

CITY OF ENGLEWOOD
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2022

CITY OF ENGLEWOOD

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2022

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LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
2-10 North Van Brunt Street
Englewood, New Jersey 07631

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Englewood, as of December 31, 2022 and 2021, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the City of Englewood as of December 31, 2022 and 2021, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2022 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

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 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 of the City of Englewood as of December 31, 2022 and 2021, or changes in financial position for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 City of Englewood and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 City of Englewood on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities. 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 the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Englewood's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of 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 generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, 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 generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement 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 City of Englewood'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 City of Englewood'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 an opinion on the financial statements of the City of Englewood as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal 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 schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Englewood. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.


Other Information

Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 29, 2023 on our consideration of the City of Englewood'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 City of Englewood'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 City of Englewood's internal control over financial reporting and compliance.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
August 29, 2023

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT AND GRANT FUNDS
AS OF DECEMBER 31, 2022 AND 2021

ASSETS	Ref	<u>2022</u>	<u>2021</u>
Current Fund			
Cash	A-4	\$ 25,867,236	\$ 19,333,943
Cash - Change Funds	A	400	400
Due From State of NJ - Senior Citizens and Veterans	A-6	<u>7,326</u>	<u>1,887</u>
		<u>25,874,962</u>	<u>19,336,230</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	26,529	13,868
Tax Title Liens Receivable	A-8	269,632	252,082
Foreclosed Property	A-9	70,979	70,979
Sewer User Charges	A-20	213,741	161,942
Prepaid School Tax	A-15	-	707,784
Revenue Accounts Receivable	A-10	20,152	14,311
Due from Animal Control Fund	B-11	5,428	5,618
Due from Assessment Trust Fund	B-19	<u>18,386</u>	<u>13,155</u>
		<u>624,847</u>	<u>1,239,739</u>
Deferred Charges:			
Special Emergency Authorizations	A-21	-	200,000
Overexpenditure of Appropriation Reserves	A-22	<u>-</u>	<u>7,658</u>
		<u>-</u>	<u>207,658</u>
Total Current Fund		<u>26,499,809</u>	<u>20,783,627</u>
Grant Fund			
Grants Receivable	A-5	306,182	312,448
Due from Current Fund	A-18	3,153,360	1,646,628
Due from General Capital Fund	C	<u>399,125</u>	<u>399,125</u>
Total State and Federal Grant Fund		<u>3,858,667</u>	<u>2,358,201</u>
Total		<u>\$ 30,358,476</u>	<u>\$ 23,141,828</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT AND GRANT FUNDS
AS OF DECEMBER 31, 2022 AND 2021**

LIABILITIES, RESERVES AND FUND BALANCE	Ref	2022	2021
Current Fund			
Appropriation Reserves	A-3, A-11	\$ 3,242,995	\$ 2,574,068
Encumbrances Payable	A-19	3,050,709	2,078,725
Accrued Salaries and Wages	A-26	541,727	1,500,000
Special Emergency Notes Payable	A-25		200,000
Prepaid Taxes	A-12	676,943	992,568
Tax Overpayments	A-13	335,671	492,818
Miscellaneous Reserves	A-23	151,378	7,234
Reserve for Tax Appeals	A-24	1,532,737	1,121,207
County Taxes Payable	A-14	17,051	52,660
School Taxes Payable	A-15	86,194	-
Due to Grant Fund	A-18	3,153,360	1,646,628
Due to General Capital Fund	C-13	487,399	139,932
Due to Other Trust Fund	B-18	<u>1,916,086</u>	<u>258,952</u>
		15,192,250	11,064,792
Reserve for Receivables	A	624,847	1,239,739
Fund Balance	A-1	<u>10,682,712</u>	<u>8,479,096</u>
Total Current Fund		<u>26,499,809</u>	<u>20,783,627</u>
Grant Fund			
Due to Other Trust Fund	B-20	25,656	19,973
Appropriated Grant Reserves	A-16	748,225	704,309
Unappropriated Grant Reserves	A-17	3,055,630	1,571,702
Encumbrances Payable	A-19	<u>29,156</u>	<u>62,217</u>
Total State and Federal Grant Fund		<u>3,858,667</u>	<u>2,358,201</u>
		<u>\$ 30,358,476</u>	<u>\$ 23,141,828</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF ENGLEWOOD
COMPARATIVE STATEMENTS OF OPERATIONS AND
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
REVENUES AND OTHER INCOME		
Fund Balance Utilized	\$ 2,180,000	\$ 1,850,000
Miscellaneous Revenues Anticipated	10,075,653	8,691,321
Receipts From Delinquent Taxes	15,367	37,591
Receipts from Current Taxes	133,243,296	129,936,130
Non-Budget Revenue	1,110,454	1,321,958
Other Credits to Income:		
Unexpended Balances of Appropriation Reserves	1,574,014	2,635,284
Prior Year School Taxes Payable	707,784	820,636
Statutory Excess - Animal Control	4,448	6,409
Cancelled Encumbrances/Accounts Payable	11,852	
Interfund Loans Returned	<u>18,773</u>	<u>11,842</u>
 Total Revenues and Other Income	 <u>148,941,641</u>	 <u>145,311,171</u>
 EXPENDITURES		
Budget Appropriations:		
Operations	56,053,871	53,930,871
Capital Improvements	585,000	375,000
Municipal Debt Service	6,272,343	6,415,151
Deferred Charges and Statutory Expenditures	7,861,039	7,422,666
County Taxes	13,470,973	13,209,419
Local School Taxes	60,175,247	58,362,393
Establish Reserve for Prepaid School Tax		707,784
Prior Year Senior Citizen Deductions Disallowed	2,282	3,750
Refund of Prior Year Revenues	113,456	-
Interfund Advances	<u>23,814</u>	<u>18,773</u>
 Total Expenditures	 <u>144,558,025</u>	 <u>140,445,807</u>
 Excess in Revenues Over Expenditures	 4,383,616	 4,865,364
 Balance, January 1	 <u>8,479,096</u>	 <u>5,463,732</u>
	12,862,712	10,329,096
Decreased by:		
Utilization as Anticipated Revenue	<u>2,180,000</u>	<u>1,850,000</u>
 Balance, December 31	 <u>\$ 10,682,712</u>	 <u>\$ 8,479,096</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF ENGLEWOOD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budget	Added by NJS 40A:4-87	Realized	Excess or (Deficit)
FUND BALANCE ANTICIPATED	<u>\$ 2,180,000</u>	<u>-</u>	<u>\$ 2,180,000</u>	<u>-</u>
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	57,000		60,277	\$ 3,277
Other	249,350		281,961	32,611
Fees and Permits				
Other	271,500		268,506	(2,994)
Fines and Costs				
Municipal Court	396,500		317,526	(78,974)
Interest and Costs on Taxes	199,800		189,089	(10,711)
Parking Meters	535,200		600,028	64,828
Interest on Investments and Deposits	40,400		120,601	80,201
Recreation Advisory Committee	537,300		720,498	183,198
Fire Prevention Fees	135,000		149,003	14,003
Kings Garden - PILOT	128,000		608,414	480,414
Greater Englewood - PILOT	188,000		296,303	108,303
One William Street - PILOT	519,000		589,675	70,675
Westmoor Gardens - PILOT	22,000		436,885	414,885
Exempt Sewer Charges	250,000		238,230	(11,770)
Parking Garage Fees	182,000		144,139	(37,861)
Municipal Hotel Tax	100,000		146,425	46,425
Cable Franchise Fees	125,000		131,010	6,010
Cell Tower Agreement	105,000		112,389	7,389
Greater Englewood Annual Fee	100,000		100,000	
Energy Receipts Tax	2,763,296		2,763,296	
Uniform Construction Code Fees	1,056,100		778,131	(277,969)
Public and Private Revenues Offset with Approp:				
Municipal Alliance	5,754		5,754	
Body Armor Replacement	5,104	\$ 3,260	8,364	
Clean Communities Grant	3,003	52,127	55,130	
NJ Healthy Communities Network		1,425	1,425	
Recycling Tonnage Grant		35,705	35,705	
Alcohol Education		790	790	
US Swimming Foundation Grant		15,625	15,625	
Drunk Driving Enforcement		140	140	
Other Special Items:				
Uniform Fire Safety Act	90,000		82,949	(7,051)
Capital Surplus	250,000		250,000	
Hospital Community Fee	550,000	-	567,385	17,385
Total Miscellaneous Revenues	<u>8,864,307</u>	<u>109,072</u>	<u>10,075,653</u>	<u>1,102,274</u>
RECEIPTS FROM DELINQUENT TAXES	<u>10,000</u>	<u>-</u>	<u>15,367</u>	<u>5,367</u>
Subtotal General Revenues	<u>11,054,307</u>	<u>109,072</u>	<u>12,271,020</u>	<u>1,107,641</u>
AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax for Municipal Purposes	58,075,674		58,044,966	(30,708)
Minimum Library Tax	1,831,109	-	1,831,109	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>59,906,783</u>	<u>-</u>	<u>59,876,075</u>	<u>(30,708)</u>
Total General Revenues	<u>\$ 70,961,090</u>	<u>\$ 109,072</u>	<u>72,147,095</u>	<u>\$ 1,076,933</u>
Non-Budget Revenue			<u>1,110,454</u>	
			<u>\$ 73,257,549</u>	

CITY OF ENGLEWOOD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022
(Continued)

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collection	
Revenue from Collections	\$ 133,493,296
Transferred to Reserve for Tax Appeals	<u>250,000</u>
Revenue Realized	133,243,296
Less: Allocated to School and County Taxes	<u>73,646,220</u>
Balance for Support of Municipal Budget Appropriations	59,597,076
Add Appropriation "Reserve for Uncollected Taxes"	<u>278,999</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 59,876,075</u>

Interest on Investments and Deposits	
Revenue Accounts Receivable	\$ 48,943
Due from General Capital Fund	66,407
Due from Animal Control Fund	20
Due from Assessment Trust Fund	<u>5,231</u>
	<u>\$ 120,601</u>

Parking Meters Revenue	
Revenue Accounts Receivable	\$ 599,601
Due from General Capital Fund	<u>427</u>
	<u>\$ 600,028</u>

ANALYSIS OF NON-BUDGET REVENUES

Extra Duty Vehicle Admin Fee	\$ 127,535
Greater Englewood Housing Partners Developers Fee	520,286
Vacant Property Rentals	7,100
FEMA Reimbursements	80,549
New Jersey Educational Computing Cooperative	150,102
Department Revenues	40,096
BCUA Sewer	5,089
Sewer Charges for Neighboring Towns	140,304
Senior Citizen and Veteran Administration Fee	1,029
Miscellaneous	<u>38,364</u>
	<u>\$ 1,110,454</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

GENERAL APPROPRIATIONS OPERATIONS WITHIN "CAPS"	<u>Appropriations</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
City Council					
Salaries and Wages	\$ 42,000	\$ 42,000	\$ 42,000		
Other Expenses	10,000	10,000	8,222	\$ 1,778	
City Manager					
Salaries and Wages	343,000	273,000	265,873	7,127	
Other Expenses	123,700	148,700	147,665	1,035	
City Clerk					
Salaries and Wages	204,000	204,000	200,551	3,449	
Overtime	3,300	3,300	1,882	1,418	
Other Expenses	89,750	89,750	88,140	1,610	
Human Resources					
Salaries and Wages	243,000	257,000	251,536	5,464	
Other Expenses	69,250	69,250	46,753	22,497	
Purchasing					
Other Expenses	3,000	3,000	2,403	597	
Finance					
Salaries and Wages	563,000	478,000	468,278	9,722	
Other Expenses	192,000	192,000	191,851	149	
Data Processing					
Other Expenses	137,000	139,000	138,737	263	
Collection of Taxes					
Salaries and Wages	165,000	180,000	178,311	1,689	
Other Expenses	39,800	39,800	30,333	9,467	
Assessment of Taxes					
Salaries and Wages	180,000	180,000	175,806	4,194	
Other Expenses	41,000	41,000	15,146	25,854	
Legal Service and Costs					
Salaries and Wages	84,800	84,800	69,859	14,941	
Other Expenses	907,000	907,000	712,393	194,607	
Engineering Services					
Salaries and Wages	340,000	340,000	337,211	2,789	
Other Expenses	24,000	61,000	48,000	13,000	
Community Development					
Other Expenses	172,000	217,000	215,054	1,946	
Municipal Court					
Salaries and Wages	417,000	467,000	450,060	16,940	
Overtime	17,500	12,500	6,081	6,419	
Other Expenses	156,500	156,500	115,855	40,645	
Public Defender					
Other Expenses	14,000	14,000	9,000	5,000	
Insurance					
Medical	5,894,250	5,469,250	5,421,852	47,398	
Health Benefit Waiver	100,000	100,000	98,378	1,622	
Other Insurance Premium	1,300,000	1,300,000	1,235,185	64,815	
Workers Compensation	1,100,000	497,000	461,246	35,754	
Land Use					
Other Expenses	87,500	87,500	70,356	17,144	
Fire Division					
Salaries and Wages	6,402,000	6,252,000	6,176,069	75,931	
Overtime	1,100,000	1,510,000	1,462,930	47,070	
Other Expenses	359,600	398,600	397,075	1,525	
Police					
Salaries and Wages	12,850,000	12,925,000	12,746,689	178,311	
Overtime	1,100,000	1,500,000	1,467,864	32,136	
Other Expenses	613,500	613,500	565,778	47,722	
Aid to Volunteer Ambulance	40,000	40,000	40,000		
Emergency Management Services					
Other Expenses	10,000	10,000	4,678	5,322	
DPW Administration					
Salaries and Wages	526,000	476,000	462,626	13,374	
Overtime	10,000	20,000	18,208	1,792	
Other Expenses	60,550	69,550	59,631	9,919	
Public Building and Grounds					
Other Expenses	510,500	630,500	597,015	33,485	

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

GENERAL APPROPRIATIONS (Continued) OPERATIONS WITHIN "CAPS" (Continued)	Appropriations		Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserves	
Shade Tree					
Salaries and Wages	\$ 175,000	\$ 151,000	\$ 139,979	\$ 11,021	
Overtime	20,000	34,000	29,717	4,283	
Other Expenses	102,000	117,000	115,785	1,215	
Road Repairs and Maintenance					
Salaries and Wages	520,000	440,000	434,774	5,226	
Overtime	165,000	165,000	138,713	26,287	
Other Expenses	307,000	307,000	182,112	124,888	
Central Maintenance - Garage					
Salaries and Wages	230,000	245,000	243,682	1,318	
Overtime	35,000	35,000	30,140	4,860	
Other Expenses	847,500	957,500	903,989	53,511	
Construction and Facilities Maintenance					
Salaries and Wages	175,000	165,000	154,220	10,780	
Overtime	65,000	66,000	64,604	1,396	
Other Expenses	96,500	96,500	66,225	30,275	
Sanitation					
Salaries and Wages	1,563,000	1,213,000	1,181,764	31,236	
Overtime	310,000	315,000	304,057	10,943	
Other Expenses	53,000	69,000	50,839	18,161	
Sewer Department					
Salaries and Wages	243,000	223,000	217,667	5,333	
Overtime	80,000	80,000	79,953	47	
Other Expenses	79,300	79,300	73,114	6,186	
Parks Department					
Salaries and Wages	481,000	431,000	419,008	11,992	
Overtime	85,000	85,000	59,485	25,515	
Other Expenses	48,000	60,000	45,106	14,894	
Community Services Act					
Condominium Community Costs	240,000	240,000	185,983	54,017	
Board of Health					
Salaries and Wages	709,000	739,000	722,472	16,528	
Overtime	7,500	10,000	9,881	119	
Other Expenses	80,950	85,950	83,083	2,867	
Animal Control Regulation					
Other Expenses	41,300	41,300	41,264	36	
Contribution to Child Dev. And Teen Program					
Other Expenses	59,000	59,000		59,000	
Recreation Department					
Salaries and Wages	840,000	810,000	768,730	41,270	
Overtime	15,000	15,000		15,000	
Other Expenses	798,580	798,580	781,457	17,123	
Terminal Leave					
Salaries and Wages	650,000	650,000	650,000		
Construction Code Official					
Salaries and Wages	1,170,000	1,150,000	1,059,965	90,035	
Overtime	24,000	24,000	2,600	21,400	
Other Expenses	149,750	169,750	149,720	20,030	
Solid Waste Disposal (Dumping Fees)	1,000,000	1,173,500	635,107	538,393	
Leaf Disposal	260,000	435,000	261,765	173,235	
Contingent	6,000	6,000	4,635	1,365	
Utilities					
Street Lighting	830,000	830,000	751,586	78,414	
Telephone	170,000	190,000	163,865	26,135	
Water	50,000	50,000	42,972	7,028	
Gas and Electric	370,000	430,000	390,421	39,579	
Fire Hydrant	360,000	360,000	313,011	46,989	-
Total Operations Within "CAPS"	50,156,880	50,109,880	47,456,030	2,653,850	-
Detail:					
Salaries and Wages	32,253,100	32,350,600	31,591,623	758,977	
Other Expenses (Including Contingent)	17,903,780	17,759,280	15,864,407	1,894,873	-

