

CITY OF ENGLEWOOD
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2023

CITY OF ENGLEWOOD

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2023

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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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, 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, 2023 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, 2023 and 2022, 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.

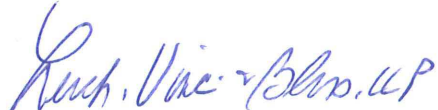
Other Information


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 September 4, 2024 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 CR000411

Fair Lawn, New Jersey
September 4, 2024

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2023 AND 2022

ASSETS	<u>Ref</u>	<u>2023</u>	<u>2022</u>
Regular Fund			
Cash	A-4	\$ 25,662,875	\$ 25,867,236
Cash - Change Funds	A	400	400
Due From State of NJ - Senior Citizens and Veterans	A-6	<u>31,426</u>	<u>7,326</u>
		<u>25,694,701</u>	<u>25,874,962</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-7	46,949	26,529
Tax Title Liens Receivable	A-8	289,197	269,632
Property Acquired for Taxes	A	70,979	70,979
Sewer User Charges	A-9	42,096	213,741
Prepaid School Tax	A-15	822,768	
Revenue Accounts Receivable	A-10	21,591	20,152
Due from Animal Control Fund	B-11	5,010	5,428
Due from Other Trust Fund	B-18	291,437	
Due from Assessment Trust Fund	B-19	<u>23,029</u>	<u>18,386</u>
		<u>1,613,056</u>	<u>624,847</u>
Total Current Fund		<u>27,307,757</u>	<u>26,499,809</u>
Grant Fund			
Grants Receivable	A-5	1,396,914	306,182
Due from Current Fund	A-18	3,019,785	3,153,360
Due from General Capital Fund	C-14	579,260	399,125
Due from Other Trust Fund	B-20	<u>307,290</u>	<u>-</u>
Total State and Federal Grant Fund		<u>5,303,249</u>	<u>3,858,667</u>
Total		<u>\$ 32,611,006</u>	<u>\$ 30,358,476</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2023 AND 2022

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref</u>	<u>2023</u>	<u>2022</u>
Regular Fund			
Appropriation Reserves	A-3, A-11	\$ 3,845,292	\$ 3,242,995
Encumbrances Payable	A-19	3,255,804	3,044,609
Accounts Payable	A-19	25,515	6,100
Accrued Salaries and Wages	A-23	166,457	541,727
Prepaid Taxes	A-12	505,250	676,943
Tax Overpayments	A-13	217,423	335,671
Miscellaneous Reserves	A-21	295,523	151,378
Reserve for Tax Appeals	A-22	2,030,639	1,532,737
County Taxes Payable	A-14	29,560	17,051
School Taxes Payable	A-15		86,194
Due to Grant Fund	A-18	3,019,785	3,153,360
Due to General Capital Fund	C-13	465,636	487,399
Due to Other Trust Fund	B-18	-	1,916,086
		<u>13,856,884</u>	<u>15,192,250</u>
Reserve for Receivables	A	1,613,056	624,847
Fund Balance	A-1	<u>11,837,817</u>	<u>10,682,712</u>
Total Current Fund		<u>27,307,757</u>	<u>26,499,809</u>
Grant Fund			
Due to Other Trust Fund	B-20		25,656
Appropriated Grant Reserves	A-16	1,700,383	748,225
Unappropriated Grant Reserves	A-17	3,434,496	3,055,630
Encumbrances Payable	A-19	<u>168,370</u>	<u>29,156</u>
Total State and Federal Grant Fund		<u>5,303,249</u>	<u>3,858,667</u>
		<u>\$ 32,611,006</u>	<u>\$ 30,358,476</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUES AND OTHER INCOME		
Fund Balance Utilized	\$ 3,100,000	\$ 2,180,000
Miscellaneous Revenues Anticipated	12,965,325	10,075,653
Receipts From Delinquent Taxes	7,318	15,367
Receipts from Current Taxes	135,695,051	133,243,296
Non-Budget Revenue	860,715	1,110,454
Other Credits to Income:		
Unexpended Balances of Appropriation Reserves	2,394,539	1,574,014
Prior Year School Taxes Payable		707,784
Statutory Excess - Animal Control	4,756	4,448
Cancelled Encumbrances/Accounts Payable	27,140	11,852
Interfund Loans Returned	<u>23,814</u>	<u>18,773</u>
 Total Revenues and Other Income	 <u>155,078,658</u>	 <u>148,941,641</u>
 EXPENDITURES		
Budget Appropriations:		
Operations	60,598,819	56,053,871
Capital Improvements	520,000	585,000
Municipal Debt Service	6,632,789	6,272,343
Deferred Charges and Statutory Expenditures	7,852,159	7,861,039
County Taxes	14,332,406	13,470,973
Local School Taxes	59,740,886	60,175,247
Establish Reserve for Prepaid School Tax	822,768	
Prior Year Senior Citizen Deductions Disallowed	4,250	2,282
Refund of Prior Year Revenues		113,456
Interfund Advances	<u>319,476</u>	<u>23,814</u>
 Total Expenditures	 <u>150,823,553</u>	 <u>144,558,025</u>
 Excess in Revenues Over Expenditures	 4,255,105	 4,383,616
 Balance, January 1	 <u>10,682,712</u>	 <u>8,479,096</u>
	14,937,817	12,862,712
Decreased by:		
Utilization as Anticipated Revenue	<u>3,100,000</u>	<u>2,180,000</u>
 Balance, December 31	 <u><u>\$ 11,837,817</u></u>	 <u><u>\$ 10,682,712</u></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, 2023

	<u>Budget</u>	<u>Added by NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	<u>\$ 3,100,000</u>	<u>-</u>	<u>\$ 3,100,000</u>	<u>-</u>
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	57,600		58,493	\$ 893
Other	276,600		263,739	(12,861)
Fees and Permits				
Other	265,100		372,587	107,487
Fines and Costs				
Municipal Court	317,000		388,656	71,656
Interest and Costs on Taxes	189,000		204,326	15,326
Parking Meters	587,800		636,731	48,931
Interest on Investments and Deposits	46,500		383,680	337,180
Recreation Advisory Committee	713,250		837,291	124,041
Fire Prevention Fees	149,000		225,060	76,060
Kings Garden - PILOT	135,000		593,899	458,899
Greater Englewood - PILOT	280,000		317,126	37,126
One William Street - PILOT	560,000		594,120	34,120
Westmoor Gardens - PILOT	90,000		94,801	4,801
Exempt Sewer Charges	238,000		441,943	203,943
Parking Garage Fees	142,000		150,022	8,022
Hotel Occupancy Tax	145,000		193,441	48,441
Cable Franchise Fees	130,000		131,751	1,751
Cell Tower Agreement	111,000		116,385	5,385
Greater Englewood Annual Fee	100,000		100,000	
Energy Receipts Tax	2,782,397		2,782,397	
Reserve for Municipal Relief Fund Aid	144,144		144,144	
Uniform Construction Code Fees	775,800		1,077,324	301,524
Public and Private Revenues Offset with Approp:				
Reach & Teach				
Municipal Alliance	5,754		5,754	
Assistance to FF Grant		\$ 245,455	245,455	
DCA American Rescue Plan		42,000	42,000	
FEMA Driver Training		170,870	170,870	
FEMA Vehicle Extraction		55,484	55,484	
Hazardous Materials Emergency Grant		11,900	11,900	
Recycling Tonnage		38,935	38,935	
DDEF		8,380	8,380	
Clean Communities		58,466	58,466	
FEMA Training Trailer Grant		94,100	94,100	
COVID 19 Vaccination		50,000	50,000	
NJ Emergency Prep Grant NJACCHO		427,132	427,132	
Strengthening Local Health		247,735	247,735	
Other Special Items:				
Uniform Fire Safety Act	82,500		50,628	(31,872)
Capital Surplus	500,000		500,000	
Hospital Community Fee	567,000		578,733	11,733
Greater Englewood Annual Fee	400,000		200,360	
Sewer Charges	105,000	-	71,477	-
Total Miscellaneous Revenues	<u>9,895,445</u>	<u>1,450,457</u>	<u>12,965,325</u>	<u>1,852,586</u>
RECEIPTS FROM DELINQUENT TAXES	<u>10,000</u>	<u>-</u>	<u>7,318</u>	<u>(2,682)</u>
Subtotal General Revenues	<u>13,005,445</u>	<u>1,450,457</u>	<u>16,072,643</u>	<u>1,849,904</u>
AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax for Municipal Purposes	59,431,421		59,904,339	472,918
Minimum Library Tax	1,976,789	-	1,976,789	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>61,408,210</u>	<u>-</u>	<u>61,881,128</u>	<u>472,918</u>
Total General Revenues	<u>\$ 74,413,655</u>	<u>\$ 1,450,457</u>	<u>77,953,771</u>	<u>\$ 2,322,822</u>
Non-Budget Revenue			<u>860,715</u>	
			<u>78,814,486</u>	

