Increased by Receipts:

Taxes Receivable	\$ 109,021,779.54	
Interest and Costs on Taxes	150,509.88	
2019 Prepaid Taxes	635,878.23	
Tax Overpayments	134,049.69	
Redemption of Outside Liens	693,912.61	
Tax Title Liens	11,661.76	
Tax Sale Premiums - Due to Other Trust Funds	381,700.00	
Fees and Permits - Tax Search Fees/Miscellaneous	9,426.19	
Miscellaneous Revenue Not Anticipated - Departmental Collections	257.22	
	<hr/>	
		\$ 111,039,175.12

Decreased by:

Payments to Municipal Treasurer		<u><u>\$ 111,039,175.12</u></u>
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SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2018

A-6

NOT APPLICABLE

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

Year	Balance Dec. 31, 2017	2018 Levy	Collections		State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Transferred to Tax Title Liens	Balance Dec. 31, 2018
2015			\$	250.00	\$ (250.00)			\$ 250.00
2016	\$ 252.82			2.82				7,579.70
2017	1,386,564.70			1,349,628.21	(3,750.00)	\$ 117.10	\$ 32,989.69	7,829.70
	1,386,817.52			1,349,881.03	(4,000.00)	117.10	32,989.69	1,335,806.99
2018		\$114,992,667.00	\$ 5,689,107.74	107,671,898.51	178,406.86	60,006.92	57,439.98	
	\$ 1,386,817.52	\$114,992,667.00	\$ 5,689,107.74	\$109,021,779.54	\$ 174,406.86	\$ 60,124.02	\$ 90,429.67	\$ 1,343,636.69

Ref. A

A

Analysis of 2018 Property Tax LevyTax Yield:

General Purpose Tax	\$ 114,770,770.54
Added and Omitted Taxes	221,896.46
	<u>\$114,992,667.00</u>

Tax Levy:

Local School District Taxes	\$ 55,462,637.91
County Taxes	\$ 17,673,663.52
County Open Space Taxes	573,059.16
Due County for Added and Omitted Taxes	35,297.85
	<u>18,282,020.53</u>
	<u>73,744,658.44</u>
Local Tax for Municipal Purposes Levied	39,813,388.45
Minimum Library Tax Levied	1,238,941.60
	<u>41,052,330.05</u>
Add: Additional Tax Levied	195,678.51
	<u>41,248,008.56</u>
	<u>\$114,992,667.00</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2018

A-8

	<u>Ref.</u>	
Balance December 31, 2017	A	\$ 29,604.59
Increased by:		
Transfer from Taxes Receivable		\$ 90,429.67
Interest and Costs Accrued at Tax Sale		<u>3,678.36</u>
		<u>94,108.03</u>
		123,712.62
Decreased by:		
Cash Collections		<u>11,661.76</u>
Balance December 31, 2018	A	<u><u>\$ 112,050.86</u></u>

TOWNSHIP OF NUTLEY
CURRENT FUND

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1 of 2

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

	Balance Dec. 31, 2017	Accrued in 2018	Collected by		Balance Dec. 31, 2018
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages		\$ 32,143.77		\$ 32,143.77	
Other		31,114.00		31,114.00	
Fees and Permits:					
Building Inspector		108,706.00		108,706.00	
Board of Health		14,093.00		14,093.00	
Police		12,936.91		12,936.91	
Tax Search Fees/Miscellaneous		9,426.19	\$ 9,426.19		
Public Works		1,800.00		1,800.00	
Fines and Costs - Municipal Court	\$ 29,098.47	411,539.87		408,641.70	\$ 31,996.64
Parking Meters		296,894.71		296,894.71	
Fees - Immunization Program		4,214.87		4,214.87	
Tree Removal Permits		7,400.00		7,400.00	
Consolidated Municipal Property Tax Relief Aid		179,300.00		179,300.00	
Energy Receipts Tax		2,468,330.00		2,468,330.00	
Replacement Revenue		4,100,000.00		4,100,000.00	
Uniform Construction Code Fees		762,129.00		762,129.00	
Township of Montclair - Health Services		15,651.00		15,651.00	
Nutley Board of Education:					
Physician Services		6,300.00		6,300.00	
Bulk/Solid Waste		12,500.00		12,500.00	
Fiber Optic Cable		7,500.00		7,500.00	
Safe and Secure Communities Grant		60,000.00		60,000.00	
Clean Communities Program		48,312.89		48,312.89	
Distracted Driver Crackdown Grant		6,600.00		6,600.00	
Pedestrian Safety, Education and Enforcement Fund		11,275.00		11,275.00	
Occupant Protection Program - Click It or Ticket		3,272.50		3,272.50	
Bullet Proof Vest Program		4,691.66		4,691.66	
Reserve for Unappropriated Grant Funds:					
Body Armor Replacement Fund		9,979.66		9,979.66	
Alcohol Education, Rehabilitation and Enforcement Fund		543.00		543.00	

TOWNSHIP OF NUTLEY

CURRENT FUND

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

(Continued)

	Balance Dec. 31, 2017	Accrued In 2018	Collected by		Balance Dec. 31, 2018
			Collector	Treasurer	
Sewer Maintenance Fees - Due from:					
Town of Belleville	\$ 11,025.01		\$	11,025.01	
City of Clifton	233.50			233.50	
Residential Furniture Delivery Service	830.41			830.41	
Town of Bloomfield	65,771.22			65,771.22	
Regency Condominiums	10,193.20			10,193.20	
Payment in Lieu of Taxes:					
Senior Citizen Housing	149,176.25			149,176.25	
Nutley Senior Manor	41,288.50			41,288.50	
Passaic Valley Sewer Charges - User Charges	8,348.20			8,348.20	
Recycling Program	25,000.00			25,000.00	
Bureau of Housing Inspection	15,948.00			15,948.00	
Uniform Fire Safety Act	30,321.53			30,321.53	
Cable Franchise Fee	457,813.87			457,813.87	
Cell Phone Tower Lease	18,000.00			18,000.00	
Reserve for Federal Emergency Management Agency:					
Snowstorms	102,297.00			102,297.00	
Reserve to Pay Debt Service - Premium on Note Sale	24,175.00			24,175.00	
	<u>\$ 29,098.47</u>	<u>\$ 9,587,075.72</u>	<u>\$ 9,426.19</u>	<u>\$ 9,574,751.36</u>	<u>\$ 31,996.64</u>
	Ref.	A			A
Cash Receipts				\$ 9,437,756.70	
Reserve for Unappropriated Grant Funds:					
Body Armor Replacement Fund				9,979.66	
Alcohol Education, Rehabilitation and Enforcement Fund				543.00	
Reserve for Federal Emergency Management Agency:					
Snowstorms				102,297.00	
Due from General Capital Fund				24,175.00	
				<u>\$ 9,574,751.36</u>	

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2018

A-10

NOT APPLICABLE

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

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1 of 5

	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charged	Balance Lapsed
Director of Public Affairs:				
Other Expenses	\$ 188.75	\$ 188.75		\$ 188.75
Nutley Public Health Reserve Corp:				
Other Expenses	7,073.69	7,073.69	\$ 139.99	6,933.70
Department of Health - Local Health Agency:				
Salaries and Wages	29,108.96	29,108.96	29,108.55	0.41
Other Expenses	58,729.35	58,729.35	19,160.67	39,568.68
Animal Regulation:				
Other Expenses	12,188.00	12,188.00		12,188.00
Military Veterans Affairs Bureau:				
Salaries and Wages	2,387.07	2,387.07	2,386.41	0.66
Other Expenses	7,340.14	7,340.14	550.00	6,790.14
Immunization Program:				
Other Expenses	5,299.67	5,299.67	2,034.73	3,264.94
Contractual:				
Mental Health Program	10,000.00	10,000.00		10,000.00
Garbage and Trash Removal	375,091.97	375,091.97	184,980.26	190,111.71
Contractual Aid to:				
Occupational Center, Orange, NJ	1,000.00	1,000.00		1,000.00
Municipal Prosecutor:				
Salaries and Wages	2,731.02	2,731.02	2,730.38	0.64
Other Expenses	1,000.00	1,000.00		1,000.00
Board of Adjustment:				
Salaries and Wages	2,688.08	2,688.08	2,687.24	0.84
Other Expenses	5,417.17	5,417.17	102.19	5,314.98
Planning Board:				
Salaries and Wages	2,913.08	2,913.08	2,912.22	0.86
Other Expenses	6,196.98	6,196.98	31.88	6,165.10
Rent Leveling Board:				
Salaries and Wages	150.02	150.02	150.02	
Other Expenses	1,300.00	1,300.00		1,300.00
Township Attorney:				
Salaries and Wages	2,172.96	2,172.96	2,172.54	0.42
Other Expenses	35,740.49	35,740.49	25,808.20	9,932.29
Celebration of Public Events	14,934.79	14,934.79	9,373.56	5,561.23
Director of Revenue and Finance:				
Other Expenses	259.00	259.00		259.00
Assessment of Taxes:				
Salaries and Wages	40,320.99	40,320.99	40,320.00	0.99
Other Expenses	72,343.28	72,343.28	10,312.56	62,030.72
Collection of Taxes:				
Salaries and Wages	69,156.11	69,156.11	69,155.87	0.24
Other Expenses	13,373.36	13,373.36	4,917.83	8,455.53

