

*TOWNSHIP OF NUTLEY*

*COUNTY OF ESSEX*

*REPORT OF AUDIT*

*2022*

*NISIVOCCIA LLP  
CERTIFIED PUBLIC ACCOUNTANTS*

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
REPORT OF AUDIT  
2022

TOWNSHIP OF NUTLEY  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2022

|   |                 |
|---|-----------------|
| <u>PART I - Financial Statements and Supplementary Data</u>                           | <u>Page</u>     |
| Independent Auditors' Report  | 1-4             |
| <u>Financial Statements</u>   | <u>Schedule</u> |
| <u>Current Fund</u>   |                 |
| Comparative Balance Sheet – Regulatory Basis  | A               |
| Comparative Statement of Operations and Change in Fund Balance – Regulatory Basis     | A-1             |
| Statement of Revenue – Regulatory Basis   | A-2             |
| Statement of Expenditures – Regulatory Basis  | A-3             |
| <u>Trust Funds</u>  |                 |
| Comparative Balance Sheet – Regulatory Basis  | B               |
| Statement of Fund Balance – Regulatory Basis – Assessment Trust Fund (Not Applicable) | B-1             |
| Statement of Revenue – Regulatory Basis – Assessment Trust Fund (Not Applicable)      | B-2             |
| Statement of Expenditures – Regulatory Basis – Assessment Trust Fund (Not Applicable) | B-3             |
| <u>General Capital Fund</u>   |                 |
| Comparative Balance Sheet – Regulatory Basis  | C               |
| Statement of Fund Balance – Regulatory Basis  | C-1             |
| <u>Water Utility Fund</u>   |                 |
| Comparative Balance Sheet – Regulatory Basis  | D               |
| Comparative Statement of Operations and Change in Fund                                |                 |
| Balance – Regulatory Basis – Water Utility Operating Fund                             | D-1             |
| Statement of Fund Balance – Regulatory Basis – Water Utility Capital Fund             | D-1A            |
| Statement of Revenue – Regulatory Basis – Water Utility Operating Fund                | D-2             |
| Statement of Expenditures – Regulatory Basis – Water Utility Operating Fund           | D-3             |
| <u>Sewer Utility Fund (Not Applicable)</u>  |                 |
| <u>Public Assistance Fund</u>   |                 |
| Comparative Balance Sheet – Regulatory Basis  | F               |
| <u>Bond and Interest Fund (Not Applicable)</u>  |                 |
| <u>General Fixed Assets Account Group (Unaudited)</u>                                 |                 |
| Comparative Balance Sheet – Regulatory Basis (Unaudited)                              | H               |
|   | <u>Page</u>     |
| <u>Notes to Financial Statements</u>  | 1-35            |
| <u>Supplementary Data</u>   | <u>Schedule</u> |
| Officials in Office and Surety Bonds  | 1               |
| <u>Current Fund</u>   |                 |
| Schedule of Cash – Treasurer  | A-4             |
| Schedule of Cash – Collector  | A-5             |
| Schedule of Cash – Grant Funds (Not Applicable)                                       | A-6             |
| Schedule of Taxes Receivable and Analysis of Property Tax Levy                        | A-7             |
| Schedule of Tax Title Liens (Not Applicable)  | A-8             |
| Schedule of Revenue Accounts Receivable   | A-9             |
| Schedule of Consumer Accounts Receivable (Not Applicable)                             | A-10            |
| Schedule of 2021 Appropriation Reserves   | A-11            |
| Schedule of Local School District Taxes Payable/(Prepaid)                             | A-12            |

TOWNSHIP OF NUTLEY  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

| <u>Supplementary Data (Cont'd)</u>  | <u>Schedule</u> |
|---|-----------------|
| <u>Trust Funds</u>  |                 |
| Schedule of Cash – Treasurer  | B-4             |
| Schedule of Animal Control Fund Cash – Collector – Animal Control Fund (Not Applicable)             | B-4A            |
| Analysis of Cash – Assessment Trust Fund (Not Applicable)   | B-5             |
| Schedule of Reserve for Animal Control Fund Expenditures – Animal Control Fund                      | B-6             |
| <u>General Capital Fund</u>   |                 |
| Schedule of Cash - Treasurer  | C-2             |
| Analysis of General Capital Fund Cash   | C-3             |
| Schedule of Deferred Charges to Future Taxation – Unfunded  | C-4             |
| Schedule of Improvement Authorizations  | C-5             |
| Schedule of Capital Improvement Fund  | C-6             |
| Schedule of Bond Anticipation Notes Payable   | C-7             |
| Schedule of Serial Bonds Payable  | C-8             |
| Schedule of NJ Department of Environmental Protection (NJDEP) Green Acres Loans Payable             | C-9             |
| Schedule of Bonds and Notes Authorized but not Issued   | C-10            |
| <u>Water Utility Fund</u>   |                 |
| Schedule of Cash - Treasurer – Water Utility Fund   | D-4             |
| Schedule of Cash – Water Collector - Water Utility Operating Fund                                   | D-4A            |
| Analysis of Cash – Water Utility Capital Fund   | D-5             |
| Schedule of Consumer Accounts Receivable – Water Utility Operating Fund                             | D-6             |
| Schedule of Inventory – Water Utility Operating Fund  | D-7             |
| Schedule of Return Item Account – Water Utility Operating Fund (Not Applicable)                     | D-8             |
| Schedule of Fixed Capital – Water Utility Capital Fund  | D-9             |
| Schedule of Fixed Capital Authorized and Uncompleted – Water Utility Capital Fund                   | D-10            |
| Schedule of 2021 Appropriation Reserves – Water Utility Operating Fund                              | D-11            |
| Schedule of Improvement Authorizations – Water Utility Capital Fund                                 | D-12            |
| Schedule of Down Payments on Improvements – Water Utility Capital Fund                              | D-13            |
| Schedule of Capital Improvement Fund – Water Utility Capital Fund (Not Applicable)                  | D-14            |
| Schedule of Reserve for Amortization – Water Utility Capital Fund                                   | D-15            |
| Schedule of Deferred Reserve for Amortization – Water Utility Capital Fund                          | D-15A           |
| Schedule of Bond Anticipation Notes Payable – Water Utility Capital Fund (Not Applicable)           | D-16            |
| Schedule of Serial Bonds Payable – Water Utility Capital Fund                                       | D-17            |
| Schedule of NJ Environmental Infrastructure Trust (NJEIT) Loan Payable – Water Utility Capital Fund | D-18            |
| Schedule of Bonds and Notes Authorized but not Issued – Water Utility Capital Fund                  | D-19            |
| <u>Sewer Utility Fund (Not Applicable)</u>  |                 |
| <u>Public Assistance Fund</u>   |                 |
| Schedule of Cash – Treasurer  | F-1             |

TOWNSHIP OF NUTLEY  
TABLE OF CONTENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

|   |                 |
|---|-----------------|
| <u>PART II - Single Audit</u>   | <u>Page</u>     |
| Schedule of Expenditures of Federal Awards  | 1               |
| Schedule of Expenditures of State Awards  | 2               |
| Notes to Schedules of Expenditures of Federal and State Awards  | 3-4             |
| Report on Internal Control Over Financial Reporting and on Compliance and<br>Other Matters Based on an Audit of Financial Statements Performed in<br>Accordance with <i>Government Auditing Standards</i> | 5-6             |
| Report on Compliance for Each Major Federal Program and Report on Internal Control Over<br>Compliance Required by the Uniform Guidance  | 7-9             |
| Schedule of Findings and Questioned Costs   | 10-11           |
| Summary Schedule of Prior Audit Findings  | 12              |
| <br><u>PART III - Comments and Recommendations</u>  | <br><u>Page</u> |
| Comments and Recommendations  | 13-17           |
| Summary of Recommendations  | 18              |

TOWNSHIP OF NUTLEY

PART I

FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2022



## Independent Auditors' Report

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements – *regulatory basis* – of the various funds and account group of the Township of Nutley in the County of Essex (the "Township") as of, and for the years ended December 31, 2022 and 2021, 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, 2022 and 2021 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, 2022 and 2021, 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, 2022 and 2021, 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  
Page 2

***Basis for Unmodified Opinions on the Various Funds and Qualified Opinion on General Fixed Assets Account Group on Regulatory Basis of Accounting***

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

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

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

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

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

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

***Responsibilities of Management for the Financial Statements***

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



### ***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  
Page 4

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2023 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  
July 7, 2023

*Nisiroccia LLP*  
NISIVOCCIA LLP

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
CURRENT FUND

TOWNSHIP OF NUTLEY  
CURRENT FUND  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS

A  
1 of 2

|   |      | December 31,            |                        |
|---|------|-------------------------|------------------------|
|   | Ref. | 2022                    | 2021                   |
| <u>ASSETS</u>   |      |                         |                        |
| Cash and Cash Equivalents                             | A-4  | \$ 42,851,158.48        | \$42,212,977.97        |
| Change Fund   |      | 300.00                  | 300.00                 |
|   |      | <u>42,851,458.48</u>    | <u>42,213,277.97</u>   |
| School Taxes Prepaid                                  | A-12 | 2,362.00                |                        |
| Due State of New Jersey:                              |      |                         |                        |
| Senior Citizens' and Veterans' Deductions             |      | <u>11,112.92</u>        | <u>11,847.85</u>       |
|   |      | <u>42,864,933.40</u>    | <u>42,225,125.82</u>   |
| Receivables and Other Assets With Full Reserves:      |      |                         |                        |
| Delinquent Property Taxes Receivable                  | A-7  | 1,218,307.51            | 1,268,250.97           |
| Property Acquired for Taxes at Assessed Valuation     |      | 47,570.00               | 47,570.00              |
| Revenue Accounts Receivable                           | A-9  | 22,502.44               | 22,727.53              |
| Due State of New Jersey:                              |      |                         |                        |
| Consolidated Municipal Property Tax Relief Aid        |      |                         | 800,000.00             |
| Due Animal Control Fund                               | B    | 20,299.48               | 1,250.77               |
| Due Water Utility Operating Fund                      | D    | <u>1,057,656.80</u>     | <u>1,082,261.21</u>    |
|   |      | <u>2,366,336.23</u>     | <u>3,222,060.48</u>    |
| Total Receivables and Other Assets with Full Reserves |      |                         |                        |
| Deferred Charges:                                     |      |                         |                        |
| Special Emergency Authorization                       |      | <u>220,000.00</u>       | <u>330,000.00</u>      |
| TOTAL ASSETS  |      | <u>\$ 45,451,269.63</u> | <u>\$45,777,186.30</u> |

LIABILITIES, RESERVES AND FUND BALANCE

|  |          |                     |                     |
|--|----------|---------------------|---------------------|
| Appropriation Reserves:                |          |                     |                     |
| Unencumbered                           | A-3;A-11 | 3,558,230.59        | 4,169,192.92        |
| Encumbered                             | A-3;A-11 | <u>1,427,295.43</u> | <u>1,438,831.74</u> |
|  |          | 4,985,526.02        | 5,608,024.66        |
| Accounts Payable - Vendors             |          | 2,966,216.22        | 2,525,438.35        |
| Prepaid Uniform Construction Code Fees |          |                     | 200,000.00          |
| Prepaid Taxes                          |          | 826,230.33          | 687,077.42          |
| Tax Overpayments                       |          | 423,399.63          | 458,483.05          |
| School Taxes Payable                   | A-12     |                     | 889,875.00          |
| County Added and Omitted Taxes Payable |          | 45,057.59           | 35,761.50           |
| County PILOT Taxes Payable             |          | 124,202.81          |                     |
| Due Other Trust Funds                  | B        | 6,075,532.28        | 5,951,888.67        |
| Due General Capital Fund               | C        | 5,677,044.46        | 8,738,011.68        |
| Due Water Utility Capital Fund         | D        | 485,000.00          | 485,000.00          |
| Due State of New Jersey:               |          |                     |                     |
| Construction Code Surcharge Fees       |          | 6,430.00            | 6,938.00            |
| Marriage License Fees                  |          | 225.00              | 925.00              |
| Burial Permit Fees                     |          | 5.00                | 5.00                |

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

A  
2 of 2

|  |      | December 31,            |                        |
|--|------|-------------------------|------------------------|
|  | Ref. | 2022                    | 2021                   |
| <u>LIABILITIES, RESERVES AND FUND BALANCE (Cont'd)</u>                   |      |                         |                        |
| Reserve for:   |      |                         |                        |
| Appropriated Grant Funds:  |      |                         |                        |
| Municipal Alliance Grant   |      | \$ 500.52               | \$ 500.52              |
| Clean Communities  |      | 108,151.58              | 105,061.94             |
| 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                | 3,067.11               |
| Body Armor Replacement Fund  |      | 4,727.43                | 2,047.04               |
| Recycling Tonnage Grant  |      | 15,918.85               | 15,918.85              |
| Drunk Driving Enforcement Fund   |      | 572.81                  | 6,247.75               |
| Partners for Healthy-Healthy Lifestyles                                  |      | 2,382.17                | 6,000.00               |
| Body Worn Camera Grant   |      | 42,997.33               |                        |
| Unappropriated Grant Funds:  |      |                         |                        |
| Alcohol Education, Rehabilitation and Enforcement Fund                   |      | 1,083.60                | 1,083.60               |
| Body Armor Replacement Fund  |      | 1,457.09                |                        |
| Bullet Proof Vest Program  |      | 11,255.25               | 11,255.25              |
| Pedestrian Safety, Education and Enforcement Fund                        |      | 11,110.00               |                        |
| American Rescue Plan - Coronavirus State and Local Fiscal Recovery Funds |      | 2,976,145.68            | 1,488,072.84           |
| Municipal Relief Fund Aid  |      | 273,736.76              |                        |
| Purchase of Fire Truck - Insurance Proceeds                              |      | 7,481.03                | 21,103.76              |
| Pending Tax Appeals  |      | 6,730,680.29            | 6,402,251.42           |
| Sale of Municipal Assets   |      | 66,550.00               | 66,550.00              |
| Revaluation of Property  |      | 145,536.85              | 435,775.71             |
| Master Plan Review   |      | 13,610.00               | 13,610.00              |
| Litigation Settlement  |      | 670,000.00              | 580,000.00             |
| Dissolution of Nutley Volunteer Emergency Rescue Squad                   |      | 255,144.08              |                        |
| Payment in Lieu of Taxes:  |      |                         |                        |
| Seton Hall University Medical School                                     |      | 327,616.72              | 326,846.44             |
| PB-100 Metro Boulevard   |      | 1,740,589.28            | 845,935.59             |
| 200 Metro Boulevard  |      | 876,501.98              |                        |
|  |      | <u>35,932,685.66</u>    | <u>35,949,756.06</u>   |
| Reserve for Receivables and Other Assets                                 | A    | 2,366,336.23            | 3,222,060.48           |
| Fund Balance   | A-1  | <u>7,152,247.74</u>     | <u>6,605,369.76</u>    |
| TOTAL LIABILITIES, RESERVES AND FUND BALANCE                             |      | <u>\$ 45,451,269.63</u> | <u>\$45,777,186.30</u> |

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

TOWNSHIP OF NUTLEY

A-1

CURRENT FUND

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

|  | Year Ended December 31, |                 |
|--|-------------------------|-----------------|
|  | 2022                    | 2021            |
| <u>Revenue and Other Income Realized</u>           |                         |                 |
| Fund Balance Utilized                              | \$ 5,000,000.00         | \$ 5,000,000.00 |
| Miscellaneous Revenue Anticipated                  | 10,032,579.06           | 9,661,542.43    |
| Receipts from:                                     |                         |                 |
| Delinquent Taxes                                   | 1,267,661.18            | 1,242,751.55    |
| Current Taxes                                      | 124,002,275.41          | 123,883,377.36  |
| Nonbudget Revenue                                  | 558,149.85              | 379,406.68      |
| Other Credits to Income:                           |                         |                 |
| Unexpended Balance of Appropriation Reserves       | 1,038,933.93            | 1,729,670.18    |
| Cancellation of:                                   |                         |                 |
| Reserve for Grant Funds Appropriated:              |                         |                 |
| Body Armor Replacement Fund                        |                         | 95.80           |
| Drunk Driving Enforcement Fund                     |                         | 7,780.25        |
| Tax Overpayments                                   | 525.48                  |                 |
| Interfunds and Other Receivables Returned          | 824,604.41              | 7,467.53        |
| Total Income                                       | 142,724,729.32          | 141,912,091.78  |
| <u>Expenditures</u>                                |                         |                 |
| Budget Appropriations                              | 53,458,732.57           | 52,367,071.76   |
| County Taxes                                       | 20,206,096.47           | 20,333,395.15   |
| County Share of Added and Omitted Taxes            | 45,057.59               | 35,761.50       |
| Local School District Taxes                        | 63,098,916.00           | 62,967,077.00   |
| Reserve for Pending Tax Appeals                    | 350,000.00              |                 |
| Refund of Prior Year - Taxes                       |                         | 5,386.78        |
| Refund of Prior Year Revenue - Other               |                         | 3,906.11        |
| Interfunds and Other Receivables Advanced          | 19,048.71               | 858,636.98      |
| Total Expenditures                                 | 137,177,851.34          | 136,571,235.28  |
| Excess in Revenue/Statutory Excess to Fund Balance | \$ 5,546,877.98         | \$ 5,340,856.50 |
| <u>Fund Balance</u>                                |                         |                 |
| Balance January 1                                  | 6,605,369.76            | 6,264,513.26    |
|  | 12,152,247.74           | 11,605,369.76   |
| Decreased by:                                      |                         |                 |
| Utilized as Anticipated Revenue                    | 5,000,000.00            | 5,000,000.00    |
| Balance December 31                                | A \$ 7,152,247.74       | \$ 6,605,369.76 |

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, 2022

A-2  
1 of 5

|  | Budget          | Added by<br>NJSA 40A:4-87 | Realized        | Excess or<br>Deficit * |
|--|-----------------|---------------------------|-----------------|------------------------|
| Fund Balance Anticipated                       | \$ 5,000,000.00 |                           | \$ 5,000,000.00 |                        |
| Miscellaneous Revenue:                         |                 |                           |                 |                        |
| Licenses:                                      |                 |                           |                 |                        |
| Alcoholic Beverages                            | 30,000.00       |                           | 31,971.84       | \$ 1,971.84            |
| Other  | 15,000.00       |                           | 37,351.94       | 22,351.94              |
| Fees and Permits                               | 145,000.00      |                           | 158,363.58      | 13,363.58              |
| Fines and Costs:                               |                 |                           |                 |                        |
| Municipal Court                                | 200,000.00      |                           | 285,559.94      | 85,559.94              |
| Interest and Costs on Taxes                    | 139,000.00      |                           | 140,214.63      | 1,214.63               |
| Parking Meters                                 | 151,000.00      |                           | 341,397.88      | 190,397.88             |
| Interest on Investments and Deposits           | 65,000.00       |                           | 176,637.18      | 111,637.18             |
| Fees - Immunization Program                    | 5,000.00        |                           | 7,343.68        | 2,343.68               |
| Tree Removal Permits                           | 5,000.00        |                           | 6,600.00        | 1,600.00               |
| Consolidated Municipal Property Tax Relief Aid | 2,137,207.00    |                           | 2,137,207.00    |                        |
| Energy Receipts Tax                            | 3,110,423.00    |                           | 3,110,423.00    |                        |
| Uniform Construction Code Fees                 | 375,000.00      |                           | 650,349.00      | 275,349.00             |
| Nutley Board of Education:                     |                 |                           |                 |                        |
| Physician Services                             | 11,000.00       |                           | 9,900.00        | 1,100.00 *             |
| Bulk/Solid Waste                               | 12,500.00       |                           | 12,500.00       |                        |
| Fiber Optic Cable                              | 7,500.00        |                           | 7,500.00        |                        |
| Safe and Secure Communities Grant              |                 | \$ 32,400.00              | 32,400.00       |                        |
| Clean Communities Program                      |                 | 53,204.68                 | 53,204.68       |                        |
| Distracted Driver Crackdown Grant              | 10,500.00       |                           | 7,000.00        | 3,500.00 *             |
| County of Essex Municipal Alliance Grant       |                 | 8,700.00                  | 8,699.98        | 0.02 *                 |
| Body Armor Replacement Fund                    | 5,898.75        |                           | 5,898.75        |                        |
| Office of Emergency Management                 |                 | 10,000.00                 |                 | 10,000.00 *            |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

A-2  
2 of 5

|   | Budget              | Added by<br>NJSA 40A:4-87 | Realized             | Excess or<br>Deficit * |
|---|---------------------|---------------------------|----------------------|------------------------|
| Miscellaneous Revenue:  |                     |                           |                      |                        |
| Occupant Protection Program - Click It or Ticket                            |                     | \$ 7,000.00               | \$ 7,000.00          | \$ -                   |
| Bullet Proof Vest Program   |                     | 5,484.05                  | 5,484.05             |                        |
| National Opioids Settlement   |                     | 11,796.50                 | 11,796.50            |                        |
| Sewer Maintenance Fees - Due from:  |                     |                           |                      |                        |
| Town of Belleville  | 11,332.00           |                           | 11,332.33            | 0.33                   |
| City of Clifton   | 145.00              |                           | 145.50               | 0.50                   |
| Residential Furniture Delivery Service                                      | 717.00              |                           | 717.38               | 0.38                   |
| Town of Bloomfield  | 61,142.00           |                           | 61,142.78            | 0.78                   |
| Regency Condominiums  | 7,015.00            |                           | 7,015.73             | 0.73                   |
| PB Nutelif LLC, Excess Sewer Charges  | 108,995.00          |                           | 108,995.09           | 0.09                   |
| Payment in Lieu of Taxes:   |                     |                           |                      |                        |
| Senior Citizen Housing  | 151,675.00          |                           | 101,117.04           | 50,557.96 *            |
| Nutley Senior Manor   | 43,980.00           |                           | 46,081.88            | 2,101.88               |
| PB-100 Metro Boulevard  | 506,398.00          |                           | 506,398.00           |                        |
| Passaic Valley Sewer Charges - User Charges                                 | 11,915.00           |                           | 11,915.10            | 0.10                   |
| Recycling Program   | 25,000.00           |                           | 25,000.00            |                        |
| Bureau of Housing Inspection  | 10,000.00           |                           | 7,995.00             | 2,005.00 *             |
| Uniform Fire Safety Act   | 25,613.00           |                           | 24,532.32            | 1,080.68 *             |
| Cable Franchise Fee   | 393,792.00          |                           | 393,792.36           | 0.36                   |
| Cell Phone Tower Lease  | 18,000.00           |                           | 18,000.00            |                        |
| Emergency Management Services Transportation Billing                        | 600,000.00          |                           | 718,832.92           | 118,832.92             |
| Reserve for Payment in Lieu of Taxes - Seton Hall University Medical School | 334,762.00          |                           | 334,762.00           |                        |
| Reserve for Litigation Settlement   | 110,000.00          |                           | 110,000.00           |                        |
| Board of Education Contribution for Crossing Guards                         | 300,000.00          |                           | 300,000.00           |                        |
|   | <u>9,145,509.75</u> | <u>128,585.23</u>         | <u>10,032,579.06</u> | <u>758,484.08</u>      |
| Receipts from Delinquent Taxes  | <u>1,200,000.00</u> |                           | <u>1,267,661.18</u>  | <u>67,661.18</u>       |



TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
 (Continued)

A-2  
3 of 5

|  | Budget           | Added by<br>NJSA 40A:4-87 | Realized         | Excess or<br>Deficit * |
|--|------------------|---------------------------|------------------|------------------------|
| Amount to be Raised by Taxes for Support of Municipal Budget:      |                  |                           |                  |                        |
| Local Tax for Municipal Purposes                                   | \$ 41,174,190.78 |                           | \$ 43,839,420.97 | \$ 2,665,230.19        |
| Minimum Library Tax  | 1,453,784.38     |                           | 1,453,784.38     |                        |
| Total Amount to be Raised by Taxes for Support of Municipal Budget | 42,627,975.16    |                           | 45,293,205.35    | 2,665,230.19           |
| Budget Totals  | 57,973,484.91    | \$ 128,585.23             | 61,593,445.59    | \$ 3,491,375.45        |
| Nonbudget Revenue  |                  |                           | 558,149.85       |                        |
|  | \$ 57,973,484.91 | \$ 128,585.23             | \$ 62,151,595.44 |                        |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

A-2  
4 of 5

Allocation of Current Tax Collections:

|  |                      |                                |
|--|----------------------|--------------------------------|
| Revenue from Collection of Current Taxes           |                      | \$ 124,002,275.41              |
| Allocated to:                                      |                      |                                |
| County Taxes                                       | \$ 20,206,096.47     |                                |
| County Share of Added and Omitted Taxes            | 45,057.59            |                                |
| Local School District Taxes                        | <u>63,098,916.00</u> |                                |
|  |                      | <u>83,350,070.06</u>           |
| Balance for Support of Municipal Budget            |                      | 40,652,205.35                  |
| Add: Appropriation "Reserve for Uncollected Taxes" |                      | <u>4,641,000.00</u>            |
| Realized for Support of Municipal Budget           |                      | <u><u>\$ 45,293,205.35</u></u> |