CITY OF ENGLEWOOD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023
(Continued)

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collection	
Revenue from Collections	\$ 135,695,051
Less: Allocated to School and County Taxes	<u>74,073,292</u>
Balance for Support of Municipal Budget Appropriations	61,621,759
Add Appropriation "Reserve for Uncollected Taxes"	<u>259,369</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 61,881,128</u></u>

Interest on Investments and Deposits	
Revenue Accounts Receivable	\$ 337,459
Due from General Capital Fund	41,275
Due from Animal Control Fund	303
Due from Assessment Trust Fund	<u>4,643</u>
	<u><u>\$ 383,680</u></u>

ANALYSIS OF NON-BUDGET REVENUES

Prior Year Refund - IRS	\$ 21,909
Sale of Municipal Assets	17,065
FEMA Reimbursement	26,975
Police Extra Duty Vehicle Fee	338,651
NJECC (New Jersey Educational Computing Cooperative)	269,195
Insurance Reimbursements	3,990
Board of Health Receipts	1,250
Building Dept Receipts	39,853
City Clerk Receipts	6,672
DPW Receipts	2,400
Engineerring	7,585
Misc Permits	6,840
Planning Bd Receipts	3,250
Police - Records and Firearms	37,808
Miscellaneous	<u>77,272</u>
	<u><u>\$ 860,715</u></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, 2023

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>	
General Government					
Mayor and Council					
Salaries and Wages	\$ 60,000	\$ 60,000	\$ 56,667	\$ 3,333	
Other Expenses	8,500	8,500	6,118	2,382	
City Manager					
Salaries and Wages	475,000	400,000	384,813	15,187	
Other Expenses	152,200	102,200	59,286	42,914	
City Clerk					
Salaries and Wages	227,000	227,000	214,770	12,230	
Overtime	3,000	3,000	970	2,030	
Other Expenses	92,750	92,750	92,189	561	
Human Resources			-		
Salaries and Wages	248,000	305,000	300,210	4,790	
Other Expenses	69,950	69,950	36,803	33,147	
Purchasing					
Other Expenses	4,000	5,500	5,437	63	
Finance					
Salaries and Wages	550,000	490,000	476,184	13,816	
Other Expenses	192,000	192,000	166,058	25,942	
Data Processing					
Other Expenses	138,000	183,000	182,493	507	
Collection of Taxes					
Salaries and Wages	195,000	196,500	195,862	638	
Other Expenses	39,800	39,800	37,763	2,037	
Assessment of Taxes					
Salaries and Wages	190,000	184,000	179,475	4,525	
Other Expenses	41,000	41,000	7,577	33,423	
Legal Service and Costs					
Salaries and Wages	84,800	84,800	68,039	16,761	
Other Expenses	850,000	850,000	491,846	358,154	
Engineering Services					
Salaries and Wages	389,000	364,000	345,194	18,806	
Other Expenses	34,000	34,000	19,466	14,534	
Community Development					
Other Expenses	190,000	238,000	236,090	1,910	
Municipal Court					
Salaries and Wages	432,000	432,000	430,390	1,610	
Overtime	17,500	17,500	2,332	15,168	
Other Expenses	148,500	148,500	136,750	11,750	
Public Defender					
Other Expenses	14,000	14,000	9,900	4,100	
Insurance					
Medical	6,397,412	6,324,412	5,617,277	707,135	
Health Benefit Waiver	100,000	112,000	111,906	94	
Other Insurance Premium	1,500,000	1,500,000	1,476,181	23,819	
Workers Compensation	514,395	514,395	505,088	9,307	
Land Use					
Planning and Land Use					
Other Expenses	87,500	87,500	64,977	22,523	
Public Safety					
Fire Division					
Salaries and Wages	6,540,000	6,490,000	6,489,889	111	
Overtime	1,180,000	1,230,000	1,196,614	33,386	
Other Expenses	367,000	367,000	366,615	385	
Police					
Salaries and Wages	13,446,000	13,323,250	12,793,042	530,208	
Overtime	1,180,000	1,180,000	1,141,591	38,409	
Other Expenses	603,500	603,500	574,779	28,721	
Emergency Management Technicians					
Aid to Volunteer Ambulance	40,000	40,000		40,000	
Emergency Management Services					
Other Expenses	10,000	10,000		10,000	

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

GENERAL APPROPRIATIONS (Continued) OPERATIONS WITHIN "CAPS" (Continued)	Appropriations		Expended		Cancelled
	Budget	Budget After Modification	Paid or Charged	Reserves	
Public Works					
DPW Administration					
Salaries and Wages	\$ 554,000	\$ 494,000	\$ 484,615	\$ 9,385	
Overtime	8,000	8,000	79	7,921	
Other Expenses	46,200	56,200	54,421	1,779	
Public Building and Grounds					
Other Expenses	498,500	548,500	548,408	92	
Shade Tree					
Salaries and Wages	183,000	185,000	184,943	57	
Overtime	20,000	26,000	25,972	28	
Other Expenses	111,000	141,000	112,276	28,724	
Road Repairs and Maintenance					
Salaries and Wages	550,000	550,000	549,925	75	
Overtime	146,000	96,000	56,236	39,764	
Other Expenses	250,000	250,000	162,953	87,047	
Central Maintenance - Garage					
Salaries and Wages	291,000	261,000	243,277	17,723	
Overtime	37,000	37,000	26,632	10,368	
Other Expenses	842,500	892,500	783,483	109,017	
Construction and Facilities Maintenance					
Salaries and Wages	187,000	187,000	183,693	3,307	
Overtime	61,000	73,000	67,264	5,736	
Other Expenses	99,000	119,000	117,589	1,411	
Sanitation					
Salaries and Wages	1,425,000	1,455,000	1,438,041	16,959	
Overtime	187,000	137,000	117,062	19,938	
Other Expenses	53,500	83,500	81,109	2,391	
Sewer Department					
Salaries and Wages	257,000	262,000	260,109	1,891	
Overtime	56,000	56,000	51,278	4,722	
Other Expenses	80,300	90,300	65,541	24,759	
Parks Department					
Salaries and Wages	466,000	436,000	411,422	24,578	
Overtime	50,000	50,000	35,673	14,327	
Other Expenses	131,000	131,000	85,942	45,058	
Community Services Act					
Condominium Community Costs	240,000	240,000	164,630	75,370	
Health and Human Services					
Board of Health					
Salaries and Wages	712,000	712,000	710,099	1,901	
Overtime	10,000	10,000	7,711	2,289	
Other Expenses	100,500	100,500	84,710	15,790	
Animal Control Regulation					
Other Expenses	45,500	46,250	23,464	22,786	
Contribution to Child Dev. And Teen Program					
Other Expenses	59,000	59,000		59,000	
Recreation					
Recreation Department					
Salaries and Wages	870,000	870,000	847,584	22,416	
Overtime	15,000	15,000		15,000	
Other Expenses	871,350	871,350	792,273	79,077	
Uniform Construction Code					
Construction Code Official					
Salaries and Wages	1,184,000	1,184,000	1,061,523	122,477	
Overtime	24,000	24,000	7,213	16,787	
Other Expenses	176,850	176,850	167,341	9,509	