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018
(Continued)

A-11
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	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charged	Balance Lapsed
Treasurer's Office:				
Salaries and Wages	\$ 46,252.09	\$ 46,252.09	\$ 46,251.79	\$ 0.30
Other Expenses	5,535.96	5,535.96	5,417.45	118.51
Grant Writer	3,337.00	3,337.00	3,333.00	4.00
Township Clerk's Office:				
Salaries and Wages	28,543.99	28,543.99	28,543.90	0.09
Other Expenses	18,580.11	18,580.11	7,480.03	11,100.08
Other Expenses - Election	30,000.00	30,000.00		30,000.00
Information Services:				
Salaries & Wages	14,581.75	14,581.75	14,580.95	0.80
Other Expenses	61,051.39	61,051.39	30,125.01	30,926.38
Administration of Township Ordinances:				
Salaries and Wages	33,073.01	33,073.01	33,072.69	0.32
Other Expenses	6,765.00	6,765.00		6,765.00
Expense, Stationary and Printing:				
Other Expenses	42,021.54	42,021.54	14,200.16	27,821.38
Economic Redevelopment Project:				
Salaries and Wages	100.00	100.00	100.00	
Other Expenses	247,146.10	247,146.10	247,124.63	21.47
Printing and Legal Advertising:				
Other Expenses	10,204.04	10,204.04	1,958.05	8,245.99
NJEIT Administration Fee - Other Expenses	6,000.00	6,000.00		6,000.00
Mayor:				
Salaries and Wages	1,000.00	1,000.00	1,000.00	
Other Expenses	400.00	400.00		400.00
Director of Public Safety:				
Other Expenses	1,000.00	1,000.00		1,000.00
Municipal Court:				
Salaries and Wages	37,330.49	37,330.49	37,329.80	0.69
Other Expenses	16,280.41	16,280.41	15,517.94	762.47
E-Ticketing - Other Expense	45,000.00	45,000.00	21,252.39	23,747.61
Public Defender:				
Salaries and Wages	9,095.70	9,095.70	9,095.09	0.61
Other Expenses	300.00	300.00		300.00
Police:				
Salaries and Wages	482,229.99	472,229.99	472,229.67	0.32
Other Expenses	196,747.12	206,747.12	191,111.11	15,636.01
Clothing Allowance	39,805.29	39,805.29	15,337.12	24,468.17
Purchase of Police Cars	90,000.00	90,000.00	87,356.11	2,643.89
First Aid Organization:				
Other Expenses	9,414.68	9,414.68	14.00	9,400.68
Office of Emergency Management:				
Other Expenses	8,010.22	8,010.22	6,093.05	1,917.17
Uniform Fire Safety Code:				
Fire:				
Salaries and Wages	210,998.39	210,998.39	210,998.18	0.21
Other Expenses	132,618.79	132,618.79	98,101.63	34,517.16
Clothing Allowance	9,995.22	9,995.22	9,200.30	794.92

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018
(Continued)

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	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charged	Balance Lapsed
Reserve for Accrued Sick and Vacation	\$ 100.00	\$ 100.00	\$ 100.00	
Hazardous Materials:				
Other Expenses - Stipend	10,733.00	10,733.00	200.00	\$ 10,533.00
Historic Preservation Commission:				
Other Expenses	100.00	100.00		100.00
Director of Public Works:				
Other Expenses	1,000.00	1,000.00	449.53	550.47
Engineering Services and Costs:				
Salaries and Wages	31,034.94	31,034.94	31,034.91	0.03
Other Expenses	119,128.15	119,128.15	78,965.07	40,163.08
Road Repair and Maintenance:				
Salaries and Wages	35,501.91	35,501.91	35,501.91	
Other Expenses	87,820.05	87,820.05	87,820.05	
Snow Removal:				
Salaries and Wages	22,218.17	22,218.17	22,218.17	
Other Expenses	26,891.11	26,891.11	26,891.11	
Traffic Maintenance:				
Salaries and Wages	8,438.51	8,438.51	8,438.51	
Other Expenses	9,940.77	9,940.77	9,940.77	
Weed and Leaf Removal:				
Salaries and Wages	1,431.99	1,431.99	1,431.00	0.99
Other Expenses	500.00	500.00		500.00
Sewer System:				
Salaries and Wages	8,576.05	8,576.05	8,576.00	0.05
Other Expenses	9,560.96	9,560.96	9,560.96	
Parking Lot and Meter Maintenance:				
Salaries and Wages	10,457.19	10,457.19	10,457.15	0.04
Other Expenses	9,809.87	9,809.87	8,031.97	1,777.90
Emergency Hire:				
Salaries and Wages	1,500.00	1,500.00	1,500.00	
Leaf Removal:				
Other Expenses - Tipping Fees	29,254.84	29,254.84	11,522.80	17,732.04
Recycling:				
Salaries and Wages	46,323.88	46,323.88	46,323.53	0.35
Other Expenses	17,613.64	17,613.64		17,613.64
Director of Parks and Public Property:				
Other Expenses	425.00	425.00		425.00
Recreation Committee of Nutley:				
Salaries and Wages	4,193.06	4,193.06	4,193.06	
Other Expenses	13,759.21	13,759.21	13,358.41	400.80
Public Buildings and Grounds:				
Salaries and Wages	46,179.86	46,179.86	46,179.86	
Other Expenses	29,528.71	29,528.71	29,528.71	
Communications and Technology Services:				
Salaries and Wages	856.66	856.66	856.66	
Shade Tree Commission:				
Salaries and Wages	23,200.55	23,200.55	23,199.92	0.63
Other Expenses	13,409.56	13,409.56	8,578.36	4,831.20

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018
(Continued)

A-11
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	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charged	Balance Lapsed
Senior Citizens Transportation:				
Salaries and Wages	\$ 2,973.56	\$ 2,973.56	\$ 2,972.72	\$ 0.84
Other Expenses	306.93	306.93		306.93
Debris Removal:				
Other Expenses	931.80	931.80	877.50	54.30
Parks and Playgrounds:				
Salaries and Wages	118,933.31	118,933.31	118,933.31	
Other Expenses	42,810.25	42,810.25	42,810.25	
Insurance:				
Group Insurance Plan for Employees	667,915.59	667,915.59	34,165.40	633,750.19
Other Liability Insurance Premiums	239,410.47	239,410.47	239,000.00	410.47
Workers Compensation Insurance	29,977.10	29,977.10	10,000.00	19,977.10
State Uniform Construction Code:				
Salaries and Wages	1,323.65	1,323.65	1,323.65	
Other Expenses	9,394.21	9,394.21	1,154.46	8,239.75
Elevator Inspection Fees:				
Other Expenses	19,022.00	19,022.00		19,022.00
Unclassified:				
Gasoline	68,047.53	68,047.53	20,312.25	47,735.28
Fuel Oil	35,351.72	35,351.72	7,563.15	27,788.57
Electricity	98,638.89	98,638.89	61,501.46	37,137.43
Street Lighting	81,147.21	81,147.21	49,072.65	32,074.56
Telephone	65,504.15	65,504.15	37,884.74	27,619.41
Contingent	50,000.00	50,000.00	46,231.10	3,768.90
Prior Year Bills:				
Downes Tree Services - 12/30/2015	7,850.00	7,850.00	7,850.00	
Statutory Expenditures:				
Social Security System (O.A.S.I)	128,666.03	128,666.03	15,041.21	113,624.82
Defined Contribution Retirement Program	7,459.85	7,459.85		7,459.85
Unemployment Compensation Insurance	93,000.00	93,000.00		93,000.00
Passaic Valley Sewer Commission:				
Other Expenses	7,832.34	7,832.34		7,832.34
NJPDES Stormwater Permit (NJSA 40A:-45.3(cc)):				
Street Division:				
Salaries and Wages	4,075.59	4,075.59	4,075.00	0.59
Other Expenses	2,959.01	2,959.01		2,959.01
LOSAP:				
First Aid Organization	15,000.00	15,000.00	12,937.50	2,062.50
Fire	33,750.00	33,750.00		33,750.00
Shared Services Agreement -				
Township of Montclair - Health Services	1,214.08	1,214.08	337.92	876.16
Nutley Board of Education - Physician Services	269.25	269.25	269.23	0.02
State and Federal Programs Offset by Revenue:				
Safe and Secure Communities Grant:				
State Share	27,692.20	27,692.20	27,692.20	
Municipal Alliance Grant:				
State Share	17,100.35	17,100.35	14,594.32	2,506.03