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges					
Overexpenditures of Appropriations	\$ 7,658	\$ 7,658	\$ 7,658		
Statutory Charges					
Social Security System	1,100,000	1,140,000	1,123,338	\$ 16,662	
Consolidated Police & Fireman's Pension Fund	40,000	40,000		40,000	
Defined Contribution Retirement Plan	15,000	22,000	21,020	980	
Police and Firemen's Retirement System	5,201,491	5,201,491	5,201,491		
Public Employees Retirement System	1,249,890	1,249,890	1,244,834	5,056	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	7,614,039	7,661,039	7,598,341	62,698	-
Total General Appropriations for Municipal Purposes within "CAPS"	57,770,919	57,770,919	55,054,371	2,716,548	-
OPERATIONS - EXCLUDED FROM "CAPS"					
Bergen County Utilities Authority					
Share of Operating Costs	2,489,073	2,489,072	2,424,504	64,568	
Share of Debt Service Costs	538,928	538,928	538,928		
Recycling Tax	36,000	36,000	25,108	10,892	
Maintenance of Free Public Library	2,105,870	2,105,870	1,654,883	450,987	
Insurance - Medical and Surgical	49,750	49,750	49,750		
Reserve for Tax Appeals	600,000	600,000	600,000	-	-
Total Other Operations Excluded from "CAPS"	5,819,621	5,819,620	5,293,173	526,447	-
STATE AND FEDERAL PROGRAMS					
Municipal Alliance - State Share	5,754	5,754	5,754		
Municipal Alliance - Local Share	1,438	1,438	1,438		
Recycling Tonnage Grant		35,705	35,705		
Clean Communities Grant	3,003	55,130	55,130		
Body Armor Replacement	5,104	8,364	8,364		
NJ Healthy Communities Network		1,425	1,425		
US Swimming Foundation Grant		15,625	15,625		
Alcohol Education		790	790		
Drunk Driving Enforcement	-	140	140	-	-
Total Public and Private Programs Offset by Revenues	15,299	124,371	124,371	-	-
Total Operations Excluded from "CAPS"	5,834,920	5,943,991	5,417,544	526,447	-
Detail:					
Other Expenses	5,834,920	5,943,991	5,417,544	526,447	-
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	585,000	585,000	585,000	-	-
Total Capital Improvements Excluded from "CAPS"	585,000	585,000	585,000	-	-
MUNICIPAL DEBT SERVICE					
Payment of Bonds Principal	4,040,000	4,080,000	4,080,000		
Interest on Bonds	2,162,419	2,122,419	2,103,510		\$ 18,909
Interest on Notes	88,833	88,833	88,833	-	-
Total Municipal Debt Service Excluded from "CAPS"	6,291,252	6,291,252	6,272,343	-	18,909

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
DEFERRED CHARGES					
Special Emergency Authorizations	\$ 200,000	\$ 200,000	\$ 200,000	-	-
Total Deferred Charges	200,000	200,000	200,000	-	-
Total General Appropriations Excluded from "CAPS"	12,911,172	13,020,243	12,474,887	\$ 526,447	\$ 18,909
Subtotal General Appropriations	70,682,091	70,791,162	67,529,258	3,242,995	18,909
Reserve for Uncollected Taxes	278,999	278,999	278,999	-	-
Total General Appropriations	\$ 70,961,090	\$ 71,070,161	\$ 67,808,257	\$ 3,242,995	\$ 18,909
Adopted Budget		\$ 70,961,089			
Added by NJS 40A:4-87		109,072			
		<u>\$ 71,070,161</u>			
Analysis of Paid or Charged					
Cash Disbursements			\$ 62,338,662		
Encumbrances Payable			3,023,567		
Due to General Capital Fund			585,000		
Reserve for Tax Appeals			600,000		
Due to Other Trust Fund			650,000		
Deferred Charges			7,658		
Special Emergency Authorizations			200,000		
Reserve for Uncollected Taxes			278,999		
Appropriated Grant Reserves			124,371		
			<u>\$ 67,808,257</u>		

**CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Assessment Trust Fund			
Cash	B-4, B-5	\$ 1,195,355	\$ 1,512,860
Assessments Receivable	B-6	<u>38,034</u>	<u>345,298</u>
Total Assessment Trust Fund		<u>1,233,389</u>	<u>1,858,158</u>
Animal Control Trust Fund			
Cash	B-4	<u>14,457</u>	<u>17,002</u>
Total Animal Control Trust Fund		<u>14,457</u>	<u>17,002</u>
Community Development Block Grant Fund			
Due from General Capital Fund	C	<u>9,886</u>	<u>9,886</u>
Total Community Development Block Grant Fund		<u>9,886</u>	<u>9,886</u>
Unemployment Compensation Trust Fund			
Cash	B-4	327,080	304,413
Due from Other Trust Fund	B	<u>2,318</u>	<u>2,318</u>
Total Unemployment Compensation Trust Fund		<u>329,398</u>	<u>306,731</u>
Other Trust Fund			
Cash	B-4	11,027,137	14,364,587
Special Improvement District Taxes and Liens Receivable	B-17	108,571	106,681
Due from Current Fund	B-18	1,916,086	258,952
Due from Grant Fund	B-20	<u>25,656</u>	<u>19,973</u>
Total Other Trust Fund		<u>13,077,450</u>	<u>14,750,193</u>
		<u>\$ 14,664,580</u>	<u>\$ 16,941,970</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2022 AND 2021**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Assessment Trust Fund			
Due to Current Fund	B-19	\$ 18,386	\$ 13,155
Assessment Serial Bonds Payable	B-7	1,215,000	1,845,000
Fund Balance	B-1	<u>3</u>	<u>3</u>
Total Assessment Trust Fund		<u>1,233,389</u>	<u>1,858,158</u>
Animal Control Trust Fund			
Reserve for Animal Control Expenditures	B-9	9,021	11,381
Due to State of NJ	B-10	8	3
Due to Current Fund	B-11	<u>5,428</u>	<u>5,618</u>
Total Animal Control Trust Fund		<u>14,457</u>	<u>17,002</u>
Community Development Block Grant Fund			
Reserve for Community Development Block Grant	B-16	<u>9,886</u>	<u>9,886</u>
Total Community Development Block Grant Fund		<u>9,886</u>	<u>9,886</u>
Unemployment Compensation Trust Fund			
Due to State of New Jersey	B-12	47,247	42,303
Reserve for Unemployment Insurance Claims	B-13	<u>282,151</u>	<u>264,428</u>
Total Unemployment Compensation Trust Fund		<u>329,398</u>	<u>306,731</u>
Other Trust Fund			
Miscellaneous Reserves and Deposits	B-8	12,301,962	14,297,832
Due to Unemployment Compensation Fund	B	2,318	2,318
Payroll Deductions Payable	B-14	565,424	163,869
Encumbrances Payable	B-15	99,175	179,493
Reserve for SID Taxes and Liens Receivables	B-17	<u>108,571</u>	<u>106,681</u>
Total Other Trust Fund		<u>13,077,450</u>	<u>14,750,193</u>
		<u>\$ 14,664,580</u>	<u>\$ 16,941,970</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF ENGLEWOOD
STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Balance, January 1	\$ <u>3</u>	\$ <u>3</u>
Balance, December 31	\$ <u>3</u>	\$ <u>3</u>

STATEMENT OF ASSESSMENT REVENUES - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Anticipated</u>	<u>Realized</u>	<u>Variance</u>
Assessment Cash	\$ <u>630,000</u>	\$ <u>630,000</u>	\$ <u>-</u>

STATEMENT OF ASSESSMENT EXPENDITURES - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Payment of Bond Principal	\$ <u>630,000</u>	\$ <u>630,000</u>	\$ <u>-</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2022 AND 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
ASSETS			
Cash	C-2, C-3	\$ 12,311,870	\$ 14,232,614
Deferred Charges to Future Taxation			
Funded	C-4	60,580,000	64,670,000
Unfunded	C-5	30,691,557	24,962,932
Grants Receivable	C-7	3,259,565	4,696,000
Due From Current Fund	C-13	<u>487,399</u>	<u>139,932</u>
		<u>\$ 107,330,391</u>	<u>\$ 108,701,478</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations			
Funded	C-6	\$ 2,418,205	\$ 4,752,502
Unfunded	C-6	20,503,720	19,911,914
General Serial Bonds Payable	C-11	60,580,000	64,670,000
Bond Anticipation Notes Payable	C-12	11,708,000	8,708,000
Due to Community Development Block Grant Fund	C	9,886	9,886
Due to Grant Fund	C	399,125	399,125
Encumbrances Payable	C-9	7,259,147	5,443,173
Capital Improvement Fund	C-10	122,973	114,221
Reserve for Debt Service	C-14	2,191,949	12,045
Miscellaneous Reserves	C-8	68,759	68,759
Reserve for Grants Receivable	C-7	125,000	2,625,000
Fund Balance	C-1	<u>1,943,627</u>	<u>1,986,853</u>
		<u>\$ 107,330,391</u>	<u>\$ 108,701,478</u>

There were bonds and notes authorized but not issued of \$18,983,557 and \$16,254,932 at December 31, 2022 and 2021, respectively (Exhibit C-15).

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF ENGLEWOOD
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Balance, January 1	\$ 1,986,853	\$ 787,072
Increased by:		
Premium on Sale of Bonds and Notes	<u>206,774</u>	<u>1,699,781</u>
	2,193,627	2,486,853
Decreased by:		
Anticipated As Current Fund Revenue	<u>250,000</u>	<u>500,000</u>
Balance, December 31	<u>\$ 1,943,627</u>	<u>\$ 1,986,853</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Land	\$ 92,238,900	\$ 92,238,900
Buildings and Building Improvements	21,179,227	21,179,227
Construction in Progress	524,276	
Machinery and Equipment	<u>17,820,387</u>	<u>17,257,728</u>
	<u>\$ 131,762,790</u>	<u>\$ 130,675,855</u>
 RESERVE		
Investment in General Fixed Assets	<u>\$ 131,762,790</u>	<u>\$ 130,675,855</u>

NOTES TO FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Englewood (the "City") was incorporated in 1899 and operates under an elected Council-Manager form of government. The Mayor and five Council members are elected for terms of three years. The City is divided into four wards which are approximately equal in population. Four Council members are elected by the individual wards in which they live and one Council member is elected by a city-wide vote as an at-large Council member. The City Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances. A City Manager is appointed by the City Council and is responsible for the implementation of the policies of the City Council, for the administration of all City affairs and for the day to day operations of the City. The City Manager is the Chief Administrative Officer for the City. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organization; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, the issuance of debt or the levying of taxes. The City is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the City do not include the municipal library, which is considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

The financial statements of the City of Englewood have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and 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 City accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

The City uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain City functions or activities. The City also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The City has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds - These funds are used to account for assets held by the government in a trustee capacity. Funds held by the City as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust Fund - This fund is used to account for special benefit assessments levied against properties for specific purposes.

Animal Control Trust Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Community Development Block Grant Fund - This fund is used to account for grant proceeds, program income and related expenditures for Federal Block grant entitlements.

Unemployment Compensation Trust Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the City as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the City as collateral.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the City. The City's infrastructure is not reported in the account group.

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Reclassifications - Certain reclassifications may have been made to the December 31, 2021 balances to conform to the December 31, 2022 presentation.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Financial Statements – Regulatory Basis

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The City presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The City of Englewood follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division (“regulatory basis of accounting”) differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. GAAP requires that all investments be reported at fair value.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The City also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The City may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property Tax Revenues/Receivables (Continued)

the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues/Receivables - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Property Acquired for Taxes - Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

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. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Prepaid Items - Certain payments to vendors or other governments reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items in the current fund, except for prepaid debt service, are offset by a reserve, created by a charge to operations. GAAP does not require the establishment of a reserve for prepaid items.

Deferred Charges - Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

Appropriation Reserves - Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

Pensions – The City appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the City is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

Other Post-Employment Benefits (OPEB) – The City funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the City is only required to disclose in the Notes to the Financial Statements its actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the City of Englewood has developed a fixed assets accounting and reporting system. Fixed assets are defined by the City as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

General Fixed Assets purchased are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Historical Cost or Estimated Historical Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

Use of Estimates - The preparation of financial statements requires management of the City to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Budgets and Budgetary Accounting** - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

The City is not required to adopt budgets for the following funds:

Trust Funds (Except for Assessment Trust Fund)
General Capital Fund

The City must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the City is permitted to increase its overall appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The City can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgets and Budgetary Accounting (Continued)

2010 Levy “CAP”: The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year’s amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy.

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2022 and 2021 the City Council increased the original budget by \$109,072 and \$164,001. The increases were funded by additional grants allotted to the City. In addition, the City Council approved several budget transfers during 2022 and 2021.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The City considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. Cash Deposits

The City’s deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey’s Governmental Unit Deposit Protection Act (GUDPA). The City is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for deposits in excess of the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee’s salary or funds which may pass to the local government upon the happening of a future condition.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2022 and 2021, the book value of the City's deposits were \$50,493,756 and \$49,519,746 and bank and brokerage firm balances of the City's deposits amounted to \$53,637,114 and \$51,695,647, respectively. The City's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2022</u>	<u>2021</u>
Insured	\$ 46,366,935	\$ 41,707,642
Uninsured and Collateralized	<u>7,270,179</u>	<u>9,988,005</u>
	<u>\$ 53,637,114</u>	<u>\$ 51,695,647</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk. As of December 31, 2022 and 2021, the City's bank balances of \$7,270,179 and \$9,988,005 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2022</u>	<u>2021</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the City's name	<u>\$ 7,270,179</u>	<u>\$ 9,988,005</u>
	<u>\$ 7,270,179</u>	<u>\$ 9,988,005</u>

B. Investments

The City is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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 obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the City or bonds or other obligations of the school districts which are a part of the City or school districts located within the City, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (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 Investments in the Department of the Treasury for investment by local units; Local Government investment pools, 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); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e).

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2022 and 2021, the City had the following investments which are reported as cash in the City's financial statements:

	<u>2022</u>	<u>2021</u>
N.J. Cash Management Fund	\$ 249,779	\$ 246,073

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are held by an outside party. The City does not have a policy for custodial credit risk. As of December 31, 2022 and 2021, \$249,779 and \$246,073 of the City's investments was exposed to custodial credit risk as follows:

	<u>2022</u>	<u>2021</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the City's name	\$ 249,779	\$ 246,073

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The City does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City places no limit in the amount the City may invest in any one issuer. More than five (5) percent of the City's investments are in the New Jersey Cash Management Fund. These investments are 100% of the City's total investments.

Fair Value of Investments. The City of Englewood measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by the N.J. Cash Management Fund. Since the value is not obtained from a quoted price in an active market the investments held by the City at December 31, 2022 and 2021 are categorized as Level 2.

Interest earned in the General Capital Fund, Assessment Trust Fund, Animal Control Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Property Taxes	\$ 26,529	\$ 13,868
Tax Title Liens	<u>269,632</u>	<u>252,082</u>
	<u>\$ 296,161</u>	<u>\$ 265,950</u>

In 2022 and 2021, the City collected \$15,367 and \$37,591 from delinquent taxes, which represented 6% and 13%, respectively of the prior year delinquent taxes receivable balance.