Receipts from Delinquent Taxes:

|                            |                               |
|----------------------------|-------------------------------|
| Delinquent Tax Collections | <u><u>\$ 1,267,661.18</u></u> |
|----------------------------|-------------------------------|

Analysis of Other Licenses:

|                 |                            |
|-----------------|----------------------------|
| Municipal Clerk | \$ 1,681.94                |
| Board of Health | <u>35,670.00</u>           |
|                 | <u><u>\$ 37,351.94</u></u> |

Analysis of Fees and Permits:

|                               |                             |
|-------------------------------|-----------------------------|
| Building Inspector            | \$ 125,588.00               |
| Board of Health               | 12,307.00                   |
| Police                        | 5,365.59                    |
| Tax Search Fees/Miscellaneous | 13,752.99                   |
| Public Works                  | <u>1,530.00</u>             |
|                               | 158,543.58                  |
| Less: Refunds                 | <u>180.00</u>               |
|                               | <u><u>\$ 158,363.58</u></u> |

Analysis of Emergency Management Services Transportation Billing:

|               |                             |
|---------------|-----------------------------|
| Treasurer     | \$ 718,932.92               |
| Less: Refunds | <u>100.00</u>               |
|               | <u><u>\$ 718,832.92</u></u> |

Analysis of Interest on Investments and Deposits:

|                                 |                             |
|---------------------------------|-----------------------------|
| Collected/Received by Treasurer | <u><u>\$ 176,637.18</u></u> |
|---------------------------------|-----------------------------|

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

A-2  
5 of 5

Analysis of Tree Removal Permits:

|                      |                    |
|----------------------|--------------------|
| Parks and Recreation | \$ 6,800.00        |
| Less: Refunds        | 200.00             |
|                      | <u>\$ 6,600.00</u> |

Analysis of Uniform Construction Code Fees:

|   |                      |
|---|----------------------|
| Construction Code Official                      | \$ 450,349.00        |
| Prepaid Uniform Construction Code Fees Realized | 200,000.00           |
|   | <u>\$ 650,349.00</u> |

Analysis of Nonbudget Revenue:

Miscellaneous Revenue Not Anticipated:

Treasurer:

Prior Year Revenue:

|  |              |
|--|--------------|
| Body Worn Camera Grant                       | \$ 34,646.00 |
| County of Essex Municipal Alliance Grant     | 3,874.34     |
| Office of Emergency Management:              |              |
| Emergency Management Performance Grant       | 10,000.00    |
| PB Nutclif I LLC, Excess Sewer Charges       | 23,479.34    |
| Nutley Board of Education Physician Services | 4,400.00     |

|  |                     |
|--|---------------------|
| Total Prior Year Revenue                                       | <u>\$ 76,399.68</u> |
| Employee Health Benefits Contributions - 2021                  | 178,547.90          |
| Police Outside Services - Administrative Fees                  | 127,445.00          |
| Refunds/Reimbursements   | 44,619.55           |
| F.E.M.A. Tropical Storm Isaias                                 | 34,972.98           |
| Payment in Lieu of Taxes - Administrative Fees                 | 31,308.14           |
| Payment in Lieu of Taxes                                       | 22,694.00           |
| Departmental Collections                                       | 6,946.04            |
| Vacant Property Registration                                   | 6,000.00            |
| State of New Jersey:   |                     |
| Senior Citizens' and Veterans' Deductions Administrative Costs | 2,388.26            |
| DMV Inspection Fines/Fees                                      | 1,300.00            |
| Homestead Rebate Mailing Reimbursement                         | 886.80              |
| Municipal Court - Public Defender Fees                         | 2,070.00            |
| Scrap Metal  | 1,900.00            |
| Bid Specifications   | 375.00              |
| 200 Foot List  | 270.00              |
| Restitution  | 227.00              |
| Other Miscellaneous  | 370.79              |
|  | <u>538,721.14</u>   |

|   |                      |
|---|----------------------|
| Tax Collector - Departmental Collections  | 380.00               |
| Due Animal Control Fund - Statutory Excess in Reserve for Animal Control Expenditures | 19,048.71            |
|   | <u>\$ 558,149.85</u> |

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, 2022

|   | Appropriations |                              | Expended by        |            | Unexpended          |
|---|----------------|------------------------------|--------------------|------------|---------------------|
|   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved   | Balance<br>Canceled |
| 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  | 1,000.00       | 1,000.00                     | 861.51             | 138.49     |                     |
| Nutley Public Health Reserve Corp:                        |                |                              |                    |            |                     |
| Other Expenses  | 2,500.00       | 2,500.00                     | 612.14             | 1,887.86   |                     |
| Department of Health - Local Health Agency:               |                |                              |                    |            |                     |
| Salaries and Wages  | 621,500.00     | 621,500.00                   | 558,148.35         | 63,351.65  |                     |
| Other Expenses  | 54,900.00      | 54,900.00                    | 46,683.55          | 8,216.45   |                     |
| Air Pollution Control - Contractual                       | 6,181.00       | 6,181.00                     | 6,181.00           |            |                     |
| Animal Regulation:  |                |                              |                    |            |                     |
| Other Expenses  | 62,000.00      | 62,000.00                    | 57,304.62          | 4,695.38   |                     |
| Military Veterans Affairs Bureau:                         |                |                              |                    |            |                     |
| Salaries and Wages  | 49,000.00      | 49,000.00                    | 47,750.56          | 1,249.44   |                     |
| Other Expenses  | 2,500.00       | 2,500.00                     | 2,425.54           | 74.46      |                     |
| Immunization Program:                                     |                |                              |                    |            |                     |
| Other Expenses  | 10,000.00      | 10,000.00                    | 9,369.57           | 630.43     |                     |
| Diversity:  |                |                              |                    |            |                     |
| Other Expenses  | 4,000.00       | 4,000.00                     | 3,694.80           | 305.20     |                     |
| Mental Health Program - Contractual                       | 20,000.00      | 20,000.00                    | 20,000.00          |            |                     |
| Garbage and Trash Removal - Contractual                   | 2,368,500.00   | 2,368,500.00                 | 2,068,595.70       | 299,904.30 |                     |
| 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                        | 3,255,581.00   | 3,255,581.00                 | 2,874,877.34       | 380,703.66 |                     |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

|  | Appropriations |                              | Expended by        |             | Unexpended<br>Balance<br>Canceled |
|--|----------------|------------------------------|--------------------|-------------|-----------------------------------|
|  | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved    |                                   |
| Operations Within "CAPS" (Continued):  |                |                              |                    |             |                                   |
| DEPARTMENT OF REVENUE AND FINANCE:     |                |                              |                    |             |                                   |
| Director of Revenue and Finance:       |                |                              |                    |             |                                   |
| Salaries and Wages                     | \$ 2,250.00    | \$ 2,250.00                  | \$ 2,250.00        |             |                                   |
| Other Expenses                         | 6,000.00       | 6,000.00                     | 6,000.00           |             |                                   |
| Assessment of Taxes:                   |                |                              |                    |             |                                   |
| Salaries and Wages                     | 144,595.00     | 150,595.00                   | 146,183.56         | \$ 4,411.44 |                                   |
| Other Expenses                         | 105,000.00     | 99,000.00                    | 72,519.25          | 26,480.75   |                                   |
| Collection of Taxes:                   |                |                              |                    |             |                                   |
| Salaries and Wages                     | 138,000.00     | 138,000.00                   | 130,087.88         | 7,912.12    |                                   |
| Other Expenses                         | 45,000.00      | 45,000.00                    | 26,930.36          | 18,069.64   |                                   |
| Treasurer's Office:                    |                |                              |                    |             |                                   |
| Salaries and Wages                     | 560,470.00     | 560,470.00                   | 545,021.33         | 15,448.67   |                                   |
| Other Expenses                         | 28,500.00      | 28,500.00                    | 12,368.86          | 16,131.14   |                                   |
| Grant Writer                           | 40,000.00      | 40,000.00                    | 40,000.00          |             |                                   |
| Township Clerk's Office:               |                |                              |                    |             |                                   |
| Salaries and Wages                     | 268,770.00     | 268,770.00                   | 220,111.46         | 48,658.54   |                                   |
| Other Expenses                         | 81,500.00      | 81,500.00                    | 41,422.89          | 40,077.11   |                                   |
| Other Expenses - Election              | 60,000.00      | 60,000.00                    | 22,446.57          | 37,553.43   |                                   |
| Administration of Township Ordinances: |                |                              |                    |             |                                   |
| Salaries and Wages                     | 200,000.00     | 200,000.00                   | 192,592.51         | 7,407.49    |                                   |
| Other Expenses                         | 8,000.00       | 8,000.00                     | 8,000.00           |             |                                   |
| Expense, Stationery and Printing:      |                |                              |                    |             |                                   |
| Other Expenses                         | 76,000.00      | 76,000.00                    | 65,640.58          | 10,359.42   |                                   |
| Annual Audit:                          |                |                              |                    |             |                                   |
| Other Expenses - Regular               | 97,000.00      | 97,000.00                    | 96,219.00          | 781.00      |                                   |
| Economic Redevelopment Project:        |                |                              |                    |             |                                   |
| Other Expenses                         | 450,000.00     | 450,000.00                   | 222,403.95         | 227,596.05  |                                   |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

|  | Appropriations |                              | Expended by        |             | Unexpended<br>Balance<br>Canceled |
|--|----------------|------------------------------|--------------------|-------------|-----------------------------------|
|  | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved    |                                   |
| Operations Within "CAPS" (Continued):          |                |                              |                    |             |                                   |
| DEPARTMENT OF REVENUE AND FINANCE (Continued): |                |                              |                    |             |                                   |
| Printing and Legal Advertising:                |                |                              |                    |             |                                   |
| Other Expenses                                 | \$ 10,000.00   | \$ 10,000.00                 | \$ 5,504.08        | \$ 4,495.92 |                                   |
| Total Department of Revenue and Finance        | 2,321,085.00   | 2,321,085.00                 | 1,855,702.28       | 465,382.72  |                                   |
| DEPARTMENT OF PUBLIC SAFETY:                   |                |                              |                    |             |                                   |
| Director of Public Safety:                     |                |                              |                    |             |                                   |
| Salaries and Wages                             | 2,250.00       | 2,250.00                     | 2,250.00           |             |                                   |
| Other Expenses                                 | 6,000.00       | 6,000.00                     | 5,721.55           | 278.45      |                                   |
| Municipal Court:                               |                |                              |                    |             |                                   |
| Salaries and Wages                             | 393,307.00     | 393,307.00                   | 318,125.31         | 75,181.69   |                                   |
| Other Expenses                                 | 33,000.00      | 33,000.00                    | 28,532.95          | 4,467.05    |                                   |
| E-Ticketing - Other Expense                    | 20,000.00      | 20,000.00                    | 20,000.00          |             |                                   |
| Public Defender:                               |                |                              |                    |             |                                   |
| Salaries and Wages                             | 17,510.00      | 17,510.00                    | 16,528.64          | 981.36      |                                   |
| Other Expenses                                 | 200.00         | 200.00                       |                    | 200.00      |                                   |
| Police:  |                |                              |                    |             |                                   |
| Salaries and Wages                             | 10,095,000.00  | 10,095,000.00                | 9,508,782.74       | 586,217.26  |                                   |
| Other Expenses                                 | 416,200.00     | 416,200.00                   | 395,455.72         | 20,744.28   |                                   |
| Clothing Allowance                             | 140,000.00     | 140,000.00                   | 136,520.47         | 3,479.53    |                                   |
| Purchase of Police Cars                        | 100,000.00     | 100,000.00                   | 100,000.00         |             |                                   |
| First Aid Organization:                        |                |                              |                    |             |                                   |
| Salaries and Wages                             | 226,500.00     | 216,500.00                   | 209,107.76         | 7,392.24    |                                   |
| Other Expenses                                 | 102,295.00     | 112,295.00                   | 109,953.47         | 2,341.53    |                                   |
| Office of Emergency Management:                |                |                              |                    |             |                                   |
| Salaries and Wages                             | 163,200.00     | 153,200.00                   | 146,324.25         | 6,875.75    |                                   |
| Other Expenses                                 | 35,043.00      | 15,043.00                    | 7,246.50           | 7,796.50    |                                   |
| Uniform Fire Safety Code:                      |                |                              |                    |             |                                   |
| Fire:  |                |                              |                    |             |                                   |
| Salaries and Wages                             | 32,759.00      | 32,759.00                    |                    | 32,759.00   |                                   |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

Fire:

Salaries and Wages  
Other Expenses  
Clothing Allowance  
Reserve for Accrued Sick and Vacation Pay  
Hazardous Materials:  
Other Expenses - Stipend

Total Department of Public Safety

DEPARTMENT OF PUBLIC WORKS:

Director of Public Works:

Salaries and Wages  
Other Expenses

Engineering Services and Costs:

Salaries and Wages  
Other Expenses

Road Repair and Maintenance:

Salaries and Wages  
Other Expenses

Snow Removal:

Salaries and Wages  
Other Expenses

Traffic Maintenance:

Salaries and Wages  
Other Expenses

|                 | Appropriations |                              | Expended by        |               | Unexpended<br>Balance<br>Canceled |
|-----------------|----------------|------------------------------|--------------------|---------------|-----------------------------------|
|                 | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved      |                                   |
| \$ 4,638,285.00 | \$             | 4,538,285.00                 | \$                 | 4,468,379.08  | \$ 69,905.92                      |
| 249,337.00      |                | 379,337.00                   |                    | 159,314.35    | 220,022.65                        |
| 70,986.00       |                | 70,986.00                    |                    | 62,276.79     | 8,709.21                          |
| 100.00          |                | 100.00                       |                    |               | 100.00                            |
| 11,616.00       |                | 11,616.00                    |                    |               | 11,616.00                         |
| 16,753,588.00   |                | 16,753,588.00                |                    | 15,694,519.58 | 1,059,068.42                      |
| 2,250.00        |                | 2,250.00                     |                    | 2,250.00      |                                   |
| 4,000.00        |                | 4,000.00                     |                    | 3,600.40      | 399.60                            |
| 176,000.00      |                | 176,000.00                   |                    | 172,956.93    | 3,043.07                          |
| 187,400.00      |                | 187,400.00                   |                    | 176,891.14    | 10,508.86                         |
| 605,000.00      |                | 599,000.00                   |                    | 511,302.50    | 87,697.50                         |
| 263,000.00      |                | 263,000.00                   |                    | 262,515.57    | 484.43                            |
| 90,000.00       |                | 90,000.00                    |                    | 52,625.69     | 37,374.31                         |
| 76,000.00       |                | 76,000.00                    |                    | 71,496.29     | 4,503.71                          |
| 126,000.00      |                | 126,000.00                   |                    | 123,968.36    | 2,031.64                          |
| 18,000.00       |                | 18,000.00                    |                    | 14,070.67     | 3,929.33                          |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

Weed and Leaf Removal:

Salaries and Wages

Sewer System:

Salaries and Wages

Other Expenses

Parking Lot and Meter Maintenance:

Salaries and Wages

Other Expenses

Leaf Removal:

Other Expenses - Tipping Fees

Recycling:

Salaries and Wages

Other Expenses

Other Expenses - Disposal Contract

Total Department of Public Works

DEPARTMENT OF PARKS AND PUBLIC PROPERTY:

Director of Parks and Public Property:

Salaries and Wages

Other Expenses

Recreation Committee of Nutley:

Salaries and Wages

Other Expenses

Public Buildings and Grounds:

Salaries and Wages

Other Expenses

|              | Appropriations |                              | Expended by        |            | Unexpended<br>Balance<br>Canceled |
|--------------|----------------|------------------------------|--------------------|------------|-----------------------------------|
|              | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved   |                                   |
| \$ 10,000.00 | \$             | 16,000.00                    | \$                 | 3,260.21   |                                   |
| 50,000.00    |                | 32,000.00                    | 27,267.00          | 4,733.00   |                                   |
| 27,500.00    |                | 45,500.00                    | 45,263.57          | 236.43     |                                   |
| 185,000.00   |                | 190,000.00                   | 187,769.18         | 2,230.82   |                                   |
| 58,400.00    |                | 58,400.00                    | 52,084.30          | 6,315.70   |                                   |
| 70,000.00    |                | 85,000.00                    | 63,541.60          | 21,458.40  |                                   |
| 618,900.00   |                | 598,900.00                   | 560,333.41         | 38,566.59  |                                   |
| 21,200.00    |                | 21,200.00                    | 17,773.42          | 3,426.58   |                                   |
| 300,000.00   |                | 300,000.00                   | 229,258.26         | 70,741.74  |                                   |
| 2,888,650.00 |                | 2,888,650.00                 | 2,587,708.08       | 300,941.92 |                                   |
| 2,250.00     |                | 2,250.00                     | 2,250.00           |            |                                   |
| 50,000.00    |                | 50,000.00                    | 50,000.00          |            |                                   |
| 297,572.00   |                | 302,572.00                   | 298,580.19         | 3,991.81   |                                   |
| 21,700.00    |                | 34,700.00                    | 32,502.14          | 2,197.86   |                                   |
| 420,760.00   |                | 370,760.00                   | 370,760.00         |            |                                   |
| 79,000.00    |                | 84,000.00                    | 83,850.35          | 149.65     |                                   |



TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Operations Within "CAPS" (Continued):  
DEPARTMENT OF PARKS AND PUBLIC PROPERTY (Continued):

|   | Appropriations |                              | Expended by        |             | Unexpended<br>Balance<br>Canceled |
|---|----------------|------------------------------|--------------------|-------------|-----------------------------------|
|   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved    |                                   |
| Shade Tree Commission:                        |                |                              |                    |             |                                   |
| Salaries and Wages                            | \$ 220,308.00  | \$ 220,308.00                | \$ 220,308.00      |             |                                   |
| Other Expenses                                | 87,000.00      | 87,000.00                    | 84,783.40          | \$ 2,216.60 |                                   |
| Information Services:                         |                |                              |                    |             |                                   |
| Salaries and Wages                            | 194,048.00     | 199,048.00                   | 199,012.75         | 35.25       |                                   |
| Other Expenses                                | 162,000.00     | 162,000.00                   | 157,521.88         | 4,478.12    |                                   |
| Senior Citizens Transportation:               |                |                              |                    |             |                                   |
| Salaries and Wages                            | 116,132.00     | 134,132.00                   | 134,132.00         |             |                                   |
| Other Expenses                                | 4,000.00       | 4,000.00                     |                    | 4,000.00    |                                   |
| Debris Removal:                               |                |                              |                    |             |                                   |
| Other Expenses                                | 14,500.00      | 14,500.00                    | 14,500.00          |             |                                   |
| Parks and Playgrounds:                        |                |                              |                    |             |                                   |
| Salaries and Wages                            | 897,237.00     | 1,027,237.00                 | 1,017,770.57       | 9,466.43    |                                   |
| Other Expenses                                | 142,200.00     | 157,200.00                   | 153,627.66         | 3,572.34    |                                   |
| Insurance:                                    |                |                              |                    |             |                                   |
| Group Insurance Plan for Employees            | 6,527,493.00   | 6,366,493.00                 | 6,240,608.23       | 125,884.77  |                                   |
| Other Liability Insurance Premiums            | 812,702.00     | 812,702.00                   | 706,835.52         | 105,866.48  |                                   |
| Workers Compensation Insurance                | 1,015,993.00   | 1,015,993.00                 | 1,000,915.75       | 15,077.25   |                                   |
| Insurance Administration                      | 100,000.00     | 120,000.00                   | 119,376.96         | 623.04      |                                   |
| Total Department of Parks and Public Property | 11,164,895.00  | 11,164,895.00                | 10,887,335.40      | 277,559.60  |                                   |

MAYOR'S OFFICE:

|                      |           |           |           |          |  |
|----------------------|-----------|-----------|-----------|----------|--|
| Mayor:               |           |           |           |          |  |
| Salaries and Wages   | 1,000.00  | 1,000.00  | 450.00    | 550.00   |  |
| Other Expenses       | 500.00    | 500.00    | 195.00    | 305.00   |  |
| Board of Adjustment: |           |           |           |          |  |
| Salaries and Wages   | 32,000.00 | 32,000.00 | 32,000.00 |          |  |
| Other Expenses       | 5,300.00  | 5,300.00  | 3,771.75  | 1,528.25 |  |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

|                                       | Appropriations |                              | Expended by        |              | Unexpended<br>Balance<br>Canceled |
|---------------------------------------|----------------|------------------------------|--------------------|--------------|-----------------------------------|
|                                       | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved     |                                   |
| Operations Within "CAPS" (Continued): |                |                              |                    |              |                                   |
| MAYOR'S OFFICE (Continued):           |                |                              |                    |              |                                   |
| Planning Board:                       |                |                              |                    |              |                                   |
| Salaries and Wages                    | \$ 33,000.00   | \$ 33,000.00                 | \$ 33,000.00       |              |                                   |
| Other Expenses                        | 4,400.00       | 4,400.00                     | 2,409.44           | \$ 1,990.56  |                                   |
| Rent Leveling Board:                  |                |                              |                    |              |                                   |
| Salaries and Wages                    | 9,000.00       | 9,000.00                     | 8,541.64           | 458.36       |                                   |
| Other Expenses                        | 1,000.00       | 1,000.00                     |                    | 1,000.00     |                                   |
| Township Attorney:                    |                |                              |                    |              |                                   |
| Salaries and Wages                    | 110,000.00     | 110,000.00                   | 96,718.78          | 13,281.22    |                                   |
| Other Expenses                        | 410,200.00     | 410,200.00                   | 252,235.65         | 157,964.35   |                                   |
| Celebration of Public Events          | 65,000.00      | 65,000.00                    | 63,142.05          | 1,857.95     |                                   |
| Municipal Prosecutor:                 |                |                              |                    |              |                                   |
| Salaries and Wages                    | 56,000.00      | 56,000.00                    | 54,000.08          | 1,999.92     |                                   |
| Other Expenses                        | 1,000.00       | 1,000.00                     |                    | 1,000.00     |                                   |
| Total Mayor's Office                  | 728,400.00     | 728,400.00                   | 546,464.39         | 181,935.61   |                                   |
| State Uniform Construction Code:      |                |                              |                    |              |                                   |
| Salaries and Wages                    | 374,595.00     | 374,595.00                   | 374,155.80         | 439.20       |                                   |
| Other Expenses                        | 62,350.00      | 62,350.00                    | 61,671.97          | 678.03       |                                   |
| UNCLASSIFIED:                         |                |                              |                    |              |                                   |
| Gasoline                              | 296,500.00     | 296,500.00                   | 295,019.17         | 1,480.83     |                                   |
| Fuel Oil                              | 65,000.00      | 65,000.00                    | 9,407.84           | 55,592.16    |                                   |
| Electricity                           | 350,000.00     | 350,000.00                   | 332,479.91         | 17,520.09    |                                   |
| Street Lighting                       | 304,000.00     | 304,000.00                   | 221,346.43         | 82,653.57    |                                   |
| Telephone                             | 150,000.00     | 150,000.00                   | 130,086.85         | 19,913.15    |                                   |
| Total Operations Within "CAPS"        | 38,714,644.00  | 38,714,644.00                | 35,870,775.04      | 2,843,868.96 |                                   |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

|   | Appropriations |                              | Expended by        |              | Unexpended<br>Balance<br>Canceled |
|---|----------------|------------------------------|--------------------|--------------|-----------------------------------|
|   | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved     |                                   |
| Operations Within "CAPS" (Continued):   |                |                              |                    |              |                                   |
| Contingent  | \$ 50,000.00   | \$ 50,000.00                 | \$ 25,500.00       | \$ 24,500.00 |                                   |
| Total Operations Including Contingent Within "CAPS"                           | 38,764,644.00  | 38,764,644.00                | 35,896,275.04      | 2,868,368.96 |                                   |
| Detail:   |                |                              |                    |              |                                   |
| Salaries and Wages  | 22,183,048.00  | 21,945,000.00                | 20,807,773.35      | 1,137,226.65 |                                   |
| Other Expenses  | 16,581,596.00  | 16,819,644.00                | 15,088,501.69      | 1,731,142.31 |                                   |
| Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS":      |                |                              |                    |              |                                   |
| Statutory Expenditures:   |                |                              |                    |              |                                   |
| Contributions to:   |                |                              |                    |              |                                   |
| Public Employees Retirement System  | 1,336,000.00   | 1,336,000.00                 | 1,335,101.00       | 899.00       |                                   |
| Social Security System (O.A.S.I.)   | 1,035,000.00   | 1,035,000.00                 | 850,680.06         | 184,319.94   |                                   |
| Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108)            | 3,911,000.00   | 3,911,000.00                 | 3,910,537.00       | 463.00       |                                   |
| P.E.R.S. - Retro Pension Bill   | 25,000.00      | 25,000.00                    |                    | 25,000.00    |                                   |
| Defined Contribution Retirement Program                                       | 12,000.00      | 12,000.00                    | 10,241.12          | 1,758.88     |                                   |
| Unemployment Compensation Insurance   | 270,120.00     | 270,120.00                   | 60,000.00          | 210,120.00   |                                   |
| 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" | 6,595,180.00   | 6,595,180.00                 | 6,172,619.18       | 422,560.82   |                                   |
| Total General Appropriations for Municipal Purposes Within "CAPS"             | 45,359,824.00  | 45,359,824.00                | 42,068,894.22      | 3,290,929.78 |                                   |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

