

*TOWNSHIP OF NUTLEY*

*COUNTY OF ESSEX*

*REPORT OF AUDIT*

*2020*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
REPORT OF AUDIT  
2020

TOWNSHIP OF NUTLEY  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2020

<u>PART I - Financial Statements and Supplementary Data</u>	<u>Page</u>
Independent Auditors' Report	1-3
<u>Financial Statements</u>	<u>Schedule</u>
<u>Current Fund</u>	
Comparative Balance Sheet – Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis	A-1
Statement of Revenue – Regulatory Basis	A-2
Statement of Expenditures – Regulatory Basis	A-3
<u>Trust Funds</u>	
Comparative Balance Sheet – Regulatory Basis	B
Statement of Fund Balance – Regulatory Basis – Assessment Trust Fund (Not Applicable)	B-1
Statement of Revenue – Regulatory Basis – Assessment Trust Fund (Not Applicable)	B-2
Statement of Expenditures – Regulatory Basis – Assessment Trust Fund (Not Applicable)	B-3
<u>General Capital Fund</u>	
Comparative Balance Sheet – Regulatory Basis	C
Statement of Fund Balance – Regulatory Basis	C-1
<u>Water Utility Fund</u>	
Comparative Balance Sheet – Regulatory Basis	D
Comparative Statement of Operations and Change in Fund	
Balance – Regulatory Basis – Water Utility Operating Fund	D-1
Statement of Fund Balance – Regulatory Basis – Water Utility Capital Fund	D-1A
Statement of Revenue – Regulatory Basis – Water Utility Operating Fund	D-2
Statement of Expenditures – Regulatory Basis – Water Utility Operating Fund	D-3
<u>Sewer Utility Fund (Not Applicable)</u>	
<u>Public Assistance Fund</u>	
Comparative Balance Sheet – Regulatory Basis	F
<u>Bond and Interest Fund (Not Applicable)</u>	
<u>General Fixed Assets Account Group (Unaudited)</u>	
Comparative Balance Sheet – Regulatory Basis (Unaudited)	H
	<u>Page</u>
<u>Notes to Financial Statements</u>	1-36
<u>Supplementary Data</u>	<u>Schedule</u>
Officials in Office and Surety Bonds	1
<u>Current Fund</u>	
Schedule of Cash – Treasurer	A-4
Schedule of Cash – Collector	A-5
Schedule of Cash – Grant Funds (Not Applicable)	A-6
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A-7
Schedule of Tax Title Liens	A-8
Schedule of Revenue Accounts Receivable	A-9
Schedule of Consumer Accounts Receivable (Not Applicable)	A-10
Schedule of 2019 Appropriation Reserves	A-11
Schedule of Local School District Taxes Payable	A-12

TOWNSHIP OF NUTLEY  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

PART I - Financial Statements and Supplementary Data (Cont'd)

Supplementary Data (Cont'd)

Schedule

Trust Funds

Schedule of Cash – Treasurer	B-4
Schedule of Animal Control Fund Cash – Collector – Animal Control Fund (Not Applicable)	B-4A
Analysis of Cash – Assessment Trust Fund (Not Applicable)	B-5
Schedule of Reserve for Animal Control Fund Expenditures – Animal Control Fund	B-6

General Capital Fund

Schedule of Cash - Treasurer	C-2
Analysis of General Capital Fund Cash	C-3
Schedule of Deferred Charges to Future Taxation – Unfunded	C-4
Schedule of Improvement Authorizations	C-5
Schedule of Capital Improvement Fund	C-6
Schedule of Bond Anticipation Notes Payable	C-7
Schedule of Serial Bonds Payable	C-8
Schedule of NJ Department of Environmental Protection (NJDEP) Green Acres Loans Payable	C-9
Schedule of Bonds and Notes Authorized but not Issued	C-10

Water Utility Fund

Schedule of Cash - Treasurer – Water Utility Fund	D-4
Schedule of Cash – Water Collector - Water Utility Operating Fund	D-4A
Analysis of Cash – Water Utility Capital Fund	D-5
Schedule of Consumer Accounts Receivable – Water Utility Operating Fund	D-6
Schedule of Inventory – Water Utility Operating Fund	D-7
Schedule of Return Item Account – Water Utility Operating Fund (Not Applicable)	D-8
Schedule of Fixed Capital – Water Utility Capital Fund	D-9
Schedule of Fixed Capital Authorized and Uncompleted – Water Utility Capital Fund	D-10
Schedule of 2019 Appropriation Reserves – Water Utility Operating Fund	D-11
Schedule of Improvement Authorizations – Water Utility Capital Fund	D-12
Schedule of Down Payments on Improvements – Water Utility Capital Fund	D-13
Schedule of Capital Improvement Fund – Water Utility Capital Fund (Not Applicable)	D-14
Schedule of Reserve for Amortization – Water Utility Capital Fund	D-15
Schedule of Deferred Reserve for Amortization – Water Utility Capital Fund	D-15A
Schedule of Bond Anticipation Notes Payable – Water Utility Capital Fund	D-16
Schedule of Serial Bonds Payable – Water Utility Capital Fund (Not Applicable)	D-17
Schedule of NJ Environmental Infrastructure Trust (NJEIT) Loan Payable – Water Utility Capital Fund	D-18
Schedule of Bonds and Notes Authorized but not Issued – Water Utility Capital Fund	D-19

Sewer Utility Fund (Not Applicable)

Public Assistance Fund

Schedule of Cash – Treasurer	F-1
------------------------------	-----

TOWNSHIP OF NUTLEY  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

<u>PART II - Single Audit</u>	<u>Page</u>
Schedule of Expenditures of Federal Awards	1
Schedule of Expenditures of State Awards	2
Notes to Schedules of Expenditures of Federal and State Awards	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5-6
Report on Compliance for Each Major Federal Program and Report on Other Matters Based on an Audit of Financial Statements Performed in Internal Control Over Compliance	7-9
Schedule of Findings and Questioned Costs	10-11
Summary Schedule of Prior Audit Findings	12
 <u>PART III - Comments and Recommendations</u>	 <u>Page</u>
Comments and Recommendations	13-16
Summary of Recommendations	17

TOWNSHIP OF NUTLEY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2020

## 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, 2020 and 2019, 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  
Page 2

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

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

### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for the Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above, do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2020 and 2019, 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, 2020 and 2019 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, 2020 and 2019, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended on the basis of the accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as described in Note 1.

### ***Other Matters***

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements of the various funds that collectively comprise the Township's financial statements. The supplementary data schedules listed in the table of contents 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 Honorable Mayor and Members  
of the Board of Commissioners  
Township of Nutley  
Page 3

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2021 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  
June 3, 2021

*Nisivoccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Registered Municipal Accountant No. 560  
Certified Public Accountant

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
CURRENT FUND

TOWNSHIP OF NUTLEY  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A  
1 of 2

		December 31,	
	Ref.	2020	2019
<u>ASSETS</u>			
Cash and Cash Equivalents	A-4	\$ 40,253,708.34	\$ 34,214,023.91
Change Fund		300.00	300.00
		<u>40,254,008.34</u>	<u>34,214,323.91</u>
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		9,119.77	131,346.48
		<u>40,263,128.11</u>	<u>34,345,670.39</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,242,978.17	1,374,135.66
Tax Title Liens Receivable	A-8		71,309.60
Property Acquired for Taxes at Assessed Valuation		47,570.00	47,570.00
Revenue Accounts Receivable	A-9	15,048.15	28,022.99
Other Accounts Receivable			48,241.14
Due Animal Control Fund	B	8,718.30	
Due Water Utility Operating Fund	D	1,023,624.23	599,554.53
		<u>2,337,938.85</u>	<u>2,168,833.92</u>
Total Receivables and Other Assets with Full Reserves			
		<u>2,337,938.85</u>	<u>2,168,833.92</u>
Deferred Charges:			
Special Emergency Authorization		440,000.00	550,000.00
		<u>440,000.00</u>	<u>550,000.00</u>
TOTAL ASSETS			
		<u>\$ 43,041,066.96</u>	<u>\$37,064,504.31</u>

LIABILITIES, RESERVES AND FUND BALANCE

Appropriation Reserves:			
Unencumbered	A-3;A-11	5,372,241.12	4,504,392.91
Encumbered	A-3;A-11	1,784,487.64	1,338,545.89
		<u>7,156,728.76</u>	<u>5,842,938.80</u>
Accounts Payable - Vendors		2,636,038.85	2,812,889.84
Prepaid Taxes		628,165.56	651,034.61
Tax Overpayments		458,515.24	69,568.28
School Taxes Payable	A-12	2,362.00	
County Added and Omitted Taxes Payable		51,543.45	35,325.77
County PILOT Taxes Payable		15,875.09	28,474.74
Due Other Trust Funds	B	5,405,120.77	5,152,920.70
Due General Capital Fund	C	9,198,134.12	5,556,559.20
Due Water Utility Capital Fund	D	488,140.00	
Due State of New Jersey:			
Construction Code Surcharge Fees		7,747.00	7,827.00
Marriage License Fees		975.00	1,225.00
Burial Permit Fees		5.00	5.00

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

A  
2 of 2

		December 31,	
	Ref.	2020	2019
<u>LIABILITIES, RESERVES AND FUND BALANCE</u> (Cont'd)			
Reserve for:			
Appropriated Grant Funds:			
Municipal Alliance Grant		\$ 500.52	\$ 500.52
Clean Communities		74,478.06	55,610.40
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		1,281.77	1,781.77
Alcohol Education, Rehabilitation and Enforcement Fund		471.00	1,021.00
Bullet Proof Vest Program			5,640.55
Body Armor Replacement Fund		3,155.65	4,073.10
Recycling Tonnage Grant		15,918.85	15,918.85
Drunk Driving Enforcement Fund		15,560.50	
Unappropriated Grant Funds:			
Alcohol Education, Rehabilitation and Enforcement Fund		1,083.60	2,596.11
Bullet Proof Vest Program		11,255.25	
Purchase of Fire Truck - Insurance Proceeds		28,773.76	133,707.51
Pending Tax Appeals		6,414,024.52	6,833,006.51
Sale of Municipal Assets		66,550.00	66,550.00
Redemption of Outside Liens		18,149.72	23,075.69
Revaluation of Property		491,523.40	491,523.40
Master Plan Review		13,610.00	13,610.00
Litigation Settlement		440,000.00	300,000.00
Payment in Lieu of Taxes:			
Seton Hall University Medical School		334,762.36	330,089.08
100 Metro Boulevard		428,446.91	
		<u>34,438,614.85</u>	<u>28,467,191.57</u>
Reserve for Receivables and Other Assets	A	2,337,938.85	2,168,833.92
Fund Balance	A-1	<u>6,264,513.26</u>	<u>6,428,478.82</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		\$ 43,041,066.96	\$37,064,504.31

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

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

A-1  
1 of 2

	Year Ended December 31,	
	2020	2019
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 5,000,000.00	\$ 5,027,114.00
Miscellaneous Revenue Anticipated	10,331,587.93	9,730,865.28
Receipts from:		
Delinquent Taxes	1,445,696.92	1,403,922.70
Current Taxes	118,130,064.69	116,482,396.97
Nonbudget Revenue	618,101.44	1,071,301.62
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	2,038,106.67	785,416.06
Interfunds and Other Receivables Returned	48,241.14	
Total Income	<u>137,611,798.79</u>	<u>134,501,016.63</u>
<u>Expenditures</u>		
Budget Appropriations	53,874,270.44	53,058,665.73
County Taxes	18,934,169.80	18,157,172.37
County Share of Added and Omitted Taxes	51,543.45	35,325.77
Local School District Taxes	58,546,907.00	57,710,616.00
Reserve for Pending Tax Appeals	800,000.00	350,000.00
State of New Jersey Senior Citizens' and Veterans' Deductions		
Receivable Canceled	120,000.00	
Senior Citizen/Veteran Disallowances on Prior Year Taxes	333.56	42.48
Refund of Prior Year - Taxes		46,476.39
Refund of Prior Year Revenue - Other	15,752.10	29,792.72
Interfunds and Other Receivables Advanced	432,788.00	585,458.92
Total Expenditures	<u>132,775,764.35</u>	<u>129,973,550.38</u>

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

A-1  
 2 of 2

	<u>Ref.</u>	Year Ended December 31,	
		<u>2020</u>	<u>2019</u>
Excess in Revenue		\$ 4,836,034.44	\$ 4,527,466.25
Adjustments Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year:			
Special Emergency Authorization			550,000.00
Statutory Excess to Fund Balance		4,836,034.44	5,077,466.25
<u>Fund Balance</u>			
Balance January 1		6,428,478.82	6,378,126.57
		11,264,513.26	11,455,592.82
Decreased by:			
Utilized as Anticipated Revenue		5,000,000.00	5,027,114.00
Balance December 31	A	<u>\$ 6,264,513.26</u>	<u>\$ 6,428,478.82</u>

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

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

A-2  
1 of 5

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Fund Balance Anticipated	\$ 5,000,000.00		\$ 5,000,000.00	
Miscellaneous Revenue:				
Licenses:				
Alcoholic Beverages	30,000.00		32,659.60	\$ 2,659.60
Other	25,000.00		19,398.00	5,602.00 *
Fees and Permits	140,000.00		147,272.60	7,272.60
Fines and Costs:				
Municipal Court	175,000.00		184,649.89	9,649.89
Interest and Costs on Taxes	140,000.00		161,234.19	21,234.19
Parking Meters	125,000.00		223,592.00	98,592.00
Interest on Investments and Deposits	100,000.00		148,197.36	48,197.36
Fees - Immunization Program	3,000.00		7,997.71	4,997.71
Tree Removal Permits	5,000.00		6,650.00	1,650.00
Energy Receipts Tax	2,647,630.00		2,647,630.00	
Replacement Revenue	3,250,000.00		3,250,000.00	
Uniform Construction Code Fees	290,000.00		318,160.00	28,160.00
Township of Montclair - Health Services	10,000.00		2,960.00	7,040.00 *
Nutley Board of Education:				
Physician Services	7,000.00		8,200.00	1,200.00
Bulk/Solid Waste	12,500.00		12,500.00	
Fiber Optic Cable	7,500.00		7,500.00	
Drive Sober or Get Pulled Over		\$ 6,000.00		6,000.00 *
Partners for Healthy-Healthy Lifestyles	10,000.00		10,000.00	
Safe and Secure Communities Grant	60,000.00		60,000.00	
Clean Communities Program		48,616.27	48,616.27	
Distracted Driver Crackdown Grant	5,500.00			5,500.00 *
County of Essex Municipal Alliance Grant	19,906.54	818.40		20,724.94 *
Pedestrian Safety, Education and Enforcement Fund	15,000.00		1,045.00	13,955.00 *
COPS Grant Program	157,944.02			157,944.02 *
Body Armor Replacement Fund	6,543.29		6,543.29	
Office of Emergency Management	10,000.00		10,000.00	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

A-2  
2 of 5

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue:				
Reserve for Unappropriated Grant Funds:				
Alcohol Education, Rehabilitation and Enforcement Fund	\$ 2,596.11		\$ 2,596.11	
Sewer Maintenance Fees - Due from:				
Town of Belleville	11,210.00		11,210.28	\$ 0.28
City of Clifton	174.00		174.10	0.10
Residential Furniture Delivery Service	792.00		792.64	0.64
Town of Bloomfield	64,831.00		64,831.30	0.30
Regency Condominiums	8,147.00		8,147.73	0.73
PB Nutelif LLC, Excess Sewer Charges	97,361.00		97,361.97	0.97
Payment in Lieu of Taxes:				
Senior Citizen Housing	151,200.00		139,035.93	12,164.07 *
Nutley Senior Manor	45,600.00		42,848.72	2,751.28 *
100 Metro Boulevard	486,852.00		486,852.00	
Passaic Valley Sewer Charges - User Charges	7,047.00		7,047.62	0.62
Recycling Program	25,000.00		25,000.00	
Bureau of Housing Inspection	10,000.00		11,712.00	1,712.00
Uniform Fire Safety Act	32,310.00		27,524.92	4,785.08 *
Cable Franchise Fee	432,906.00		432,906.28	0.28
Cell Phone Tower Lease	18,000.00		18,000.00	
Reserve to Pay Debt Service - Premium on Note Sale	53,917.00		53,917.42	0.42
Reserve for Payment in Lieu of Taxes - Seton Hall University Medical School	330,089.00		330,089.00	
Reserve for Litigation Settlement	110,000.00		110,000.00	
Reserve for Pending Tax Appeals	1,146,734.00		1,146,734.00	
	<u>10,287,289.96</u>	<u>\$ 55,434.67</u>	<u>10,331,587.93</u>	<u>11,136.70 *</u>
Receipts from Delinquent Taxes	1,200,000.00		1,445,696.92	245,696.92



TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
 (Continued)

A-2  
3 of 5

	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	\$ 40,538,387.74		\$ 43,804,108.18	\$ 3,265,720.44
Minimum Library Tax	1,334,364.26		1,334,364.26	
	41,872,752.00		45,138,472.44	3,265,720.44
Total Amount to be Raised by Taxes for Support of Municipal Budget				
Budget Totals	58,360,041.96	\$ 55,434.67	61,915,757.29	\$ 3,500,280.66
Nonbudget Revenue			618,101.44	
	\$ 58,360,041.96	\$ 55,434.67	\$ 62,533,858.73	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