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<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>
GENERAL APPROPRIATIONS (Continued)					
OPERATIONS WITHIN "CAPS" (Continued)					
Unclassified					
Terminal Leave					
Salaries and Wages	\$ 650,000	\$ 650,000	\$ 650,000		
Solid Waste Disposal (Dumping Fees)	1,000,000	1,000,000	803,048	\$ 196,952	
Leaf Disposal	300,000	450,000	397,231	52,769	
Contingent	6,000	6,000		6,000	
Utilities					
Street Lighting	830,000	805,000	735,480	69,520	
Telephone	170,000	190,000	167,148	22,852	
Water	50,000	50,000	45,379	4,621	
Gas and Electric	380,000	440,000	389,057	50,943	
Fire Hydrant	360,000	360,000	344,971	15,029	-
Total Operations Within "CAPS"	51,456,007	51,450,007	48,027,446	3,422,561	-
Detail:					
Salaries and Wages	33,160,300	32,765,050	31,696,393	1,068,657	
Other Expenses (Including Contingent)	18,295,707	18,684,957	16,331,053	2,353,904	-
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Statutory Expenditures					
Social Security System	1,150,000	1,149,900	1,149,898	2	
Defined Contribution Retirement Plan	25,000	25,000	20,743	4,257	
Police and Firemen's Retirement System	5,383,543	5,383,543	5,383,543		
Public Employees Retirement System	1,293,636	1,293,716	1,293,694	22	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	7,852,179	7,852,159	7,847,878	4,281	-
Total General Appropriations for Municipal Purposes within "CAPS"	59,308,186	59,302,166	55,875,324	3,426,842	-
OPERATIONS - EXCLUDED FROM "CAPS"					
Bergen County Utilities Authority					
Share of Operating Costs	2,468,258	2,468,258	2,468,258		
Share of Debt Service Costs	610,364	610,364	610,364		
Recycling Tax	36,000	42,000	31,996	10,004	
Maintenance of Free Public Library	2,105,870	2,105,870	1,697,424	408,446	
Police and Firemen's Retirement System	341,398	341,398	341,398		
Public Employees Retirement System	75,059	75,079	75,079		
Insurance - Medical and Surgical	962,588	962,588	962,588		
Workers Compensations	485,605	485,605	485,605		
Reserve for Tax Appeals	600,000	600,000	600,000	-	-
Total Other Operations Excluded from "CAPS"	7,685,142	7,691,162	7,272,712	418,450	-
PUBLIC AND PRIVATE PROGRAMS OFFSET WITH REVENUES					
Municipal Alliance - State Share	5,754	5,754	5,754		
Municipal Alliance - Local Share	1,439	1,439	1,439		
Assistance to FF Grant		245,455	245,455		
DCA American Rescue Plan		42,000	42,000		
FEMA Driver Training		170,870	170,870		
FEMA Vehicle Extraction		55,484	55,484		
Hazardous Materials Emergency Grant		11,900	11,900		
Recycling Tonnage		38,935	38,935		
DDEF		8,380	8,380		
Clean Communities		58,466	58,466		
FEMA Training Trailer Grant		94,100	94,100		
COVID 19 Vaccination		50,000	50,000		
NJ Emergency Prep Grant NJACCHO		427,132	427,132		
Strengthening Local Health	-	247,735	247,735	-	-
Total Public and Private Programs Offset with Revenues	7,193	1,457,650	1,457,650	-	-
Total Operations Excluded from "CAPS"	7,692,335	9,148,812	8,730,362	418,450	-
Detail:					
Other Expenses	7,692,335	9,148,812	8,730,362	418,450	-

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<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>
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	\$ 520,000	\$ 520,000	\$ 520,000	-	-
Total Capital Improvements Excluded from "CAPS"	520,000	520,000	520,000	-	-
MUNICIPAL DEBT SERVICE					
Payment of Bonds Principal	4,530,000	4,530,000	4,530,000		
Interest on Bonds	1,752,525	1,752,525	1,752,525		
Interest on Notes	351,240	351,240	350,264	-	\$ 976
Total Municipal Debt Service Excluded from "CAPS"	6,633,765	6,633,765	6,632,789	-	976
Total General Appropriations Excluded from "CAPS"	14,846,100	16,302,577	15,883,151	\$ 418,450	\$ 976
Subtotal General Appropriations	74,154,286	75,604,743	71,758,475	3,845,292	976
Reserve for Uncollected Taxes	259,369	259,369	259,369	-	-
Total General Appropriations	\$ 74,413,655	\$ 75,864,112	\$ 72,017,844	\$ 3,845,292	\$ 976
Adopted Budget		\$ 74,413,655			
Added by NJS 40A:4-87		1,450,457			
		\$ 75,864,112			
Analysis of Paid or Charged					
Cash Disbursements			\$ 66,131,307		
Encumbrances Payable			2,399,518		
Due to General Capital Fund			520,000		
Reserve for Terminal Leave			650,000		
Reserve for Tax Appeals			600,000		
Reserve for Uncollected Taxes			259,369		
Appropriated Grant Reserves			1,457,650		
			\$ 72,017,844		

**CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2023 AND 2022**

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Assessment Trust Fund			
Cash	B-4, B-5	\$ 569,998	\$ 1,195,355
Assessments Receivable	B-6	<u>38,034</u>	<u>38,034</u>
Total Assessment Trust Fund		<u>608,032</u>	<u>1,233,389</u>
Animal Control Trust Fund			
Cash	B-4	<u>13,023</u>	<u>14,457</u>
Total Animal Control Trust Fund		<u>13,023</u>	<u>14,457</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	316,735	327,080
Due from Other Trust Fund	B	<u>41,764</u>	<u>2,318</u>
Total Unemployment Compensation Trust Fund		<u>358,499</u>	<u>329,398</u>
Other Trust Fund			
Cash	B-4	11,185,868	11,027,137
Special Improvement District Taxes and Liens Receivable	B-17	109,269	108,571
Due from Current Fund	B-18		1,916,086
Due from Grant Fund	B-20	<u>-</u>	<u>25,656</u>
Total Other Trust Fund		<u>11,295,137</u>	<u>13,077,450</u>
		<u>\$ 12,284,577</u>	<u>\$ 14,664,580</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, 2023 AND 2022**

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Assessment Trust Fund			
Due to Current Fund	B-19	\$ 23,029	\$ 18,386
Assessment Serial Bonds Payable	B-7	585,000	1,215,000
Fund Balance	B-1	<u>3</u>	<u>3</u>
Total Assessment Trust Fund		<u>608,032</u>	<u>1,233,389</u>
Animal Control Trust Fund			
Reserve for Animal Control Expenditures	B-9	8,013	9,021
Due to State of NJ	B-10		8
Due to Current Fund	B-11	<u>5,010</u>	<u>5,428</u>
Total Animal Control Trust Fund		<u>13,023</u>	<u>14,457</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	24,909	47,247
Reserve for Unemployment Insurance Claims	B-13	<u>333,590</u>	<u>282,151</u>
Total Unemployment Compensation Trust Fund		<u>358,499</u>	<u>329,398</u>
Other Trust Fund			
Miscellaneous Reserves and Deposits	B-8	9,521,329	12,301,962
Due to Current Fund	B-18	291,437	
Due to Grant Fund	B-20	307,290	
Due to Unemployment Compensation Fund	B	41,764	2,318
Payroll Deductions Payable	B-14	641,923	565,424
Encumbrances Payable	B-15	382,125	99,175
Reserve for SID Taxes and Liens Receivables	B-17	<u>109,269</u>	<u>108,571</u>
Total Other Trust Fund		<u>11,295,137</u>	<u>13,077,450</u>
		<u>\$ 12,284,577</u>	<u>\$ 14,664,580</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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Balance, January 1	\$ <u>3</u>	\$ <u>3</u>
Balance, December 31	\$ <u><u>3</u></u>	\$ <u><u>3</u></u>

EXHIBIT B-2

STATEMENT OF REVENUES - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

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

EXHIBIT B-3

STATEMENT OF EXPENDITURS - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<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, 2023 AND 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Cash	C-2, C-3	\$ 1,666,388	\$ 12,311,870
Deferred Charges to Future Taxation			
Funded	C-4	56,050,000	60,580,000
Unfunded	C-5	39,761,782	30,691,557
Grants Receivable	C-7	5,157,333	3,259,565
Due From Current Fund	C-13	465,636	487,399
		<u>\$ 103,101,139</u>	<u>\$ 107,330,391</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations			
Funded	C-6	\$ 2,444,953	\$ 2,418,205
Unfunded	C-6	20,003,261	20,503,720
General Serial Bonds Payable	C-11	56,050,000	60,580,000
Bond Anticipation Notes Payable	C-12	10,932,004	11,708,000
Due to Community Development Block Grant Fund	C-15	9,886	9,886
Due to Grant Fund	C-14	579,260	399,125
Encumbrances Payable	C-9	9,564,412	7,259,147
Capital Improvement Fund	C-10	147,948	122,973
Reserve for Debt Service	C-16	2,191,949	2,191,949
Miscellaneous Reserves	C-8	68,759	68,759
Reserve for Grants Receivable	C-7	125,000	125,000
Fund Balance	C-1	983,707	1,943,627
		<u>\$ 103,101,139</u>	<u>\$ 107,330,391</u>

There were bonds and notes authorized but not issued of \$28,829,778 and \$18,983,557 at December 31, 2023 and 2022, respectively (Exhibit C-17).