|  | Appropriations  |                              | Expended by        |           | Unexpended<br>Balance<br>Canceled |
|--|-----------------|------------------------------|--------------------|-----------|-----------------------------------|
|  | Budget          | Budget After<br>Modification | Paid or<br>Charged | Reserved  |                                   |
| Operations Excluded from "CAPS":                           |                 |                              |                    |           |                                   |
| Passaic Valley Sewer Commission:                           |                 |                              |                    |           |                                   |
| Other Expenses   | \$ 3,840,000.00 | \$ 3,840,000.00              | \$ 3,839,507.26    | \$ 492.74 |                                   |
| Maintenance of Free Public Library                         | 1,705,883.00    | 1,705,883.00                 | 1,705,883.00       |           |                                   |
| NJPDES Stormwater Permit (N.J.S.A. 40A:-45.3(cc)):         |                 |                              |                    |           |                                   |
| Street Division:   |                 |                              |                    |           |                                   |
| Salaries and Wages   | 30,000.00       | 30,000.00                    | 13,457.50          | 16,542.50 |                                   |
| Other Expenses   | 10,000.00       | 10,000.00                    | 9,995.10           | 4.90      |                                   |
| LOSAP:   |                 |                              |                    |           |                                   |
| Fire   | 33,750.00       | 33,750.00                    |                    | 33,750.00 |                                   |
| 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                 | 47,179.05       | 47,179.05                    | 47,179.05          |           |                                   |
| State and Federal Programs Offset by Revenues:             |                 |                              |                    |           |                                   |
| Safe and Secure Communities Grant:                         |                 |                              |                    |           |                                   |
| State Share (N.J.S.A. 40A:4-87 +\$32,400.00)               |                 | 32,400.00                    | 14,953.92          | 17,446.08 |                                   |
| Municipal Alliance Grant:                                  |                 |                              |                    |           |                                   |
| State Share (N.J.S.A. 40A:4-87 +\$8,700.00)                |                 | 8,700.00                     | 4,652.13           | 4,047.87  |                                   |
| Clean Communities Program (N.J.S.A. 40A:4-87 +\$53,204.68) |                 | 53,204.68                    | 999.96             | 52,204.72 |                                   |
| Distracted Driving Crackdown Grant                         | 10,500.00       | 10,500.00                    |                    | 10,500.00 |                                   |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

|  | Appropriations |                              | Expended by        |             | Unexpended<br>Balance<br>Canceled |
|--|----------------|------------------------------|--------------------|-------------|-----------------------------------|
|  | Budget         | Budget After<br>Modification | Paid or<br>Charged | Reserved    |                                   |
| Operations Excluded from "CAPS" (Continued):                                     |                |                              |                    |             |                                   |
| State and Federal Programs Offset by Revenues (Continued):                       |                |                              |                    |             |                                   |
| Body Armor Replacement Fund  | \$ 5,898.75    | \$ 5,898.75                  | \$ 2,883.25        | \$ 3,015.50 |                                   |
| Bullet Proof Vest Program (N.J.S.A. 40A:4-87 +\$5,484.05)                        |                | 5,484.05                     | 5,484.05           |             |                                   |
| Occupant Protection Program - Click It or Ticket (N.J.S.A. 40A:4-87 +\$7,000.00) |                | 7,000.00                     | 7,000.00           |             |                                   |
| Office of Emergency Management (N.J.S.A. 40A:4-87 +\$10,000.00)                  |                | 10,000.00                    |                    | 10,000.00   |                                   |
| National Opioids Settlement Grant (N.J.S.A. 40A:4-87 +\$11,796.50)               |                | 11,796.50                    |                    | 11,796.50   |                                   |
| Total Operations Excluded from "CAPS"  | 5,714,210.80   | 5,842,796.03                 | 5,675,495.22       | 167,300.81  |                                   |
| Detail:  |                |                              |                    |             |                                   |
| Salaries and Wages   | 30,000.00      | 30,000.00                    | 13,457.50          | 16,542.50   |                                   |
| Other Expenses   | 5,684,210.80   | 5,812,796.03                 | 5,662,037.72       | 150,758.31  |                                   |
| Capital Improvements - Excluded from "CAPS":                                     |                |                              |                    |             |                                   |
| Capital Improvement Fund   | 200,000.00     | 200,000.00                   | 200,000.00         |             |                                   |
| Road Improvements  | 100,000.00     | 100,000.00                   |                    | 100,000.00  |                                   |
| Total Capital Improvements Excluded from "CAPS"                                  | 300,000.00     | 300,000.00                   | 200,000.00         | 100,000.00  |                                   |
| Municipal Debt Service Excluded from "CAPS":                                     |                |                              |                    |             |                                   |
| Payment of Bond Principal  | 1,615,000.00   | 1,615,000.00                 | 1,615,000.00       |             |                                   |
| Interest on Bonds  | 200,655.00     | 200,655.00                   | 200,655.00         |             |                                   |
| Interest on Notes  | 4,530.11       | 4,530.11                     | 4,530.10           |             | \$ 0.01                           |
| NJ Department of Environmental Protection Green Acres Loan:                      |                |                              |                    |             |                                   |
| Principal  | 21,765.00      | 21,765.00                    | 19,520.40          |             | 2,244.60                          |
| Interest   | 6,500.00       | 6,500.00                     | 6,407.04           |             | 92.96                             |
| Total Municipal Debt Service Excluded from "CAPS"                                | 1,848,450.11   | 1,848,450.11                 | 1,846,112.54       |             | 2,337.57                          |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

A-3  
11 of 12

|  | Appropriations  |                              | Expended by        |                 | Unexpended<br>Balance<br>Canceled |
|--|-----------------|------------------------------|--------------------|-----------------|-----------------------------------|
|  | Budget          | Budget After<br>Modification | Paid or<br>Charged | Reserved        |                                   |
| Deferred Charges - Excluded from "CAPS":<br>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"  | 7,972,660.91    | 8,101,246.14                 | 7,831,607.76       | \$ 267,300.81   | \$ 2,337.57                       |
| Subtotal General Appropriations  | 53,332,484.91   | 53,461,070.14                | 49,900,501.98      | 3,558,230.59    | 2,337.57                          |
| Reserve for Uncollected Taxes  | 4,641,000.00    | 4,641,000.00                 | 4,641,000.00       |                 |                                   |
| Total General Appropriations   | \$57,973,484.91 | \$ 58,102,070.14             | \$ 54,541,501.98   | \$ 3,558,230.59 | \$ 2,337.57                       |

Ref.

A

TOWNSHIP OF NUTLEY  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022  
 (Continued)

A-3  
12 of 12

|   | <u>Ref.</u> | <u>Analysis of</u>                   |                            |
|---|-------------|--------------------------------------|----------------------------|
|   |             | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> |
| Adopted Budget                                      |             | \$ 57,973,484.91                     |                            |
| Appropriation by N.J.S.A. 40A:4-87                  |             | <u>128,585.23</u>                    |                            |
|   |             | <u>\$ 58,102,070.14</u>              |                            |
| Reserve for Uncollected Taxes                       |             |                                      | \$ 4,641,000.00            |
| Reserve for Encumbrances                            | A           |                                      | 1,427,295.43               |
| Due General Capital Fund                            |             |                                      | 200,000.00                 |
| Due Water Utility Operating Fund                    |             |                                      | 24,604.41                  |
| Deferred Charges - Special Emergency Authorizations |             |                                      | 110,000.00                 |
| Cash Disbursed                                      |             |                                      | <u>49,537,351.65</u>       |
|   |             |                                      | 55,940,251.49              |
| Less: Appropriation Refunds                         |             |                                      | <u>1,398,749.51</u>        |
|   |             |                                      | <u>\$ 54,541,501.98</u>    |

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
TRUST FUNDS



TOWNSHIP OF NUTLEY  
COMPARATIVE BALANCE SHEET - REGULATORY BASIS  
TRUST FUNDS

B  
1 of 2

|                                       |      | December 31,    |                 |
|---------------------------------------|------|-----------------|-----------------|
|                                       | Ref. | 2022            | 2021            |
| <u>ASSETS</u>                         |      |                 |                 |
| Animal Control Fund:                  |      |                 |                 |
| Cash and Cash Equivalents - Treasurer | B-4  | \$ 57,337.28    | \$ 40,289.17    |
| Other Trust Funds:                    |      |                 |                 |
| Cash and Cash Equivalents             | B-4  | 3,448,806.45    | 3,386,949.15    |
| Due Current Fund                      | A    | 6,075,532.28    | 5,951,888.67    |
|                                       |      | 9,524,338.73    | 9,338,837.82    |
| TOTAL ASSETS                          |      | \$ 9,581,676.01 | \$ 9,379,126.99 |

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

B  
2 of 2

|   |      | December 31,           |                        |
|---|------|------------------------|------------------------|
|   | Ref. | 2022                   | 2021                   |
| <u>LIABILITIES AND RESERVES</u>                                       |      |                        |                        |
| Animal Control Fund:  |      |                        |                        |
| Due Current Fund  | A    | \$ 20,299.48           | \$ 1,250.77            |
| Due State of New Jersey   |      | 36.00                  | 21.00                  |
| Reserve for Animal Control Expenditures                               | B-6  | 37,001.80              | 39,017.40              |
|   |      | <u>57,337.28</u>       | <u>40,289.17</u>       |
| Other Trust Funds:  |      |                        |                        |
| Road Opening, Sewer Maintenance and<br>Planning Board Escrow Deposits |      | 371,027.79             | 327,990.28             |
| Reserve for:  |      |                        |                        |
| Dedicated Revenue:  |      |                        |                        |
| Sealer of Weights & Measures  |      | 26,570.75              | 26,570.75              |
| Uniform Fire Safety - Penalties                                       |      | 83,977.57              | 86,416.39              |
| Unemployment Insurance  |      | 722,373.82             | 704,868.04             |
| Developer's Escrow  |      | 10,629.28              | 16,222.88              |
| Escrow Deposits   |      | 232,426.40             | 243,176.40             |
| Special Deposits  |      | 606.05                 | 606.05                 |
| Living Tree Memorial Program  |      | 37,809.93              | 31,856.54              |
| Recreation Commission Fees  |      | 372,556.70             | 356,394.70             |
| Parking Offense Adjudication Act                                      |      | 76,551.11              | 70,612.61              |
| Recycling   |      | 309,092.37             | 172,737.54             |
| Community Environmental Health Act                                    |      | 1,625,721.12           | 1,500,204.80           |
| Tax Sale Premiums   |      | 1,114,696.00           | 816,096.00             |
| Community Development Block Grants                                    |      | 0.08                   | 0.08                   |
| Accumulated Sick and Vacation Pay                                     |      | 1,048,012.75           | 1,655,230.42           |
| Storm Recovery  |      | 1,855,335.20           | 1,839,514.08           |
| Self Insurance Deductible   |      | 340,000.00             | 340,000.00             |
| Civic Celebration   |      | 21,100.02              | 20,100.02              |
| Law Enforcement Expenditures  |      | 289,257.66             | 191,427.03             |
| Mayor's Wellness Program  |      | 11,435.57              | 11,435.57              |
| Council on Affordable Housing   |      | 955,430.58             | 908,940.13             |
| Go Green Program  |      | 7,216.98               | 6,523.75               |
| Municipal Alliance Program  |      | 7,625.31               | 7,625.31               |
| Flexible Spending Account   |      | 2,731.69               | 2,888.45               |
| Fire Donation   |      | 2,154.00               | 1,400.00               |
|   |      | <u>9,524,338.73</u>    | <u>9,338,837.82</u>    |
| TOTAL LIABILITIES AND RESERVES  |      | <u>\$ 9,581,676.01</u> | <u>\$ 9,379,126.99</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, 2022

B-1

NOT APPLICABLE

ASSESSMENT TRUST FUND  
STATEMENT OF REVENUE - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

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, 2022

B-3

NOT APPLICABLE

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
GENERAL CAPITAL FUND

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

C

|   |      | December 31,            |                         |
|---|------|-------------------------|-------------------------|
|   | Ref. | 2022                    | 2021                    |
| <u>ASSETS</u>   |      |                         |                         |
| Cash and Cash Equivalents                             | C-2  | \$ 83,228.79            | \$ 83,228.79            |
| Due Current Fund                                      | A    | 5,677,044.46            | 8,738,011.68            |
| 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                       |      | 1,154,604.50            | 1,039,287.25            |
| Federal Repetitive Flood Claims Grants                |      | 1,069,012.20            | 1,069,012.20            |
| Deferred Charges to Future Taxation:                  |      |                         |                         |
| Funded  |      | 9,983,866.72            | 11,618,387.12           |
| Unfunded  | C-4  | 6,221,567.41            | 9,378,406.38            |
| TOTAL ASSETS  |      | <u>\$ 25,387,809.08</u> | <u>\$ 33,124,818.42</u> |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>         |      |                         |                         |
| General Serial Bonds Payable                          | C-8  | \$ 9,591,000.00         | \$ 11,206,000.00        |
| Loans Payable:  |      |                         |                         |
| NJ Department of Environmental Protection Green Acres | C-9  | 392,866.72              | 412,387.12              |
| Bond Anticipation Notes Payable                       | C-7  |                         | 1,294,316.00            |
| Improvement Authorizations:                           |      |                         |                         |
| Funded  | C-5  | 5,759,787.54            | 7,641,227.16            |
| Unfunded  | C-5  | 3,926,815.82            | 7,247,015.89            |
| Capital Improvement Fund                              | C-6  | 3,237,296.00            | 3,133,612.00            |
| Down Payments on Improvements                         |      | 194,707.72              | 194,707.72              |
| Reserve for:  |      |                         |                         |
| Payment of Debt Service                               |      | 503,633.85              | 503,633.85              |
| Paving  |      | 405,995.12              | 305,995.12              |
| Fiber Optics  |      | 21,250.00               | 21,250.00               |
| Economic Development Project                          |      | 1,110,477.72            | 920,694.97              |
| 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>\$ 25,387,809.08</u> | <u>\$ 33,124,818.42</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, 2022

C-1

|                           | <u>Ref.</u> |                             |
|---------------------------|-------------|-----------------------------|
| Balance December 31, 2021 | C           | <u>\$ 205,203.50</u>        |
| Balance December 31, 2022 | 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  
2022  
WATER UTILITY FUND



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

D  
1 of 2

|  |             | December 31,     |                  |
|--|-------------|------------------|------------------|
|  | <u>Ref.</u> | <u>2022</u>      | <u>2021</u>      |
| <u>ASSETS</u>                                      |             |                  |                  |
| Operating Fund:                                    |             |                  |                  |
| Cash and Cash Equivalents                          | D-4         | \$ 1,901,247.14  | \$ 2,017,335.84  |
| Receivables and Inventory with Full Reserves:      |             |                  |                  |
| Consumer Accounts Receivable                       | D-6         | 754,248.75       | 768,433.88       |
| Inventory  | D-7         | 61,195.00        | 61,195.00        |
| Total Receivables and Inventory with Full Reserves | D           | 815,443.75       | 829,628.88       |
| Total Operating Fund                               |             | 2,716,690.89     | 2,846,964.72     |
| Capital Fund:                                      |             |                  |                  |
| Cash and Cash Equivalents                          | D-4         | 183.05           | 183.05           |
| Due Current Fund                                   | A           | 485,000.00       | 485,000.00       |
| Due Water Utility Operating Fund                   | D           | 22,232.98        | 110,634.40       |
| Fixed Capital                                      | D-9         | 2,048,926.48     | 2,048,926.48     |
| Fixed Capital Authorized and Uncompleted           | D-10        | 4,997,536.50     | 4,997,536.50     |
| Total Capital Fund                                 |             | 7,553,879.01     | 7,642,280.43     |
| <u>TOTAL ASSETS</u>                                |             | \$ 10,270,569.90 | \$ 10,489,245.15 |

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

D  
2 of 2

|   |          | December 31,            |                         |
|---|----------|-------------------------|-------------------------|
|   | Ref.     | 2022                    | 2021                    |
| <u>LIABILITIES, RESERVES AND FUND BALANCE</u>       |          |                         |                         |
| Operating Fund:                                     |          |                         |                         |
| Appropriation Reserves:                             |          |                         |                         |
| Unencumbered  | D-3;D-11 | \$ 288,108.61           | \$ 165,817.17           |
| Encumbered  | D-3;D-11 | 107,377.89              | 29,885.77               |
| Total Appropriation Reserves                        |          | 395,486.50              | 195,702.94              |
| Accrued Interest on Bonds and Loans                 |          | 8,160.40                | 5,214.88                |
| Water Rent Overpayments                             |          | 20,113.57               | 16,343.35               |
| Accounts Payable                                    |          | 98.92                   | 98.92                   |
| Due Current Fund                                    | A        | 1,057,656.80            | 1,082,261.21            |
| Due Water Utility Capital Fund                      | D        | 22,232.98               | 110,634.40              |
|   |          | 1,503,749.17            | 1,410,255.70            |
| Reserve for Receivables and Inventory               | D        | 815,443.75              | 829,628.88              |
| Fund Balance  | D-1      | 397,497.97              | 607,080.14              |
| Total Operating Fund                                |          | 2,716,690.89            | 2,846,964.72            |
| Capital Fund:                                       |          |                         |                         |
| Serial Bonds Payable                                | D-17     | 420,000.00              | 485,000.00              |
| NJ Environmental Infrastructure Trust Loans Payable | D-18     | 499,392.41              | 600,010.09              |
| Improvement Authorizations:                         |          |                         |                         |
| Funded  | D-12     | 562,251.14              | 574,495.14              |
| Unfunded  | D-12     | 2,572,259.78            | 2,648,417.20            |
| Reserve for:  |          |                         |                         |
| Down Payments on Improvements                       | D-13     | 25,525.85               | 25,525.85               |
| Amortization  | D-15     | 3,346,231.07            | 3,180,613.39            |
| Deferred Amortization                               | D-15A    | 127,515.25              | 127,515.25              |
| Fund Balance  | D-1A     | 703.51                  | 703.51                  |
| Total Capital Fund                                  |          | 7,553,879.01            | 7,642,280.43            |
| <u>TOTAL LIABILITIES, RESERVES AND FUND BALANCE</u> |          | <u>\$ 10,270,569.90</u> | <u>\$ 10,489,245.15</u> |

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, |                      |
|--|-------------------------|----------------------|
|  | 2022                    | 2021                 |
| <u>Revenue and Other Income Realized</u>           |                         |                      |
| Fund Balance Utilized                              | \$ 561,000.00           | \$ 360,163.00        |
| Rents  | 4,180,107.47            | 4,079,471.84         |
| Utility Maintenance Fee                            | 275,553.91              | 237,540.91           |
| Nonbudget Revenue                                  | 113,370.28              | 88,106.31            |
| Other Credits to Income:                           |                         |                      |
| Appropriation Reserves Lapsed                      | 89,385.85               | 17,970.73            |
| Total Income                                       | <u>5,219,417.51</u>     | <u>4,783,252.79</u>  |
| <u>Expenditures</u>                                |                         |                      |
| Budget Expenditures:                               |                         |                      |
| Operating  | 4,514,665.00            | 4,305,800.00         |
| Capital Improvements                               | 10,000.00               | 10,000.00            |
| Debt Service                                       | 182,334.68              | 120,855.94           |
| Deferred Charges and Statutory Expenditures        | 161,000.00              | 186,000.00           |
| Total Expenditures                                 | <u>4,867,999.68</u>     | <u>4,622,655.94</u>  |
| Excess in Revenue/Statutory Excess to Fund Balance | 351,417.83              | 160,596.85           |
| <u>Fund Balance</u>                                |                         |                      |
| Balance January 1                                  | <u>607,080.14</u>       | <u>806,646.29</u>    |
|  | 958,497.97              | 967,243.14           |
| Decreased by:                                      |                         |                      |
| Utilization as Anticipated Revenue                 | <u>561,000.00</u>       | <u>360,163.00</u>    |
| Balance December 31                                | D <u>\$ 397,497.97</u>  | <u>\$ 607,080.14</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, 2021 | D           | <u>\$ 703.51</u>        |
| Balance December 31, 2022 | 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, 2022

D-2

|                          | <u>Anticipated</u>            | <u>Realized</u>               | <u>Excess</u>               |
|--------------------------|-------------------------------|-------------------------------|-----------------------------|
| Surplus Anticipated      | \$ 561,000.00                 | \$ 561,000.00                 |                             |
| Rents                    | 4,070,000.00                  | 4,180,107.47                  | \$ 110,107.47               |
| Utility Maintenance Fees | <u>237,000.00</u>             | <u>275,553.91</u>             | <u>38,553.91</u>            |
|                          | 4,868,000.00                  | 5,016,661.38                  | 148,661.38                  |
| Nonbudget Revenue        | <u>                    </u>   | <u>113,370.28</u>             | <u>113,370.28</u>           |
|                          | <u><u>\$ 4,868,000.00</u></u> | <u><u>\$ 5,130,031.66</u></u> | <u><u>\$ 262,031.66</u></u> |

Analysis of Nonbudget Revenue

|                         |                  |                             |
|-------------------------|------------------|-----------------------------|
| Collector:              |                  |                             |
| Sale of Water Meters    | \$ 1,950.00      |                             |
| Fire Line               | 30,471.09        |                             |
| Other Miscellaneous     | <u>70,451.00</u> |                             |
|                         |                  | \$ 102,872.09               |
| Treasurer:              |                  |                             |
| Interest on Investments |                  | <u>10,498.19</u>            |
|                         |                  | <u><u>\$ 113,370.28</u></u> |

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

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
YEAR ENDED DECEMBER 31, 2022

|   | Appropriations         |                                 | Expended by            |                      | Unexpended<br>Balance<br>Canceled |
|---|------------------------|---------------------------------|------------------------|----------------------|-----------------------------------|
|   | Budget                 | Budget<br>After<br>Modification | Paid or<br>Charged     | Reserved             |                                   |
| Operating:  |                        |                                 |                        |                      |                                   |
| Salaries and Wages  | \$ 1,669,665.00        | \$ 1,759,665.00                 | \$ 1,721,125.59        | \$ 38,539.41         |                                   |
| Other Expenses  | 635,000.00             | 545,000.00                      | 521,884.50             | 23,115.50            |                                   |
| Other Expenses:   |                        |                                 |                        |                      |                                   |
| N.J. Water Supply   | 1,250,000.00           | 1,250,000.00                    | 1,196,506.00           | 53,494.00            |                                   |
| Passaic Valley Water Commission                                 | 800,000.00             | 800,000.00                      | 718,746.86             | 81,253.14            |                                   |
| City of Newark Water Purchase                                   | 160,000.00             | 160,000.00                      | 114,150.66             | 45,849.34            |                                   |
| Capital Improvements:   |                        |                                 |                        |                      |                                   |
| Down Payments on Improvements                                   | 10,000.00              | 10,000.00                       |                        | 10,000.00            |                                   |
| Debt Service:   |                        |                                 |                        |                      |                                   |
| Payment of Bond Principal                                       | 65,000.00              | 65,000.00                       | 65,000.00              |                      |                                   |
| Interest on Bonds   | 5,222.00               | 5,222.00                        | 5,222.00               |                      |                                   |
| NJEIT Loan Principal  | 100,618.00             | 100,618.00                      | 100,617.68             |                      | \$ 0.32                           |
| NJEIT Loan Interest   | 11,495.00              | 11,495.00                       | 11,495.00              |                      |                                   |
| Deferred Charges and Statutory Expenditures:                    |                        |                                 |                        |                      |                                   |
| Statutory Expenditures:   |                        |                                 |                        |                      |                                   |
| Contribution to:  |                        |                                 |                        |                      |                                   |
| Public Employees' Retirement System                             | 15,000.00              | 15,000.00                       |                        | 15,000.00            |                                   |
| Social Security System (O.A.S.I.)                               | 135,000.00             | 135,000.00                      | 125,142.78             | 9,857.22             |                                   |
| Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et. seq.) | 1,000.00               | 1,000.00                        |                        | 1,000.00             |                                   |
| Other Insurance   | 10,000.00              | 10,000.00                       |                        | 10,000.00            |                                   |
|   | <u>\$ 4,868,000.00</u> | <u>\$ 4,868,000.00</u>          | <u>\$ 4,579,891.07</u> | <u>\$ 288,108.61</u> | <u>\$ 0.32</u>                    |
| Ref.  |                        |                                 |                        | D                    |                                   |
| Cash Disbursed  |                        |                                 | \$ 4,459,863.49        |                      |                                   |
| Accrued Interest on Bonds                                       |                        |                                 | 5,222.00               |                      |                                   |
| Accrued Interest on NJEIT Loan                                  |                        |                                 | 11,495.00              |                      |                                   |
| Encumbrances Payable  |                        |                                 | 107,377.89             |                      |                                   |
|   |                        |                                 | <u>4,583,958.38</u>    |                      |                                   |
|   |                        |                                 | <u>4,067.31</u>        |                      |                                   |
| Less: Appropriation Refunds                                     |                        |                                 | <u>\$ 4,579,891.07</u> |                      |                                   |

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
PUBLIC ASSISTANCE FUND



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

F

|  |             | December 31,               |                            |
|--|-------------|----------------------------|----------------------------|
|  | <u>Ref.</u> | <u>2022</u>                | <u>2021</u>                |
| <u>ASSETS</u>                              |             |                            |                            |
| Cash and Cash Equivalents                  | F-1         | <u>\$ 76,911.44</u>        | <u>\$ 76,658.60</u>        |
| TOTAL ASSETS                               |             | <u><u>\$ 76,911.44</u></u> | <u><u>\$ 76,658.60</u></u> |
| <br><u>RESERVES</u>                        |             |                            |                            |
| Reserve for Public Assistance Expenditures |             | <u>\$ 76,911.44</u>        | <u>\$ 76,658.60</u>        |
| TOTAL RESERVES                             |             | <u><u>\$ 76,911.44</u></u> | <u><u>\$ 76,658.60</u></u> |

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

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
BOND AND INTEREST FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
GENERAL FIXED ASSETS ACCOUNT GROUP  
(UNAUDITED)

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

H

|                            | December 31,            |                         |
|----------------------------|-------------------------|-------------------------|
|                            | 2022                    | 2021                    |
| <u>ASSETS</u>              |                         |                         |
| Land and Site Improvements | \$ 14,209,353.00        | \$ 14,209,353.00        |
| Buildings                  | 9,366,226.00            | 9,366,226.00            |
| Equipment and Vehicles     | 17,122,112.00           | 16,736,325.00           |
| TOTAL ASSETS               | <u>\$ 40,697,691.00</u> | <u>\$ 40,311,904.00</u> |
| <br><u>RESERVES</u>        |                         |                         |
| Reserve for Fixed Assets   | <u>\$ 40,697,691.00</u> | <u>\$ 40,311,904.00</u> |
| TOTAL RESERVES             | <u>\$ 40,697,691.00</u> | <u>\$ 40,311,904.00</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, 2022

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, 2022  
(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, 2022  
(Continued)

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

C. Basis of Accounting (Cont'd)

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

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

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

E. Other significant accounting policies include:

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

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

Investments - Investments are stated at cost.