NOTE 5 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2022</u>	<u>2021</u>
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund:		
Regular	\$ 23,814	\$ 5,556,845
Grant	3,552,485	25,656
Trust Fund:		
Assessment Trust		18,386
Animal Control		5,428
Community Development		
Block Grant	9,886	9,886
Unemployment Compensation	2,318	2,318
Other Trust	1,941,742	2,318
General Capital Fund	<u>487,399</u>	<u>409,011</u>
Total	<u>\$ 6,017,644</u>	<u>\$ 6,017,644</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and revenues on deposit in one fund but due to another.

The City expects all interfund balances to be liquidated within one year.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	<u>Balance December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance</u>
<u>2022</u>			
There were none.			
<u>2021</u>			
Current Fund			
Special Emergency Authorization	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>
Overexpenditure of Appropriation Reserves	<u>\$ 7,658</u>	<u>\$ 7,658</u>	<u>\$ -</u>

NOTE 7 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund's budget for the succeeding year were as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 10,675,386	\$ 3,100,000	\$ 8,469,551	\$ 2,180,000
Non-Cash Surplus	<u>7,326</u>	<u>-</u>	<u>9,545</u>	<u>-</u>
	<u>\$ 10,682,712</u>	<u>\$ 3,100,000</u>	<u>\$ 8,479,096</u>	<u>\$ 2,180,000</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 8 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2022 and 2021.

	Balance December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
Land	\$ 92,238,900			\$ 92,238,900
Buildings and Building Improvements	21,179,227			21,179,227
Construction in Progress		\$ 524,276		524,276
Machinery and Equipment	<u>17,257,728</u>	<u>1,363,077</u>	<u>\$ 800,418</u>	<u>17,820,387</u>
	<u>\$ 130,675,855</u>	<u>\$ 1,887,353</u>	<u>\$ 800,418</u>	<u>\$ 131,762,790</u>
	Balance December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
Land	\$ 92,238,900			\$ 92,238,900
Buildings and Building Improvements	21,179,227			21,179,227
Machinery and Equipment	<u>17,283,616</u>	<u>\$ 520,685</u>	<u>\$ 546,573</u>	<u>17,257,728</u>
	<u>\$ 130,701,743</u>	<u>\$ 520,685</u>	<u>\$ 546,573</u>	<u>\$ 130,675,855</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for general capital fund projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The City's debt is summarized as follows:

	<u>2022</u>	<u>2021</u>
Issued		
General		
Bonds, Notes and Loans	\$ 72,288,000	\$ 73,378,000
Assessment		
Bonds	<u>1,215,000</u>	<u>1,845,000</u>
	73,503,000	75,223,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>3,479,813</u>	<u>1,511,747</u>
Net Debt Issued	70,023,187	73,711,253
Authorized But Not Issued		
General		
Bonds and Notes	<u>18,983,557</u>	<u>16,254,932</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 89,006,744</u>	<u>\$ 89,966,185</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows indicates a statutory net debt of 1.607% and 1.708% at December 31, 2022 and 2021, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2022</u>			
General Debt	\$ 92,486,557	\$ 3,479,813	\$ 89,006,744
School Debt	<u>3,470,000</u>	<u>3,470,000</u>	<u>-</u>
Total	<u>\$ 95,956,557</u>	<u>\$ 6,949,813</u>	<u>\$ 89,006,744</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 91,477,932	\$ 1,511,747	\$ 89,966,185
School Debt	<u>5,095,000</u>	<u>5,095,000</u>	<u>-</u>
Total	<u>\$ 96,572,932</u>	<u>\$ 6,606,747</u>	<u>\$ 89,966,185</u>

Statutory Borrowing Power

The City's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 193,821,168	\$ 184,310,438
Less: Net Debt	<u>89,006,744</u>	<u>89,966,185</u>
Remaining Borrowing Power	<u>\$ 104,814,424</u>	<u>\$ 94,344,253</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

The City's long-term debt consisted of the following at December 31:

General Obligation Bonds

The City levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2022</u>	<u>2021</u>
\$4,365,000, 2010 Bonds Bonds were called and refunded in 2022.		\$ 2,390,000
\$16,450,000, 2014 Bonds, due in annual installments of \$740,000 to \$1,010,000 through April 1, 2032 interest at 3.00% to 3.50%	\$ 8,775,000	9,495,000
\$14,285,000, 2017 Bonds, due in annual installments of \$1,030,000 to \$1,250,000 through April 2031, interest at 2.00% to 3.00%	10,425,000	11,430,000
\$15,260,000, 2019 Bonds, due in annual installments of \$515,000 to \$1,005,000 through April 2041, interest at 3.00% to 5.00%	13,745,000	14,250,000
\$27,105,000, 2021 Bonds, due in annual installments of \$1,565,000 to \$2,340,000 through February 2035, interest at 2.00% to 4.00%	25,520,000	27,105,000
\$2,380,000, 2022 Refunding Bonds, due in annual installments of \$240,000 to \$295,000 through August 2030, interest at 3.00%	2,115,000	-
Total	<u>\$ 60,580,000</u>	<u>\$ 64,670,000</u>

2022

2021

Assessment Bonds

The City pledges revenue from special benefit assessments to pay debt service on assessment bonds issued. The assessment bonds outstanding at December 31 are as follows:

	<u>2022</u>	<u>2021</u>
\$8,775,000, 2008 Bonds, due in annual installments of \$585,000 to \$630,000 through January 2024, interest at 5.00%	\$ 1,215,000	\$ 1,845,000

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable

The City's principal and interest for long-term debt issued and outstanding as of December 31, 2022 is as follows:

Calendar Year	General		Assessment		Total
	Principal	Interest	Principal	Interest	
2023	\$ 4,530,000	\$ 1,752,525	\$ 630,000	\$ 45,000	\$ 6,957,525
2024	4,365,000	1,586,150	585,000	14,625	6,550,775
2025	4,255,000	1,426,450			5,681,450
2026	4,390,000	1,269,875			5,659,875
2027	4,440,000	1,118,000			5,558,000
2028-2032	23,820,000	3,516,100			27,336,100
2033-2037	10,990,000	1,122,600			12,112,600
2038-2041	3,790,000	250,069	-	-	4,040,069
Total	<u>\$ 60,580,000</u>	<u>\$ 12,041,769</u>	<u>\$ 1,215,000</u>	<u>\$ 59,625</u>	<u>\$ 73,896,394</u>

Current Refundings of Debt

On February 10, 2022 the City issued \$2,380,000 in General Obligation Refunding Bonds having an interest rate of 3.0%. These Bonds were issued in order to currently refund certain principal maturities of General Improvement Bonds of the City. The total principal currently refunded was \$2,390,000. The economic gain (difference between the present values of the old and new debt service payments) was \$174,356. The current refunding was undertaken to reduce total debt service payments over the next nine years by \$181,208.

Prior Year Defeasance of Debt

In prior years, the City defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. On December 31, 2022 and 2021, \$2,160,000 and \$2,335,000, respectively, of bonds outstanding are considered defeased.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

The City's long-term capital debt activity for the years ended December 31, 2022 and 2021 were as follows:

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
General Capital Fund Bonds Payable	\$ 64,670,000	\$ 2,380,000	\$ 6,470,000	\$ 60,580,000	\$ 4,530,000
Assessment Trust Fund Bonds Payable	\$ 1,845,000	\$ -	\$ 630,000	\$ 1,215,000	\$ 630,000
	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
General Capital Fund Bonds Payable	\$ 39,820,000	\$ 27,105,000	\$ 2,255,000	\$ 64,670,000	\$ 4,040,000
Intergovernmental Loans Payable	1,098,812	-	1,098,812	-	-
General Capital Fund Long-Term Liabilities	\$ 40,918,812	\$ 27,105,000	\$ 3,353,812	\$ 64,670,000	\$ 4,040,000
Assessment Trust Fund Bonds Payable	\$ 2,475,000	\$ -	\$ 630,000	\$ 1,845,000	\$ 630,000

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The City's short-term debt activity for the years ended December 31, 2022 and 2021 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	Balance, December 31, <u>2021</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2022</u>
Various Capital Improvements	1.00%	3/23/2022	\$ 8,708,000		\$ 8,708,000	
Various Capital Improvements	3.00%	3/21/2023	-	\$ 11,708,000	-	\$ 11,708,000
			<u>\$ 8,708,000</u>	<u>\$ 11,708,000</u>	<u>\$ 8,708,000</u>	<u>\$ 11,708,000</u>

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	Balance, December 31, <u>2020</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2021</u>
Various Capital Improvements	1.98%	3/25/2021	\$ 15,132,317		\$ 15,132,317	
Various Equipment and Capital Improvements	1.98%	3/25/2021	7,571,590		7,571,590	
Various Fire Equipment	1.98%	3/25/2021	301,120		301,120	
Various Equipment and Capital Improvements	1.98%	3/25/2021	4,924,973		4,924,973	
Various Capital Improvements	1.00%	3/23/2022	-	\$ 8,708,000	-	\$ 8,708,000
			<u>\$ 27,930,000</u>	<u>\$ 8,708,000</u>	<u>\$ 27,930,000</u>	<u>\$ 8,708,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for governmental activities are accounted for in the General Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations to temporarily finance operating expenditures. This debt which is not included in the City's statutory debt limit calculation is reported in the Current Fund. For the year ended December 31, 2021 the City issued Special Emergency Notes to finance the terminal leave benefits paid to employees who retired from the City. The notes were retired in 2022.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Special Emergency Notes

Following the adoption of an ordinance or resolution for special emergency appropriations, the City may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the fifth year following the date of the special emergency resolution.

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance, December 31, <u>2021</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2022</u>
<u>2022</u>						
Terminal Leave			<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance, December 31, <u>2020</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2021</u>
<u>2021</u>						
Terminal Leave	1.00%	3/23/2022	<u>\$ 400,000</u>	<u>\$ 200,000</u>	<u>\$ 400,000</u>	<u>\$ 200,000</u>

NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the City had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction</u> <u>Commitment</u>	<u>Estimated</u> <u>Date of</u> <u>Completion</u>
<u>2022</u>		
Road Improvement Projects	\$988,547	2023
Fire Apparatus	2,099,444	2023
Hudson and Knickerbocker Intersection		
Signal Upgrade	258,280	2023
City Hall Environmental Abatement	192,850	2023
Vehicles and Equipment	1,472,019	2023
Police Department Restroom Upgrades	315,000	2023
<u>2021</u>		
Road and Sidewalk Improvements	\$1,924,882	2022
Acquisition of Equipment	2,011,636	2022
Improvements to City Facilities	692,333	2022
Sanitary Sewer Improvements	259,748	2022
Improvements to Parks	159,381	2022

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 11 OTHER LONG-TERM LIABILITIES

Compensated Absences

Under the existing policies and labor agreements of the City, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, sick leave, terminal leave and compensation time in lieu of overtime over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$7,468,527 and \$6,941,000 at December 31, 2022 and 2021, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability. At December 31, 2022 and 2021, the City has reserved \$2,271,000 and \$604,976, respectively, to fund terminal leave payments.

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The City's changes in other long-term liabilities for the years ended December 31, 2022 and 2021 were as follows:

	Balance, December 31, 2021	Additions	Reductions	Balance, December 31, 2022	Due Within One Year
Compensated Absences	\$ 6,941,000	\$ 527,527	\$ -	\$ 7,468,527	
Net OPEB Liability (1)	58,152,613			58,152,613	
Net Pension Liability (1)					
PERS	13,836,623			13,836,623	
PFRS	32,620,894	-	-	32,620,894	-
Total Other Long-Term Liabilities	<u>\$ 111,551,130</u>	<u>\$ 527,527</u>	<u>\$ -</u>	<u>\$ 112,078,657</u>	<u>\$ -</u>
	Balance, December 31, 2020	Additions	Reductions	Balance, December 31, 2021	Due Within One Year
Compensated Absences	\$ 6,838,511	\$ 619,114	\$ 516,625	\$ 6,941,000	
Net OPEB Liability	38,407,905	19,744,708		58,152,613	
Net Pension Liability					
PERS	19,934,073		6,097,450	13,836,623	
PFRS	55,676,157	-	23,055,263	32,620,894	-
Total Other Long-Term Liabilities	<u>\$ 120,856,646</u>	<u>\$ 20,363,822</u>	<u>\$ 29,669,338</u>	<u>\$ 111,551,130</u>	<u>\$ -</u>

- (1) GASB Statement Numbers 68 Pension and 75 OPEB financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those City employees who are eligible for pension coverage.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PFRS:

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

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% (tier 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.

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost-sharing multi-employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

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:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members 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 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 a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those City employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

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 each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial report may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290, or at www.state.nj/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2022 was not available and for June 30, 2021 is \$12.0 billion, and the plan fiduciary net position as a percentage of the total pension liability is 70.33% at June 30, 2021. The collective net pension liability of the participating employers for local PFRS at June 30, 2022 was not available and for June 30, 2021 is \$9.4 billion and the plan fiduciary net position as a percentage of total pension liability is 77.26% at June 30, 2021.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2022 and 2021 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2022 and 2021 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the City for 2022, 2021 and 2020 were equal to the required contributions.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2022, 2021, and 2020, the City, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2022	\$ 5,201,491	\$ 1,367,855	\$ 21,020
2021	4,813,733	1,337,240	10,558
2020	4,891,490	1,172,805	1,620

In addition for the years ended December 31, 2020 the City contributed for long-term disability insurance premiums (LTDI) \$3,744 for PERS. Due to favorable claims experience, LTDI premium contributions were not required for the years ended December 31, 2022 and 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2023-10 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2022 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2021, the City reported a liability of \$13,836,623, for its proportionate share of the PERS net pension liability. 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. The City's proportionate share of the net pension liability was based on the ratio of the City's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the City's proportionate share was .11680 percent, which was a decrease of .00544 percent from its proportionate share measured as of June 30, 2020 of .12224 percent.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2021, the pension system has determined the City's pension benefit to be \$2,376,170, for PERS based on the actuarial valuations which is more than the actual contribution reported in the City's financial statements of \$1,337,240. At December 31, 2021, the City's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the City's financial statements are from the following sources:

	2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 218,221	\$ 99,054
Changes of Assumptions	72,061	4,925,927
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		3,644,930
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>230,078</u>	<u>1,878,579</u>
Total	<u>\$ 520,360</u>	<u>\$ 10,548,490</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (3,959,960)
2023	(2,874,404)
2024	(1,789,962)
2025	(1,380,723)
2026	(23,081)
Thereafter	<u>-</u>
	<u>\$ (10,028,130)</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The City’s total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as 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, applied to all periods in the measurement date:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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 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 generational basis. 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, 2014 to June 30, 2018.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>2021</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for PERS 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 on 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 in determining the total pension liability.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the City's proportionate share of the PERS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2021</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
City's Proportionate Share of the PERS Net Pension Liability	\$ 18,842,675	\$ 13,836,623	\$ 9,588,279

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2021. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2021, the City reported a liability of \$32,620,894, for its proportionate share of the PFRS net pension liability. 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. The City's proportionate share of the net pension liability was based on the ratio of the City's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2021, the City's proportionate share was .44630 percent, which was an increase of .01541 percent from its proportionate share measured as of June 30, 2020 of .43089 percent.

