

TOWNSHIP OF NUTLEY

COUNTY OF ESSEX

REPORT OF AUDIT

2021

*NISIVOCCIA LLP
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
REPORT OF AUDIT
2021

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TOWNSHIP OF NUTLEY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2021



Independent Auditors' Report

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

Report on the Financial Statements

Opinions

We have audited the financial statements – *regulatory basis* – of the various funds and account group of the Township of Nutley in the County of Essex (the "Township") as of, and for the years ended December 31, 2021 and 2020, and the related notes to financial statements, as listed in the table of contents.

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

In our opinion, except for the effects of the matter described in the Basis for Unmodified and Qualified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the general fixed assets account group of the Township as of December 31, 2021 and 2020 in accordance with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Unmodified Opinions on the Various Funds on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of each fund of the Township as of December 31, 2021 and 2020, and the results of operations and changes in fund balance, where applicable, of such funds, thereof for the years then ended in accordance with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division").

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund and account group of the Township as of December 31, 2021 and 2020, or the changes in financial position or where applicable, cash flows thereof for the years then ended.

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

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

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

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

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

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

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022 on our consideration of the Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance

Mount Arlington, New Jersey
June 3, 2022

Nisivoccia LLP

NISIVOCCIA LLP

John J. Mooney

John J. Mooney

Registered Municipal Accountant No. 560
Certified Public Accountant

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
CURRENT FUND

TOWNSHIP OF NUTLEY
CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A
1 of 2

		December 31,	
	Ref.	2021	2020
<u>ASSETS</u>			
Cash and Cash Equivalents	A-4	\$ 42,212,977.97	\$40,253,708.34
Change Fund		300.00	300.00
		<u>42,213,277.97</u>	<u>40,254,008.34</u>
Due State of New Jersey:			
Senior Citizens' and Veterans' Deductions		11,847.85	9,119.77
		<u>42,225,125.82</u>	<u>40,263,128.11</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	1,268,250.97	1,242,978.17
Property Acquired for Taxes at Assessed Valuation		47,570.00	47,570.00
Revenue Accounts Receivable	A-9	22,727.53	15,048.15
Due State of New Jersey:			
Consolidated Municipal Property Tax Relief Aid		800,000.00	
Due Animal Control Fund	B	1,250.77	8,718.30
Due Water Utility Operating Fund	D	1,082,261.21	1,023,624.23
		<u>3,222,060.48</u>	<u>2,337,938.85</u>
Total Receivables and Other Assets with Full Reserves			
		<u>3,222,060.48</u>	<u>2,337,938.85</u>
Deferred Charges:			
Special Emergency Authorization		330,000.00	440,000.00
		<u>330,000.00</u>	<u>440,000.00</u>
TOTAL ASSETS			
		<u>\$ 45,777,186.30</u>	<u>\$43,041,066.96</u>

LIABILITIES, RESERVES AND FUND BALANCE

Appropriation Reserves:			
Unencumbered	A-3;A-11	4,169,192.92	5,372,241.12
Encumbered	A-3;A-11	1,438,831.74	1,784,487.64
		<u>5,608,024.66</u>	<u>7,156,728.76</u>
Accounts Payable - Vendors		2,525,438.35	2,636,038.85
Prepaid Uniform Construction Code Fees		200,000.00	
Prepaid Taxes		687,077.42	628,165.56
Tax Overpayments		458,483.05	458,515.24
School Taxes Payable	A-12	889,875.00	2,362.00
County Added and Omitted Taxes Payable		35,761.50	51,543.45
County PILOT Taxes Payable			15,875.09
Due Other Trust Funds	B	5,951,888.67	5,405,120.77
Due General Capital Fund	C	8,738,011.68	9,198,134.12
Due Water Utility Capital Fund	D	485,000.00	488,140.00
Due State of New Jersey:			
Construction Code Surcharge Fees		6,938.00	7,747.00
Marriage License Fees		925.00	975.00
Burial Permit Fees		5.00	5.00

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

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		December 31,	
	Ref.	2021	2020
<u>LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)</u>			
Reserve for:			
Appropriated Grant Funds:			
Municipal Alliance Grant		\$ 500.52	\$ 500.52
Clean Communities		105,061.94	74,478.06
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	1,281.77
Alcohol Education, Rehabilitation and Enforcement Fund		3,067.11	471.00
Body Armor Replacement Fund		2,047.04	3,155.65
Recycling Tonnage Grant		15,918.85	15,918.85
Drunk Driving Enforcement Fund		6,247.75	15,560.50
Partners for Healthy-Healthy Lifestyles		6,000.00	
Unappropriated Grant Funds:			
Alcohol Education, Rehabilitation and Enforcement Fund		1,083.60	1,083.60
Bullet Proof Vest Program		11,255.25	11,255.25
American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds		1,488,072.84	
Purchase of Fire Truck - Insurance Proceeds		21,103.76	28,773.76
Pending Tax Appeals		6,402,251.42	6,414,024.52
Sale of Municipal Assets		66,550.00	66,550.00
Redemption of Outside Liens			18,149.72
Revaluation of Property		435,775.71	491,523.40
Master Plan Review		13,610.00	13,610.00
Litigation Settlement		580,000.00	440,000.00
Payment in Lieu of Taxes:			
Seton Hall University Medical School		326,846.44	334,762.36
PB-100 Metro Boulevard		845,935.59	428,446.91
		<u>35,949,756.06</u>	<u>34,438,614.85</u>
Reserve for Receivables and Other Assets	A	3,222,060.48	2,337,938.85
Fund Balance	A-1	<u>6,605,369.76</u>	<u>6,264,513.26</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 45,777,186.30</u>	<u>\$43,041,066.96</u>

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

TOWNSHIP OF NUTLEY

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

	Year Ended December 31,	
	2021	2020
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 5,000,000.00	\$ 5,000,000.00
Miscellaneous Revenue Anticipated	9,661,542.43	10,331,587.93
Receipts from:		
Delinquent Taxes	1,242,751.55	1,445,696.92
Current Taxes	123,883,377.36	118,130,064.69
Nonbudget Revenue	379,406.68	618,101.44
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	1,729,670.18	2,038,106.67
Cancellation of:		
Body Armor Replacement Fund	95.80	
Drunk Driving Enforcement Fund	7,780.25	
Interfunds and Other Receivables Returned	7,467.53	48,241.14
Total Income	141,912,091.78	137,611,798.79
<u>Expenditures</u>		
Budget Appropriations	52,367,071.76	53,874,270.44
County Taxes	20,333,395.15	18,934,169.80
County Share of Added and Omitted Taxes	35,761.50	51,543.45
Local School District Taxes	62,967,077.00	58,546,907.00
Reserve for Pending Tax Appeals		800,000.00
State of New Jersey Senior Citizens' and Veterans' Deductions		
Receivable Canceled		120,000.00
Senior Citizen/Veteran Disallowances on Prior Year Taxes		333.56
Refund of Prior Year - Taxes	5,386.78	
Refund of Prior Year Revenue - Other	3,906.11	15,752.10
Interfunds and Other Receivables Advanced	858,636.98	432,788.00
Total Expenditures	136,571,235.28	132,775,764.35
Excess in Revenue/Statutory Excess to Fund Balance	\$ 5,340,856.50	\$ 4,836,034.44
<u>Fund Balance</u>		
Balance January 1	6,264,513.26	6,428,478.82
	11,605,369.76	11,264,513.26
Decreased by:		
Utilized as Anticipated Revenue	5,000,000.00	5,000,000.00
Balance December 31	A \$ 6,605,369.76	\$ 6,264,513.26

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, 2021

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	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		33,142.22	\$ 3,142.22
Other	19,000.00		15,280.00	3,720.00 *
Fees and Permits	130,000.00		153,405.86	23,405.86
Fines and Costs:				
Municipal Court	175,000.00		262,028.64	87,028.64
Interest and Costs on Taxes	140,000.00		139,198.42	801.58 *
Parking Meters	150,000.00		325,757.17	175,757.17
Interest on Investments and Deposits	100,000.00		68,503.46	31,496.54 *
Fees - Immunization Program	5,000.00		5,811.09	811.09
Tree Removal Permits	5,000.00		7,400.00	2,400.00
Consolidated Municipal Property Tax Relief Aid	2,600,000.00		2,600,000.00	
Energy Receipts Tax	2,647,630.00		2,647,630.00	
Replacement Revenue	162,500.00		162,500.00	
Redeveloper Aid	150,000.00		150,000.00	
Uniform Construction Code Fees	300,000.00		919,972.00	619,972.00
Nutley Board of Education:				
Physician Services	11,000.00		7,700.00	3,300.00 *
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	32,400.00		32,400.00	
Clean Communities Program		\$ 51,757.96	51,757.96	
Distracted Driver Crackdown Grant	9,000.00		1,860.00	7,140.00 *
County of Essex Municipal Alliance Grant		8,700.00		8,700.00 *
Body Worn Camera Grant		173,230.00		173,230.00 *
Body Armor Replacement Fund	4,796.79		4,796.79	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

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(Continued)

	Budget	Added by NJSA 40A:4-87	Realized	Excess or Deficit *
Miscellaneous Revenue:				
Occupant Protection Program - Click It or Ticket	\$ 6,000.00		\$ 3,060.00	\$ 2,940.00 *
Bloomfield Regional Training Grant	41,580.00		8,713.23	32,866.77 *
Bullet Proof Vest Program		\$ 5,476.90	5,476.90	
Sewer Maintenance Fees - Due from:				
Town of Belleville	11,332.00		11,332.33	0.33
City of Clifton	210.00		210.00	
Residential Furniture Delivery Service	667.00		667.52	0.52
Town of Bloomfield	59,665.00		59,665.27	0.27
Regency Condominiums	6,686.00		6,686.18	0.18
PB Nutelif LLC, Excess Sewer Charges	57,108.00		57,108.70	0.70
Payment in Lieu of Taxes:				
Senior Citizen Housing	151,680.00		151,675.56	4.44 *
Nutley Senior Manor	43,980.00		44,361.80	381.80
PB-100 Metro Boulevard	496,469.00		496,469.00	
Passaic Valley Sewer Charges - User Charges	12,809.00		12,809.59	0.59
Recycling Program	25,000.00		25,000.00	
Bureau of Housing Inspection	10,000.00		19,864.00	9,864.00
Uniform Fire Safety Act	31,805.00		25,613.92	6,191.08 *
Cable Franchise Fee	404,000.00		404,317.18	317.18
Cell Phone Tower Lease	18,000.00		18,000.00	
Emergency Management Services Transportation Billing	275,000.00		246,605.28	28,394.72 *
Reserve for Payment in Lieu of Taxes - Seton Hall University Medical School	334,762.00		334,762.36	0.36
Reserve for Litigation Settlement	110,000.00		110,000.00	
	<u>8,798,079.79</u>	<u>239,164.86</u>	<u>9,661,542.43</u>	<u>624,297.78</u>
Receipts from Delinquent Taxes	<u>1,200,000.00</u>		<u>1,242,751.55</u>	<u>42,751.55</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
 (Continued)

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	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	\$ 40,344,648.08		\$ 43,697,080.79	\$ 3,352,432.71
Minimum Library Tax	1,400,062.92		1,400,062.92	
Total Amount to be Raised by Taxes for Support of Municipal Budget	41,744,711.00		45,097,143.71	3,352,432.71
Budget Totals	56,742,790.79	\$ 239,164.86	61,001,437.69	\$ 4,019,482.04
Nonbudget Revenue			379,406.68	
	\$ 56,742,790.79	\$ 239,164.86	\$ 61,380,844.37	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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Allocation of Current Tax Collections:

Revenue from Collection of Current Taxes		\$ 123,883,377.36
Allocated to:		
County Taxes	\$ 20,333,395.15	
County Share of Added and Omitted Taxes	35,761.50	
Local School District Taxes	<u>62,967,077.00</u>	
		<u>83,336,233.65</u>
Balance for Support of Municipal Budget		<u>40,547,143.71</u>
Add: Appropriation "Reserve for Uncollected Taxes"		<u>4,550,000.00</u>
Realized for Support of Municipal Budget		<u><u>\$ 45,097,143.71</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	<u><u>\$ 1,242,751.55</u></u>
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Analysis of Other Licenses:

Municipal Clerk	\$ 910.00
Board of Health	<u>14,370.00</u>
	<u><u>\$ 15,280.00</u></u>

Analysis of Fees and Permits:

Building Inspector	\$ 130,856.00
Board of Health	14,202.00
Police	4,253.85
Tax Search Fees/Miscellaneous	2,517.21
Public Works	<u>1,920.00</u>
	153,749.06
Less: Refunds	<u>343.20</u>
	<u><u>\$ 153,405.86</u></u>

Analysis of Parking Meters:

Public Works	325,807.17
Less: Refunds	<u>50.00</u>
	<u><u>\$ 325,757.17</u></u>

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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Analysis of Interest on Investments and Deposits:

Collected/Received by Treasurer	\$ 68,503.46
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Analysis of Tree Removal Permits:

Parks and Recreation	\$ 7,550.00
Less: Refunds	150.00
	\$ 7,400.00

Analysis of Uniform Construction Code Fees:

Construction Code Official	\$ 922,515.00
Less: Refunds	2,543.00
	\$ 919,972.00

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Prior Year Revenue:

County of Essex Municipal Alliance Grant	\$ 5,220.04	
Payment in Lieu of Taxes - Senior Citizen Housing	5,716.00	
Drive Sober or Get Pulled Over	1,925.00	
Total Prior Year Revenue		\$ 12,861.04

Police Outside Services - Administrative Fees	231,820.00
Payment in Lieu of Taxes	39,745.14
Refunds/Reimbursements	30,062.73
Departmental Collections	25,779.75

State of New Jersey:

Senior Citizens' and Veterans' Deductions Administrative Costs	2,720.00
Homestead Rebate Mailing Reimbursement	979.20
DMV Inspection Fines/Fees	450.00
Vacant Property Registration	2,000.00
Municipal Court - Public Defender Fees	1,100.00
Other Miscellaneous	30,218.05
	377,735.91

Tax Collector - Departmental Collections	420.00
Due Animal Control Fund - Statutory Excess	1,250.77

	\$ 379,406.68
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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, 2021

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	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	6,000.00	6,000.00	947.20	5,052.80	
Nutley Public Health Reserve Corp:					
Other Expenses	1,600.00	1,600.00	699.99	900.01	
Department of Health - Local Health Agency:					
Salaries and Wages	621,500.00	621,500.00	580,388.90	41,111.10	
Other Expenses	66,300.00	66,300.00	43,069.14	23,230.86	
Air Pollution Control - Contractual	6,181.00	6,181.00	6,181.00		
Animal Regulation:					
Other Expenses	75,000.00	75,000.00	56,181.00	18,819.00	
Military Veterans Affairs Bureau:					
Salaries and Wages	49,000.00	49,000.00	47,752.78	1,247.22	
Other Expenses	6,000.00	6,000.00	1,500.00	4,500.00	
Immunization Program:					
Other Expenses	10,000.00	10,000.00	9,994.30	5.70	
Mental Health Program - Contractual	20,000.00	20,000.00	20,000.00		
Garbage and Trash Removal - Contractual	2,369,000.00	2,369,000.00	2,202,406.05	166,593.95	
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	3,284,081.00	3,284,081.00	3,022,370.36	261,710.64	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Operations Within "CAPS" (Continued):
DEPARTMENT OF REVENUE AND FINANCE:

Director of Revenue and Finance:

Salaries & Wages
Other Expenses

Assessment of Taxes:

Salaries & Wages
Other Expenses

Collection of Taxes:

Salaries & Wages
Other Expenses

Treasurer's Office:

Salaries & Wages
Other Expenses
Grant Writer

Township Clerk's Office:

Salaries & Wages
Other Expenses
Other Expenses - Election

Administration of Township Ordinances:

Salaries & Wages
Other Expenses

Expense, Stationery and Printing:

Other Expenses

Annual Audit:

Other Expenses - Regular

Economic Redevelopment Project:

Other Expenses

Other Expenses- Reimbursements

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
\$	2,250.00	\$ 2,250.00	\$ 2,250.00		
	6,000.00	6,000.00	159.00	\$ 5,841.00	
	141,000.00	145,000.00	141,086.25	3,913.75	
	105,000.00	101,000.00	40,328.31	60,671.69	
	138,000.00	138,000.00	131,818.64	6,181.36	
	45,000.00	45,000.00	38,429.62	6,570.38	
	560,000.00	560,000.00	537,685.16	22,314.84	
	28,500.00	28,500.00	18,779.52	9,720.48	
	40,000.00	40,000.00	39,999.96	0.04	
	234,000.00	234,000.00	211,805.86	22,194.14	
	81,500.00	81,500.00	40,250.71	41,249.29	
	60,000.00	60,000.00		60,000.00	
	200,000.00	164,000.00	153,313.25	10,686.75	
	8,000.00	8,000.00	135.00	7,865.00	
	76,000.00	76,000.00	50,425.99	25,574.01	
	96,000.00	96,000.00	93,619.00	2,381.00	
	410,000.00	285,000.00	85,030.45	199,969.55	
	150,000.00	150,000.00		150,000.00	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended by		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Within "CAPS" (Continued):					
DEPARTMENT OF REVENUE AND FINANCE (Continued):					
Printing and Legal Advertising:					
Other Expenses	\$ 10,000.00	\$ 10,000.00	\$ 4,073.38	\$ 5,926.62	
Total Department of Revenue and Finance	2,391,250.00	2,230,250.00	1,589,190.10	641,059.90	
DEPARTMENT OF PUBLIC SAFETY:					
Director of Public Safety:					
Salaries & Wages	2,250.00	2,250.00	2,250.00		
Other Expenses	6,000.00	6,000.00	2,721.21	3,278.79	
Municipal Court:					
Salaries & Wages	393,307.00	391,307.00	323,954.98	67,352.02	
Other Expenses	32,500.00	32,500.00	18,729.34	13,770.66	
E-Ticketing - Other Expense	20,000.00	20,000.00	5,000.00	15,000.00	
Public Defender:					
Salaries & Wages	17,000.00	19,000.00	17,914.73	1,085.27	
Other Expenses	200.00	200.00		200.00	
Police:					
Salaries & Wages	9,919,872.00	9,829,872.00	9,339,374.63	490,497.37	
Other Expenses	416,200.00	491,200.00	475,080.17	16,119.83	
Clothing Allowance	140,000.00	140,000.00	120,751.56	19,248.44	
Purchase of Police Cars	95,000.00	95,000.00	92,829.00	2,171.00	
First Aid Organization:					
Salaries & Wages	362,000.00	257,000.00	231,131.72	25,868.28	
Other Expenses	116,500.00	191,500.00	158,924.02	32,575.98	
Office of Emergency Management:					
Salaries & Wages	160,000.00	160,000.00	160,000.00		
Other Expenses	19,391.00	19,391.00	18,979.27	411.73	
Uniform Fire Safety Code:					
Fire:					
Salaries and Wages	31,805.00	31,805.00	31,805.00		

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended by		Unexpended
	Budget	Budget After Modification	Paid or Charged	Reserved	Balance Canceled
Operations Within "CAPS" (Continued):					
DEPARTMENT OF PUBLIC SAFETY (Continued):					
Fire:					
Salaries and Wages	\$ 4,202,284.00	\$ 4,202,284.00	\$ 4,129,506.48	\$ 72,777.52	
Other Expenses	269,235.00	269,235.00	204,112.76	65,122.24	
Clothing Allowance	69,595.00	69,595.00	59,172.57	10,422.43	
Reserve for Accrued Sick and Vacation Pay	100.00	100.00		100.00	
Hazardous Materials:					
Other Expenses - Stipend	11,389.00	11,389.00		11,389.00	
Total Department of Public Safety	16,284,628.00	16,239,628.00	15,392,237.44	847,390.56	
DEPARTMENT OF PUBLIC WORKS:					
Director of Public Works:					
Salaries and Wages	2,250.00	2,250.00	2,250.00		
Other Expenses	6,000.00	6,000.00	600.27	5,399.73	
Engineering Services and Costs:					
Salaries and Wages	171,000.00	171,000.00	164,218.17	6,781.83	
Other Expenses	184,000.00	184,000.00	132,980.07	51,019.93	
Road Repair and Maintenance:					
Salaries and Wages	600,000.00	585,000.00	541,717.56	43,282.44	
Other Expenses	263,000.00	343,000.00	207,377.16	135,622.84	
Snow Removal:					
Salaries and Wages	70,000.00	70,000.00	70,000.00		
Other Expenses	76,000.00	76,000.00	30,983.12	45,016.88	
Traffic Maintenance:					
Salaries and Wages	121,000.00	126,000.00	123,906.40	2,093.60	
Other Expenses	18,000.00	13,000.00	5,105.20	7,894.80	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
DEPARTMENT OF PUBLIC WORKS (Continued):					
Weed and Leaf Removal:					
Salaries and Wages	\$ 5,000.00	\$ 20,000.00	\$ 14,532.84	\$ 5,467.16	
Other Expenses	500.00	500.00		500.00	
Sewer System:					
Salaries and Wages	28,000.00	28,000.00		28,000.00	
Other Expenses	27,500.00	27,500.00	11,202.43	16,297.57	
Parking Lot and Meter Maintenance:					
Salaries and Wages	175,000.00	179,000.00	175,390.52	3,609.48	
Other Expenses	35,400.00	35,400.00	34,154.11	1,245.89	
Leaf Removal:					
Other Expenses - Tipping Fees	69,000.00	69,000.00	68,878.40	121.60	
Recycling:					
Salaries and Wages	650,000.00	570,000.00	536,345.29	33,654.71	
Other Expenses	21,200.00	17,200.00	7,416.36	9,783.64	
Other Expenses - Disposal Contract	300,000.00	300,000.00	229,416.60	70,583.40	
Total Department of Public Works	2,822,850.00	2,822,850.00	2,356,474.50	466,375.50	
DEPARTMENT OF PARKS AND PUBLIC PROPERTY:					
Director of Parks and Public Property:					
Salaries and Wages	2,250.00	2,250.00	2,180.75	69.25	
Other Expenses	50,000.00	50,000.00	3,824.36	46,175.64	
Recreation Committee of Nutley:					
Salaries and Wages	267,900.00	273,900.00	271,329.38	2,570.62	
Other Expenses	21,700.00	26,700.00	22,876.81	3,823.19	
Public Buildings and Grounds:					
Salaries and Wages	420,760.00	423,760.00	414,600.29	9,159.71	
Other Expenses	79,000.00	79,000.00	65,313.55	13,686.45	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(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):					
Shade Tree Commission:					
Salaries and Wages	\$ 219,000.00	\$ 259,000.00	\$ 244,569.50	\$ 14,430.50	
Other Expenses	87,000.00	102,000.00	99,108.15	2,891.85	
Information Services:					
Salaries and Wages	190,000.00	200,000.00	195,924.90	4,075.10	
Other Expenses	162,000.00	157,000.00	149,891.51	7,108.49	
Senior Citizens Transportation:					
Salaries and Wages	116,132.00	116,132.00	92,390.42	23,741.58	
Other Expenses	4,000.00	4,000.00	8.99	3,991.01	
Debris Removal:					
Other Expenses	14,500.00	14,500.00	12,608.00	1,892.00	
Parks and Playgrounds:					
Salaries and Wages	897,237.00	1,007,237.00	1,004,146.57	3,090.43	
Other Expenses	142,200.00	194,700.00	185,540.11	9,159.89	
Insurance:					
Group Insurance Plan for Employees	6,312,000.00	6,075,500.00	5,619,086.30	456,413.70	
Other Liability Insurance Premiums	870,973.00	869,973.00	746,168.43	123,804.57	
Workers Compensation Insurance	955,683.00	956,683.00	956,468.25	214.75	
Insurance Administration	126,000.00	126,000.00	114,852.21	11,147.79	
Total Department of Parks and Public Property	10,938,335.00	10,938,335.00	10,200,888.48	737,446.52	
MAYOR'S OFFICE:					
Mayor:					
Salaries and Wages	1,000.00	1,000.00	519.25	480.75	
Other Expenses	500.00	500.00	112.23	387.77	
Board of Adjustment:					
Salaries & Wages	32,000.00	34,000.00	32,632.65	1,367.35	
Other Expenses	5,300.00	3,300.00	2,994.50	305.50	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Operations Within "CAPS" (Continued):
MAYOR'S OFFICE (Continued):

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
\$ 33,000.00	\$	33,000.00	\$	117.35	
4,400.00		4,400.00	531.00	3,869.00	
9,000.00		9,000.00	8,526.45	473.55	
1,000.00		1,000.00		1,000.00	
110,000.00		110,000.00	106,402.30	3,597.70	
410,300.00		410,300.00	313,890.12	96,409.88	
65,000.00		65,000.00	60,822.41	4,177.59	
56,000.00		56,000.00	44,002.44	11,997.56	
1,000.00		1,000.00		1,000.00	
728,500.00		728,500.00	603,316.00	125,184.00	
360,000.00		396,000.00	387,626.05	8,373.95	
62,350.00		62,350.00	32,763.98	29,586.02	
180,612.00		225,612.00	220,637.05	4,974.95	
65,000.00		65,000.00	28,915.77	36,084.23	
350,000.00		350,000.00	281,252.61	68,747.39	
304,000.00		304,000.00	234,363.27	69,636.73	
150,000.00		150,000.00	126,165.42	23,834.58	
37,921,606.00		37,796,606.00	34,476,201.03	3,320,404.97	

State Uniform Construction Code:

Salaries and Wages
Other Expenses

UNCLASSIFIED:

Gasoline
Fuel Oil
Electricity
Street Lighting
Telephone

Total Operations Within "CAPS"

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(Continued)

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operations Within "CAPS" (Continued):					
Contingent	\$ 50,000.00	\$ 175,000.00		\$ 175,000.00	
Total Operations Including Contingent Within "CAPS"	37,971,606.00	37,971,606.00	\$ 34,476,201.03	3,495,404.97	
Detail:					
Salaries and Wages	21,573,397.00	21,282,397.00	20,314,457.86	967,939.14	
Other Expenses	16,398,209.00	16,689,209.00	14,161,743.17	2,527,465.83	
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":					
Statutory Expenditures:					
Contributions to:					
Public Employees Retirement System	1,245,000.00	1,245,000.00	1,244,525.00	475.00	
Social Security System (O.A.S.I.)	985,000.00	985,000.00	840,472.69	144,527.31	
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	3,586,000.00	3,586,000.00	3,585,004.00	996.00	
P.E.R.S. - Retro Pension Bill	25,000.00	25,000.00		25,000.00	
Police & Firemen's Retirement System - ERIP	121,979.00	121,979.00	121,979.00		
Defined Contribution Retirement Program	12,000.00	12,000.00	5,463.57	6,536.43	
Unemployment Compensation Insurance	260,000.00	260,000.00	90,000.00	170,000.00	
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"	6,241,039.00	6,241,039.00	5,893,504.26	347,534.74	
Total General Appropriations for Municipal Purposes Within "CAPS"	44,212,645.00	44,212,645.00	40,369,705.29	3,842,939.71	

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(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	\$ 3,619,000.00	\$ 3,619,000.00	\$ 3,618,881.84	\$ 118.16	
Maintenance of Free Public Library	1,652,162.00	1,652,162.00	1,652,162.00		
NJPDES Stormwater Permit (N.J.S.A. 40A:-45.3(cc)):					
Street Division:					
Salaries and Wages	30,000.00	30,000.00	24,698.05	5,301.95	
Other Expenses	10,000.00	10,000.00	8,882.19	1,117.81	
State Aid to School to Reduce Taxation	79,705.00	79,705.00	79,705.00		
State Aid to County to Reduce Taxation	25,774.00	25,774.00	25,774.00		
LOSAP:					
First Aid Organization	15,000.00	15,000.00	4,600.00	10,400.00	
Fire	33,750.00	33,750.00	2,587.50	31,162.50	
Shared Services Agreement -					
Nutley Board of Education - Physician Services	11,000.00	11,000.00	11,000.00		
Nutley Board of Education - Bulk/Solid Waste	12,500.00	12,500.00	12,500.00		
Nutley Board of Education - Fiber Optic Cable	7,500.00	7,500.00	7,500.00		
Health Services - Montclair Health Officer	45,805.00	45,805.00	45,805.00		
Public Buildings and Grounds:					
Other Expenses (Special Emergency +\$750,000.00)		750,000.00			\$ 750,000.00
State and Federal Programs Offset by Revenues:					
Safe and Secure Communities Grant:					
State Share	32,400.00	32,400.00	13,707.76	18,692.24	
Municipal Alliance Grant:					
State Share (N.J.S.A. 40A:4-87 +\$8,700.00)		8,700.00	1,082.50	7,617.50	
Clean Communities Program (N.J.S.A. 40A:4-87 +\$51,757.96)		51,757.96	999.96	50,758.00	
Distracted Driving Crackdown Grant	9,000.00	9,000.00		9,000.00	
Partners for Healthy-Healthy Lifestyles - Year 2	10,000.00	10,000.00	3,000.00	7,000.00	

TOWNSHIP OF NUTLEY

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CURRENT FUND

STATEMENT OF EXPENDITURES - REGULATORY BASIS

YEAR ENDED DECEMBER 31, 2021

(Continued)

Operations Excluded from "CAPS" (Continued):
State and Federal Programs Offset by Revenues (Continued):
Body Armor Replacement Fund
Bullet Proof Vest Program (N.J.S.A. 40A:4-87 +\$5,476.90)
Body Worn Cameras Program (N.J.S.A. 40A:4-87 +\$173,230.00)
Occupant Protection Program - Click It or Ticket
Bloomfield Regional Training Grant:
Salaries and Wages
Other Expenses

Total Operations Excluded from "CAPS"

Detail:

Salaries and Wages
Other Expenses

Capital Improvements - Excluded from "CAPS":

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	
\$	4,796.79	\$ 4,796.79	\$ 1,272.70	\$ 3,524.09	
		5,476.90	5,476.90		
	6,000.00	173,230.00	125,788.00	47,442.00	
		6,000.00	3,180.00	2,820.00	
	30,492.00	30,492.00	10,281.04	20,210.96	
	11,088.00	11,088.00		11,088.00	
	5,645,972.79	6,635,137.65	5,658,884.44	226,253.21	\$ 750,000.00
	60,492.00	30,000.00	24,698.05	5,301.95	
	5,585,480.79	6,605,137.65	5,634,186.39	220,951.26	750,000.00
	200,000.00	200,000.00	200,000.00		
	100,000.00	100,000.00		100,000.00	
	300,000.00	300,000.00	200,000.00	100,000.00	
	1,470,000.00	1,470,000.00	1,470,000.00		
	91,492.00	91,492.00	91,492.00		
	256,000.00	256,000.00	191,116.67		64,883.33
	80,760.00	80,760.00	80,760.00		
	19,136.00	19,136.00	19,135.76		0.24
	6,785.00	6,785.00	6,784.68		0.32
	1,924,173.00	1,924,173.00	1,859,289.11		64,883.89

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
(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"	7,980,145.79	8,969,310.65	7,828,173.55	\$ 326,253.21	\$ 814,883.89
Subtotal General Appropriations	52,192,790.79	53,181,955.65	48,197,878.84	4,169,192.92	814,883.89
Reserve for Uncollected Taxes	4,550,000.00	4,550,000.00	4,550,000.00		
Total General Appropriations	\$56,742,790.79	\$ 57,731,955.65	\$ 52,747,878.84	\$ 4,169,192.92	\$ 814,883.89

Ref.