A-2  
4 of 5

Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 118,130,064.69
Allocated to:		
County Taxes	\$ 18,934,169.80	
County Share of Added and Omitted Taxes	51,543.45	
Local School District Taxes	<u>58,546,907.00</u>	
		<u>77,532,620.25</u>
Balance for Support of Municipal Budget		40,597,444.44
Add: Appropriation "Reserve for Uncollected Taxes"		<u>4,541,028.00</u>
Realized for Support of Municipal Budget		<u><u>\$ 45,138,472.44</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 1,374,387.32
Tax Title Lien Collections	<u>71,309.60</u>
	<u><u>\$ 1,445,696.92</u></u>

Analysis of Other Licenses:

Municipal Clerk	\$ 960.00
Board of Health	<u>18,438.00</u>
	<u><u>\$ 19,398.00</u></u>

Analysis of Fees and Permits:

Building Inspector	\$ 113,150.00
Board of Health	18,741.00
Police	3,803.01
Tax Search Fees/Miscellaneous	10,318.59
Public Works	<u>1,500.00</u>
	147,512.60
Less: Refunds	<u>240.00</u>
	<u><u>\$ 147,272.60</u></u>

Analysis of Parking Meters:

Public Works	224,692.00
Less: Refunds	<u>1,100.00</u>
	<u><u>\$ 223,592.00</u></u>

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

A-2  
5 of 5

Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 148,197.36
---------------------------------	---------------

Analysis of Tree Removal Permits:

Parks and Recreation	\$ 6,750.00
Less: Refunds	100.00
	\$ 6,650.00

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Prior Year Revenue:

County of Essex Municipal Alliance Grant	\$ 23,334.36	
Township of Montclair - Health Services	3,256.00	

Total Prior Year Revenue		\$ 26,590.36
--------------------------	--	--------------

Police Outside Services - Administrative Fees		255,432.50
---	--	------------

Refunds/Reimbursements		166,138.11
------------------------	--	------------

Employee Health Benefits Contributions - 2019		62,586.80
---	--	-----------

Payment in Lieu of Taxes		22,694.00
--------------------------	--	-----------

Vacant Property Registration		8,000.00
------------------------------	--	----------

Municipal Court - Public Defender Fees		1,375.00
--	--	----------

Departmental Collections		1,056.98
--------------------------	--	----------

State of New Jersey:

Senior Citizens' and Veterans' Deductions Administrative Costs		2,919.79
--	--	----------

DMV Inspection Fines/Fees		600.00
---------------------------	--	--------

Other Miscellaneous		11,949.04
		559,342.58

Tax Collector - Departmental Collections		400.00
--	--	--------

Due Animal Control Fund - Statutory Excess		8,718.30
--	--	----------

Due Other Trust Funds:

Developer's Escrow Refunds/Reimbursements		42,411.17
---	--	-----------

Road Opening, Sewer Maintenance and Planning Board Escrow Deposits Canceled		7,229.39
---	--	----------

	\$ 618,101.44
--	---------------

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

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

	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	\$ 2,500.00	\$ 2,500.00	\$ 2,250.00	\$ 250.00	
Other Expenses	14,000.00	14,000.00	13,453.47	546.53	
Nutley Public Health Reserve Corp:					
Other Expenses	3,000.00	3,000.00	791.25	2,208.75	
Department of Health - Local Health Agency:					
Salaries and Wages	600,000.00	620,000.00	495,110.63	124,889.37	
Other Expenses	57,900.00	57,900.00	20,290.16	37,609.84	
Air Pollution Control - Contractual	6,181.00	6,181.00	6,181.00		
Animal Regulation:					
Other Expenses	72,000.00	82,000.00	79,147.00	2,853.00	
Military Veterans Affairs Bureau:					
Salaries and Wages	46,500.00	46,500.00	46,071.11	428.89	
Other Expenses	3,500.00	3,500.00	2,579.81	920.19	
Immunization Program:					
Other Expenses	10,000.00	10,000.00	10,000.00		
Mental Health Program - Contractual	20,000.00	20,000.00	20,000.00		
Garbage and Trash Removal - Contractual	2,379,000.00	2,349,000.00	2,235,645.62	113,354.38	
Services of Nutley Family Service Bureau - Contractual	50,000.00	50,000.00	50,000.00		
Aid to NJ Association for Retarded Children - Contractual	1,000.00	1,000.00	1,000.00		
Total Department of Public Affairs	3,265,581.00	3,265,581.00	2,982,520.05	283,060.95	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(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	14,000.00	14,000.00	13,697.30	\$ 302.70	
Assessment of Taxes:					
Salaries & Wages	142,000.00	142,000.00	133,673.50	8,326.50	
Other Expenses	115,000.00	115,000.00	60,810.17	54,189.83	
Collection of Taxes:					
Salaries & Wages	138,000.00	138,000.00	123,829.57	14,170.43	
Other Expenses	45,000.00	45,000.00	33,987.20	11,012.80	
Treasurer's Office:					
Salaries & Wages	535,000.00	570,000.00	534,419.73	35,580.27	
Other Expenses	28,500.00	28,500.00	16,380.56	12,119.44	
Grant Writer	35,000.00	35,000.00	34,999.92	0.08	
Township Clerk's Office:					
Salaries & Wages	220,000.00	230,000.00	202,923.31	27,076.69	
Other Expenses	81,500.00	81,500.00	79,722.06	1,777.94	
Other Expenses - Election	60,000.00	15,000.00		15,000.00	
Administration of Township Ordinances:					
Salaries & Wages	242,000.00	223,000.00	181,589.52	41,410.48	
Other Expenses	11,000.00	11,000.00	150.00	10,850.00	
Expense, Stationery and Printing:					
Other Expenses	86,500.00	86,500.00	59,204.21	27,295.79	
Annual Audit:					
Other Expenses - Regular	94,000.00	94,000.00	94,000.00		
Economic Redevelopment Project:					
Other Expenses	250,000.00	250,000.00	105,231.03	144,768.97	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(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	\$ 11,000.00	\$ 11,000.00	\$ 5,956.32	\$ 5,043.68	
Total Department of Revenue and Finance	2,110,750.00	2,091,750.00	1,682,824.40	408,925.60	
DEPARTMENT OF PUBLIC SAFETY:					
Director of Public Safety:					
Salaries & Wages	2,250.00	2,250.00	2,250.00		
Other Expenses	14,000.00	14,000.00	13,486.43	513.57	
Municipal Court:					
Salaries & Wages	393,307.00	393,307.00	320,983.29	72,323.71	
Other Expenses	32,500.00	32,500.00	20,422.84	12,077.16	
E-Ticketing - Other Expense	45,000.00	45,000.00	14,255.58	30,744.42	
Public Defender:					
Salaries & Wages	16,500.00	16,500.00	16,408.44	91.56	
Other Expenses	200.00	200.00		200.00	
Police:					
Salaries & Wages	10,019,872.00	10,019,872.00	9,361,248.54	658,623.46	
Other Expenses	405,500.00	405,500.00	399,930.39	5,569.61	
Clothing Allowance	142,000.00	142,000.00	131,618.30	10,381.70	
Purchase of Police Cars	95,000.00	95,000.00	95,000.00		
First Aid Organization:					
Other Expenses	10,000.00	10,000.00		10,000.00	
Office of Emergency Management:					
Salaries & Wages	97,724.00	97,724.00	97,724.00		
Other Expenses	19,013.00	19,013.00	5,599.69	13,413.31	
Uniform Fire Safety Code:					
Fire:					
Salaries and Wages	32,310.00	32,310.00	32,310.00		

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

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

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
\$ 4,183,510.00	\$	4,183,510.00	\$	3,779,399.58	\$ 404,110.42
234,006.00		234,006.00		204,890.12	29,115.88
68,231.00		68,231.00		67,333.84	897.16
100.00		100.00			100.00
11,166.00		11,166.00			11,166.00
15,822,189.00		15,822,189.00	14,562,861.04	1,259,327.96	
2,250.00		2,250.00	2,250.00		
9,000.00		9,000.00	8,999.07	0.93	
166,000.00		166,000.00	154,908.49	11,091.51	
180,000.00		180,000.00	126,741.35	53,258.65	
580,000.00		580,000.00	511,449.96	68,550.04	
273,600.00		273,600.00	254,337.88	19,262.12	
70,000.00		70,000.00	3,405.42	66,594.58	
66,000.00		66,000.00	40,750.71	25,249.29	
121,000.00		121,000.00	114,071.58	6,928.42	
18,000.00		18,000.00	15,303.30	2,696.70	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

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

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
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	50,000.00	50,000.00		50,000.00	
Other Expenses	26,500.00	26,500.00	\$ 18,410.69	8,089.31	
Parking Lot and Meter Maintenance:					
Salaries and Wages	175,000.00	175,000.00	164,860.31	10,139.69	
Other Expenses	20,400.00	20,400.00	19,961.52	438.48	
Leaf Removal:					
Other Expenses - Tipping Fees	66,000.00	66,000.00	65,567.70	432.30	
Recycling:					
Salaries and Wages	650,000.00	650,000.00	585,431.66	64,568.34	
Other Expenses	20,700.00	20,700.00	16,337.38	4,362.62	
Other Expenses - Disposal Contract	250,000.00	250,000.00	250,000.00		
Total Department of Public Works	2,749,950.00	2,749,950.00	2,352,787.02	397,162.98	

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	63,000.00	63,000.00	23,565.59	39,434.41	
Recreation Committee of Nutley:					
Salaries and Wages	308,000.00	308,000.00	279,650.67	28,349.33	
Other Expenses	21,700.00	26,700.00	25,384.04	1,315.96	
Public Buildings and Grounds:					
Salaries and Wages	526,000.00	526,000.00	449,416.65	76,583.35	
Other Expenses	79,000.00	79,000.00	77,915.29	1,084.71	



TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(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	\$ 55,000.00	\$ 55,000.00	\$ 53,207.83	\$ 1,792.17	
Shade Tree Commission:					
Salaries and Wages	267,000.00	267,000.00	231,566.68	35,433.32	
Other Expenses	87,000.00	89,500.00	85,126.14	4,373.86	
Information Services:					
Salaries and Wages	190,000.00	190,000.00	190,000.00		
Other Expenses	91,000.00	91,000.00	77,144.62	13,855.38	
Senior Citizens Transportation:					
Salaries and Wages	130,000.00	130,000.00	83,611.03	46,388.97	
Other Expenses	4,000.00	4,000.00	12.45	3,987.55	
Debris Removal:					
Other Expenses	14,500.00	14,500.00		14,500.00	
Parks and Playgrounds:					
Salaries and Wages	918,309.00	918,309.00	897,084.72	21,224.28	
Other Expenses	142,200.00	400,700.00	391,505.28	9,194.72	
Insurance:					
Group Insurance Plan for Employees	6,626,261.00	6,460,261.00	5,259,066.60	1,201,194.40	
Other Liability Insurance Premiums	737,687.00	637,687.00	576,146.10	61,540.90	
Workers Compensation Insurance	948,570.00	948,570.00	934,054.22	14,515.78	
Total Department of Parks and Public Property	11,211,477.00	11,211,477.00	9,636,707.91	1,574,769.09	
MAYOR'S OFFICE:					
Mayor:					
Salaries and Wages	3,000.00	3,000.00	450.00	2,550.00	
Other Expenses	500.00	500.00	55.93	444.07	
Board of Adjustment:					
Salaries & Wages	31,000.00	31,000.00	30,326.94	673.06	
Other Expenses	5,300.00	5,300.00	2,110.05	3,189.95	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(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	\$ 32,000.00	\$ 32,000.00	\$ 31,226.94	\$ 773.06	
Other Expenses	4,500.00	4,500.00	2,968.95	1,531.05	
Rent Leveling Board:					
Salaries & Wages	9,000.00	9,000.00	8,278.14	721.86	
Other Expenses	1,000.00	1,000.00		1,000.00	
Township Attorney:					
Salaries & Wages	110,000.00	110,000.00	103,807.34	6,192.66	
Other Expenses	345,300.00	345,300.00	218,531.82	126,768.18	
Celebration of Public Events	59,000.00	59,000.00	26,278.12	32,721.88	
Municipal Prosecutor:					
Salaries & Wages	56,000.00	56,000.00	56,000.00	1,000.00	
Other Expenses	1,000.00	1,000.00			
Total Mayor's Office	657,600.00	657,600.00	480,034.23	177,565.77	
State Uniform Construction Code:					
Salaries and Wages	356,000.00	375,000.00	352,226.39	22,773.61	
Other Expenses	77,350.00	77,350.00	35,210.08	42,139.92	
UNCLASSIFIED:					
Gasoline	271,947.00	271,947.00	129,259.57	142,687.43	
Fuel Oil	65,000.00	65,000.00	39,518.52	25,481.48	
Electricity	350,000.00	350,000.00	243,877.43	106,122.57	
Street Lighting	289,000.00	289,000.00	257,617.21	31,382.79	
Telephone	150,000.00	150,000.00	114,085.63	35,914.37	
Total Operations Within "CAPS"	37,376,844.00	37,376,844.00	32,869,529.48	4,507,314.52	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(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	\$ 2,000.00	\$ 48,000.00	
Total Operations Including Contingent Within "CAPS"	37,426,844.00	37,426,844.00	32,871,529.48	4,555,314.52	
Detail:					
Salaries and Wages	21,486,532.00	21,361,532.00	19,447,921.97	1,913,610.03	
Other Expenses	15,940,312.00	16,065,312.00	13,423,607.51	2,641,704.49	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Public Employees Retirement System	1,145,993.00	1,145,993.00	1,111,585.20	34,407.80	
Social Security System (O.A.S.I.)	875,000.00	875,000.00	803,664.80	71,335.20	
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	3,223,947.00	3,223,947.00	3,194,314.03	29,632.97	
P.E.R.S. - Retro Pension Bill	15,000.00	15,000.00		15,000.00	
Public Employees' Retirement System - ERIP	114,321.00	114,321.00	114,321.00		
Police & Firemen's Retirement System - ERIP	118,646.00	118,646.00	118,646.00		
Defined Contribution Retirement Program	12,000.00	12,000.00	5,058.65	6,941.35	
Unemployment Compensation Insurance	150,000.00	150,000.00	90,000.00	60,000.00	
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"	5,660,967.00	5,660,967.00	5,443,649.68	217,317.32	
Total General Appropriations for Municipal Purposes Within "CAPS"	43,087,811.00	43,087,811.00	38,315,179.16	4,772,631.84	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(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	\$ 3,546,000.00	\$ 3,546,000.00	\$ 3,545,198.60	\$ 801.40	
Maintenance of Free Public Library	1,619,767.00	1,619,767.00	1,619,767.00		
NJDES Stormwater Permit (N.J.S.A. 40A:-45.3(cc)):					
Street Division:					
Salaries and Wages	30,000.00	30,000.00	10,238.77	19,761.23	
Other Expenses	10,000.00	10,000.00	9,543.26	456.74	
State Aid to School to Reduce Taxation	1,592,572.00	1,592,572.00	1,592,572.00		
State Aid to County to Reduce Taxation	501,732.00	501,732.00	501,732.00		
LOSAP:					
First Aid Organization	15,000.00	15,000.00		15,000.00	
Fire	33,750.00	33,750.00	2,875.00	30,875.00	
Shared Services Agreement -					
Township of Montclair - Health Services	10,000.00	10,000.00	2,960.00	7,040.00	
Nutley Board of Education - Physician Services	7,000.00	7,000.00	7,000.00		
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	45,000.00	45,000.00	44,471.00	529.00	
State and Federal Programs Offset by Revenues:					
Safe and Secure Communities Grant:					
State Share	60,000.00	60,000.00	15,000.05	44,999.95	
Municipal Alliance Grant:					
State Share (N.J.S.A. 40A:4-87 +\$818.40)	19,906.54	20,724.94	2,151.65	18,573.29	
Drive Sober or Get Pulled Over (N.J.S.A. 40A:4-87 +\$6,000.00)		6,000.00	900.00	5,100.00	
Clean Communities Program (N.J.S.A. 40A:4-87 +\$48,616.27)		48,616.27	999.96	47,616.31	
Distracted Driving Crackdown Grant	5,500.00	5,500.00		5,500.00	
Pedestrian Safety, Education and Enforcement Fund	15,000.00	15,000.00	1,358.21	13,641.79	
Partners for Healthy-Healthy Lifestyles	10,000.00	10,000.00	4,000.00	6,000.00	
Office of Emergency Management	10,000.00	10,000.00	10,000.00		
COPS Grant Program	157,944.02	157,944.02	41,252.90	116,691.12	

TOWNSHIP OF NUTLEY

CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2020

(Continued)

Operations Excluded from "CAPS" (Continued):

State and Federal Programs Offset by Revenues (Continued):

Alcohol Education, Rehabilitation and Enforcement Fund

Body Armor Replacement Fund

Total Operations Excluded from "CAPS"

Detail:

Salaries and Wages

Other Expenses

Capital Improvements - Excluded from "CAPS":

Down Payments on Improvements

Capital Improvement Fund

Road Improvements

Total Capital Improvements Excluded from "CAPS"

Municipal Debt Service Excluded from "CAPS":

Payment of Bond Principal

Payment of Bond Anticipation Notes

Interest on Bonds

Interest on Notes

NJ Department of Environmental Protection Green Acres Loan:

Principal

Interest

Total Municipal Debt Service Excluded from "CAPS"

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
\$	2,596.11	\$ 2,596.11		\$ 2,596.11	
	6,543.29	6,543.29	\$ 1,115.95	5,427.34	
	7,718,310.96	7,773,745.63	7,433,136.35	340,609.28	
	30,000.00	30,000.00	10,238.77	19,761.23	
	7,688,310.96	7,743,745.63	7,422,897.58	320,848.05	
	159,000.00	159,000.00		159,000.00	
	250,000.00	250,000.00	250,000.00		
	100,000.00	100,000.00		100,000.00	
	509,000.00	509,000.00	250,000.00	259,000.00	
	1,470,000.00	1,470,000.00	1,470,000.00		
	656,492.00	656,492.00	656,492.00		
	185,900.00	185,900.00	185,892.51		\$ 7.49
	51,000.00	51,000.00	50,920.19		79.81
	23,300.00	23,300.00	23,247.38		52.62
	7,200.00	7,200.00	7,161.73		38.27
	2,393,892.00	2,393,892.00	2,393,713.81		178.19

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Deferred Charges - Excluded from "CAPS": Special Emergency Authorizations (N.J.S.A. 40A:4-55)	\$ 110,000.00	\$ 110,000.00	\$ 110,000.00		
Total Deferred Charges - Excluded from "CAPS"	110,000.00	110,000.00	110,000.00		
Total General Appropriations - Excluded from "CAPS"	10,731,202.96	10,786,637.63	10,186,850.16	\$ 599,609.28	\$ 178.19
Subtotal General Appropriations	53,819,013.96	53,874,448.63	48,502,029.32	5,372,241.12	178.19
Reserve for Uncollected Taxes	4,541,028.00	4,541,028.00	4,541,028.00		
Total General Appropriations	\$58,360,041.96	\$ 58,415,476.63	\$ 53,043,057.32	\$ 5,372,241.12	\$ 178.19

Ref.

