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

Note 2: Long-Term Debt

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

Summary of Municipal Debt

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

Summary of Statutory Debt Condition – Annual Debt Statement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

General Capital Serial Bonds

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

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

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

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

General Capital Serial Bonds (Cont'd)

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

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

Purpose	Final Maturity	Interest Rate	Balance Dec. 31, 2023
Redevelopment of Monsignor Owens Park	03/29/36	2.00%	$ 285,425
Improvement of Father Glotzbach Soccer Field	07/15/43	0.00%	87,529
			$ 372,954

Water Utility Capital NJ Infrastructure Bank (NJIB) Loans

Purpose	Type	Final Maturity	Interest Rate	Balance Dec. 31, 2023
Replace Water Meters and	Trust Loan	08/01/31	2%-5%	$ 240,000
Retrofit Meter Heads	Fund Loan	08/01/31	0.00%	158,775
				$ 398,775

Water Utility Capital Serial Bonds

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

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

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

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

Redevelopment Area Bonds

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

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

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

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

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

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

NJ Infrastructure Bank (NJIB) Loans

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

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

NJ Department of Environmental Protection (NJDEP) Green Acres Loans

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

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

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

Redevelopment Area Bonds

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

Bond Rating

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

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

Note 3: Fund Balances Appropriated

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

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

Note 4: Deferred Charges to be Raised in Succeeding Years

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

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

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