A

TOWNSHIP OF NUTLEY
CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021
 (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		\$ 56,742,790.79	
Appropriation by N.J.S.A. 40A:4-87		239,164.86	
Special Emergency Appropriation		<u>750,000.00</u>	
		<u>\$ 57,731,955.65</u>	
Reserve for Uncollected Taxes			\$ 4,550,000.00
Reserve for Encumbrances	A		1,438,831.74
Due General Capital Fund			203,992.00
Deferred Charges - Special Emergency Authorizations			110,000.00
Cash Disbursed			<u>47,973,870.64</u>
			54,276,694.38
Less: Appropriation Refunds			<u>1,528,815.54</u>
			<u>\$ 52,747,878.84</u>

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
TRUST FUNDS

TOWNSHIP OF NUTLEY
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
TRUST FUNDS

B
1 of 2

		December 31,	
	Ref.	2021	2020
<u>ASSETS</u>			
Animal Control Fund:			
Cash and Cash Equivalents - Treasurer	B-4	\$ 40,289.17	\$ 50,249.30
Other Trust Funds:			
Cash and Cash Equivalents	B-4	3,386,949.15	2,842,165.47
Due Current Fund	A	5,951,888.67	5,405,120.77
		9,338,837.82	8,247,286.24
TOTAL ASSETS		\$ 9,379,126.99	\$ 8,297,535.54

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

B
2 of 2

		December 31,	
	Ref.	2021	2020
<u>LIABILITIES AND RESERVES</u>			
Animal Control Fund:			
Due Current Fund	A	\$ 1,250.77	\$ 8,718.30
Due State of New Jersey		21.00	30.00
Reserve for Animal Control Expenditures	B-6	39,017.40	41,501.00
		<u>40,289.17</u>	<u>50,249.30</u>
Other Trust Funds:			
Road Opening, Sewer Maintenance and Planning Board Escrow Deposits		327,990.28	189,545.16
Reserve for:			
Dedicated Revenue:			
Sealer of Weights & Measures		26,570.75	26,570.75
Uniform Fire Safety - Penalties		86,416.39	80,534.86
Unemployment Insurance		704,868.04	602,084.62
Developer's Escrow		16,222.88	33,794.56
Escrow Deposits		243,176.40	205,872.70
Special Deposits		606.05	269.05
Living Tree Memorial Program		31,856.54	25,221.92
Recreation Commission Fees		356,394.70	327,363.62
Parking Offense Adjudication Act		70,612.61	67,209.11
Recycling		172,737.54	44,823.05
Community Environmental Health Act		1,500,204.80	1,344,069.08
Tax Sale Premiums		816,096.00	1,451,196.00
Community Development Block Grants		0.08	0.08
Accumulated Sick and Vacation Pay		1,655,230.42	1,505,120.13
Storm Recovery		1,839,514.08	984,342.06
Self Insurance Deductible		340,000.00	239,000.00
Civic Celebration		20,100.02	19,700.02
Law Enforcement Expenditures		191,427.03	188,537.04
Mayor's Wellness Program		11,435.57	11,435.57
Council on Affordable Housing		908,940.13	886,926.91
Go Green Program		6,523.75	4,088.14
Municipal Alliance Program		7,625.31	7,625.31
Flexible Spending Account		2,888.45	1,956.50
Fire Donation		1,400.00	
		<u>9,338,837.82</u>	<u>8,247,286.24</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 9,379,126.99</u>	<u>\$ 8,297,535.54</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, 2021

B-1

NOT APPLICABLE

ASSESSMENT TRUST FUND
STATEMENT OF REVENUE - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021

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, 2021

NOT APPLICABLE

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
GENERAL CAPITAL FUND

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

C

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	C-2	\$ 83,228.79	\$ 83,228.79
Due Current Fund	A	8,738,011.68	9,198,134.12
Loan Receivable:			
NJ Department of Environmental Protection Green Acres		87,529.00	87,529.00
Grants Receivable:			
County of Essex Open Space Trust Fund		150,000.00	150,000.00
NJ Department of Environmental Protection Green Acres		960,956.00	960,956.00
NJ Department of Transportation		1,039,287.25	612,585.25
Federal Repetitive Flood Claims Grants		1,069,012.20	1,069,012.20
Deferred Charges to Future Taxation:			
Funded		11,618,387.12	6,632,522.88
Unfunded	C-4	9,378,406.38	8,039,681.00
TOTAL ASSETS		<u>\$ 33,124,818.42</u>	<u>\$ 26,833,649.24</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
General Serial Bonds Payable	C-8	\$ 11,206,000.00	\$ 6,201,000.00
Loans Payable:			
NJ Department of Environmental Protection Green Acres	C-9	412,387.12	431,522.88
Bond Anticipation Notes Payable	C-7	1,294,316.00	5,456,716.00
Improvement Authorizations:			
Funded	C-5	7,641,227.16	4,991,138.71
Unfunded	C-5	7,247,015.89	5,040,874.22
Capital Improvement Fund	C-6	3,133,612.00	3,080,441.00
Down Payments on Improvements		194,707.72	35,707.72
Reserve for:			
Payment of Debt Service		503,633.85	463,180.00
Paving		305,995.12	205,995.12
Fiber Optics		21,250.00	21,250.00
Economic Development Project		920,694.97	661,845.00
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>\$ 33,124,818.42</u>	<u>\$ 26,833,649.24</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, 2021

C-1

	<u>Ref.</u>	
Balance December 31, 2020	C	<u>\$ 205,203.50</u>
Balance December 31, 2021	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
2021
WATER UTILITY FUND

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

D
1 of 2

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Operating Fund:			
Cash and Cash Equivalents	D-4	\$ 2,017,335.84	\$ 2,401,144.18
Receivables and Inventory with Full Reserves:			
Consumer Accounts Receivable	D-6	768,433.88	703,659.40
Inventory	D-7	61,195.00	73,612.00
Total Receivables and Inventory with Full Reserves	D	829,628.88	777,271.40
Total Operating Fund		2,846,964.72	3,178,415.58
Capital Fund:			
Cash and Cash Equivalents	D-4	183.05	183.05
Due Current Fund	A	485,000.00	488,140.00
Due Water Utility Operating Fund	D	110,634.40	143,410.90
Fixed Capital	D-9	2,048,926.48	2,048,926.48
Fixed Capital Authorized and Uncompleted	D-10	4,997,536.50	4,712,536.50
Total Capital Fund		7,642,280.43	7,393,196.93
<u>TOTAL ASSETS</u>		<u>\$ 10,489,245.15</u>	<u>\$ 10,571,612.51</u>

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

D
2 of 2

		December 31,	
	Ref.	2021	2020
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-3;D-11	\$ 165,817.17	\$ 265,810.27
Encumbered	D-3;D-11	29,885.77	139,746.99
Total Appropriation Reserves		195,702.94	405,557.26
Accrued Interest on Bonds and Loans		5,214.88	5,310.42
Water Rent Overpayments		16,343.35	16,220.14
Accounts Payable		98.92	374.94
Due Current Fund	A	1,082,261.21	1,023,624.23
Due Water Utility Capital Fund	D	110,634.40	143,410.90
		1,410,255.70	1,594,497.89
Reserve for Receivables and Inventory	D	829,628.88	777,271.40
Fund Balance	D-1	607,080.14	806,646.29
Total Operating Fund		2,846,964.72	3,178,415.58
Capital Fund:			
Serial Bonds Payable	D-17	485,000.00	
NJ Environmental Infrastructure Trust Loans Payable	D-18	600,010.09	700,627.77
Bond Anticipation Notes Payable	D-16		488,140.00
Improvement Authorizations:			
Funded	D-12	574,495.14	138,315.70
Unfunded	D-12	2,648,417.20	2,897,373.14
Reserve for:			
Down Payments on Improvements	D-13	25,525.85	15,525.85
Amortization	D-15	3,180,613.39	3,024,995.71
Deferred Amortization	D-15A	127,515.25	127,515.25
Fund Balance	D-1A	703.51	703.51
Total Capital Fund		7,642,280.43	7,393,196.93
<u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u>		\$ 10,489,245.15	\$ 10,571,612.51

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,	
	2021	2020
<u>Revenue and Other Income Realized</u>		
Fund Balance Utilized	\$ 360,163.00	\$ 516,750.00
Rents	4,079,471.84	4,141,064.76
Utility Maintenance Fee	237,540.91	268,336.23
Nonbudget Revenue	88,106.31	62,829.61
Other Credits to Income:		
Appropriation Reserves Lapsed	17,970.73	65,112.95
Total Income	<u>4,783,252.79</u>	<u>5,054,093.55</u>
<u>Expenditures</u>		
Budget Expenditures:		
Operating	4,305,800.00	4,229,750.00
Capital Improvements	10,000.00	10,000.00
Debt Service	120,855.94	104,971.83
Deferred Charges and Statutory Expenditures	186,000.00	266,000.00
Total Expenditures	<u>4,622,655.94</u>	<u>4,610,721.83</u>
Excess in Revenue/Statutory Excess to Fund Balance	160,596.85	443,371.72
<u>Fund Balance</u>		
Balance January 1	<u>806,646.29</u>	<u>880,024.57</u>
	967,243.14	1,323,396.29
Decreased by:		
Utilization as Anticipated Revenue	<u>360,163.00</u>	<u>516,750.00</u>
Balance December 31	D \$ <u>607,080.14</u>	\$ <u>806,646.29</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, 2020	D	\$ <u>703.51</u>
Balance December 31, 2021	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, 2021

D-2

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess or Deficit *</u>
Surplus Anticipated	\$ 360,163.00	\$ 360,163.00	
Rents	4,000,000.00	4,079,471.84	\$ 79,471.84
Utility Maintenance Fee	265,000.00	237,540.91	27,459.09 *
	<u>4,625,163.00</u>	<u>4,677,175.75</u>	<u>52,012.75</u>
Nonbudget Revenue		88,106.31	88,106.31
	<u>\$ 4,625,163.00</u>	<u>\$ 4,765,282.06</u>	<u>\$ 140,119.06</u>

Analysis of Nonbudget Revenue

Collector:

Sale of Water Meters
Other Miscellaneous

\$ 1,850.00
77,217.68

\$ 79,067.68

Treasurer:

Interest on Investments

9,038.63

\$ 88,106.31

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, 2021

	Appropriations		Expended by		Unexpended Balance Canceled
	Budget	Budget After Modification	Paid or Charged	Reserved	
Operating:					
Salaries and Wages	\$ 1,656,000.00	\$ 1,693,000.00	\$ 1,689,500.38	\$ 3,499.62	
Other Expenses	587,800.00	575,800.00	523,725.34	52,074.66	
Other Expenses:					
N.J. Water Supply	1,197,000.00	1,197,000.00	1,196,506.00	494.00	
Passaic Valley Water Commission	680,000.00	680,000.00	619,403.73	60,596.27	
City of Newark Water Purchase	160,000.00	160,000.00	117,718.70	42,281.30	
Capital Improvements:					
Down Payments on Improvements	10,000.00	10,000.00	10,000.00		
Debt Service:					
Interest on Notes	10,000.00	10,000.00	10,000.00		
NJEIT Loan Principal	100,618.00	100,618.00	100,617.68		\$ 0.32
NJEIT Loan Interest	12,745.00	12,745.00	10,238.26		2,506.74
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Deferred Charges to Future Revenue - Ordinances	55,000.00	55,000.00	55,000.00		
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	15,000.00				
Social Security System (O.A.S.I.)	130,000.00	130,000.00	124,128.68	5,871.32	
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				
	<u>\$ 4,625,163.00</u>	<u>\$ 4,625,163.00</u>	<u>\$ 4,456,838.77</u>	<u>\$ 165,817.17</u>	<u>\$ 2,507.06</u>
Ref.				D	
Cash Disbursed			\$ 4,322,503.83		
Accrued Interest on Bonds			2,776.13		
Accrued Interest on NJEIT Loan			10,238.26		
Encumbrances Payable			29,885.77		
Due Current Fund			26,434.78		
Due Water Utility Capital Fund:					
Down Payments on Improvements			10,000.00		
Deferred Charges to Future Revenue			55,000.00		
			<u>\$ 4,456,838.77</u>		

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
PUBLIC ASSISTANCE FUND

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

F

		December 31,	
	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	F-1	<u>\$ 76,658.60</u>	<u>\$ 76,405.04</u>
TOTAL ASSETS		<u><u>\$ 76,658.60</u></u>	<u><u>\$ 76,405.04</u></u>
<u>RESERVES</u>			
Reserve for Public Assistance Expenditures		<u>\$ 76,658.60</u>	<u>\$ 76,405.04</u>
TOTAL RESERVES		<u><u>\$ 76,658.60</u></u>	<u><u>\$ 76,405.04</u></u>

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

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
GENERAL FIXED ASSETS ACCOUNT GROUP
(UNAUDITED)

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

H

	December 31,	
	2021	2020
<u>ASSETS</u>		
Land and Site Improvements	\$ 14,209,353.00	\$ 14,209,353.00
Buildings	9,366,226.00	8,891,480.00
Equipment and Vehicles	16,736,325.00	15,464,227.00
TOTAL ASSETS	<u>\$ 40,311,904.00</u>	<u>\$ 38,565,060.00</u>
 <u>RESERVES</u>		
Reserve for Fixed Assets	<u>\$ 40,311,904.00</u>	<u>\$ 38,565,060.00</u>
TOTAL RESERVES	<u>\$ 40,311,904.00</u>	<u>\$ 38,565,060.00</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, 2021

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, 2021
(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, 2021
(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, 2021
(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, 2021
(Continued)

Note 2: Long-Term Debt

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

Summary of Municipal Debt

	December 31,		
	2021	2020	2019
<u>Issued:</u>			
Bonds, Notes and Loans:			
General	\$12,912,703	\$12,089,239	\$10,158,090
Redevelopment Area	944,342	963,627	982,170
Water Utility	1,085,010	1,188,768	796,245
Total Issued	14,942,055	14,241,634	11,936,505
Less:			
Redevelopment Area Bonds	944,342	963,627	982,170
Funds Temporarily Held to Pay Bonds, Notes and Loans:			
Reserve for Payment of Debt Service - General Capital Fund	503,634	463,180	53,917
Total Deductions	1,447,976	1,426,807	1,036,087
Net Issued	13,494,079	12,814,827	10,900,418
<u>Authorized but not Issued:</u>			
Bonds and Notes:			
General	8,084,090	2,582,965	3,613,220
Water Utility	2,653,324	2,420,184	2,768,324
Total Authorized but not Issued	10,737,414	5,003,149	6,381,544
Net Bonds, Notes and Loans Issued and Authorized but not Issued	\$24,231,493	\$17,817,976	\$17,281,962

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 0.489%.

	Gross Debt	Deductions	Net Debt
Local School District Debt	\$30,170,000	\$30,170,000	
Water Utility Debt	3,738,334	3,738,334	
General Debt	21,941,135	1,447,976	\$20,493,159
	<u>\$55,849,469</u>	<u>\$35,356,310</u>	<u>\$20,493,159</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

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

Net Debt: \$20,493,159 divided by Average Equalized Valuations of \$4,188,206,644 of Real Property = 0.489%.

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

3-1/2% Average Equalized Valuation of Real Property	\$ 146,587,233
Net Debt	<u>20,493,159</u>
Remaining Borrowing Power	<u>\$ 126,094,074</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	\$ 4,765,282
Deductions:	
Operating and Maintenance Cost	\$ 4,436,800
Debt Service	<u>120,856</u>
Total Deductions	<u>4,557,656</u>
Excess in Revenue	<u>\$ 207,626</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 12/31/2020	Additions	Retirements	Balance 12/31/2021
Serial Bonds:				
General Capital Fund	\$ 6,201,000	\$ 6,475,000	\$ 1,470,000	\$ 11,206,000
Redevelopment Area	963,627		19,285	944,342
Water Utility		485,000		485,000
Bond Anticipation Notes:				
General Capital Fund	5,456,716	1,294,316	5,456,716	1,294,316
Water Utility	488,140		488,140	
Loans Payable:				
General Capital Fund:				
NJDEP Green Acres	431,523		19,136	412,387
Water Utility Capital Fund:				
NJEIT	<u>700,628</u>		<u>100,618</u>	<u>600,010</u>
Total	<u>\$ 14,241,634</u>	<u>\$ 8,254,316</u>	<u>\$ 7,553,895</u>	<u>\$ 14,942,055</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

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

	Balance 12/31/2019	Additions	Retirements	Balance 12/31/2020
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
Loans Payable:		488,140		488,140
General Capital Fund:				
NJDEP Green Acres	450,282		18,759	431,523
Water Utility Capital Fund:				
NJFIT	796,245		95,617	700,628
Total	<u>\$ 11,936,505</u>	<u>\$ 4,564,540</u>	<u>\$ 2,259,411</u>	<u>\$ 14,241,634</u>

The Township's debt issued and outstanding on December 31, 2021 is described as follows:

General Capital Bond Anticipation Notes

Purpose	Issue Date	Maturity Date	Interest Rate	Balance Dec. 31, 2021
General Improvements	04/15/21	4/15/22	0.35%	<u>\$ 1,294,316</u>

General Capital Serial Bonds

Purpose	Maturities of Bonds Outstanding Date	Amount	Interest Rate	Balance Dec. 31, 2021
General Improvements	09/01/22-23	\$ 470,000	3.00%	\$ 940,000
General Improvements	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%	3,791,000
General Improvements	04/01/22	600,000	1.00%	
	04/01/23	610,000	1.00%	
	04/01/24	620,000	1.00%	
	04/01/25	630,000	1.00%	
	04/01/26	640,000	1.00%	
	04/01/27	650,000	1.00%	

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

The Township's debt issued and outstanding on December 31, 2021 is described as follows: (Cont'd)

General Capital Serial Bonds (Cont'd)

Purpose	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2021
	Date	Amount		
General Improvements	04/01/28	\$ 665,000	1.25%	
	04/01/29	675,000	1.50%	
	04/01/30	685,000	1.50%	
	04/01/31	700,000	1.50%	\$ 6,475,000
				<u>\$11,206,000</u>

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

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2021
General Improvements	03/29/36	2.00%	\$ 324,858
General Improvements	07/15/40	0.00%	87,529
			<u>\$ 412,387</u>

Water Utility Capital NJ Environmental Infrastructure Trust (NJEIT) Loans

Purpose	Type	Final Maturity	Interest Rate	Balance Dec. 31, 2021
Replace Water Meters and	Trust Loan	08/01/31	2%-5%	\$ 290,000
Retrofit Meter Heads	Fund Loan	08/01/31	0.00%	310,010
				<u>\$ 600,010</u>