A

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020  
 (Continued)

A-3  
 12 of 12

	<u>Ref.</u>	<u>Analysis of</u>	
		<u>Budget After Modification</u>	<u>Paid or Charged</u>
Adopted Budget		\$ 58,360,041.96	
Appropriation by N.J.S.A. 40A:4-87		<u>55,434.67</u>	
		<u>\$ 58,415,476.63</u>	
Reserve for Uncollected Taxes			\$ 4,541,028.00
Reserve for Encumbrances	A		1,784,487.64
Accounts Payable			4,488.67
Due General Capital Fund			250,000.00
Due Water Utility Operating Fund			33,505.84
Deferred Charges - Special Emergency Authorizations			110,000.00
Cash Disbursed			<u>48,234,042.93</u>
			54,957,553.08
Less: Appropriation Refunds			<u>1,914,495.76</u>
			<u>\$ 53,043,057.32</u>

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
TRUST FUNDS



TOWNSHIP OF NUTLEY  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
TRUST FUNDS

B  
1 of 2

		December 31,	
	Ref.	2020	2019
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents - Treasurer	B-4	\$ 50,249.30	\$ 33,769.50
Other Trust Funds:			
Cash and Cash Equivalents	B-4	2,842,165.47	2,484,048.45
Due Current Fund	A	5,405,120.77	5,152,920.70
		8,247,286.24	7,636,969.15
TOTAL ASSETS		\$ 8,297,535.54	\$ 7,670,738.65

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

B  
2 of 2

		December 31,	
	Ref.	2020	2019
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due Current Fund	A	\$ 8,718.30	
Due State of New Jersey		30.00	\$ 14.40
Reserve for Animal Control Expenditures	B-6	41,501.00	33,755.10
		<u>50,249.30</u>	<u>33,769.50</u>
Other Trust Funds:			
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits		189,545.16	195,377.13
Reserve for:			
Dedicated Revenue:			
Sealer of Weights & Measures		26,570.75	26,570.75
Uniform Fire Safety - Penalties		80,534.86	80,581.47
Unemployment Insurance		602,084.62	501,095.09
Developer's Escrow		33,794.56	46,486.99
Escrow Deposits		205,872.70	192,372.70
Special Deposits		269.05	269.05
Living Tree Memorial Program		25,221.92	15,632.01
Recreation Commission Fees		327,363.62	297,309.74
Parking Offense Adjudication Act		67,209.11	66,565.11
Recycling		44,823.05	40,645.18
Community Environmental Health Act		1,344,069.08	1,407,015.70
Tax Sale Premiums		1,451,196.00	730,596.00
Community Development Block Grants		0.08	156,800.08
Accumulated Sick and Vacation Pay		1,505,120.13	1,738,315.08
Storm Recovery		984,342.06	1,043,825.62
Self Insurance Deductible		239,000.00	239,000.00
Civic Celebration		19,700.02	19,700.02
Law Enforcement Expenditures		188,537.04	177,247.49
Mayor's Wellness Program		11,435.57	11,435.57
Council on Affordable Housing		886,926.91	632,631.54
Go Green Program		4,088.14	2,078.14
Municipal Alliance Program		7,625.31	7,625.31
Flexible Spending Account		1,956.50	2,793.38
Filming Performance Bond			5,000.00
		<u>8,247,286.24</u>	<u>7,636,969.15</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 8,297,535.54</u>	<u>\$ 7,670,738.65</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, 2020

B-1

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

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, 2020

B-3

NOT APPLICABLE

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
GENERAL CAPITAL FUND

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

C

		December 31,	
	Ref.	2020	2019
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 83,228.79	\$ 83,228.79
Due Current Fund	A	9,198,134.12	5,556,559.20
Loan Receivable:			
NJ Department of Environmental Protection Green Acres		87,529.00	87,529.00
Grants Receivable:			
County of Essex Open Space Trust Fund		150,000.00	
NJ Department of Environmental Protection Green Acres		960,956.00	412,586.00
NJ Department of Transportation		612,585.25	758,207.91
Federal Repetitive Flood Claims Grants		1,069,012.20	1,069,012.20
Deferred Charges to Future Taxation:			
Funded		6,632,522.88	8,121,281.59
Unfunded	C-4	8,039,681.00	5,650,028.00
TOTAL ASSETS		<u>\$ 26,833,649.24</u>	<u>\$ 21,738,432.69</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 6,201,000.00	\$ 7,671,000.00
Loans Payable:			
NJ Department of Environmental Protection Green Acres	C-9	431,522.88	450,281.59
Bond Anticipation Notes Payable	C-7	5,456,716.00	2,036,808.00
Improvement Authorizations:			
Funded	C-5	4,991,138.71	4,638,040.82
Unfunded	C-5	5,040,874.22	3,354,179.21
Capital Improvement Fund	C-6	3,080,441.00	2,456,766.00
Down Payments on Improvements		35,707.72	35,707.72
Reserve for:			
Payment of Debt Service		463,180.00	53,917.42
Paving		205,995.12	196,153.34
Fiber Optics		21,250.00	21,250.00
Economic Development Project		661,845.00	580,350.00
Local Improvements		35,621.00	35,621.00
Redesign of Nutley Streets		3,154.09	3,154.09
Fund Balance	C-1	205,203.50	205,203.50
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 26,833,649.24</u>	<u>\$ 21,738,432.69</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, 2020

C-1

	<u>Ref.</u>	
Balance December 31, 2019	C	<u>\$ 205,203.50</u>
Balance December 31, 2020	C	<u><u>\$ 205,203.50</u></u>

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
WATER UTILITY FUND



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

D  
1 of 2

		December 31,	
	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 2,401,144.18	\$ 2,023,382.39
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	703,659.40	483,860.80
Inventory	D-7	73,612.00	25,127.63
Total Receivables and Inventory with Full Reserves	D	777,271.40	508,988.43
Total Operating Fund		3,178,415.58	2,532,370.82
Capital Fund:			
Cash and Cash Equivalents	D-4	183.05	183.05
Due Current Fund	A	488,140.00	
Due Water Utility Operating Fund	D	143,410.90	86,356.89
Fixed Capital	D-9	2,048,926.48	1,938,926.48
Fixed Capital Authorized and Uncompleted	D-10	4,712,536.50	4,567,536.50
Total Capital Fund		7,393,196.93	6,593,002.92
<u>TOTAL ASSETS</u>		<u>\$ 10,571,612.51</u>	<u>\$ 9,125,373.74</u>

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

D  
2 of 2

		December 31,	
	Ref.	2020	2019
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-11	\$ 265,810.27	\$ 198,827.72
Encumbered	D-3;D-11	139,746.99	199,283.03
Total Appropriation Reserves		405,557.26	398,110.75
Accrued Interest on Loans		5,310.42	5,727.08
Water Rent Overpayments		16,220.14	26,304.69
Accounts Payable		374.94	27,303.88
Due Current Fund	A	1,023,624.23	599,554.53
Due Water Utility Capital Fund	D	143,410.90	86,356.89
		1,594,497.89	1,143,357.82
Reserve for Receivables and Inventory	D	777,271.40	508,988.43
Fund Balance	D-1	806,646.29	880,024.57
Total Operating Fund		3,178,415.58	2,532,370.82
Capital Fund:			
NJ Environmental Infrastructure Trust Loans Payable	D-18	700,627.77	796,245.45
Bond Anticipation Notes Payable	D-16	488,140.00	
Improvement Authorizations:			
Funded	D-12	138,315.70	129,461.81
Unfunded	D-12	2,897,373.14	2,719,173.02
Reserve for:			
Down Payments on Improvements	D-13	15,525.85	5,525.85
Amortization	D-15	3,024,995.71	2,814,378.03
Deferred Amortization	D-15A	127,515.25	127,515.25
Fund Balance	D-1A	703.51	703.51
Total Capital Fund		7,393,196.93	6,593,002.92
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 10,571,612.51	\$ 9,125,373.74

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,	
	2020	2019
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 516,750.00	\$ 7,000.00
Rents	4,141,064.76	4,223,780.53
Utility Maintenance Fee	268,336.23	299,290.02
Water Capital Fund Balance		26,332.00
Reserve for Payment of Debt Service		25,163.75
Reserve for Water Connection Fees		22,000.00
Nonbudget Revenue	62,829.61	75,549.32
Other Credits to Income:		
Accounts Payable Canceled		368,874.67
Appropriation Reserves Lapsed	65,112.95	217,261.37
Total Income	<u>5,054,093.55</u>	<u>5,265,251.66</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	4,229,750.00	4,130,750.00
Capital Improvements	10,000.00	1,000.00
Debt Service	104,971.83	108,265.43
Deferred Charges and Statutory Expenditures	266,000.00	146,000.00
Total Expenditures	<u>4,610,721.83</u>	<u>4,386,015.43</u>
Excess in Revenue/Statutory Excess to Fund Balance	443,371.72	879,236.23
<u>Fund Balance</u>		
Balance January 1	<u>880,024.57</u>	<u>7,788.34</u>
	1,323,396.29	887,024.57
Decreased by:		
Utilization as Anticipated Revenue	<u>516,750.00</u>	<u>7,000.00</u>
Balance December 31	D <u>\$ 806,646.29</u>	<u>\$ 880,024.57</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, 2019	D	\$ <u>703.51</u>
Balance December 31, 2020	D	\$ <u><u>703.51</u></u>

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

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2020

D-2

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Surplus Anticipated	\$ 516,750.00	\$ 516,750.00	
Rents	3,800,000.00	4,141,064.76	\$ 341,064.76
Utility Maintenance Fee	299,000.00	268,336.23	30,663.77 *
	<u>4,615,750.00</u>	<u>4,926,150.99</u>	<u>310,400.99</u>
Nonbudget Revenue		62,829.61	62,829.61
	<u><u>\$ 4,615,750.00</u></u>	<u><u>\$ 4,988,980.60</u></u>	<u><u>\$ 373,230.60</u></u>

Analysis of Rents:

Cash Received	\$ 4,118,590.76	
Due from Current Fund	17,424.46	
Water Rent Overpayments Applied	<u>5,049.54</u>	
		<u><u>\$ 4,141,064.76</u></u>

Analysis of Nonbudget Revenue

Collector:		
Sale of Water Meters	\$ 4,375.00	
Other Miscellaneous	<u>51,164.55</u>	
		\$ 55,539.55
Treasurer:		
Interest on Investments		<u>7,290.06</u>
		<u><u>\$ 62,829.61</u></u>

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, 2020

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 1,700,000.00	\$ 1,600,000.00	\$ 1,530,901.44	\$ 69,098.56	
Other Expenses	524,750.00	624,750.00	525,502.18	99,247.82	
Other Expenses:					
N.J. Water Supply	1,200,000.00	1,200,000.00	1,196,506.00	3,494.00	
Passaic Valley Water Commission	650,000.00	650,000.00	631,240.91	18,759.09	
City of Newark Water Purchase	155,000.00	155,000.00	114,602.13	40,397.87	
Capital Improvements:					
Down Payments on Improvements	10,000.00	10,000.00	10,000.00		
Debt Service:					
NJEIT Loan Principal	96,000.00	96,000.00	95,617.68		\$ 382.32
NJEIT Loan Interest	14,000.00	14,000.00	9,354.15		4,645.85
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Deferred Charges to Future Revenue - Ord. 3296 & 3322	115,000.00	115,000.00	115,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	15,000.00	15,000.00		15,000.00	
Social Security System (O.A.S.I.)	125,000.00	125,000.00	116,187.07	8,812.93	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00	
Other Insurance	10,000.00	10,000.00		10,000.00	
	<u>\$ 4,615,750.00</u>	<u>\$ 4,615,750.00</u>	<u>\$ 4,344,911.56</u>	<u>\$ 265,810.27</u>	<u>\$ 5,028.17</u>
Ref.				D	
Cash Disbursed			\$ 4,070,810.42		
Accrued Interest on NJEIT Loan			9,354.15		
Encumbrances Payable			139,746.99		
Due Water Utility Capital Fund:					
Down Payments on Improvements			10,000.00		
Deferred Charges to Future Revenue			115,000.00		
			<u>\$ 4,344,911.56</u>		

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
PUBLIC ASSISTANCE FUND



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

F

		December 31,	
	<u>Ref.</u>	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	\$ 76,405.04	\$ 76,150.67
TOTAL ASSETS		<u>\$ 76,405.04</u>	<u>\$ 76,150.67</u>
<u>RESERVES</u>			
Reserve for Public Assistance Expenditures		\$ 76,405.04	\$ 76,150.67
TOTAL RESERVES		<u>\$ 76,405.04</u>	<u>\$ 76,150.67</u>

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(UNAUDITED)

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

H

	December 31,	
	2020	2019
<u>ASSETS</u>		
Land and Site Improvements	\$ 14,209,353.00	\$ 14,184,353.00
Buildings	8,891,480.00	8,863,060.00
Equipment and Vehicles	15,464,227.00	13,528,952.00
TOTAL ASSETS	<u>\$ 38,565,060.00</u>	<u>\$ 36,576,365.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 38,565,060.00</u>	<u>\$ 36,576,365.00</u>
TOTAL RESERVES	<u>\$ 38,565,060.00</u>	<u>\$ 36,576,365.00</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, 2020

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, 2020  
(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, 2020  
(Continued)

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

C. Basis of Accounting (Cont'd)

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

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

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

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

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

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

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

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

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

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



TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(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

	<u>December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Issued:</u>			
Bonds, Notes and Loans:			
General	\$12,089,239	\$10,158,090	\$12,302,971
Redevelopment Area	963,627	982,170	1,000,000
Water Utility	<u>1,188,768</u>	<u>796,245</u>	<u>891,863</u>
Total Issued	<u>14,241,634</u>	<u>11,936,505</u>	<u>14,194,834</u>
Less:			
Redevelopment Area Bonds	963,627	982,170	1,000,000
Funds Temporarily Held to Pay Bonds, Notes and Loans:			
Reserve for Payment of Debt Service -			
General Capital Fund	463,180	53,917	62,079
Water Utility Capital Fund			<u>25,164</u>
Total Deductions	<u>1,426,807</u>	<u>1,036,087</u>	<u>1,087,243</u>
Net Issued	<u>12,814,827</u>	<u>10,900,418</u>	<u>13,107,591</u>
<u>Authorized but not Issued:</u>			
Bonds and Notes:			
General	2,582,965	3,613,220	1,436,820
Water Utility	<u>2,420,184</u>	<u>2,768,324</u>	<u>2,548,934</u>
Total Authorized but not Issued	<u>5,003,149</u>	<u>6,381,544</u>	<u>3,985,754</u>
Net Bonds, Notes and Loans Issued and Authorized but not Issued	<u>\$17,817,976</u>	<u>\$17,281,962</u>	<u>\$17,093,345</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 0.35%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$32,450,000	\$32,450,000	
Water Utility Debt	3,608,952	3,608,952	
General Debt	<u>15,635,831</u>	<u>1,426,807</u>	<u>\$14,209,024</u>
	<u>\$51,694,783</u>	<u>\$37,485,759</u>	<u>\$14,209,024</u>

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

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

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

Net Debt: \$14,209,024 divided by Average Equalized Valuations of \$4,010,035,336 of Real Property = 0.35%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 140,351,237
Net Debt	<u>14,209,024</u>
Remaining Borrowing Power	<u>\$ 126,142,213</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	\$ 4,988,981
Deductions:	
Operating and Maintenance Cost	\$ 4,380,750
Debt Service	<u>104,972</u>
Total Deductions	<u>4,485,722</u>
Excess in Revenue	<u>\$ 503,259</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 12/31/19	Additions	Retirements	Balance 12/31/20
Serial Bonds:				
General Capital Fund	\$ 7,671,000		\$ 1,470,000	\$ 6,201,000
Redevelopment Area	982,170		18,543	963,627
Bond Anticipation Notes:				
General Capital Fund	2,036,808	\$ 4,076,400	656,492	5,456,716
Water Utility		488,140		488,140
Loans Payable:				
General Capital Fund:				
NJDEP Green Acres	450,282		18,759	431,523
Water Utility Capital Fund:				
NJEIT	<u>796,245</u>		<u>95,617</u>	<u>700,628</u>
Total	<u>\$ 11,936,505</u>	<u>\$ 4,564,540</u>	<u>\$ 2,259,411</u>	<u>\$ 14,241,634</u>