For the year ended December 31, 2021, the pension system has determined the City pension benefit to be \$6,217,982 for PFRS based on the actuarial valuations which is more than the actual contribution reported in the City's financial statements of \$4,813,733. At December 31, 2021, the City's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the City's financial statements are from the following sources:

	<u>2021</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 372,165	\$ 3,907,647
Changes of Assumptions	173,579	9,776,333
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		13,900,825
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	2,453,482	8,456,953
Total	\$ 2,999,226	\$ 36,041,758

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

<u>December 31,</u>	<u>Total</u>
2022	\$ (10,900,507)
2023	(8,325,352)
2024	(7,031,505)
2025	(6,266,489)
2026	(443,321)
Thereafter	<u>(75,358)</u>
	<u>\$ (33,042,532)</u>

Actuarial Assumptions

The City's total pension liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as 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, applied to all periods in the measurement date:

Inflation Rate:	2.75%
Salary Increases	3.25%-15.25% Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the pension plans' target asset allocation as of June 30, 2021, as reported for the year ended December 31, 2021, are summarized in the following table:

<u>Asset Class</u>	2021	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

Discount Rate

The discount rate used to measure the total pension liability for PFRS 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 will be based on 100% of the actuarially determined contributions for the State. 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 in determining the total pension liability.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Police and Firemen's Retirement System (PFRS) (Continued)

Sensitivity of Net Pension Liability

The following presents the City's proportionate share of the PFRS net pension liability as of December 31, 2021 calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2021</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
City's Proportionate Share of the PFRS Net Pension Liability	\$ 49,533,807	\$ 32,620,894	\$ 18,542,720

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2021. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the City is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions 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 City by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the City's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2021, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$9,174,620. For the year ended December 31, 2021, the pension system has determined the State's proportionate share of the pension expense attributable to the City for the PFRS special funding situation is \$796,993, which is less than the actual contribution the State made on behalf of the City of \$1,021,785. At December 31, 2021 (measurement date June 30, 2021) the State's share of the PFRS net pension liability attributable to the City was .44630 percent, which was an increase of .01541 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .43089 percent. The State's proportionate share attributable to the City was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the City's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the PFRS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the City.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – 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 Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered 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) retires 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) retires 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.

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 coverage.

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 above Fund. The financial reports may be assessed via, the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	64,243
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>32,624</u>
Total	<u>96,867</u>
Contributing Employers	585
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2022 was not available and for 2021 is \$18.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.28% at June 30, 2021.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2020 which was rolled forward to June 30, 2021.

Actuarial Methods and Assumptions

In the July 1, 2020 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contribution

The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The employers participating in the OPEB plan made contributions of \$325.1 million and the State of New Jersey, as the non-employer contributing entity, contributed \$37.8 million for fiscal year 2021.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The City's contributions to the State Health Benefits Program Fund-Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2022, 2021 and 2020 were \$1,968,905, \$1,486,837 and \$1,198,847, respectively, which equaled the required contributions for each year.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2022 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2023-10 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2022 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2021 and 2020. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2021, the City reported a liability of \$58,152,613, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. The City's proportionate share of the net OPEB liability was based on the ratio of the City's proportionate share of the OPEB liability attributable to the City at June 30, 2021 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2021. As of the measurement date of June 30, 2021 the City's proportionate share was .32307 percent, which was an increase of .10906 percent from its proportionate share measured as of June 30, 2020 of .21401 percent.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended December 31, 2021, the Plan has determined the City's OPEB expense to be \$3,796,448, based on the actuarial valuation which is more than the actual contributions reported in the City's financial statements of \$1,486,837. At December 31, 2021, the City's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the City's financial statements are from the following sources:

	2021	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 1,304,875	\$ 12,166,385
Changes of Assumptions	8,365,427	10,279,157
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	27,805	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>23,543,267</u>	<u>1,334,132</u>
Total	<u>\$ 33,241,374</u>	<u>\$ 23,779,674</u>

At December 31, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ 861,131
2023	861,129
2024	855,568
2025	853,641
2026	850,916
Thereafter	<u>5,179,315</u>
	<u>\$ 9,461,700</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The City's total OPEB liability reported for the year ended December 31, 2021 was based on the June 30, 2021 measurement date as determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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 date:

	<u>2021</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Initial Fiscal Year Applied Through	Rate for All Future Years
Rate	3.25% to 15.25%

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

Mortality Rates

Pre-retirement and healthy post-retirement mortality rates were based on the Pub-2010 Healthy "Safety" for PFRS and Healthy "General" for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality rates were based on the Pub-2010 Disabled "Safety" for PFRS and Disabled "General" for PERS classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Health Care Trends

The trend rate for pre-Medicare medical benefits is initially 5.65 percent and decreases to a 4.50 percent long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 and 2023 are reflected. Future years PPO and HMO trend rates differ for each retirement plan. PPO trend is initially 7.56% in fiscal year 2024, increasing to 14.43% in fiscal year 2025 and decreasing to 4.50% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to 4.50% long-term after 7 years.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

The discount rate for June 30, 2021 measurement date was 2.16%. This represents the municipal bond return 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.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the City's proportionate share of the net OPEB liability as of December 31, 2021 calculated using the discount rate of 2.16%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.16% or 1-percentage-point higher 3.16% than the current rate:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
City's Proportionate Share of the Net OPEB Liability	<u>\$ 68,434,471</u>	<u>\$ 58,152,613</u>	<u>\$ 50,004,019</u>

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2021. A sensitivity analysis specific to the City's net OPEB liability was not provided by the Plan.

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate

The following presents the City's proportionate share of the net OPEB liability as of December 31, 2021 calculated using the healthcare trend rates as disclosed above as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
City's Proportionate Share of the Net OPEB Liability	<u>\$ 48,518,864</u>	<u>\$ 58,152,613</u>	<u>\$ 70,723,462</u>

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2021. A sensitivity analysis specific to the City's net OPEB liability was not provided by the pension system.

Special Funding Situation

Under N.J.S.A. 43:3C-24 the City is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the City by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the City's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$11,406,567. For the year ended December 31, 2021 the plan has determined the State's proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is \$1,556,469. At December 31, 2021, (measurement date June 30, 2021), the State's share of the OPEB liability attributable to the City was .29540 percent, which was a decrease of .40848 percent from its proportionate share measured as of December 31, 2020 (measurement date June 30, 2020) of .70388 percent. The State's proportionate share attributable to the City was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 14 RISK MANAGEMENT

The City is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The City has obtained insurance coverage to guard against these events to minimize the exposure to the City should they occur.

The City of Englewood is a member of the Garden State Municipal Joint Insurance Fund (the "GSMJIF" or Fund). The Fund is both an insured and self-administered group of municipalities established for the purpose of insurance against property damage, general liability, motor vehicles and equipment liability and workers' compensation. The Fund is a risk-sharing public entity pool. The GSMJIF coverage amounts are on file with the City.

The relationship between the City and GSMJIF is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The City is contractually obligated to make all annual and supplementary contributions to the insurance fund, to report claims on a timely basis, to cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund attributable to a membership year during which the municipality was a member.

The fund provides its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the fund can be obtained by contacting the Fund's Treasurer.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage in any of the prior three years.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 14 RISK MANAGEMENT (Continued)

The City has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the City 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 City is billed quarterly for amounts due to the State. The following is a summary of City contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the City’s unemployment compensation trust fund for the current and previous two years:

<u>Year Ended</u> <u>December 31</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2022	\$ 32,343	\$ 25,935	\$ 282,151
2021	33,137	45,019	264,428
2020	1,487	20,825	275,891

NOTE 15 CONTINGENT LIABILITIES

The City is a party defendant in some lawsuits, none of a kind unusual for a municipality of its size and scope of operation. In the opinion of the City’s Attorney, the potential claims against the City not covered by insurance policies would not materially affect the financial condition of the City.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2022 and 2021. Amounts claimed have not yet been determined. The City is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the City does not recognize a liability, if any, until these cases have been adjudicated. The City expects such amounts, if any, could be material. As of December 31, 2022 and 2021, the City reserved \$1,532,737 and \$1,121,207, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years’ budget or from fund balance.

Federal and State Awards - The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2022 and 2021, significant amounts of grant expenditure have not been audited by the various grantor agencies but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

NOTE 16 FEDERAL ARBITRAGE REGULATIONS

The City is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2022 and 2021 the City has not estimated its estimated arbitrage earnings due to the IRS, if any.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 17 LEASES RECEIVABLE

In September, 1990 the City began leasing space on its cell tower to a third party. The initial lease term was for ten years, commencing September 1, 1990 with an option to renew the lease for two successive periods of five years each. The lease expired in 2010, however, the lease agreement has continued to be extended. The City receives monthly lease payments. The City recognized \$43,467 in lease revenue for 2022 and 2021, which includes interest earnings of \$1,519 and \$2,362, respectively. As of December 31, 2022 and 2021 the City's receivable for lease payments, exclusive of future interest earnings is \$32,161 and \$74,108, respectively.

The City leases space on its cell tower to a third party. The City receives monthly lease payments. The City recognized \$68,922 and \$65,459 in lease revenue for 2022 and 2021, respectively, which includes interest earnings of \$2,820 and \$4,078, respectively. As of December 31, 2022 and 2021 the City's receivable for lease payments, exclusive of future interest earnings is \$71,453 and \$137,554, respectively.

On December 20, 2018, the City entered into a ground lease with Greater Englewood Housing Partners, LP. The lease term is seventy-five years. The lessee has paid the City \$11,000,000 as consideration for entering into the lease. In addition, the lessee paid \$100,000 at the commencement of the lease and will pay \$100,000 on each succeeding anniversary thereafter. The City recognized \$100,000 in lease revenue for 2022 and 2021, which includes interest earnings of \$80,511 and \$80,955, respectively. As of December 31, 2022 and 2021 the City's receivable for lease payments, exclusive of future interest earnings is \$3,435,920 and \$3,455,409, respectively.

The future lease revenue principal and interest payments as of December 31, 2022 were as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 123,557	\$ 81,961	\$ 205,518
2024	20,408	79,592	100,000
2025	20,883	79,117	100,000
2026	21,370	78,630	100,000
2027	21,868	78,132	100,000
2028-2032	117,223	382,777	500,000
2033-2037	131,531	368,469	500,000
2038-2042	147,585	352,415	500,000
2043-2047	165,599	334,401	500,000
2048-2052	185,811	314,189	500,000
2053-2057	208,491	291,509	500,000
2058-2062	233,939	266,061	500,000
2063-2067	262,493	237,507	500,000
2068-2072	294,532	205,468	500,000
2073-2077	330,481	169,519	500,000
2078-2082	370,819	129,181	500,000
2083-2087	416,080	83,920	500,000
2088-2092	466,865	33,135	500,000
Total	<u>\$ 3,539,535</u>	<u>\$ 3,565,983</u>	<u>\$ 7,105,518</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 18 TAX ABATEMENTS

For the years ended December 31, 2022 and 2021, the City provided property tax abatements through a program authorized under State statutes. The program is the Long Term Tax Exemption Law (the "LTTE Law").

The Long Term Tax Exemption Law (NJSA 40A:20 et.seq.) is focused on broad areas of redevelopment. It allows for a longer abatement term to carry out a larger development plan through declaring an area as being "in need of redevelopment". These long-term property abatements may last up to 30 years from completion of a project or 35 years from execution of the financial agreement. The process is initiated when the municipality passes a resolution calling for the municipal planning board to study the need for designating an area "in need of redevelopment". Upon adopting the planning board's recommendations and formalizing the redevelopment area designation, a municipality adopts a redevelopment plan, engages redevelopment entities to carry out the plan, and may authorize long-term tax abatements in the process. Developers submit abatement applications to the governing body for review. The financial agreement is approved through adoption of a local ordinance. The agreement exempts a project from taxation, but requires a payment in lieu of taxes (PILOTs) in an amount based generally on a percentage of project costs or revenue generated by the project, depending on the type of project. For the years ended December 31, 2022 and 2021 the City abated property taxes totaling \$2,424,762 and \$2,375,428, respectively under the LTTE program. The City received \$1,931,277 and \$858,205 in PILOT payments under this program for the years ended December 31, 2022 and 2021, respectively.

NOTE 19 SUBSEQUENT EVENTS

Bond Anticipation Notes

On March 2, 2023 the City issued bond anticipation notes in the amount of \$10,932,004 to temporarily finance expenditures related to various capital projects. The City has awarded the sale of said notes to Piper Sandler Co. at an interest rate of 4.5%. These notes dated March 16, 2023 will mature on March 15, 2024.

Debt Authorized

On January 24, 2023 the City adopted a bond ordinance authorizing the issuance \$9,900,475 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the City has not issued nor awarded the sale of said bonds or notes.

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders on July 4, 2021. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) terminated on January 1, 2022. On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. On March 4, 2022, the Governor declared, via Executive Order No. 292, an end to the reinstated public health emergency, effective March 7, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 (“Chapter 74”) on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year’s operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

The City of Englewood’s finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the City of Englewood’s primary revenue source for supporting its budget. The City of Englewood cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support City functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the City. However, as of the date of audit, even though the City finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the City have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the City cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the City and its economy. The City is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the “Plan”), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the City.

Generally, according to the Plan and implementing regulations, the allowable use of the funds to be provided to the City include the following categories:

- Replacing lost public sector revenue;
- Investing in water, sewer, broadband and other infrastructure;
- Providing premium pay for essential workers;
- Supporting public health expenditures;
- Addressing COVID-19 related negative economic impacts; and
- Addressing the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NOTE 20 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

However, such funds may not be used to directly or indirectly offset a reduction in net tax revenue resulting from a change in law, regulation or administrative interpretation during the covered period reducing or delaying any tax or tax increase. Additionally, such funds may not be used for deposit in any pension fund. Such funds may be used to offset the amounts required to be raised in budgets for special emergency appropriations for COVID-19 deficits authorized by Chapter 74 discussed above. The City will be required to provide periodic reports detailing the accounting of the use of funds.

The City received \$2,972,796 from the Plan in two equal payments as of December 31, 2022. The City has not yet determined how it will spend the funds received. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

CURRENT AND GRANT FUNDS

**CITY OF ENGLEWOOD
STATEMENT OF CASH
CURRENT FUND**

Balance, December 31, 2021		\$ 19,333,943
Increased by Receipts:		
Taxes Receivable	\$ 132,456,905	
Non Budget Revenue	1,110,454	
Due From State of NJ - Senior Citizens and Veterans	51,469	
Miscellaneous Reserves	144,144	
Revenue Accounts Receivable	9,392,405	
Prepaid Taxes	676,943	
Sewer User Charges	238,230	
Tax Overpayments	335,671	
Grant Fund Receipts Deposited in Current Fund	1,613,127	
Animal Control Fund Fees Deposited in Current Fund	4,658	
Other Trust Fund Receipts Deposited in Current Fund	248,111	
Receipts from General Capital Fund	<u>200,000</u>	
		<u>146,472,117</u>
		165,806,060
Decreased by Disbursements:		
2022 Budget Appropriations	62,338,662	
Appropriation Reserves	2,039,785	
Grant Fund Expenditures Paid by Current Fund	107,833	
Other Trust Fund Expenditures Paid by Current Fund	433,976	
General Capital Fund Expenditures Paid by Current Fund	120,699	
Payments to Other Trust Fund	507,001	
Accrued Salaries and Wages Payable	258,273	
Reserve for Tax Appeals	438,470	
Tax Overpayments	492,818	
Local School Taxes Payable	59,381,269	
County Taxes Payable	13,506,582	
Special Emergency Note Payable	200,000	
Refund of Prior Year Revenues	<u>113,456</u>	
		<u>139,938,824</u>
Balance, December 31, 2022		<u>\$ 25,867,236</u>

CITY OF ENGLEWOOD
STATEMENT OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND

<u>Program</u>	Balance December 31, <u>2021</u>	Budget <u>Revenue</u>	Cash <u>Receipts</u>	Transfer From Unappropriated <u>Reserves</u>	Balance December 31, <u>2022</u>
ANJAC-Smart Growth Grant	\$ 4,066				\$ 4,066
Reach & Teach	82,000				82,000
Municipal Alliance	67,978	\$ 5,754			73,732
Open Space Stewardship Project (ANJEC)	500				500
Recycling Tonnage Grant		35,705	\$ 35,705		
Drunk Driving Enforcement		140	140		
FDA Foodborne Illness Grant	4,321				4,321
Clean Communities Grant		55,130	52,127	\$ 3,003	
Alcohol Education		790	790		
FDA Retail Standards	1,189				1,189
FDA Mentorship Grant (NACCHO)	1,569				1,569
Body Armor Replacement		8,364	3,260	5,104	
NJ Healthy Communities Network		1,425	1,425		
Strengthening Local Public Health Capacity	80,235		12,020		68,215
USA Swimming Foundation Grant		15,625	15,625		
Covid-19 Vaccination	50,000				50,000
Historic Preservation Grant - Mackay Gate House	20,590	-	-	-	20,590
	<u>\$ 312,448</u>	<u>\$ 122,933</u>	<u>\$ 121,092</u>	<u>\$ 8,107</u>	<u>\$ 306,182</u>
		Due From Current Fund	<u>\$ 121,092</u>		

**STATEMENT OF DUE FROM STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS**

Balance, December 31, 2021		\$	1,887
Increased by:			
Deductions Allowed Per Tax Duplicate	\$	52,750	
Deductions Allowed by Tax Collector		<u>6,690</u>	
			<u>59,440</u>
			61,327
Decreased by:			
Deductions Disallowed by Tax Collector		250	
Prior Year Deductions Disallowed by Tax Collector		2,282	
Cash Received from State of NJ		<u>51,469</u>	
			<u>54,001</u>
Balance, December 31, 2022		\$	<u>7,326</u>

CITY OF ENGLEWOOD
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

<u>Year</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Levy</u>	<u>Added</u> <u>Taxes</u>	<u>Senior</u> <u>Citizens'</u> <u>and Veterans'</u> <u>Deductions</u> <u>Disallowed</u>	<u>Collected In</u>		<u>Senior</u> <u>Citizens'</u> <u>and Veterans'</u> <u>Deductions</u> <u>Allowed</u>	<u>Cancelled</u>	<u>Transferred</u> <u>to Tax</u> <u>Title Liens</u>	<u>Balance,</u> <u>December 31,</u> <u>2022</u>
					<u>2021</u>	<u>2022</u>				
2016			\$ 1,642							\$ 1,642
2018			4,467							4,467
2020	\$ 2,960					\$ 2,960				-
2021	10,908		2,560	\$ 2,282		12,407				3,343
2022	-	\$ 133,747,150	-	250	\$ 992,568	132,441,538	\$ 59,440	\$ 219,227	\$ 17,550	17,077
	<u>\$ 13,868</u>	<u>\$ 133,747,150</u>	<u>\$ 8,669</u>	<u>\$ 2,532</u>	<u>\$ 992,568</u>	<u>\$ 132,456,905</u>	<u>\$ 59,440</u>	<u>\$ 219,227</u>	<u>\$ 17,550</u>	<u>\$ 26,529</u>

Analysis of Property Tax Levy

TAX YIELD

General Purpose Tax

\$ 133,578,432

Added Taxes (RS 54:4-36.1 et seq.)