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

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

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

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(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, 2022  
(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, |              |              |
|--|--------------|--------------|--------------|
|  | 2022         | 2021         | 2020         |
| <u>Issued:</u>   |              |              |              |
| Bonds, Notes and Loans:  |              |              |              |
| General  | \$ 9,983,867 | \$12,912,703 | \$12,089,239 |
| Redevelopment Area   | 924,285      | 944,342      | 963,627      |
| Water Utility  | 919,392      | 1,085,010    | 1,188,768    |
| Total Issued   | 11,827,544   | 14,942,055   | 14,241,634   |
| Less:  |              |              |              |
| Redevelopment Area Bonds   | 924,285      | 944,342      | 963,627      |
| Funds Temporarily Held to Pay Bonds,<br>Notes and Loans:           |              |              |              |
| Reserve for Payment of Debt Service -<br>General Capital Fund      | 503,634      | 503,634      | 463,180      |
| Total Deductions   | 1,427,919    | 1,447,976    | 1,426,807    |
| Net Issued   | 10,399,625   | 13,494,079   | 12,814,827   |
| <u>Authorized but not Issued:</u>                                  |              |              |              |
| Bonds and Notes:   |              |              |              |
| General  | 6,221,567    | 8,084,090    | 2,582,965    |
| Water Utility  | 2,653,324    | 2,653,324    | 2,420,184    |
| Total Authorized but not Issued                                    | 8,874,891    | 10,737,414   | 5,003,149    |
| Net Bonds, Notes and Loans Issued and<br>Authorized but not Issued | \$19,274,516 | \$24,231,493 | \$17,817,976 |

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 0.355%.

|                            | Gross Debt          | Deductions          | Net Debt            |
|----------------------------|---------------------|---------------------|---------------------|
| Local School District Debt | \$27,905,000        | \$27,905,000        |                     |
| Water Utility Debt         | 3,572,716           | 3,572,716           |                     |
| General Debt               | 17,129,719          | 1,427,919           | \$15,701,800        |
|                            | <u>\$48,607,435</u> | <u>\$32,905,635</u> | <u>\$15,701,800</u> |

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

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

Net Debt: \$15,701,800 divided by Average Equalized Valuations of \$4,417,103,699 of Real Property = 0.355%.

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

|   |                       |
|---|-----------------------|
| 3-1/2% Average Equalized Valuation of Real Property | \$ 154,598,629        |
| Net Debt  | <u>15,701,800</u>     |
| Remaining Borrowing Power                           | <u>\$ 138,896,829</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 | \$ 5,130,032      |
| Deductions:  |                   |
| Operating and Maintenance Cost                           | \$ 4,675,665      |
| Debt Service   | <u>182,335</u>    |
| Total Deductions   | <u>4,858,000</u>  |
| Excess in Revenue  | <u>\$ 272,032</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<br>12/31/2021 | Additions     | Retirements         | Balance<br>12/31/2022 |
|-----------------------------|-----------------------|---------------|---------------------|-----------------------|
| Serial Bonds:               |                       |               |                     |                       |
| General Capital Fund        | \$ 11,206,000         |               | \$ 1,615,000        | \$ 9,591,000          |
| Redevelopment Area          | 944,342               |               | 20,057              | 924,285               |
| Water Utility               | 485,000               |               | 65,000              | 420,000               |
| Bond Anticipation Notes:    |                       |               |                     |                       |
| General Capital Fund        | 1,294,316             |               | 1,294,316           |                       |
| Loans Payable:              |                       |               |                     |                       |
| General Capital Fund:       |                       |               |                     |                       |
| NJDEP Green Acres           | 412,387               |               | 19,520              | 392,867               |
| Water Utility Capital Fund: |                       |               |                     |                       |
| NJEIT                       | <u>600,010</u>        |               | <u>100,618</u>      | <u>499,392</u>        |
| Total                       | <u>\$ 14,942,055</u>  | <u>\$ -0-</u> | <u>\$ 3,114,511</u> | <u>\$ 11,827,544</u>  |

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

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

|                             | Balance<br>12/31/2020 | Additions           | Retirements         | Balance<br>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                       | 700,628               |                     | 100,618             | 600,010               |
| Total                       | <u>\$ 14,241,634</u>  | <u>\$ 8,254,316</u> | <u>\$ 7,553,895</u> | <u>\$ 14,942,055</u>  |

The Township's debt issued and outstanding on December 31, 2022 is described as follows:

General Capital Serial Bonds

| Purpose              | <u>Maturities of Bonds Outstanding</u> |            | Interest<br>Rate | Balance<br>Dec. 31, 2022 |
|----------------------|--|------------|------------------|--------------------------|
|                      | Date                                   | Amount     |                  |                          |
| General Improvements | 09/01/23                               | \$ 470,000 | 3.00%            | \$ 470,000               |
| General Improvements | 04/15/23                               | 545,000    | 2.25%            |                          |
|                      | 04/15/24-27                            | 545,000    | 3.00%            |                          |
|                      | 04/15/28                               | 521,000    | 3.00%            |                          |
|                      |  |            |                  | 3,246,000                |
| General Improvements | 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%            |                          |
|                      | 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%            |                          |
|                      |  |            |                  | <u>5,875,000</u>         |
|                      |  |            |                  | <u>\$ 9,591,000</u>      |

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

The Township's debt issued and outstanding on December 31, 2022 is described as follows: (Cont'd)

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

| <u>Purpose</u>       | <u>Final Maturity</u> | <u>Interest Rate</u> | <u>Balance<br/>Dec. 31, 2022</u> |
|----------------------|-----------------------|----------------------|----------------------------------|
| General Improvements | 03/29/36              | 2.00%                | \$ 305,338                       |
| General Improvements | 07/15/41              | 0.00%                | 87,529                           |
|                      |                       |                      | <u>\$ 392,867</u>                |

Water Utility Capital NJ Environmental Infrastructure Trust (NJEIT) Loans

| <u>Purpose</u>           | <u>Type</u> | <u>Final Maturity</u> | <u>Interest Rate</u> | <u>Balance<br/>Dec. 31, 2022</u> |
|--------------------------|-------------|-----------------------|----------------------|----------------------------------|
| Replace Water Meters and | Trust Loan  | 08/01/31              | 2%-5%                | \$ 265,000                       |
| Retrofit Meter Heads     | Fund Loan   | 08/01/31              | 0.00%                | 234,392                          |
|                          |             |                       |                      | <u>\$ 499,392</u>                |

Water Utility Capital Serial Bonds

| <u>Purpose</u>     | <u>Maturities of Bonds Outstanding</u> |               | <u>Interest Rate</u> | <u>Balance<br/>Dec. 31, 2022</u> |
|--------------------|--|---------------|----------------------|----------------------------------|
|                    | <u>Date</u>                            | <u>Amount</u> |                      |                                  |
| Water Improvements | 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%                | <u>\$ 420,000</u>                |

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
 (Continued)

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

The Township's debt issued and outstanding on December 31, 2022 is described as follows: (Cont'd)

| Purpose                           | <u>Redevelopment Area Bonds</u>                |               | Interest<br>Rate | Balance<br>Dec. 31, 2022 |
|-----------------------------------|--|---------------|------------------|--------------------------|
|                                   | <u>Maturities of Bonds Outstanding</u><br>Date | <u>Amount</u> |                  |                          |
| Redevelopment Project             | 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%            | \$ 924,285               |
| TOTAL DEBT ISSUED AND OUTSTANDING |  |               |                  | <u>\$11,827,544</u>      |

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

The Township's debt issued and outstanding on December 31, 2022 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<br>Year | General Capital     |                   | Water Utility Capital |                  | Redevelopment Area |                   | Total                |
|------------------|---------------------|-------------------|-----------------------|------------------|--------------------|-------------------|----------------------|
|                  | Principal           | Interest          | Principal             | Interest         | Principal          | Interest          |                      |
| 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             | 1,210,627           | 93,850            | 107,539               | 8,483            | 23,463             | 34,367            | 1,478,329            |
| 2027             | 1,221,051           | 70,626            | 100,000               | 6,283            | 24,402             | 33,428            | 1,455,790            |
| Thereafter:      |                     |                   |                       |                  |                    |                   |                      |
| 2028-2032        | 3,382,934           | 104,707           | 205,000               | 11,154           | 137,454            | 151,700           | 3,992,949            |
| 2033-2037        | 109,642             | 3,523             |                       |                  | 167,234            | 121,917           | 402,316              |
| 2038-2042        | 20,199              |                   |                       |                  | 203,466            | 85,684            | 309,349              |
| 2043-2047        |                     |                   |                       |                  | 247,547            | 41,603            | 289,150              |
| 2048             |                     |                   |                       |                  | 55,606             | 2,224             | 57,830               |
| Total            | <u>\$ 9,983,867</u> | <u>\$ 704,580</u> | <u>\$ 919,392</u>     | <u>\$ 63,044</u> | <u>\$ 924,285</u>  | <u>\$ 579,300</u> | <u>\$ 13,174,468</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, 2022, 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, 2022  
(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, 2022, the loan balances were \$392,867. Payments of principal and interest on the first loan commenced in 2017 and on the second loan will tentatively commence in 2023 and are to continue on a semi-annual basis over a period of 20 years. Interest on the first loan is at the rate of 2% annually and on the second loan is at the rate of 0% annually on the outstanding balances.

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, 2022 which were appropriated and included as anticipated revenue in their own respective funds in the adopted budget for the year ending December 31, 2023 are as follows:

|                              |             |
|------------------------------|-------------|
| Current Fund                 | \$5,000,000 |
| Water Utility Operating Fund | \$350,000   |

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, 2022, the Township had the following deferred charge:

|   | Balance<br>Dec. 31, 2022 | Required<br>2023<br>Budget<br>Appropriation | Balance Deferred<br>to Succeeding<br>Years' Budgets |
|---|--------------------------|---|---|
| Current Fund:   |                          |   |   |
| Special Emergency Appropriations -<br>(N.J.S.A. 40A:4-53) | \$ 220,000               | \$ 110,000                                  | \$ 110,000  |

The 2023 Budget Appropriation is not less than that required by Statute.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(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](http://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, 2022  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Benefits Provided (Cont'd)

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

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

Contributions

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

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

Township contributions to PERS amounted to \$1,335,101 for the year ended December 31, 2022. During the fiscal year ended June 30, 2022, the State of New Jersey contributed \$36,016 to the PERS for normal pension benefits on behalf of the Township.

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation

A special funding situation exists for certain local employers of the PERS. The State of New Jersey, as a nonemployer, is required to pay the additional costs incurred by local employers Chapter 133, P.L. 2001. The special funding situation for Chapter 133, P.L. 2001 is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2022, there is no net pension liability associated with this special funding situation and there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date. The State special funding situation for the fiscal year ending June 30, 2022, is the actuarially determined contribution amount that the State owes for the fiscal year ending June 30, 2022. The pension expense is deemed to be a State administrative expense due to the special funding situation.

Pension Liabilities and Pension Expense

At June 30, 2022, the Township's liability was \$17,117,577 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021 which was rolled forward to June 30, 2022. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2022, the Township's proportion was 0.1134%, which was a decrease of 0.0006% from its proportion measured as of June 30, 2021. The Township has rolled forward the net pension liability as of June 30, 2021 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.

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

For the year ended December 31, 2022, the Township recognized actual pension expense in the amount of \$1,335,101.

Actuarial Assumptions

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

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2022 are summarized in the following table.

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Discount Rate

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

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

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

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

Pension Plan Fiduciary Net Position

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

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

Plan Description

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Benefits Provided

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

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, 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. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate, which includes the normal costs and unfunded accrued liability. For fiscal year 2021, the State contributed an amount less than the actuarially determined amount.

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Special Funding Situation

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

Township contributions to PFRS amounted to \$3,910,537 for the year ended December 31, 2022. During the fiscal year ended June 30, 2021, the State of New Jersey contributed \$599,188 to the PFRS for normal pension benefits on behalf of the Township, which is less than the contractually required contribution of \$768,169.

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

Pension Liabilities and Pension Expense

At June 30, 2021, the Township's liability for its proportionate share of the net pension liability was \$24,524,740. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the Township's proportion was 0.3355%, which was an increase of 0.0146% from its proportion measured as of June 30, 2020. The Township has rolled forward the net pension liability as of June 30, 2021 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, 2021 information in the Notes to the Financial Statements as the June 30, 2022 information has not been released as of the date of this audit.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Pension Liabilities and Pension Expense (Cont'd)

Additionally, the State's proportionate share of the net pension liability attributable to the Township is \$6,897,578 as of June 30, 2021. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. 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, 2021, the State's proportion was 0.3355%, which was an increase of 0.0146% from its proportion measured as of June 30, 2020 which is the same proportion as the Township's.

|  |                      |
|--|----------------------|
| Township's Proportionate Share of the Net Pension Liability                              | \$ 24,524,740        |
| State's Proportionate Share of the Net Pension Liability Associated<br>with the Township | <u>6,897,578</u>     |
| Total Net Pension Liability  | <u>\$ 31,422,318</u> |

For the year ended December 31, 2022, the Township recognized total pension expense of \$3,910,537.

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions:

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

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 6: Pension Plans (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in PFRS' target asset allocation as of June 30, 2021 are summarized in the following table:

| Asset Class                       | Target<br>Allocation | Long-Term<br>Expected Real<br>Rate of Return |
|-----------------------------------|----------------------|--|
| U.S. Equity                       | 27.00%               | 8.09%  |
| Non-U.S. Developed Markets Equity | 13.50%               | 8.71%  |
| Emerging Market Equity            | 5.50%                | 10.96%                                       |
| Private Equity                    | 13.00%               | 11.30%                                       |
| Real Estate                       | 8.00%                | 9.15%  |
| Real Assets                       | 3.00%                | 7.40%  |
| High Yield                        | 2.00%                | 3.75%  |
| Private Credit                    | 8.00%                | 7.60%  |
| Investment Grade Credit           | 8.00%                | 1.68%  |
| Cash Equivalents                  | 4.00%                | 0.50%  |
| U.S. Treasuries                   | 5.00%                | 0.95%  |
| Risk Mitigation Strategies        | 3.00%                | 3.35%  |

Discount Rate – PFRS

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.



TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(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, 2021 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, 2021 |               |               |
|---|---------------|---------------|---------------|
|   | 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 | \$ 47,713,808 | \$ 31,422,318 | \$ 17,861,413 |

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, 2022  
(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 \$10,241 for 2022. Employee contributions to DCRP were \$27,066 for 2022.

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 \$2,482,020. 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 \$1,048,013 reflected on the Other Trust Funds' balance sheet as of December 31, 2022.

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, 2022  
(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>2022</u>             | <u>2021</u>             | <u>2020</u>             |
|----------------------------------|-------------------------|-------------------------|-------------------------|
| <u>Tax Rate</u>                  | \$ 3.864                | \$ 3.712                | \$ 3.682                |
| <u>Apportionment of Tax Rate</u> |                         |                         |                         |
| Municipal                        | 1.308                   | 1.283                   | 1.292                   |
| County                           | 0.620                   | 0.594                   | 0.584                   |
| Local School                     | 1.936                   | 1.835                   | 1.806                   |
| <u>Assessed Valuations</u>       |                         |                         |                         |
| 2022                             | <u>\$ 3,259,403,760</u> |                         |                         |
| 2021                             |                         | <u>\$ 3,253,575,000</u> |                         |
| 2020                             |                         |                         | <u>\$ 3,241,711,000</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> |
| 2022        | \$ 126,224,158  | \$ 124,002,275          | 98.23%                          |
| 2021        | 125,287,395     | 123,883,377             | 98.87%                          |
| 2020        | 119,684,807     | 118,130,065             | 98.70%                          |

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, 2022  
(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, 2022  
(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, 2022  
(Continued)

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

As of December 31, 2022, cash and cash equivalents of the Township of Nutley consisted of the following:

| <u>Fund</u>             | <u>Cash on<br/>Hand</u> | <u>Checking<br/>Accounts</u> | <u>Money<br/>Market<br/>Accounts</u> | <u>Short-Term<br/>Certificates of<br/>Deposit</u> | <u>Total</u>         |
|-------------------------|-------------------------|------------------------------|--------------------------------------|---|----------------------|
| Current                 | \$ 300                  | \$ 29,875,815                | \$ 12,975,344                        |   | \$ 42,851,459        |
| Animal Control          |                         | 57,337                       |                                      |   | 57,337               |
| Other Trust             |                         | 3,448,807                    |                                      |   | 3,448,807            |
| General Capital         |                         | 83,229                       |                                      |   | 83,229               |
| Water Utility Operating |                         | 830,352                      |                                      | \$ 1,070,895                                      | 1,901,247            |
| Water Utility Capital   |                         | 183                          |                                      |   | 183                  |
| Public Assistance       |                         | 26,636                       |                                      | 50,275  | 76,911               |
|                         | <u>\$ 300</u>           | <u>\$ 34,322,359</u>         | <u>\$ 12,975,344</u>                 | <u>\$ 1,121,170</u>                               | <u>\$ 48,419,173</u> |

During the period ended December 31, 2022, 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, 2022 was \$48,419,173 and the bank balance was \$48,595,172.

Note 11: Interfund Receivables and Payables

The following interfund balances remain on the balance sheet at December 31, 2022:

| <u>Fund</u>                  | <u>Interfund<br/>Receivable</u> | <u>Interfund<br/>Payable</u> |
|------------------------------|---------------------------------|------------------------------|
| Current Fund                 | \$ 1,077,956                    | \$ 12,237,577                |
| Animal Control Fund          |                                 | 20,299                       |
| Other Trust Funds            | 6,075,532                       |                              |
| General Capital Fund         | 5,677,045                       |                              |
| Water Utility Operating Fund |                                 | 1,079,890                    |
| Water Utility Capital Fund   | 507,233                         |                              |
|                              | <u>\$ 13,337,766</u>            | <u>\$ 13,337,766</u>         |

The Current Fund interfund receivable represents \$20,299 of statutory excess in the reserve for animal control expenditures from the current and prior years due from the Animal Control Fund and the balance of an interfund advance due from the Water Utility Operating Fund of \$1,057,657. The Current Fund interfund payable represents \$6,075,532 due to the Other Trust Funds as a result of receiving and disbursing funds on the Other Trust Funds' behalf; \$5,677,045 due to the General Capital Fund (\$3,687,262 as a result of receiving and disbursing funds on the General Capital Fund's behalf, 2022 budget and 2021 appropriation reserve appropriations for capital improvement fund of \$200,000 and \$1,500,000, respectively, and unexpended 2021 appropriation reserve balances of \$289,783 transferred to the reserves for economic development project and paving); and \$485,000 of prior year 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 \$22,233 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, 2022  
(Continued)

Note 12: Risk Management

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

Property and Liability

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

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

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

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

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

Selected financial information for the Fund as of December 31, 2022 is as follows:

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 12: Risk Management (Cont'd)

Property and Liability (Cont'd)

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

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

New Jersey Unemployment Compensation Insurance

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

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

| <u>Year</u> | <u>Township<br/>Contributions</u> | <u>Employee<br/>Contributions</u> | <u>Interest<br/>Earnings</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|-------------|-----------------------------------|-----------------------------------|------------------------------|------------------------------|---------------------------|
| 2022        | \$ 60,000                         | \$ -0-                            | \$ -0-                       | \$ 42,494                    | \$ 722,374                |
| 2021        | 150,000                           | -0-                               | -0-                          | 47,217                       | 704,868                   |
| 2020        | 90,000                            | 30,032                            | -0-                          | 19,042                       | 602,085                   |

Self Insurance Deductible

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

Note 13: Contingencies

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

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

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



TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

Note 14: Economic Dependency

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

Note 15: Postemployment Benefits Other Than Pensions (OPEB)

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

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

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

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

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

General Information about the OPEB Plan (Cont'd)

Benefits Provided (Cont'd)

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

Municipal, Police and Fire Employees

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

Contributions

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

Allocation Methodology

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective inflows of resources, and collective OPEB (benefit)/expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are based on separately calculated total OPEB liabilities. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit)/expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. 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, 2021 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, 2021 OPEB information in the Notes to the Financial Statements as the June 30, 2022 information has not been released as of the date of this report.

The total OPEB liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

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

OPEB Expense (Cont'd)

At June 30, 2021, the Township had a liability of \$66,338,374 for its proportionate share of the net OPEB liability. At June 30, 2021, the Township's proportion was .36855% which was a decrease of .01149% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the Township's OPEB expense, as determined by the State of New Jersey Division of Pensions and Benefits, was \$2,138,663.

The Township's actual postemployment payments in 2022 for 145 retiree employees were \$2,158,395.

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

Actuarial assumptions used in the June 30, 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.

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

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

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.65% for fiscal year 2021 and decreases to a 4.5% long term trend rate after seven years. For PPO post 65 medical benefits, the trend rate is initially 13.08% and decreases to a 4.5% long term trend rate starting with fiscal year 2032 and later. For HMO Post 65 medical benefits, the trend rate is initially 13.76% and decreases to a 4.50% long term trend rate starting with fiscal year 2032 and later. For prescription drug benefits, the initial trend rate is 6.75% for fiscal year 2021 and decreases to a 4.5% long term rate after seven years.

Discount Rate

The discount rate for June 30, 2021 was 2.16%. 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, 2021, 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, 2021                |                                |                              |
|--|------------------------------|--------------------------------|------------------------------|
|  | At 1%<br>Decrease<br>(1.16%) | At<br>Discount Rate<br>(2.16%) | At 1%<br>Increase<br>(3.16%) |
| Net OPEB Liability Attributable to<br>the Township | \$ 78,067,541                | \$ 66,338,374                  | \$ 57,042,757                |

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, 2021, 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, 2021  |                               |                |
|--|----------------|-------------------------------|----------------|
|  | 1%<br>Decrease | Healthcare<br>Cost Trend Rate | 1%<br>Increase |
| Net OPEB Liability Attributable to<br>the Township | \$ 55,348,546  | \$ 66,338,374                 | \$ 80,678,739  |

TOWNSHIP OF NUTLEY  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022  
 (Continued)

Note 16: Tax Abatements

As of December 31, 2022, the Township provides a tax abatement to a Phase I redevelopment project which consists of the development of a new medical school, the relocation of the Seton Hall University College of Nursing and School of Health and Medical Science, the creation of an incubator facility and state of the art research and laboratory facilities for bio-pharma and related companies in the Township. Pursuant to the Redevelopment Bond Law and together with the Redevelopment Law and the Exemption Law under N.J.S.A. 40A:12A-66, the Township is authorized to provide for a tax exemption and payments in lieu of taxes in accordance with the Exemption Law. In consideration of the abatement of taxes, the redeveloper is required to pay to the Township an annual service charge for municipal services supplied in the Phase I redevelopment project which sum is in lieu of taxes on the improvements pursuant to the Exemption Law (N.J.S.A. 40A:20-12), which shall be comprised of a pledged annual service charge which shall be equal to debt service on the redevelopment bonds plus the unpledged annual service charge. The unpledged annual service charge shall be equal to \$379,663 with such amount to increase by 5 percent every 5 years with the first of such increases to occur on the 5<sup>th</sup> anniversary of the annual service charge start date during the term of the agreement. To the extent that the redeveloper subleases all of the spaces in the existing buildings that are not part of the academic space, then for the term of the sublease (but not to exceed the term of the agreement), the unpledged annual service charge shall be increased by an amount equal to \$135,427 which amount shall be further increased by 2 percent annually during the terms of the agreement and any such sublease. The long term tax exemption commenced on the Annual Service Charge Start Date and shall remain in effect until the earlier of 35 years from the start of the execution hereof or 30 years from the project completion date, unless the agreement is earlier terminated by the Township.