Water Utility Capital Serial Bonds

Purpose	Maturities of Bonds Outstanding		Interest Rate	Balance Dec. 31, 2021
	Date	Amount		
Water Improvements	04/01/22	\$ 65,000	1.00%	
	04/01/23	65,000	1.00%	
	04/01/24	70,000	1.00%	
	04/01/25	70,000	1.00%	
	04/01/26	70,000	1.00%	
	04/01/27	70,000	1.00%	
	04/01/28	75,000	1.25%	\$ 485,000

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

The Township's debt issued and outstanding on December 31, 2021 is described as follows: (Cont'd)

Purpose	<u>Redevelopment Area Bonds</u>		Interest Rate	Balance Dec. 31, 2021
	<u>Maturities of Bonds Outstanding</u> Date	<u>Amount</u>		
Redevelopment Project	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%	
	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%	\$ 944,342
TOTAL DEBT ISSUED AND OUTSTANDING				<u>\$14,942,055</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

The Township's debt issued and outstanding on December 31, 2021 is described as follows: (Cont'd)

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

Calendar Year	General Capital		Water Utility Capital		Redevelopment Area		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	\$ 1,639,009	\$ 207,055	\$ 165,618	\$ 16,208	\$ 20,056	\$ 37,774	\$ 2,085,720
2023	1,649,402	174,932	165,617	14,308	20,859	36,971	2,062,089
2024	1,189,802	139,975	170,618	12,383	21,693	36,137	1,570,608
2025	1,200,210	116,967	170,618	10,433	22,561	35,269	1,556,058
2026	1,210,626	93,850	107,539	8,483	23,463	34,367	1,478,328
Thereafter:							
2027-2031	4,575,678	173,231	305,000	17,436	132,168	156,986	5,360,499
2032-2036	133,461	5,625			160,802	128,349	428,237
2037-2041	20,199				195,641	93,510	309,350
2042-2046					238,026	51,124	289,150
2047-2048					109,073	6,587	115,660
Total	<u>\$ 11,618,387</u>	<u>\$ 911,635</u>	<u>\$ 1,085,010</u>	<u>\$ 79,251</u>	<u>\$ 944,342</u>	<u>\$ 617,074</u>	<u>\$ 15,255,699</u>

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, 2021, 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.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

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, 2021, the loan balances were \$412,387. Payments of principal and interest on the first loan commenced in 2017 and on the second loan will tentatively commence in 2022 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, 2021 which were appropriated and included as anticipated revenue in their own respective funds in the adopted budget for the year ending December 31, 2022 are as follows:

Current Fund	\$5,000,000
Water Utility Operating Fund	\$561,000

Note 4: Deferred Charges to be Raised in Succeeding Years

Certain expenditures are required to be deferred to budgets of the succeeding years. At December 31, 2021, the Township had the following deferred charges:

	Balance Dec. 31, 2021	Required 2022 Budget Appropriation	Balance Deferred to Succeeding Years' Budgets
Current Fund:			
Special Emergency Appropriations - (N.J.S.A. 40A:4-53)	\$ 330,000	\$ 110,000	\$ 220,000

The 2022 Budget Appropriation is not less than that required by Statute.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 5: Local School District Taxes

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

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

Note 6: Pension Plans

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

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

The following represents the membership tiers for PERS:

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 6: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability.

The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability 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 \$1,244,524 for the year ended December 31, 2021.

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability was \$18,551,981 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the Township's proportion was 0.1138%, which was a decrease of 0.0037% from its proportion measured as of June 30, 2019. For the year ended December 31, 2020, the Township recognized actual pension expense in the amount of \$1,244,524. The Township has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Public Employees' Retirement System (PERS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2020 information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this audit.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2021
(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, 2020) 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, 2020 are summarized in the following table.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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, 2020 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, 2020		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Township's proportionate share of the Net Pension Liability	\$ 23,537,490	\$ 18,551,981	\$ 14,591,307

Pension Plan Fiduciary Net Position

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

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

Plan Description

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

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, 2021
(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 are considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specified financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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 \$3,585,004 for the year ended December 31, 2021. During the fiscal year ended June 30, 2020, the State of New Jersey contributed \$495,178 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$729,291.

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

Pension Liabilities and Pension Expense

At June 30, 2020, the Township's liability for its proportionate share of the net pension liability was \$41,464,544. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the Township's proportion was 0.3209%, which was an increase of 0.017% from its proportion measured as of June 30, 2019. The Township has rolled forward the net pension liability as of June 30, 2020 with no adjustments. The State of New Jersey Police and Firemen's Retirement System (PFRS)' valuation cycle is July 1 instead of December 31. The roll forward methodology puts them a year in arrears in terms of valuation. The Division of Local Government Services, Department of Community Affairs, State of New Jersey is permitting municipalities and counties to include the June 30, 2020 information in the Notes to the Financial Statements as the June 30, 2021 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 \$6,435,108 as of June 30, 2020. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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, 2020, the State's proportion was 0.3209%, which was an increase of 0.0017% from its proportion measured as of June 30, 2019 which is the same proportion as the Township's.

Township's Proportionate Share of the Net Pension Liability	\$ 41,464,544
State's Proportionate Share of the Net Pension Liability Associated with the Township	<u>6,435,108</u>
Total Net Pension Liability	<u>\$ 47,899,652</u>

For the year ended December 31, 2021, the Township recognized total pension expense of \$3,585,004.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019 which was rolled forward to June 30, 2020. 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-2020.

The actuarial assumptions used in the July 1, 2019 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, 2020) 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, 2021
(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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Management Strategies	3.00%	3.40%

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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, 2020 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, 2020		
	1%	Current	1%
	Decrease	Discount Rate	Increase
	(6.00%)	(7.00%)	(8.00%)
Township's proportionate share of the Net Pension Liability and the State's proportionate share of the Net Pension Liability associated with the Township	\$ 63,696,678	\$ 47,899,652	\$ 34,779,015

Pension Plan Fiduciary Net Position – PFRS,

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

C. Defined Contribution Retirement Program (DCRP)

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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 \$5,464 for 2021. Employee contributions to DCRP were \$12,221 for 2021.

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 \$2,722,230. 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 \$1,655,230 reflected on the Other Trust Funds' balance sheet as of December 31, 2021.

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, 2021
(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>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	\$ 3.712	\$ 3.682	\$ 3.608
<u>Apportionment of Tax Rate</u>			
Municipal	1.283	1.292	1.283
County	0.594	0.584	0.557
Local School	1.835	1.806	1.768
<u>Assessed Valuations</u>			
2021	<u>\$ 3,253,575,000</u>		
2020		<u>\$ 3,241,711,000</u>	
2019			<u>\$ 3,264,126,800</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>
2021	\$ 125,287,395	\$ 123,883,377	98.87%
2020	119,684,807	118,130,065	98.70%
2019	117,998,280	116,482,397	98.71%

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, 2021
(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, 2021
(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, 2021
(Continued)

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

As of December 31, 2021, 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	\$ 21,189,788	\$ 21,023,190		\$ 42,213,278
Animal Control		40,289			40,289
Other Trust		3,386,949			3,386,949
General Capital		83,229			83,229
Water Utility Operating		153,354		\$ 1,863,982	2,017,336
Water Utility Capital		183			183
Public Assistance		26,636		50,023	76,659
	<u>\$ 300</u>	<u>\$ 24,880,428</u>	<u>\$ 21,023,190</u>	<u>\$ 1,914,005</u>	<u>\$ 47,817,923</u>

During the period ended December 31, 2021, 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, 2021 was \$47,817,923 and the bank balance was \$46,262,720.

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Current Fund	\$ 1,083,512	\$ 15,174,900
Animal Control Fund		1,251
Other Trust Funds	5,951,888	
General Capital Fund	8,738,012	
Water Utility Operating Fund		1,192,895
Water Utility Capital Fund	595,634	
	<u>\$ 16,369,046</u>	<u>\$ 16,369,046</u>

The Current Fund interfund receivable represents \$1,251 statutory excess due from the Animal Control Fund and an interfund advance of \$1,082,261 due from the Water Utility Operating Fund. The Current Fund interfund payable represents \$5,951,888 due to the Other Trust Funds as a result of receiving and disbursing funds on the Other Trust Funds' behalf and unexpended 2020 appropriation reserve balances of \$2,168,000 transferred to the reserves for unemployment, accumulated sick and vacation pay, storm recovery and self insurance; \$8,738,012 due to the General Capital Fund as a result of receiving and disbursing funds on the General Capital Fund's behalf, 2021 budget and 2020 appropriation reserve appropriations for capital improvement fund of \$250,000 and \$500,000, respectively, and unexpended 2020 appropriation reserve balances of \$517,850 transferred to the reserves for economic development project, paving and down payments on improvements; and \$485,000 of bond 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 \$110,634 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, 2021
(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, 2021 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, 2020 is as follows:

Total Assets	<u>\$ 11,717,977</u>
Net Position	<u>\$ 3,696,380</u>
Total Revenue	<u>\$ 8,612,879</u>
Total Expenses	<u>\$ 7,232,110</u>
Members Dividends	<u>\$ 362,245</u>
Change in Net Position for the Year Ended December 31	<u>\$ 1,018,524</u>

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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>
2021	\$ 90,000	\$ -0-	\$ -0-	\$ 47,217	\$ 644,868
2020	90,000	30,032	-0-	19,042	602,085
2019	-0-	59,379	-0-	77,634	501,095

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, 2021
(Continued)

Note 14: Fixed Assets (Unaudited)

The following schedule is a summarization of general fixed assets for the fiscal year ended December 31, 2021:

	Balance Dec. 31, 2020	Additions	Disposals	Balance Dec. 31, 2021
Land and Site Improvements	\$ 14,209,353			\$ 14,209,353
Buildings	8,891,480	\$ 474,746		9,366,226
Equipment and Vehicles	15,464,227	1,272,098		16,736,325
	<u>\$ 38,565,060</u>	<u>\$ 1,746,844</u>	<u>\$ -0-</u>	<u>\$ 40,311,904</u>
	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>

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 its financial position.

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

Various tax appeals on assessed valuations have been filed against the Township and are awaiting tax court decisions. The ultimate outcome and effect of such appeals have not been determined; however, the Township Tax Assessor will aggressively defend the Township's assessments. The Township has established a reserve, which it feels is sufficient, for this contingency in the amount of \$6,402,251.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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) annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

Benefits Provided

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

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

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

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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, 2021
(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, 2019 through June 30, 2020. Employer and nonemployer allocation percentages were rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

OPEB Expense

The Township has rolled forward the net OPEB liability as of June 30, 2020 with no adjustments. The Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting municipalities and counties to include the June 30, 2020 OPEB information in the Notes to the Financial Statements as the June 30, 2021 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. 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, 2020, the Township had a liability of \$68,204,308 for its proportionate share of the net OPEB liability. At June 30, 2020, the Township's proportion was .3800% which was an increase of .1153% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the Township's OPEB benefit, as determined by the State of New Jersey Division of Pensions and Benefits, was \$2,277,030.

The Township's actual postemployment payments in 2021 for 144 retiree employees were \$1,737,452.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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 3.25% 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-2020
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020

Actuarial assumptions used in the June 30, 2019 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 is 5.6% and decreases to a 4.5% long term trend rate after seven years. For post 65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years.

TOWNSHIP OF NUTLEY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021
(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, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%. 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, 2020, 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, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
Net OPEB Liability Attributable to the Township	\$ 80,631,903	\$ 68,204,308	\$ 58,366,737

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, 2020, 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, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability Attributable to the Township	\$ 56,439,135	\$ 68,204,308	\$ 83,610,963

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

Note 17: Tax Abatements

As of December 31, 2021, the Township provides a tax abatement to a Phase I redevelopment project which consists of the development of a new medical school, the relocation of the Seton Hall University College of Nursing and School of Health and Medical Science, the creation of an incubator facility and state of the art research and laboratory facilities for bio-pharma and related companies in the Township. Pursuant to the Redevelopment Bond Law and together with the Redevelopment Law and the Exemption Law under N.J.S.A. 40A:12A-66, the Township is authorized to provide for a tax exemption and payments in lieu of taxes in accordance with the Exemption Law. In consideration of the abatement of taxes, the redeveloper is required to pay to the Township an annual service charge for municipal services supplied in the Phase I redevelopment project which sum is in lieu of taxes on the improvements pursuant to the Exemption Law (N.J.S.A. 40A:20-12), which shall be comprised of a pledged annual service charge which shall be equal to debt service on the redevelopment bonds plus the unpledged annual service charge. The unpledged annual service charge shall be equal to \$379,663 with such amount to increase by 5 percent every 5 years with the first of such increases to occur on the 5th anniversary of the annual service charge start date during the term of the agreement. To the extent that the redeveloper subleases all of the spaces in the existing buildings that are not part of the academic space, then for the term of the sublease (but not to exceed the term of the agreement), the unpledged annual service charge shall be increased by an amount equal to \$135,427 which amount shall be further increased by 2 percent annually during the terms of the agreement and any such sublease. The long term tax exemption commenced on the Annual Service Charge Start Date and shall remain in effect until the earlier of 35 years from the start of the execution hereof or 30 years from the project completion date, unless the agreement is earlier terminated by the Township.

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

The Township collected \$345,829.60 from this annual service charge or payment in lieu of taxes of which \$326,846.44 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 2021 without the abatement would have been \$498,265.47 of which \$172,218.37 would have been for the local municipal tax and minimum library tax. In accordance with the Exemption Law, the County is entitled to 5 percent of the annual service charge which shall be paid from the unpledged annual service charge.

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

Note 17: Tax Abatements (Cont'd)

As of December 31, 2021, the Township provides a tax abatement to PB-100 Metro Urban Renewal, LLC for a Phase IIA redevelopment project which consists of the renovation of the seven-story building at 100 Metro Boulevard. Pursuant to the Exemption Law under N.J.S.A. 40A:20-1, the Township is authorized to provide for a tax exemption and payments in lieu of taxes in accordance with the Exemption Law. In consideration of the abatement of taxes, the redeveloper is required to pay to the Township an annual service charge for municipal services supplied in the Phase IIA redevelopment project which sum is in lieu of taxes on the improvements pursuant to the Exemption Law (N.J.S.A. 40A:20-12). The minimum unpledged annual service charge shall be equal to \$927,241 with such amount to increase by 2 percent each year during the term of the agreement. For years one through fifteen, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge or 11.92% of the annual gross revenue. For years sixteen through twenty-one, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 20% of the amount of taxes otherwise due on the value of land improvements. For years twenty-two through twenty-seven, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 40% of the amount of taxes otherwise due on the value of land improvements. For years twenty-eight through twenty-nine, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 60% of the amount of taxes otherwise due on the value of land improvements. For year thirty, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 80% of the amount of taxes otherwise due on the value of land improvements. The long term tax exemption commenced on the Annual Service Charge Start Date and shall remain in effect until the earlier of 35 years from the start of the execution hereof or 30 years from the project completion date, unless the agreement is earlier terminated by the Township.

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

The Township collected \$961,276.98 from this annual service charge or payment in lieu of taxes of which \$496,469.00 was anticipated and realized as 2021 revenue, \$417,488.68 is recorded as a Reserve for Payment in Lieu of Taxes – 100 Metro Boulevard and \$63,194.39 was remitted as County PILOT Taxes payable, including \$15,875.09 of County PILOT Taxes payable at December 31, 2020. The taxes which would have been paid on this property for 2021 without the abatement would have been \$1,099,345.92 of which \$379,973.28 would have been for the local municipal tax and minimum library tax. In accordance with the Exemption Law, the County is entitled to 5 percent of the annual service charge which shall be paid from the unpledged annual service charge.