168,718

\$ 133,747,150

TAX LEVY

Local District School Tax

\$ 60,175,247

County Tax

12,918,439

County Open Space Tax

535,483

Due County for Added and

Omitted Taxes (54:4-63.1)

17,051

\$ 73,646,220

Local Tax for Municipal

Purposes

58,075,674

Minimum Library Tax

1,831,109

Add Additional Tax Levied

194,147

60,100,930

\$ 133,747,150

**CITY OF ENGLEWOOD
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2021	\$ 252,082
Increased by:	
Transfers from Taxes Receivable	<u>17,550</u>
Balance, December 31, 2022	<u><u>\$ 269,632</u></u>

STATEMENT OF FORECLOSED PROPERTY

Balance, December 31, 2021	<u>\$ 70,979</u>
Balance, December 31, 2022	<u><u>\$ 70,979</u></u>

CITY OF ENGLEWOOD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2021</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2022</u>
Licenses				
Alcoholic Beverages		\$ 60,277	\$ 60,277	
Other		281,961	281,961	
Fees and Permits		268,506	268,506	
Municipal Court	\$ 14,311	323,367	317,526	\$ 20,152
Interest and Costs on Taxes		189,089	189,089	
Parking Meters		599,601	599,601	
Interest on Investments and Deposits		48,943	48,943	
Recreation Advisory Committee		720,498	720,498	
Fire Prevention Fees		149,003	149,003	
Kings Garden - PILOT		608,414	608,414	
Greater Englewood - PILOT		296,303	296,303	
One William Street - PILOT		589,675	589,675	
Westmoor Gardens - PILOT		436,885	436,885	
Parking Garage Fees		144,139	144,139	
Municipal Hotel Tax		146,425	146,425	
Cable Franchise Fees		131,010	131,010	
Cell Tower Agreement		112,389	112,389	
Energy Receipts Tax		2,763,296	2,763,296	
Uniform Construction Code Fees		778,131	778,131	
Uniform Fire Safety Act		82,949	82,949	
Hospital Community Fee		567,385	567,385	
Greater Englewood Annual Fee	-	100,000	100,000	-
	<u>\$ 14,311</u>	<u>\$ 9,398,246</u>	<u>\$ 9,392,405</u>	<u>\$ 20,152</u>

**CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATION RESERVES**

	Balance, December 31, <u>2021</u>	Prior Year Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
City Council					
Other Expenses	\$ 6,073		\$ 6,073		\$ 6,073
City Manager					
Salaries and Wages	310		310		310
Other Expenses	53,085	\$ 10,300	63,385	\$ 7,271	56,114
City Clerk					
Salaries and Wages	508		508	-	508
Overtime	1,215		1,215		1,215
Other Expenses	2,283	6,064	8,347	779	7,568
Human Resources					
Salaries and Wages	815		815		815
Other Expenses	21,967	1,011	22,978	857	22,121
Purchasing					
Other Expenses	50	496	546	495	51
Finance					
Salaries and Wages	277		277		277
Other Expenses	49,505	10,647	60,152	11,070	49,082
Data Processing					
Other Expenses	6,598	22,375	53,973	40,321	13,652
Collection of Taxes					
Salaries and Wages	1,210		1,210		1,210
Other Expenses	13,184	4,800	17,984	13,804	4,180
Assessment of Taxes					
Salaries and Wages	2,118		2,118	-	2,118
Other Expenses	12,219	61	12,280	61	12,219
Legal Service and Costs					
Salaries and Wages	15,170		15,170	15,000	170
Other Expenses	150,028	136,072	286,100	174,877	111,223
Engineering Services					
Salaries and Wages	30,205		30,205	-	30,205
Other Expenses	12,438	207	12,645	207	12,438
Community Development					
Other Expenses	14,046	9,806	23,852	15,614	8,238
Municipal Court					
Salaries and Wages	9,019		9,019		9,019
Overtime	8,575		8,575		8,575
Other Expenses	31,670	14,325	45,995	13,697	32,298
Public Defender					
Other Expenses	4,100	900	5,000	1,800	3,200
Insurance					
Medical	161,405	782,749	921,154	782,749	138,405
Health Benefit Waiver	6,037		6,037		6,037
Other Insurance Premium	51,945	1,676	53,621	53,617	4
Workers Compensation	201,825	142,440	309,265	23,180	286,085
Land Use					
Other Expenses	2,451	4,865	20,316	14,990	5,326
Fire Division					
Salaries and Wages	349,403		349,403	340,000	9,403
Overtime	1,402		1,402	-	1,402
Other Expenses	675	57,574	58,249	57,790	459
Police					
Salaries and Wages	306,732	2,720	309,452	302,720	6,732
Overtime	18,865		18,865	10,000	8,865
Other Expenses	40,929	174,299	215,228	158,625	56,603
Aid to Volunteer Ambulance	-		-	-	-
Emergency Management Services					
Other Expenses	9,679	-	9,679	9,000	679
DPW Administration					
Salaries and Wages	22,327		22,327	22,000	327
Overtime	520		520	500	20
Other Expenses	272	12,954	13,226	12,745	481
Public Building and Grounds					
Other Expenses	121	57,148	57,269	56,796	473
Shade Tree					
Salaries and Wages	3,077		3,077	3,000	77
Overtime	2,212		2,212	2,000	212
Other Expenses	735	14,762	15,497	14,682	815

CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATION RESERVES

	Balance, December 31, 2021	Prior Year Encumbrances Restored	Balance After Modification	Paid or Charged	Balance Lapsed
Road Repairs and Maintenance					
Salaries and Wages	\$ 22,167		\$ 22,167	\$ 22,000	\$ 167
Overtime	17,287		17,287	17,000	287
Other Expenses	132	\$ 9,309	9,441	8,661	780
Central Maintenance - Garage					
Salaries and Wages	5,113		5,113	5,000	113
Overtime	6,829		6,829	6,000	829
Other Expenses	344	159,737	160,081	159,210	871
Construction and Facilities Maintenance					
Salaries and Wages	2,781		2,781	2,500	281
Overtime	2,814		2,814	2,500	314
Other Expenses	560	14,386	14,946	12,358	2,588
Sanitation					
Salaries and Wages	85		85	-	85
Overtime	24,019		24,019	24,000	19
Other Expenses	727	20,600	21,327	21,039	288
Sewer Maintenance					
Salaries and Wages	160		160		160
Overtime	202		202		202
Other Expenses	104	16,810	16,914	16,900	14
Park Department					
Salaries and Wages	24		24		24
Overtime	11,132		11,132	10,000	1,132
Other Expenses	134	3,247	3,381	1,098	2,283
Condominium Services Act					
Other Expenses	10,078		10,078	10,000	78
Board of Health					
Salaries and Wages	32,945		32,945	30,000	2,945
Overtime	1,350		1,350		1,350
Other Expenses	3,414	36,555	39,969	32,545	7,424
Animal Control Regulation					
Other Expenses	22	20,089	20,111	20,089	22
Contribution to Child Dev. And Teen Program					
Other Expenses	59,000		59,000		59,000
Recreation Department					
Salaries and Wages	4,604		4,604		4,604
Overtime	15,000		15,000		15,000
Other Expenses	37,758	60,160	97,918	71,593	26,325
Construction Code Official					
Salaries and Wages	37,857		37,857	35,000	2,857
Overtime	19,927		19,927	15,000	4,927
Other Expenses	24,290	13,493	37,783	22,950	14,833
Solid Waste Disposal	393	40,974	41,367	40,974	393
Leaf Disposal	211	-	211	-	211
Contingent	6,000		6,000		6,000
Utilities					
Street Lighting	65,736	929	76,165	76,165	-
Telephone/Communications	20,798	26,317	47,115	19,955	27,160
Water	13,997	2,769	16,766	2,769	13,997
Gas and Electric	36,555		47,055	44,759	2,296
Fire Hydrant	37,069		37,069	28,456	8,613
Statutory Expenditures:					
Contribution to:					
Social Security System	26,389		26,389	9,809	16,580
Defined Contribution Retirement Program	4,442	2,755	7,197	2,755	4,442
Police and Firemen's Retirement System	80,000		80,000	364	79,636
Public Employees Retirement System	3,706		3,706	101	3,605
BCUA - Share of Costs Sewer Charges	16		16		16
BCUA - Recycling Tax	24,772		24,772		24,772
Declared State of Emergency	547	39,888	40,435	39,888	547
Maintenance of Free Public Library	285,298	130,604	415,902	95,242	320,660
	\$ 2,574,068	\$ 2,066,873	\$ 4,640,941	\$ 3,066,927	\$ 1,574,014
				\$ 2,039,785	
				750,000	
				250,000	
				27,142	
				\$ 3,066,927	

**CITY OF ENGLEWOOD
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2021	\$ 992,568
Increased by:	
Collection of 2023 Taxes	<u>676,943</u>
	1,669,511
Decreased by:	
Applied to 2022 Taxes Receivable	<u>992,568</u>
Balance, December 31, 2022	<u>\$ 676,943</u>

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2021	\$ 492,818
Increased by:	
Cash Receipts	<u>335,671</u>
	828,489
Decreased by:	
Refunds	<u>492,818</u>
Balance, December 31, 2022	<u>\$ 335,671</u>

**CITY OF ENGLEWOOD
STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2021		\$ 52,660
Increased by:		
2022 Levy:		
County Taxes	\$ 12,918,439	
County Open Space Taxes	535,483	
Added and Omitted Taxes	<u>17,051</u>	
		<u>13,470,973</u>
		13,523,633
Decreased by:		
Cash Disbursements		<u>13,506,582</u>
Balance, December 31, 2022		<u>\$ 17,051</u>

SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE (PREPAID)

Balance, December 31, 2021 (Prepaid)		\$ (707,784)
Increased by:		
2022 Levy		<u>60,175,247</u>
		59,467,463
Decreased by:		
Cash Disbursements		<u>59,381,269</u>
Balance, December 31, 2022 (Payable)		<u>\$ 86,194</u>

CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATED GRANT RESERVES
GRANT FUND

<u>Program</u>	Balance December 31, <u>2021</u>	Transferred from 2022 <u>Budget</u>	Paid or Charged	Balance December 31, <u>2022</u>
Municipal Alliance Program	\$ 64,299	\$ 5,754	\$ 19,927	\$ 50,126
Municipal Alliance Program-Local Match	13,821	1,438	1,986	13,273
State Forestry Services Green Communities	3,000			3,000
Bio-Terrorism Sub-Grant	369			369
Alcohol Education & Rehabilitation Fund	10,836	790		11,626
Reach & Teach	90,000			90,000
Drunk Driving Enforcement Fund	76,651			76,651
Take Me Fishing Grant	44			44
Hepatitis B Grant	13			13
BC/US Dept of Justice Grant	7,711			7,711
Public Health Grant	35			35
Adolescent Health Grant	28,571		3,273	25,298
H1N1 Emergency Preparedness	267			267
H1N1 Corrective Action Mini Grant	340			340
Louis La Salle Tomorrow Fund	23,203			23,203
ANJAC-Smart Growth Grant-Local Match	252			252
Open Space Stewardship Project	1,500			1,500
Emergency Prep Grant	2,830		2,830	-
FDA Mentorship Grant	525		525	-
FDA Retail Standards	3,089		3,089	-
FDA Foodborne Illness Grant	5,892		5,892	-
FEMA-Firefighters Grant	4			4
Body Armor Replacement	44,751	8,364	6,550	46,565
CDBG Heart Health	1			1
Hurricane Irene Relief Employment Fund	8,625			8,625
Historic Preservation Grant - Mackay Gate House	20,590			20,590
Recycling Tonnage	87,805	35,705		123,510
Clean Communities Program	69,986	55,130		125,116
Community Chest of Englewood	5,102			5,102
Drunk Driving Prevention	7,656	140		7,796
NJ Healthy Communities Network	11,083	1,425	(30)	12,538
Strengthening Local Public Health Capacity	42,407		36,413	5,994
Sustainable Energy Grant	5,000			5,000
USA Swimming Foundation Grant	18,051	15,625		33,676
Covid-19 Vaccination	50,000	-	-	50,000
	<u>\$ 704,309</u>	<u>\$ 124,371</u>	<u>\$ 80,455</u>	<u>\$ 748,225</u>
Due to Current Fund			\$ 45,616	
Due to Other Trust Fund			5,683	
Encumbrances Payable			<u>29,156</u>	
			<u>\$ 80,455</u>	

**CITY OF ENGLEWOOD
STATEMENT OF UNAPPROPRIATED GRANT RESERVES
GRANT FUND**

	Balance December 31, <u>2021</u>	<u>Cash Receipts</u>	Budget <u>Appropriations</u>	Balance December 31, <u>2022</u>
Drunk Driving Enforcement Fund	\$ 400	\$ 200		\$ 600
Body Armor Replacement Grant	5,104	4,797	\$ 5,104	4,797
Clean Communities	3,003		3,003	
New Jersey State Police - Special Data Collections	76,797			76,797
American Rescue Plan Grant	1,486,398	1,486,398		2,972,796
Bergen County	-	640	-	640
	<u>\$ 1,571,702</u>	<u>\$ 1,492,035</u>	<u>\$ 8,107</u>	<u>\$ 3,055,630</u>
Due From Current Fund		<u>\$ 1,492,035</u>		

EXHIBIT A-18

**STATEMENT OF DUE FROM CURRENT FUND
GRANT FUND**

Balance, December 31, 2021		\$ 1,646,628
Increased by:		
Grant Fund Receipts Deposited in Current Fund	\$ 1,613,127	
Budget Appropriation - Local Share	<u>1,438</u>	
		<u>1,614,565</u>
		3,261,193
Decreased by:		
Grant Fund Expenditures Paid by Current Fund		
Encumbrances Payable	62,217	
Appropriated Grant Reserves	<u>45,616</u>	
		<u>107,833</u>
Balance, December 31, 2022		<u>\$ 3,153,360</u>