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, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Balance, January 1	\$ 1,943,627	\$ 1,986,853
Increased by:		
Grant Proceeds on Fully Funded Ordinances	231,710	
Premium on Sale of Bonds and Notes	<u>133,370</u>	<u>206,774</u>
	<u>365,080</u>	<u>206,774</u>
	2,308,707	2,193,627
Decreased by:		
Anticipated As Current Fund Revenue	500,000	250,000
Deferred Charges - Unfunded	<u>825,000</u>	<u>-</u>
	<u>1,325,000</u>	<u>250,000</u>
Balance, December 31	<u>\$ 983,707</u>	<u>\$ 1,943,627</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, 2023 AND 2022

	<u>2023</u>	<u>2022</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>20,200,177</u>	<u>17,820,387</u>
	<u>\$ 133,618,304</u>	<u>\$ 131,762,790</u>
 RESERVE		
Investment in General Fixed Assets	<u>\$ 133,618,304</u>	<u>\$ 131,762,790</u>

NOTES TO FINANCIAL STATEMENTS

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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, 2023 AND 2022

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, 2022 balances to conform to the December 31, 2023 presentation.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

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, 2023 AND 2022

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, 2023 AND 2022

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 proprietary funds and 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 proprietary funds and 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. General fixed assets acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) are not capitalized.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

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, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), 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 Current Fund 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, 2023 AND 2022**

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 2023 and 2022 the City Council increased the original budget by \$1,450,457 and \$109,072. The increases were funded by additional grants allotted to the City. In addition, the City Council approved several budget transfers during 2023 and 2022.

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, 2023 AND 2022

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, 2023 and 2022, the book value of the City's deposits were \$39,152,884 and \$50,493,756 and bank and brokerage firm balances of the City's deposits amounted to \$43,335,915 and \$53,637,114, 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>2023</u>	<u>2022</u>
Insured	\$ 38,191,390	\$ 46,366,935
Uninsured and Collateralized	<u>5,144,525</u>	<u>7,270,179</u>
	<u>\$ 43,335,915</u>	<u>\$ 53,637,114</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, 2023 and 2022, the City's bank balances of \$5,144,525 and \$7,270,179 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the City's name	<u>\$ 5,144,525</u>	<u>\$ 7,270,179</u>
	<u>\$ 5,144,525</u>	<u>\$ 7,270,179</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, 2023 AND 2022

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2023 and 2022, the City had the following investments which are reported as cash in the City's financial statements:

	<u>2023</u>	<u>2022</u>
N.J. Cash Management Fund	\$ 262,403	\$ 249,779

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, 2023 and 2022, \$262,403 and \$249,779 of the City's investments was exposed to custodial credit risk as follows:

	<u>2023</u>	<u>2022</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department		
but not in the City's name	\$ 262,403	\$ 249,779

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, 2023 and 2022 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, 2023 AND 2022

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Property Taxes	\$ 46,949	\$ 26,529
Tax Title Liens	<u>289,197</u>	<u>269,632</u>
	<u>\$ 336,146</u>	<u>\$ 296,161</u>

In 2023 and 2022, the City collected \$7,318 and \$15,367 from delinquent taxes, which represented 3% and 6%, 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>2023</u>		<u>2022</u>
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u> Due to <u>Other Funds</u>
Current Fund:			
Regular	\$ 319,476	\$ 3,485,421	\$ 18,773 \$ 2,045,512
Grant	3,906,335		2,045,753 19,973
Trust Fund:			
Assessment Trust		23,029	13,155
Animal Control		5,010	5,618
Community Development			
Block Grant	9,886		9,886
Unemployment Compensation	41,764		2,318
Other Trust		640,491	278,925 2,318
General Capital Fund	<u>465,636</u>	<u>589,146</u>	<u>139,932</u> <u>409,011</u>
Total	<u>\$ 4,743,097</u>	<u>\$ 4,743,097</u>	<u>\$ 2,495,587</u> <u>\$ 2,495,587</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, 2023 AND 2022

NOTE 6 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:

	2023		2022	
	<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	\$ 11,806,391	\$ 3,100,000	\$ 10,675,386	\$ 3,100,000
Non-Cash Surplus	<u>31,426</u>	<u>-</u>	<u>7,326</u>	<u>-</u>
	<u>\$ 11,837,817</u>	<u>\$ 3,100,000</u>	<u>\$ 10,682,712</u>	<u>\$ 3,100,000</u>

NOTE 7 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, 2023 and 2022.

	<u>Balance December 31, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, December 31, 2023</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>17,820,387</u>	<u>3,126,640</u>	<u>746,850</u>	<u>20,200,177</u>
	<u>\$ 131,762,790</u>	<u>\$ 3,126,640</u>	<u>\$ 1,271,126</u>	<u>\$ 133,618,304</u>

	<u>Balance December 31, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, December 31, 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>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 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>2023</u>	<u>2022</u>
Issued		
General		
Bonds and Notes	\$ 66,982,004	\$ 72,288,000
Assessment		
Bonds	<u>585,000</u>	<u>1,215,000</u>
	67,567,004	73,503,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>2,738,916</u>	<u>3,479,813</u>
Net Debt Issued	64,828,088	70,023,187
Authorized But Not Issued		
General		
Bonds and Notes	<u>29,654,778</u>	<u>18,983,557</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 94,482,866</u>	<u>\$ 89,006,744</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows indicates a statutory net debt of 1.595% and 1.607% at December 31, 2023 and 2022, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
General Debt	\$ 97,221,782	\$ 2,738,916	\$ 94,482,866
School Debt	<u>1,765,000</u>	<u>1,765,000</u>	<u>-</u>
Total	<u>\$ 98,986,782</u>	<u>\$ 4,503,916</u>	<u>\$ 94,482,866</u>

	<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>

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>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 207,329,700	\$ 193,821,168
Less: Net Debt	<u>94,482,866</u>	<u>89,006,744</u>
Remaining Borrowing Power	<u>\$ 112,846,834</u>	<u>\$ 104,814,424</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 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>2023</u>	<u>2022</u>
\$16,450,000, 2014 Bonds, due in annual installments of \$765,000 to \$1,010,000 through April 1, 2032 interest at 3.00% to 3.50%	\$ 8,035,000	\$ 8,775,000
\$14,285,000, 2017 Bonds, due in annual installments of \$1,060,000 to \$1,250,000 through April 2031, interest at 2.50% to 3.00%	9,395,000	10,425,000
\$15,260,000, 2019 Bonds, due in annual installments of \$530,000 to \$1,005,000 through April 2041, interest at 3.00% to 5.00%	13,230,000	13,745,000
\$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%	23,515,000	25,520,000
\$2,380,000, 2022 Refunding Bonds, due in annual installments of \$245,000 to \$295,000 through August 2030, interest at 3.00%	<u>1,875,000</u>	<u>2,115,000</u>
Total	<u>\$ 56,050,000</u>	<u>\$ 60,580,000</u>

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>2023</u>	<u>2022</u>
\$8,775,000, 2008 Bonds, due in an annual installment of \$585,000 on January 1, 2024, interest at 5.00%	<u>\$ 585,000</u>	<u>\$ 1,215,000</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 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, 2023 is as follows:

Calendar Year	General		Assessment		Total
	Principal	Interest	Principal	Interest	
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	4,575,000	979,200			5,554,200
2029-2033	22,315,000	2,882,950			25,197,950
2034-2038	8,815,000	883,466			9,698,466
2039-2041	2,895,000	143,153	-	-	3,038,153
Total	<u>\$ 56,050,000</u>	<u>\$ 10,289,244</u>	<u>\$ 585,000</u>	<u>\$ 14,625</u>	<u>\$ 66,938,869</u>

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, 2023 and 2022, \$1,975,000 and \$2,160,000, respectively, of bonds outstanding are considered defeased.