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

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

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

	Balance 12/31/18	Additions	Retirements	Balance 12/31/19
Serial Bonds:				
General Capital Fund	\$ 9,141,000		\$ 1,470,000	\$ 7,671,000
Redevelopment Area	1,000,000		17,830	982,170
Bond Anticipation Notes:				
General Capital Fund	2,693,300		656,492	2,036,808
Loans Payable:				
General Capital Fund:				
NJDEP Green Acres	468,671		18,389	450,282
Water Utility Capital Fund:				
NJEIT	891,863		95,618	796,245
Total	<u>\$ 14,194,834</u>	<u>\$ -0-</u>	<u>\$ 2,258,329</u>	<u>\$ 11,936,505</u>

The Township's debt issued and outstanding on December 31, 2020 is described as follows:

General Capital Bond Anticipation Notes

Purpose	Issue Date	Maturity Date	Interest Rate	Balance Dec. 31, 2020
General Improvements	04/16/2020	04/16/2021	1.48%	<u>\$ 5,456,716</u>

General Capital Serial Bonds

Purpose	Maturities of Bonds Outstanding Date	Amount	Interest Rate	Balance Dec. 31, 2020
General Improvements	09/01/21	\$ 470,000	2.75%	
	09/01/22-23	470,000	3.00%	\$ 1,410,000
General Improvements	04/15/21	1,000,000	2.00%	
	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%	4,791,000
				<u>\$ 6,201,000</u>

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

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

The Township's debt issued and outstanding on December 31, 2020 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, 2020</u>
General Improvements	03/29/36	2.00%	\$ 343,994
General Improvements	07/15/40	0.00%	87,529
			<u>\$ 431,523</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, 2020</u>
Replace Water Meters and	Trust Loan	08/01/31	2%-5%	\$ 315,000
Retrofit Meter Heads	Fund Loan	08/01/31	0.00%	385,628
				<u>\$ 700,628</u>

Redevelopment Area Bonds

<u>Purpose</u>	<u>Maturities of Bonds Outstanding</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>
	<u>Date</u>	<u>Amount</u>		
Redevelopment Project	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, 2020  
(Continued)

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

The Township's debt issued and outstanding on December 31, 2020 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, 2020</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>\$ 963,627</u>
TOTAL DEBT ISSUED AND OUTSTANDING				<u>\$14,241,634</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>	
2021	\$ 1,491,380	\$ 162,103	\$ 100,618	\$ 12,745	\$ 19,285	\$ 38,545	\$ 1,824,676
2022	1,039,009	133,343	100,618	11,495	20,056	37,774	1,342,295
2023	1,039,402	107,269	100,617	10,245	20,859	36,971	1,315,363
2024	569,802	78,463	100,618	8,995	21,693	36,137	815,708
2025	570,209	61,704	100,618	7,745	22,561	35,269	798,106
Thereafter:							
2026-2030	1,743,468	91,353	162,539	21,038	127,085	162,066	2,307,549
2031-2035	143,978	8,067	35,000	1,138	154,617	134,534	477,334
2036-2040	35,275	128			188,116	101,035	324,554
2041-2045					228,871	60,279	289,150
2046-2048					160,484	13,006	173,490
Total	<u>\$ 6,632,523</u>	<u>\$ 642,430</u>	<u>\$ 700,628</u>	<u>\$ 73,401</u>	<u>\$ 963,627</u>	<u>\$ 655,616</u>	<u>\$ 9,668,225</u>

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(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, 2020, 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, 2020, the loan balances were \$431,523. Payments of principal and interest on the first loan commenced in 2017 and on the second loan will tentatively commence in 2021 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 commenced in 2019 on an annual basis over a period of 31 and 30 years, respectively. Interest on the bonds is at the rate of 4% annually on the outstanding balance.

Note 3: Fund Balances Appropriated

Fund balances at December 31, 2020 which were appropriated and included as anticipated revenue in their own respective funds in the adopted budget for the year ending December 31, 2021 are as follows:

Current Fund	\$5,000,000
Water Utility Operating Fund	\$360,163

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

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, 2020, the Township had the following deferred charges:

	Balance Dec. 31, 2020	Required 2021 Budget Appropriation	Balance Deferred to Succeeding Years' Budgets
Current Fund:			
Special Emergency Appropriations - (N.J.S.A. 40A:4-53)	\$ 440,000	\$ 110,000	\$ 330,000

The 2021 Budget Appropriation is not less than that required by Statute.

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.state.nj.us/treasury/pensions/financial-reports.shtml](http://www.state.nj.us/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.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(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:

Tier	Definition
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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 is being paid by the employer in level annual payments over a period of 15 years, which began with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of assets. Township contributions to PERS amounted to \$1,111,585 for the year ended December 31, 2020.

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



TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

At June 30, 2019, the Township's liability was \$21,165,533 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the Township's proportion was 0.1175%, which was a decrease of 0.0022% from its proportion measured as of June 30, 2018. For the year ended December 31, 2020, the Township recognized actual pension expense in the amount of \$1,111,585. The Township has rolled forward the net pension liability as of June 30, 2019 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, 2019 pension information in the Notes to the Financial Statements as the June 30, 2020 pension information has not been released as of the date of this audit.

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(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, 2019) 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, 2019 are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the contribution rate in the most recent fiscal year. 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 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, 2020  
(Continued)

Note 6: Pension Plans (Cont'd)

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

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

The following presents the Township's proportionate share of the collective net pension liability as of June 30, 2019 calculated using the discount rate as disclosed below, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(5.28%)	(6.28%)	(7.28%)
Township's proportionate share of the			
Net Pension Liability	\$ 26,735,949	\$ 21,165,533	\$ 16,472,312
<u>Pension Plan Fiduciary Net Position</u>			

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

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

Plan Description

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

For additional information about the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/financial-reports.shtml](http://www.state.nj.us/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, 2020  
(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 the retirement system, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability is being paid by the employer in level annual amounts over a period of 15 years which began with the payments due in the fiscal year ended June 30, 2012 and are adjusted by the rate of return on the actuarial value of the assets.

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, 2018 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, 2019 is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2019. 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, 2020  
(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 \$3,194,314 for the year ended December 31, 2020. During the fiscal year ended June 30, 2019, the State of New Jersey contributed \$415,563 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$716,615.

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

Pension Liabilities and Pension Expense

At June 30, 2019, the Township's liability for its proportionate share of the net pension liability was \$39,059,168. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the Township's proportion was 0.3192%, which was an increase of 0.0059% from its proportion measured as of June 30, 2018. The Township has rolled forward the net pension liability as of June 30, 2019 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, 2019 pension information in the Notes to the Financial Statements as the June 30, 2020 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 \$6,167,517 as of June 30, 2019. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. 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, 2019, the State's proportion was 0.3192%, which was an increase of 0.0059% from its proportion measured as of June 30, 2018 which is the same proportion as the Township's. The Township has rolled forward the net pension liability as of June 30, 2019 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	\$ 39,059,168
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>6,167,517</u>
Total Net Pension Liability	<u>\$ 45,226,685</u>

For the year ended December 31, 2020, the Township recognized total pension expense of \$3,194,314.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through All Future Years	3.25% - 15.25% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2010 Safety Employee Mortality Table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted Retiree mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

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, 2019) 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, 2020  
(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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 6.85% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 70% of the actuarially contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2076. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2076, 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, 2020  
(Continued)

Note 6: Pension Plans (Cont'd)

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

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

The following presents the total net pension liability (including the State's proportionate share of the net pension liability attributable to the Township) as of June 30, 2019 calculated using the discount rate as disclosed above, as well as what the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2019		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(5.85%)	(6.85%)	(7.85%)
Township's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 61,129,997	\$ 45,226,685	\$ 32,064,402
<u>Pension Plan Fiduciary Net Position – PFRS,</u>			

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, 2020  
(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 \$5,059 for 2020. Employee contributions to DCRP were \$14,075 for 2020.

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 \$2,237,760. This amount is not reported either as an expenditure or a liability. However, it is expected that the cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used and/or charged. This amount is partially funded in the Reserve for Accumulated Sick and Vacation Pay of \$1,505,120 reflected on the Other Trust Funds' balance sheet as of December 31, 2020.

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, 2020  
(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>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate</u>	\$ 3.682	\$ 3.608	\$ 3.511
<u>Apportionment of Tax Rate</u>			
Municipal	1.292	1.283	1.256
County	0.584	0.557	0.558
Local School	1.806	1.768	1.697
<u>Assessed Valuations</u>			
2020	<u>\$ 3,241,711,000</u>		
2019		<u>\$ 3,264,126,800</u>	
2018			<u>\$ 3,268,891,100</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>
2020	\$ 119,684,807	\$ 118,130,065	98.70%
2019	117,998,280	116,482,397	98.71%
2018	114,992,667	113,539,413	98.73%

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, 2020  
(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, 2020  
(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, 2020  
(Continued)

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

As of December 31, 2020, cash and cash equivalents of the Township of Nutley consisted of the following:

<u>Fund</u>	<u>Cash on Hand</u>	<u>Checking Accounts</u>	<u>Money Market Accounts</u>	<u>Short-Term Certificates of Deposit</u>	<u>Total</u>
Current	\$ 300	\$ 23,620,218	\$ 16,633,490		\$ 40,254,008
Animal Control		50,249			50,249
Other Trust		2,842,166			2,842,166
General Capital		83,229			83,229
Water Utility Operating		96,138		\$ 2,305,006	2,401,144
Water Utility Capital		183			183
Public Assistance		26,636		49,769	76,405
	<u>\$ 300</u>	<u>\$ 26,718,819</u>	<u>\$ 16,633,490</u>	<u>\$ 2,354,775</u>	<u>\$ 45,707,384</u>

During the period ended December 31, 2020, 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, 2020 was \$45,707,384 and the bank balance was \$45,597,501.

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,032,342	\$ 15,091,395
Animal Control Fund		8,718
Other Trust Funds	5,405,121	
General Capital Fund	9,198,134	
Water Utility Operating Fund		1,167,035
Water Utility Capital Fund	631,551	
	<u>\$ 16,267,148</u>	<u>\$ 16,267,148</u>

The Current Fund interfund receivable represents \$8,718 statutory excess due from the Animal Control Fund and an interfund advance of \$1,023,624 due from the Water Utility Operating Fund. The Current Fund interfund payable represents \$5,405,121 due to the Other Trust Funds as a result of receiving and disbursing funds on the Other Trust Funds' behalf and unexpended 2019 appropriation reserve balance of \$580,000 transferred to the reserve for storm recovery; and \$9,198,134 due to the General Capital Fund as a result of receiving and disbursing funds on the General Capital Fund's behalf, 2020 budget and 2019 appropriation reserve appropriations for capital improvement fund of \$250,000 and \$500,000, respectively, and unexpended 2019 appropriation reserve balances for economic development project of \$81,495 and paving of \$9,842 and \$488,140 of bond anticipation note proceeds due to the Water Utility Capital Fund. The Water Utility Operating Fund interfund payable is comprised of the amount due to the Current Fund noted above and \$143,411 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, 2020  
(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 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, 2020 audit report of the Fund is not filed as of the date of this audit. Selected financial information for the Fund as of December 31, 2019 is as follows:

Total Assets	<u>\$ 11,739,090</u>
Net Position	<u>\$ 2,677,856</u>
Total Revenue	<u>\$ 8,943,860</u>
Total Expenses	<u>\$ 10,005,390</u>
Members Dividends	<u>\$ 335,303</u>
Change in Net Position for the Year Ended December 31	<u>\$ (1,396,833)</u>

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(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 216  
Parsippany, New Jersey 07054-4412  
(201) 881-7632

New Jersey Unemployment Compensation Insurance

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

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

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 90,000	\$ 30,032	\$ -0-	\$ 19,042	\$ 602,085
2019	-0-	59,379	-0-	77,634	501,095
2018	-0-	68,449	-0-	127,455	519,350

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, 2020  
(Continued)

Note 14: Fixed Assets (Unaudited)

The following schedule is a summarization of general fixed assets for the fiscal year ended December 31, 2020:

	Balance Dec. 31, 2019	Additions	Disposals	Balance Dec. 31, 2020
Land and Site Improvements	\$ 14,184,353	\$ 25,000		\$ 14,209,353
Buildings	8,863,060	28,420		8,891,480
Equipment and Vehicles	13,528,952	1,935,275		15,464,227
	<u>\$ 36,576,365</u>	<u>\$ 1,988,695</u>	<u>\$ -0-</u>	<u>\$ 38,565,060</u>
	Balance Dec. 31, 2018	Additions	Disposals	Balance Dec. 31, 2019
Land and Site Improvements	\$ 14,153,063	\$ 31,290		\$ 14,184,353
Buildings	8,793,603	69,457		8,863,060
Equipment and Vehicles	13,051,337	477,615		13,528,952
	<u>\$ 35,998,003</u>	<u>\$ 578,362</u>	<u>\$ -0-</u>	<u>\$ 36,576,365</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 \$6,414,025.



TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(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. 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 participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

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

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(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, 2020  
(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 (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2018 through June 30, 2019. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

OPEB Expense

The total OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities to include the June 30, 2019 OPEB information in the Notes to the Financial Statements as the June 30, 2020 OPEB information has not been released as of the date of this audit.

At June 30, 2019, the Township had a liability of \$35,854,418 for its proportionate share of the net OPEB liability. At June 30, 2019, the Township's proportion was .2647% which was a decrease of .0221% from its proportion measured as of June 30, 2018. Additionally, the State's proportionate share of the net OPEB liability attributable to the Township at June 30, 2019 was \$19,461,968. At June 30, 2019, the State's proportion related to the Township was .35221%. This is the percentage of the total State Share of the net OPEB liability of the Plan.

For the year ended June 30, 2019, the Township's OPEB benefit, as determined by the State of New Jersey Division of Pensions and Benefits, was \$1,864,924. Additionally, during the year ended June 30, 2019 the State of New Jersey's OPEB expense related to the Township was \$257,973.

The Township's actual postemployment payments in 2020 for 146 retiree employees were \$1,565,871.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(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*:	
Public Employees' Retirement System (PERS):	
Initial Fiscal Year Applied:	
Rate through 2026	2.00% - 6.00%
Rate Thereafter	3.00% to 7.00%

Police and Firemens' Retirement System (PFRS):  
Rate for All Future Years 2.25% to 15.25%

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

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2019

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of the PERS and PFRS experience studies prepared for July 1, 2014 to June 30, 2018 and July 1, 2013 to June 30, 2018, respectively.

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post 65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2020  
(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, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%. 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, 2019, 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, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Net OPEB Liability Attributable to the Township	\$ 41,456,828	\$ 35,854,418	\$ 31,301,719

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, 2019, 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, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability Attributable to the Township	\$ 29,908,333	\$ 35,854,418	\$ 43,549,535

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 17: Subsequent Events

The COVID-19 outbreak in the United States and specifically in New Jersey continues to have an impact on the Township's operations and finances. Though the impact on the Borough's finances cannot be reasonably estimated at this date, the following is likely to continue through at least mid-year 2021: a negative impact on anticipated revenue for Other Licenses, Township of Montclair Health Services and Grant Programs in the Current Fund and Maintenance Fees in the Water Utility Operating Fund.

The operations of the Nutley Volunteer Emergency and Rescue Squad were turned over to the Township and will be included in Township's Current Fund operations.

Note 18: Tax Abatements

As of December 31, 2020, the Township provides a tax abatement to a Phase I redevelopment project which consists of the development of a new medical school, the relocation of the Seton Hall University College of Nursing and School of Health and Medical Science, the creation of an incubator facility and state of the art research and laboratory facilities for bio-pharma and related companies in the Township. Pursuant to the Redevelopment Bond Law and together with the Redevelopment Law and the Exemption Law under N.J.S.A. 40A:12A-66, the Township is authorized to provide for a tax exemption and payments in lieu of taxes in accordance with the Exemption Law. In consideration of the abatement of taxes, the redeveloper is required to pay to the Township an annual service charge for municipal services supplied in the Phase I redevelopment project which sum is in lieu of taxes on the improvements pursuant to the Exemption Law (N.J.S.A. 40A:20-12), which shall be comprised of a pledged annual service charge which shall be equal to debt service on the redevelopment bonds plus the unpledged annual service charge. The unpledged annual service charge shall be equal to \$379,663 with such amount to increase by 5 percent every 5 years with the first of such increases to occur on the 5<sup>th</sup> anniversary of the annual service charge start date during the term of the agreement. To the extent that the redeveloper subleases all of the spaces in the existing buildings that are not part of the academic space, then for the term of the sublease (but not to exceed the term of the agreement), the unpledged annual service charge shall be increased by an amount equal to \$135,427 which amount shall be further increased by 2 percent annually during the terms of the agreement and any such sublease. The long term tax exemption commenced on the Annual Service Charge Start Date and shall remain in effect until the earlier of 35 years from the start of the execution hereof or 30 years from the project completion date, unless the agreement is earlier terminated by the Township.