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

The Township collected \$354,527.04 from this annual service charge or payment in lieu of taxes of which \$7,915.56 was anticipated and realized as 2022 revenue, \$327,616.72 is recorded as a Reserve for Payment in Lieu of Taxes – Seton Hall University Medical School and \$18,994.76 is County PILOT Taxes payable. The taxes which would have been paid on this property for 2022 without the abatement would have been \$518,668.58 of which \$175,569.31 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, 2022  
(Continued)

Note 16: Tax Abatements (Cont'd)

As of December 31, 2022, the Township provides a tax abatement to PB-100 Metro Urban Renewal, LLC for a Phase IIA redevelopment project which consists of the renovation of the seven-story building at 100 Metro Boulevard. Pursuant to the Exemption Law under N.J.S.A. 40A:20-1, the Township is authorized to provide for a tax exemption and payments in lieu of taxes in accordance with the Exemption Law. In consideration of the abatement of taxes, the redeveloper is required to pay to the Township an annual service charge for municipal services supplied in the Phase IIA redevelopment project which sum is in lieu of taxes on the improvements pursuant to the Exemption Law (N.J.S.A. 40A:20-12). The minimum unpledged annual service charge shall be equal to \$927,241 with such amount to increase by 2 percent each year during the term of the agreement. For years one through fifteen, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge or 11.92% of the annual gross revenue. For years sixteen through twenty-one, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 20% of the amount of taxes otherwise due on the value of land improvements. For years twenty-two through twenty-seven, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 40% of the amount of taxes otherwise due on the value of land improvements. For years twenty-eight through twenty-nine, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 60% of the amount of taxes otherwise due on the value of land improvements. For year thirty, the unpledged annual service charge shall be the greater of the minimum unpledged annual service charge, 11.92% of the annual gross revenue or 80% of the amount of taxes otherwise due on the value of land improvements. The long term tax exemption commenced on the Annual Service Charge Start Date and shall remain in effect until the earlier of 35 years from the start of the execution hereof or 30 years from the project completion date, unless the agreement is earlier terminated by the Township.

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

The Township collected \$1,460,127.74 from this annual service charge or payment in lieu of taxes of which \$506,398.00 was anticipated and realized as 2022 revenue, \$894,653.69 is recorded as a Reserve for Payment in Lieu of Taxes – 100 Metro Boulevard and \$59,076.05 is recorded as County PILOT Taxes payable at December 31, 2022. The taxes which would have been paid on this property for 2022 without the abatement would have been \$1,144,362.24 of which \$387,366.62 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, 2022  
(Continued)

Note 16: Tax Abatements (Cont'd)

As of December 31, 2022, the Township provides a tax abatement to PB-200 Metro Urban Renewal, LLC.

The Township collected \$922,633.98 from this annual service charge or payment in lieu of taxes of which \$922,633.98 is recorded as a Reserve for Payment in Lieu of Taxes – 200 Metro Boulevard. The taxes which would have been paid on this property for 2022 without the abatement would have been \$1,227,206.40 of which \$415,409.37 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.

Additionally, as of December 31, 2022, 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 \$147,198.92 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 2022 without the abatement would have been \$671,609.57 of which \$227,339.84 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, 2022

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

| Name                    | Title   | Amount of Bond |
|-------------------------|---|----------------|
| Dr. Joseph P. Scarpelli | Mayor (from 5/17/22), Director of Public Works            |                |
| Mauro G. Tucci          | Mayor (to 5/16/22), 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                                 |                |
| Eleni Pettas            | Township Clerk  | (B)            |
| John Ditinyak           | Chief Financial Officer (from 3/1/22)                     | (A)            |
| Rosemary Costa          | Chief Financial Officer; Tax Collector (to 2/28/22)       | (A)            |
| Rosemarie Berry         | Tax Collector (from 3/1/22)                               | (A)            |
| Edmund B. Brown         | Tax Assessor  | (B)            |
| Alan Genitempo          | Magistrate (from 2/15/22)                                 | (B)            |
| Joanne Cocchiola        | Magistrate (to 1/14/22)                                   | (B)            |
| Adriana Marzullo        | Municipal Court Administrator                             | (B)            |
| Jennifer Garner         | Deputy Municipal Court Administrator                      | (B)            |
| Thomas A. Restaino      | Public Health Coordinator                                 | (B)            |
| Sue Portuese            | Health Officer  | (B)            |
| Meredith Blank          | Health Department Clerk/Registrar                         | (B)            |
| David Berry             | Code Enforcement Officer                                  | (B)            |
| Thomas J. Strumolo, Jr. | Police Chief  | (B)            |
| Paul Cafone             | Deputy Fire Chief   | (B)            |
| Jonathan Bruno          | Township Attorney (from 2/15/22)                          |                |
| Alan Genitempo          | Township Attorney (to 2/14/22)                            |                |

(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  
2022  
CURRENT FUND

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF CASH - TREASURER

A-4  
1 of 2

|  | <u>Ref.</u> |                   |
|--|-------------|-------------------|
| Balance December 31, 2021                                    | A           | \$ 42,212,977.97  |
| Increased by Receipts:                                       |             |                   |
| Tax Collector  |             | \$ 127,245,985.82 |
| Revenue Accounts Receivable                                  |             | 9,032,692.26      |
| Miscellaneous Revenue Not Anticipated                        |             | 538,721.14        |
| Petty Cash Returned  |             | 650.00            |
| Interest on Investments and Deposits                         |             | 176,637.18        |
| County PILOT Taxes Payable                                   |             | 78,070.81         |
| Due Other Trust Funds:                                       |             |                   |
| Federal Emergency Management Agency - Tropical Storm Isaias: |             |                   |
| Reserve for Storm Recovery                                   |             | 250,000.00        |
| Due General Capital Fund:                                    |             |                   |
| Deferred Charges to Future Taxation - Unfunded:              |             |                   |
| Hurricane Ida Insurance Reimbursements                       |             | 1,225,304.37      |
| Hurricane Ida F.E.M.A. Reimbursements                        |             | 637,218.60        |
| Grants Receivable - State of NJ Department of Transportation |             | 345,951.75        |
| Improvement Authorization Refunds                            |             | 65,369.25         |
| Reserve for:   |             |                   |
| Unappropriated Grant Funds:                                  |             |                   |
| Body Armor Replacement Fund                                  |             | 1,457.09          |
| Pedestrian Safety, Education and Enforcement Fund            |             | 11,110.00         |
| American Rescue Plan - Coronavirus State and Local Fiscal    |             |                   |
| Recovery Funds   |             | 1,488,072.84      |
| Municipal Relief Fund Aid                                    |             | 273,736.76        |
| Litigation Settlement  |             | 200,000.00        |
| Dissolution of Nutley Volunteer Emergency Rescue Squad       |             | 255,144.08        |
| Payment in Lieu of Taxes:                                    |             |                   |
| Seton Hall University Medical School                         |             | 335,532.28        |
| 100 Metro Boulevard  |             | 894,653.69        |
| 200 Metro Boulevard  |             | 922,633.98        |
| Due State of New Jersey:                                     |             |                   |
| Consolidated Municipal Property Tax Relief Aid Receivable    |             | 800,000.00        |
| Senior Citizens' and Veterans' Deductions                    |             | 119,413.01        |
| Construction Code Surcharge Fees                             |             | 30,587.00         |
| Marriage License Fees  |             | 1,975.00          |
| Burial Permits   |             | 5.00              |
| Appropriation Refunds  |             | 1,398,749.51      |
|  |             | <hr/>             |
|  |             | 146,329,671.42    |
|  |             | <hr/>             |
|  |             | 188,542,649.39    |

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

A-4  
2 of 2

|  | <u>Ref.</u>      |                          |
|--|------------------|--------------------------|
| Decreased by Disbursements:                          |                  |                          |
| 2022 Appropriation Expenditures                      | \$ 49,537,351.65 |                          |
| 2021 Appropriation Reserve Expenditures              | 1,806,250.42     |                          |
| Petty Cash Advanced                                  | 650.00           |                          |
| Accounts Payable                                     | 481,130.16       |                          |
| Local School District Taxes                          | 63,991,153.00    |                          |
| County Taxes   | 20,241,857.97    |                          |
| Due Other Trust Funds:                               |                  |                          |
| Interfund Returned                                   | 1,470,650.00     |                          |
| Living Tree Memorial Program Expenditures            | 18,405.61        |                          |
| Recreation Commission Expenditures                   | 100.78           |                          |
| Due General Capital Fund:                            |                  |                          |
| Improvement Authorization Expenditures               | 6,030,277.94     |                          |
| Bond Anticipation Notes Redeemed                     | 1,294,316.00     |                          |
| Due State of New Jersey:                             |                  |                          |
| Construction Code Surcharge Fees                     | 31,095.00        |                          |
| Marriage License Fees                                | 2,675.00         |                          |
| Burial Permits                                       | 5.00             |                          |
| Appropriated Reserve for Grant Funds:                |                  |                          |
| Private Donation - Partners for Health               | 6,000.00         |                          |
| Drunk Driving Enforcement Fund                       | 5,674.94         |                          |
| Reserve for:   |                  |                          |
| Purchase of Fire Truck - Insurance Proceeds          | 13,622.73        |                          |
| Pending Tax Appeals                                  | 21,571.13        |                          |
| Redemption of Outside Liens                          | 354,095.62       |                          |
| Revaluation of Property                              | 290,238.86       |                          |
| Refund of:   |                  |                          |
| Tax Overpayments                                     | 93,889.10        |                          |
| Miscellaneous Revenue Anticipated:                   |                  |                          |
| Fees and Permits                                     | 180.00           |                          |
| Tree Removal Permits                                 | 200.00           |                          |
| Emergency Management Services Transportation Billing | 100.00           |                          |
|  | <hr/>            |                          |
|  |                  | <u>\$ 145,691,490.91</u> |
| Balance December 31, 2022                            | A                | <u>\$ 42,851,158.48</u>  |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2022

A-5

Increased by Receipts:

|  |                   |                   |
|--|-------------------|-------------------|
| Taxes Receivable   | \$ 124,446,912.56 |                   |
| Interest and Costs on Taxes                                      | 140,214.63        |                   |
| 2022 Prepaid Taxes   | 826,230.33        |                   |
| Tax Overpayments   | 76,599.69         |                   |
| Redemption of Outside Liens                                      | 354,095.62        |                   |
| Tax Sale Premiums - Due to Other Trust Funds                     | 1,387,800.00      |                   |
| Fees and Permits - Tax Search Fees/Miscellaneous                 | 13,752.99         |                   |
| Miscellaneous Revenue Not Anticipated - Departmental Collections | <u>380.00</u>     |                   |
|  |                   | \$ 127,245,985.82 |

Decreased by:

|                                 |                                 |
|---------------------------------|---------------------------------|
| Payments to Municipal Treasurer | <u><u>\$ 127,245,985.82</u></u> |
|---------------------------------|---------------------------------|

SCHEDULE OF CASH - GRANT FUNDS  
YEAR ENDED DECEMBER 31, 2022

A-6

NOT APPLICABLE

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

| Year                                      | Balance<br>Dec. 31, 2021 | 2022 Levy        | Collections       |                  | Overpayments<br>Applied | State of NJ<br>Senior Citizens'<br>and Veterans'<br>Deductions | Canceled       | Balance<br>Dec. 31, 2022 |
|---|--------------------------|------------------|-------------------|------------------|-------------------------|--|----------------|--------------------------|
| 2020                                      | \$ 5.11                  |                  |                   | \$ 5.11          |                         |  | \$ 176.74      | \$ 413.05                |
| 2021                                      | 1,268,245.86             |                  |                   | 1,267,656.07     |                         |  | 176.74         | 413.05                   |
|   | 1,268,250.97             |                  |                   | 1,267,661.18     |                         |  |                |                          |
| 2022                                      |                          | \$126,224,158.06 | \$ 687,077.42     | 123,179,251.38   | \$ 17,268.53            | \$ 118,678.08  | 1,003,988.19   | 1,217,894.46             |
|   |                          |                  |                   |                  |                         |  |                |                          |
|   | \$ 1,268,250.97          | \$126,224,158.06 | \$ 687,077.42     | \$124,446,912.56 | \$ 17,268.53            | \$ 118,678.08  | \$1,004,164.93 | \$ 1,218,307.51          |
|   |                          |                  |                   |                  |                         |  |                |                          |
| <u>Ref.</u>                               | A                        |                  |                   |                  |                         |  |                | A                        |
| <u>Analysis of 2022 Property Tax Levy</u> |                          |                  |                   |                  |                         |  |                |                          |
| Tax Yield:                                |                          |                  |                   |                  |                         |  |                |                          |
| General Purpose Tax                       |                          |                  | \$ 125,943,072.28 |                  |                         |  |                |                          |
| Business Personal Property Taxes          |                          |                  | 288.25            |                  |                         |  |                |                          |
| Added and Omitted Taxes                   |                          |                  | 280,797.53        |                  |                         |  |                |                          |
|   |                          |                  |                   | \$126,224,158.06 |                         |  |                |                          |
|   |                          |                  |                   |                  |                         |  |                |                          |
| Tax Levy:                                 |                          |                  |                   |                  |                         |  |                |                          |
| Local School District Taxes               |                          |                  |                   | \$ 63,098,916.00 |                         |  |                |                          |
| County Taxes                              |                          |                  | \$ 19,544,635.10  |                  |                         |  |                |                          |
| County Open Space Taxes                   |                          |                  | 661,461.37        |                  |                         |  |                |                          |
| Due County for Added and Omitted Taxes    |                          |                  | 45,057.59         |                  |                         |  |                |                          |
|   |                          |                  |                   | 20,251,154.06    |                         |  |                |                          |
|   |                          |                  |                   | 83,350,070.06    |                         |  |                |                          |
|   |                          |                  |                   |                  |                         |  |                |                          |
| Local Tax for Municipal Purposes Levied   |                          |                  | 41,174,190.78     |                  |                         |  |                |                          |
| Minimum Library Tax Levied                |                          |                  | 1,453,784.38      |                  |                         |  |                |                          |
|   |                          |                  | 42,627,975.16     |                  |                         |  |                |                          |
| Add: Additional Tax Levied                |                          |                  | 246,112.84        |                  |                         |  |                |                          |
|   |                          |                  |                   | 42,874,088.00    |                         |  |                |                          |
|   |                          |                  |                   | \$126,224,158.06 |                         |  |                |                          |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
YEAR ENDED DECEMBER 31, 2022

A-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-9  
1 of 2

|  | Balance<br>Dec. 31, 2021 | Accrued in<br>2022 | Collected by |              | Balance<br>Dec. 31, 2022 |
|--|--------------------------|--------------------|--------------|--------------|--------------------------|
|  |                          |                    | Collector    | Treasurer    |                          |
| Licenses:  |                          |                    |              |              |                          |
| Alcoholic Beverages                              |                          | \$ 31,971.84       |              | \$ 31,971.84 |                          |
| Other  |                          | 37,351.94          |              | 37,351.94    |                          |
| Fees and Permits:                                |                          |                    |              |              |                          |
| Building Inspector                               |                          | 125,588.00         |              | 125,588.00   |                          |
| Board of Health                                  |                          | 12,307.00          |              | 12,307.00    |                          |
| Police   |                          | 5,365.59           |              | 5,365.59     |                          |
| Tax Search Fees/Miscellaneous                    |                          | 13,752.99          | \$ 13,752.99 |              |                          |
| Public Works                                     |                          | 1,530.00           |              | 1,530.00     |                          |
| Fines and Costs - Municipal Court                | \$ 22,727.53             | 285,334.85         |              | 285,559.94   | \$ 22,502.44             |
| Parking Meters                                   |                          | 341,397.88         |              | 341,397.88   |                          |
| Fees - Immunization Program                      |                          | 7,343.68           |              | 7,343.68     |                          |
| Tree Removal Permits                             |                          | 6,800.00           |              | 6,800.00     |                          |
| Consolidated Municipal Property Tax Relief Aid   |                          | 2,137,207.00       |              | 2,137,207.00 |                          |
| Energy Receipts Tax                              |                          | 3,110,423.00       |              | 3,110,423.00 |                          |
| Uniform Construction Code Fees                   |                          | 650,349.00         |              | 650,349.00   |                          |
| Nutley Board of Education:                       |                          |                    |              |              |                          |
| Physician Services                               |                          | 9,900.00           |              | 9,900.00     |                          |
| Bulk/Solid Waste                                 |                          | 12,500.00          |              | 12,500.00    |                          |
| Fiber Optic Cable                                |                          | 7,500.00           |              | 7,500.00     |                          |
| Safe and Secure Communities Grant                |                          | 32,400.00          |              | 32,400.00    |                          |
| Clean Communities Program                        |                          | 53,204.68          |              | 53,204.68    |                          |
| Body Armor Replacement Fund                      |                          | 5,898.75           |              | 5,898.75     |                          |
| Occupant Protection Program - Click It or Ticket |                          | 7,000.00           |              | 7,000.00     |                          |
| Bullet Proof Vest Program                        |                          | 5,484.05           |              | 5,484.05     |                          |
| National Opioids Settlement                      |                          | 11,796.50          |              | 11,796.50    |                          |



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

|  | Balance<br>Dec. 31, 2021 | Accrued In<br>2022     | Collected by        |                        | Balance<br>Dec. 31, 2022 |
|--|--------------------------|------------------------|---------------------|------------------------|--------------------------|
|  |                          |                        | Collector           | Treasurer              |                          |
| Sewer Maintenance Fees - Due from:                   |                          |                        |                     |                        |                          |
| Town of Belleville                                   | \$                       | 11,332.33              |                     | \$ 11,332.33           |                          |
| City of Clifton                                      |                          | 145.50                 |                     | 145.50                 |                          |
| Residential Furniture Delivery Service               |                          | 717.38                 |                     | 717.38                 |                          |
| Town of Bloomfield                                   |                          | 61,142.78              |                     | 61,142.78              |                          |
| Regency Condominiums                                 |                          | 7,015.73               |                     | 7,015.73               |                          |
| PB Nutcliff I LLC, Excess Sewer Charges              |                          | 108,995.09             |                     | 108,995.09             |                          |
| Payment in Lieu of Taxes:                            |                          |                        |                     |                        |                          |
| Senior Citizen Housing                               |                          | 101,117.04             |                     | 101,117.04             |                          |
| Nutley Senior Manor                                  |                          | 46,081.88              |                     | 46,081.88              |                          |
| PB-100 Metro Boulevard                               |                          | 506,398.00             |                     | 506,398.00             |                          |
| Passaic Valley Sewer Charges - User Charges          |                          | 11,915.10              |                     | 11,915.10              |                          |
| Recycling Program                                    |                          | 25,000.00              |                     | 25,000.00              |                          |
| Bureau of Housing Inspection                         |                          | 7,995.00               |                     | 7,995.00               |                          |
| Uniform Fire Safety Act                              |                          | 24,532.32              |                     | 24,532.32              |                          |
| Cable Franchise Fee                                  |                          | 393,792.36             |                     | 393,792.36             |                          |
| Cell Phone Tower Lease                               |                          | 18,000.00              |                     | 18,000.00              |                          |
| Emergency Management Services Transportation Billing |                          | 718,932.92             |                     | 718,932.92             |                          |
| Board of Education Contribution for Crossing Guards  |                          | 300,000.00             |                     | 300,000.00             |                          |
|  | <u>\$ 22,727.53</u>      | <u>\$ 9,271,220.16</u> | <u>\$ 13,752.99</u> | <u>\$ 9,257,692.26</u> | <u>\$ 22,502.44</u>      |
| <u>Ref.</u>  | <u>A</u>                 |                        |                     |                        | <u>A</u>                 |
| Cash Receipts  |                          |                        |                     | \$ 9,032,692.26        |                          |
| Due from Other Trust Funds                           |                          |                        |                     | 25,000.00              |                          |
| Prepaid Uniform Construction Code Fees Realized      |                          |                        |                     | 200,000.00             |                          |
|  |                          |                        |                     | <u>\$ 9,257,692.26</u> |                          |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF CONSUMERS ACCOUNTS RECEIVABLE  
YEAR ENDED DECEMBER 31, 2022

A-10

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022

A-11  
1 of 5

|   | Balance<br>Dec. 31, 2021 | Balance<br>After<br>Transfers | Paid or<br>Charged | Balance<br>Lapsed |
|---|--------------------------|-------------------------------|--------------------|-------------------|
| Director of Public Affairs:                 |                          |                               |                    |                   |
| Salaries and Wages                          | \$ 250.00                | \$ 250.00                     | \$ 250.00          |                   |
| Other Expenses                              | 5,511.60                 | 5,511.60                      | 3,458.80           | \$ 2,052.80       |
| Nutley Public Health Reserve Corp:          |                          |                               |                    |                   |
| Other Expenses                              | 900.01                   | 900.01                        |                    | 900.01            |
| Department of Health - Local Health Agency: |                          |                               |                    |                   |
| Salaries and Wages                          | 41,111.10                | 41,111.10                     | 41,111.10          |                   |
| Other Expenses                              | 27,803.00                | 27,803.00                     | 4,654.42           | 23,148.58         |
| Animal Regulation:                          |                          |                               |                    |                   |
| Other Expenses                              | 18,819.00                | 18,819.00                     |                    | 18,819.00         |
| Military Veterans Affairs Bureau:           |                          |                               |                    |                   |
| Salaries and Wages                          | 1,247.22                 | 1,247.22                      | 1,247.22           |                   |
| Other Expenses                              | 6,000.00                 | 6,000.00                      | 1,550.00           | 4,450.00          |
| Immunization Program:                       |                          |                               |                    |                   |
| Other Expenses                              | 1,200.93                 | 1,200.93                      | 1,133.03           | 67.90             |
| Contractual:                                |                          |                               |                    |                   |
| Garbage and Trash Removal                   | 365,564.81               | 205,564.81                    | 199,680.75         | 5,884.06          |
| Municipal Prosecutor:                       |                          |                               |                    |                   |
| Salaries and Wages                          | 11,997.56                | 11,997.56                     | 11,997.56          |                   |
| Other Expenses                              | 1,000.00                 | 1,000.00                      |                    | 1,000.00          |
| Board of Adjustment:                        |                          |                               |                    |                   |
| Salaries and Wages                          | 1,367.35                 | 1,367.35                      | 1,367.35           |                   |
| Other Expenses                              | 558.83                   | 558.83                        | 304.36             | 254.47            |
| Planning Board:                             |                          |                               |                    |                   |
| Salaries and Wages                          | 117.35                   | 117.35                        | 117.35             |                   |
| Other Expenses                              | 4,002.89                 | 4,002.89                      | 98.69              | 3,904.20          |
| Rent Leveling Board:                        |                          |                               |                    |                   |
| Salaries and Wages                          | 473.55                   | 473.55                        | 473.55             |                   |
| Other Expenses                              | 1,000.00                 | 1,000.00                      |                    | 1,000.00          |
| Township Attorney:                          |                          |                               |                    |                   |
| Salaries and Wages                          | 3,597.70                 | 3,597.70                      | 3,597.70           |                   |
| Other Expenses                              | 159,335.52               | 159,335.52                    | 138,552.68         | 20,782.84         |
| Celebration of Public Events                | 15,412.59                | 15,412.59                     | 11,235.00          | 4,177.59          |
| Director of Revenue and Finance:            |                          |                               |                    |                   |
| Other Expenses                              | 5,841.00                 | 5,841.00                      | 3,000.00           | 2,841.00          |
| Assessment of Taxes:                        |                          |                               |                    |                   |
| Salaries and Wages                          | 3,913.75                 | 3,913.75                      | 3,913.75           |                   |
| Other Expenses                              | 75,184.20                | 35,184.20                     | 4,500.59           | 30,683.61         |
| Collection of Taxes:                        |                          |                               |                    |                   |
| Salaries and Wages                          | 6,181.36                 | 6,181.36                      | 6,181.36           |                   |
| Other Expenses                              | 7,426.17                 | 7,426.17                      | 824.17             | 6,602.00          |
| Treasurer's Office:                         |                          |                               |                    |                   |
| Salaries and Wages                          | 22,314.84                | 22,314.84                     | 22,314.84          |                   |
| Other Expenses                              | 18,940.28                | 18,940.28                     | 9,219.80           | 9,720.48          |
| Grant Writer                                | 6,666.70                 | 6,666.70                      | 6,666.66           | 0.04              |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