Changes in Long-Term Municipal Debt

The City's long-term capital debt activity for the years ended December 31, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
General Capital Fund					
Bonds Payable	<u>\$ 60,580,000</u>	<u>\$ -</u>	<u>\$ 4,530,000</u>	<u>\$ 56,050,000</u>	<u>\$ 4,365,000</u>
Assessment Trust Fund					
Bonds Payable	<u>\$ 1,215,000</u>	<u>\$ -</u>	<u>\$ 630,000</u>	<u>\$ 585,000</u>	<u>\$ 585,000</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

	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

B. Short-Term Debt

The City's short-term debt activity for the years ended December 31, 2023 and 2022 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	Balance, December 31, <u>2022</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2023</u>
Various Capital Improvements	4.50%	3/15/2024		\$ 10,932,004		\$ 10,932,004
Various Capital Improvements	3.00%	3/21/2023	\$ 11,708,000	-	\$ 11,708,000	-
			<u>\$ 11,708,000</u>	<u>\$ 10,932,004</u>	<u>\$ 11,708,000</u>	<u>\$ 10,932,004</u>

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	Balance, December 31, <u>2021</u>	<u>Renewed/ Issued</u>	<u>Retired/ 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>

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.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 8 MUNICIPAL DEBT (Continued)

Bond Anticipation Notes (Continued)

B. Short-Term Debt (Continued)

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. During 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.

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.

2023

None.

2022

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

NOTE 9 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 Commitment</u>	<u>Estimated Date of Completion</u>
<u>2023</u>		
Cab & Chassis V Truck-Electric	\$982,518	2024
2 Bodies for EV Garbage Truck	353,626	2024
2023 Roads Program	301,884	2024
Hudson Ave. Culvert Replacement	249,447	2024
Lafayette Place Improvements	219,607	2024
Chestnut St./Court Improvements	326,502	2024
William St. Parking Lot	236,371	2024
<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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 10 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 \$8,464,609 and \$7,468,527 at December 31, 2023 and 2022, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability. At December 31, 2023 and 2022, the City has reserved \$2,092,636 and \$2,271,000, 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, 2023 and 2022 were as follows:

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
Compensated Absences	\$ 7,468,527	\$ 996,082		\$ 8,464,609	
Net OPEB Liability (1)	53,652,348			53,652,348	
Net Pension Liability (1)					
PERS	17,791,349			17,791,349	
PFRS	50,386,026	-	-	50,386,026	-
Total Other Long-Term Liabilities	<u>\$ 129,298,250</u>	<u>\$ 996,082</u>	<u>\$ -</u>	<u>\$ 130,294,332</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.

	Balance, December 31, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2022</u>	Due Within <u>One Year</u>
Compensated Absences	\$ 6,941,000	\$ 527,527		\$ 7,468,527	
Net OPEB Liability	58,152,613		\$ 4,500,265	53,652,348	
Net Pension Liability					
PERS	13,836,623	3,954,726		17,791,349	
PFRS	32,620,894	17,765,132	-	50,386,026	-
Total Other Long-Term Liabilities	<u>\$ 111,551,130</u>	<u>\$ 22,247,385</u>	<u>\$ 4,500,265</u>	<u>\$ 129,298,250</u>	<u>\$ -</u>

NOTE 11 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, 2023 AND 2022

NOTE 11 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, 2023 AND 2022**

NOTE 11 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 2023 AND 2022**

NOTE 11 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, 2023 was not available and for June 30, 2022 is \$13.5 billion, and the plan fiduciary net position as a percentage of the total pension liability is 68.33% at June 30, 2022. The collective net pension liability of the participating employers for local PFRS at June 30, 2023 was not available and for June 30, 2022 is 15.2 billion and the plan fiduciary net position as a percentage of total pension liability is 62.91% at June 30, 2022.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2023 and 2022 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, 2023 and 2022 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 2023, 2022 and 2021 were equal to the required contributions.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2023, 2022 and 2021, 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>
2023	\$ 5,724,941	\$ 1,368,773	\$ 20,743
2022	5,201,491	1,367,855	21,020
2021	4,813,733	1,337,240	10,558

In addition for the years ended December 31, 2023 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, 2023 and 2022.

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, 2023 for the measurement date of June 30, 2023 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 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, 2023 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 to the total contributions to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2022, the City reported a liability of \$17,791,349, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the City's proportionate share was .11789 percent, which was an increase of .00109 percent from its proportionate share measured as of June 30, 2021 of . 11680 percent.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2022, the pension system has determined the City's pension benefit to be \$1,852,363, for PERS based on the actuarial valuations which is more than the actual contribution reported in the City's financial statements of \$1,368,773. At December 31, 2022, 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:

	2022	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 128,410	\$ 113,239
Changes of Assumptions	55,123	2,664,069
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	736,368	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>323,701</u>	<u>1,200,673</u>
Total	<u>\$ 1,243,602</u>	<u>\$ 3,977,981</u>

At December 31, 2022 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>
2023	\$ (2,711,338)
2024	(730,252)
2025	(210,091)
2026	915,237
2027	2,065
Thereafter	<u>-</u>
	<u>\$ (2,734,379)</u>

CITY OF ENGLEWOOD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 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, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75%-6.55%
	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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 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, 2022) 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, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based 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, 2023 AND 2022

NOTE 11 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, 2022 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:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
<u>2022</u>			
City's Proportionate Share of the PERS Net Pension Liability	<u>\$ 22,856,672</u>	<u>\$ 17,791,349</u>	<u>\$ 13,480,555</u>

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2022. 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, 2022, the City reported a liability of \$50,386,026, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022, the City's proportionate share was .44018 percent, which was a decrease of .00612 percent from its proportionate share measured as of June 30, 2021 of .44630 percent.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2022, the pension system has determined the City pension benefit to be \$2,256,011 for PFRS based on the actuarial valuations which is more than the actual contribution reported in the City's financial statements of \$5,724,941. At December 31, 2022, 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:

	2022	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,280,606	\$ 3,086,829
Changes of Assumptions	138,088	6,342,605
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,613,880	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>2,401,493</u>	<u>7,092,484</u>
Total	<u>\$ 9,434,067</u>	<u>\$ 16,521,918</u>

At December 31, 2022 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>Year Ending December 31,</u>	<u>Total</u>
2023	\$ (4,559,973)
2024	(3,266,126)
2025	(2,501,110)
2026	3,322,059
2027	(81,378)
Thereafter	<u>(1,323)</u>
	<u>\$ (7,087,851)</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions

The City’s total pension liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2022</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25% 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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 11 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, 2022) 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, 2022, as reported for the year ended December 31, 2022, are summarized in the following table:

<u>Asset Class</u>	<u>2022</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers 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, 2023 AND 2022

NOTE 11 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, 2022 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>2022</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	<u>\$ 69,135,069</u>	<u>\$ 50,386,026</u>	<u>\$ 34,777,356</u>

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2022. 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, 2022, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$8,967,236. For the year ended December 31, 2022, 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 \$1,034,582, which is less than the actual contribution the State made on behalf of the City of \$1,116,377. At December 31, 2022 (measurement date June 30, 2022) the State's share of the PFRS net pension liability attributable to the City was .44018 percent, which was a decrease of .00612 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .44630 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, 2023 AND 2022

NOTE 12 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, 2023 AND 2022

NOTE 12 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, 2022:

Active Plan Members	65,360
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>33,684</u>
Total	<u>99,044</u>
Contributing Employers	591
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.