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018
(Continued)

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	Balance Dec. 31, 2017	Balance After Transfers	Paid or Charged	Balance Lapsed
State and Federal Programs Offset by Revenue:				
Clean Communities Program	\$ 47,888.46	\$ 47,888.46	\$ 47,888.46	
Body Worn Camera Grant	15,000.00	15,000.00		\$ 15,000.00
Bullet Proof Vest Program	16,634.48	16,634.48	16,634.48	
Capital Improvements - Excluded From "CAPS":				
Road Improvements	80,628.20	80,628.20	80,628.20	
	<u>\$ 5,280,719.06</u>	<u>\$ 5,280,719.06</u>	<u>\$ 3,442,468.73</u>	<u>\$ 1,838,250.33</u>

Analysis of Balance December 31, 2017:

	<u>Ref.</u>	
Unencumbered	A	\$3,860,924.24
Encumbered	A	<u>1,419,794.82</u>
		<u>\$5,280,719.06</u>

Cash Disbursed	\$1,599,887.77
Accounts Payable	202,428.24
Reserve for Grant Funds Appropriated:	
Clean Communities	24,704.85
Bullet Proof Vest Program	1,991.85
Due to General Capital Fund - Reserve for:	
Economic Development Project	150,000.00
Paving	74,456.02
Due to Other Trust Funds - Reserve for:	
Accumulated Sick and Vacation Pay	600,000.00
Storm Recovery	550,000.00
Self Insurance	<u>239,000.00</u>
	<u>\$3,442,468.73</u>

TOWNSHIP OF NUTLEY

A-12

CURRENT FUND

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE

YEAR ENDED DECEMBER 31, 2018

Increased by:

Levy - Calendar Year 2018

\$ 55,462,637.91

Decreased by:

Payments to Local School District

\$ 55,462,637.91

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
TRUST FUNDS

TOWNSHIP OF NUTLEY
TRUST FUNDS
SCHEDULE OF CASH - TREASURER

B-4
1 of 2

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Balance December 31, 2017	B	\$ 29,024.25	\$ 2,585,371.87
Increased by Receipts:			
Dog License Fees		\$ 19,046.80	
Cat License Fees		1,386.00	
Impounding, Boarding, Late Fees and Penalties		1,390.00	
State Registration Fees		2,167.20	
Due Current Fund - Interfund Returned			\$ 850,000.00
Current Fund Budget Appropriation:			
Deficit in Reserve for Police Outside Duty			20,965.95
Due General Capital Fund:			
Interfund Returned - Current Fund			11,960.00
Due Payroll Agency - Receivable Returned			3,350.45
Road Opening, Sewer Maintenance and			
Planning Board Escrow Deposits			225,992.56
Escrow Deposits			43,580.00
Special Deposits			20.05
Uniform Fire Safety - Penalties			14,664.81
Unemployment Insurance			68,449.88
Living Tree Memorial Program			5,627.00
Recreation Commission Fees			701,772.00
Parking Offense Adjudication Act			6,190.00
Community Environmental Health Act			129,029.70
Community Development Block Grants			209,636.85
Civic Celebration			900.00
Law Enforcement Expenditures			8,523.34
COAH			96,483.15
Go Green Program			5,195.00
Police Outside Duty			918,816.19
Flexible Spending Account			2,909.92
		<u>23,990.00</u>	<u>3,324,066.85</u>
		53,014.25	5,909,438.72

TOWNSHIP OF NUTLEY
TRUST FUNDS
SCHEDULE OF CASH - TREASURER
(Continued)

B-4
2 of 2

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
State Registration Fees		\$ 2,160.60	
Administrative Expenses		24,651.86	
Due Current Fund:			
Interfund Returned		20.00	\$ 130,707.65
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits			137,550.16
Developer's Escrow			2,450.40
Escrow Deposits			450.00
Special Deposits			200.00
Uniform Fire Safety - Penalties			4,948.81
Unemployment Insurance			127,455.03
Recreation Commission Fees			704,291.73
Recycling			226,085.77
Community Environmental Health Act			103,653.68
Tax Sale Premiums			529,300.00
Community Development Block Grants			209,636.85
Accumulated Sick and Vacation Pay			196,258.81
Law Enforcement Expenditures			3,897.20
COAH			32,546.58
Go Green Program			9,631.31
Police Outside Duty			799,729.14
Flexible Spending Account			2,346.74
		<u>\$26,832.46</u>	<u>\$ 3,221,139.86</u>
Balance December 31, 2018	B	<u><u>\$26,181.79</u></u>	<u><u>\$ 2,688,298.86</u></u>

TOWNSHIP OF NUTLEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2018

B-4A

NOT APPLICABLE

TOWNSHIP OF NUTLEY
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2018

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, 2017	B	\$ 28,986.25
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 19,046.80
Cat Licenses		1,386.00
		<u>20,432.80</u>
Impounding, Boarding, Late Fees and Penalties		<u>1,390.00</u>
		21,822.80
		<u>50,809.05</u>
Decreased by:		
Animal Control Expenditures		<u>24,651.86</u>
Balance December 31, 2018	B	<u><u>\$ 26,157.19</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2016	\$ 18,976.40
2017	<u>20,735.60</u>
Maximum Allowable Reserve	<u><u>\$ 39,712.00</u></u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
GENERAL CAPITAL FUND

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

C-2

	<u>Ref.</u>	
Balance December 31, 2017	C	<u>\$ 83,228.79</u>
Balance December 31, 2018	C	<u><u>\$ 83,228.79</u></u>

TOWNSHIP OF NUTLEY

C-3
1 of 3

GENERAL CAPITAL FUND

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance/ (Deficit) Dec. 31, 2017	Transfers		Balance/ (Deficit) Dec. 31, 2018
		From	To	
Fund Balance	\$ 295,010.30	\$ 300,000.00	\$ 4,989.70	
Capital Improvement Fund	895,241.00	100,000.00	200,000.00	\$ 995,241.00
Down Payments on Improvements	35,707.72			35,707.72
Due Current Fund	(6,531,813.24)	2,054,868.95	3,404,961.29	(5,181,720.90)
Due Other Trust Funds	11,960.00	11,960.00		
Loan Receivable:				
State of NJ Department of Environmental Protection Green Acres	(87,529.00)			(87,529.00)
Grants Receivable:				
State of NJ Department of Environmental Protection Green Acres	(412,586.00)			(412,586.00)
State of NJ Department of Transportation	(976,867.66)	346,605.00	729,504.00	(593,968.66)
Federal Repetitive Flood Claims Grants	(1,069,012.20)			(1,069,012.20)
Reserve for Paving	21,697.32		74,456.02	96,153.34
Reserve for Fiber Optics	21,250.00			21,250.00
Reserve for Economic Development Project	403,150.00		150,000.00	553,150.00
Reserve for Local Improvements	35,621.00			35,621.00
Reserve for Redesign of Nutley Streets	3,154.09			3,154.09
Reserve for Payment of Debt Service	24,175.19	24,175.00	62,079.23	62,079.42
Ord.				
No.	Improvement Description			
2749;				
2860	Various Capital Improvements	306.50		
2776	Certain Local Improvements	100.00		100.00
2850	Various Capital Improvements	3,484.42		3,484.42
2852	Sewer Repair and Related Work	50,046.52		50,046.52
2897;				
2925;				
2959	Reconstruction of Various Streets and Sidewalks	20,130.54	20,130.54	