**CITY OF ENGLEWOOD
STATEMENT OF ENCUMBRANCES PAYABLE**

	<u>Current Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2021	\$ 2,078,725	\$ 62,217
Increased by:		
Charges to:		
Budget Appropriations	3,023,567	
Charges to Appropriation Reserves	27,142	
Appropriated Grants Reserves	<u>-</u>	<u>29,156</u>
	<u>3,050,709</u>	<u>29,156</u>
	<u>5,129,434</u>	<u>91,373</u>
Decreased by:		
Encumbrances Restored to Appropriation Reserves	2,066,873	
Due from Grant Fund		62,217
Cancelled	<u>11,852</u>	<u>-</u>
	<u>2,078,725</u>	<u>62,217</u>
Balance, December 31, 2022	<u>\$ 3,050,709</u>	<u>\$ 29,156</u>

STATEMENT OF SEWER USER CHARGES RECEIVABLE

Balance, December 31, 2021	\$ 161,942
Increased by:	
Billings	<u>290,029</u>
	451,971
Decreased By:	
Cash Receipts	<u>238,230</u>
Balance, December 31, 2022	<u>\$ 213,741</u>

**CITY OF ENGLEWOOD
STATEMENT OF DEFERRED CHARGES
SPECIAL EMERGENCY AUTHORIZATIONS**

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance December 31, 2021</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
7/11/2017	Severance Liabilities	\$ 1,000,000	\$ 200,000	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>

EXHIBIT A-22

STATEMENT OF DEFERRED CHARGES

	<u>Balance, December 31, 2021</u>	<u>Decreased in 2022</u>	<u>Balance, December 31, 2022</u>
Overexpenditure of Appropriation Reserves	<u>\$ 7,658</u>	<u>7,658</u>	<u>\$ -</u>
	<u>\$ 7,658</u>	<u>\$ 7,658</u>	<u>\$ -</u>

EXHIBIT A-23

STATEMENT OF MISCELLANEOUS RESERVES

	<u>Balance December 31, 2021</u>	<u>Increased by Cash Receipts</u>	<u>Balance, December 31, 2022</u>
Reassessment	\$ 5,000		\$ 5,000
Codification of Ordinances	2,234		2,234
Municipal Relief Fund	<u>-</u>	<u>\$ 144,144</u>	<u>144,144</u>
	<u>\$ 7,234</u>	<u>\$ 144,144</u>	<u>\$ 151,378</u>

EXHIBIT A-24

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2021		\$ 1,121,207
Increased by:		
Transferred from 2022 Budget Appropriations	\$ 600,000	
Transferred from Current Year Tax Collections	<u>250,000</u>	
		<u>850,000</u>
		1,971,207
Decreased by:		
Cash Disbursements		<u>438,470</u>
Balance, December 31, 2022		<u>\$ 1,532,737</u>

**CITY OF ENGLEWOOD
STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance, December 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2022</u>
Severance Liabilities	3/25/2021	3/23/2022	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ -</u>

STATEMENT OF ACCRUED SALARIES AND WAGES PAYABLE

Balance, December 31, 2021	\$ 1,500,000
Decreased by:	
Cash Disbursements	\$ 258,273
Due to Other Trust Fund	<u>700,000</u>
	<u>958,273</u>
Balance, December 31, 2022	<u>\$ 541,727</u>

TRUST FUNDS

**CITY OF ENGLEWOOD
STATEMENT OF CASH**

	Assessment Trust <u>Fund</u>	Animal Control Fund	Unemployment <u>Compensation Fund</u>	Other Trust <u>Fund</u>
Balance, December 31, 2021	\$ 1,512,860	\$ 17,002	\$ 304,413	\$ 14,364,587
Increased by Receipts:				
Interest on Deposits	\$ 5,231	\$ 20	\$ 1,145	
Miscellaneous Receipts			32,343	
Payroll Deductions Payable				\$ 35,297,176
Assessments Receivable	307,264			
Miscellaneous Reserve and Deposits				5,248,684
Receipts from Current Fund	-	-	-	507,001
	<u>312,495</u>	<u>20</u>	<u>33,488</u>	<u>41,052,861</u>
	1,825,355	17,022	337,901	55,417,448
Decreased by Disbursements:				
Encumbrances Payable				1,087,540
Animal Control Expenditures		1,996		
Payments to State of New Jersey		569	10,821	
Payroll Deductions Payable				34,895,621
Various Reserves and Deposits				8,401,467
Assessments Serial Bonds	630,000			
Grant Fund Expenditures Paid by Other Trust Fund	-	-	-	5,683
	<u>630,000</u>	<u>2,565</u>	<u>10,821</u>	<u>44,390,311</u>
Balance, December 31, 2022	<u>\$ 1,195,355</u>	<u>\$ 14,457</u>	<u>\$ 327,080</u>	<u>\$ 11,027,137</u>

**CITY OF ENGLEWOOD
ANALYSIS OF ASSESSMENT TRUST CASH AND
CASH WITH FISCAL AGENTS**

	Balance December 31, <u>2021</u>	<u>Receipts</u>		<u>Disbursements</u>	Balance December 31, <u>2022</u>
		<u>Assessments</u>	<u>Interest</u>		
Assessment Serial Bonds	\$ 1,499,702	\$ 307,264		\$ 630,000	\$ 1,176,966
Due To Current Fund	13,155		\$ 5,231		18,386
Assessment Trust Surplus	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
	<u>\$ 1,512,860</u>	<u>\$ 307,264</u>	<u>\$ 5,231</u>	<u>\$ 630,000</u>	<u>\$ 1,195,355</u>

EXHIBIT B-6

STATEMENT OF ASSESSMENTS RECEIVABLE

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	Balance December 31, <u>2021</u>	Cash <u>Receipts</u>	Balance December 31, <u>2022</u>	Balance Pledged to Serial Bonds <u>Payable</u>
08-07, 03-18, 05-18	Route 4 Access	4/24/2012	<u>\$ 345,298</u>	<u>\$ 307,264</u>	<u>\$ 38,034</u>	<u>\$ 38,034</u>

EXHIBIT B-7

STATEMENT OF ASSESSMENT SERIAL BONDS PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>		<u>Interest Rate</u>	<u>Balance December, 31 2021</u>	<u>Decreased</u>	<u>Balance December 31, 2022</u>
			<u>Outstanding-December 31, 2022</u>					
			<u>Date</u>	<u>Amount</u>				
Assessment Bonds	12/16/08	\$ 8,775,000	01/01/23	630,000	5.000%			
			01/01/24	585,000	5.000%	<u>\$ 1,845,000</u>	<u>\$ 630,000</u>	<u>\$ 1,215,000</u>

CITY OF ENGLEWOOD
STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS
OTHER TRUST FUND

<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2022</u>
Police Vests	\$ 1,282			\$ 1,282
Confiscated Funds (DEA)	998,310		\$ 608,730	389,580
Confiscated Funds (DHS)	316,486	\$ 4,805	22,802	298,489
Misc Bank Transactions	30,938	7,532		38,470
Charitable Causes	48,752	26,253	7,562	67,443
Honor Guard	1,208			1,208
DARE	600			600
Uniform Fire Safety	64,583	8,072	3,561	69,094
Dedicated Uniform Fire Safety Penalties	15,820	2,250		18,070
COAH	2,054,632	45,781	90,922	2,009,491
POLICE		3,400	1,250	2,150
Recreation	15,286			15,286
POAA	15,041	3,456		18,497
Police Confiscated Funds	34,338			34,338
Ice Arena	13,702			13,702
Tree Fund Donations	15,650	36,000		51,650
Other	25,656	48		25,704
Tax Sale Redemption	83,814	1,502,999	1,542,902	43,911
Environmental Commission	8,302	4	1,187	7,119
Tax Sale Premiums	7,549,000	3,031,300	6,401,400	4,178,900
Special Improvement District	7,816	248,133	242,556	13,393
Developers Trust	2,090,576	558,793	454,719	2,194,650
Police Off Duty	12,162	19		12,181
4th of July Fireworks	11,776	15,000	18,564	8,212
Englewood Day	5,626			5,626
Englewood Commemorative Council	1,045		1,000	45
Storm Recovery	268,455	250,000	10,284	508,171
Miscellaneous	1,500			1,500
Terminal Leave	604,976	1,666,024		2,271,000
Stigma Free	500	2,950	1,250	2,200
	<u>\$ 14,297,832</u>	<u>\$ 7,412,819</u>	<u>\$ 9,408,689</u>	<u>\$ 12,301,962</u>
Cash Receipts		\$ 5,248,684		
Due From Current Fund				
Terminal Leave		1,666,024		
Storm Recovery		250,000		
SID Taxes and Liens		248,111		
		<u>\$ 7,412,819</u>		
Cash Disbursements			\$ 8,401,467	
Encumbrances Payable			1,007,222	
			<u>\$ 9,408,689</u>	

**CITY OF ENGLEWOOD
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2021		\$ 11,381
Increased by:		
Animal Control Fees Deposited in Current Fund		<u>4,084</u>
		15,465
Decreased by:		
Cash Disbursements	\$ 1,996	
Statutory Excess Due to Current Fund	<u>4,448</u>	
		<u>6,444</u>
Balance, December 31, 2022		<u>\$ 9,021</u>

EXHIBIT B-10

**STATEMENT OF DUE TO STATE DEPARTMENT OF HEALTH
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2021		\$ 3
Increased by:		
State Fees Deposited in Current Fund		<u>574</u>
		577
Decreased by:		
Payments to State of New Jersey		<u>569</u>
Balance, December 31, 2022		<u>\$ 8</u>

EXHIBIT B-11

**STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2021		\$ 5,618
Increased by:		
Interest on Deposits	\$ 20	
Statutory Excess Due to Current Fund	<u>4,448</u>	
		<u>4,468</u>
		10,086
Decreased by:		
Animal Control Fees Deposited in Current Fund		<u>4,658</u>
Balances, December 31, 2022		<u>\$ 5,428</u>

**CITY OF ENGLEWOOD
STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT COMPENSATION TRUST FUND**

Balance, December 31, 2021		\$ 42,303
Increased by:		
Unemployment Claims and Other Charges		<u>25,935</u>
		68,238
Decreased by:		
Payments to State of New Jersey	\$ 10,821	
Adjustment Due to Federal Subsidy Applied	<u>10,170</u>	
		<u>20,991</u>
Balances, December 31, 2022		<u>\$ 47,247</u>

**STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE CLAIMS
UNEMPLOYMENT COMPENSATION TRUST FUND**

Balance, December 31, 2021		\$ 264,428
Increased by:		
Employee Payroll Deductions	\$ 32,343	
Adjustment Due to Federal Subsidy Applied	10,170	
Interest on Deposits	<u>1,145</u>	
		<u>43,658</u>
		308,086
Decreased by:		
Unemployment Claims and Other Charges - State of NJ		<u>25,935</u>
Balance, December 31, 2022		<u>\$ 282,151</u>

**CITY OF ENGLEWOOD
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND**

Balance, December 31, 2021	\$ 163,869
Increased by:	
Cash Receipts	<u>35,297,176</u>
	35,461,045
Decreased by:	
Cash Disbursements	<u>34,895,621</u>
Balance, December 31, 2022	<u>\$ 565,424</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
OTHER TRUST FUND**

Balance, December 31, 2021	\$ 179,493
Increased by:	
Charges to Miscellaneous Reserves and Deposits	<u>1,007,222</u>
	1,186,715
Decreased by:	
Cash Disbursements	<u>1,087,540</u>
Balances, December 31, 2022	<u>\$ 99,175</u>

**RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, December 31, 2021	<u>\$ 9,886</u>
Balance, December 31, 2022	<u>\$ 9,886</u>

**CITY OF ENGLEWOOD
STATEMENT OF SPECIAL IMPROVEMENT DISTRICT TAXES AND LIENS RECEIVABLE
OTHER TRUST FUND**

Balance, December 31, 2021	\$ 106,681
Increased by:	
Billings	<u>250,001</u>
	356,682
Decreased by:	
Other Trust Fund Receipts Deposited in Current Fund	<u>248,111</u>
Balance, December 31, 2022	<u>\$ 108,571</u>

**STATEMENT OF DUE FROM CURRENT FUND
OTHER TRUST FUND**

Balance, December 31, 2021	\$ 258,952
Increased by:	
Transferred from Current Fund	
Appropriation Reserves	\$ 1,000,000
Accrued Salaries and Wages	700,000
2022 Budget	650,000
Other Trust Fund Receipts Deposited in Current Fund	<u>248,111</u>
	<u>2,598,111</u>
	2,857,063
Decreased by:	
Receipts from Current Fund	507,001
Other Trust Fund Expenditures Paid by Current Fund	<u>433,976</u>
	<u>940,977</u>
Balances, December 31, 2022	<u>\$ 1,916,086</u>

**STATEMENT OF DUE TO CURRENT FUND
ASSESSMENT TRUST FUND**

Balance, December 31, 2021	\$ 13,155
Increased by:	
Interest on Deposits	<u>5,231</u>
Balances, December 31, 2022	<u>\$ 18,386</u>

**CITY OF ENGLEWOOD
STATEMENT OF DUE FROM GRANT FUND
OTHER TRUST FUND**

Balance, December 31, 2021	\$ 19,973
Increased by:	
Grant Fund Expenditures Paid by Other Trust Fund	<u>5,683</u>
Balance, December 31, 2022	<u>\$ 25,656</u>

GENERAL CAPITAL FUND

**CITY OF ENGLEWOOD
STATEMENT OF CASH**

Balance, December 31, 2021		\$ 14,232,614
Increased by Receipts:		
Current Fund Receipts Deposited in General Capital Fund	\$ 427	
Proceeds from Bond Anticipation Notes	3,000,000	
Premiums on Sale of Bonds and Notes	206,774	
Interest on Deposits	<u>66,407</u>	
		<u>3,273,608</u>
		17,506,222
Decreased by Disbursements:		
Encumbrances Payable	4,994,352	
Payments to Current Fund	<u>200,000</u>	
		<u>5,194,352</u>
Balance, December 31, 2022		<u>\$ 12,311,870</u>

**CITY OF ENGLEWOOD
STATEMENT OF CAPITAL CASH
AS OF DECEMBER 31, 2022**

Fund Balance	\$ 1,943,627
Capital Improvement Fund	122,973
Miscellaneous Reserves	68,759
Reserve for Debt Service	2,191,949
Encumbrances Payable	7,259,147
Due from Current Fund	(487,399)
Due to Community Development Block Grant Fund	9,886
Due to Grant Fund	399,125
Grants Receivable	(3,134,565)
Excess Note Proceeds	110,898

Ord

No.Improvement Authorizations

09-13	Various Capital Improvements	(50)
13-01,14-25	Various Capital Improvements	5,500
13-06	Various Capital Improvements	127,483
13-15	Overpeck Creek Channel Wall Replacements	3,393
15-03,15-12	Various Equipment and Capital Improvements	864,999
16-07	Various Equipment and Capital Projects	366,734
17-03	Various Equipment and Capital Improvements	(12,285)
18-09	Various Capital Improvements	1,380,830
19-10, 22-09	Various Capital Improvements	1,986,043
20-02	Various Capital Improvements	1,129,344
21-05, 22-15	Various Capital Improvements	994,890
22-06	Various Capital Improvements	(3,055,411)
22-19	Acquisition of Real Property	36,000
		<u>\$ 12,311,870</u>

CITY OF ENGLEWOOD
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, December 31, 2021		\$ 64,670,000
Increased by:		
Serial Bonds Issued		<u>2,380,000</u>
		67,050,000
Decreased by:		
Current Fund Budget Appropriations		
Serial Bonds	\$ 4,080,000	
Serial Bonds Refunded	<u>2,390,000</u>	
		<u>6,470,000</u>
Balance, December 31, 2022		<u>\$ 60,580,000</u>