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

Note 17: Tax Abatements (Cont'd)

Additionally, as of December 31, 2021, 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 \$196,037.36 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 2021 without the abatement would have been \$645,190.14 of which \$223,000.80 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, 2021

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

Name	Title	Amount of Bond
Mauro G. Tucci	Mayor, Director of Parks and Public Property	
Thomas J. Evans	Director of Revenue and Finance	
John V. Kelly, III	Director of Public Affairs	
Alphonse Petracco	Director of Public Safety	
Dr. Joseph P. Scarpelli	Director of Public Works	
Eleni Pettas	Township Clerk	(B)
Rosemary Costa	Chief Financial Officer; Tax Collector	(A)
Edmund B. Brown	Tax Assessor	(B)
Joanne Cocchiola	Magistrate	(B)
Adriana Marzullo	Municipal Court Administrator	(B)
Jennifer Garner	Deputy Municipal Court Administrator	(B)
Thomas A. Restaino	Public Health Coordinator	(B)
Sue Portuese	Health Officer	(B)
Meredith Blank	Health Department Clerk/Registrar	(B)
David Berry	Code Enforcement Officer	(B)
Thomas J. Strumolo, Jr.	Police Chief	(B)
Paul Cafone	Deputy Fire Chief	(B)
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
2021
CURRENT FUND

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - TREASURER

A-4
1 of 2

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 40,253,708.34
Increased by Receipts:		
Tax Collector		\$ 126,392,193.22
Revenue Accounts Receivable		8,209,647.18
Miscellaneous Revenue Not Anticipated		377,735.91
Petty Cash Returned		650.00
Interest on Investments and Deposits		68,503.46
County PILOT Taxes Payable		66,302.46
Prepaid Uniform Construction Code Fees		200,000.00
Due Animal Control Fund - Interfund Returned		8,718.30
Due Other Trust Funds:		
Federal Emergency Management Agency - Tropical Storm Isaias:		
Reserve for Storm Recovery		14,061.00
Due General Capital Fund:		
Bond Proceeds		6,475,000.00
Reserve for Payment of Debt Service:		
Premium on Sale of Bonds		40,453.85
Deferred Charges to Future Taxation - Unfunded:		
Insurance Reimbursements		204,528.62
Improvement Authorization Refunds		178,796.30
Due Water Utility Capital Fund - Bond Proceeds		485,000.00
Reserve for:		
Unappropriated Grant Funds:		
Federal Emergency Management Agency:		
American Rescue Plan - Coronavirus State and Local		
Fiscal Recovery Funds		1,488,072.84
Litigation Settlement		250,000.00
Payment in Lieu of Taxes:		
Seton Hall University Medical School		326,846.44
100 Metro Boulevard		417,488.68
Due State of New Jersey:		
Senior Citizens' and Veterans' Deductions		136,000.00
Construction Code Surcharge Fees		89,203.00
Marriage License Fees		3,825.00
Appropriation Refunds		1,528,815.54
		<hr/>
		146,961,841.80
		<hr/>
		187,215,550.14

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

A-4
2 of 2

	<u>Ref.</u>	
Decreased by Disbursements:		
2021 Appropriation Expenditures	\$ 47,973,870.64	
2020 Appropriation Reserve Expenditures	2,180,135.87	
Petty Cash Advanced	650.00	
Accounts Payable	350,446.21	
Local School District Taxes	62,079,564.00	
County Taxes	20,384,938.60	
County PILOT Taxes Payable	82,177.55	
Due Other Trust Funds:		
Interfund Returned	1,699,809.41	
Living Tree Memorial Program Expenditures	14,838.38	
Tax Sale Premiums Returned	18,316.89	
Storm Recovery Expenditures	336,328.42	
Due General Capital Fund:		
Improvement Authorization Expenditures	4,285,843.18	
Bond Anticipation Notes Paid by Bond Funds	4,074,900.00	
Due Water Utility Operating Fund:		
2021 Appropriation Expenditures	26,434.78	
Interfund Advanced	32,202.20	
Due Water Utility Capital Fund:		
Bond Anticipation Notes Redeemed	3,140.00	
Bond Anticipation Notes Paid by Bond Funds	485,000.00	
Due State of New Jersey:		
Construction Code Surcharge Fees	90,012.00	
Marriage License Fees	3,875.00	
Appropriated Reserve for Grant Funds:		
Body Armor Replacement Fund	3,059.85	
Drunk Driving Enforcement Fund	1,532.50	
Reserve for:		
Purchase of Fire Truck - Insurance Proceeds	7,670.00	
Pending Tax Appeals	11,773.10	
Redemption of Outside Liens	717,484.05	
Revaluation of Property	55,747.69	
Refund of:		
Tax Overpayments	70,442.76	
Miscellaneous Revenue Anticipated:		
Fees and Permits	343.20	
Parking Meters	50.00	
Tree Removal Permits	150.00	
Uniform Construction Code Fees	2,543.00	
Prior Year Revenue:		
Taxes	5,386.78	
Other	3,906.11	
	<hr/>	<u>\$ 145,002,572.17</u>
Balance December 31, 2021	A	<u><u>\$ 42,212,977.97</u></u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2021

A-5

Increased by Receipts:

Taxes Receivable	\$ 124,293,185.20	
Interest and Costs on Taxes	139,198.42	
2022 Prepaid Taxes	687,077.42	
Tax Overpayments	136,460.64	
Redemption of Outside Liens	699,334.33	
Tax Sale Premiums - Due to Other Trust Funds	434,000.00	
Fees and Permits - Tax Search Fees/Miscellaneous	2,517.21	
Miscellaneous Revenue Not Anticipated - Departmental Collections	420.00	
		\$ 126,392,193.22

Decreased by:

Payments to Municipal Treasurer	\$ 126,392,193.22
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SCHEDULE OF CASH - GRANT FUNDS
YEAR ENDED DECEMBER 31, 2021

A-6

NOT APPLICABLE

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

Year	Balance Dec. 31, 2020	2021 Levy	Collections		Overpayments Applied	State of NJ Senior Citizens' and Veterans' Deductions	Canceled	Balance Dec. 31, 2021
2019	\$ 61.67		\$	52.03			\$ 9.64	
2020	1,242,916.50			1,242,699.52			211.87	\$ 5.11
	1,242,978.17			1,242,751.55			221.51	5.11
2021		\$125,287,395.39	\$	628,165.56	\$	\$ 138,728.08	135,772.17	1,268,245.86
	\$ 1,242,978.17	\$125,287,395.39	\$	628,165.56	\$	\$ 138,728.08	\$ 135,993.68	\$ 1,268,250.97

Ref. A

A

Analysis of 2021 Property Tax Levy

Tax Yield:

General Purpose Tax	\$ 125,067,072.51
Business Personal Property Taxes	349.80
Added and Omitted Taxes	219,973.08
	<u>\$125,287,395.39</u>

Tax Levy:

Local School District Taxes	\$ 62,967,077.00
County Taxes	\$ 19,693,491.35
County Open Space Taxes	639,903.80
Due County for Added and Omitted Taxes	35,761.50
	<u>20,369,156.65</u>
	<u>83,336,233.65</u>
Local Tax for Municipal Purposes Levied	40,344,648.08
Minimum Library Tax Levied	1,400,062.92
	<u>41,744,711.00</u>
Add: Additional Tax Levied	206,450.74
	<u>41,951,161.74</u>
	<u>\$125,287,395.39</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2021

A-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-9
1 of 2

	Balance Dec. 31, 2020	Accrued in 2021	Collected by		Balance Dec. 31, 2021
			Collector	Treasurer	
Licenses:					
Alcoholic Beverages		\$ 33,142.22		\$ 33,142.22	
Other		15,280.00		15,280.00	
Fees and Permits:					
Building Inspector		130,856.00		130,856.00	
Board of Health		14,202.00		14,202.00	
Police		4,253.85		4,253.85	
Tax Search Fees/Miscellaneous		2,517.21	\$ 2,517.21		
Public Works		1,920.00		1,920.00	
Fines and Costs - Municipal Court	\$ 15,048.15	269,708.02		262,028.64	\$ 22,727.53
Parking Meters		325,807.17		325,807.17	
Fees - Immunization Program		5,811.09		5,811.09	
Tree Removal Permits		7,550.00		7,550.00	
Consolidated Municipal Property Tax Relief Aid		2,600,000.00		2,600,000.00	
Energy Receipts Tax		2,647,630.00		2,647,630.00	
Replacement Revenue		162,500.00		162,500.00	
Redeveloper Aid		150,000.00		150,000.00	
Uniform Construction Code Fees		922,515.00		922,515.00	
Nutley Board of Education:					
Physician Services		7,700.00		7,700.00	
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		32,400.00		32,400.00	
Clean Communities Program		51,757.96		51,757.96	
Distracted Driver Crackdown Grant		1,860.00		1,860.00	
Body Armor Replacement Fund		4,796.79		4,796.79	
Occupant Protection Program - Click It or Ticket		3,060.00		3,060.00	
Bloomfield Regional Training Grant		8,713.23		8,713.23	
Bullet Proof Vest Program		5,476.90		5,476.90	

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

A-9
2 of 2

	Balance Dec. 31, 2020	Accrued In 2021	Collected by		Balance Dec. 31, 2021
			Collector	Treasurer	
Sewer Maintenance Fees - Due from:					
Town of Belleville	\$ 11,332.33			\$ 11,332.33	
City of Clifton	210.00			210.00	
Residential Furniture Delivery Service	667.52			667.52	
Town of Bloomfield	59,665.27			59,665.27	
Regency Condominiums	6,686.18			6,686.18	
PB Nutcliff LLC, Excess Sewer Charges	57,108.70			57,108.70	
Payment in Lieu of Taxes:					
Senior Citizen Housing	151,675.56			151,675.56	
Nutley Senior Manor	44,361.80			44,361.80	
PB-100 Metro Boulevard	496,469.00			496,469.00	
Passaic Valley Sewer Charges - User Charges	12,809.59			12,809.59	
Recycling Program	25,000.00			25,000.00	
Bureau of Housing Inspection	19,864.00			19,864.00	
Uniform Fire Safety Act	25,613.92			25,613.92	
Cable Franchise Fee	404,317.18			404,317.18	
Cell Phone Tower Lease	18,000.00			18,000.00	
Emergency Management Services Transportation Billing	246,605.28			246,605.28	
	<u>\$ 15,048.15</u>	<u>\$ 9,019,843.77</u>	<u>\$ 2,517.21</u>	<u>\$ 9,009,647.18</u>	<u>\$ 22,727.53</u>
Ref.	A				A
Cash Receipts				\$ 8,209,647.18	
Due from State of New Jersey - Consolidated Municipal Property Tax Relief Aid				<u>800,000.00</u>	
				<u>\$ 9,009,647.18</u>	

TOWNSHIP OF NUTLEY

A-10

CURRENT FUND

SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE

YEAR ENDED DECEMBER 31, 2021

NOT APPLICABLE

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

A-11
1 of 5

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
Director of Public Affairs:				
Salaries and Wages	\$ 250.00	\$ 250.00		\$ 250.00
Other Expenses	13,969.93	13,969.93	\$ 13,000.00	969.93
Nutley Public Health Reserve Corp:				
Other Expenses	2,208.75	2,208.75		2,208.75
Department of Health - Local Health Agency:				
Salaries and Wages	124,889.37	43,789.37	43,495.44	293.93
Other Expenses	52,454.75	52,454.75	14,970.58	37,484.17
Animal Regulation:				
Other Expenses	2,853.00	2,853.00		2,853.00
Military Veterans Affairs Bureau:				
Salaries and Wages	428.89	1,528.89	1,458.67	70.22
Other Expenses	2,944.44	2,944.44	2,024.25	920.19
Immunization Program:				
Other Expenses	891.53	891.53	890.90	0.63
Contractual:				
Garbage and Trash Removal	306,785.80	206,785.80	204,941.47	1,844.33
Municipal Prosecutor:				
Salaries and Wages		1,700.00	1,688.59	11.41
Other Expenses	1,000.00	1,000.00		1,000.00
Board of Adjustment:				
Salaries and Wages	673.06	973.06	955.68	17.38
Other Expenses	3,246.18	1,046.18		1,046.18
Planning Board:				
Salaries and Wages	773.06	973.06	955.68	17.38
Other Expenses	1,771.81	1,771.81	8.68	1,763.13
Rent Leveling Board:				
Salaries and Wages	721.86	721.86	698.41	23.45
Other Expenses	1,000.00	1,000.00		1,000.00
Township Attorney:				
Salaries and Wages	6,192.66	6,192.66	6,164.25	28.41
Other Expenses	171,718.07	111,718.07	110,736.38	981.69
Celebration of Public Events	55,317.71	25,317.71	23,914.65	1,403.06
Director of Revenue and Finance:				
Other Expenses	13,302.70	13,302.70	13,000.00	302.70
Assessment of Taxes:				
Salaries and Wages	8,326.50	8,326.50	8,284.02	42.48
Other Expenses	64,288.72	64,288.72	8,806.38	55,482.34
Collection of Taxes:				
Salaries and Wages	14,170.43	14,170.43	14,169.78	0.65
Other Expenses	12,186.22	12,186.22	1,181.31	11,004.91
Treasurer's Office:				
Salaries and Wages	35,580.27	35,580.27	26,576.87	9,003.40
Other Expenses	16,979.56	16,979.56	12,360.12	4,619.44
Grant Writer	2,916.74	2,916.74	2,916.66	0.08

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021
(Continued)

A-11
2 of 5

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
Township Clerk's Office:				
Salaries and Wages	\$ 27,076.69	\$ 27,076.69	\$ 27,071.89	\$ 4.80
Other Expenses	5,588.01	5,588.01	3,623.45	1,964.56
Other Expenses - Election	15,000.00	15,000.00	15,000.00	
Information Services:				
Salaries & Wages		6,000.00	5,996.74	3.26
Other Expenses	62,587.27	56,587.27	48,304.08	8,283.19
Administration of Township Ordinances:				
Salaries and Wages	41,410.48	41,410.48	41,400.00	10.48
Other Expenses	10,925.00	10,925.00	75.00	10,850.00
Expense, Stationary and Printing:				
Other Expenses	41,046.81	41,046.81	13,812.70	27,234.11
Economic Redevelopment Project:				
Other Expenses	186,148.10	346,148.10	346,148.10	
Printing and Legal Advertising:				
Other Expenses	6,435.30	6,435.30	2,551.73	3,883.57
Mayor:				
Salaries and Wages	2,550.00	2,550.00	2,550.00	
Other Expenses	444.07	444.07		444.07
Director of Public Safety:				
Other Expenses	13,936.97	13,936.97	13,026.94	910.03
Municipal Court:				
Salaries and Wages	72,323.71	71,823.71	71,804.43	19.28
Other Expenses	25,194.23	25,194.23	12,707.55	12,486.68
E-Ticketing - Other Expense	45,000.00	45,000.00	14,255.58	30,744.42
Public Defender:				
Salaries and Wages	91.56	591.56	556.29	35.27
Other Expenses	200.00	200.00		200.00
Police:				
Salaries and Wages	658,623.46	158,623.46	158,617.08	6.38
Other Expenses	224,688.78	224,688.78	188,635.96	36,052.82
Clothing Allowance	39,246.93	39,246.93	16,388.79	22,858.14
Purchase of Police Cars	95,000.00	95,000.00	94,999.68	0.32
First Aid Organization:				
Other Expenses	10,000.00	10,000.00		10,000.00
Office of Emergency Management:				
Other Expenses	21,541.03	21,541.03	8,103.22	13,437.81
Fire:				
Salaries and Wages	414,285.42	164,285.42	164,277.81	7.61
Other Expenses	152,862.26	152,862.26	130,598.54	22,263.72
Clothing Allowance	11,897.16	11,897.16	11,000.00	897.16
Reserve for Accrued Sick and Vacation	100.00	100.00	100.00	
Hazardous Materials:				
Other Expenses - Stipend	11,166.00	11,166.00		11,166.00

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

A-11
3 of 5

(Continued)

	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
Director of Public Works:				
Other Expenses	\$ 8,969.93	\$ 8,969.93	\$ 8,969.93	
Engineering Services and Costs:				
Salaries and Wages	11,091.51	11,091.51	11,087.29	\$ 4.22
Other Expenses	99,506.54	99,506.54	50,728.08	48,778.46
Road Repair and Maintenance:				
Salaries and Wages	68,550.04	68,550.04	68,547.13	2.91
Other Expenses	137,900.51	137,900.51	111,603.35	26,297.16
Snow Removal:				
Salaries and Wages	66,594.58	66,594.58	45,510.79	21,083.79
Other Expenses	55,796.55	1,455,796.55	1,452,239.26	3,557.29
Traffic Maintenance:				
Salaries and Wages	6,928.42	6,928.42	3,482.04	3,446.38
Other Expenses	10,519.69	10,519.69	7,841.81	2,677.88
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			
Other Expenses	21,407.90	21,407.90	12,768.60	8,639.30
Parking Lot and Meter Maintenance:				
Salaries and Wages	10,139.69	10,139.69	10,121.63	18.06
Other Expenses	4,679.52	4,679.52	4,329.06	350.46
Leaf Removal:				
Other Expenses - Tipping Fees	13,144.85	13,144.85	12,672.50	472.35
Recycling:				
Salaries and Wages	64,568.34	64,568.34	64,565.04	3.30
Other Expenses	6,763.36	6,763.36	2,097.69	4,665.67
Other Expenses - Disposal Contract	24,459.38	74,459.38	63,909.34	10,550.04
Director of Parks and Public Property:				
Other Expenses	52,435.41	52,435.41	13,000.00	39,435.41
Recreation Committee of Nutley:				
Salaries and Wages	28,349.33	28,349.33	28,308.42	40.91
Other Expenses	19,029.93	19,029.93	17,301.21	1,728.72
Public Buildings and Grounds:				
Salaries and Wages	76,583.35	60,583.35	60,551.11	32.24
Other Expenses	27,385.60	27,385.60	25,617.34	1,768.26
Communications and Technology Services:				
Salaries and Wages	1,792.17	1,792.17	1,792.17	
Shade Tree Commission:				
Salaries and Wages	35,433.32	35,433.32	35,388.73	44.59
Other Expenses	15,204.55	15,204.55	9,726.28	5,478.27
Senior Citizens Transportation:				
Salaries and Wages	46,388.97	46,388.97	46,374.13	14.84
Other Expenses	3,987.55	3,987.55		3,987.55