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 18: Tax Abatements (Cont'd)

The Township collected \$353,745.44 from this annual service charge or payment in lieu of taxes of which \$334,762.28 is recorded as a Reserve for Payment in Lieu of Taxes – Seton Hall University Medical School and \$18,983.16 was remitted as County PILOT Taxes payable. The taxes which would have been paid on this property for 2020 without the abatement would have been \$494,238.54 of which \$173,426.45 would have been for the local municipal tax and minimum library tax. In accordance with the Exemption Law, the County is entitled to 5 percent of the annual service charge which shall be paid from the unpledged annual service charge.

As of December 31, 2020, the Township provides a tax abatement to PB-100 Metro Urban Renewal, LLC for a Phase IIA redevelopment project which consists of the renovation of the seven-story building at 100 Metro Boulevard. Pursuant to the Exemption Law under N.J.S.A. 40A:20-1, the Township is authorized to provide for a tax exemption and payments in lieu of taxes in accordance with the Exemption Law. In consideration of the abatement of taxes, the redeveloper is required to pay to the Township an annual service charge for municipal services supplied in the Phase IIA redevelopment project which sum is in lieu of taxes on the improvements pursuant to the Exemption Law (N.J.S.A. 40A:20-12). The minimum unpledged annual service charge shall be equal to \$927,241 with such amount to increase by 2 percent each year during the term of the agreement. For years one through fifteen, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge or 11.92% of the annual gross revenue. For years sixteen through twenty-one, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 20% of the amount of taxes otherwise due on the value of land improvements. For years twenty-two through twenty-seven, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 40% of the amount of taxes otherwise due on the value of land improvements. For years twenty-eight through twenty-nine, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 60% of the amount of taxes otherwise due on the value of land improvements. For year thirty, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 80% of the amount of taxes otherwise due on the value of land improvements. The long term tax exemption commenced on the Annual Service Charge Start Date and shall remain in effect until the earlier of 35 years from the start of the execution hereof or 30 years from the project completion date, unless the agreement is earlier terminated by the Township.

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2019  
(Continued)

Note 18: Tax Abatements (Cont'd)

The Township collected \$961,660.96 from this annual service charge or payment in lieu of taxes of which \$486,852.00 was anticipated and realized as 2020 revenue, \$428,446.91 is recorded as a Reserve for Payment in Lieu of Taxes – 100 Metro Boulevard, \$30,486.96 was remitted as County PILOT Taxes payable and \$15,875.09 is County PILOT Taxes payable. The taxes which would have been paid on this property for 2020 without the abatement would have been \$1,090,461.12 of which \$382,638.72 would have been for the local municipal tax and minimum library tax. In accordance with the Exemption Law, the County is entitled to 5 percent of the annual service charge which shall be paid from the unpledged annual service charge.

Additionally, as of December 31, 2020, the Township provides tax abatements to two senior citizen housing developments in the Township for which copies of the related tax abatement agreements were not available as of the date of this audit. The Township recognized revenue in the amount of \$181,884.65 from these two payment in lieu of taxes agreements for the current year which are recorded as an anticipated miscellaneous revenue in the Current Fund. The taxes which would have been paid on these two properties for 2020 without the abatement would have been \$639,975.78 of which \$224,565.10 would have been for the local municipal tax and minimum library tax.



TOWNSHIP OF NUTLEY

SUPPLEMENTARY DATA

TOWNSHIP OF NUTLEY  
OFFICIALS IN OFFICE AND SURETY BONDS  
YEAR ENDED DECEMBER 31, 2020

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)
Jennifer Garner	Deputy Municipal Court Administrator	(B)
Thomas A. Restaino	Public Health Coordinator	(B)
Sue Portuese	Health Officer	(B)
Meredith Blank	Health Department Clerk/Registrar	(B)
David Berry	Code Enforcement Officer	(B)
Thomas J. Strumolo, Jr.	Police Chief	(B)
Philip Nicolette	Fire Chief (to February 1, 2020)	(B)
Paul Cafone	Deputy 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  
2020  
CURRENT FUND

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

A-4  
1 of 2

	<u>Ref.</u>	
Balance December 31, 2019	A	\$ 34,214,023.91
Increased by Receipts:		
Tax Collector	\$ 122,362,687.80	
Revenue Accounts Receivable	8,369,941.26	
Miscellaneous Revenue Not Anticipated	559,342.58	
Petty Cash Returned	650.00	
Interest on Investments and Deposits	148,197.36	
Other Accounts Receivable	48,241.14	
County PILOT Taxes Payable	65,345.21	
Due General Capital Fund:		
Bond Anticipation Note Proceeds	4,076,400.00	
Grants Receivable - State of NJ Department of Transportation	552,586.66	
Due Water Utility Operating Fund - Water Rents	17,424.46	
Due Water Utility Capital Fund - Bond Anticipation Note Proceeds	488,140.00	
Reserve for:		
Appropriated Grant Funds:		
Body Armor Replacement Fund	191.60	
Drunk Driving Enforcement Fund	15,560.50	
Unappropriated Grant Funds:		
Alcohol Education, Rehabilitation and Enforcement Fund	1,083.60	
Bullet Proof Vest Program	11,255.25	
Litigation Settlement	250,000.00	
Payment in Lieu of Taxes:		
Seton Hall University Medical School	334,762.28	
100 Metro Boulevard	428,446.91	
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions	145,989.73	
Construction Code Surcharge Fees	18,708.00	
Marriage License Fees	3,325.00	
Appropriation Refunds	1,914,495.76	
		<u>139,812,775.10</u>
		174,026,799.01

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

A-4  
2 of 2

Ref.

Decreased by Disbursements:

2020 Appropriation Expenditures	\$ 48,234,042.93
2019 Appropriation Reserve Expenditures	2,155,025.65
Petty Cash Advanced	650.00
Accounts Payable	640,941.70
Local School District Taxes	58,544,545.00
County Taxes	18,969,495.57
County PILOT Taxes Payable	77,944.86
Due Other Trust Funds:	
Interfund Returned	1,476,735.08
Living Tree Memorial Program Expenditures	10,969.59
Storm Recovery Expenditures	181,554.70
Due General Capital Fund:	
Improvement Authorization Expenditures	1,774,831.10
Due Water Utility Operating Fund - Interfund Advanced	475,000.00
Due State of New Jersey:	
Construction Code Surcharge Fees	18,788.00
Marriage License Fees	3,575.00
Appropriated Reserve for Grant Funds:	
Private Donation - Partners for Health	500.00
Alcohol Education, Rehabilitation and Enforcement Fund	550.00
Bullet Proof Vest Program	5,640.55
Body Armor Replacement Fund	1,109.05
Reserve for:	
Purchase of Fire Truck - Insurance Proceeds	104,933.75
Pending Tax Appeals	72,247.99
Redemption of Outside Liens	441,578.06
Refund of:	
Tax Overpayments	565,239.99
Miscellaneous Revenue Anticipated:	
Fees and Permits	240.00
Parking Meters	1,100.00
Tree Removal Permits	100.00
Prior Year Revenue - Other	15,752.10

\$ 133,773,090.67

Balance December 31, 2020

A

\$ 40,253,708.34

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2020

A-5

Increased by Receipts:

Taxes Receivable	\$ 118,709,320.82	
Interest and Costs on Taxes	161,234.19	
2021 Prepaid Taxes	628,165.56	
Tax Overpayments	954,186.95	
Redemption of Outside Liens	436,652.09	
Tax Title Liens	71,309.60	
Tax Sale Premiums - Due to Other Trust Funds	1,391,100.00	
Fees and Permits - Tax Search Fees/Miscellaneous	10,318.59	
Miscellaneous Revenue Not Anticipated - Departmental Collections	400.00	
	<hr/>	\$ 122,362,687.80

Decreased by:

Payments to Municipal Treasurer		<u><u>\$ 122,362,687.80</u></u>
---------------------------------	--	---------------------------------

SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2020

A-6

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
CURRENT FUND

A-7

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance	2020 Levy	Collections		State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Balance
	Dec. 31, 2019		2019	2020			Dec. 31, 2020
2018	\$ 117.70			\$ 200.41	\$ (83.56)	\$ 0.85	
2019	1,374,017.96			1,374,186.91	(250.00)	19.38	\$ 61.67
	1,374,135.66			1,374,387.32	(333.56)	20.23	61.67
2020		\$119,684,806.69	\$ 651,034.61	117,334,933.50	144,096.58	311,825.50	1,242,916.50
	\$ 1,374,135.66	\$119,684,806.69	\$ 651,034.61	\$118,709,320.82	\$ 143,763.02	\$ 311,845.73	\$ 1,242,978.17

Ref. A

A

Analysis of 2020 Property Tax Levy

Tax Yield:

General Purpose Tax	\$119,359,799.04
Added and Omitted Taxes	325,007.65
	<u>\$119,684,806.69</u>

Tax Levy:

Local School District Taxes	\$ 58,546,907.00
County Taxes	\$ 18,331,148.00
County Open Space Taxes	603,021.80
Due County for Added and Omitted Taxes	51,543.45
	<u>18,985,713.25</u>
	<u>77,532,620.25</u>
Local Tax for Municipal Purposes Levied	40,538,387.74
Minimum Library Tax Levied	1,334,364.26
	<u>41,872,752.00</u>
Add: Additional Tax Levied	279,434.44
	<u>42,152,186.44</u>
	<u>\$119,684,806.69</u>

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
YEAR ENDED DECEMBER 31, 2020

A-8

	<u>Ref.</u>	
Balance December 31, 2019	A	\$ 71,309.60
Decreased by:		
Cash Collections		<u>\$ 71,309.60</u>



TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-9  
1 of 2

	Balance Dec. 31, 2019	Accrued in 2020	Collected by		Balance Dec. 31, 2020
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages		\$ 32,659.60		\$ 32,659.60	
Other		19,398.00		19,398.00	
Fees and Permits:					
Building Inspector		113,150.00		113,150.00	
Board of Health		18,741.00		18,741.00	
Police		3,803.01		3,803.01	
Tax Search Fees/Miscellaneous		10,318.59	\$ 10,318.59		
Public Works		1,500.00		1,500.00	
Fines and Costs - Municipal Court	\$ 28,022.99	171,675.05		184,649.89	\$ 15,048.15
Parking Meters		224,692.00		224,692.00	
Fees - Immunization Program		7,997.71		7,997.71	
Tree Removal Permits		6,750.00		6,750.00	
Energy Receipts Tax		2,647,630.00		2,647,630.00	
Replacement Revenue		3,250,000.00		3,250,000.00	
Uniform Construction Code Fees		318,160.00		318,160.00	
Township of Montclair - Health Services		2,960.00		2,960.00	
Nutley Board of Education:					
Physician Services		8,200.00		8,200.00	
Bulk/Solid Waste		12,500.00		12,500.00	
Fiber Optic Cable		7,500.00		7,500.00	
Partners for Healthy-Healthy Lifestyles		10,000.00		10,000.00	
Safe and Secure Communities Grant		60,000.00		60,000.00	
Clean Communities Program		48,616.27		48,616.27	
Pedestrian Safety, Education and Enforcement Fund		1,045.00		1,045.00	
Body Armor Replacement Fund		6,543.29		6,543.29	
Office of Emergency Management		10,000.00		10,000.00	

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

A-9  
2 of 2

	Balance Dec. 31, 2019	Accrued In 2020	Collected by		Balance Dec. 31, 2020
			Collector	Treasurer	
Sewer Maintenance Fees - Due from:					
Town of Belleville	\$	11,210.28		\$ 11,210.28	
City of Clifton		174.10		174.10	
Residential Furniture Delivery Service		792.64		792.64	
Town of Bloomfield		64,831.30		64,831.30	
Regency Condominiums		8,147.73		8,147.73	
PB Nutcliff LLC, Excess Sewer Charges		97,361.97		97,361.97	
Payment in Lieu of Taxes:					
Senior Citizen Housing		139,035.93		139,035.93	
Nutley Senior Manor		42,848.72		42,848.72	
100 Metro Boulevard		486,852.00		486,852.00	
Passaic Valley Sewer Charges - User Charges		7,047.62		7,047.62	
Recycling Program		25,000.00		25,000.00	
Bureau of Housing Inspection		11,712.00		11,712.00	
Uniform Fire Safety Act		27,524.92		27,524.92	
Cable Franchise Fee		432,906.28		432,906.28	
Cell Phone Tower Lease		18,000.00		18,000.00	
Reserve to Pay Debt Service - Premium on Note Sale		53,917.42		53,917.42	
	<u>\$ 28,022.99</u>	<u>\$ 8,421,202.43</u>	<u>\$ 10,318.59</u>	<u>\$ 8,423,858.68</u>	<u>\$ 15,048.15</u>
<u>Ref.</u>	<u>A</u>				<u>A</u>
Cash Receipts				\$ 8,369,941.26	
Due from General Capital Fund				53,917.42	
				<u>\$ 8,423,858.68</u>	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2020

A-10

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2019 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2020

A-11  
1 of 5

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
Director of Public Affairs:				
Other Expenses	\$ 473.51	\$ 473.51		\$ 473.51
Nutley Public Health Reserve Corp:				
Other Expenses	1,493.28	1,493.28	\$ 115.05	1,378.23
Department of Health - Local Health Agency:				
Salaries and Wages	40,029.07	40,029.07	33,566.83	6,462.24
Other Expenses	32,568.90	32,568.90	8,996.55	23,572.35
Animal Regulation:				
Other Expenses	12,000.00	12,000.00		12,000.00
Military Veterans Affairs Bureau:				
Salaries and Wages	1,486.84	2,486.84	2,441.89	44.95
Other Expenses	24.10	24.10		24.10
Immunization Program:				
Other Expenses	3,139.68	3,139.68		3,139.68
Contractual:				
Garbage and Trash Removal	353,276.79	352,276.79	195,367.62	156,909.17
Municipal Prosecutor:				
Salaries and Wages	2,390.76	3,290.76	3,231.41	59.35
Other Expenses	1,000.00	100.00		100.00
Board of Adjustment:				
Salaries and Wages	1,660.80	1,660.80	1,637.62	23.18
Other Expenses	2,605.55	2,605.55	84.50	2,521.05
Planning Board:				
Salaries and Wages	3,260.80	3,260.80	1,637.62	1,623.18
Other Expenses	2,970.57	2,970.57	15.19	2,955.38
Rent Leveling Board:				
Salaries and Wages	196.88	496.88	475.08	21.80
Other Expenses	1,000.00	700.00		700.00
Township Attorney:				
Salaries and Wages	20,908.74	20,908.74	4,523.81	16,384.93
Other Expenses	65,641.65	65,641.65	40,027.86	25,613.79
Celebration of Public Events	14,181.00	14,181.00	8,014.18	6,166.82
Director of Revenue and Finance:				
Other Expenses	270.67	270.67	27.98	242.69
Assessment of Taxes:				
Salaries and Wages	10,299.12	10,299.12	7,312.51	2,986.61
Other Expenses	34,029.40	34,029.40	7,069.81	26,959.59
Collection of Taxes:				
Salaries and Wages	34,933.02	34,933.02	10,262.62	24,670.40
Other Expenses	15,257.07	15,257.07	236.10	15,020.97
Treasurer's Office:				
Salaries and Wages	29,840.38	30,440.38	30,351.91	88.47
Other Expenses	12,685.40	12,085.40	497.22	11,588.18
Grant Writer	2,916.40	2,916.40	2,916.40	

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2019 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2020

A-11  
2 of 5

(Continued)

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
Township Clerk's Office:				
Salaries and Wages	\$ 14,371.68	\$ 14,371.68	\$ 14,371.68	
Other Expenses	10,559.78	20,559.78	15,426.78	\$ 5,133.00
Other Expenses - Election	30,000.00	20,000.00		20,000.00
Information Services:				
Salaries & Wages	14,004.40	14,004.40	10,828.93	3,175.47
Other Expenses	65,163.35	65,163.35	46,897.59	18,265.76
Administration of Township Ordinances:				
Salaries and Wages	43,953.34	23,953.34		23,953.34
Other Expenses	9,967.00	9,967.00		9,967.00
Expense, Stationary and Printing:				
Other Expenses	25,063.59	25,063.59	3,036.00	22,027.59
Economic Redevelopment Project:				
Other Expenses	161,966.75	161,966.75	161,965.97	0.78
Printing and Legal Advertising:				
Other Expenses	6,574.55	6,574.55	1,172.12	5,402.43
Mayor:				
Salaries and Wages	1,550.00	1,550.00		1,550.00
Director of Public Safety:				
Other Expenses	467.51	467.51	467.51	
Municipal Court:				
Salaries and Wages	50,776.63	49,776.63	16,897.32	32,879.31
Other Expenses	16,725.52	16,725.52	8,029.75	8,695.77
E-Ticketing - Other Expense	45,000.00	45,000.00	25,507.47	19,492.53
Public Defender:				
Salaries and Wages	164.64	1,164.64	873.12	291.52
Other Expenses	300.00	300.00		300.00
Police:				
Salaries and Wages	302,168.02	302,168.02	261,791.41	40,376.61
Other Expenses	194,623.54	194,623.54	181,694.37	12,929.17
Clothing Allowance	36,669.96	36,669.96	18,410.45	18,259.51
Purchase of Police Cars	105,052.50	105,052.50	105,052.50	
First Aid Organization:				
Other Expenses	8,166.79	8,166.79		8,166.79
Office of Emergency Management:				
Salaries and Wages	14,928.00	14,928.00		14,928.00
Other Expenses	80,281.47	80,281.47	45,163.87	35,117.60
Uniform Fire Safety Code:				
Fire:				
Salaries and Wages	210.00	210.00		210.00
Fire:				
Salaries and Wages	445,748.72	445,748.72	425,300.36	20,448.36
Other Expenses	224,868.26	224,868.26	195,839.62	29,028.64
Clothing Allowance	26,399.07	26,399.07	11,978.92	14,420.15
Reserve for Accrued Sick and Vacation	100.00	100.00		100.00
Hazardous Materials:				
Other Expenses - Stipend	10,947.00	10,947.00		10,947.00