A-11  
2 of 5

|  | Balance<br>Dec. 31, 2021 | Balance<br>After<br>Transfers | Paid or<br>Charged | Balance<br>Lapsed |
|--|--------------------------|-------------------------------|--------------------|-------------------|
| Township Clerk's Office:               |                          |                               |                    |                   |
| Salaries and Wages                     | \$ 22,194.14             | \$ 22,194.14                  | \$ 22,194.14       |                   |
| Other Expenses                         | 48,818.42                | 48,818.42                     | 8,385.24           | \$ 40,433.18      |
| Other Expenses - Election              | 60,000.00                |                               |                    |                   |
| Administration of Township Ordinances: |                          |                               |                    |                   |
| Salaries and Wages                     | 10,686.75                | 10,686.75                     | 10,686.75          |                   |
| Other Expenses                         | 7,865.00                 | 7,865.00                      |                    | 7,865.00          |
| Expense, Stationary and Printing:      |                          |                               |                    |                   |
| Other Expenses                         | 36,204.39                | 36,204.39                     | 11,232.27          | 24,972.12         |
| Annual Audit:                          |                          |                               |                    |                   |
| Other Expenses - Regular               | 2,381.00                 | 2,381.00                      |                    | 2,381.00          |
| Economic Redevelopment Project:        |                          |                               |                    |                   |
| Other Expenses                         | 252,935.51               | 252,935.51                    | 252,935.51         |                   |
| Other Expenses - Reimbursements        | 150,000.00               | 150,000.00                    | 150,000.00         |                   |
| Printing and Legal Advertising:        |                          |                               |                    |                   |
| Other Expenses                         | 7,043.02                 | 7,043.02                      | 2,387.93           | 4,655.09          |
| Mayor:                                 |                          |                               |                    |                   |
| Salaries and Wages                     | 480.75                   | 480.75                        | 480.75             |                   |
| Other Expenses                         | 387.77                   | 387.77                        |                    | 387.77            |
| Director of Public Safety:             |                          |                               |                    |                   |
| Other Expenses                         | 5,176.35                 | 5,176.35                      | 3,897.56           | 1,278.79          |
| Municipal Court:                       |                          |                               |                    |                   |
| Salaries and Wages                     | 67,352.02                | 17,352.02                     | 17,352.02          |                   |
| Other Expenses                         | 18,931.99                | 18,931.99                     | 4,714.12           | 14,217.87         |
| E-Ticketing - Other Expense            | 20,000.00                | 20,000.00                     | 20,000.00          |                   |
| Public Defender:                       |                          |                               |                    |                   |
| Salaries and Wages                     | 1,085.27                 | 1,085.27                      | 1,085.27           |                   |
| Other Expenses                         | 200.00                   | 200.00                        |                    | 200.00            |
| Police:                                |                          |                               |                    |                   |
| Salaries and Wages                     | 490,497.37               | 290,497.37                    | 290,497.37         |                   |
| Other Expenses                         | 283,454.96               | 283,454.96                    | 282,121.90         | 1,333.06          |
| Clothing Allowance                     | 31,696.25                | 31,696.25                     | 12,347.96          | 19,348.29         |
| Purchase of Police Cars                | 2,695.00                 | 2,695.00                      | 2,695.00           |                   |
| First Aid Organization:                |                          |                               |                    |                   |
| Salaries and Wages                     | 25,868.28                | 25,868.28                     | 25,868.28          |                   |
| Other Expenses                         | 138,155.35               | 117,155.35                    | 116,016.37         | 1,138.98          |
| Office of Emergency Management:        |                          |                               |                    |                   |
| Other Expenses                         | 13,621.17                | 19,621.17                     | 13,425.09          | 6,196.08          |
| Fire:                                  |                          |                               |                    |                   |
| Salaries and Wages                     | 72,777.52                | 72,777.52                     | 72,777.52          |                   |
| Other Expenses                         | 120,433.47               | 115,433.47                    | 52,299.16          | 63,134.31         |
| Clothing Allowance                     | 11,097.43                | 11,097.43                     | 675.00             | 10,422.43         |
| Reserve for Accrued Sick and Vacation  | 100.00                   | 100.00                        |                    | 100.00            |
| Hazardous Materials:                   |                          |                               |                    |                   |
| Other Expenses - Stipend               | 11,389.00                | 11,389.00                     |                    | 11,389.00         |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022

A-11  
3 of 5

(Continued)

|  | Balance<br>Dec. 31, 2021 | Balance<br>After<br>Transfers | Paid or<br>Charged | Balance<br>Lapsed |
|--|--------------------------|-------------------------------|--------------------|-------------------|
| Director of Public Works:              |                          |                               |                    |                   |
| Other Expenses                         | \$ 5,399.73              | \$ 5,399.73                   | \$ 3,000.00        | \$ 2,399.73       |
| Engineering Services and Costs:        |                          |                               |                    |                   |
| Salaries and Wages                     | 6,781.83                 | 6,781.83                      | 6,781.83           |                   |
| Other Expenses                         | 111,310.17               | 111,310.17                    | 69,719.73          | 41,590.44         |
| Road Repair and Maintenance:           |                          |                               |                    |                   |
| Salaries and Wages                     | 43,282.44                | 8,282.44                      | 8,282.44           |                   |
| Other Expenses                         | 192,133.01               | 90,133.01                     | 63,345.58          | 26,787.43         |
| Snow Removal:                          |                          |                               |                    |                   |
| Other Expenses                         | 45,585.62                | 45,585.62                     | 568.74             | 45,016.88         |
| Traffic Maintenance:                   |                          |                               |                    |                   |
| Salaries and Wages                     | 2,093.60                 | 2,093.60                      | 2,093.60           |                   |
| Other Expenses                         | 9,968.05                 | 9,968.05                      | 2,073.25           | 7,894.80          |
| Weed and Leaf Removal:                 |                          |                               |                    |                   |
| Salaries and Wages                     | 5,467.16                 | 5,467.16                      | 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                         | 18,684.82                | 18,684.82                     | 2,372.25           | 16,312.57         |
| Parking Lot and Meter Maintenance:     |                          |                               |                    |                   |
| Salaries and Wages                     | 3,609.48                 | 3,609.48                      | 348.81             | 3,260.67          |
| Other Expenses                         | 2,331.00                 | 2,331.00                      | 868.06             | 1,462.94          |
| Leaf Removal:                          |                          |                               |                    |                   |
| Other Expenses - Tipping Fees          | 1,317.85                 | 3,317.85                      | 3,317.85           |                   |
| Recycling:                             |                          |                               |                    |                   |
| Salaries and Wages                     | 33,654.71                | 33,654.71                     | 33,654.71          |                   |
| Other Expenses                         | 9,783.64                 | 9,783.64                      | 60.00              | 9,723.64          |
| Other Expenses - Disposal Contract     | 91,583.40                | 51,583.40                     | 41,683.32          | 9,900.08          |
| Director of Parks and Public Property: |                          |                               |                    |                   |
| Salaries and Wages                     | 69.25                    | 69.25                         |                    | 69.25             |
| Other Expenses                         | 49,911.73                | 9,911.73                      | 7,736.09           | 2,175.64          |
| Recreation Committee of Nutley:        |                          |                               |                    |                   |
| Salaries and Wages                     | 2,570.62                 | 2,570.62                      |                    | 2,570.62          |
| Other Expenses                         | 17,179.48                | 17,179.48                     | 13,356.29          | 3,823.19          |
| Public Buildings and Grounds:          |                          |                               |                    |                   |
| Salaries and Wages                     | 9,159.71                 | 9,159.71                      |                    | 9,159.71          |
| Other Expenses                         | 33,754.07                | 33,754.07                     | 16,829.77          | 16,924.30         |
| Shade Tree Commission:                 |                          |                               |                    |                   |
| Salaries and Wages                     | 14,430.50                | 14,430.50                     |                    | 14,430.50         |
| Other Expenses                         | 17,552.60                | 17,552.60                     | 17,552.60          |                   |
| Information Services:                  |                          |                               |                    |                   |
| Salaries and Wages                     | 4,075.10                 | 4,075.10                      |                    | 4,075.10          |
| Other Expenses                         | 50,217.66                | 50,217.66                     | 37,779.90          | 12,437.76         |
| Senior Citizens Transportation:        |                          |                               |                    |                   |
| Salaries and Wages                     | 23,741.58                | 3,741.58                      | 376.43             | 3,365.15          |
| Other Expenses                         | 3,991.01                 | 3,991.01                      |                    | 3,991.01          |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022

A-11  
4 of 5

(Continued)

|  | Balance<br>Dec. 31, 2021 | Balance<br>After<br>Transfers | Paid or<br>Charged | Balance<br>Lapsed |
|--|--------------------------|-------------------------------|--------------------|-------------------|
| Debris Removal:  |                          |                               |                    |                   |
| Other Expenses   | \$ 1,892.00              | \$ 1,892.00                   | \$ 788.00          | \$ 1,104.00       |
| Parks and Playgrounds:   |                          |                               |                    |                   |
| Salaries and Wages   | 3,090.43                 | 6,090.43                      | 5,608.62           | 481.81            |
| Other Expenses   | 78,338.76                | 78,338.76                     | 74,869.40          | 3,469.36          |
| Insurance:   |                          |                               |                    |                   |
| Group Insurance Plan for Employees                                 | 476,729.30               | 81,729.30                     | 29,651.40          | 52,077.90         |
| Other Liability Insurance Premiums                                 | 123,878.24               | 15,878.24                     | 73.67              | 15,804.57         |
| Workers Compensation Insurance                                     | 10,214.75                | 10,214.75                     | 10,000.00          | 214.75            |
| Insurance Administration   | 11,147.79                | 1,147.79                      |                    | 1,147.79          |
| State Uniform Construction Code:                                   |                          |                               |                    |                   |
| Salaries and Wages   | 8,373.95                 | 8,373.95                      | 8,373.95           |                   |
| Other Expenses   | 31,576.33                | 31,576.33                     | 2,283.69           | 29,292.64         |
| Unclassified:  |                          |                               |                    |                   |
| Gasoline   | 70,996.90                | 90,996.90                     | 72,163.89          | 18,833.01         |
| Fuel Oil   | 36,084.23                | 36,084.23                     | 669.20             | 35,415.03         |
| Electricity  | 90,345.13                | 90,345.13                     | 63,448.44          | 26,896.69         |
| Street Lighting  | 69,636.73                | 69,636.73                     | 19,979.58          | 49,657.15         |
| Telephone  | 48,318.80                | 48,318.80                     | 19,942.68          | 28,376.12         |
| Contingent   | 175,000.00               | 175,000.00                    | 147,150.89         | 27,849.11         |
| Statutory Expenditures:  |                          |                               |                    |                   |
| Public Employees Retirement System                                 | 475.00                   | 475.00                        |                    | 475.00            |
| Social Security System (O.A.S.I)                                   | 144,527.31               | 69,527.31                     | 20,268.50          | 49,258.81         |
| Police and Firemen's Retirement System of N.J. (P.L. 2003, C. 108) | 996.00                   | 996.00                        |                    | 996.00            |
| P.E.R.S. - Retro Pension Bill                                      | 25,000.00                | 25,000.00                     |                    | 25,000.00         |
| Defined Contribution Retirement Program                            | 6,536.43                 | 6,536.43                      |                    | 6,536.43          |
| Unemployment Compensation Insurance                                | 170,000.00               |                               |                    |                   |
| Passaic Valley Sewer Commission:                                   |                          |                               |                    |                   |
| Other Expenses   | 118.16                   | 118.16                        |                    | 118.16            |
| NJPDES Stormwater Permit (NJSA 40A:-45.3(cc)):                     |                          |                               |                    |                   |
| Street Division:   |                          |                               |                    |                   |
| Salaries and Wages   | 5,301.95                 | 5,301.95                      |                    | 5,301.95          |
| Other Expenses   | 1,117.81                 | 1,117.81                      |                    | 1,117.81          |
| LOSAP:   |                          |                               |                    |                   |
| First Aid Organization   | 10,400.00                | 10,400.00                     |                    | 10,400.00         |
| Fire   | 31,162.50                | 31,162.50                     | 3,162.50           | 28,000.00         |
| State and Federal Programs Offset by Revenue:                      |                          |                               |                    |                   |
| Safe and Secure Communities Grant:                                 |                          |                               |                    |                   |
| State Share  | 18,692.24                | 18,692.24                     | 17,446.24          | 1,246.00          |
| Municipal Alliance Grant:  |                          |                               |                    |                   |
| State Share  | 8,285.96                 | 8,285.96                      | 8,154.04           | 131.92            |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

A-11  
5 of 5

|  | Balance<br>Dec. 31, 2021 | Balance<br>After<br>Transfers | Paid or<br>Charged    | Balance<br>Lapsed     |
|--|--------------------------|-------------------------------|-----------------------|-----------------------|
| State and Federal Programs Offset by Revenue:    |                          |                               |                       |                       |
| Clean Communities Program                        | \$ 50,758.00             | \$ 50,758.00                  | \$ 50,758.00          |                       |
| Distracted Driving Crackdown Grant               | 9,000.00                 | 9,000.00                      | 7,000.00              | \$ 2,000.00           |
| Partners for Healthy-Healthy Lifestyles - Year 2 | 7,000.00                 | 7,000.00                      | 7,000.00              |                       |
| Body Worn Camera Grant                           | 173,230.00               | 173,230.00                    | 173,230.00            |                       |
| Bullet Proof Vest Program                        | 5,476.90                 | 5,476.90                      | 5,476.90              |                       |
| Occupant Protection Program - Click It or Ticket | 2,820.00                 | 2,820.00                      |                       | 2,820.00              |
| Body Armor Replacement Fund                      | 4,796.79                 | 4,796.79                      | 4,796.79              |                       |
| Bloomfield Regional Training Grant:              |                          |                               |                       |                       |
| Salaries and Wages                               | 20,210.96                | 20,210.96                     |                       | 20,210.96             |
| Other Expenses                                   | 11,088.00                | 11,088.00                     |                       | 11,088.00             |
| Capital Improvements - Excluded From "CAPS":     |                          |                               |                       |                       |
| Capital Improvement Fund                         |                          | 1,500,000.00                  | 1,500,000.00          |                       |
| Road Improvements                                | 100,000.00               | 100,000.00                    | 100,000.00            |                       |
|  | <u>\$5,608,024.66</u>    | <u>\$5,608,024.66</u>         | <u>\$4,569,090.73</u> | <u>\$1,038,933.93</u> |

Analysis of Balance December 31, 2021:

|              | Ref. |                       |
|--------------|------|-----------------------|
| Unencumbered | A    | \$4,169,192.92        |
| Encumbered   | A    | <u>1,438,831.74</u>   |
|              |      | <u>\$5,608,024.66</u> |

|  |                       |
|--|-----------------------|
| Cash Disbursed                           | \$1,806,250.42        |
| Accounts Payable                         | 921,908.03            |
| Reserve for Grant Funds Appropriated:    |                       |
| Clean Communities                        | 3,089.64              |
| Partners for Healthy-Healthy Lifestyles  | 2,382.17              |
| Body Worn Camera Grant                   | 42,997.33             |
| Body Armor Replacement Fund              | 2,680.39              |
| Due to General Capital Fund:             |                       |
| Reserve for Economic Development Project | 189,782.75            |
| Reserve for Paving                       | 100,000.00            |
| Capital Improvement Fund                 | <u>1,500,000.00</u>   |
|  | <u>\$4,569,090.73</u> |

TOWNSHIP OF NUTLEY  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES PAYABLE/(PREPAID)  
YEAR ENDED DECEMBER 31, 2022

A-12

|                                     | <u>Ref.</u> |                             |
|-------------------------------------|-------------|-----------------------------|
| Balance December 31, 2021 Payable   | A           | \$ 889,875.00               |
| Increased by:                       |             |                             |
| Levy - Calendar Year 2022           |             | <u>63,098,916.00</u>        |
|                                     |             | 63,988,791.00               |
| Decreased by:                       |             |                             |
| Payments to Local School District   |             | <u>63,991,153.00</u>        |
| Balance December 31, 2022 (Prepaid) | A           | <u><u>\$ (2,362.00)</u></u> |



TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
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, 2021                     | B           | \$40,289.17                | \$ 3,386,949.15          |
| Increased by Receipts:                        |             |                            |                          |
| Dog License Fees                              |             | \$17,003.60                |                          |
| Cat License Fees                              |             | 1,104.00                   |                          |
| Impounding, Boarding, Late Fees and Penalties |             | 165.04                     |                          |
| State Registration Fees                       |             | 2,030.40                   |                          |
| Due Current Fund - Interfund Returned         |             |                            | \$ 1,470,650.00          |
| Road Opening, Sewer Maintenance and           |             |                            |                          |
| Planning Board Escrow Deposits                |             |                            | 115,549.26               |
| Developer's Escrow                            |             |                            | 236.50                   |
| Escrow Deposits                               |             |                            | 14,450.00                |
| Uniform Fire Safety - Penalties               |             |                            | 8,450.97                 |
| Unemployment Insurance                        |             |                            | 60,000.00                |
| Living Tree Memorial Program                  |             |                            | 24,359.00                |
| Recreation Commission Fees                    |             |                            | 503,356.00               |
| Parking Offense Adjudication Act              |             |                            | 5,938.50                 |
| Recycling                                     |             |                            | 140,529.83               |
| Community Environmental Health Act            |             |                            | 190,180.92               |
| Community Development Block Grants            |             |                            | 251,014.10               |
| Civic Celebration                             |             |                            | 1,000.00                 |
| Law Enforcement Expenditures                  |             |                            | 111,195.63               |
| COAH  |             |                            | 57,899.96                |
| Go Green Program                              |             |                            | 8,464.00                 |
| Flexible Spending Account                     |             |                            | 650.00                   |
| Fire Donation                                 |             |                            | 754.00                   |
|   |             | <u>20,303.04</u>           | <u>2,964,678.67</u>      |
|   |             | 60,592.21                  | 6,351,627.82             |

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   |             | \$ 2,015.40                |                          |
| Administrative Expenses   |             | 1,239.53                   |                          |
| Road Opening, Sewer Maintenance and<br>Planning Board Escrow Deposits |             |                            | \$ 72,511.75             |
| Developer's Escrow  |             |                            | 5,830.10                 |
| Escrow Deposits   |             |                            | 25,200.00                |
| Uniform Fire Safety - Penalties                                       |             |                            | 10,889.79                |
| Unemployment Insurance  |             |                            | 42,494.22                |
| Recreation Commission Fees  |             |                            | 462,093.22               |
| Recycling   |             |                            | 4,175.00                 |
| Community Environmental Health Act                                    |             |                            | 64,664.60                |
| Tax Sale Premiums   |             |                            | 1,089,200.00             |
| Community Development Block Grants                                    |             |                            | 251,014.10               |
| Accumulated Sick and Vacation Pay                                     |             |                            | 607,217.67               |
| Storm Recovery  |             |                            | 234,178.88               |
| Law Enforcement Expenditures  |             |                            | 13,365.00                |
| COAH  |             |                            | 11,409.51                |
| Go Green Program  |             |                            | 7,770.77                 |
| Flexible Spending Account   |             |                            | 806.76                   |
|   |             | <u>\$ 3,254.93</u>         | <u>\$ 2,902,821.37</u>   |
| Balance December 31, 2022   | B           | <u>\$57,337.28</u>         | <u>\$ 3,448,806.45</u>   |

TOWNSHIP OF NUTLEY  
ANIMAL CONTROL TRUST FUND  
SCHEDULE OF ANIMAL CONTROL FUND CASH - COLLECTOR  
YEAR ENDED DECEMBER 31, 2022

B-4A

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
ASSESSMENT TRUST FUND  
ANALYSIS OF CASH  
YEAR ENDED DECEMBER 31, 2022

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, 2021                                   | B           | \$39,017.40               |
| Increased by:   |             |                           |
| Animal Control Fees:  |             |                           |
| Dog Licenses  |             | \$ 17,003.60              |
| Cat Licenses  |             | 1,104.00                  |
|   |             | <u>18,107.60</u>          |
| Impounding, Boarding, Late Fees, Penalties and Postage Fees |             | <u>165.04</u>             |
|   |             | 18,272.64                 |
|   |             | <u>57,290.04</u>          |
| Decreased by:   |             |                           |
| Animal Control Expenditures                                 |             | 1,239.53                  |
| Statutory Excess Due Current Fund                           |             | <u>19,048.71</u>          |
|   |             | 20,288.24                 |
|   |             | <u>20,288.24</u>          |
| Balance December 31, 2022                                   | B           | <u><u>\$37,001.80</u></u> |

License Fees Collected

| <u>Year</u>               | <u>Amount</u>             |
|---------------------------|---------------------------|
| 2020                      | \$ 17,949.20              |
| 2021                      | <u>19,052.60</u>          |
| Maximum Allowable Reserve | <u><u>\$37,001.80</u></u> |

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
GENERAL CAPITAL FUND

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CASH - TREASURER

C-2

|                           | <u>Ref.</u> |                            |
|---------------------------|-------------|----------------------------|
| Balance December 31, 2021 | C           | <u>\$ 83,228.79</u>        |
| Balance December 31, 2022 | C           | <u><u>\$ 83,228.79</u></u> |



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

C-3  
1 of 3

|  | Balance/<br>(Deficit)<br>Dec. 31, 2021                                       | Transfers       |                 | Balance/<br>(Deficit)<br>Dec. 31, 2022 |
|--|--|-----------------|-----------------|--|
|  |  | From            | To              |  |
| Fund Balance   | \$ 205,203.50  |                 |                 | \$ 205,203.50                          |
| Capital Improvement Fund                                       | 3,133,612.00   | \$ 1,596,316.00 | \$ 1,700,000.00 | 3,237,296.00                           |
| Down Payments on Improvements                                  | 194,707.72   |                 |                 | 194,707.72                             |
| Due Current Fund   | (8,738,011.68)   | 4,263,626.72    | 7,324,593.94    | (5,677,044.46)                         |
| 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                       | (1,039,287.25)   | 461,269.00      | 345,951.75      | (1,154,604.50)                         |
| Federal Repetitive Flood Claims Grants                         | (1,069,012.20)   |                 |                 | (1,069,012.20)                         |
| Reserve for:   |  |                 |                 |  |
| Paving   | 305,995.12   |                 | 100,000.00      | 405,995.12                             |
| Fiber Optics   | 21,250.00  |                 |                 | 21,250.00                              |
| Economic Development Project                                   | 920,694.97   |                 | 189,782.75      | 1,110,477.72                           |
| Local Improvements   | 35,621.00  |                 |                 | 35,621.00                              |
| Redesign of Nutley Streets                                     | 3,154.09   |                 |                 | 3,154.09                               |
| Payment of Debt Service  | 503,633.85   |                 |                 | 503,633.85                             |
| Ord. No.   | Improvement Description  |                 |                 |  |
| 2776   | Certain Local Improvements   |                 |                 |  |
| 2850   | Various Capital Improvements   |                 |                 |  |
| 2852   | Sewer Repair and Related Work  |                 |                 |  |
| 2900   | Reconstruction of Pedestrian Trails and Stairs in Kingsland and Nichols Park |                 |                 |  |
| 2927   | Certain Local Improvements   |                 |                 |  |
| 2992   | Upgrades to Memorial Park  |                 |                 |  |
|  |  | 13,476.12       |                 | 22,698.95                              |

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

C-3  
2 of 3

| Ord.<br>No. | Improvement Description                               | Balance/<br>(Deficit) | Transfers   |    | Balance/<br>(Deficit) |
|-------------|---|-----------------------|-------------|----|-----------------------|
|             |   | Dec. 31, 2021         | From        | To | Dec. 31, 2022         |
| 2993;       |   |                       |             |    |                       |
| 3046        | Various Capital Improvements                          | \$ 9,712.43           |             |    | \$ 9,712.43           |
| 3029        | Various Capital Improvements                          | 146,502.65            |             |    | 146,502.65            |
| 3063;       |   |                       |             |    |                       |
| 3093;       |   |                       |             |    |                       |
| 3101        | Various Capital Improvements                          | 107,777.37            |             |    | 107,777.37            |
| 3100        | Acquisition of a Fire Truck                           | 10,800.64             |             |    | 10,800.64             |
| 3106        | Local Improvements                                    | 265.33                |             |    | 265.33                |
| 3116        | Various Capital Improvements                          | 57,826.88             |             |    | 57,826.88             |
| 3149        | Various Capital Improvements                          | 80,774.13             |             |    | 80,774.13             |
| 3150        | Reconstruction of Various Streets and Sidewalks       | 1,120.00              | \$ 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            | 180,800.00  |    | 2,632.79              |
| 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                          | 68,749.47             | 1,044.78    |    | 67,704.69             |
| 3292        | Reconstruction of the Roadway on Park Ave (Section 2) | 1,218.29              |             |    | 1,218.29              |
| 3294        | Various Capital Improvements                          | 158,268.04            | 5,430.00    |    | 152,838.04            |
| 3295        | Reconstruction of Various Roadways and Sidewalks      | 619.87                | 619.87      |    |                       |
| 3321        | Reconstruction of Various Roadways and Sidewalks      | 36,387.73             |             |    | 36,387.73             |
| 3323        | Various Improvements or Purposes                      | 190,971.11            | 493.00      |    | 190,478.11            |