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

A-11
4 of 5

(Continued)

	Balance Dec. 31, 2020	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	21,224.28	37,224.28	\$ 37,198.21	26.07
Other Expenses	312,075.27	312,075.27	305,973.08	6,102.19
Insurance:				
Group Insurance Plan for Employees	1,243,644.10	583,644.10	49,510.70	534,133.40
Other Liability Insurance Premiums	66,590.43	6,590.43	4,568.23	2,022.20
Workers Compensation Insurance	14,515.78	14,515.78		14,515.78
State Uniform Construction Code:				
Salaries and Wages	22,773.61	22,773.61	13,997.59	8,776.02
Other Expenses	46,166.22	46,166.22	3,913.30	42,252.92
Unclassified:				
Gasoline	164,167.71	64,167.71	21,480.28	42,687.43
Fuel Oil	32,540.56	32,540.56	7,571.56	24,969.00
Electricity	131,030.89	131,030.89	51,645.02	79,385.87
Street Lighting	55,336.39	55,336.39	49,068.39	6,268.00
Telephone	75,126.23	75,126.23	33,085.88	42,040.35
Contingent	50,000.00	50,000.00	49,889.35	110.65
Statutory Expenditures:				
Public Employees Retirement System	34,407.80	34,407.80		34,407.80
Social Security System (O.A.S.I)	71,335.20	71,335.20		71,335.20
Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)	29,632.97	29,632.97		29,632.97
P.E.R.S. - Retro Pension Bill	15,000.00	15,000.00		15,000.00
Defined Contribution Retirement Program	6,941.35	6,941.35		6,941.35
Unemployment Compensation Insurance	60,000.00	60,000.00	60,000.00	
Passaic Valley Sewer Commission:				
Other Expenses	801.40	801.40		801.40
NJPDES Stormwater Permit (NJSA 40A:-45.3(cc)):				
Street Division:				
Salaries and Wages	19,761.23	19,761.23	2,473.05	17,288.18
Other Expenses	1,629.24	1,629.24	1,172.50	456.74
LOSAP:				
First Aid Organization	15,000.00	15,000.00		15,000.00
Fire	30,875.00	30,875.00		30,875.00
Shared Services Agreement -				
Township of Montclair - Health Services	7,040.00	7,040.00		7,040.00
Nutley Board of Education - Bulk/Solid Waste	1,500.00	1,500.00	1,500.00	
Health Services - Montclair Health Officer	529.00	529.00		529.00
State and Federal Programs Offset by Revenue:				
Safe and Secure Communities Grant:				
State Share	44,999.95	44,999.95	11,607.77	33,392.18
Municipal Alliance Grant:				
State Share	18,573.29	18,573.29	4,240.47	14,332.82

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021
(Continued)

A-11
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	Balance Dec. 31, 2020	Balance After Transfers	Paid or Charged	Balance Lapsed
State and Federal Programs Offset by Revenue:				
Drive Sober or Get Pulled Over	\$ 5,100.00	\$ 5,100.00	\$ 1,350.00	\$ 3,750.00
Clean Communities Program	47,616.31	47,616.31	47,616.31	
Distracted Driving Crackdown Grant	5,500.00	5,500.00	2,160.00	3,340.00
Pedestrian Safety, Education and Enforcement Fund	13,641.79	13,641.79		13,641.79
Partners for Healthy-Healthy Lifestyles	6,000.00	6,000.00	6,000.00	
COPS Grant Program	116,691.12	116,691.12	34,560.23	82,130.89
Alcohol Education, Rehabilitation and Enforcement Fund	2,596.11	2,596.11	2,596.11	
Body Armor Replacement Fund	6,543.29	6,543.29	6,543.29	
Capital Improvements - Excluded From "CAPS":				
Down Payments on Improvements	159,000.00	159,000.00	159,000.00	
Capital Improvement Fund		280,000.00	280,000.00	
Road Improvements	100,000.00	100,000.00	100,000.00	
	<u>\$7,156,728.76</u>	<u>\$7,156,728.76</u>	<u>\$5,427,058.58</u>	<u>\$1,729,670.18</u>

Analysis of Balance December 31, 2020:

	<u>Ref.</u>	
Unencumbered	A	\$5,372,241.12
Encumbered	A	<u>1,784,487.64</u>
		<u>\$7,156,728.76</u>

Cash Disbursed	\$2,180,135.87
Accounts Payable	239,845.71
Reserve for Grant Funds Appropriated:	
Clean Communities	30,583.88
Body Armor Replacement Fund	2,047.04
Alcohol Education, Rehabilitation and Enforcement Fund	2,596.11
Partners for Healthy-Healthy Lifestyles	6,000.00
Due to General Capital Fund:	
Reserve for Economic Development Project	258,849.97
Reserve for Paving	100,000.00
Down Payments on Improvements	159,000.00
Capital Improvement Fund	280,000.00
Due to Other Trust Funds - Reserve for:	
Unemployment Insurance	60,000.00
Accumulated Sick and Vacation Pay	557,000.00
Storm Recovery	1,450,000.00
Self Insurance	101,000.00
	<u>\$5,427,058.58</u>

TOWNSHIP OF NUTLEY
CURRENT FUND
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2021

A-12

	<u>Ref.</u>	
Balance December 31, 2020	A	\$ 2,362.00
Increased by:		
Levy - Calendar Year 2021		<u>62,967,077.00</u>
		62,969,439.00
Decreased by:		
Payments to Local School District		<u>62,079,564.00</u>
Balance December 31, 2021	A	<u>\$ 889,875.00</u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
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, 2020	B	\$ 50,249.30	\$ 2,842,165.47
Increased by Receipts:			
Dog License Fees		\$ 17,885.60	
Cat License Fees		1,167.00	
Impounding, Boarding, Late Fees and Penalties		406.36	
State Registration Fees		2,114.40	
Due Current Fund - Interfund Returned			\$ 1,699,809.41
Road Opening, Sewer Maintenance and			
Planning Board Escrow Deposits			200,888.97
Escrow Deposits			37,303.70
Special Deposits			337.00
Uniform Fire Safety - Penalties			9,278.04
Unemployment Insurance			90,000.00
Living Tree Memorial Program			21,473.00
Recreation Commission Fees			387,812.80
Parking Offense Adjudication Act			3,403.50
Recycling			156,714.49
Community Environmental Health Act			208,738.18
Community Development Block Grants			131,433.37
Civic Celebration			400.00
Law Enforcement Expenditures			9,941.35
COAH			54,415.33
Go Green Program			8,175.00
Flexible Spending Account			1,983.42
Fire Donation			1,400.00
		<u>21,573.36</u>	<u>3,023,507.56</u>
		71,822.66	5,865,673.03

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

B-4
2 of 2

	<u>Ref.</u>	<u>Animal Control Fund</u>	<u>Other Trust Funds</u>
Decreased by Disbursements:			
State Registration Fees		\$ 2,123.40	
Administrative Expenses		20,691.79	
Due Current Fund:			
Interfund Returned		8,718.30	
Road Opening, Sewer Maintenance and			
Planning Board Escrow Deposits			\$ 62,443.85
Developer's Escrow			17,571.68
Uniform Fire Safety - Penalties			3,396.51
Unemployment Insurance			47,216.58
Recreation Commission Fees			358,781.72
Recycling			28,800.00
Community Environmental Health Act			52,602.46
Tax Sale Premiums			1,050,783.11
Community Development Block Grants			131,433.37
Accumulated Sick and Vacation Pay			406,889.71
Storm Recovery			272,560.56
Law Enforcement Expenditures			7,051.36
COAH			32,402.11
Go Green Program			5,739.39
Flexible Spending Account			1,051.47
		<u>\$31,533.49</u>	<u>\$ 2,478,723.88</u>
Balance December 31, 2021	B	<u>\$40,289.17</u>	<u>\$ 3,386,949.15</u>

TOWNSHIP OF NUTLEY
ANIMAL CONTROL TRUST FUND
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR
YEAR ENDED DECEMBER 31, 2021

B-4A

NOT APPLICABLE

TOWNSHIP OF NUTLEY
ASSESSMENT TRUST FUND
ANALYSIS OF CASH
YEAR ENDED DECEMBER 31, 2021

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, 2020	B	\$41,501.00
Increased by:		
Animal Control Fees:		
Dog Licenses		\$ 17,885.60
Cat Licenses		<u>1,167.00</u>
		19,052.60
Impounding, Boarding, Late Fees and Penalties		<u>406.36</u>
		19,458.96
		<u>60,959.96</u>
Decreased by:		
Animal Control Expenditures		20,691.79
Statutory Excess Due Current Fund		<u>1,250.77</u>
		21,942.56
Balance December 31, 2021	B	<u><u>\$39,017.40</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2019	\$21,068.20
2020	<u>17,949.20</u>
Maximum Allowable Reserve	<u><u>\$39,017.40</u></u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
GENERAL CAPITAL FUND

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER

C-2

	<u>Ref.</u>	
Balance December 31, 2020	C	<u>\$ 83,228.79</u>
Balance December 31, 2021	C	<u><u>\$ 83,228.79</u></u>

TOWNSHIP OF NUTLEY

C-3

GENERAL CAPITAL FUND

1 of 3

ANALYSIS OF GENERAL CAPITAL FUND CASH

	Balance/ (Deficit) Dec. 31, 2020	Transfers		Balance/ (Deficit) Dec. 31, 2021
		From	To	
Fund Balance	\$ 205,203.50			\$ 205,203.50
Capital Improvement Fund	3,080,441.00	\$ 426,829.00	\$ 480,000.00	3,133,612.00
Down Payments on Improvements	35,707.72		159,000.00	194,707.72
Due Current Fund	(9,198,134.12)	3,825,720.74	4,285,843.18	(8,738,011.68)
Loan Receivable:				
State of NJ Department of Environmental Protection Green Acres	(87,529.00)			(87,529.00)
Grants Receivable:				
County of Essex Open Space Trust Fund	(150,000.00)			(150,000.00)
State of NJ Department of Environmental Protection Green Acres	(960,956.00)			(960,956.00)
State of NJ Department of Transportation	(612,585.25)	426,702.00		(1,039,287.25)
Federal Repetitive Flood Claims Grants	(1,069,012.20)			(1,069,012.20)
Reserve for Paving	205,995.12		100,000.00	305,995.12
Reserve for Fiber Optics	21,250.00			21,250.00
Reserve for Economic Development Project	661,845.00		258,849.97	920,694.97
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	463,180.00		40,453.85	503,633.85
Ord.				
No.	Improvement Description			
2776	Certain Local Improvements		100.00	100.00
2850	Various Capital Improvements		1,814.42	1,814.42
2852	Sewer Repair and Related Work		27,391.52	27,391.52
2900	Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park		1,219.26	1,219.26
2927	Certain Local Improvements		3,600.00	3,600.00
2992	Upgrades to Memorial Park		38,286.99	36,175.07
		2,111.92		

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

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2020	Transfers		Balance/ (Deficit) Dec. 31, 2021
			From	To	
2993;					
3046	Various Capital Improvements	\$ 9,769.63	\$ 57.20		\$ 9,712.43
2995	Reconstruction of Various Streets and Sidewalks				
3027	Reconstruction of Various Streets and Sidewalks				
3029	Various Capital Improvements	151,956.17	5,453.52		146,502.65
3063;					
3093;					
3101	Various Capital Improvements	107,777.37			107,777.37
3065	Reconstruction of Various Streets and Sidewalks	1,373.43	1,373.43		(0.00)
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	786.34		57,826.88
3131	Redevelopment of Monsignor Owens Park				
3149	Various Capital Improvements	80,774.13			80,774.13
3150	Reconstruction of Various Streets and Sidewalks	13,500.00	12,380.00		1,120.00
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	82,529.91	13,780.44		68,749.47
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	6,828.07		619.87
3321	Reconstruction of Various Roadways and Sidewalks	37,555.44	1,167.71		36,387.73
3323	Various Improvements or Purposes	193,771.11	2,800.00		190,971.11

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

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(Continued)

Ord. No.	Improvement Description	Balance/ (Deficit) Dec. 31, 2020		Transfers		Balance/ (Deficit) Dec. 31, 2021	
				From	To		
3324	Paving of East Centre Street	\$	45,867.63			\$	45,867.63
3331	Acquisition of Lands		1,352.78				41.76
3332	Acquisition of Lands		22,823.57	\$	1,311.02		22,823.57
3344	Various Improvements or Purposes		198,125.23				198,125.23
3345	Reconstruction of Various Roadways and Sidewalks		73,544.03		28,689.89		44,854.14
3371	Reconstruction of Various Roadways and Sidewalks		105,570.04		42,514.55		63,055.49
3372	Various Improvements or Purposes		345,623.25		55,562.50		290,060.75
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)		36,226.88				36,226.88
3407	Reconstruction of Various Roadways and Sidewalks		329,399.56		2,594.89		326,804.67
3408	Various Improvements or Purposes		741,068.71		337,218.90		403,849.81
3410	Digital Archiving of Code Enforcement and Municipal Clerk's Office Records		1,463.08				1,463.08
3422	Reconstruction of the Roadway on Grant Ave		252,754.89		139,468.29		113,286.60
3423	Reconstruction of Various Roadways and Sidewalks		381,507.82		3,041.94		378,465.88
3425	Various Improvements or Purposes		1,328,266.94		469,939.89		858,327.05
3440	Reconstruction of the Roadway on Grant Ave, Section 2		406,964.00		382,281.70		24,682.30
3453	Improvement of Glotzbach Memorial Park		150,000.00				150,000.00
3455	Various Improvements or Purposes		106,325.00		838,099.92	\$	2,198,971.30
3456	Reconstruction of Various Roadways and Sidewalks		20,000.00		3,160.45		396,839.55
3458	Improvement of DeMuro Park		548,370.00		731,160.00		(178,873.00)
3470	Washington Avenue Roadway Improvement Project						426,702.00
3477	Reconstruction of Various Roadways and Sidewalks						31,500.00
3479	Various Improvements or Purposes				4,498.00		53,331.00
3481	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida			1,170,553.68			(681,025.06)
3483	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida			29,008.93			23,491.07
		\$	83,228.79	\$	8,965,094.92	\$	83,228.79

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

Ord. No.	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Funded by		Notes Paid by Budget	Analysis of Balance Dec. 31, 2021		
				Insurance Claim Proceeds	Bonds Issued		Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
3332	Acquisition of Lands	\$ 1,380,316.00				\$ 86,000.00	\$ 1,294,316.00		
3407	Reconstruction of Various Roadways and Sidewalks	313,500.00			\$ 312,000.00	1,500.00			
3408	Various Improvements or Purposes	1,586,500.00			1,586,500.00				
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			2,020,100.00	\$ 75.00			
3456	Reconstruction of Various Roadways and Sidewalks	380,000.00			380,000.00				
3458	Improvement of DeMuro Park	182,790.00				3,917.00		\$ 178,873.00	
3477	Reconstruction of Various Roadways and Sidewalks		\$ 598,500.00					\$ 598,500.00	
3479	Various Improvements or Purposes		1,098,746.00					1,098,746.00	1,098,746.00
3481	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida		5,415,000.00	\$ 204,528.62			5,210,471.38	681,025.06	4,529,446.32
3483	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida		997,500.00				997,500.00		997,500.00
		\$ 8,039,681.00	\$ 8,109,746.00	\$ 204,528.62	\$ 6,475,000.00	\$ 87,500.00	\$ 1,294,316.00	\$ 859,898.06	\$ 7,224,192.32

Ref.