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

C-3
2 of 3

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2017	Transfers		Balance/ (Deficit) Dec. 31, 2018
			From	To	
2899	Various Capital Improvements	\$ 92,947.83	\$ 7,283.37		\$ 85,664.46
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park	1,219.26			1,219.26
2927	Certain Local Improvements	3,600.00			3,600.00
2970	Hurricane Disaster Preparedness Program	1,695.47			1,695.47
2992	Upgrades to Memorial Park	80,696.30	6,719.05		73,977.25
2993;					
3046	Various Capital Improvements	92,747.79	8,127.36		84,620.43
2995	Reconstruction of Various Streets and Sidewalks	45,478.54	15,453.21		30,025.33
3010	Various Capital Improvements	5,087.65			5,087.65
3027	Reconstruction of Various Streets and Sidewalks	11,640.00			11,640.00
3029	Various Capital Improvements	152,229.90			152,229.90
3063;					
3093;					
3101	Various Capital Improvements	125,932.41	18,155.04		107,777.37
3065	Reconstruction of Various Streets and Sidewalks	17,476.30			17,476.30
3066	Acquisition of Property	61,674.66			61,674.66
3100	Acquisition of a Fire Truck	10,800.64			10,800.64
3106	Local Improvements	265.33			265.33
3114	Reconstruction of Various Streets and Sidewalks	14,936.35			14,936.35
3116	Various Capital Improvements	58,613.22			58,613.22
3131	Redevelopment of Monsignor Owens Park	47,741.00			47,741.00
3149	Various Capital Improvements	80,774.13			80,774.13
3150	Reconstruction of Various Streets and Sidewalks	13,687.50			13,687.50
3153	Voice and Data Network Upgrades	2,809.09			2,809.09
3171	Donna Court Acquisition and Remediation	413,170.40			413,170.40
3172	Donna Court Acquisition and Remediation	756,759.46			756,759.46
3181	Various Capital Improvements	183,432.79			183,432.79
3196	Renovation of Police Desk	1,588.67			1,588.67

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

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2017		Transfers		Balance/ (Deficit) Dec. 31, 2018	
		From	To	From	To	From	To
3214	Various Capital Improvements	\$ 6,725.27		\$ 710.00		\$ 6,015.27	
3216	Local Improvements	3,522.37				3,522.37	
3242	Various Capital Improvements	425,616.42		325,715.00		99,901.42	
3292	Reconstruction of the Roadway on Park Ave (Section 2)	1,218.29				1,218.29	
3294	Various Capital Improvements	399,475.20		202,743.09		196,732.11	
3295	Reconstruction of Various Roadways and Sidewalks	301,191.56		276,266.94		24,924.62	
3317	Reconstruction of the Roadways at Various Locations	253.84		253.84			
3321	Reconstruction of Various Roadways and Sidewalks	129,099.59		53,982.35		75,117.24	
3323	Various Improvements or Purposes	565,816.81		362,876.15	\$ 285.00	203,225.66	
3324	Paving of East Centre Street	45,867.63				45,867.63	
3331	Acquisition of Lands	4,061.94				4,061.94	
3332	Acquisition of Lands	53,055.78		17,991.56		35,064.22	
3344	Various Improvements or Purposes	400,335.16		533,345.18	370,375.00	237,364.98	
3345	Reconstruction of Various Roadways and Sidewalks	459,038.84		208,308.39		250,730.45	
3351	Purchase of Computer Equipment	3,596.95				3,596.95	
3362	Reconstruction of the Roadway on Harrison Street (Section 3)	90,693.95		90,693.95			
3369	Improvement of Father Glotzbach Soccer Field	350,115.00		350,115.00			
3371	Reconstruction of Various Roadways and Sidewalks	409,000.00		4,387.60		404,612.40	
3372	Various Improvements or Purposes	1,181,300.00		432,250.60		749,049.40	
3375	Purchase of a Fire Truck	233,013.00		233,012.11		0.89	
3378	Digital Archiving of Code Enforcement Records			199,999.46	200,000.00	0.54	
3391	Reconstruction of the Roadway on Harrison Street (Section 4)				346,605.00	346,605.00	
3407	Reconstruction of Various Roadways and Sidewalks				330,000.00	330,000.00	
3408	Various Improvements or Purposes				233,180.00	233,180.00	
3410	Digital Archiving of Code Enforcement and Municipal Clerk's Office Records				100,000.00	100,000.00	
		\$ 83,228.79		\$ 6,206,435.24		\$ 83,228.79	
				\$ 6,206,435.24			

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

Ord. No.	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Bonds Issued	Funded by Budget Appropriation	Notes Paid by Budget Appropriation	Analysis of Balance Dec. 31, 2018	
							Bond Anticipation Notes	Unexpended Improvement Authorizations
3294	Various Capital Improvements	\$ 1,277,758.00		\$ 1,276,858.00		\$ 900.00		
3295	Reconstruction of Various Roadways and Sidewalks	940,500.00		940,500.00				
3321	Reconstruction of Various Roadways and Sidewalks	783,750.00		783,750.00				
3323	Various Improvements or Purposes	1,279,393.00		1,279,108.00	\$ 285.00			
3332	Acquisition of Lands	3,075,100.00				381,800.00	\$ 2,693,300.00	
3344	Various Improvements or Purposes	933,375.00		563,000.00	370,375.00			
3345	Reconstruction of Various Roadways and Sidewalks	437,000.00		437,000.00				
3371	Reconstruction of Various Roadways and Sidewalks	388,550.00		388,550.00				
3372	Various Improvements or Purposes	1,122,234.00		1,122,234.00				
3407	Reconstruction of Various Roadways and Sidewalks		\$ 313,500.00		313,500.00			
3408	Various Improvements or Purposes		1,586,500.00		149,680.00		1,436,820.00	\$ 1,436,820.00
		<u>\$ 10,237,660.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 6,791,000.00</u>	<u>\$ 833,840.00</u>	<u>\$ 382,700.00</u>	<u>\$ 2,693,300.00</u>	<u>\$ 1,436,820.00</u>

Ref.

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Analysis of Unexpended Improvement Authorizations:

Improvement Authorizations Unfunded

Less: Unexpended Proceeds of Bond Anticipation Notes Issued:
Ordinance #3332

\$ 1,471,884.22

35,064.22\$ 1,436,820.00

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

2018 Authorizations									
Ord. No.	Improvement Description	Ordinance		Balance December 31, 2017		Other Sources	Deferred		Capital Improvement Fund
		Date	Amount	Funded	Unfunded		Charges to Future Taxation - Unfunded	Paid or Charged	
2749;		09/03/02;	\$1,233,900.00						
2860	Various Capital Improvements	11/22/04		\$ 306.50			\$ 306.50		
2776	Certain Local Improvements	04/01/03	55,000.00	100.00				\$ 100.00	
2850	Various Capital Improvements	10/05/04	515,000.00	3,484.42				3,484.42	
2852	Sewer Repair and Related Work	10/05/04	362,000.00	50,046.52				50,046.52	
2897;		07/19/05;	330,000.00						
2925;		10/04/05;							
2959	Reconstruction of Various Streets and Sidewalks	07/19/06		20,130.54			20,130.54		
2899	Various Capital Improvements	07/19/05	902,000.00	92,947.83			7,283.37	85,664.46	
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park								
2914	Various Capital Improvements	07/19/05	60,000.00	1,219.26				1,219.26	
2970	Hurricane Disaster Preparedness Program	09/06/05	400,000.00	3,600.00				3,600.00	
2992	Upgrades to Memorial Park	09/05/06	75,000.00	1,695.47				1,695.47	
2993;		12/19/06	125,000.00	80,696.30			6,719.05	73,977.25	
3046	Various Capital Improvements	12/19/06;	790,460.00						
2995	Reconstruction of Various Streets and Sidewalks	12/04/07		92,747.79			8,127.36	84,620.43	
3010	Various Capital Improvements	12/19/06	352,000.00	45,478.54			15,453.21	30,025.33	
3027	Reconstruction of Various Streets and Sidewalks	06/19/07	50,000.00	5,087.65				5,087.65	
3029	Various Capital Improvements	11/20/07	291,500.00	11,640.00				11,640.00	
3063;	Various Capital Improvements	11/20/07	1,011,100.00	152,229.90				152,229.90	
3093;		07/16/08;	1,227,600.00						
3101		04/07/09;							
3065	Reconstruction of Various Streets and Sidewalks	05/19/09		125,932.41			18,155.04	107,777.37	
3066	Acquisition of Property	07/15/08	220,000.00	17,476.30				17,476.30	
3100	Acquisition of a Fire Truck	07/15/08	314,000.00	61,674.66				61,674.66	
3106	Local Improvements	05/05/09	264,000.00	10,800.64				10,800.64	
3114	Reconstruction of Various Streets and Sidewalks	06/16/09	25,000.00	265.33				265.33	
3116	Various Capital Improvements	09/01/09	273,750.00	14,936.35				14,936.35	
3131	Redevelopment of Monsignor Owens Park	09/01/09	748,980.00	58,613.22				58,613.22	
3149	Various Capital Improvements	02/02/10	995,000.00	47,741.00				47,741.00	
3150	Reconstruction of Various Streets and Sidewalks	11/09/10	793,875.00	80,774.13				80,774.13	
3153	Voice and Data Network Upgrades	11/09/10	273,750.00	13,687.50				13,687.50	
3171	Donna Court Acquisition and Remediation	12/07/10	63,000.00	2,809.09				2,809.09	
3172	Donna Court Acquisition and Remediation	07/05/11	854,500.00	413,170.40				413,170.40	
3181	Various Capital Improvements	07/05/11	1,644,000.00	756,759.46				756,759.46	
3196	Renovation of Police Desk	11/15/11	985,000.00	183,432.79				183,432.79	
3214	Various Capital Improvements	03/06/12	300,000.00	1,588.67			710.00	1,588.67	
3216	Local Improvements	07/17/12	620,000.00	6,725.27				6,015.27	
		09/04/12	25,000.00	3,522.37				3,522.37	