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, 2023 was not available and for 2022 is \$16.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is -0.36% at June 30, 2022.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2021 which was rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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
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NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The employers participating in the OPEB plan made contributions of \$389.5 million and the State of New Jersey, as the non-employer contributing entity, contributed \$45.8 million for fiscal year 2022.

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, 2023, 2022 and 2021 were \$2,295,975, \$1,968,905 and \$1,486,837, 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, N.J.A.C. 5:30-6.1(c)2 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, 2023 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the plan members as an individual employer to the total plan members to the plan during the fiscal years ended June 30, 2022 and 2021. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2022, the City reported a liability of \$53,652,348 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. 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, 2022 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2022. As of the measurement date of June 30, 2022 the City's proportionate share was .33222 percent, which was an increase of .00915 percent from its proportionate share measured as of June 30, 2020 of .32307 percent.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 12 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, 2022, the Plan has determined the City's OPEB expense to be \$3,918,524, based on the actuarial valuation which is more than the actual contributions reported in the City's financial statements of \$2,295,975. At December 31, 2022, 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:

	2022	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 2,770,665	\$ 9,944,865
Changes of Assumptions	7,160,128	18,310,512
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	14,124	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	21,728,135	976,444
Contributions made Subsequent to the Measurement Date	-	-
Total	<u>\$ 31,673,052</u>	<u>\$ 29,231,821</u>

At December 31, 2022 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>
2023	\$ (442,320)
2024	(471,793)
2025	1,098,558
2026	(88,933)
2027	2,247,715
Thereafter	<u>98,004</u>
	<u>\$ 2,441,231</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The City's total OPEB liability reported for the year ended December 31, 2022 was based on the June 30, 2022 measurement date as determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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>2022</u>
Inflation Rate	2.50%
Salary Increases*	
PERS:	
Rate For All Future Years	2.75% to 6.55%
	Based on Years of Service
PFRS:	
Rate For All Future Years	3.25% to 16.25%
	Based on Years of Service

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

Mortality Rates

Pre-retirement and 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 6.25 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. For post-65 medical benefits PPO, the trend is initially -1.89 percent in Fiscal Year 2023, increasing to 15.04 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. The HMO trend is initially -1.99 percent in Fiscal Year 2023, increasing to 15.18 percent in Fiscal Year 2026 and decreasing to 4.50 percent in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to 4.50% long-term trend rate in fiscal year 2030.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

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

Discount Rate

The discount rate for June 30, 2022 measurement date was 3.54%. 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, 2023 AND 2022

NOTE 12 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, 2022 calculated using the discount rate of 3.54% 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 2.54% or 1-percentage-point higher 4.54% than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>2022</u>	<u>(2.54%)</u>	<u>(3.54%)</u>	<u>(4.54%)</u>
City's Proportionate Share of the Net OPEB Liability	<u>\$ 62,193,872</u>	<u>\$ 53,652,348</u>	<u>\$ 46,779,893</u>

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2022. 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, 2022 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
<u>2022</u>			
City's Proportionate Share of the Net OPEB Liability	<u>\$ 45,514,902</u>	<u>\$ 53,652,348</u>	<u>\$ 64,074,125</u>

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2022. 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, 2023 AND 2022**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

At December 31, 2022, the State's proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$9,029,664. For the year ended December 31, 2022 the plan has determined the State's proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is \$1,481,055. At December 31, 2022, (measurement date June 30, 2022), the State's share of the OPEB liability attributable to the City was .26764 percent, which was a decrease of .02776 percent from its proportionate share measured as of December 31, 2021 (measurement date June 30, 2021) of .29540 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 13 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, 2023 AND 2022

NOTE 13 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>
2023	\$ 39,446	\$ 18,773	\$ 333,590
2022	32,343	25,935	282,151
2021	33,137	45,019	264,428

NOTE 14 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, 2023 and 2022. 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, 2023 and 2022, the City reserved \$2,030,639 and \$1,532,737, 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, 2023 and 2022, 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 15 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, 2023 and 2022 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, 2023 AND 2022

NOTE 16 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 \$32,600 and \$43,467 in lease revenue for 2023 and 2022, which includes interest earnings of \$440 and \$1,519, respectively. As of December 31, 2023 and 2022 the City's receivable for lease payments, exclusive of future interest earnings is \$-0- and \$32,161, respectively.

The City leases space on its cell tower to a third party. The City receives monthly lease payments. The City recognized \$72,918 and \$68,922 in lease revenue for 2023 and 2022, respectively, which includes interest earnings of \$1,465 and \$2,820, respectively. As of December 31, 2023 and 2022 the City's receivable for lease payments, exclusive of future interest earnings is \$-0- and \$71,453, 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 2023 and 2022, which includes interest earnings of \$80,057 and \$80,511, respectively. As of December 31, 2023 and 2022 the City's receivable for lease payments, exclusive of future interest earnings is \$3,415,977 and \$3,435,920, respectively.

The future lease revenue principal and interest payments as of December 31, 2023 were as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	22,377	77,623	100,000
2029-2033	119,954	380,046	500,000
2034-2038	134,596	365,404	500,000
2039-2043	151,024	348,976	500,000
2044-2048	169,457	330,543	500,000
2049-2053	190,141	309,859	500,000
2054-2058	213,349	286,651	500,000
2059-2063	239,390	260,610	500,000
2064-2068	268,609	231,391	500,000
2069-2073	301,394	198,606	500,000
2074-2078	338,181	161,819	500,000
2079-2083	379,459	120,541	500,000
2084-2088	425,774	74,226	500,000
2089-2092	377,743	22,257	400,000
Total	<u>\$ 3,415,977</u>	<u>\$ 3,484,023</u>	<u>\$ 6,900,000</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022

NOTE 17 TAX ABATEMENTS

For the years ended December 31, 2023 and 2022, 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, 2023 and 2022 the City abated property taxes totaling \$2,450,251 and \$2,424,762, respectively under the LTTE program. The City received \$1,599,946 and \$1,931,277 in PILOT payments under this program for the years ended December 31, 2023 and 2022, respectively.

NOTE 18 SUBSEQUENT EVENTS

Debt Authorized

On April 16, 2024 the City adopted a bond ordinance authorizing the issuance \$11,735,428 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.

BCIA Note

On May 29, 2024, the City entered into a note purchase agreement with the Bergen County Improvement Authority (BCIA) in the amount of \$27,320,000 to temporarily finance expenditures related to various capital projects. The notes dated May 29, 2024, will mature on May 28, 2025 and bear an interest rate of 4.50%.

NOTE 19 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, 2023 AND 2022**

NOTE 19 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, 2023 AND 2022**

NOTE 19 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 has received \$2,972,796, the full amount of its relief funds under the plan. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026. The City adopted a bond ordinance in 2024 appropriating the monies received from the American Rescue Plan for various infrastructure and capital improvements to be undertaken in the City.

CURRENT FUND

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

Balance, December 31, 2022		\$ 25,867,236
Increased by Receipts:		
Taxes Receivable	\$ 134,950,326	
Non Budget Revenue	860,715	
Due From State of NJ - Senior Citizens and Veterans	46,750	
Miscellaneous Reserves	288,289	
Revenue Accounts Receivable	10,376,806	
Prepaid Taxes	505,250	
Sewer User Charges	441,943	
Tax Overpayments	217,423	
Grant Fund Receipts Deposited in Current Fund	744,345	
Animal Control Fund Fees Deposited in Current Fund	<u>6,198</u>	
		<u>148,438,045</u>
		174,305,281
Decreased by Disbursements:		
2023 Budget Appropriations	66,131,307	
Appropriation Reserves	2,934,223	
Grant Fund Expenditures Paid by Current Fund	879,359	
Payments to Animal Trust Fund	721	
Payments to Other Trust Fund	2,857,523	
Payments to General Capital Fund	488	
Accrued Salaries and Wages Payable	431,271	
Reserve for Tax Appeals	102,098	
Tax Overpayments	335,671	
Local School Taxes Payable	60,649,848	
County Taxes Payable	<u>14,319,897</u>	
		<u>148,642,406</u>
Balance, December 31, 2023		<u>\$ 25,662,875</u>