CITY OF ENGLEWOOD
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Authorization Canceled or <u>Adjusted</u>	Balance, December 31, <u>2022</u>	Analysis of Balance December 31, 2022		Unexpended Balance of Improvement <u>Authorizations</u>
						Bond Anticipation <u>Notes</u>	<u>Expenditures</u>	
09-13	Various Capital Improvements	\$ 50			\$ 50		\$ 50	
10-18	Various Capital Improvements	50		\$ 50				
11-10	Various Capital Improvements	50		50				
12-15	Various Capital Improvements							
	Reserve for Palisades South Redevelopment	8,100		8,100				
13-01,14-25	Various Capital Improvements	104,500			104,500			\$ 104,500
16-07	Various Equipment and Capital Projects	1,731,164		776,062	955,102	\$ 955,102		-
17-03	Various Equipment and Capital Improvements	159,902			159,902		12,285	147,617
18-09	Various Capital Improvements	775			775			775
19-10, 22-09	Various Capital Improvements	9,642,854		5,000,000	4,642,854	4,642,000		854
20-02	Various Capital Improvements	7,409,615			7,409,615	3,000,000		4,409,615
21-05, 22-15	Various Capital Improvements	5,905,872		310,538	5,595,334	3,000,000		2,595,334
22-06	Various Capital Improvements		\$ 11,115,425		11,115,425		3,055,411	8,060,014
22-19	Acquisition of Real Property	-	708,000	-	708,000	-	-	708,000
		<u>\$ 24,962,932</u>	<u>\$ 11,823,425</u>	<u>\$ 6,094,800</u>	<u>\$ 30,691,557</u>	<u>\$ 11,597,102</u>	<u>\$ 3,067,746</u>	<u>\$ 16,026,709</u>
						\$ 11,708,000		
						110,898		
						<u>\$ 11,597,102</u>		
								\$ 20,503,720
							\$ 366,734	
							1,986,043	
							1,129,344	
							994,890	
								<u>4,477,011</u>
								<u>\$ 16,026,709</u>

CITY OF ENGLEWOOD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Balance, December 31, 2021		Capital Improvement Fund	2022 Authorizations		Grants Awards	Paid or Charged	Authorization Cancelled	Balance, December 31, 2022	
		Funded	Unfunded		Fund	Unfunded				Funded	Unfunded
General Improvements											
01-12	Various Improvements, City Hall, Fire and Parks	\$ 535							\$ 535		
03-15	Various Capital Improvements	4,762							4,762		
05-11	Various Capital Improvements	5,218							5,218		
07-01	Various Capital Improvements	1,542							1,542		
*08-07	Route 4 Access	99,349							99,349		
08-25	Various Capital Improvements	7,257							7,257		
10-18	Various Capital Improvements	3,726	\$ 50						3,776		
11-05	Millers Pond	5,597							5,597		
11-10	Various Capital Improvements	122,943	50				\$ 10,846		112,147		
12-15	Various Capital Improvements	119,660	8,100						127,760		
12-20	Various Capital Improvements	201,813							201,813		
13-01,14-25	Various Capital Improvements	5,500	104,500							\$ 5,500	\$ 104,500
13-06	Various Capital Improvements	294,313						11,650	155,180	127,483	
13-11a	Ice Arena Improvements	36,683							36,683		
13-15	Overpeck Creek Channel Wall Replacements	3,393								3,393	
14-16	Various Capital Improvements	499,909						-	499,909		
14-24	Various Capital Improvements	135,722						8,241	127,481		
15-03,15-12	Various Equipment and Capital Improvements	1,051,403						163	186,241	864,999	
15-13	Various Fire Equipment	2,171							2,171		
16-07	Various Equipment and Capital Projects		1,369,496					226,700	776,062		366,734
17-03	Various Equipment and Capital Improvements	688,466	159,902					90,068	610,683		147,617
18-09	Various Capital Improvements	1,462,540	775					81,710		1,380,830	775
19-10, 22-09	Various Capital Improvements		7,290,046					303,149	5,000,000		6,986,897
20-02	Various Capital Improvements		5,924,765					385,806			5,538,959
21-05, 22-15	Various Capital Improvements	-	5,054,230					1,464,006			3,590,224
22-06	Various Capital Improvements			\$ 555,775	\$ 11,115,425	\$ 737,500		4,348,686			8,060,014
22-19	Acquisition of Real Property	-	-	36,000	708,000	-		-	-	36,000	708,000
		\$ 4,752,502	\$ 19,911,914	\$ 591,775	\$ 11,823,425	\$ 737,500	\$ 6,931,025	\$ 7,964,166	\$ 2,418,205	\$ 25,503,720	

Encumbrances Payable \$ 6,931,025

**CITY OF ENGLEWOOD
STATEMENT OF GRANTS RECEIVABLE**

	<u>Total</u>	(Ord. No. 19-10) <u>Bergen County Open Space</u>	(Ord. No. 19-10) <u>Library Grant</u>	(Ord. No. 20-02) <u>NJ Dept. of Transportation</u>	(Ord. No. 22-06) <u>FEMA</u>	(Ord. No. 20-02) <u>Comm. Dev. Block Grant</u>	(Ord. No. 21-05) <u>NJ Dept. of Transportation</u>	(Ord. No. 21-05) <u>Bergen County Open Space</u>	(Ord. No. 21-05) <u>NJ Dept. of Env. Protection</u>
Balance, December 31, 2021	\$ 4,696,000	\$ 125,000	\$ 2,500,000	\$ 585,000		\$ 150,000	\$ 246,000	\$ 115,000	\$ 975,000
Increased by:									
Grant Awards	<u>1,063,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 737,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,065</u>
	5,759,565	125,000	2,500,000	585,000	737,500	150,000	246,000	115,000	1,301,065
Decreased by:									
Authorization Canceled	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, December 31, 2022	<u>\$ 3,259,565</u>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 585,000</u>	<u>\$ 737,500</u>	<u>\$ 150,000</u>	<u>\$ 246,000</u>	<u>\$ 115,000</u>	<u>\$ 1,301,065</u>
Balance Pledged to:									
Reserve	\$ 125,000	\$ 125,000							
Ordinance	<u>3,134,565</u>	<u>-</u>	<u>-</u>	<u>\$ 585,000</u>	<u>\$ 737,500</u>	<u>\$ 150,000</u>	<u>\$ 246,000</u>	<u>\$ 115,000</u>	<u>\$ 1,301,065</u>
	<u>\$ 3,259,565</u>	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ 585,000</u>	<u>\$ 737,500</u>	<u>\$ 150,000</u>	<u>\$ 246,000</u>	<u>\$ 115,000</u>	<u>\$ 1,301,065</u>

**CITY OF ENGLEWOOD
STATEMENT OF MISCELLANEOUS RESERVES**

Balance, December 31, 2021	\$ 68,759
Balance, December 31, 2022	<u>\$ 68,759</u>
<u>Analysis of Balance at December 31, 2022</u>	
Road Repairs	\$ 28,800
Underground Storage Tanks	3,002
Parking Lot	7,453
Culvert Repairs	20,730
Police Technology Center	8,691
Library/Rink	<u>83</u>
	<u>\$ 68,759</u>

EXHIBIT C-9

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2021	\$ 5,443,173
Increased by:	
Charges to Improvement Authorizations	<u>6,931,025</u>
	12,374,198
Decreased by:	
Cash Disbursements	\$ 4,994,352
General Capital Fund Expenditures Paid by Current Fund	<u>120,699</u>
	<u>5,115,051</u>
Balance, December 31, 2022	<u>\$ 7,259,147</u>

EXHIBIT C-10

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2021	\$ 114,221
Increased by:	
2022 Current Fund Budget Appropriation	\$ 585,000
Authorization Adjustment Amount Restored to Capital Improvement Fund	<u>15,527</u>
	<u>600,527</u>
	714,748
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>591,775</u>
Balances, December 31, 2022	<u>\$ 122,973</u>

**CITY OF ENGLEWOOD
STATEMENT OF GENERAL SERIAL BONDS PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds</u>			<u>Interest Rate</u>	<u>Balance</u>		<u>Increased</u>	<u>Decreased</u>	<u>Balance</u>	
			<u>Date</u>	<u>Amount</u>	<u>Outstanding-Dec 31, 2022</u>		<u>December 31, 2021</u>				<u>December 31, 2022</u>	
General Improvement Bonds	5/16/2010	\$ 4,365,000	8/15/22	\$ 225,000		4.000%	\$ 2,390,000			\$ 2,390,000		
General Improvement Bonds	4/2/2014	16,450,000	04/1/23	740,000		3.000%						
			04/1/24	765,000		3.000%						
			04/1/25	795,000		3.000%						
			04/1/26	825,000		3.000%						
			04/1/27	855,000		3.000%						
			04/1/28	885,000		3.000%						
			04/1/29	925,000		3.250%						
			04/1/30	965,000		3.250%						
			04/1/31	1,010,000		3.500%						
			04/1/32	1,010,000		3.500%	9,495,000			720,000	\$ 8,775,000	
General Obligation Bonds	4/1/2017	14,285,000	04/01/23	1,030,000		2.000%						
			04/01/24	1,060,000		2.500%						
			04/01/25	1,095,000		3.000%						
			04/01/26	1,125,000		3.000%						
			04/01/27	1,165,000		3.000%						
			04/01/28	1,200,000		3.000%						
			04/01/29-31	1,250,000		3.000%	11,430,000			1,005,000	10,425,000	
General Obligation Bonds	3/28/2019	\$ 15,260,000	04/01/23	\$ 515,000		5.000%						
			04/01/24	530,000		5.000%						
			04/01/25	545,000		5.000%						
			04/01/26	560,000		5.000%						
			04/01/30	650,000		4.000%						
			04/01/31	675,000		4.000%						
			04/01/32	705,000		3.000%						
			04/01/33	730,000		3.000%						
			04/01/34	760,000		3.000%						
			04/01/35	795,000		3.000%						
			04/01/36	825,000		3.000%						
			04/01/37	860,000		3.000%						
			04/01/38	895,000		3.125%						
			04/01/39	925,000		3.125%						
			04/01/40	965,000		3.125%						
			04/01/41	1,005,000		3.125%	\$ 14,250,000			\$ 505,000	\$ 13,745,000	

**CITY OF ENGLEWOOD
STATEMENT OF GENERAL SERIAL BONDS PAYABLE**

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Balance December 31, 2021	Increased	Decreased	Balance December 31, 2022
			Outstanding-Dec 31, 2022	Date	Amount				
General Obligation Bonds	3/24/2021	27,105,000	02/01/23	2,005,000	3.000%				
			02/01/24	1,765,000	3.000%				
			02/01/25	1,565,000	4.000%				
			02/01/26	1,620,000	4.000%				
			02/01/27	1,575,000	3.000%				
			02/01/28	1,615,000	2.000%				
			02/01/29	1,830,000	2.000%				
			02/01/30	1,905,000	2.000%				
			02/01/31	2,280,000	2.000%				
			02/01/32-35	2,340,000	2.000%	27,105,000		1,585,000	25,520,000
2022 General Improvement Refunding Bonds	1/27/2022	\$ 2,380,000	8/15/2023	240,000	3.000%				
			8/15/2024	245,000	3.000%				
			8/15/2025	255,000	3.000%				
			8/15/2026	260,000	3.000%				
			8/15/2027	265,000	3.000%				
			8/15/2028	275,000	3.000%				
			8/15/2029	280,000	3.000%				
			8/15/2030	295,000	3.000%				
						-	\$ 2,380,000	265,000	2,115,000
						\$ 64,670,000	\$ 2,380,000	\$ 6,470,000	\$ 60,580,000
			Issued		\$ 2,380,000				
			Refunded			\$ 2,390,000			
			Paid by Budget Appropriation		-	4,080,000			
					\$ 2,380,000	\$ 6,470,000			

CITY OF ENGLEWOOD
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	Improvement Description	Date of Original Note	Issue	Date of Maturity	Interest Rate	Balance, December 31, 2021	Increased	Decreased	Balance, December 31, 2022
16-07	Various Capital Improvements	12/12/2019	3/24/2021 3/22/2022	3/23/2022 3/21/2023	1.00% 3.00%	\$ 1,066,000	\$ 1,066,000	\$ 1,066,000	\$ 1,066,000
19-10	Various Capital Improvements	3/24/2021	3/24/2021 3/22/2022	3/23/2022 3/21/2023	1.00% 3.00%	4,642,000	4,642,000	4,642,000	4,642,000
20-02	Various Capital Improvements	3/24/2021	3/24/2021 3/22/2022	3/23/2022 3/21/2023	1.00% 3.00%	3,000,000	3,000,000	3,000,000	3,000,000
21-05	Various Capital Improvements	3/10/2022	3/22/2022	3/21/2023	3.00%	-	3,000,000	-	3,000,000
						<u>\$ 8,708,000</u>	<u>\$ 11,708,000</u>	<u>\$ 8,708,000</u>	<u>\$ 11,708,000</u>
							\$ 8,708,000	\$ 8,708,000	
							3,000,000	-	
							<u>\$ 11,708,000</u>	<u>\$ 8,708,000</u>	

Renewals
Notes Issued

**CITY OF ENGLEWOOD
STATEMENT OF DUE FROM CURRENT FUND**

Balance, December 31, 2021		\$ 139,932
Increased by:		
Budget Appropriations		
Capital Improvement Fund	\$ 585,000	
Payments to Current Fund	<u>200,000</u>	
		<u>785,000</u>
		924,932
Decreased by:		
General Capital Fund Expenditures Paid by Current Fund	120,699	
Current Fund Receipts Deposited in General Capital Fund	427	
Anticipated as Revenue in Current Fund Budget:		
Fund Balance	250,000	
Interest on Deposits	<u>66,407</u>	
		<u>437,533</u>
Balance, December 31, 2022		<u>\$ 487,399</u>

EXHIBIT C-14

STATEMENT OF RESERVE FOR DEBT SERVICE

Balance, December 31, 2021	\$ 12,045
Increased by:	
Cancellation of Funded Improvement Authorizations	<u>2,179,904</u>
Balance, December 31, 2022	<u>\$ 2,191,949</u>

CITY OF ENGLEWOOD
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Cap No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2021</u>	2022 <u>Authorizations</u>	Notes <u>Issued</u>	Authorizations Canceled or <u>Adjusted</u>	Balance, December 31, <u>2022</u>
09-13	Various Capital Improvements	\$ 50				\$ 50
10-18	Various Capital Improvements	50			\$ 50	
11-10	Various Capital Improvements	50			50	
12-15	Various Capital Improvements	8,100			8,100	
13-01,14-25	Various Capital Improvements	104,500				104,500
16-07	Various Equipment and Capital Projects	825,066			776,062	49,004
18-09	Various Capital Improvements	775				775
19-10	Various Capital Improvements	5,000,854			5,000,000	854
20-02	Various Capital Improvements	4,409,615				4,409,615
21-05, 22-15	Various Capital Improvements	5,905,872		\$ 3,000,000	310,538	2,595,334
22-06	Various Capital Improvements		\$ 11,115,425			11,115,425
22-19	Acquisition of Real Property	-	708,000	-	-	708,000
		<u>\$ 16,254,932</u>	<u>\$ 11,823,425</u>	<u>\$ 3,000,000</u>	<u>\$ 6,094,800</u>	<u>\$ 18,983,557</u>

CITY OF ENGLEWOOD

PART II

GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**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 AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
2-10 North Van Brunt Street
Englewood, New Jersey 07631

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the City of Englewood as of and for the year ended December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated August 29, 2023. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Englewood'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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of Englewood's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Englewood'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City'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 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 weaknesses may exist that have not been identified.

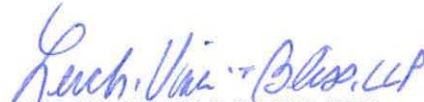
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Englewood's financial statements are free from 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 and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the City of Englewood in Part III of this report of audit entitled, "General Comments and Recommendations".

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 City of Englewood'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 City of Englewood's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
August 29, 2023



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS REQUIRED BY U.S. UNIFORM GUIDANCE**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
2-10 North Van Brunt Street
Englewood, New Jersey 07631

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Englewood's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the City of Englewood's major federal programs for the year ended December 31, 2022. The City of Englewood's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Englewood complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and 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 U.S. 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 City of Englewood and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Englewood's compliance with the compliance requirements referred to above.