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

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2017		Other Sources	2018 Authorizations		Paid or Charged	Balance December 31, 2018		
		Date	Amount	Funded	Deferred		Taxation - Unfunded	Capital Improvement Fund		Funded	Unfunded	
3242	Various Capital Improvements	07/16/13	\$1,481,700.00	\$ 425,616.42				\$ 325,715.00	\$ 99,901.42			
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		\$ 399,475.20			202,743.09	196,732.11			
3295	Reconstruction of Various Roadways and Sidewalks	09/02/14	990,000.00		301,191.56			276,266.94	24,924.62			
3317	Reconstruction of the Roadways at Various Locations	08/18/15	83,558.00	253.84								
3321	Reconstruction of Various Roadways and Sidewalks	10/06/15	825,000.00		129,099.59			53,982.35	75,117.24			
3323	Various Improvements or Purposes	10/06/15	1,346,730.00		566,101.81			362,876.15	203,225.66			
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	4,061.94					4,061.94			
3332	Acquisition of Lands	12/15/15	3,500,000.00		53,055.78			17,991.56		\$ 35,064.22		
3340	Reconstruction of the Roadway on Harrison Street	07/05/16	245,000.00									
3344	Various Improvements or Purposes	09/06/16	982,500.00		770,710.16			533,345.18	237,364.98			
3345	Reconstruction of Various Roadways and Sidewalks	09/06/16	460,000.00	22,038.84	437,000.00			208,308.39	250,730.45			
3351	Purchase of Computer Equipment	01/17/17	100,000.00	3,596.95					3,596.95			
3362	Reconstruction of the Roadway on Harrison Street (Section 3)	08/01/17	252,504.00	90,693.95				90,693.95				
3369	Improvement of Father Glotzbach Soccer Field	10/03/17	350,115.00	350,115.00				350,115.00				
3371	Reconstruction of Various Roadways and Sidewalks	11/08/17	409,000.00	20,450.00	388,550.00			4,387.60	404,612.40			
3372	Various Improvements or Purposes	11/08/17	1,181,300.00	59,066.00	1,122,234.00			432,250.60	749,049.40			
3375	Purchase of a Fire Truck	12/19/17	233,013.00	233,013.00				233,012.11	0.89			
3378	Digital Archiving of Code Enforcement Records	01/16/18	200,000.00			\$ 200,000.00		199,999.46	0.54			
3391	Reconstruction of the Roadway on Harrison Street (Section 4)	07/07/18	346,605.00			346,605.00			346,605.00			
3407	Reconstruction of Various Roadways and Sidewalks	12/20/18	330,000.00			\$ 313,500.00	\$ 16,500.00		330,000.00			
3408	Various Improvements or Purposes	12/20/18	1,670,000.00			1,586,500.00	83,500.00		233,180.00	1,436,820.00		
3410	Digital Archiving of Code Enforcement and Municipal Clerk's Office Records	12/20/18	100,000.00			100,000.00			100,000.00			
				\$3,617,312.17	\$4,167,418.10	\$ 646,605.00	\$1,900,000.00	\$ 100,000.00	\$3,368,826.29	\$5,590,624.76	\$1,471,884.22	

General Capital Fund Balance
NJ Department of Transportation Grant

\$ 300,000.00
346,605.00
\$ 646,605.00

Due to Current Fund

\$3,368,826.29

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2017	C	\$ 895,241.00
Increased by:		
2018 Budget Appropriation - Due from Current Fund		<u>200,000.00</u>
		1,095,241.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>100,000.00</u>
Balance December 31, 2018	C	<u><u>\$ 995,241.00</u></u>

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of		Interest Rate	Balance Dec. 31, 2017	Issued	Matured	Balance Dec. 31, 2018
		Issue of Original Note	Issue					
3294	Various Capital Improvements	01/22/16	12/20/17	2.00%	\$ 1,277,758.00		\$ 1,277,758.00	
3295	Reconstruction of Various Roadways and Sidewalks	01/22/16	12/20/17	2.00%	940,500.00		940,500.00	
3321	Reconstruction of Various Roadways and Sidewalks	01/22/16	12/20/17	2.00%	783,750.00		783,750.00	
3323	Various Improvements or Purposes	01/22/16	12/20/17	2.00%	1,279,092.00		1,279,092.00	
		12/20/17	12/20/17	2.00%	16.00		16.00	
3332	Acquisition of Lands	01/22/16	12/20/17	2.00%	3,075,100.00		3,075,100.00	
		01/22/16	04/18/18	2.75%		\$ 2,693,300.00		\$ 2,693,300.00
3344	Various Improvements or Purposes	12/21/16	12/20/17	2.00%	563,000.00		563,000.00	
3345	Reconstruction of Various Roadways and Sidewalks	12/21/16	12/20/17	2.00%	437,000.00		437,000.00	
3371	Reconstruction of Various Roadways and Sidewalks	12/20/17	12/20/17	2.00%	388,550.00		388,550.00	
3372	Various Improvements or Purposes	12/20/17	12/20/17	2.00%	1,122,234.00		1,122,234.00	
					<u>\$ 9,867,000.00</u>	<u>\$ 2,693,300.00</u>	<u>\$ 9,867,000.00</u>	<u>\$ 2,693,300.00</u>
					Ref.	C	C	
					Renewals			
					Paid by Bond Funds	\$ 2,693,300.00	\$ 2,693,300.00	
					Paid by Budget Appropriation	6,791,000.00	6,791,000.00	
						382,700.00	382,700.00	
					<u>\$ 2,693,300.00</u>	<u>\$ 2,693,300.00</u>	<u>\$ 9,867,000.00</u>	<u>\$ 9,867,000.00</u>

TOWNSHIP OF NUTLEY

C-8

GENERAL CAPITAL FUND

SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Maturities of Bonds			Interest Rate	Balance		Issued	Matured	Balance Dec. 31, 2018
		Outstanding Dec. 31, 2018				Dec. 31, 2017				
		Date	Amount							
General Improvement Bonds	12/01/2009					\$ 500,000.00		\$ 500,000.00		
General Improvement Bonds	09/01/2013	09/01/2019	\$ 470,000.00	2.00%						
		09/01/2020	470,000.00	2.25%						
		09/01/2021	470,000.00	2.75%						
		09/01/2022-23	470,000.00	3.00%		2,820,000.00		470,000.00	\$ 2,350,000.00	
General Improvement Bonds	04/30/2018	04/15/2019-21	1,000,000.00	2.00%						
		04/15/2022	545,000.00	2.00%						
		04/15/2023	545,000.00	2.25%						
		04/15/2024-27	545,000.00	3.00%						
		04/15/2028	521,000.00	3.00%			\$ 6,791,000.00		6,791,000.00	
						\$ 3,320,000.00	\$ 6,791,000.00	\$ 970,000.00	\$ 9,141,000.00	

Ref.

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C-8

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF NJ DEPARTMENT OF ENVIRONMENTAL PROTECTION
(NJDEP) GREEN ACRES LOANS PAYABLE

C-9
1 of 3

Ord. No.	Improvement Description	Balance Dec. 31, 2017	Less: Matured	Balance Dec. 31, 2018
3131	Redevelopment of Monsignor Owens Park	\$ 399,168.44	\$ 18,026.76	\$ 381,141.68
3369	Improvement of Father Glotzbach Soccer Field	87,529.00		87,529.00
		<u>\$ 486,697.44</u>	<u>\$ 18,026.76</u>	<u>\$ 468,670.68</u>

Ref.