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2019 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2020

A-11  
3 of 5

(Continued)

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
Director of Public Works:				
Other Expenses	\$ 685.00	\$ 685.00		\$ 685.00
Engineering Services and Costs:				
Salaries and Wages	16,592.27	16,592.27	\$ 8,052.28	8,539.99
Other Expenses	74,928.42	74,928.42	65,433.38	9,495.04
Road Repair and Maintenance:				
Salaries and Wages	42,520.29	17,520.29	17,467.63	52.66
Other Expenses	106,834.91	56,834.91	56,655.96	178.95
Snow Removal:				
Salaries and Wages	22,667.01	22,667.01	22,500.00	167.01
Other Expenses	16,146.64	16,146.64	16,146.64	
Traffic Maintenance:				
Salaries and Wages	9,336.74	9,336.74	6,678.53	2,658.21
Other Expenses	12,620.15	12,620.15	3,360.56	9,259.59
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	25,000.00	25,000.00		25,000.00
Other Expenses	12,786.39	12,786.39	8,139.72	4,646.67
Parking Lot and Meter Maintenance:				
Salaries and Wages	4,229.77	4,229.77	197.97	4,031.80
Other Expenses	22,723.54	222,723.54	217,577.99	5,145.55
Leaf Removal:				
Other Expenses - Tipping Fees	18,642.15	18,642.15	3,716.40	14,925.75
Recycling:				
Salaries and Wages	1,075.28	1,075.28		1,075.28
Other Expenses	9,836.28	9,836.28	8,674.79	1,161.49
Other Expenses - Disposal Contract	68,161.24	68,161.24	67,911.20	250.04
Director of Parks and Public Property:				
Other Expenses	25,631.00	25,631.00	25,000.00	631.00
Recreation Committee of Nutley:				
Salaries and Wages	22,190.14	22,190.14	21,962.74	227.40
Other Expenses	24,210.59	24,210.59	21,005.14	3,205.45
Public Buildings and Grounds:				
Salaries and Wages	38,455.06	38,455.06	36,291.59	2,163.47
Other Expenses	23,465.66	23,465.66	19,831.97	3,633.69
Communications and Technology Services:				
Salaries and Wages	3,401.82	3,401.82	3,152.92	248.90
Shade Tree Commission:				
Salaries and Wages	4,623.30	4,623.30	4,086.46	536.84
Other Expenses	23,619.39	23,619.39	19,668.20	3,951.19
Senior Citizens Transportation:				
Salaries and Wages	42,526.38	42,526.38	7,082.90	35,443.48
Other Expenses	3,955.28	3,955.28		3,955.28

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2019 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2020

A-11  
4 of 5

(Continued)

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
Debris Removal:				
Other Expenses	\$ 14,500.00	\$ 14,500.00		\$ 14,500.00
Parks and Playgrounds:				
Salaries and Wages	39,040.48	39,040.48	\$ 35,465.21	3,575.27
Other Expenses	56,899.35	56,899.35	49,355.37	7,543.98
Insurance:				
Group Insurance Plan for Employees	1,097,852.62	597,852.62	30,320.80	567,531.82
Other Liability Insurance Premiums	194,025.83	194,025.83	72.65	193,953.18
Workers Compensation Insurance	8,282.37	8,282.37		8,282.37
State Uniform Construction Code:				
Salaries and Wages	12,487.13	37,487.13	36,636.01	851.12
Other Expenses	10,216.82	5,216.82	4,223.88	992.94
Elevator Inspection Fees:				
Other Expenses	18,000.00	18,000.00		18,000.00
Unclassified:				
Gasoline	73,092.10	73,092.10	66,228.37	6,863.73
Fuel Oil	31,227.71	31,227.71	13,084.82	18,142.89
Electricity	113,811.23	113,811.23	111,926.77	1,884.46
Street Lighting	114,655.43	64,655.43	62,780.40	1,875.03
Telephone	70,839.45	70,839.45	53,649.48	17,189.97
Contingent	49,224.13	49,224.13	35,847.93	13,376.20
Prior Year Bills:				
Piro, Zinna - 10/08/2015-05/01/2017	3,097.00	3,097.00	3,097.00	
Statutory Expenditures:				
Social Security System (O.A.S.I)	38,207.28	38,207.28	114.24	38,093.04
P.E.R.S. - Retro Pension Bill	15,000.00	15,000.00		15,000.00
Defined Contribution Retirement Program	5,243.71	5,243.71		5,243.71
Unemployment Compensation Insurance	150,000.00	75,000.00		75,000.00
Passaic Valley Sewer Commission:				
Other Expenses	256.14	256.14		256.14
NJPDES Stormwater Permit (NJSA 40A:-45.3(cc)):				
Street Division:				
Salaries and Wages	4,440.25	4,440.25	36.87	4,403.38
Other Expenses	3,896.75	3,896.75	3,494.25	402.50
LOSAP:				
First Aid Organization	15,000.00	15,000.00	7,762.50	7,237.50
Fire	33,750.00	33,750.00		33,750.00
Shared Services Agreement -				
Township of Montclair - Health Services	1,615.22	1,615.22		1,615.22
Nutley Board of Education - Physician Services	269.25	269.25		269.25
Nutley Board of Education - Bulk/Solid Waste	1,500.00	1,500.00		1,500.00
Nutley Board of Education - Fiber Optic Cable	7,500.00	7,500.00		7,500.00
State and Federal Programs Offset by Revenue:				
Safe and Secure Communities Grant:				
State Share	25,397.25	25,397.25	14,999.20	10,398.05
Municipal Alliance Grant:				
State Share	9,336.60	9,336.60	7,946.71	1,389.89

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2019 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

A-11  
5 of 5

	Balance Dec. 31, 2019	Balance After Transfers	Paid or Charged	Balance Lapsed
State and Federal Programs Offset by Revenue:				
Clean Communities Program	\$ 49,009.80	\$ 49,009.80	\$ 49,009.80	
COPS Grant Program	131,641.00	131,641.00	41,891.40	\$ 89,749.60
Reserve for Body Armor Replacement Fund	6,778.00	6,778.00	6,778.00	
Green Communities Grant	3,000.00	3,000.00		3,000.00
Occupant Protection Program - Click It or Ticket	1,168.75	1,168.75		1,168.75
Cooperative Forestry Program	3,000.00	3,000.00		3,000.00
Capital Improvements - Excluded From "CAPS":				
Capital Improvement Fund		500,000.00	500,000.00	
Road Improvements	100,000.00	100,000.00	100,000.00	
	<u>\$5,842,938.80</u>	<u>\$5,842,938.80</u>	<u>\$3,804,832.13</u>	<u>\$2,038,106.67</u>

Analysis of Balance December 31, 2019:

	<u>Ref.</u>	
Unencumbered	A	\$4,504,392.91
Encumbered	A	<u>1,338,545.89</u>
		<u>\$5,842,938.80</u>

Cash Disbursed	\$2,155,025.65
Accounts Payable	459,602.04
Reserve for Grant Funds Appropriated:	
Clean Communities	18,867.66
Due to General Capital Fund:	
Reserve for Economic Development Project	81,495.00
Reserve for Paving	9,841.78
Capital Improvement Fund	500,000.00
Due to Other Trust Funds:	
Reserve for Storm Recovery	<u>580,000.00</u>
	<u>\$3,804,832.13</u>



TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE  
YEAR ENDED DECEMBER 31, 2020

A-12

	<u>Ref.</u>
Increased by:	
Levy - Calendar Year 2020	\$ 58,546,907.00
Decreased by:	
Payments to Local School District	<u>58,544,545.00</u>
Balance December 31, 2020	A     \$ <u><u>2,362.00</u></u>

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
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, 2019	B	\$33,769.50	\$ 2,484,048.45
Increased by Receipts:			
Dog License Fees		\$16,761.20	
Cat License Fees		1,188.00	
Impounding, Boarding, Late Fees and Penalties		40.00	
State Registration Fees		1,912.80	
Due Current Fund - Interfund Returned			\$1,476,735.08
Road Opening, Sewer Maintenance and			
Planning Board Escrow Deposits			220,658.81
Developer's Escrow			81,521.50
Escrow Deposits			13,500.00
Uniform Fire Safety - Penalties			4,527.00
Unemployment Insurance			120,031.56
Living Tree Memorial Program			20,559.50
Recreation Commission Fees			161,797.96
Parking Offense Adjudication Act			2,520.00
Recycling - Recycling Tonnage Deposit			37,772.87
Community Environmental Health Act			199,848.08
Storm Recovery - CARES Act			1,132,440.09
Law Enforcement Expenditures			15,429.55
COAH			265,777.80
Go Green Program			5,010.00
Flexible Spending Account			1,909.96
		<u>19,902.00</u>	<u>3,760,039.76</u>
		53,671.50	6,244,088.21

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		\$ 1,897.20	
Administrative Expenses		1,525.00	
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits			\$ 219,261.39
Developer's Escrow			51,802.76
Uniform Fire Safety - Penalties			4,573.61
Unemployment Insurance			19,042.03
Recreation Commission Fees			131,744.08
Parking Offense Adjudication Act			1,876.00
Recycling			33,595.00
Community Environmental Health Act			262,794.70
Tax Sale Premiums			670,500.00
Community Development Block Grants			156,800.00
Accumulated Sick and Vacation Pay			233,194.95
Storm Recovery			1,590,368.95
Law Enforcement Expenditures			4,140.00
COAH			11,482.43
Go Green Program			3,000.00
Flexible Spending Account			2,746.84
Filming Performance Bond			5,000.00
		<u>\$ 3,422.20</u>	<u>\$ 3,401,922.74</u>
Balance December 31, 2020	B	<u>\$50,249.30</u>	<u>\$ 2,842,165.47</u>

TOWNSHIP OF NUTLEY  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2020

B-4A

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2020

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, 2019	B	\$33,755.10
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 16,761.20
Cat Licenses		1,188.00
		<u>17,949.20</u>
Impounding, Boarding, Late Fees and Penalties		40.00
		<u>17,989.20</u>
		51,744.30
Decreased by:		
Animal Control Expenditures		1,525.00
Statutory Excess Due Current Fund		<u>8,718.30</u>
		<u>10,243.30</u>
Balance December 31, 2020	B	<u><u>\$41,501.00</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2018	\$ 20,432.80
2019	<u>21,068.20</u>
Maximum Allowable Reserve	<u><u>\$41,501.00</u></u>

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
GENERAL CAPITAL FUND



TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

C-2

	<u>Ref.</u>	
Balance December 31, 2019	C	<u>\$ 83,228.79</u>
Balance December 31, 2020	C	<u><u>\$ 83,228.79</u></u>

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND

C-3  
1 of 3

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance/ (Deficit) Dec. 31, 2019	Transfers		Balance/ (Deficit) Dec. 31, 2020
		From	To	
Fund Balance	\$ 205,203.50			\$ 205,203.50
Capital Improvement Fund	2,456,766.00	\$ 126,325.00	\$ 750,000.00	3,080,441.00
Down Payments on Improvements	35,707.72			35,707.72
Due Current Fund	(5,556,559.20)	5,470,323.44	1,828,748.52	(9,198,134.12)
Loan Receivable:				
State of NJ Department of Environmental Protection Green Acres	(87,529.00)			(87,529.00)
Grants Receivable:				
County of Essex Open Space Trust Fund		150,000.00		(150,000.00)
State of NJ Department of Environmental Protection Green Acres	(412,586.00)	548,370.00		(960,956.00)
State of NJ Department of Transportation	(758,207.91)	406,964.00	552,586.66	(612,585.25)
Federal Repetitive Flood Claims Grants	(1,069,012.20)			(1,069,012.20)
Reserve for Paving	196,153.34		9,841.78	205,995.12
Reserve for Fiber Optics	21,250.00			21,250.00
Reserve for Economic Development Project	580,350.00		81,495.00	661,845.00
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	53,917.42	53,917.42	463,180.00	463,180.00
Ord.				
No.	Improvement Description			
2776	Certain Local Improvements			100.00
2850	Various Capital Improvements			1,814.42
2852	Sewer Repair and Related Work			27,391.52
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park			1,219.26
2927	Certain Local Improvements			3,600.00
2992	Upgrades to Memorial Park			38,286.99

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, 2019	Transfers		Balance/ (Deficit) Dec. 31, 2020
			From	To	
2993;	Various Capital Improvements	\$ 23,578.90	\$ 13,809.27		\$ 9,769.63
3046	Reconstruction of Various Streets and Sidewalks	3,612.20	3,612.20		
2995	Reconstruction of Various Streets and Sidewalks	55.00	55.00		
3027	Various Capital Improvements	152,229.90	273.73		151,956.17
3029					
3063;					
3093;					
3101	Various Capital Improvements	107,777.37			107,777.37
3065	Reconstruction of Various Streets and Sidewalks	16,997.30	15,623.87		1,373.43
3100	Acquisition of a Fire Truck	10,800.64			10,800.64
3106	Local Improvements	265.33			265.33
3116	Various Capital Improvements	58,613.22			58,613.22
3131	Redevelopment of Monsignor Owens Park	24,162.10	24,162.10		
3149	Various Capital Improvements	80,774.13			80,774.13
3150	Reconstruction of Various Streets and Sidewalks	13,500.00			13,500.00
3153	Voice and Data Network Upgrades	1,271.29			1,271.29
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
3214	Various Capital Improvements	6,015.27			6,015.27
3216	Local Improvements	3,522.37			3,522.37
3242	Various Capital Improvements	93,701.42	11,171.51		82,529.91
3292	Reconstruction of the Roadway on Park Ave (Section 2)	1,218.29			1,218.29
3294	Various Capital Improvements	158,268.04			158,268.04
3295	Reconstruction of Various Roadways and Sidewalks	7,447.94			7,447.94
3321	Reconstruction of Various Roadways and Sidewalks	37,555.44			37,555.44
3323	Various Improvements or Purposes	193,771.11			193,771.11

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

C-3  
3 of 3

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2019		Transfers		Balance/ (Deficit) Dec. 31, 2020	
		From	To	From	To	From	To
3324	Paving of East Centre Street	\$ 45,867.63				\$ 45,867.63	
3331	Acquisition of Lands	1,571.87		\$ 219.09		1,352.78	
3332	Acquisition of Lands	25,818.39		2,994.82		22,823.57	
3344	Various Improvements or Purposes	209,021.41		10,896.18		198,125.23	
3345	Reconstruction of Various Roadways and Sidewalks	90,848.89		17,304.86		73,544.03	
3371	Reconstruction of Various Roadways and Sidewalks	373,958.78		268,388.74		105,570.04	
3372	Various Improvements or Purposes	421,872.58		76,249.33		345,623.25	
3375	Purchase of a Fire Truck	0.89				0.89	
3378	Digital Archiving of Code Enforcement Records	0.54				0.54	
3391	Reconstruction of the Roadway on Harrison Street (Section 4)	79,505.59		43,278.71		36,226.88	
3407	Reconstruction of Various Roadways and Sidewalks	330,000.00		314,100.44	\$ 313,500.00	329,399.56	
3408	Various Improvements or Purposes	(284,859.18)		560,572.11	1,586,500.00	741,068.71	
3410	Digital Archiving of Code Enforcement and Municipal Clerk's Office Records	100,000.00		98,536.92		1,463.08	
3422	Reconstruction of the Roadway on Grant Ave	424,193.00		171,438.11		252,754.89	
3423	Reconstruction of Various Roadways and Sidewalks	18,375.00		2,617.18	365,750.00	381,507.82	
3425	Various Improvements or Purposes	70,253.05		552,636.11	1,810,650.00	1,328,266.94	
3440	Reconstruction of the Roadway on Grant Ave, Section 2				406,964.00	406,964.00	
3453	Improvement of Glotzbach Memorial Park				150,000.00	150,000.00	
3455	Various Improvements or Purposes				106,325.00	106,325.00	
3456	Reconstruction of Various Roadways and Sidewalks				20,000.00	20,000.00	
3458	Improvement of DeMuro Park				548,370.00	548,370.00	
		<u>\$ 83,228.79</u>		<u>\$ 8,993,910.96</u>	<u>\$ 8,993,910.96</u>	<u>\$ 83,228.79</u>	