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

C-3  
3 of 3

| Ord.<br>No. | Improvement Description  | Balance/<br>(Deficit)<br>Dec. 31, 2021 | Transfers               |                         | Balance/<br>(Deficit)<br>Dec. 31, 2022 |
|-------------|--|--|-------------------------|-------------------------|--|
|             |  |  | From                    | To                      |  |
| 3324        | Paving of East Centre Street   | \$ 45,867.63                           |                         |                         | \$ 45,867.63                           |
| 3331        | Acquisition of Lands   | 41.76                                  |                         |                         | 41.76                                  |
| 3332        | Acquisition of Lands   | 22,823.57                              |                         |                         | 22,823.57                              |
| 3344        | Various Improvements or Purposes   | 198,125.23                             | \$ 1,294,316.00         | \$ 1,294,316.00         | 185,273.98                             |
| 3345        | Reconstruction of Various Roadways and Sidewalks                           | 44,854.14                              | 12,851.25               |                         | 16,103.66                              |
| 3371        | Reconstruction of Various Roadways and Sidewalks                           | 63,055.49                              | 28,750.48               |                         | 4,612.40                               |
| 3372        | Various Improvements or Purposes   | 290,060.75                             | 58,443.09               |                         | 205,083.76                             |
| 3375        | Purchase of a Fire Truck   | 0.89                                   | 84,976.99               |                         | 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                           | 326,804.67                             | 155,572.70              |                         | 171,231.97                             |
| 3408        | Various Improvements or Purposes   | 403,849.81                             | 27,589.05               |                         | 376,260.76                             |
| 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                                 | 113,286.60                             | 18,515.03               |                         | 94,771.57                              |
| 3423        | Reconstruction of Various Roadways and Sidewalks                           | 378,465.88                             |                         |                         | 378,465.88                             |
| 3425        | Various Improvements or Purposes   | 858,327.05                             | 464,163.63              |                         | 394,163.42                             |
| 3440        | Reconstruction of the Roadway on Grant Ave, Section 2                      | 24,682.30                              | 7,801.67                |                         | 16,880.63                              |
| 3453        | Improvement of Glotzbach Memorial Park                                     | 150,000.00                             | 150,000.00              |                         | 904,680.22                             |
| 3455        | Various Improvements or Purposes   | 1,467,196.38                           | 562,516.16              |                         | 273,516.34                             |
| 3456        | Reconstruction of Various Roadways and Sidewalks                           | 396,839.55                             | 123,323.21              |                         | (178,873.00)                           |
| 3458        | Improvement of DeMuro Park   | (178,873.00)                           | 359,723.09              |                         | 66,978.91                              |
| 3470        | Washington Avenue Roadway Improvement Project                              | 426,702.00                             | 108,760.12              |                         | (77,260.12)                            |
| 3477        | Reconstruction of Various Roadways and Sidewalks                           | 31,500.00                              | 263,099.88              |                         | (209,768.88)                           |
| 3479        | Various Improvements or Purposes   | 53,331.00                              |                         |                         |  |
| 3481        | Repair and Restoration of Damage to Municipal Property                     |  |                         |                         |  |
|             | Due to Tropical Storm Ida  | (681,025.06)                           | 2,911,092.46            | 1,927,892.22            | (1,664,225.30)                         |
| 3483        | Repair and Restoration of Damage to Municipal Property                     |  |                         |                         |  |
|             | Due to Tropical Storm Ida  | 23,491.07                              | 188,115.36              |                         | (164,624.29)                           |
| 3484        | Chestnut Street Roadway Improvement Project                                |  |                         | 461,269.00              | 461,269.00                             |
| 3487        | Washington Avenue Roadway Improvement Project                              |  | 302,000.00              | 302,000.00              |  |
|             |  | <u>\$ 83,228.79</u>                    | <u>\$ 13,645,805.66</u> | <u>\$ 13,645,805.66</u> | <u>\$ 83,228.79</u>                    |

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

| Ord.<br>No.  | Improvement Description   | Balance<br>Dec. 31, 2021 | Funded by                                    |                            |                                | Balance<br>Dec. 31, 2022 | Analysis of Balance Dec. 31, 2022 |   |
|--|---|--------------------------|--|----------------------------|--------------------------------|--------------------------|-----------------------------------|---|
|  |   |                          | Hurricane Ida<br>Insurance<br>Claim Proceeds | F.E.M.A.<br>Reimbursements | Capital<br>Improvement<br>Fund |                          | Expenditures                      | Unexpended<br>Improvement<br>Authorizations |
| 3332   | Acquisition of Lands  | \$ 1,294,316.00          |  |                            | \$ 1,294,316.00                |                          |                                   |   |
| 3458   | Improvement of DeMuro Park  | 178,873.00               |  |                            |                                | \$ 178,873.00            | \$ 178,873.00                     |   |
| 3477   | Reconstruction of Various Roadways and Sidewalks                                    | 598,500.00               |  |                            |                                | 598,500.00               | 77,260.12                         | \$ 521,239.88                               |
| 3479   | Various Improvements or Purposes  | 1,098,746.00             |  |                            |                                | 1,098,746.00             | 209,768.88                        | 888,977.12                                  |
| 3481   | Repair and Restoration of Damage to Municipal<br>Property Due to Tropical Storm Ida | 5,210,471.38             | \$ 1,225,304.37                              | \$ 637,218.60              |                                | 3,347,948.41             | 1,664,225.30                      | 1,683,723.11                                |
| 3483   | Repair and Restoration of Damage to Municipal<br>Property Due to Tropical Storm Ida | 997,500.00               |  |                            |                                | 997,500.00               | 164,624.29                        | 832,875.71                                  |
|  |   | <u>\$ 9,378,406.38</u>   | <u>\$ 1,225,304.37</u>                       | <u>\$ 637,218.60</u>       | <u>\$ 1,294,316.00</u>         | <u>\$ 6,221,567.41</u>   | <u>\$ 2,294,751.59</u>            | <u>\$ 3,926,815.82</u>                      |
| Ref.   |   | C                        |  |                            |                                | C                        |                                   |   |
| Analysis of Unexpended Improvement Authorizations: |   |                          |  |                            |                                |                          |                                   |   |
| Improvement Authorizations - Unfunded              |   |                          |  |                            |                                |                          |                                   |   |
|  |   |                          |  |                            |                                |                          |                                   | <u>\$ 3,926,815.82</u>                      |

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

C-5  
1 of 2

| Ord. No. | Improvement Description  | Ordinance |              | Balance December 31, 2021 |              | 2022 Authorizations |                  |                 | Balance December 31, 2022 |          |
|----------|--|-----------|--------------|---------------------------|--------------|---------------------|------------------|-----------------|---------------------------|----------|
|          |  | Date      | Amount       | Funded                    | Unfunded     | Other Sources       | Improvement Fund | Paid or Charged | Funded                    | Unfunded |
|          |  |           |              |                           |              |                     |                  |                 |                           |          |
| 2776     | Certain Local Improvements   | 04/01/03  | \$ 55,000.00 | \$ 100.00                 |              |                     |                  |                 | \$ 100.00                 |          |
| 2850     | Various Capital Improvements   | 10/05/04  | 515,000.00   | 1,814.42                  |              |                     |                  |                 | 1,814.42                  |          |
| 2852     | Sewer Repair and Related Work  | 10/05/04  | 362,000.00   | 27,391.52                 |              |                     |                  |                 | 27,391.52                 |          |
| 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   | 36,175.07                 |              |                     |                  | \$ 13,476.12    |                           |          |
| 2993;    | Various Capital Improvements   | 12/19/06; | 790,460.00   |                           |              |                     |                  |                 | 22,698.95                 |          |
| 3046     |  | 12/04/07  |              | 9,712.43                  |              |                     |                  |                 | 9,712.43                  |          |
| 3029     | Various Capital Improvements   | 11/20/07  | 1,011,100.00 | 146,502.65                |              |                     |                  |                 | 146,502.65                |          |
| 3063;    | Various Capital Improvements   | 07/16/08; | 1,227,600.00 |                           |              |                     |                  |                 |                           |          |
| 3093;    |  | 04/07/09; |              |                           |              |                     |                  |                 |                           |          |
| 3101     |  | 05/19/09  |              | 107,777.37                |              |                     |                  |                 | 107,777.37                |          |
| 3100     | Acquisition of a Fire Truck  | 05/05/09  | 264,000.00   | 10,800.64                 |              |                     |                  |                 | 10,800.64                 |          |
| 3106     | Local Improvements   | 06/16/09  | 25,000.00    | 265.33                    |              |                     |                  |                 | 265.33                    |          |
| 3116     | Various Capital Improvements   | 09/01/09  | 748,980.00   | 57,826.88                 |              |                     |                  |                 | 57,826.88                 |          |
| 3149     | Various Capital Improvements   | 11/09/10  | 793,875.00   | 80,774.13                 |              |                     |                  |                 | 80,774.13                 |          |
| 3150     | Reconstruction of Various Streets and Sidewalks                              | 11/09/10  | 273,750.00   | 1,120.00                  |              |                     |                  | 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                |              |                     |                  | 180,800.00      | 2,632.79                  |          |
| 3196     | Renovation of Police Desk  | 03/06/12  | 300,000.00   | 1,588.67                  |              |                     |                  |                 | 1,588.67                  |          |
| 3214     | Various Capital Improvements   | 07/17/12  | 620,000.00   | 6,015.27                  |              |                     |                  |                 | 6,015.27                  |          |
| 3216     | Local Improvements   | 09/04/12  | 25,000.00    | 3,522.37                  |              |                     |                  |                 | 3,522.37                  |          |
| 3242     | Various Capital Improvements   | 07/16/13  | 1,481,700.00 | 68,749.47                 |              |                     |                  | 1,044.78        | 67,704.69                 |          |
| 3292     | Reconstruction of the Roadway on Park Ave (Section 2)                        | 08/05/14  | 237,000.00   | 1,218.29                  |              |                     |                  |                 | 1,218.29                  |          |
| 3294     | Various Capital Improvements   | 09/02/14  | 1,363,500.00 | 158,268.04                |              |                     |                  | 5,430.00        | 152,838.04                |          |
| 3295     | Reconstruction of Various Roadways and Sidewalks                             | 09/02/14  | 990,000.00   | 619.87                    |              |                     |                  | 619.87          |                           |          |
| 3321     | Reconstruction of Various Roadways and Sidewalks                             | 10/06/15  | 825,000.00   | 36,387.73                 |              |                     |                  |                 | 36,387.73                 |          |
| 3323     | Various Improvements or Purposes   | 10/06/15  | 1,346,730.00 | 190,971.11                |              |                     |                  | 493.00          | 190,478.11                |          |
| 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   | 41.76                     |              |                     |                  |                 | 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                |              |                     |                  | 12,851.25       | 185,273.98                |          |
| 3345     | Reconstruction of Various Roadways and Sidewalks                             | 09/06/16  | 460,000.00   | 44,854.14                 |              |                     |                  | 28,750.48       | 16,103.66                 |          |

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

C-5  
2 of 2

| Ord.<br>No.   | Improvement Description   | Ordinance |               | Balance December 31, 2021 |                | 2022 Authorizations |                                | Paid or<br>Charged | Balance December 31, 2022 |                |
|---|---|-----------|---------------|---------------------------|----------------|---------------------|--------------------------------|--------------------|---------------------------|----------------|
|   |   | Date      | Amount        | Funded                    | Unfunded       | Other<br>Sources    | Capital<br>Improvement<br>Fund |                    | Funded                    | Unfunded       |
| 3371  | Reconstruction of Various Roadways and Sidewalks                                    | 11/08/17  | \$ 409,000.00 | \$ 63,055.49              |                |                     |                                | \$ 58,443.09       | \$ 4,612.40               |                |
| 3372  | Various Improvements or Purposes  | 11/08/17  | 1,181,300.00  | 290,060.75                |                |                     |                                | 84,976.99          | 205,083.76                |                |
| 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<br>(Section 4)                     | 07/07/18  | 346,605.00    | 36,226.88                 |                |                     |                                |                    | 36,226.88                 |                |
| 3407  | Reconstruction of Various Roadways and Sidewalks                                    | 12/20/18  | 330,000.00    | 326,804.67                |                |                     |                                | 155,572.70         | 171,231.97                |                |
| 3408  | Various Improvements or Purposes  | 12/20/18  | 1,670,000.00  | 403,849.81                |                |                     |                                | 27,589.05          | 376,260.76                |                |
| 3410  | Digital Archiving of Code Enforcement and Municipal<br>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    | 113,286.60                |                |                     |                                | 18,515.03          | 94,771.57                 |                |
| 3423  | Reconstruction of Various Roadways and Sidewalks                                    | 08/06/19  | 384,125.00    | 378,465.88                |                |                     |                                |                    | 378,465.88                |                |
| 3425  | Various Improvements or Purposes  | 08/06/19  | 1,905,750.00  | 858,327.05                |                |                     |                                | 464,163.63         | 394,163.42                |                |
| 3440  | Reconstruction of the Roadway on Grant Ave,<br>Section 2                            | 04/07/20  | 406,964.00    | 24,682.30                 |                |                     |                                | 7,801.67           | 16,880.63                 |                |
| 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  | 1,467,196.38              |                |                     |                                | 562,516.16         | 904,680.22                |                |
| 3456  | Reconstruction of Various Roadways and Sidewalks                                    | 11/05/20  | 400,000.00    | 396,839.55                |                |                     |                                | 123,323.21         | 273,516.34                |                |
| 3470  | Washington Avenue Roadway Improvement Project                                       | 05/04/21  | 426,702.00    | 426,702.00                |                |                     |                                | 359,723.09         | 66,978.91                 |                |
| 3477  | Reconstruction of Various Roadways and Sidewalks                                    | 10/05/21  | 630,000.00    | 31,500.00                 | \$ 598,500.00  |                     |                                | 108,760.12         |                           | \$ 521,239.88  |
| 3479  | Various Improvements or Purposes  | 10/05/21  | 1,156,575.00  | 53,331.00                 | 1,098,746.00   |                     |                                | 263,099.88         |                           | 888,977.12     |
| 3481  | Repair and Restoration of Damage to Municipal<br>Property Due to Tropical Storm Ida | 11/04/21  | 5,700,000.00  |                           | 4,529,446.32   |                     |                                | 2,845,723.21       |                           | 1,683,723.11   |
| 3483  | Repair and Restoration of Damage to Municipal<br>Property Due to Tropical Storm Ida | 11/30/21  | 1,050,000.00  | 23,491.07                 | 997,500.00     |                     |                                | 188,115.36         |                           | 832,875.71     |
| 3484  | Chestnut Street Roadway Improvement Project   | 01/18/22  | 461,269.00    |                           |                | \$ 461,269.00       |                                |                    | 461,269.00                |                |
| 3487  | Technology Infrastructure Improvements and<br>Related Services                      | 03/01/22  | 302,000.00    |                           |                |                     | \$ 302,000.00                  | 302,000.00         |                           |                |
|   |   |           |               | \$7,641,227.16            | \$7,247,015.89 | \$ 461,269.00       | \$ 302,000.00                  | \$5,964,908.69     | \$5,759,787.54            | \$3,926,815.82 |
|   |   |           | Ref.          | C                         | C              |                     |                                |                    | C                         | C              |
| NJ Department of Transportation Grant                         |   |           |               |                           |                | \$ 461,269.00       |                                |                    |                           |                |
| Due to Current Fund   |   |           |               |                           |                |                     |                                | \$6,030,277.94     |                           |                |
| Less: Improvement Authorization Refunds Due from Current Fund |   |           |               |                           |                |                     |                                | 65,369.25          |                           |                |
|   |   |           |               |                           |                |                     |                                | \$5,964,908.69     |                           |                |

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-6

|  | <u>Ref.</u>         |                              |
|--|---------------------|------------------------------|
| Balance December 31, 2021                          | C                   | \$3,133,612.00               |
| Increased by:                                      |                     |                              |
| Due from Current Fund:                             |                     |                              |
| 2022 Budget Appropriation                          | \$ 200,000.00       |                              |
| 2021 Appropriation Reserves                        | <u>1,500,000.00</u> |                              |
|  |                     | <u>1,700,000.00</u>          |
|  |                     | 4,833,612.00                 |
| Decreased by:                                      |                     |                              |
| Appropriated to Finance Improvement Authorizations |                     |                              |
| Current Year Ordinances                            | 302,000.00          |                              |
| Funding of Prior Year Unfunded Ordinance           | <u>1,294,316.00</u> |                              |
|  |                     | <u>1,596,316.00</u>          |
| Balance December 31, 2022                          | C                   | <u><u>\$3,237,296.00</u></u> |

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
 SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2022

| Ord.<br>No. | Improvement Description | Date of                      |          |          | Interest<br>Rate | Balance<br>Dec. 31, 2021                 | Matured         |
|-------------|-------------------------|------------------------------|----------|----------|------------------|--|-----------------|
|             |                         | Issue of<br>Original<br>Note | Issue    | Maturity |                  |  |                 |
| 3332        | Acquisition of Lands    | 01/22/16                     | 04/15/21 | 04/15/22 | 0.35%            | \$ 1,294,316.00                          | \$ 1,294,316.00 |
|             |                         |                              |          |          |                  | \$ 1,294,316.00                          | \$ 1,294,316.00 |
|             |                         |                              |          |          | <u>Ref.</u> C    |  |                 |
|             |                         |                              |          |          |                  | Redeemed from Cash - Due to Current Fund | \$ 1,294,316.00 |



TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND  
SCHEDULE OF SERIAL BONDS PAYABLE

| Purpose                   | Date of<br>Issue | Maturities of Bonds |               |            | Interest<br>Rate | Balance         |                 |               |
|---------------------------|------------------|---------------------|---------------|------------|------------------|-----------------|-----------------|---------------|
|                           |                  | Outstanding<br>Date | Dec. 31, 2022 |            |                  | Matured         | Dec. 31, 2021   |               |
|                           |                  |                     | Amount        |            |                  |                 |                 |               |
| General Improvement Bonds | 09/01/2013       | 09/01/2023          | \$ 470,000.00 |            | 3.00%            | \$ 940,000.00   | \$ 470,000.00   | \$ 470,000.00 |
| General Improvement Bonds | 04/30/2018       | 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%            | 3,791,000.00    | 545,000.00      | 3,246,000.00  |
| General Improvement Bonds | 04/13/2021       | 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    | 600,000.00      | 5,875,000.00  |
|                           |                  |                     |               |            |                  |                 |                 |               |
|                           |                  |                     |               |            | \$ 11,206,000.00 | \$ 1,615,000.00 | \$ 9,591,000.00 |               |
|                           |                  |                     |               |            |                  |                 |                 |               |
|                           |                  |                     |               |            | Ref.             | 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.<br>No. | Improvement Description                      | Balance<br>Dec. 31, 2021 | Less:<br>Matured    | Balance<br>Dec. 31, 2022 |
|-------------|--|--------------------------|---------------------|--------------------------|
| 3131        | Redevelopment of Monsignor Owens Park        | \$ 324,858.12            | \$ 19,520.40        | \$ 305,337.72            |
| 3369        | Improvement of Father Glotzbach Soccer Field | 87,529.00                |                     | 87,529.00                |
|             |  | <u>\$ 412,387.12</u>     | <u>\$ 19,520.40</u> | <u>\$ 392,866.72</u>     |

Ref. C C

SCHEDULE OF PRINCIPAL AND  
INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2022

Redevelopment of Monsignor Owens Park

| Payment<br>Number | Due<br>Date | Interest            | Principal           | Balance<br>of Loan |
|-------------------|-------------|---------------------|---------------------|--------------------|
|                   |             |                     |                     | \$ 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>\$ 44,588.24</u> | <u>\$305,337.72</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, 2022

Improvement of Father Glotzbach Soccer Field (Tentative)

| <u>Payment<br/>Number</u> | <u>Due<br/>Date</u> | <u>Principal</u>    | <u>Balance<br/>of Loan</u> |
|---------------------------|---------------------|---------------------|----------------------------|
|                           |                     |                     | \$ 87,529.00               |
| 1                         | 07/15/2023          | \$ 2,244.33         | 85,284.67                  |
| 2                         | 01/15/2024          | 2,244.34            | 83,040.33                  |
| 3                         | 07/15/2024          | 2,244.33            | 80,796.00                  |
| 4                         | 01/15/2025          | 2,244.33            | 78,551.67                  |
| 5                         | 07/15/2025          | 2,244.34            | 76,307.33                  |
| 6                         | 01/15/2026          | 2,244.33            | 74,063.00                  |
| 7                         | 07/15/2026          | 2,244.33            | 71,818.67                  |
| 8                         | 01/15/2027          | 2,244.34            | 69,574.33                  |
| 9                         | 07/15/2027          | 2,244.33            | 67,330.00                  |
| 10                        | 01/15/2028          | 2,244.33            | 65,085.67                  |
| 11                        | 07/15/2028          | 2,244.34            | 62,841.33                  |
| 12                        | 01/15/2029          | 2,244.33            | 60,597.00                  |
| 13                        | 07/15/2029          | 2,244.33            | 58,352.67                  |
| 14                        | 01/15/2030          | 2,244.34            | 56,108.33                  |
| 15                        | 07/15/2030          | 2,244.33            | 53,864.00                  |
| 16                        | 01/15/2031          | 2,244.33            | 51,619.67                  |
| 17                        | 07/15/2031          | 2,244.34            | 49,375.33                  |
| 18                        | 01/15/2032          | 2,244.33            | 47,131.00                  |
| 19                        | 07/15/2032          | 2,244.33            | 44,886.67                  |
| 20                        | 01/15/2033          | 2,244.34            | 42,642.33                  |
| 21                        | 07/15/2033          | 2,244.33            | 40,398.00                  |
| 22                        | 01/15/2034          | 2,244.33            | 38,153.67                  |
| 23                        | 07/15/2034          | 2,244.34            | 35,909.33                  |
| 24                        | 01/15/2035          | 2,244.33            | 33,665.00                  |
| 25                        | 07/15/2035          | 2,244.33            | 31,420.67                  |
| 26                        | 01/15/2036          | 2,244.34            | 29,176.33                  |
| 27                        | 07/15/2036          | 2,244.33            | 26,932.00                  |
| 28                        | 01/15/2037          | 2,244.33            | 24,687.67                  |
| 29                        | 07/15/2037          | 2,244.34            | 22,443.33                  |
| 30                        | 01/15/2038          | 2,244.33            | 20,199.00                  |
| 31                        | 07/15/2038          | 2,244.33            | 17,954.67                  |
| 32                        | 01/15/2039          | 2,244.34            | 15,710.33                  |
| 33                        | 07/15/2039          | 2,244.33            | 13,466.00                  |
| 34                        | 01/15/2040          | 2,244.33            | 11,221.67                  |
| 35                        | 07/15/2040          | 2,244.34            | 8,977.33                   |
| 36                        | 01/15/2041          | 2,244.33            | 6,733.00                   |
| 37                        | 07/15/2041          | 2,244.33            | 4,488.67                   |
| 38                        | 01/15/2042          | 2,244.34            | 2,244.33                   |
| 39                        | 07/15/2042          | 2,244.33            |                            |
|                           |                     | <u>\$ 87,529.00</u> |                            |

TOWNSHIP OF NUTLEY  
GENERAL CAPITAL FUND

C-10

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| Ord.<br>No. | Improvement Description  | Balance<br>Dec. 31, 2021 | Bond<br>Anticipation<br>Notes<br>Matured | Funded by                   |                            | Capital<br>Improvement<br>Fund | Balance<br>Dec. 31, 2022 |
|-------------|--|--------------------------|--|-----------------------------|----------------------------|--------------------------------|--------------------------|
|             |  |                          |  | Insurance<br>Claim Proceeds | F.E.M.A.<br>Reimbursements |                                |                          |
| 3332        | Acquisition of Lands   |                          | \$ 1,294,316.00                          |                             |                            | \$ 1,294,316.00                |                          |
| 3458        | Improvement of DeMuro Park   | \$ 178,873.00            |  |                             |                            |                                | \$ 178,873.00            |
| 3477        | Reconstruction of Various Roadways and<br>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<br>Municipal Property Due to Tropical<br>Storm Ida | 5,210,471.38             |  | \$ 1,225,304.37             | \$ 637,218.60              |                                | 3,347,948.41             |
| 3483        | Repair and Restoration of Damage to<br>Municipal Property Due to Tropical<br>Storm Ida | 997,500.00               |  |                             |                            |                                | 997,500.00               |
|             |  | <u>\$ 8,084,090.38</u>   | <u>\$ 1,294,316.00</u>                   | <u>\$ 1,225,304.37</u>      | <u>\$ 637,218.60</u>       | <u>\$ 1,294,316.00</u>         | <u>\$ 6,221,567.41</u>   |

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
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, 2021              | D           | \$ 2,017,335.84        | \$ 183.05        |
| Increased by Receipts:                 |             |                        |                  |
| Utility Collector                      |             | \$ 4,565,922.35        |                  |
| Nonbudget Revenue - Treasurer          |             | 10,498.19              |                  |
| Appropriation Refunds                  |             | <u>4,067.31</u>        |                  |
|  |             | <u>4,580,487.85</u>    |                  |
|  |             | 6,597,823.69           | <u>183.05</u>    |
| Decreased by Disbursements:            |             |                        |                  |
| 2022 Appropriation Expenditures        |             | 4,459,863.49           |                  |
| 2021 Appropriation Reserves            |             | 106,317.09             |                  |
| Interest on Bonds                      |             | 4,705.50               |                  |
| Interest on Loans                      |             | 9,065.98               |                  |
| Due Current Fund:                      |             |                        |                  |
| 2022 Appropriation Expenditures        |             | 24,604.41              |                  |
| Due Water Utility Capital Fund:        |             |                        |                  |
| Improvement Authorization Expenditures |             | 88,401.42              |                  |
| Refund of Water Rent Overpayments      |             | <u>3,618.66</u>        |                  |
|  |             | <u>4,696,576.55</u>    |                  |
| Balance December 31, 2022              | D           | <u>\$ 1,901,247.14</u> | <u>\$ 183.05</u> |