C

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Analysis of Unexpended Improvement Authorizations:
Improvement Authorizations Unfunded
Less: Unexpended Proceeds of Bond Anticipation Notes Issued:
Ordinance #3332

\$ 7,247,015.89
22,823.57
\$ 7,224,192.32

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-5
1 of 2

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2020		Other Sources	2021 Authorizations		Paid or Charged	Balance December 31, 2021	
		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	1,814.42						1,814.42	
2852	Sewer Repair and Related Work	10/05/04	362,000.00	27,391.52						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	38,286.99					\$ 2,111.92	36,175.07	
2993;	Various Capital Improvements	12/19/06;	790,460.00								
3046		12/04/07		9,769.63					57.20	9,712.43	
2995	Reconstruction of Various Streets and Sidewalks	12/19/06	352,000.00								
3027	Reconstruction of Various Streets and Sidewalks	11/20/07	291,500.00								
3029	Various Capital Improvements	11/20/07	1,011,100.00	151,956.17					5,453.52	146,502.65	
3063;	Various Capital Improvements	07/16/08;	1,227,600.00								
3093;		04/07/09;									
3101		05/19/09		107,777.37					1,373.43	107,777.37	
3065	Reconstruction of Various Streets and Sidewalks	07/15/08	220,000.00	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					786.34	265.33	
3116	Various Capital Improvements	09/01/09	748,980.00	58,613.22						57,826.88	
3131	Redevelopment of Monsignor Owens Park	02/02/10	995,000.00								
3149	Various Capital Improvements	11/09/10	793,875.00	80,774.13					12,380.00	80,774.13	
3150	Reconstruction of Various Streets and Sidewalks	11/09/10	273,750.00	13,500.00						1,120.00	
3153	Voice and Data Network Upgrades	12/07/10	63,000.00	1,271.29						1,271.29	
3171	Donna Court Acquisition and Remediation	07/05/11	854,500.00	413,170.40						413,170.40	
3172	Donna Court Acquisition and Remediation	07/05/11	1,644,000.00	756,759.46						756,759.46	
3181	Various Capital Improvements	11/15/11	985,000.00	183,432.79						183,432.79	
3196	Renovation of Police Desk	03/06/12	300,000.00	1,588.67						1,588.67	
3214	Various Capital Improvements	07/17/12	620,000.00	6,015.27						6,015.27	
3216	Local Improvements	09/04/12	25,000.00	3,522.37						3,522.37	
3242	Various Capital Improvements	07/16/13	1,481,700.00	82,529.91					13,780.44	68,749.47	
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					6,828.07	619.87	
3321	Reconstruction of Various Roadways and Sidewalks	10/06/15	825,000.00	37,555.44					1,167.71	36,387.73	
3323	Various Improvements or Purposes	10/06/15	1,346,730.00	193,771.11					2,800.00	190,971.11	
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	1,352.78					1,311.02	41.76	
3332	Acquisition of Lands	12/15/15	3,500,000.00		\$ 22,823.57						\$ 22,823.57
3344	Various Improvements or Purposes	09/06/16	982,500.00	198,125.23						198,125.23	
3345	Reconstruction of Various Roadways and Sidewalks	09/06/16	460,000.00	73,544.03					28,689.89	44,854.14	

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

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2020		Other Sources	2021 Authorizations		Paid or Charged	Balance December 31, 2021	
		Date	Amount	Funded	Unfunded		Deferred Charges to Future Taxation - Unfunded	Capital Improvement Fund		Funded	Unfunded
3371	Reconstruction of Various Roadways and Sidewalks	11/08/17	\$ 409,000.00	\$ 105,570.04					\$ 42,514.55	\$ 63,055.49	
3372	Various Improvements or Purposes	11/08/17	1,181,300.00	345,623.25					55,562.50	290,060.75	
3375	Purchase of a Fire Truck	12/19/17	233,013.00	0.89						0.89	
3378	Digital Archiving of Code Enforcement Records	01/16/18	200,000.00	0.54						0.54	
3391	Reconstruction of the Roadway on Harrison Street (Section 4)	07/07/18	346,605.00	36,226.88							
3407	Reconstruction of Various Roadways and Sidewalks	12/20/18	330,000.00	329,399.56					2,594.89	326,804.67	
3408	Various Improvements or Purposes	12/20/18	1,670,000.00		\$ 741,068.71				337,218.90	403,849.81	
3410	Digital Archiving of Code Enforcement and Municipal Clerk's Office Records	12/20/18	100,000.00	1,463.08						1,463.08	
3422	Reconstruction of the Roadway on Grant Ave	08/06/19	424,193.00	252,754.89					139,468.29	113,286.60	
3423	Reconstruction of Various Roadways and Sidewalks	08/06/19	384,125.00	15,757.82	365,750.00				3,041.94	378,465.88	
3425	Various Improvements or Purposes	08/06/19	1,905,750.00		1,328,266.94				469,939.89	858,327.05	
3440	Reconstruction of the Roadway on Grant Ave, Section 2	04/07/20	406,964.00	406,964.00					382,281.70	24,682.30	
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	106,325.00	2,020,175.00				659,303.62	1,467,196.38	
3456	Reconstruction of Various Roadways and Sidewalks	11/05/20	400,000.00	20,000.00	380,000.00				3,160.45	396,839.55	
3458	Improvement of DeMuro Park	11/05/20	731,160.00	548,370.00	182,790.00				731,160.00		
3470	Washington Avenue Roadway Improvement Project	05/04/21	426,702.00			\$ 426,702.00				426,702.00	
3477	Reconstruction of Various Roadways and Sidewalks	10/05/21	630,000.00				\$ 598,500.00	\$ 31,500.00		31,500.00	\$ 598,500.00
3479	Various Improvements or Purposes	10/05/21	1,156,575.00				1,098,746.00	57,829.00	4,498.00	53,331.00	1,098,746.00
3481	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida	11/04/21	5,700,000.00				5,415,000.00	285,000.00	1,170,553.68		4,529,446.32
3483	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida	11/30/21	1,050,000.00				997,500.00	52,500.00	29,008.93	23,491.07	997,500.00
				\$4,991,138.71	\$5,040,874.22	\$ 426,702.00	\$8,109,746.00	\$ 426,829.00	\$4,107,046.88	\$7,641,227.16	\$7,247,015.89
				<u>Ref.</u>	C	C				C	C
NJ Department of Transportation Grant				\$ 426,702.00							
Due to Current Fund				\$4,285,843.18							
Less: Improvement Authorization Refunds Due from Current Fund				178,796.30							
				\$4,107,046.88							

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

	<u>Ref.</u>	
Balance December 31, 2020	C	\$ 3,080,441.00
Increased by:		
Due from Current Fund:		
2021 Budget Appropriation	\$ 200,000.00	
2020 Appropriation Reserves	<u>280,000.00</u>	
		<u>480,000.00</u>
		3,560,441.00
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>426,829.00</u>
Balance December 31, 2021	C	<u><u>\$ 3,133,612.00</u></u>

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND

C-7

SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of				Interest Rate	Balance Dec. 31, 2020	Issued	Matured	Balance Dec. 31, 2021
		Issue of Original Note	Issue	Maturity						
3332	Acquisition of Lands	01/22/16	04/16/20	04/16/21	1.48%		\$ 1,380,316.00		\$ 1,380,316.00	
		01/22/16	04/15/21	04/15/22	0.35%			\$ 1,294,316.00		\$ 1,294,316.00
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>\$ 5,456,716.00</u>	<u>\$ 1,294,316.00</u>	<u>\$ 5,456,716.00</u>	<u>\$ 1,294,316.00</u>
					<u>Ref.</u>		C			C
	Renewals									
	Paid by Bond Funds - Due Current Fund							\$ 1,294,316.00	\$ 1,294,316.00	
	Paid by Budget Appropriation							4,074,900.00	4,074,900.00	
								87,500.00	87,500.00	
								<u>\$ 1,294,316.00</u>	<u>\$ 5,456,716.00</u>	<u>\$ 5,456,716.00</u>

C-7

TOWNSHIP OF NUTLEY
GENERAL CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE

Purpose	Date of Issue	Maturities of Bonds			Interest Rate	Balance		Matured	Balance Dec. 31, 2021
		Outstanding	Dec. 31, 2021	Amount		Dec. 31, 2020	Issued		
		Date							
General Improvement Bonds	09/01/2013	09/01/2022-23	\$ 470,000.00		3.00%	\$ 1,410,000.00		\$ 470,000.00	\$ 940,000.00
General Improvement Bonds	04/30/2018	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%	4,791,000.00		1,000,000.00	3,791,000.00
General Improvement Bonds	04/13/2021	04/01/2022	600,000.00		1.00%				
		04/01/2023	610,000.00		1.00%				
		04/01/2024	620,000.00		1.00%				
		04/01/2025	630,000.00		1.00%				
		04/01/2026	640,000.00		1.00%				
		04/01/2027	650,000.00		1.00%				
		04/01/2028	665,000.00		1.25%				
		04/01/2029	675,000.00		1.50%				
		04/01/2030	685,000.00		1.50%				
		04/01/2031	700,000.00		1.50%		\$ 6,475,000.00		6,475,000.00
						\$ 6,201,000.00	\$ 6,475,000.00	\$ 1,470,000.00	\$ 11,206,000.00
						<u>Ref.</u>	C	C	

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, 2020	Less: Matured	Balance Dec. 31, 2021
3131	Redevelopment of Monsignor Owens Park	\$ 343,993.88	\$ 19,135.76	\$ 324,858.12
3369	Improvement of Father Glotzbach Soccer Field	87,529.00		87,529.00
		<u>\$ 431,522.88</u>	<u>\$ 19,135.76</u>	<u>\$ 412,387.12</u>

Ref. C C

SCHEDULE OF PRINCIPAL AND
INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2021

Redevelopment of Monsignor Owens Park

Payment Number	Due Date	Interest	Principal	Balance of Loan
				\$ 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>\$ 50,988.28</u>	<u>\$324,858.12</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, 2021

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	07/15/2022	\$ 2,244.33	85,284.67
2	01/15/2022	2,244.34	83,040.33
3	01/15/2023	2,244.33	80,796.00
4	07/15/2023	2,244.33	78,551.67
5	01/15/2024	2,244.34	76,307.33
6	07/15/2024	2,244.33	74,063.00
7	01/15/2025	2,244.33	71,818.67
8	07/15/2025	2,244.34	69,574.33
9	01/15/2026	2,244.33	67,330.00
10	07/15/2026	2,244.33	65,085.67
11	01/15/2027	2,244.34	62,841.33
12	07/15/2027	2,244.33	60,597.00
13	01/15/2028	2,244.33	58,352.67
14	07/15/2028	2,244.34	56,108.33
15	01/15/2029	2,244.33	53,864.00
16	07/15/2029	2,244.33	51,619.67
17	01/15/2030	2,244.34	49,375.33
18	07/15/2030	2,244.33	47,131.00
19	01/15/2031	2,244.33	44,886.67
20	07/15/2031	2,244.34	42,642.33
21	01/15/2032	2,244.33	40,398.00
22	07/15/2032	2,244.33	38,153.67
23	01/15/2033	2,244.34	35,909.33
24	07/15/2033	2,244.33	33,665.00
25	01/15/2034	2,244.33	31,420.67
26	07/15/2034	2,244.34	29,176.33
27	01/15/2035	2,244.33	26,932.00
28	07/15/2035	2,244.33	24,687.67
29	01/15/2036	2,244.34	22,443.33
30	07/15/2036	2,244.33	20,199.00
31	01/15/2037	2,244.33	17,954.67
32	07/15/2037	2,244.34	15,710.33
33	01/15/2038	2,244.33	13,466.00
34	07/15/2038	2,244.33	11,221.67
35	01/15/2039	2,244.34	8,977.33
36	07/15/2039	2,244.33	6,733.00
37	01/15/2040	2,244.33	4,488.67
38	07/15/2040	2,244.34	2,244.33
39	07/15/2041	2,244.33	
		<u>\$ 87,529.00</u>	

TOWNSHIP OF NUTLEY

C-10

GENERAL CAPITAL FUND

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Bonds Issued	Funded by		Balance Dec. 31, 2021
					Insurance Claim Proceeds	Budget Appropriation	
3455	Various Improvements or Purposes	\$ 2,020,175.00		\$ 2,020,100.00		\$ 75.00	
3456	Reconstruction of Various Roadways and Sidewalks	380,000.00		380,000.00			
3458	Improvement of DeMuro Park	182,790.00				3,917.00	\$ 178,873.00
3477	Reconstruction of Various Roadways and Sidewalks		\$ 598,500.00				598,500.00
3479	Various Improvements or Purposes		1,098,746.00				1,098,746.00
3481	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida		5,415,000.00		\$ 204,528.62		5,210,471.38
3483	Repair and Restoration of Damage to Municipal Property Due to Tropical Storm Ida		997,500.00				997,500.00
		<u>\$ 2,582,965.00</u>	<u>\$ 8,109,746.00</u>	<u>\$ 2,400,100.00</u>	<u>\$ 204,528.62</u>	<u>\$ 3,992.00</u>	<u>\$ 8,084,090.38</u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
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, 2020	D	\$ 2,401,144.18	\$ 183.05
Increased by Receipts:			
Utility Collector		\$ 4,164,060.35	
Utility Maintenance Fee		237,540.91	
Nonbudget Revenue - Treasurer		9,038.63	
Due Current Fund - Interfund Advanced		32,202.20	
		<u>4,442,842.09</u>	
		6,843,986.27	183.05
Decreased by Disbursements:			
2021 Appropriation Expenditures		4,322,503.83	
2020 Appropriation Reserves		387,586.53	
Accounts Payable		276.02	
Interest on Loans		13,109.93	
Due Water Utility Capital Fund:			
Improvement Authorization Expenditures		97,776.50	
Refund of Water Rent Overpayments		5,397.62	
		<u>4,826,650.43</u>	
Balance December 31, 2021	D	<u>\$ 2,017,335.84</u>	<u>\$ 183.05</u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF CASH - WATER COLLECTOR
YEAR ENDED DECEMBER 31, 2021

D-4A

Increased by:

Consumer Accounts Receivable	\$ 4,079,471.84
Water Rent Overpayments	5,520.83
Nonbudget Revenue	79,067.68
	<hr/> 4,164,060.35

Decreased by:

Disbursed to Water Treasurer	<u><u>\$ 4,164,060.35</u></u>
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TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
ANALYSIS OF WATER UTILITY CAPITAL CASH

D-5

	Balance/ (Deficit) Dec. 31, 2020	Transfers		Balance/ (Deficit) Dec. 31, 2021
		From	To	
Capital Fund Balance	\$ 703.51			\$ 703.51
Due Current Fund	(488,140.00)		\$ 3,140.00	(485,000.00)
Due Water Utility Operating Fund	(143,410.90)	\$ 65,000.00	97,776.50	(110,634.40)
Down Payments on Improvements	15,525.85		10,000.00	25,525.85

Improvement Authorizations:

Ord. No.	Improvement Description				
2994	Water Capital Improvements	2,539.76			2,539.76
3140	Replacement of Water Meters and Retrofit of Meter Heads	73,877.87			73,877.87
3151	Utility Infrastructure GIS Mapping	12,018.75	7,306.00		4,712.75
3296	Various Water Utility Improvements	9,500.00			9,500.00
3322	Improvement of the Water Supply and Distribution System	23,479.32	80,246.37	51,860.00	(4,907.05)
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	236,133.15	4,754.39	2,750.00	234,128.76
3424	Various Water Utility Improvements	241,055.74	8,609.74	390.00	232,836.00
		<u>\$ 183.05</u>	<u>\$ 165,916.50</u>	<u>\$ 165,916.50</u>	<u>\$ 183.05</u>

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

D-6

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 703,659.40
Increased by:		
Water Rents Levied		4,144,246.32
		<u>4,847,905.72</u>
Decreased by:		
Collections:		4,079,471.84
		<u>4,079,471.84</u>
Balance December 31, 2021	D	<u><u>\$ 768,433.88</u></u>

WATER UTILITY OPERATING FUND
SCHEDULE OF INVENTORY

D-7

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 73,612.00
Decreased by:		
Adjustment to Actual Inventory Per Listing Provided by Water Department		12,417.00
		<u>12,417.00</u>
Balance December 31, 2021	D	<u><u>\$ 61,195.00</u></u>

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF RETURN ITEM ACCOUNT
YEAR ENDED DECEMBER 31, 2021

D-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF FIXED CAPITAL

D-9

	Balance Dec. 31, 2020	Balance Dec. 31, 2021
Water Mains	\$ 1,157,462.54	\$ 1,157,462.54
Water Utility Improvements	43,115.11	43,115.11
Machinery and Equipment	703,348.83	703,348.83
Geographic Information System	35,000.00	35,000.00
Water Distribution System	110,000.00	110,000.00
	<u>\$ 2,048,926.48</u>	<u>\$ 2,048,926.48</u>
<u>Ref.</u>	D	D

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

D-10

Ord. No.	Ord. Date	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Balance Dec. 31, 2021
2994	11/21/06	Water Capital Improvements	\$ 67,811.50		\$ 67,811.50
3140	06/15/10	Replacement of Water Meters and Retrofit of Meter Heads	3,100,000.00		3,100,000.00
3151	11/09/10	Utility Infrastructure GIS Mapping	27,375.00		27,375.00
3296	09/02/14	Various Water Utility Improvements	104,500.00		104,500.00
3322	10/06/15	Improvement of the Water Supply and Distribution System	297,000.00		297,000.00
3343	09/06/16	Improvement of the Water Supply and Distribution System	178,000.00		178,000.00
3370	11/08/17	Improvement of the Water Supply and Distribution System	169,000.00		169,000.00
3409	12/20/18	Various Water Utility Improvements	256,600.00		256,600.00
3424	08/06/19	Various Water Utility Improvements	257,250.00		257,250.00
3457	11/05/20	Various Water Utility Improvements	255,000.00		255,000.00
3478	10/05/21	Various Water Utility Improvements		\$ 285,000.00	285,000.00
			<u>\$ 4,712,536.50</u>	<u>\$ 285,000.00</u>	<u>\$ 4,997,536.50</u>
			<u>Ref.</u>	D	D

TOWNSHIP OF NUTLEY
WATER UTILITY OPERATING FUND
SCHEDULE OF 2020 APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2021

D-11

	Balance Dec. 31, 2020	Balance After Modification	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 69,098.56	\$ 67,098.56	\$ 63,432.93	\$ 3,665.63
Other Expenses	301,645.77	333,645.77	324,153.60	9,492.17
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Public Employees' Retirement System	15,000.00			
Social Security System (O.A.S.I.)	8,812.93	3,812.93		3,812.93
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			
	<u>\$ 405,557.26</u>	<u>\$ 405,557.26</u>	<u>\$ 387,586.53</u>	<u>\$ 17,970.73</u>

Ref.