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

Ord. No.	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	To Reserve for Payment of Debt Service	Balance Dec. 31, 2020	Analysis of Balance Dec. 31, 2020	
						Bond Anticipation Notes	Unexpended Improvement Authorizations
3332	Acquisition of Lands	\$ 2,036,808.00			\$ 1,380,316.00	\$ 1,380,316.00	
3407	Reconstruction of Various Roadways and Sidewalks			\$ 313,500.00	313,500.00	313,500.00	
3408	Various Improvements or Purposes	1,436,820.00		149,680.00	1,586,500.00	1,586,500.00	
3423	Reconstruction of Various Roadways and Sidewalks	365,750.00			365,750.00	365,750.00	
3425	Various Improvements or Purposes	1,810,650.00			1,810,650.00	1,810,650.00	
3455	Various Improvements or Purposes		\$ 2,020,175.00		2,020,175.00		\$ 2,020,175.00
3456	Reconstruction of Various Roadways and Sidewalks		380,000.00		380,000.00		380,000.00
3458	Improvement of DeMuro Park		182,790.00		182,790.00		182,790.00
		<u>\$ 5,650,028.00</u>	<u>\$ 2,582,965.00</u>	<u>\$ 463,180.00</u>	<u>\$ 8,039,681.00</u>	<u>\$ 5,456,716.00</u>	<u>\$ 2,582,965.00</u>
	Ref.	C			C		
<p><u>Analysis of Unexpended Improvement Authorizations:</u>  Improvement Authorizations Unfunded  Less: Unexpended Proceeds of Bond Anticipation Notes Issued:</p>							
	Ordinance #3332					\$ 22,823.57	\$ 5,040,874.22
	Ordinance #3408					741,068.71	
	Ordinance #3423					365,750.00	
	Ordinance #3425					1,328,266.94	
						<u>2,457,909.22</u>	<u>\$ 2,582,965.00</u>

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2019		Other Sources	2020 Authorizations		Paid or Charged	Balance December 31, 2020	
		Date	Amount	Funded	Unfunded		Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund		Funded	Unfunded
2776	Certain Local Improvements	04/01/03	\$ 55,000.00	\$ 100.00					\$	100.00	
2850	Various Capital Improvements	10/05/04	515,000.00	3,484.42					\$	1,670.00	1,814.42
2852	Sewer Repair and Related Work	10/05/04	362,000.00	50,046.52						22,655.00	27,391.52
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park	07/19/05	60,000.00	1,219.26							1,219.26
2914	Various Capital Improvements	09/06/05	400,000.00	3,600.00							3,600.00
2992	Upgrades to Memorial Park	12/19/06	125,000.00	64,032.81						25,745.82	38,286.99
2993;	Various Capital Improvements	12/19/06;	790,460.00								
3046		12/04/07		23,578.90						13,809.27	9,769.63
2995	Reconstruction of Various Streets and Sidewalks	12/19/06	352,000.00	3,612.20						3,612.20	
3027	Reconstruction of Various Streets and Sidewalks	11/20/07	291,500.00	55.00						55.00	
3029	Various Capital Improvements	11/20/07	1,011,100.00	152,229.90						273.73	151,956.17
3063;	Various Capital Improvements	07/16/08;	1,227,600.00								
3093;		04/07/09;									
3101		05/19/09		107,777.37							107,777.37
3065	Reconstruction of Various Streets and Sidewalks	07/15/08	220,000.00	16,997.30						15,623.87	1,373.43
3100	Acquisition of a Fire Truck	05/05/09	264,000.00	10,800.64							10,800.64
3106	Local Improvements	06/16/09	25,000.00	265.33							265.33
3116	Various Capital Improvements	09/01/09	748,980.00	58,613.22							58,613.22
3131	Redevelopment of Monsignor Owens Park	02/02/10	995,000.00	24,162.10						24,162.10	
3149	Various Capital Improvements	11/09/10	793,875.00	80,774.13							
3150	Reconstruction of Various Streets and Sidewalks	11/09/10	273,750.00	13,500.00							80,774.13
3153	Voice and Data Network Upgrades	12/07/10	63,000.00	1,271.29							1,271.29
3171	Donna Court Acquisition and Remediation	07/05/11	854,500.00	413,170.40							13,500.00
3172	Donna Court Acquisition and Remediation	07/05/11	1,644,000.00	756,759.46							413,170.40
3181	Various Capital Improvements	11/15/11	985,000.00	183,432.79							756,759.46
3196	Renovation of Police Desk	03/06/12	300,000.00	1,588.67							183,432.79
3214	Various Capital Improvements	07/17/12	620,000.00	6,015.27							1,588.67
3216	Local Improvements	09/04/12	25,000.00	3,522.37							6,015.27
3242	Various Capital Improvements	07/16/13	1,481,700.00	93,701.42						11,171.51	82,529.91
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	158,268.04							158,268.04
3295	Reconstruction of Various Roadways and Sidewalks	09/02/14	990,000.00	7,447.94							7,447.94
3321	Reconstruction of Various Roadways and Sidewalks	10/06/15	825,000.00	37,555.44							37,555.44
3323	Various Improvements or Purposes	10/06/15	1,346,730.00	193,771.11							193,771.11
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	1,571.87						219.09	1,352.78
3332	Acquisition of Lands	12/15/15	3,500,000.00							2,994.82	
3344	Various Improvements or Purposes	09/06/16	982,500.00	209,021.41				\$ 25,818.39		10,896.18	
3345	Reconstruction of Various Roadways and Sidewalks	09/06/16	460,000.00	90,848.89						17,304.86	
											\$ 22,823.57

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

Ord. No.	Improvement Description	2020 Authorizations					
		Ordinance Date	Amount	Deferred			Paid or Charged
				Balance December 31, 2019	Other Sources	Taxation - Future Unfunded	Capital Improvement Fund
				Funded	Unfunded		
3371	Reconstruction of Various Roadways and Sidewalks	11/08/17	\$ 409,000.00	\$ 373,958.78			\$ 268,388.74
3372	Various Improvements or Purposes	11/08/17	1,181,300.00	421,872.58			76,249.33
3375	Purchase of a Fire Truck	12/19/17	233,013.00	0.89			0.89
3378	Digital Archiving of Code Enforcement Records	01/16/18	200,000.00	0.54			0.54
3391	Reconstruction of the Roadway on Harrison Street (Section 4)	07/07/18	346,605.00	79,505.59			43,278.71
3407	Reconstruction of Various Roadways and Sidewalks	12/20/18	330,000.00	330,000.00			600.44
3408	Various Improvements or Purposes	12/20/18	1,670,000.00		\$1,151,960.82		410,892.11
3410	Digital Archiving of Code Enforcement and Municipal Clerk's Office Records	12/20/18	100,000.00	100,000.00			98,536.92
3422	Reconstruction of the Roadway on Grant Ave	08/06/19	424,193.00	424,193.00			171,438.11
3423	Reconstruction of Various Roadways and Sidewalks	08/06/19	384,125.00	18,375.00	365,750.00		2,617.18
3425	Various Improvements or Purposes	08/06/19	1,905,750.00	70,253.05	1,810,650.00		552,636.11
3440	Reconstruction of the Roadway on Grant Ave, Section 2	04/07/20	406,964.00		\$ 406,964.00		406,964.00
3453	Improvement of Glotzbach Memorial Park	10/20/20	150,000.00		150,000.00		150,000.00
3455	Various Improvements or Purposes	11/05/20	2,126,500.00		\$2,020,175.00	\$ 106,325.00	106,325.00
3456	Reconstruction of Various Roadways and Sidewalks	11/05/20	400,000.00		380,000.00	20,000.00	20,000.00
3458	Improvement of DeMuro Park	11/05/20	731,160.00		182,790.00	548,370.00	548,370.00
				\$4,638,040.82	\$3,354,179.21	\$2,582,965.00	\$1,774,831.10
				Ref.	C	C	C
				C			
				NJ Department of Transportation Grant			
				\$ 406,964.00			
				County of Essex Open Space Trust Grant			
				150,000.00			
				NJ Department of Environmental Protection:			
				Green Acres Grant			
				548,370.00			
				\$ 1,105,334.00			
				Due to Current Fund			
				\$1,774,831.10			

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2019	C	\$2,456,766.00
Increased by:		
Due from Current Fund:		
2020 Budget Appropriation	\$ 250,000.00	
2019 Appropriation Reserves	<u>500,000.00</u>	
		<u>750,000.00</u>
		3,206,766.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>126,325.00</u>
Balance December 31, 2020	C	<u><u>\$3,080,441.00</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, 2019	Issued	Matured	Balance Dec. 31, 2020
		Issue of Original Note	Issue	Maturity						
3332	Acquisition of Lands	01/22/16	04/17/19	04/17/20	2.50%		\$ 2,036,808.00	\$ 1,380,316.00	\$ 2,036,808.00	\$ 1,380,316.00
		01/22/16	04/16/20	04/16/21	1.48%					
3407	Reconstruction of Various Roadways and Sidewalks	04/16/20	04/16/20	04/16/21	1.48%			313,500.00		313,500.00
3408	Various Improvements or Purposes	04/16/20	04/16/20	04/16/21	1.48%			1,586,500.00		1,586,500.00
3423	Reconstruction of Various Roadways and Sidewalks	04/16/20	04/16/20	04/16/21	1.48%			365,750.00		365,750.00
3425	Various Improvements or Purposes	04/16/20	04/16/20	04/16/21	1.48%			1,810,650.00		1,810,650.00
							<u>\$ 2,036,808.00</u>	<u>\$ 5,456,716.00</u>	<u>\$ 2,036,808.00</u>	<u>\$ 5,456,716.00</u>
					<u>Ref.</u>		C			C
			Issued for Cash					\$ 4,076,400.00		
			Renewals					1,380,316.00	\$ 1,380,316.00	
			Paid by Budget Appropriation						<u>656,492.00</u>	
								<u>\$ 5,456,716.00</u>	<u>\$ 2,036,808.00</u>	

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Maturities of Bonds				Interest Rate	Balance		
		Outstanding Dec. 31, 2020		Matured	Dec. 31, 2019		Dec. 31, 2020		
		Date	Amount						
General Improvement Bonds	09/01/2013	09/01/2021	\$ 470,000.00	2.75%					
		09/01/2022-23	470,000.00	3.00%	\$ 1,880,000.00	\$ 470,000.00	\$ 1,410,000.00		
General Improvement Bonds	04/30/2018	04/15/2021	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%	5,791,000.00	1,000,000.00	4,791,000.00		

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

C-9  
1 of 2

Ord. No.	Improvement Description	Balance Dec. 31, 2019	Less: Matured	Balance Dec. 31, 2020
3131	Redevelopment of Monsignor Owens Park	\$ 362,752.59	\$ 18,758.71	\$ 343,993.88
3369	Improvement of Father Glotzbach Soccer Field	87,529.00		87,529.00
		<u>\$ 450,281.59</u>	<u>\$ 18,758.71</u>	<u>\$ 431,522.88</u>

Ref. C C

SCHEDULE OF PRINCIPAL AND  
INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2020

Redevelopment of Monsignor Owens Park

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 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
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>\$ 57,772.96</u>	<u>\$343,993.88</u>	

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

C-9  
2 of 2

SCHEDULE OF PRINCIPAL AND  
INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2020

Improvement of Father Glotzbach Soccer Field (Tentative)

<u>Payment Number</u>	<u>Due Date</u>	<u>Principal</u>	<u>Balance of Loan</u>
			\$ 87,529.00
1	07/15/2021	\$ 2,244.33	85,284.67
2	01/15/2022	2,244.34	83,040.33
3	07/15/2022	2,244.33	80,796.00
4	01/15/2023	2,244.33	78,551.67
5	07/15/2023	2,244.34	76,307.33
6	01/15/2024	2,244.33	74,063.00
7	07/15/2024	2,244.33	71,818.67
8	01/15/2025	2,244.34	69,574.33
9	07/15/2025	2,244.33	67,330.00
10	01/15/2026	2,244.33	65,085.67
11	07/15/2026	2,244.34	62,841.33
12	01/15/2027	2,244.33	60,597.00
13	07/15/2027	2,244.33	58,352.67
14	01/15/2028	2,244.34	56,108.33
15	07/15/2028	2,244.33	53,864.00
16	01/15/2029	2,244.33	51,619.67
17	07/15/2029	2,244.34	49,375.33
18	01/15/2030	2,244.33	47,131.00
19	07/15/2030	2,244.33	44,886.67
20	01/15/2031	2,244.34	42,642.33
21	07/15/2031	2,244.33	40,398.00
22	01/15/2032	2,244.33	38,153.67
23	07/15/2032	2,244.34	35,909.33
24	01/15/2033	2,244.33	33,665.00
25	07/15/2033	2,244.33	31,420.67
26	01/15/2034	2,244.34	29,176.33
27	07/15/2034	2,244.33	26,932.00
28	01/15/2035	2,244.33	24,687.67
29	07/15/2035	2,244.34	22,443.33
30	01/15/2036	2,244.33	20,199.00
31	07/15/2036	2,244.33	17,954.67
32	01/15/2037	2,244.34	15,710.33
33	07/15/2037	2,244.33	13,466.00
34	01/15/2038	2,244.33	11,221.67
35	07/15/2038	2,244.34	8,977.33
36	01/15/2039	2,244.33	6,733.00
37	07/15/2039	2,244.33	4,488.67
38	01/15/2040	2,244.34	2,244.33
39	07/15/2040	2,244.33	
		<u>\$ 87,529.00</u>	

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND

C-10

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Bond Anticipation Notes Issued	To Reserve for Payment of Debt Service	Balance Dec. 31, 2020
3407	Reconstruction of Various Roadways and Sidewalks			\$ 313,500.00	\$ 313,500.00	
3408	Various Improvements or Purposes	\$ 1,436,820.00		1,586,500.00	149,680.00	
3423	Reconstruction of Various Roadways and Sidewalks	365,750.00		365,750.00		
3425	Various Improvements or Purposes	1,810,650.00		1,810,650.00		
3455	Various Improvements or Purposes		\$ 2,020,175.00			\$ 2,020,175.00
3456	Reconstruction of Various Roadways and Sidewalks		380,000.00			380,000.00
3458	Improvement of DeMuro Park		182,790.00			182,790.00
		<u>\$ 3,613,220.00</u>	<u>\$ 2,582,965.00</u>	<u>\$ 4,076,400.00</u>	<u>\$ 463,180.00</u>	<u>\$ 2,582,965.00</u>

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
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, 2019	D	\$ 2,023,382.39	\$ 183.05
Increased by Receipts:			
Utility Collector		\$ 4,174,130.31	
Utility Maintenance Fee		268,336.23	
Nonbudget Revenue - Treasurer		7,290.06	
Due Current Fund - Interfund Advanced		<u>475,000.00</u>	
		<u>4,924,756.60</u>	
		6,948,138.99	183.05
Decreased by Disbursements:			
2020 Appropriation Expenditures		4,070,810.42	
2019 Appropriation Reserves		332,622.86	
Accounts Payable		27,303.88	
Interest on Loans		9,770.81	
Due Current Fund:			
2020 Appropriation Expenditures		33,505.84	
Due Water Utility Capital Fund:			
Improvement Authorization Expenditures		67,945.99	
Refund of Water Rent Overpayments		<u>5,035.01</u>	
		<u>4,546,994.81</u>	
Balance December 31, 2020	D	<u>\$ 2,401,144.18</u>	<u>\$ 183.05</u>

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CASH - WATER COLLECTOR  
YEAR ENDED DECEMBER 31, 2020

D-4A

Increased by:

Consumer Accounts Receivable	\$ 4,118,590.76
Nonbudget Revenue	55,539.55
	<hr/> 4,174,130.31

Decreased by:

Disbursed to Water Treasurer	<u><u>\$ 4,174,130.31</u></u>
------------------------------	-------------------------------



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

D-5

	Balance/ (Deficit) Dec. 31, 2019	Transfers		Balance/ (Deficit) Dec. 31, 2020
		From	To	
Capital Fund Balance	\$ 703.51			\$ 703.51
Due Current Fund		\$ 488,140.00		(488,140.00)
Due Water Utility Operating Fund	(86,356.89)	125,000.00	\$ 67,945.99	(143,410.90)
Down Payments on Improvements	5,525.85		10,000.00	15,525.85

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	(5,281.25)		14,781.25	9,500.00
3322	Improvement of the Water Supply and Distribution System	(40,912.70)	35,826.73	100,218.75	23,479.32
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	(2,957.28)	4,659.57	243,750.00	236,133.15
3424	Various Water Utility Improvements	12,860.00	16,194.26	244,390.00	241,055.74
		<u>\$ 183.05</u>	<u>\$ 681,085.99</u>	<u>\$ 681,085.99</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, 2019	D	\$ 483,860.80
Increased by:		
Water Rents Levied		4,360,863.36
		<u>4,844,724.16</u>
Decreased by:		
Collections:		
Collections	\$ 4,118,590.76	
Due from Current Fund	17,424.46	
Water Rent Overpayments Applied	<u>5,049.54</u>	
		<u>4,141,064.76</u>
Balance December 31, 2020	D	<u><u>\$ 703,659.40</u></u>

WATER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

D-7

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 25,127.63
Increased by:		
Adjustment to Actual Inventory Per Listing Provided by Water Department		<u>48,484.37</u>
Balance December 31, 2020	D	<u><u>\$ 73,612.00</u></u>

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF RETURN ITEM ACCOUNT  
YEAR ENDED DECEMBER 31, 2020

D-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

D-9

	Balance Dec. 31, 2019	Additions by Ordinance	Balance Dec. 31, 2020
Water Mains	\$ 1,157,462.54		\$ 1,157,462.54
Water Utility Improvements	43,115.11		43,115.11
Machinery and Equipment	703,348.83		703,348.83
Geographic Information System	35,000.00		35,000.00
Water Distribution System	<u>                    </u>	<u>\$ 110,000.00</u>	<u>110,000.00</u>
	<u>\$ 1,938,926.48</u>	<u>\$ 110,000.00</u>	<u>\$ 2,048,926.48</u>

Ref.