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, regulation, rules, and provisions of contracts or grant agreements applicable to the City of Englewood's federal programs.

Auditor's 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 City of Englewood'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 generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and U.S. 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 omission, misrepresentation, 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 City of Englewood's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and U.S. Uniform Guidance, we:

- Exercise professional judgement 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 City of Englewood'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 City of Englewood'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 U.S. Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Englewood'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.

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 program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 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.

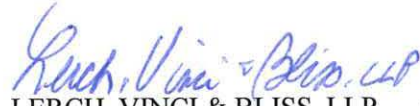
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 U.S. Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance

We have audited the financial statements - regulatory basis of the City of Englewood as of and for the year ended December 31, 2022, and the related notes to the financial statements and have issued our report thereon dated August 29, 2023, which contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Uniform Guidance is 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants


Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
August 29, 2023

CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Federal Program</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Grant Receipts</u>	Balance, December 31, <u>2021</u>	<u>Revenue</u>	<u>Expended</u>	Balance, December 31, <u>2022</u>	(Memo Only) Cumulative <u>Expenditures</u>
Department of Homeland Security								
Federal Emergency Management Agency								
Firefighters Grant	97.044			\$ 4			\$ 4	
Firefighters Grant	97.044	2022	\$ 282,936		\$ 282,936	\$ 282,936		\$ 282,936
Department of Transportation								
National Priority Safety Programs	20.616	2022	17,277		17,277	17,277	-	
Department of Law and Public Safety								
Public Assistance Grants								
Tropical Storm Isaias	97.036	2021	15,933		15,933	15,933		24,770
Hurricane IDA	97.036	2022	726,015		726,015	726,015		726,015
Hurricane IDA (Passed through to Englewood Housing Authority)	97.036	2022	1,624,925		1,624,925	1,624,925		1,624,925
Department of Treasury								
Coronavirus State and Local Fiscal Recovery Funds	21.027	2021	1,486,398					
Coronavirus State and Local Fiscal Recovery Funds	21.027	2022	1,486,398					
Department of Housing and Urban Development								
Community Development Block Grant								
CDBG - Heart Health	14.000	N/A		1			1	
Department of Health and Human Services								
Public Health Emergency Preparedness Grant	93.069	2020		2,830		2,830	-	5,615
Immunization Cooperative Agreements	93.268	2021	606		606		606	
Immunization Cooperative Agreements	93.268	2022	14,808		14,808	13,989	819	
FDA Retail Standards	10.000	N/A		817		817	-	4,488
FDA Retail Standards	10.000	N/A		2,272		2,272	-	2,272
FDA Foodborne Illness	10.000	N/A		5,892	-	5,892	-	5,892
				<u>\$ 11,816</u>	<u>\$ 2,682,500</u>	<u>\$ 2,692,886</u>	<u>\$ 1,430</u>	

See Accompanying Notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance

CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>2022 Grant Receipts</u>	<u>Balance, December 31, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2022</u>	<u>(Memo Only) Cumulative Expenditures</u>
Recycling Tonnage Grant		2019		\$ 15,977			\$ 15,977	\$ 16,451
		2020		32,428			32,428	
		2021		39,400			39,400	
		2022	\$ 35,705		\$ 35,705		35,705	
Drunk Driving Enforcement Fund	1110-448-031020-22	2018		3,775			3,775	
		2019		956			956	
		2020		200			200	
		2022	340		140		140	
		2017		13,596			13,596	
		Prior		58,124			58,124	
Clean Communities Program	4900-765-178900	2020		23,436			23,436	23,114
		2021		46,550			46,550	
		2022	55,127		55,130		55,130	
Police Body Armor - State Share	N/A	2017		7,169			7,169	
		2019		7,780			7,780	
		2020		6,795			6,795	
		2021			8,364		8,364	
		Prior		23,007		\$ 6,550	16,457	6,550
New Jersey Division of Criminal Justice Body Worn Cameras	N/A	2022	36,564					
Public Health Priority Funding	N/A	Prior		35			35	
Adolescent Health Grant	N/A	Prior		28,571		3,273	25,298	17,508
H1N1 Emergency Preparedness	N/A	Prior		267			267	
		2021		18,051		15,625	2,426	15,625
Alcohol Education	N/A	Prior		3,537			3,537	
		2019		5,465			5,465	
		2020		1,834			1,834	
		2022	790		790		790	
New Jersey Department of Health Strengthening Local Public Health Capacity	N/A	2020		42,407		36,413	5,994	95,614
Covid 19 Vaccinations	N/A	2021		50,000			50,000	
Municipal Alliance	N/A	2018		4,299		4,299	-	20,001
		2019		20,000		15,628	4,372	15,628
		2020		20,000			20,000	
		2021		20,000			20,000	
		2022		-	5,754	-	5,754	
Total State Financial Assistance				\$ 493,659	\$ 105,883	\$ 81,788	\$ 517,754	

* Not Available

This schedule is not subject to a state single audit in accordance with NJ Circular 15-08.

CITY OF ENGLEWOOD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022

NOTE 1 REPORTING ENTITY

The City of Englewood (the "City") received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The City is the reporting entity for these programs. The City is defined in Note 1 (A) to the City's Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the "Schedules") present the activity of all federal and state programs of the City. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and 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 City accounts for federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The City's summary of significant accounting policies are described in Note 1 to the City's Financial Statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements. Financial assistance revenues are reported in the City's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 2,366,873		\$ 2,366,873
Grant Fund	<u>315,627</u>	<u>\$ 105,883</u>	<u>421,510</u>
Total Financial Awards	<u>\$ 2,682,500</u>	<u>\$ 105,883</u>	<u>\$ 2,788,383</u>

CITY OF ENGLEWOOD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2022

NOTE 5 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the City's fiscal year and grant program year.

NOTE 6 INDIRECT COST RATE

The City has not elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part I – Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on financial statements	<u>Unmodified-Regulatory Basis</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified	_____ yes	<u>X</u> no
2) Significant deficiency(ies) that are not considered to be material weakness(es)?	_____ yes	<u>X</u> none reported
Noncompliance material to the financial statements noted?	_____ yes	<u>X</u> no

Federal Awards Section

Dollar threshold used to determine Type A programs:	<u>\$ 750,000</u>	
Auditee qualified as low-risk auditee?	_____ yes	<u>X</u> no
Type of auditors' report on compliance for major programs:	<u>Unmodified</u>	
Internal Control over compliance:		
1) Significant Deficiencies identified?	_____ yes	<u>X</u> no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	_____ yes	<u>X</u> no
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____ yes	<u>X</u> no

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program</u>
<u>97.036</u>	<u>Disaster Grants - Public Assistance</u>
_____	_____
_____	_____

State Awards Section

NOT APPLICABLE

**CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

**CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of the major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There were none.

CURRENT YEAR STATE AWARDS

Not Applicable.

**CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

This section identified the status of prior-year findings related to the financial statements – regulatory basis and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

There were none.

CITY OF ENGLEWOOD

PART III

SUPPLEMENTARY DATA

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2022

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Tax Rate</u>	<u>\$2.949</u>	<u>\$2.890</u>	<u>\$2.815</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1.282	1.257	1.233
Library	0.040	0.038	0.038
County	0.286	0.282	0.276
County Open Space	0.012	0.012	0.012
Local School	1.329	1.301	1.256
<u>Assessed Valuation</u>			
2022	<u>\$4,529,617,800</u>		
2021		<u>\$4,487,503,500</u>	
2020			<u>\$4,486,356,200</u>

Comparison of Tax Levies and Collection 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>Cash Collections</u>	<u>Percentage of Collection</u>
2022	\$ 133,747,150	\$ 133,493,296	99.81%
2021	130,206,452	129,936,130	99.79%
2020	126,590,198	126,164,787	99.66%

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Taxes Title Lien</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2022	\$ 26,529	\$ 269,632	\$ 296,161	0.22%
2021	13,868	252,082	265,950	0.20%
2020	37,230	244,686	281,916	0.22%

Property Acquired by Tax Title Lien Liquidation

The value of property acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2022	\$70,979
2021	70,979
2020	70,979

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2022	\$10,682,712	\$3,100,000
	2021	8,479,096	2,180,000
	2020	5,463,732	1,850,000
	2019	5,707,080	2,165,000
	2018	13,021,193	10,093,440

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

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

<u>Name</u>	<u>Title</u>
Michael Wildes	Mayor
Charles Cobb	Councilmember (At Large Member)
Kenneth Rosenzweig	Councilmember (Ward 1)
Michael D. Cohen	Councilmember (Ward 2)
Judith Maron	Councilmember (Ward 3)
C. Wayne Hamer	Councilmember (Ward 4)
Sonia Alves-Viveiros	City Manager (through April 2022)
Matthew Watkins	Interim City Manager (April 2022 through August 2022)
Robert Hoffmann	City Manager (August 2022 through December 2022)
Michael Kaufmann	Chief Financial Officer
Jodi DeMaio	Tax Collector
Diana Patino	Treasurer
Yancy Wazimas	City Clerk
Aishaah Rasul	Judge
Helene C. Herbert	Judge
Francis J. Leddy, Jr.	Judge
Debbian Barr	Court Administrator

CITY OF ENGLEWOOD

GENERAL COMMENTS

Current Year

Our audit noted that the City did not encumber tonnage and recycling tax invoices for the months of August through December 2022. The total unrecorded liabilities were in excess of \$400 thousand. It is recommended that all monthly or recurring expenditures be encumbered in a timely manner.

Our audit revealed that the City Council approved special item revenue and appropriation (Chap. 159) resolutions that were not recorded in the City's budgetary accounting system software. It is recommended that all financial resolutions or ordinances approved by the City Council be recorded in the City's accounting records.

Our audit of General Capital Fund revealed that:

- On September 20, 2022, the City Council approved a resolution cancelling unexpended balances of improvement authorizations totaling in excess of \$7.9 million. The cancelled balances were not recorded in the General Capital improvement authorization ledger.
- The City Council adopted ordinance No. 22-19. Acquisition of Real Property, appropriating \$744,000, this ordinance was not reporting in the City's improvement authorization ledger.

It is recommended that the accounting procedures be reviewed and enhanced to ensure that all City Council approved financial resolutions or ordinances are recorded in the City's accounting records.

Our audit of the General Capital Fund year end open purchase orders noted encumbrances of \$455,850 that were not valid. In addition, there are unpaid purchase orders dating back several years. It is recommended that all open purchase orders in the General Capital Fund be reviewed for validity and residual balances be cleared of record.

The City utilizes a payroll service provider to prepare, file its tax returns and remit payments to the various federal and state agencies. The City did not retain documentation to substantiate that they independently verified on a monthly basis that the respective federal and state payroll withholdings/reports were properly filed and remitted. It is recommended that the City retain documentation to confirm that all federal and state payroll withholdings/reports remitted by the payroll service provider were filed by the required due dates.

Our audit of departments noted the following:

- Deposits from the Municipal Court were not always made in a timely manner.
- Recreation receipts and Construction Code receipts reported in the Department's records were not in agreement with the Finance Department ledgers.
- Certain Construction Code permit fees were not calculated in accordance with the City's fee ordinance.

It is recommended that:

- Municipal Court deposits be made in a timely manner.
- The City's Department accounting ledgers be periodically reconciled with the Finance Department records.
- Construction Code fees be calculated in accordance with City ordinance.

CITY OF ENGLEWOOD

GENERAL COMMENTS

Current Year (Continued)

The City's official minutes for 2022 were not approved in a timely manner. It is recommended that the minutes of City Council meetings be approved in a timely manner.

Prior Year

Our comments with respect to the examination and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation fraud during the examination are herewith set forth.

With respect to purchasing:

- Political contribution disclosure forms (PCD) were not obtained for certain vendors paid in excess of \$17,500.
- Documentation supporting bid, state contract or cooperative purchasing agreement was not always available for audit.

It is recommended that the City adhere to all purchasing requirements contained in the New Jersey Local Public Contracts Law and Division of Local Government Service Local Finance Notices.

Our audit of expenditures revealed that several purchase orders were dated subsequent to the invoice date or the date services were rendered. It is recommended that purchase orders be encumbered prior to the ordering of goods and/or services.

Our audit noted that the Annual UCC report was not reconciled with amounts reported in the City's budgetary accounting system. In addition, the amount reported for indirect costs appears to be understated. It is recommended that the Annual UCC report agree with the City's budget reports and that the reconciliation be made available for audit.

Our audit of the Police Off Duty reserve revealed that there are several outstanding invoice balances that remain uncollected from prior years. It is recommended that the City review the Police Off Duty outstanding invoice balances and action be taken to collect or clear them of record.

Our audit of fixed assets noted that certain prior year audit adjustments were not included in the City's 2022 appraisal report. In addition, there were unrecorded additions of \$782,936. It is recommended that the City's fixed asset annual appraisal report be adjusted and in agreement with the audited balances.

Our audit of payroll revealed that overtime sheets for employees are not maintained in the payroll department. It is recommended that overtime sheets for individual employees be remitted to the payroll department and retained for audit.

CITY OF ENGLEWOOD

GENERAL COMMENTS

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

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$17,500 except by contract or agreement." If the municipality has a qualifying purchasing agent ("QPA"), the bid threshold can be increased to \$44,000. The City has approved an individual to serve as its QPA.

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

The minutes indicate that bids were requested by public advertising for the following items:

William Street Improvements	Snow Plowing and Removal Services
Road Improvement Program	Police Department Restroom Upgrades
City Hall Environmental Abatement	Hudson Avenue and Knickerbocker Signal Upgrade
Firehouse Overhead Door Replacement	
South Van Brunt Street Milling and Paving	

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per 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 furnishings 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 violations existed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

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 non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 3, 2022, adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED BY THE CITY COUNCIL, of the City of Englewood that, pursuant to the provisions of NJSA 54:4-67, the rate of interest to be charged for the non-payment of taxes, sewer taxes, or assessments shall be 8% on the first \$1,500 and 18% on any amount in excess of \$1,500 to be calculated from the statutory due date until actual payment.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL, that in addition to the interest provided above, on all delinquencies in excess of ten thousand (\$10,000) dollars and which are not paid prior to the end of the fiscal year, the Tax Collector shall also collect a penalty of six (6) percent of the amount of the delinquency in excess of ten thousand (\$10,000) dollars.

CITY OF ENGLEWOOD

GENERAL COMMENTS

Suggestions to Management

- The year-end tax overpayment balances, sewer user charges receivables, and Current Fund appropriated grant reserve balances be reviewed and cleared of record.
- Grant receivable balances in the Current and General Capital Funds be reviewed and action taken to collect or clear them of record.
- The City develop a written policy regarding the use of store credit cards.
- Interfunds be liquidated prior to year-end.

CITY OF ENGLEWOOD

RECOMMENDATIONS

It is recommended that:

- * 1. The City adhere to all purchasing requirements contained in the New Jersey Local Public Contracts Law and Division of Local Government Service Local Finance Notices.
- * 2. Purchase orders be encumbered prior to the ordering of goods and/or services. In addition, all monthly or recurring expenditures be encumbered in a timely manner.
- * 3. The Annual UCC report agree with the City's budget reports and that the reconciliation be made available for audit.
- * 4. The City review the Police Off Duty outstanding invoice balances and action be taken to collect or clear them of record.
- * 5. The City's fixed asset annual appraisal report be adjusted and in agreement with the audited balances.
- 6. All financial resolutions or ordinances approved by the City Council be recorded in the City's accounting records.
- 7. All open purchase orders in the General Capital Fund be reviewed for validity and residual balances be cleared of record.
- * 8. The City retain documentation to confirm that all federal and state payroll withholdings/reports remitted by the payroll service provider were filed by the required due dates.
- 9. With regards to City's Departments:
 - Municipal Court deposits be made in a timely manner.
 - The City's Department accounting ledgers be periodically reconciled with the Finance Department records.
 - Construction Code fees be calculated in accordance with City ordinance.
- 10. The minutes of City Council meetings be approved in a timely manner.
- * 11. Overtime sheets for individual employees be remitted to the payroll department and retained for audit.

* * * * *

A review was performed on all prior year's recommendations. The City has taken corrective action on all prior year recommendations except those denoted with an asterisk (*).