Analysis of Balance December 31, 2020:

Unencumbered	D	\$ 265,810.27
Encumbered	D	<u>139,746.99</u>
		<u>\$ 405,557.26</u>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

D-12

Ord. No.	Improvement Description	Ordinance		Balance December 31, 2020		2021 Authorizations Deferred Charges to Future Revenue	Paid or Charged	Balance December 31, 2021	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
2994	Water Capital Improvements	11/21/06	\$ 79,200.00	\$ 2,539.76				\$ 2,539.76	
3140	Replacement of Water Meters and Retrofit of Meter Heads	06/15/10	3,100,000.00	73,877.87	\$ 1,638,303.00			73,877.87	\$ 1,638,303.00
3151	Utility Infrastructure GIS Mapping	11/09/10	27,375.00	12,018.75		\$	7,306.00	4,712.75	
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	23,479.32	196,781.25		80,246.37		140,014.20
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		236,133.15		2,004.39	234,128.76	
3424	Various Water Utility Improvements	08/06/19	257,250.00		241,055.74		8,219.74	232,836.00	
3457	Various Water Utility Improvements	11/05/20	255,000.00		255,000.00				255,000.00
3478	Various Water Utility Improvements	10/05/21	285,000.00			\$ 285,000.00			285,000.00
				\$ 138,315.70	\$ 2,897,373.14	\$ 285,000.00	\$ 97,776.50	\$ 574,495.14	\$ 2,648,417.20
		<u>Ref.</u>		D	D			D	D

Due to Water Utility Operating Fund

\$ 97,776.50

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

D-13

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 15,525.85
Increased by:		
Due from Water Utility Operating Fund:		
2021 Budget Appropriation		<u>10,000.00</u>
Balance December 31, 2021	D	<u>\$ 25,525.85</u>

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2021

D-14

NOT APPLICABLE

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

D-15

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 3,024,995.71
Increased by:		
Paid by Operating Budget:		
New Jersey Environmental Infrastructure Trust (NJEIT) Loans	\$ 100,617.68	
Ordinances Funded by Budget Appropriation	<u>55,000.00</u>	
		<u>155,617.68</u>
Balance December 31, 2021	D	<u><u>\$ 3,180,613.39</u></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, 2020</u>	<u>Balance Dec. 31, 2021</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	12,860.00	12,860.00
			<u>\$ 127,515.25</u>	<u>\$ 127,515.25</u>
		<u>Ref.</u>	D	D

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND
SCHEDULE OF SERIAL BONDS PAYABLE
YEAR ENDED DECEMBER 31, 2021

Purpose	Date of Issue	Outstanding Dec. 31, 2021		Interest Rate	Issued	Balance Dec. 31, 2021
		Date	Amount			
Water Improvement Bonds	04/13/2021	04/01/2022-23	\$ 65,000.00	1.00%		
		04/01/2024-27	70,000.00	1.00%		
		04/01/2028	75,000.00	1.25%	\$ 485,000.00	\$ 485,000.00
					\$ 485,000.00	\$ 485,000.00
				<u>Ref.</u>		D
			Due Current Fund		\$ 485,000.00	

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND

D-18

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOAN PAYABLE

	<u>Ref.</u>	
Balance December 31, 2020	D	\$ 700,627.77
Decreased by:		
Matured		<u>100,617.68</u>
Balance December 31, 2021	D	<u><u>\$ 600,010.09</u></u>


SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2021

Payment Number	Due Date	Trust		Fund Principal	Balance of Loan
		Interest	Principal		
					\$ 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>\$ 60,655.00</u>	<u>\$ 290,000.00</u>	<u>\$ 310,010.09</u>	

TOWNSHIP OF NUTLEY
WATER UTILITY CAPITAL FUND

D-19

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Date	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Bond Anticipation Notes Redeemed	Funded by Budget Appropriation	Balance Dec. 31, 2021
3140	06/15/10	Replacement of Water Meters and Retrofit of Meter Heads	\$ 1,638,303.00				\$ 1,638,303.00
 3322	10/06/15	Improvement of the Water Supply and Distribution System	196,781.25			\$ 51,860.00	144,921.25
3343	09/06/16	Improvement of the Water Supply and Distribution System	169,100.00				169,100.00
3370	11/08/17	Improvement of the Water Supply and Distribution System	161,000.00				161,000.00
3409	12/20/18	Various Water Utility Improvements			\$ 2,750.00	2,750.00	
3424	08/06/19	Various Water Utility Improvements			390.00	390.00	
3457	11/05/20	Various Water Utility Improvements	255,000.00				255,000.00
3478	10/05/21	Various Water Utility Improvements		\$ 285,000.00			285,000.00
			<u>\$ 2,420,184.25</u>	<u>\$ 285,000.00</u>	<u>\$ 3,140.00</u>	<u>\$ 55,000.00</u>	<u>\$ 2,653,324.25</u>

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY
COUNTY OF ESSEX
2021
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, 2020	F	\$ 76,405.04
Increased by Receipts:		
Interest		<u>253.56</u>
Balance December 31, 2021	F	<u><u>\$ 76,658.60</u></u>

TOWNSHIP OF NUTLEY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF NUTLEY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

1

Federal Funding Department	Program	Assistance Listing #	State Program Account #	Grant Award	Grant Receipts	Grant Period		Expenditures	MEMO	
						From	To		Cumulative Total Expenditures	Amounts Provided to Subrecipients
US Department of Transportation: Highway Safety Cluster: Passed through NJ Department of Law and Public Safety	Click It or Ticket	20.616	100-066-1160-119-6120	\$ 6,000.00	\$ 3,060.00	01/01/21	12/31/22	\$ 3,180.00	\$ 3,180.00	
	Drive Sober or Get Pulled Over	20.601	100-066-1160-157-DHTS	6,000.00	1,925.00	01/01/20	12/31/21	1,350.00	2,250.00	
	Distracted Driving Crackdown	20.616	100-066-1160-158-031030	5,500.00	1,860.00	01/01/20	12/31/21	2,160.00	2,160.00	
				9,000.00	1,860.00	01/01/21	12/31/22	2,160.00	2,160.00	
					3,785.00			3,510.00	4,410.00	
Total Highway Safety Cluster					6,845.00			6,690.00	7,590.00	
Total US Department of Transportation										
US Department of Justice: Office of Community Oriented Policing Services (COPS)	COPS Hiring Program (CHP)	16.710	N/A	500,000.00		11/01/17	10/31/22	34,560.23	293,592.41	
					-0-			34,560.23	293,592.41	
Total US Department of Justice										
US Department of Homeland Security: Passed through NJ Department of Law and Public Safety	Disaster Grants - Public Assistance - F.E.M.A. Tropical Storm Isaias	97.036	100-066-1200-C73-069820	14,061.00	14,061.00	08/05/20	12/31/20	14,061.00 *	14,061.00	
	Emergency Management Performance Grants - F.E.M.A. Non-Terrorism	97.042	100-066-1200-726-062600	10,000.00	10,000.00	01/01/21	12/31/21	10,000.00	10,000.00	
					24,061.00			24,061.00	24,061.00	
	Total US Department of Homeland Security									
US Department of Housing & Urban Development: CDBG - Entitlement Grants Cluster: Passed through Essex County Office of Community Development	Community Development Block Grant: Reconstruction of Witherspoon Street ADA Path at Glotzbach Park	14.218	N/A	125,450.00	111,191.85	01/01/21	12/31/21	111,191.85	111,191.85	
				31,350.00	20,241.52	01/01/21	12/31/21	20,241.52	20,241.52	
					131,433.37			131,433.37	131,433.37	
	Total CDBG - Entitlement Grants Cluster				131,433.37			131,433.37	131,433.37	
Total US Department of Housing & Urban Development										
US Department of Treasury: Passed through NJ Department of Community Affairs	COVID-19 - American Rescue Plan Act: Coronavirus State and Local Fiscal Recovery Funds	21.027	100-022-8030-687-046010	2,976,145.68	1,488,072.84	03/03/21	12/31/24			
					1,488,072.84					
Total US Department of Treasury					#####			\$ 196,744.60	\$ 456,676.78	\$ -0-
TOTAL FEDERAL AWARDS										

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

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

TOWNSHIP OF NUTLEY

2

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

State Funding Department Department of Law & Public Safety	State Program	State Grant Account #	Grant Award	Grant Receipts	Grant Period		Expenditures Total	MEMO Cumulative Expenditures Total
					From	To		
	Safe & Secure Communities Program	100-066-1020- 232-6120	\$ 60,000.00 32,400.00	\$ 32,400.00 32,400.00	08/01/20 08/01/21	07/31/21 07/31/22	\$ 11,607.77 13,707.76 25,315.53	\$ 26,607.82 13,707.76 40,315.58
	Drunk Driving Enforcement Fund	100-078-6400- 260-YYYY	7,780.25		01/01/20	12/31/22	1,532.50	1,532.50
	Body Armor Replacement Fund	718-066-1020- 001-6120	6,124.16 6,543.29 4,796.79		01/01/17 01/01/20 01/01/21	12/31/21 12/31/21 12/31/22	2,964.05 4,496.25 7,460.30	6,124.00 4,496.25 10,620.25
Total Department of Law and Public Safety				37,196.79			34,308.33	52,468.33
Department of Environmental Protection	Clean Communities Program	765-042-4900- 004-6020	48,616.27 51,757.96	51,757.96 51,757.96	01/01/20 01/01/21	12/31/22 12/31/22	17,032.43 999.96 18,032.39	18,032.39 999.96 19,032.35
	Recycling Tonnage Grant	752-042-4900- 004-178840		34,322.46	01/01/21	12/31/21	34,322.46 *	34,322.46
	Green Acres Grant	533-042-4800 003-852000	548,370.00		01/01/20	12/31/21	548,370.00	548,370.00
Total Department of Environmental Protection				86,080.42			600,724.85	601,724.81
Department of Treasury: Passed through the County of Essex	Governor's Council on Alcoholism & Drug Abuse - Municipal Alliance Program		20,724.94 8,700.00	5,220.04	07/01/20 07/01/21	06/30/21 06/30/22	4,240.47 414.04 4,654.51	6,392.12 414.04 6,806.16
Total Department of Treasury				5,220.04			4,654.51	6,806.16
Department of Transportation	NJ Transportation Trust Fund Authority Act - Municipal Aid: Grant Avenue Grant Avenue	480-078-6300- AN8-606280 AOA-606480	424,193.00 406,964.00	- 0 - - 0 -	01/01/19 01/01/20	12/31/22 12/31/22	139,468.29 382,281.70 521,749.99	310,906.40 382,281.70 693,188.10
Total Department of Transportation				- 0 -			521,749.99	693,188.10
TOTAL STATE AWARDS				\$ 128,497.25			\$ 1,161,437.68	\$ 1,354,187.40

* - Expended in prior year(s)

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

TOWNSHIP OF NUTLEY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2021

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, 2021. 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, 2021:

General Capital Fund:

NJ Department of Environmental Protection Green Acres Loan	\$ 324,858
NJ Department of Environmental Protection Green Acres Loan	<u>87,529</u>
	<u>\$ 412,387</u>

Water Utility Capital Fund:

NJ Environmental Infrastructure Trust Loan	\$ 290,000
NJ Environmental Infrastructure Fund Loan	<u>310,010</u>
	<u>\$ 600,010</u>

TOWNSHIP OF NUTLEY
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2021
(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 2022.

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, 2021 and 2020, and the related notes to the financial statements and have issued our report thereon dated June 3, 2022. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

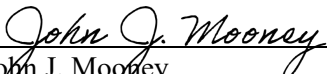
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

Mount Arlington, New Jersey
June 3, 2022


NISIVOCCIA LLP


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

Report on Compliance for Each Major State Program;
 Report on Internal Control Over Compliance Required by the
 Uniform Guidance and New Jersey's OMB Circular 15-08

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 State Program

Opinion on Each Major State Program

We have audited the Township of Nutley's (the "Township's") compliance with the types of compliance requirements identified as subject to audit in New Jersey's OMB Circular 15-08 that could have a direct and material effect on the Township's major state program for the year ended December 31, 2021. The Township's major state program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended December 31, 2021.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Mount Arlington, New Jersey
June 3, 2022

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, 2021

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 state 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 Required by the Uniform Guidance and New Jersey's OMB Circular 15-08*.
- The auditor's report on compliance for the major state program for the Township expresses an unmodified opinion on its major state program.
- The audit did not disclose any 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 was not subject to the single audit provisions of the Uniform Guidance for the year ended December 31, 2021 as federal grant expenditures were less than the single audit threshold of \$750,000 identified in the Uniform Guidance.
- The threshold for distinguishing between Type A and B state programs was \$750,000.
- The Township was not determined to be a "low-risk" auditee for state programs.
- The Township's program tested as a major state program for the current fiscal year consisted of the following award:

	<u>State Grant</u> <u>Account Number</u>	<u>Grant</u> <u>Award</u>	<u>Grant</u> <u>Expenditures</u>
NJ Transportation Trust Fund Authority			
Act - Municipal Aid:	480-078-6300-		
Grant Avenue	AN8-606280	\$ 424,193	\$ 139,468
Grant Avenue	AOA-606480	406,964	<u>382,282</u>
			<u>\$ 521,750</u>

TOWNSHIP OF NUTLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021
(Continued)

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- 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.

TOWNSHIP OF NUTLEY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

The Township had no prior year audit findings.

TOWNSHIP OF NUTLEY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS

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

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

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

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

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

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

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

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

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

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

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

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

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 5, 2021, 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 14, 2021 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>
2021	0
2020	0
2019	1

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, 2021.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021

	Balance Dec. 31, 2020	Receipts	Disbursements	Balance Dec. 31, 2021
Municipal Treasurer:				
Fines and Costs	\$ 15,048.15	\$ 269,708.12	\$ 262,027.74	\$ 22,728.53
P.O.A.A. Fines	6.00	3,855.50	3,403.50	458.00
Public Defender	250.00	890.00	1,040.00	100.00
State Treasurer	14,386.22	216,543.28	212,907.45	18,022.05
County Treasurer	3,140.50	64,012.75	60,943.75	6,209.50
Transcript Fees		400.00	400.00	
Weights and Measures		2,900.00	2,900.00	
Restitution		3,820.45	3,518.45	302.00
Cash Bail	4,050.00	11,504.00	12,754.00	2,800.00
	<u>\$ 36,880.87</u>	<u>\$ 573,634.10</u>	<u>\$ 559,894.89</u>	<u>\$ 50,620.08</u>

During our review of the Municipal Court records, we noted that the tickets and special complaints assigned but not issued reports at December 31, 2021 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.

New Jersey Administrative Code Accounting Requirements

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

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

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

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Water Utility Capital Fund

There is an ordinance in the Water Utility Capital Fund over five years old with a deficit cash balance as of December 31, 2021. This situation arises when expenditures are made from an ordinance without the related debt being issued. As the deficit cash balance is not significant and funding for this ordinance has been included in the Water Utility Operating Fund's 2022 budget, a formal recommendation is judged to be unnecessary at this time.

Management Suggestions

Improvement Authorizations

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

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.

Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 87, *Leases*, is effective for the year ended December 31, 2022. Previously leases were either categorized as capital leases or operating leases. This statement will likely affect most leases formerly classified as operating leases. There will be required disclosures for leases for which the Township is either a lessee or a lessor although there will be no impact on the actual financial statements. It is likely that a lease software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.

COVID-19 Federal Funding

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

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

TOWNSHIP OF NUTLEY
COMMENTS AND RECOMMENDATIONS
(Continued)

Corrective Action Plan

The Township has initiated a corrective action plan to resolve comments and recommendations from the 2020 audit report. During 2021, recommendation 1a regarding reconciling items included on the Municipal Court monthly bank reconciliation was resolved.

TOWNSHIP OF NUTLEY
SUMMARY OF RECOMMENDATIONS

It is recommended that:

NONE

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