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SCHEDULE OF PRINCIPAL AND
INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2018

Redevelopment of Monsignor Owens Park

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 381,141.68
5	03/29/2019	\$ 3,811.42	\$ 9,148.80	371,992.88
6	09/29/2019	3,719.93	9,240.29	362,752.59
7	03/29/2020	3,627.53	9,332.69	353,419.90
8	09/29/2020	3,534.20	9,426.02	343,993.88
9	03/29/2021	3,439.94	9,520.28	334,473.60
10	09/29/2021	3,344.74	9,615.48	324,858.12
11	03/29/2022	3,248.58	9,711.64	315,146.48
12	09/29/2022	3,151.46	9,808.76	305,337.72
13	03/29/2023	3,053.38	9,906.84	295,430.88
14	09/29/2023	2,954.31	10,005.91	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

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF NJ DEPARTMENT OF ENVIRONMENTAL PROTECTION
(NJDEP) GREEN ACRES LOAN PAYABLE
(Continued)

C-9
2 of 3

SCHEDULE OF PRINCIPAL AND
INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2018

Redevelopment of Monsignor Owens Park
(Continued)

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 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>\$ 72,466.04</u>	<u>\$381,141.68</u>	

SCHEDULE OF PRINCIPAL AND
INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2018

Improvement of Father Glotzbach Soccer Field (Tentative)

Payment Number	Due Date	Principal	Balance of Loan
			\$ 87,529.00
1	07/15/2019	\$ 2,244.33	85,284.67
2	01/12/2020	2,244.34	83,040.33
3	07/14/2020	2,244.33	80,796.00
4	01/11/2021	2,244.33	78,551.67
5	07/14/2021	2,244.34	76,307.33
6	01/11/2022	2,244.33	74,063.00
7	07/14/2022	2,244.33	71,818.67
8	01/12/2023	2,244.34	69,574.33
9	07/15/2023	2,244.33	67,330.00
10	01/12/2024	2,244.33	65,085.67
11	07/14/2024	2,244.34	62,841.33
12	01/11/2025	2,244.33	60,597.00
13	07/14/2025	2,244.33	58,352.67
14	01/11/2026	2,244.34	56,108.33
15	07/14/2026	2,244.33	53,864.00
16	01/12/2027	2,244.33	51,619.67
17	07/15/2027	2,244.34	49,375.33
18	01/12/2028	2,244.33	47,131.00
19	07/14/2028	2,244.33	44,886.67
20	01/11/2029	2,244.34	42,642.33
21	07/14/2029	2,244.33	40,398.00
22	01/11/2030	2,244.33	38,153.67
23	07/14/2030	2,244.34	35,909.33
24	01/12/2031	2,244.33	33,665.00
25	07/15/2031	2,244.33	31,420.67
26	01/12/2032	2,244.34	29,176.33
27	07/14/2032	2,244.33	26,932.00
28	01/11/2033	2,244.33	24,687.67
29	07/14/2033	2,244.34	22,443.33
30	01/11/2034	2,244.33	20,199.00

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF NJ DEPARTMENT OF ENVIRONMENTAL PROTECTION
(NJDEP) GREEN ACRES LOAN PAYABLE
 (Continued)

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SCHEDULE OF PRINCIPAL AND
INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2018
Improvement of Father Glotzbach Soccer Field (Tentative)
 (Continued)

<u>Payment Number</u>	<u>Due Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 20,199.00
31	07/14/2034	\$ 2,244.33	17,954.67
32	01/12/2035	2,244.34	15,710.33
33	07/15/2035	2,244.33	13,466.00
34	01/12/2036	2,244.33	11,221.67
35	07/14/2036	2,244.34	8,977.33
36	01/11/2037	2,244.33	6,733.00
37	07/14/2037	2,244.33	4,488.67
38	01/11/2038	2,244.34	2,244.33
39	07/14/2038	2,244.33	
		<u>\$ 87,529.00</u>	

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

C-10

Ord. No.	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2018
3323	Various Improvements or Purposes	\$ 285.00		\$ 285.00	
3344	Various Improvements or Purposes	370,375.00		370,375.00	
3407	Reconstruction of Various Roadways and Sidewalks		\$ 313,500.00	313,500.00	
3408	Various Improvements or Purposes		1,586,500.00	149,680.00	\$1,436,820.00
		<u>\$ 370,660.00</u>	<u>\$ 1,900,000.00</u>	<u>\$ 833,840.00</u>	<u>\$1,436,820.00</u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
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, 2017	D	\$ 990,028.59	\$ 183.05
Increased by Receipts:			
Utility Collector		\$ 4,026,845.07	
Nonbudget Revenue - Treasurer		4,170.55	
Due Current Fund - Interfund Advanced		343,000.00	
Appropriation Refunds		<u>1,720.46</u>	
		4,375,736.08	
		<u>5,365,764.67</u>	<u>183.05</u>
Decreased by Disbursements:			
2018 Appropriation Expenditures		3,972,252.17	
2017 Appropriation Reserves		284,258.51	
Due Water Utility Capital Fund:			
Due Current Fund - Interfund Returned		2,500.00	
Improvement Authorization Expenditures		13,133.00	
Refund of Water Rent Overpayments		<u>14,055.59</u>	
		<u>4,286,199.27</u>	
Balance December 31, 2018	D	<u>\$ 1,079,565.40</u>	<u>\$ 183.05</u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - WATER COLLECTOR
YEAR ENDED DECEMBER 31, 2018

D-4A

Increased by:

Consumer Accounts Receivable	\$ 3,983,533.14
Water Rent Overpayments	19,082.29
Nonbudget Revenue	24,229.64
	<hr/> 4,026,845.07

Decreased by:

Disbursed to Water Treasurer	<u><u>\$ 4,026,845.07</u></u>
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TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER UTILITY CAPITAL CASH

D-5

	Balance/ (Deficit) Dec. 31, 2017	Transfers		Balance/ (Deficit) Dec. 31, 2018
		From	To	
Capital Fund Balance	\$ 27,035.51			\$ 27,035.51
Due Current Fund	2,500.00	\$ 2,500.00		
Due Water Utility Operating Fund	(100,263.83)	41,745.00	\$ 15,633.00	(126,375.83)
Loans Receivable:				
New Jersey Environmental Infrastructure Trust (NJEIT)	(20,886.75)		15,745.00	(5,141.75)
Reserve for Payment of Debt Service	25,163.75			25,163.75
Down Payments on Improvements	16,375.85	12,850.00	1,000.00	4,525.85

Improvement Authorizations:

Ord. No.	Improvement Description				
2869; 3055	Preliminary Plans and Specifications for Water Distribution System	11,265.43			11,265.43
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	12,018.75			12,018.75
3296	Various Water Utility Improvements	(55,266.65)	14.60	25,000.00	(30,281.25)
3322	Improvement of the Water Supply and Distribution System	(11,076.64)	13,118.40		(24,195.04)
3344	Improvement of the Water Supply and Distribution System	8,900.00			8,900.00
3370	Improvement of the Water Supply and Distribution System	8,000.00			8,000.00
3409	Various Water Utility Improvements			12,850.00	12,850.00
		<u>\$ 183.05</u>	<u>\$ 70,228.00</u>	<u>\$ 70,228.00</u>	<u>\$ 183.05</u>

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

D-6

	<u>Ref.</u>	
Balance December 31, 2017	D	\$ 661,697.73
Increased by:		
Water Rents Levied		3,979,957.88
		<u>4,641,655.61</u>
Decreased by:		
Collections		3,983,533.14
		<u>3,983,533.14</u>
Balance December 31, 2018	D	<u>\$ 658,122.47</u>

WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

D-7

	<u>Ref.</u>	
Balance December 31, 2017	D	\$ 25,644.49
Decreased by:		
Adjustment to Actual Inventory Per Listing Provided by Water Department		942.12
		<u>942.12</u>
Balance December 31, 2018	D	<u>\$ 24,702.37</u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF RETURN ITEM ACCOUNT
YEAR ENDED DECEMBER 31, 2018

D-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

D-9

	Balance Dec. 31, 2017	Balance Dec. 31, 2018
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
	<u>\$ 1,938,926.48</u>	<u>\$ 1,938,926.48</u>
<u>Ref.</u>	D	D

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

D-10

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2017	2018 Authorizations	Balance Dec. 31, 2018
2869; 3055	12/28/04; 03/18/08	Preliminary Plans and Specifications for Water Distribution System	\$ 110,000.00		\$ 110,000.00
2994	11/21/06	Water Capital Improvements	67,811.50		67,811.50
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
			<u>\$ 4,053,686.50</u>	<u>\$ 256,600.00</u>	<u>\$ 4,310,286.50</u>
		<u>Ref.</u>	D		D

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF 2017 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2018

D-11

	Balance Dec. 31, 2017	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 259,605.64	\$ 259,605.64	\$ 259,605.64	
Other Expenses	382,459.63	382,459.63	380,388.51	\$ 2,071.12
Other Expenses	176,288.68	176,288.68	3,337.61	172,951.07
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.)	14,022.34	14,022.34	2,139.03	11,883.31
Unemployment Compensation Insurance - (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00
	<u>\$ 672,087.61</u>	<u>\$ 672,087.61</u>	<u>\$ 642,133.18</u>	<u>\$ 29,954.43</u>

Ref.