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF CASH - WATER COLLECTOR  
YEAR ENDED DECEMBER 31, 2022

D-4A

Increased by:

|                              |                    |
|------------------------------|--------------------|
| Consumer Accounts Receivable | \$ 4,180,107.47    |
| Water Rent Overpayments      | 7,388.88           |
| Utility Maintenance Fees     | 275,553.91         |
| Nonbudget Revenue            | 102,872.09         |
|                              | <hr/> 4,565,922.35 |

Decreased by:

|                              |                               |
|------------------------------|-------------------------------|
| Disbursed to Water Treasurer | <u><u>\$ 4,565,922.35</u></u> |
|------------------------------|-------------------------------|

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

D-5

|                                  | Balance/<br>(Deficit)<br>Dec. 31, 2021 | Transfers |              | Balance/<br>(Deficit)<br>Dec. 31, 2022 |
|----------------------------------|--|-----------|--------------|--|
|                                  |  | From      | To           |  |
| Capital Fund Balance             | \$ 703.51                              |           |              | \$ 703.51                              |
| Due Current Fund                 | (485,000.00)                           |           |              | (485,000.00)                           |
| Due Water Utility Operating Fund | (110,634.40)                           |           | \$ 88,401.42 | (22,232.98)                            |
| Down Payments on Improvements    | 25,525.85                              |           |              | 25,525.85                              |

Improvement Authorizations:

| Ord.<br>No. | Improvement Description                                    |                  |                     |                     |
|-------------|--|------------------|---------------------|---------------------|
| 2994        | Water Capital Improvements                                 | 2,539.76         |                     | 2,539.76            |
| 3140        | Replacement of Water Meters and<br>Retrofit of Meter Heads | 73,877.87        |                     | 73,877.87           |
| 3151        | Utility Infrastructure GIS Mapping                         | 4,712.75         | \$ 3,344.00         | 1,368.75            |
| 3296        | Various Water Utility Improvements                         | 9,500.00         |                     | 9,500.00            |
| 3322        | Improvement of the Water Supply<br>and Distribution System | (4,907.05)       | 75,220.42           | (80,127.47)         |
| 3343        | Improvement of the Water Supply<br>and Distribution System | 8,900.00         | 9,837.00            | (937.00)            |
| 3370        | Improvement of the Water Supply<br>and Distribution System | 8,000.00         |                     | 8,000.00            |
| 3409        | Various Water Utility Improvements                         | 234,128.76       |                     | 234,128.76          |
| 3424        | Various Water Utility Improvements                         | 232,836.00       |                     | 232,836.00          |
|             |  | <u>\$ 183.05</u> | <u>\$ 88,401.42</u> | <u>\$ 88,401.42</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, 2021 | D           | \$ 768,433.88               |
| Increased by:             |             |                             |
| Water Rents Levied        |             | 4,165,922.34                |
|                           |             | <u>4,934,356.22</u>         |
| Decreased by:             |             |                             |
| Collections               |             | 4,180,107.47                |
|                           |             | <u>4,180,107.47</u>         |
| Balance December 31, 2022 | D           | <u><u>\$ 754,248.75</u></u> |

WATER UTILITY OPERATING FUND  
SCHEDULE OF INVENTORY

D-7

|                           | <u>Ref.</u> |                            |
|---------------------------|-------------|----------------------------|
| Balance December 31, 2021 | D           | <u>\$ 61,195.00</u>        |
| Balance December 31, 2022 | D           | <u><u>\$ 61,195.00</u></u> |

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF RETURN ITEM ACCOUNT  
YEAR ENDED DECEMBER 31, 2022

D-8

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF FIXED CAPITAL

D-9

|                               | Balance<br>Dec. 31, 2021 | Balance<br>Dec. 31, 2022 |
|-------------------------------|--------------------------|--------------------------|
| 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>   |

Ref.

D

D

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

D-10

| <u>Ord.<br/>No.</u> | <u>Ord.<br/>Date</u> | <u>Improvement Description</u>                             | <u>Balance<br/>Dec. 31, 2021</u> | <u>Balance<br/>Dec. 31, 2022</u> |
|---------------------|----------------------|--|----------------------------------|----------------------------------|
| 2994                | 11/21/06             | Water Capital Improvements                                 | \$ 67,811.50                     | \$ 67,811.50                     |
| 3140                | 06/15/10             | Replacement of Water Meters and<br>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<br>Distribution System | 297,000.00                       | 297,000.00                       |
| 3343                | 09/06/16             | Improvement of the Water Supply and<br>Distribution System | 178,000.00                       | 178,000.00                       |
| 3370                | 11/08/17             | Improvement of the Water Supply and<br>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>\$ 4,997,536.50</u>           | <u>\$ 4,997,536.50</u>           |
|                     |                      | <u>Ref.</u>  | D                                | D                                |

TOWNSHIP OF NUTLEY  
WATER UTILITY OPERATING FUND  
SCHEDULE OF 2021 APPROPRIATION RESERVES  
YEAR ENDED DECEMBER 31, 2022

D-11

|  | Balance<br>Dec. 31, 2021 | Balance<br>After<br>Modification | Paid or<br>Charged   | Balance<br>Lapsed   |
|--|--------------------------|----------------------------------|----------------------|---------------------|
| Operating:   |                          |                                  |                      |                     |
| Salaries and Wages   | \$ 3,499.62              | \$ 18,499.62                     | \$ 12,961.39         | \$ 5,538.23         |
| Other Expenses   | 65,242.70                | 50,242.70                        | 16,041.70            | 34,201.00           |
| Other Expenses:  |                          |                                  |                      |                     |
| N.J. Water Supply  | 494.00                   | 494.00                           |                      | 494.00              |
| Passaic Valley Water Commission                                      | 61,716.27                | 61,716.27                        | 61,716.27            |                     |
| City of Newark Water Purchase  | 57,879.03                | 57,879.03                        | 15,597.73            | 42,281.30           |
| Deferred Charges and Statutory Expenditures:                         |                          |                                  |                      |                     |
| Statutory Expenditures:  |                          |                                  |                      |                     |
| Contribution to:   |                          |                                  |                      |                     |
| Social Security System (O.A.S.I.)                                    | 5,871.32                 | 5,871.32                         |                      | 5,871.32            |
| Unemployment Compensation Insurance -<br>(N.J.S.A. 43:21-3 et. seq.) | 1,000.00                 | 1,000.00                         |                      | 1,000.00            |
|  | <u>\$ 195,702.94</u>     | <u>\$ 195,702.94</u>             | <u>\$ 106,317.09</u> | <u>\$ 89,385.85</u> |

Ref.

Analysis of Balance December 31, 2021:

|              |   |                      |
|--------------|---|----------------------|
| Unencumbered | D | \$ 165,817.17        |
| Encumbered   | D | <u>29,885.77</u>     |
|              |   | <u>\$ 195,702.94</u> |

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

| Ord.<br>No. | Improvement Description                                    | Ordinance |              | Balance December 31, 2021 |                        | Paid or<br>Charged  | Balance December 31, 2022 |                        |
|-------------|--|-----------|--------------|---------------------------|------------------------|---------------------|---------------------------|------------------------|
|             |  | 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<br>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    | 4,712.75                  |                        | \$ 3,344.00         | 1,368.75                  |                        |
| 3296        | Various Water Utility Improvements                         | 09/02/14  | 104,500.00   | 9,500.00                  |                        |                     | 9,500.00                  |                        |
| 3322        | Improvement of the Water Supply<br>and Distribution System | 10/06/15  | 297,000.00   |                           | 140,014.20             | 75,220.42           |                           | 64,793.78              |
| 3343        | Improvement of the Water Supply<br>and Distribution System | 09/06/16  | 178,000.00   | 8,900.00                  | 169,100.00             | 9,837.00            |                           | 168,163.00             |
| 3370        | Improvement of the Water Supply<br>and Distribution System | 11/08/17  | 169,000.00   | 8,000.00                  | 161,000.00             |                     | 8,000.00                  | 161,000.00             |
| 3409        | Various Water Utility Improvements                         | 12/20/18  | 256,600.00   | 234,128.76                |                        |                     | 234,128.76                |                        |
| 3424        | Various Water Utility Improvements                         | 08/06/19  | 257,250.00   | 232,836.00                |                        |                     | 232,836.00                |                        |
| 3457        | Various Water Utility Improvements                         | 11/05/20  | 255,000.00   |                           | 255,000.00             |                     |                           | 255,000.00             |
| 3478        | Various Water Utility Improvements                         | 10/05/21  | 285,000.00   |                           | 285,000.00             |                     |                           | 285,000.00             |
|             |  |           |              | <u>\$ 574,495.14</u>      | <u>\$ 2,648,417.20</u> | <u>\$ 88,401.42</u> | <u>\$ 562,251.14</u>      | <u>\$ 2,572,259.78</u> |

|             |   |   |   |
|-------------|---|---|---|
| <u>Ref.</u> | D | D | D |
|-------------|---|---|---|

Due to Water Utility Operating Fund      \$ 88,401.42

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

D-13

|                           | <u>Ref.</u> |                            |
|---------------------------|-------------|----------------------------|
| Balance December 31, 2021 | D           | <u>\$ 25,525.85</u>        |
| Balance December 31, 2022 | D           | <u><u>\$ 25,525.85</u></u> |

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
YEAR ENDED DECEMBER 31, 2022

D-14

NOT APPLICABLE



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

D-15

|   | <u>Ref.</u>       |                               |
|---|-------------------|-------------------------------|
| Balance December 31, 2021                                   | D                 | \$ 3,180,613.39               |
| Increased by:   |                   |                               |
| Paid by Operating Budget:                                   |                   |                               |
| Serial Bonds  | \$ 65,000.00      |                               |
| New Jersey Environmental Infrastructure Trust (NJEIT) Loans | <u>100,617.68</u> |                               |
|   |                   | <u>165,617.68</u>             |
| Balance December 31, 2022                                   | D                 | <u><u>\$ 3,346,231.07</u></u> |

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

D-15A

| <u>Ord.<br/>No.</u> | <u>Improvement Description</u>                             | <u>Date of<br/>Ordinance</u> | <u>Balance<br/>Dec. 31, 2021</u> | <u>Balance<br/>Dec. 31, 2022</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<br>and Distribution System | 09/06/16                     | 8,900.00                         | 8,900.00                         |
| 3370                | Improvement of the Water Supply<br>and Distribution System | 11/08/17                     | 8,000.00                         | 8,000.00                         |
| 3409                | Various Water Utility Improvements                         | 12/20/18                     | 12,850.00                        | 12,850.00                        |
| 3424                | Various Water Utility Improvements                         | 08/06/19                     | <u>12,860.00</u>                 | <u>12,860.00</u>                 |
|                     |  |                              | <u>\$ 127,515.25</u>             | <u>\$ 127,515.25</u>             |
|                     |  | <u>Ref.</u>                  | D                                | D                                |

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES PAYABLE  
YEAR ENDED DECEMBER 31, 2022

D-16

NOT APPLICABLE

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

| Purpose                 | Date of<br>Issue | Outstanding Dec. 31, 2022 |              | Interest<br>Rate | Balance<br>Dec. 31, 2021 |              | Matured       | Balance<br>Dec. 31, 2022 |
|-------------------------|------------------|---------------------------|--------------|------------------|--------------------------|--------------|---------------|--------------------------|
|                         |                  | Date                      | Amount       |                  |                          |              |               |                          |
| Water Improvement Bonds | 04/13/2021       | 04/01/2023                | \$ 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            | \$ 65,000.00 | \$ 420,000.00 |                          |
|                         |                  |                           |              |                  | \$ 485,000.00            | \$ 65,000.00 | \$ 420,000.00 |                          |

Ref.                      D                      D

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND

D-18

SCHEDULE OF NJ ENVIRONMENTAL INFRASTRUCTURE TRUST (NJEIT) LOAN PAYABLE

|                           | <u>Ref.</u> |                             |
|---------------------------|-------------|-----------------------------|
| Balance December 31, 2021 | D           | \$ 600,010.09               |
| Decreased by:             |             |                             |
| Matured                   |             | <u>100,617.68</u>           |
| Balance December 31, 2022 | D           | <u><u>\$ 499,392.41</u></u> |

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS OUTSTANDING DECEMBER 31, 2022

| Payment<br>Number | Due<br>Date | Trust               |                      | Fund<br>Principal    | Balance<br>of Loan |
|-------------------|-------------|---------------------|----------------------|----------------------|--------------------|
|                   |             | Interest            | Principal            |                      |                    |
|                   |             |                     |                      |                      | \$ 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>\$ 49,160.00</u> | <u>\$ 265,000.00</u> | <u>\$ 234,392.41</u> |                    |

TOWNSHIP OF NUTLEY  
WATER UTILITY CAPITAL FUND

D-19

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

| <u>Ord.</u> | <u>No.</u> | <u>Date</u> | <u>Improvement Description</u>                             | <u>Balance</u><br><u>Dec. 31, 2021</u> | <u>Balance</u><br><u>Dec. 31, 2022</u> |
|-------------|------------|-------------|--|--|--|
|             | 3140       | 06/15/10    | Replacement of Water Meters and<br>Retrofit of Meter Heads | \$ 1,638,303.00                        | \$ 1,638,303.00                        |
|             | 3322       | 10/06/15    | Improvement of the Water Supply<br>and Distribution System | 144,921.25                             | 144,921.25                             |
|             | 3343       | 09/06/16    | Improvement of the Water Supply<br>and Distribution System | 169,100.00                             | 169,100.00                             |
|             | 3370       | 11/08/17    | Improvement of the Water Supply<br>and Distribution System | 161,000.00                             | 161,000.00                             |
|             | 3457       | 11/05/20    | Various Water Utility Improvements                         | 255,000.00                             | 255,000.00                             |
|             | 3478       | 10/05/21    | Various Water Utility Improvements                         | 285,000.00                             | 285,000.00                             |
|             |            |             |  | <u>\$ 2,653,324.25</u>                 | <u>\$ 2,653,324.25</u>                 |

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
SEWER UTILITY FUND

NOT APPLICABLE

TOWNSHIP OF NUTLEY  
COUNTY OF ESSEX  
2022  
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, 2021 | F           | \$ 76,658.60               |
| Increased by Receipts:    |             |                            |
| Interest                  |             | <u>252.84</u>              |
| Balance December 31, 2022 | F           | <u><u>\$ 76,911.44</u></u> |

TOWNSHIP OF NUTLEY

PART II

SINGLE AUDIT

YEAR ENDED DECEMBER 31, 2022

TOWNSHIP OF NUTLEY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

|   | 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               | 100-066-1160-155-031000 | \$ 7,000.00  | \$ 7,000.00     | 01/01/22     | 12/31/22 | \$ 7,000.00     | \$ 7,000.00                   |                                   |
| Passed through NJ Department of Law and Public Safety       |                            | Pedestrian Safety Education and Enforcement Grant  | 20.616               | 100-066-1160-163-030340 | 11,110.00    |                 | 01/01/22     | 12/31/23 |                 |                               |                                   |
|   |                            | Distracted Driving Crackdown   | 20.616               | 100-066-1160-158-031030 | 9,000.00     |                 | 01/01/21     | 12/31/22 | 7,000.00        | 7,000.00                      |                                   |
|   |                            |  |                      |                         | 10,500.00    |                 | 01/01/22     | 12/31/23 |                 | 7,000.00                      |                                   |
| Total Highway Safety Cluster                                |                            |  |                      |                         |              |                 |              |          |                 | 14,000.00                     |                                   |
| Total US Department of Transportation                       |                            |  |                      |                         |              |                 |              |          |                 | 14,000.00                     |                                   |
| US Department of Justice:                                   |                            |  |                      |                         |              |                 |              |          |                 |                               |                                   |
| Office of Justice Programs,                                 |                            | Bulletproof Vest Partnership Program   | 16.607               | N/A                     | 5,476.90     |                 | 01/01/21     | 12/31/22 | 5,476.90        | 5,476.90                      |                                   |
| Bureau of Justice Assistance                                |                            |  |                      |                         | 5,484.05     |                 | 01/01/22     | 12/31/23 |                 |                               |                                   |
|   |                            |  |                      |                         |              | 5,484.05        |              |          | 5,476.90        | 5,476.90                      |                                   |
| 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 | 299,033.98   | 284,972.98      | 08/05/20     | 12/31/20 | 284,972.98      | 299,033.98                    |                                   |
|   |                            | F.E.M.A. Hurricane Ida   | 97.036               | C84-069910              | 637,218.60   | 637,218.60      | 09/01/21     | 12/31/21 | 637,218.60      | 637,218.60                    |                                   |
|   |                            |  |                      |                         |              | 922,191.58      |              |          | 922,191.58      | 936,252.58                    |                                   |
| Passed through NJ Department of Law and Public Safety       |                            | Emergency Management Performance Grants - F.E.M.A. Non-Terrorism                           | 97.042               | 100-066-1200-726-062600 | 10,000.00    |                 | 01/01/21     | 12/31/21 | 10,000.00       | 10,000.00                     |                                   |
|   |                            |  |                      |                         |              | 10,000.00       |              |          | 10,000.00       | 10,000.00                     |                                   |
|   |                            |  |                      |                         |              | 932,191.58      |              |          | 932,191.58      | 946,252.58                    |                                   |
| 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 Entwistle Avenue Library ADA Elevator | 14.218               | N/A                     | 162,483.00   | 157,014.10      | 01/01/22     | 12/31/22 | 157,014.10      | 157,014.10                    |                                   |
|   |                            |  |                      |                         | 177,950.00   | 94,000.00       | 01/01/22     | 12/31/23 | 94,000.00       | 94,000.00                     |                                   |
| Total CDBG - Entitlement Grants Cluster                     |                            |  |                      |                         |              | 251,014.10      |              |          | 251,014.10      | 251,014.10                    |                                   |
| Total US Department of Housing & Urban Development          |                            |  |                      |                         |              | 251,014.10      |              |          | 251,014.10      | 251,014.10                    |                                   |
| 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                             |                            |  |                      |                         |              | \$ 2,701,872.57 |              |          | \$ 1,202,682.58 | \$ 1,216,743.58               | \$ - 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  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2022

2

| MEMO                    |  |  |  |  |  |  |  |
|-------------------------|--|--|--|--|--|--|--|
| Cumulative Expenditures |  |  |  |  |  |  |  |
| Total Expenditures      |  |  |  |  |  |  |  |
| \$ 31,154.00            |  |  |  |  |  |  |  |
| 14,953.92               |  |  |  |  |  |  |  |
| 46,107.92               |  |  |  |  |  |  |  |
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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  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2022

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, 2022. 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, 2022:

General Capital Fund:

NJ Department of Environmental Protection Green Acres Loans:

|  |                          |
|--|--------------------------|
| Redevelopment of Monsignor Owens Park        | \$ 305,338               |
| Improvement of Father Glotzbach Soccer Field | <u>87,529</u>            |
|  | <u><u>\$ 392,867</u></u> |

Water Utility Capital Fund:

|  |                          |
|--|--------------------------|
| NJ Environmental Infrastructure Trust Loan | \$ 265,000               |
| NJ Environmental Infrastructure Fund Loan  | <u>234,392</u>           |
|  | <u><u>\$ 499,392</u></u> |

TOWNSHIP OF NUTLEY  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED DECEMBER 31, 2022  
(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. The first project which they relate to is complete and loan payments commenced in 2017 and the other project has not begun and loan payments on the \$87,529 loan will tentatively commence in 2023.

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, 2022 and 2021, and the related notes to the financial statements and have issued our report thereon dated July 7, 2023. These financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Division to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America. That qualified report also indicated that we did not audit the general fixed assets account group.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

### **Report on Compliance and Other Matters**

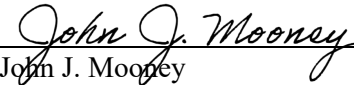
As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **Purpose of this Report**

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

Mount Arlington, New Jersey  
July 7, 2023

  
NISIVOCCIA LLP

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



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

Independent Auditors' Report

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

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

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

We have audited the Township of Nutley's (the "Township's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Township's major federal program for the year ended December 31, 2022. The Township's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

***Basis for Opinion on Each Major Federal Program***

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

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

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

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

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

### Report on Internal Control Over Compliance

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

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

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

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

Mount Arlington, New Jersey  
July 7, 2023

*Nisivoccia LLP*  
NISIVOCCIA LLP

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

TOWNSHIP OF NUTLEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the Township's financial statements, prepared in accordance with accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey to demonstrate compliance with the Division's regulatory basis of accounting and the budget laws of New Jersey, as the general fixed assets account group was not audited.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the Township which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over the major federal program disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance*.
- The auditor's report on compliance for the major federal program for the Township expresses an unmodified opinion on its major federal program.
- The audit did not disclose any findings which are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.
- The Township was not subject to the single audit provisions of New Jersey's OMB Circular 15-08 for the year ended December 31, 2022 as state grant expenditures were less than the single audit threshold of \$750,000 identified in New Jersey's OMB Circular 15-08.
- The threshold for distinguishing between Type A and B state programs was \$750,000.
- The Township was not determined to be a "low-risk" auditee for federal programs.
- The Township's program tested as a major federal program for the current fiscal year consisted of the following award:

|                                       | <u>Assistance<br/>Listing Number</u> |                   |
|---------------------------------------|--------------------------------------|-------------------|
| Disaster Grants - Public Assistance - |                                      |                   |
| F.E.M.A. Tropical Storm Isaias        | 97.036                               | \$ 284,973        |
| F.E.M.A. Hurricane Ida                | 97.036                               | <u>637,219</u>    |
|                                       |                                      | <u>\$ 922,192</u> |

TOWNSHIP OF NUTLEY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2022  
(Continued)

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

TOWNSHIP OF NUTLEY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022

The Township had no prior year audit findings.

TOWNSHIP OF NUTLEY

PART III

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

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 18, 2022, 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 13, 2022 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> |
|-------------|------------------------|
| 2022        | 0                      |
| 2021        | 0                      |
| 2020        | 0                      |

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, 2022.

RECEIPTS AND DISBURSEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

|                                 | Balance<br>Dec. 31, 2021 | Receipts             | Disbursements        | Balance<br>Dec. 31, 2022 |
|---------------------------------|--------------------------|----------------------|----------------------|--------------------------|
| Municipal Treasurer:            |                          |                      |                      |                          |
| Fines and Costs                 | \$ 22,727.53             | \$ 285,334.85        | \$ 285,559.94        | \$ 22,502.44             |
| P.O.A.A. Fines                  | 458.00                   | 5,946.50             | 5,938.50             | 466.00                   |
| Public Defender                 | 100.00                   | 2,620.00             | 1,970.00             | 750.00                   |
| State Treasurer                 | 18,022.05                | 217,144.63           | 220,729.74           | 14,436.94                |
| County Treasurer                | 6,209.50                 | 65,736.00            | 66,000.00            | 5,945.50                 |
| Conditional Discharge/Dismissal |                          | 965.00               | 960.00               | 5.00                     |
| Weights and Measures            |                          | 4,245.00             | 4,245.00             |                          |
| Restitution                     | 302.00                   | 12.00                | 314.00               |                          |
| Cash Bail                       | 2,800.00                 | 24,009.00            | 24,349.00            | 2,460.00                 |
|                                 | <u>\$ 50,619.08</u>      | <u>\$ 606,012.98</u> | <u>\$ 610,066.18</u> | <u>\$ 46,565.88</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, 2022 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 are two ordinances in the Water Utility Capital Fund over five years old with deficit cash balances as of December 31, 2022. This situation arises when expenditures are made from an ordinance without the related debt being issued. As the deficit cash balances are not significant and funding for these ordinances will be included in the Water Utility Operating Fund's future budgets, a formal recommendation is judged to be unnecessary at this time.

Management Suggestions

Improvement Authorizations

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

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. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, is effective for the year ended December 31, 2023. This statement addresses issues related to public-private and public-public partnership agreements (PPP's). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APA's). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset or a period of time.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA's), is effective for the year ended December 31, 2023. A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor) information technology software, alone or in combination with tangible capital assets as specified in the related contract for a period of time. It is likely that a SBITA software or similar spreadsheets will need to be utilized to perform the various calculations necessary to implement this standard.

TOWNSHIP OF NUTLEY  
COMMENTS AND RECOMMENDATIONS  
(Continued)

Management Suggestions (Cont'd)

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.

Corrective Action Plan

The Township was not required to initiate a corrective action plan since there were no recommendations in the 2021 audit report.

TOWNSHIP OF NUTLEY  
SUMMARY OF RECOMMENDATIONS

It is recommended that:

NONE

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