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, 2019	2020 Authorizations	Transferred to Fixed Capital	Balance Dec. 31, 2020
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
3424	08/06/19	Various Water Utility Improvements	257,250.00			257,250.00
3457	11/05/20	Various Water Utility Improvements		\$ 255,000.00		255,000.00
			<u>\$ 4,567,536.50</u>	<u>\$ 255,000.00</u>	<u>\$ 110,000.00</u>	<u>\$ 4,712,536.50</u>
		<u>Ref.</u>	D			D

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2019 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2020

D-11

	Balance Dec. 31, 2019	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 128,050.36	\$ 74,050.36	\$ 68,847.79	\$ 5,202.57
Other Expenses	54,221.67	29,221.67	24,537.05	4,684.62
Other Expenses - Water Purchase	206,683.47	293,683.47	239,612.96	54,070.51
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	3,000.00			
Social Security System (O.A.S.I.)	5,155.25	155.25		155.25
Unemployment Compensation Insurance - (N.J.S.A. 43:21-3 et. seq.)	1,000.00	1,000.00		1,000.00
	<u>\$ 398,110.75</u>	<u>\$ 398,110.75</u>	<u>\$ 332,997.80</u>	<u>\$ 65,112.95</u>

Ref.

Analysis of Balance December 31, 2019:

Unencumbered	D	\$ 198,827.72
Encumbered	D	<u>199,283.03</u>
		<u>\$ 398,110.75</u>

Cash Disbursed	\$ 332,622.86
Accounts Payable	<u>374.94</u>
	<u>\$ 332,997.80</u>

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-12

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2019		2020 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance December 31, 2020	
		Date	Amount	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		9,500.00			9,500.00	
3322	Improvement of the Water Supply and Distribution System	10/06/15	297,000.00		256,087.30		35,826.73	23,479.32	196,781.25
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		240,792.72		4,659.57		236,133.15
3424	Various Water Utility Improvements	08/06/19	257,250.00	12,860.00	244,390.00		16,194.26		241,055.74
3457	Various Water Utility Improvements	11/05/20	255,000.00			\$ 255,000.00			255,000.00
				\$ 129,461.81	\$ 2,719,173.02	\$ 255,000.00	\$ 67,945.99	\$ 138,315.70	\$ 2,897,373.14
		<u>Ref.</u>		D	D			D	D

Due to Water Utility Operating Fund

\$ 67,945.99

D-12

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

D-13

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 5,525.85
Increased by:		
Due from Water Utility Operating Fund:		
2020 Budget Appropriation		<u>10,000.00</u>
Balance December 31, 2020	D	<u>\$ 15,525.85</u>



TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2020

D-14

NOT APPLICABLE

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

D-15

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 2,814,378.03
Increased by:		
Paid by Operating Budget:		
New Jersey Environmental Infrastructure Trust (NJEIT) Loans	\$ 95,617.68	
Ordinances Funded by Budget Appropriation	<u>115,000.00</u>	
		<u>210,617.68</u>
Balance December 31, 2020	D	<u>\$ 3,024,995.71</u>

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

D-15A

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance Dec. 31, 2019</u>	<u>Balance Dec. 31, 2020</u>
2994	Water Capital Improvements	11/21/06	\$ 67,811.50	\$ 67,811.50
3151	Utility Infrastructure GIS Mapping	11/09/10	11,868.75	11,868.75
3296	Various Water Utility Improvements	09/02/14	5,225.00	5,225.00
3343	Improvement of the Water Supply and Distribution System	09/06/16	8,900.00	8,900.00
3370	Improvement of the Water Supply and Distribution System	11/08/17	8,000.00	8,000.00
3409	Various Water Utility Improvements	12/20/18	12,850.00	12,850.00
3424	Various Water Utility Improvements	08/06/19	<u>12,860.00</u>	<u>12,860.00</u>
			<u>\$ 127,515.25</u>	<u>\$ 127,515.25</u>
		<u>Ref.</u>	D	D

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2020

Ord. No.	Improvement Description	Date of			Interest Rate	Issued	Balance Dec. 31, 2020
		Original Issue	Issue	Maturity			
3409	Various Water Utility Improvements	4/16/2020	4/16/2020	4/16/2021	1.48%	\$ 243,750.00	\$ 243,750.00
3424	Various Water Utility Improvements	4/16/2020	4/16/2020	4/16/2021	1.48%	244,390.00	244,390.00
						<u>\$ 488,140.00</u>	<u>\$ 488,140.00</u>
					<u>Ref.</u>		D
			Issued for Cash			<u>\$ 488,140.00</u>	

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE  
YEAR ENDED DECEMBER 31, 2020

D-17

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND

D-18

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2019	D	\$ 796,245.45
Decreased by:		
Matured		<u>95,617.68</u>
Balance December 31, 2020	D	<u><u>\$ 700,627.77</u></u>

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2020

Payment Number	Due Date	Trust		Fund Principal	Balance of Loan
		Interest	Principal		
					\$ 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
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-
		<u>\$ 73,400.00</u>	<u>\$ 315,000.00</u>	<u>\$ 385,627.77</u>	

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

Ord. No.	Date	Improvement Description	Balance Dec. 31, 2019	2020 Authorizations	Bond Anticipation Notes Issued	Funded by Budget Appropriation	Balance Dec. 31, 2020
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	14,781.25			\$ 14,781.25	
3322	10/06/15	Improvement of the Water Supply and Distribution System	297,000.00		100,218.75		196,781.25
3343	09/06/16	Improvement of the Water Supply and Distribution System	169,100.00				169,100.00
3370	11/08/17	Improvement of the Water Supply and Distribution System	161,000.00				161,000.00
3409	12/20/18	Various Water Utility Improvements	243,750.00		\$ 243,750.00		
3424	08/06/19	Various Water Utility Improvements	244,390.00		244,390.00		
3457	11/05/20	Various Water Utility Improvements		\$ 255,000.00			255,000.00
			<u>\$ 2,768,324.25</u>	<u>\$ 255,000.00</u>	<u>\$ 488,140.00</u>	<u>\$ 115,000.00</u>	<u>\$ 2,420,184.25</u>

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
SEWER UTILITY FUND

NOT APPLICABLE



TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2020  
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, 2019	F	\$ 76,150.67
Increased by Receipts:		
Interest		<u>254.37</u>
Balance December 31, 2020	F	<u><u>\$ 76,405.04</u></u>

TOWNSHIP OF NUTLEY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2020

TOWNSHIP OF NUTLEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

1

Federal Funding Department	Program	CFDA #	State Program Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO Cumulative Total		Amounts Provided to Subrecipients
						From	To		Expenditures	Subrecipients	
US Department of Transportation: Highway Safety Cluster: Passed through NJ Department of Law and Public Safety	Drive Sober or Get Pulled Over	20.601	100-066-1160- 157-DHTS	\$ 6,000.00		01/01/20	12/31/21	\$ 900.00	\$ 900.00		
	Pedestrian Safety Education and Enforcement Grant	20.616	100-066-1160- 163-030340	15,000.00	\$ 1,045.00	01/01/20	12/31/21	1,358.21	1,358.21		
	Total Highway Safety Cluster				1,045.00			2,258.21	2,258.21		
	Total US Department of Transportation				1,045.00			2,258.21	2,258.21		
US Department of Justice: Office of Justice Programs, Bureau of Justice Assistance	Bulletproof Vest Partnership Program	16.607	N/A	8,482.10 5,284.40 11,255.25		01/01/16 01/01/18 01/01/20	12/31/20 12/31/20 12/31/21	1,991.85 3,648.70	8,482.10 5,284.40		
					11,255.25			5,640.55	13,766.50		
						11/01/17	10/31/20	83,144.30	259,032.18		
					3,823.85	01/01/20	12/31/20	3,823.85	3,823.85		
					3,823.85			86,968.15	262,856.03		
Total US Department of Justice					15,079.10			92,608.70	276,622.53		
US Department of Homeland Security: Passed through NJ Department of Law and Public Safety	Emergency Management Performance Grants - F.E.M.A. Non-Terrorism	97.042	100-066-1200- 726-062600	10,000.00	10,000.00	01/01/20	12/31/20	10,000.00	10,000.00		
					10,000.00			10,000.00	10,000.00		
US Department of Housing & Urban Development: CDBG - Entitlement Grants Cluster: Passed through Essex County Office of Community Development Total CDBG - Entitlement Grants Cluster	Community Development Block Grant: Reconstruction of Ernest Street	14.218	N/A	156,800.00		01/01/19	12/31/20	156,800.00	156,800.00		
					-0-			156,800.00	156,800.00		
					-0-			156,800.00	156,800.00		
US Department of Treasury: Passed through NJ Department of Community Affairs	COVID-19 - Corona Virus Relief Fund Local Government Emergency Fund	21.019	100-022-8030- 686-049690	1,132,440.09	1,132,440.09	03/01/20	12/31/20	1,132,440.09	1,132,440.09		
					1,132,440.09			1,132,440.09	1,132,440.09		
					\$ 1,158,564.19			\$ 1,394,107.00	\$ 1,578,120.83	\$ - 0 -	
TOTAL FEDERAL AWARDS											
N/A - Not Available/Applicable											

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

1

TOWNSHIP OF NUTLEY

2

SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020

State Funding Department	State Program	State Grant Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO Cumulative Total
					From	To		
Department of Law & Public Safety	Safe & Secure Communities Program	100-066-1020-232-6120	\$ 60,000.00	\$ 60,000.00	08/01/19	07/31/20	\$ 14,999.20	\$ 49,601.95
				60,000.00	08/01/20	07/31/21	15,000.05	15,000.05
							29,999.25	64,602.00
							1,109.05	3,159.95
Total Department of Law and Public Safety	Body Armor Replacement Fund	718-066-1020-001-6120	6,778.91	6,543.29	01/01/19	12/31/20	6,778.00	6,778.00
			6,543.29	6,543.29	01/01/20	12/31/21	7,887.05	9,937.95
							37,886.30	74,539.95
							30,142.14	35,048.05
Department of Environmental Protection	Clean Communities Program	765-042-4900-004-6020	53,915.71	48,616.27	01/01/19	12/31/21	999.96	999.96
			48,616.27	48,616.27	01/01/20	12/31/21	31,142.10	36,048.01
							31,142.10	36,048.01
							478.00	708.58
Department of Health & Senior Services	Alcohol Education, Rehabilitation and Enforcement Fund (Trust)	760-046-4240-001-040000	543.88		01/01/16	12/31/21	72.00	72.00
			1,083.60	1,083.60	01/01/20	12/31/21		
							550.00	780.58
Total Department of Health and Senior Services	Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program	100-082-2000-044-995120	19,165.00	15,295.10	07/01/19	06/30/20		19,003.12
			20,000.00	8,039.26	07/01/19	06/30/20	7,946.71	18,610.11
			20,724.94		07/01/20	06/30/21	2,151.65	2,151.65
				23,334.36			10,098.36	39,764.88
Total Department of Treasury	NJ Transportation Trust Fund Authority Act - Municipal Aid: Various Roadways Various Roadways	480-078-6300-HDN-371275 HDN-371275 480-078-6320-AM2-605178 AN8-606280 AOA-606480	175,000.00	175,000.00	01/01/15	12/31/16		175,000.00
			83,558.00	72,363.66	01/01/15	12/31/18		83,558.00
			346,605.00		01/01/18	12/31/21	43,278.71	310,378.12
			424,193.00	298,259.00	01/01/19	12/31/21	171,438.11	171,438.11
Total Department of Transportation	Grant Avenue Grant Avenue		406,964.00	6,964.00	01/01/20	12/31/21		
				552,586.66			214,716.82	740,374.23
				552,586.66			214,716.82	740,374.23
				\$ 692,164.18			\$ 294,393.58	\$ 891,507.65
TOTAL STATE AWARDS								

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

TOWNSHIP OF NUTLEY  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2020

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, 2020. 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, 2020:

General Capital Fund:

NJ Department of Environmental Protection Green Acres Loan	\$ 343,994
NJ Department of Environmental Protection Green Acres Loan	<u>87,529</u>
	<u><u>\$ 431,523</u></u>

Water Utility Capital Fund:

NJ Environmental Infrastructure Trust Loan	\$ 315,000
NJ Environmental Infrastructure Fund Loan	<u>385,628</u>
	<u><u>\$ 700,628</u></u>

TOWNSHIP OF NUTLEY  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

D. STATE LOANS OUTSTANDING (Cont'd)

Currently, the Township is in the process of repaying the NJ Environmental Infrastructure loan balances. The Water Utility 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 on the \$87,529 loan will tentatively commence in 2021.

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, 2020 and 2019, and the related notes to the financial statements and have issued our report thereon dated June 3, 2021. 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

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

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

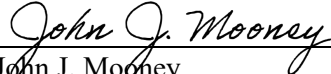
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **Purpose of this Report**

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

Mount Arlington, New Jersey  
June 3, 2021

  
NISIVOCCIA LLP

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

Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance

Independent Auditors' Report

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

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

We have audited the Township of Nutley's (the "Township's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Township's major federal program for the year ended December 31, 2020. The Township's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, contracts, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

***Auditors' Responsibility***

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

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

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

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

In our opinion, the Township complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

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

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

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

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

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

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

Mount Arlington, New Jersey  
June 3, 2021

*Nisiroccia LLP*  
NISIVOCCIA LLP

*John J. Mooney*  
\_\_\_\_\_  
John J. Mooney  
Certified Public Accountant  
Registered Municipal Accountant No. 560

TOWNSHIP OF NUTLEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major federal program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major State Program; Report on Internal Control Over Compliance*.
- The auditor's report on compliance for the major federal program for the District expresses an unmodified opinion on the major federal program.
- The Township was not subject to the single audit provisions of NJOMB 15-08 for the fiscal year ended June 30, 2020 as state grant expenditures were less than the single audit threshold of \$750,000 identified in NJOMB 15-08.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The Township's program tested as a major federal program for the current fiscal year consisted of the following award:

	CFDA #	Award Amount	Expenditures
COVID-19 - Corona Virus Relief Fund			
Local Government Emergency Fund	21.019	\$1,132,440	\$ 1,132,440

- The threshold used for distinguishing between Type A and Type B federal programs was \$750,000.
- The Township was not determined to be a "low-risk" auditee for federal programs.

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

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

TOWNSHIP OF NUTLEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020  
(Continued)

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

TOWNSHIP OF NUTLEY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2020

The Township had no prior year audit findings.

TOWNSHIP OF NUTLEY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020



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

TOWNSHIP OF NUTLEY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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

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

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

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

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, 2020, the governing body adopted a resolution authorizing interest to be charged on delinquent taxes and water rents at the rate of 8% per annum to \$1,500 and any amount in excess of \$1,500 shall be fixed at the rate of 18% per annum. An additional penalty of 6% will be imposed on delinquencies in excess of \$10,000 at year end.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on September 15, 2020 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>
2020	0
2019	1
2018	9

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, 2020.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2020

	Balance Dec. 31, 2019	Receipts	Disbursements	Balance Dec. 31, 2020
Municipal Treasurer:				
Fines and Costs	\$ 28,022.99	\$ 171,675.05	\$ 184,649.89	\$ 15,048.15
P.O.A.A. Fines	658.00	1,868.00	2,520.00	6.00
Public Defender		1,625.00	1,375.00	250.00
State Treasurer	17,916.45	139,429.83	142,960.06	14,386.22
County Treasurer	5,959.50	36,157.75	38,976.75	3,140.50
Transcript Fees		50.00	50.00	
Weights and Measures	1,650.00	800.00	2,450.00	
Restitution	150.00	5,158.98	5,308.98	
Cash Bail	3,916.00	19,727.35	19,593.35	4,050.00
	<u>\$ 58,272.94</u>	<u>\$ 376,491.96</u>	<u>\$ 397,884.03</u>	<u>\$ 36,880.87</u>

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

- a.) The tickets and special complaints assigned but not issued reports at December 31, 2020 still include tickets and special complaints which were assigned over six months ago which the Court Administrator is currently in the process of addressing. As significant improvement was made and the Court Administrator is currently in the process of addressing the remaining tickets and special complaints not issued which were assigned over six months ago, no formal recommendation is deemed warranted.
- b.) The monthly regular account bank reconciliation includes reconciling items from the current and prior years.

It is recommended that all reconciling items included on the monthly bank reconciliation for the Municipal Court regular and account be reviewed for proper disposition.

Management's Response

The Court Administrator will ensure that all reconciling items included on the monthly regular account bank reconciliation are reviewed and properly disposed of.

TOWNSHIP OF NUTLEY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

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.

Management Suggestion

Improvement Authorizations

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

Appropriated Grant Reserves and Grants and Loans Receivable

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

Unused Sick and Vacation Leave

It is suggested that the Township consult with its attorney to ensure that its negotiated labor contracts, individual employee agreements and employee policies, as applicable, are in accordance with New Jersey statutes regarding unused sick and vacation leave.

Effect on Internal Controls due to COVID-19

With the increased ability for certain work functions to be done remotely and the increased use of electronic payments and processes, it is suggested that the Township routinely reviews the internal controls in place especially with respect to security of passwords as well as access rights to accounting software and bank information including bank wire transfers and the timely back-up of records.

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2019 audit report. During 2020, recommendation 1a was partially resolved as to the reconciling items included on the Municipal Court monthly bank reconciliation for the bail account and recommendation 1b regarding the variance between the Municipal Court bail account bank reconciliation and the bail on account report. The unresolved portion of recommendation 1a is included in the current year audit report as recommendations 1a and is in the process of being implemented.

TOWNSHIP OF NUTLEY  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

1. Municipal Court:
  - a. All reconciling items included on the monthly bank reconciliation for the Municipal Court regular account be reviewed for proper disposition.

\* \* \* \* \*