Analysis of Balance December 31, 2017:

Unencumbered	D	\$ 568,838.82
Encumbered	D	<u>103,248.79</u>
		<u>\$ 672,087.61</u>

Cash Disbursed	\$ 284,258.51
Accounts Payable	<u>357,874.67</u>
	<u>\$ 642,133.18</u>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-12

Ord. No.	Improvement Description	Ordinance Date	Amount	2018 Authorizations				Paid or Charged	Balance December 31, 2018	
				Balance December 31, 2017	Down Payments on	Deferred Charges to Future Revenue	Improvements		Funded	Unfunded
				Funded	Unfunded					
2869; 3055	Preliminary Plans and Specifications for Water Distribution System	12/28/04; 03/18/08	\$ 110,000.00	\$ 11,265.43					\$ 11,265.43	
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	12,018.75					12,018.75	
3296	Various Water Utility Improvements	09/02/14	104,500.00		9,514.60			\$ 14.60		9,500.00
3322	Improvement of the Water Supply and Distribution System	10/06/15	297,000.00		285,923.36			13,118.40		272,804.96
3343	Improvement of the Water Supply and Distribution System	09/06/16	178,000.00	8,900.00	169,100.00				8,900.00	169,100.00
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				\$ 12,850.00		12,850.00	243,750.00
				\$ 116,601.81	\$ 2,263,840.96	\$ 243,750.00	\$ 12,850.00	\$ 13,133.00	\$ 129,451.81	\$ 2,494,457.96
				Ref.	D	D			D	D
Due to Water Utility Operating Fund									\$ 13,133.00	

D-12

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

D-13

	<u>Ref.</u>	
Balance December 31, 2017	D	\$ 16,375.85
Increased by:		
2018 Budget Appropriation		<u>1,000.00</u>
		17,375.85
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>12,850.00</u>
Balance December 31, 2018	D	<u><u>\$ 4,525.85</u></u>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2018

D-14

NOT APPLICABLE

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

D-15

	<u>Ref.</u>	
Balance December 31, 2017	D	\$ 2,593,142.67
Increased by:		
Paid by Operating Budget:		
New Jersey Environmental Infrastructure Trust (NJEIT) Loans	\$ 75,617.68	
Funded by Budget Appropriation	<u>25,000.00</u>	
		<u>100,617.68</u>
Balance December 31, 2018	D	<u><u>\$ 2,693,760.35</u></u>

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

D-15A

Ord. No.	Improvement Description	Date of Ordinance	Balance Dec. 31, 2017	2018 Authorizations	Balance Dec. 31, 2018
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
			<u>\$ 101,805.25</u>	<u>\$ 12,850.00</u>	<u>\$ 114,655.25</u>
		<u>Ref.</u>	D		D

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE
YEAR ENDED DECEMBER 31, 2018

NOT APPLICABLE

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2018

D-17

NOT APPLICABLE

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

D-18
1 of 2

	<u>Ref.</u>	
Balance December 31, 2017	D	\$ 967,480.81
Decreased by:		
Matured		<u>75,617.68</u>
Balance December 31, 2018	D	<u>\$ 891,863.13</u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2018

Payment Number	Due Date	Trust		Fund Principal	Balance of Loan
		Interest	Principal		
					\$ 891,863.13
14	02/01/2019	\$ 7,372.50 *		\$ 25,205.89	866,657.24
15	08/01/2019	7,372.50	\$ 20,000.00	50,411.79	796,245.45
16	02/01/2020	6,872.50		25,205.89	771,039.56
17	08/01/2020	6,872.50	20,000.00	50,411.79	700,627.77
18	02/01/2021	6,372.50		25,205.89	675,421.88
19	08/01/2021	6,372.50	25,000.00	50,411.79	600,010.09
20	02/01/2022	5,747.50		25,205.89	574,804.20
21	08/01/2022	5,747.50	25,000.00	50,411.79	499,392.41
22	02/01/2023	5,122.50		25,205.89	474,186.52
23	08/01/2023	5,122.50	25,000.00	50,411.79	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

* - Credits to be applied to first interest payment due in fiscal year 2019.

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

D-18
 2 of 2

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2018
 (Continued)

Payment Number	Due Date	Trust		Fund Principal	Balance of Loan
		Interest	Principal		
					\$ 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-
Credits to be Applied		(5,141.75) *			
		<u>\$ 96,748.25</u>	<u>\$ 355,000.00</u>	<u>\$ 536,863.13</u>	

* - Credits to be applied to first interest payment due in fiscal year 2019.

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

Ord. No.	Date	Improvement Description	Balance	2018	Funded by	Balance
			Dec. 31, 2017	Authorizations	Budget Appropriation	Dec. 31, 2018
3140	06/15/10	Replacement of Water Meters and Retrofit of Meter Heads	\$ 1,638,303.00			\$ 1,638,303.00
3296	09/02/14	Various Water Utility Improvements	64,781.25		\$ 25,000.00	39,781.25
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	169,100.00			169,100.00
3370	11/08/17	Improvement of the Water Supply and Distribution System	161,000.00			161,000.00
3409	12/20/18	Various Water Utility Improvements		\$ 243,750.00		243,750.00
			<u>\$ 2,330,184.25</u>	<u>\$ 243,750.00</u>	<u>\$ 25,000.00</u>	<u>\$ 2,548,934.25</u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2018
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, 2017	F	\$ 75,202.64
Increased by Receipts:		
NJ Shares - Utility Company Donation		\$ 370.00
Interest		<u>248.38</u>
		<u>618.38</u>
Balance December 31, 2018	F	<u>\$ 75,821.02</u>

TOWNSHIP OF NUTLEY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2018

TOWNSHIP OF NUTLEY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

1

Federal Funding Department	Program	CFDA #	State Program Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO	
						From	To		Cumulative Total Expenditures	Amounts Provided to Subrecipients
US Department of Transportation: Passed through NJ Department of Law and Public Safety	Click It or Ticket	20.600	100-066-1160- 119-6120	\$ 5,500.00	\$ 3,272.50	01/01/18	12/31/19	\$ 3,272.50	\$ 3,272.50	
	Pedestrian Safety Education and Enforcement Grant	20.616	100-066-1160- 158-6120	15,000.00	11,275.00	01/01/18	12/31/19	11,275.00	11,275.00	
	Distracted Driving Incentive	20.616	100-066-1160- 163-6120	6,600.00	6,600.00	01/01/18	12/31/18	6,600.00	6,600.00	
	Total US Department of Transportation				21,147.50			21,147.50	21,147.50	
US Department of Justice: Office of Justice Programs, Bureau of Justice Assistance	Bulletproof Vest Partnership Program	16.607	N/A	8,152.38		01/01/15	12/31/18	8,152.38	8,152.38	
				8,482.10		01/01/16	12/31/19	6,490.25	6,490.25	
				5,284.40	4,691.66	01/01/18	12/31/19			
					4,691.66			14,642.63	14,642.63	
Office of Community Oriented Policing Services (COPS)	COPS Hiring Program (CHP)	16.710	N/A	500,000.00		11/01/17	10/31/20	100,940.32	100,940.32	
	Total US Department of Justice				4,691.66			115,582.95	115,582.95	
US Department of Homeland Security: Passed through NJ Department of Law and Public Safety	Disaster Grants - Public Assistance - F.E.M.A. Superstorm Sandy	97.036	100-066-1200- A92-NISP	705,548.26	85,559.72	10/30/12	12/31/12	85,559.72 *	705,548.26	
	Emergency Management Performance Grants - F.E.M.A. Non-Terrorism	97.042	100-066-1200- 726-NISP	9,400.00	9,400.00	01/01/17	12/31/17	9,400.00 *	9,400.00	
	Total US Department of Homeland Security				94,959.72			94,959.72	714,948.26	
US Department of Housing & Urban Development: Passed through Essex County Office of Community Development	Community Development Block Grant: ADA Accessible Bathroom - Public Safety Building	14.218	N/A	49,000.00	49,000.00	01/01/17	12/31/18	49,000.00	49,000.00	
	Reconstruction of: Princeton Street			58,800.00	58,800.00	01/01/17	12/31/18	58,800.00	58,800.00	
	Hunt Place			49,000.00	49,000.00	01/01/17	12/31/18	49,000.00	49,000.00	
	Bayard Street			72,500.00	52,836.85	01/01/14	12/31/19	52,836.85	52,836.85	
Total US Department of Housing & Urban Development					209,636.85			209,636.85	209,636.85	
					209,636.85			209,636.85	209,636.85	
TOTAL FEDERAL AWARDS					\$ 330,435.73			\$ 441,327.02	\$ 1,061,315.56	\$ - 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, 2018

2

MEMO	State Funding Department	State Program	State Grant Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	Cumulative Total Expenditures
						From	To		
	Department of Law & Public Safety	Safe & Secure Communities Program	100-066-1020-232-6120	\$ 60,000.00	\$ 60,000.00	08/01/17	07/31/18	\$ 27,692.20	\$ 60,000.00
				60,000.00	60,000.00	08/01/18	07/31/19	27,047.48	27,047.48
					120,000.00			54,739.68	87,047.48
		Body Armor Replacement Fund	718-066-1020-001-6120	6,113.90		01/01/16	12/31/18	5,756.87	6,113.90
	Total Department of Law and Public Safety				120,000.00			60,496.55	93,161.38
	Department of Environmental Protection	Clean Communities Program	765-042-4900-004-6020	50,492.21	48,312.89	01/01/17	12/31/19	23,183.61	25,787.36
				48,312.89	48,312.89	01/01/18	12/31/19	2,988.04	2,988.04
					48,312.89			26,171.65	28,775.40
	Total Department of Environmental Protection				48,312.89			26,171.65	28,775.40
	Department of Health & Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-4240-001-040000	585.86	585.86	01/01/18	12/31/19		
	Total Department of Health and Senior Services				585.86			- 0 -	- 0 -
	Department of Treasury:								
	Passed through the County of Essex	Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program	100-082-2000-044-995120	21,780.00	18,807.06	07/01/17	06/30/18	14,594.32	19,273.97
				19,165.00		07/01/18	06/30/19	2,001.85	2,001.85
					18,807.06			16,596.17	21,275.82
	Total Department of Treasury				18,807.06			16,596.17	21,275.82
	Department of Transportation	NJ Transportation Trust Fund Authority Act - Municipal Aid:	480-078-6320-156-601385						
		Park Avenue		232,000.00	232,000.00	01/01/15	12/31/17		232,000.00
		Various Roadways		83,558.00		01/01/15	12/31/18	253.84	83,558.00
		Harrison Street		245,000.00	245,000.00	01/01/16	12/31/17		245,000.00
		Harrison Street		252,504.00	252,504.00	01/01/17	12/31/18	90,693.95	252,504.00
					729,504.00			90,947.79	813,062.00
	Total Department of Transportation				729,504.00			90,947.79	813,062.00
	TOTAL STATE AWARDS				\$ 916,623.95			\$ 194,212.16	\$ 956,274.60

Total Department of Transportation

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

TOWNSHIP OF NUTLEY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2018

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, 2018. 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, 2018:

General Capital Fund:

NJ Department of Environmental Protection Green Acres Loan	\$ 381,142
NJ Department of Environmental Protection Green Acres Loan	<u>87,529</u>
	<u>\$ 468,671</u>

Water Utility Capital Fund:

NJ Environmental Infrastructure Trust Loan	\$ 355,000
NJ Environmental Infrastructure Fund Loan	<u>536,863</u>
	<u>\$ 891,863</u>

TOWNSHIP OF NUTLEY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2018
(Continued)

D. STATE LOANS OUTSTANDING (Cont'd)

Currently, the Township is in the process of repaying the NJ Environmental Infrastructure loan balances. The General Capital Fund project which relates to the NJ Environmental Infrastructure loan is complete. 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. One project which they relate to is complete and loan payments commenced in 2017 and the other project has not begun and loan payments will tentatively commence in 2019. At December 31, 2018, with regard to the Water Utility Capital Fund project, the Township has received and expended \$1,387,975 of the \$1,896,736 Loan funds for the Township-wide replacement of water meters and retrofit of meter heads. The project which relates to the loans was completed in 2014.



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

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements – *regulatory basis* - of the various funds of the Township of Nutley, in the County of Essex (the "Township") as of, and for the years ended, December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 6, 2019. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

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 6, 2019

NISIVOCCIA LLP

A handwritten signature in cursive script, reading "Raymond G. Sarinelli", is written over a horizontal line.

Raymond G. Sarinelli

Certified Public Accountant

Registered Municipal Accountant No. 383

TOWNSHIP OF NUTLEY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2018

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.
- The Township was not subject to the single audit provisions of the Uniform Guidance and New Jersey's OMB Circular 15-08 for 2018 as both state and federal grant expenditures were less than the single audit thresholds of \$750,000 identified in the Uniform Guidance and NJOMB 15-08.

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

TOWNSHIP OF NUTLEY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018

The Township had no prior year audit findings.

TOWNSHIP OF NUTLEY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2018

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

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

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

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

On January 2, 2018, the governing body adopted a resolution authorizing interest to be charged on delinquent taxes and water rents at the rate of 8% per annum to \$1,500 and any amount in excess of \$1,500 shall be fixed at the rate of 18% per annum. An additional penalty of 6% will be imposed on delinquencies in excess of \$10,000.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on September 18, 2018 and was complete with respect to all items eligible for sale.

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

<u>Year</u>	<u>Number of Liens</u>
2018	9
2017	2
2016	2

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

The report of the Municipal Court has been forwarded to the Division of Local Government Services and the Township's Magistrate under separate cover. Reflected below is a summary of receipts and disbursements for the year ended December 31, 2018.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance Dec. 31, 2017	Receipts	Disbursements	Balance Dec. 31, 2018
Municipal Treasurer:				
Fines and Costs	\$ 29,098.47	\$ 411,539.87	\$ 408,641.70	\$ 31,996.64
P.O.A.A. Fines	396.00	6,376.00	6,190.00	582.00
Public Defender	390.00	3,208.50	3,448.50	150.00
Interest:				
Regular Account	0.22	2.92	3.14	
State Treasurer	17,627.94	292,755.26	287,613.17	22,770.03
County Treasurer	7,588.59	99,157.50	99,346.59	7,399.50
Transcript Fees				
Weights and Measures	1,650.00	650.00	650.00	1,650.00
Restitution	2,965.00	8,884.58	11,699.58	150.00
Cash Bail	16,175.00	53,309.50	54,152.50	15,332.00
	<u>\$ 75,891.22</u>	<u>\$ 875,884.13</u>	<u>\$ 871,745.18</u>	<u>\$ 80,030.17</u>

During our review of the Municipal Court records, we noted the following:

- a.) Although significant improvement was made, the tickets and special complaints assigned but not issued reports at December 31, 2018 still include tickets and special complaints which were assigned over six months ago which the Court Administrator is currently in the process of addressing.

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

Management's Response

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

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Municipal Court

During our review of the Municipal Court records, we noted the following (Cont'd):

- b.) The monthly regular and bail account bank reconciliations include reconciling items from the current and prior years, including bank charges and monthly credit card service fees for which reimbursement was not requested as well as activity posted and unposted to the ATS. In addition, new bank accounts were opened for the regular and bail accounts in April 2017 but the old bank accounts have not yet been closed.

It is recommended that all reconciling items included on the monthly bank reconciliations for the Municipal Court regular and bail accounts be reviewed for proper disposition and the old regular and bail bank accounts be closed.

Management's Response

The Court Administrator will ensure that all reconciling items included on the monthly bank reconciliations are reviewed and properly disposed of and the old regular and bail bank accounts were recently closed in 2019.

- c.) The monthly bail account bank reconciliation is not in agreement with the monthly bail on account report.

It is recommended that the variance between the monthly bail account bank reconciliation and the monthly bail on account report be reviewed for proper disposition.

Management's Response

The Court Administrator will ensure that the variance between the monthly bail account bank reconciliation and the monthly bail on account report is reviewed and properly disposed of.

- d.) The turnover of monthly regular account receipts did not always occur by the 15th day of the subsequent month.

It is recommended that the turnover of monthly regular account receipts be made by the 15th day of the subsequent month, as required.

Management's Response

The turnover of monthly regular account receipts will be made by the 15th day of the subsequent month, as required.

New Jersey Administrative Code Accounting Requirements

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

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

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

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2017 audit report. Recommendation 1b was partially resolved and recommendations 2a, 3a, 4a and 5a were resolved in 2018. Recommendations 1a and the unresolved portion of recommendation 1b are included in the current year audit report as recommendations 1a and 1b and are in the process of being implemented.

TOWNSHIP OF NUTLEY
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Municipal Court:
 - a. The process of reviewing all Municipal Court assigned but not issued tickets and special complaints over six months old be continued so that they are collected from the respective officers and voided.
 - b. All reconciling items included on the monthly bank reconciliations for the Municipal Court regular and bail accounts be reviewed for proper disposition and the old regular and bail bank accounts be closed.
 - c. The variance between the monthly bail account bank reconciliation and the monthly bail on account report be reviewed for proper disposition.
 - d. The turnover of monthly regular account receipts be made by the 15th day of the subsequent month, as required.

* * * * *