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

<u>Program</u>	Balance December 31, <u>2022</u>	Budget Revenue	Cash Receipts	Balance December 31, <u>2023</u>
ANJAC-Smart Growth Grant	\$ 4,066			\$ 4,066
Reach & Teach	82,000			82,000
Municipal Alliance	73,732	\$ 5,754	\$ 505	78,981
Open Space Stewardship Project (ANJEC)	500			500
Recycling Tonnage Grant		38,935	38,935	
Drunk Driving Enforcement		8,380	8,380	
FDA Foodborne Illness Grant	4,321			4,321
Clean Communities Grant		58,466	58,466	
FDA Retail Standards	1,189			1,189
FDA Mentorship Grant (NACCHO)	1,569		1,279	290
Strengthening Local Public Health Capacity	68,215	247,735	103,246	212,704
Covid-19 Vaccination	50,000	50,000		100,000
Historic Preservation Grant - Mackay Gate House	20,590			20,590
Assistance to FF Grant		245,455	75,856	169,599
DCA American Recovery Rescue Plan		42,000	42,000	
FEMA Driver Training		170,870		170,870
FEMA Vehicle Extraction		55,484		55,484
Hazardous Materials Emergency Grant		11,900		11,900
FEMA Training Trailer Grant		94,100		94,100
NJ Emergency Prep Grant (NJACCHO)	-	427,132	36,812	390,320
	<u>\$ 306,182</u>	<u>\$1,456,211</u>	<u>\$ 365,479</u>	<u>\$ 1,396,914</u>
		Due From Current Fund	<u>\$ 365,479</u>	

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

Balance, December 31, 2022		\$	7,326
Increased by:			
Deductions Allowed Per Tax Duplicate	\$	48,250	
Deductions Allowed by Tax Collector		<u>26,912</u>	
			<u>75,162</u>
			82,488
Decreased by:			
Deductions Disallowed by Tax Collector		62	
Prior Year Deductions Disallowed by Tax Collector		4,250	
Cash Received from State of NJ		<u>46,750</u>	
			<u>51,062</u>
Balance, December 31, 2023		\$	<u>31,426</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>2022</u>	<u>Levy</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>2023</u>
				<u>2022</u>	<u>2023</u>				
2016	\$ 1,642						\$ 1,642		
2018	4,467						4,467		
2020									
2021	3,343								\$ 3,343
2022	17,077	-	\$ 4,250	-	\$ 7,318	-	(14)	-	14,023
	26,529	-	4,250	-	7,318	-	6,095	-	17,366
2023	-	\$ 135,768,986	62	\$ 676,943	134,943,008	\$ 75,162	26,665	\$ 17,687	29,583
	<u>\$ 26,529</u>	<u>\$ 135,768,986</u>	<u>\$ 4,312</u>	<u>\$ 676,943</u>	<u>\$ 134,950,326</u>	<u>\$ 75,162</u>	<u>\$ 32,760</u>	<u>\$ 17,687</u>	<u>\$ 46,949</u>

Analysis of Property Tax Levy

TAX YIELD

General Purpose Tax \$ 135,490,224
 Added Taxes (RS 54:4-36.1 et seq.) 278,762

\$ 135,768,986

TAX LEVY

Local District School Tax \$ 59,740,886
 County Tax 13,700,932
 County Open Space Tax 601,914
 Due County for Added and
 Omitted Taxes (54:4-63.1) 29,560

\$ 74,073,292

Local Tax for

Municipal Purposes 59,431,421
 Minimum Library Tax 1,976,789
 Add Additional Tax Levied 287,484

61,695,694

\$ 135,768,986

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

Balance, December 31, 2022		\$ 269,632
Increased by:		
Transfers from Taxes Receivable	\$ 17,687	
Miscellaneous Adjustments	<u>1,878</u>	
		<u>19,565</u>
Balance, December 31, 2023		<u>\$ 289,197</u>

STATEMENT OF SEWER USER CHARGES RECEIVABLE

Balance, December 31, 2022		\$ 213,741
Increased by:		
Billings		<u>270,298</u>
		484,039
Decreased By:		
Cash Receipts		<u>441,943</u>
Balance, December 31, 2023		<u>\$ 42,096</u>

CITY OF ENGLEWOOD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2022</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2023</u>
Licenses				
Alcoholic Beverages		\$ 58,493	\$ 58,493	
Other		263,739	263,739	
Fees and Permits		372,587	372,587	
Municipal Court	\$ 20,152	390,095	388,656	\$ 21,591
Interest and Costs on Taxes		204,326	204,326	
Parking Meters		636,731	636,731	
Interest on Investments and Deposits		337,459	337,459	
Recreation Advisory Committee		837,291	837,291	
Fire Prevention Fees		225,060	225,060	
Kings Garden - PILOT		593,899	593,899	
Greater Englewood - PILOT		317,126	317,126	
One William Street - PILOT		594,120	594,120	
Westmoor Gardens - PILOT		94,801	94,801	
Parking Garage Fees		150,022	150,022	
Hotel Occupancy Tax		193,441	193,441	
Cable Franchise Fees		131,751	131,751	
Cell Tower Agreement		116,385	116,385	
Energy Receipts Tax		2,782,397	2,782,397	
Uniform Construction Code Fees		1,077,324	1,077,324	
Uniform Fire Safety Act		50,628	50,628	
Hospital Community Fee		578,733	578,733	
Sewer Charges		71,477	71,477	
Great Englewood Cash Flow		200,360	200,360	
Greater Englewood Annual Fee	-	100,000	100,000	-
	<u>\$ 20,152</u>	<u>\$ 10,378,245</u>	<u>\$ 10,376,806</u>	<u>\$ 21,591</u>

**CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATION RESERVES**

	Balance, December 31, <u>2022</u>	Prior Year Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
City Council					
Salaries and Wages					
Other Expenses	\$ 1,778	\$ 2,759	\$ 4,537	\$ 2,679	\$ 1,858
City Manager					
Salaries and Wages	7,127		7,127		7,127
Other Expenses	1,035	14,043	15,078	14,034	1,044
City Clerk					
Salaries and Wages	3,449		3,449		3,449
Overtime	1,418		1,418		1,418
Other Expenses	1,610	6,486	8,096	5,545	2,551
Human Resources					
Salaries and Wages	5,464		5,464		5,464
Other Expenses	22,497	3,317	25,814	7,478	18,336
Purchasing					
Other Expenses	597	572	1,169	572	597
Finance					
Salaries and Wages	9,722		9,722		9,722
Other Expenses	149	20,960	61,109	29,726	31,383
Computerized Data Processing Center					
Other Expenses	263	18,511	60,774	53,559	7,215
Collection of Taxes					
Salaries and Wages	1,689		1,689		1,689
Other Expenses	9,467	10,147	19,614	10,543	9,071
Assessment of Taxes					
Salaries and Wages	4,194		4,194		4,194
Other Expenses	25,854		25,854		25,854
Legal Service and Costs					
Salaries and Wages	14,941		4,941		4,941
Other Expenses	194,607	157,248	351,855	128,124	223,731
Engineering Services	-				
Salaries and Wages	2,789		2,789		2,789
Other Expenses	13,000	1,370	14,370	1,233	13,137
Community Development					
Other Expenses	1,946	21,219	33,165	30,158	3,007
Municipal Court					
Salaries and Wages	16,940		16,940		16,940
Overtime	6,419		6,419		6,419
Other Expenses	40,645	19,481	60,126	13,871	46,255
Public Defender					
Other Expenses	5,000	900	5,900	2,700	3,200
Insurance					
Medical	47,398	837,428	884,826	837,428	47,398
Health Benefit Waiver	1,622		1,622		1,622
Other Insurance Premium	64,815	766,599	831,414	766,599	64,815
Workers Compensation	35,754	115,000	150,754	68,145	82,609
Land Use					
Other Expenses	17,144	15,131	32,275	22,541	9,734
Fire Division					
Salaries and Wages	75,931		53,931	53,931	
Overtime	47,070		17,070	17,070	
Other Expenses	1,525	47,877	49,402	49,402	
Police					
Salaries and Wages	178,311		138,311		138,311
Overtime	32,136		32,136		32,136
Other Expenses	47,722	48,838	96,560	44,728	51,832
Emergency Management Services					
Other Expenses	5,322	4,678	10,000	4,678	5,322

**CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATION RESERVES**

	Balance, December 31, <u>2022</u>	Prior Year Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
DPW Administration					
Salaries and Wages	\$ 13,374		\$ 13,374		\$ 13,374
Overtime	1,792		1,792		1,792
Other Expenses	9,919	\$ 22,582	32,501	\$ 24,117	8,384
Public Building and Grounds					
Other Expenses	33,485	88,753	122,238	112,727	9,511
Shade Tree					
Salaries and Wages	11,021		11,021		11,021
Overtime	4,283		4,283		4,283
Other Expenses	1,215	9,435	10,650	5,001	5,649
Roads					
Salaries and Wages	5,226		5,226		5,226
Overtime	26,287		26,287		26,287
Other Expenses	124,888	40,689	165,577	35,117	130,460
Central Maintenance - Garage					
Salaries and Wages	1,318		1,318		1,318
Overtime	4,860		4,860		4,860
Other Expenses	53,511	178,219	231,730	200,872	30,858
Construction and Facilities Maintenance					
Salaries and Wages	10,780		10,780		10,780
Overtime	1,396		1,396		1,396
Other Expenses	30,275	5,932	36,207	9,070	27,137
Sanitation					
Salaries and Wages	31,236		31,236		31,236
Overtime	10,943		10,943		10,943
Other Expenses	18,161	16,122	34,283	16,380	17,903
Sewer Maintenance					
Salaries and Wages	5,333		5,333		5,333
Overtime	47		47		47
Other Expenses	6,186	10,312	16,498	3,577	12,921
Park Maintenance					
Salaries and Wages	11,992		11,992		11,992
Overtime	25,515		25,515		25,515
Other Expenses	14,894	3,057	17,951	3,353	14,598
Condominium Services Act					
Other Expenses	54,017		54,017		54,017
Board of Health					
Salaries and Wages	16,528		1,528		1,528
Overtime	119		119		119
Other Expenses	2,867	14,599	42,466	28,662	13,804
Animal Control Regulation					
Other Expenses	36	20,632	20,668	20,632	36
Contribution to Child Dev. & Teen Program					
Other Expenses	59,000		59,000		59,000
Recreation Services and Programs					
Salaries and Wages	41,270		41,270		41,270
Overtime	15,000		15,000		15,000
Other Expenses	17,123	81,501	98,624	56,876	41,748
Construction Code Official					
Salaries and Wages	90,035		90,035		90,035
Overtime	21,400		21,400		21,400
Other Expenses	20,030	19,729	39,759	31,463	8,296
Contingency	1,365		1,365		1,365
Solid Waste Disposal	538,393	128,811	667,204	658,253	8,951
Leaf Disposal Site	173,235	57,860	231,095	228,377	2,718

CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATION RESERVES

	Balance, December 31, <u>2022</u>	Prior Year Encumbrances <u>Restored</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Utilities					
Street Lighting	\$ 78,414		\$ 78,414	\$ 74,128	\$ 4,286
Telephone / Communications	26,135	\$ 6,274	32,409	7,229	25,180
Water	7,028		7,028		7,028
Gas and Electric	39,579		39,579	39,561	18
Fire Hydrant	46,989		46,989		46,989
Statutory Expenditures:					
Contribution to:					
Public Employee's Retirement System	5,056		5,056		5,056
Social Security System	16,662		16,662	1,000	15,662
Defined Contribution Retirement Program	980		980		980
C.P.F.P.F.	40,000		40,000		40,000
BCUA					
Share of Costs (PL 1968c 404)	64,568		64,568		64,568
Recycling Tax	10,892	2,830	13,722	13,042	680
Maintenance of Free Public Library					
Salaries and Wages	<u>450,987</u>	<u>203,668</u>	<u>654,655</u>	<u>137,844</u>	<u>516,811</u>
	<u>\$ 3,242,995</u>	<u>\$ 3,023,569</u>	<u>\$ 6,266,564</u>	<u>\$ 3,872,025</u>	<u>\$ 2,394,539</u>
	A	A-19, A			
		Cash Disbursements		\$ 2,934,223	
		Accrued Salaries and Wages		56,001	
		Accounts Payable		<u>881,801</u>	
				\$ 3,816,024	

**CITY OF ENGLEWOOD
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2022	\$ 676,943
Increased by:	
Collection of 2024 Taxes	<u>505,250</u>
	1,182,193
Decreased by:	
Applied to 2023 Taxes Receivable	<u>676,943</u>
Balance, December 31, 2023	<u>\$ 505,250</u>

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2022	\$ 335,671
Increased by:	
Cash Receipts	<u>217,423</u>
	553,094
Decreased by:	
Refunds	<u>335,671</u>
Balance, December 31, 2023	<u>\$ 217,423</u>

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

Balance, December 31, 2022		\$ 17,051
Increased by:		
Levy, Calendar Year		
County Taxes	\$ 13,700,932	
County Open Space Taxes	601,914	
Added and Omitted Taxes	<u>29,560</u>	
		<u>14,332,406</u>
		14,349,457
Decreased by:		
Cash Disbursements		<u>14,319,897</u>
Balance, December 31, 2023		<u><u>\$ 29,560</u></u>

SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE (PREPAID)

Balance, December 31, 2022 (Payable)		\$ 86,194
Increased by:		
Levy, Calendar Year		<u>59,740,886</u>
		59,827,080
Decreased by:		
Cash Disbursements		<u>60,649,848</u>
Balance, December 31, 2023 (Prepaid)		<u><u>\$ 822,768</u></u>

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

<u>Program</u>	<u>Balance December 31, 2022</u>	<u>Transferred from 2023 Budget</u>	<u>Paid or Charged</u>	<u>Balance December 31, 2023</u>
Municipal Alliance Program	\$ 50,126	\$ 5,754	\$ 15,839	\$ 40,041
Municipal Alliance Program-Local Match	13,273	1,439	2,044	12,668
State Forestry Services Green Communities	3,000			3,000
Bio-Terrorism Sub-Grant	369			369
Alcohol Education & Rehabilitation Fund	11,626			11,626
Reach & Teach	90,000			90,000
Drunk Driving Enforcement Fund	76,651	8,380		85,031
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	25,298		3,200	22,098
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 (NJACCHO)		427,132	26,724	400,408
FEMA-Firefighters Grant	4			4
Body Armor Replacement	46,565		19,581	26,984
Hurricane Irene Relief Employment Fund	8,625			8,625
Historic Preservation Grant - Mackay Gate House	20,590			20,590
Recycling Tonnage	123,510	38,935	35,488	126,957
Clean Communities Program	125,116	58,466	39,452	144,130
Community Chest of Englewood	5,102			5,102
Drunk Driving Prevention	7,797			7,797
NJ Healthy Communities Network	12,538			12,538
Strengthening Local Public Health Capacity	5,994	247,735	132,312	121,417
Sustainable Energy Grant	5,000			5,000
USA Swimming Foundation Grant	33,676			33,676
Covid-19 Vaccination	50,000	50,000	6,996	93,004
Assistance to FF Grant		245,455		245,455
DCA American Rescue Plan		42,000	42,000	
FEMA Driver Training		170,870	75,856	95,014
FEMA Vehicle Extraction		55,484		55,484
Hazardous Materials Emergency		11,900	11,900	
FEMA Training Trailer Grant	-	94,100	94,100	-
	<u>\$ 748,225</u>	<u>\$ 1,457,650</u>	<u>\$ 505,492</u>	<u>\$ 1,700,383</u>
Due to Current Fund			\$ 337,122	
Encumbrances Payable			<u>168,370</u>	
			<u>\$ 505,492</u>	

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

	Balance December 31, <u>2022</u>	<u>Cash Receipts</u>	Balance December 31, <u>2023</u>
Drunk Driving Enforcement Fund	\$ 600		\$ 600
Body Armor Replacement Grant	4,797	\$ 5,491	10,288
New Jersey State Police - Special Data Collections	76,797		76,797
American Rescue Plan Grant	2,972,796		2,972,796
Bergen County	640		640
Opioid Assistance Grant		348,889	348,889
Stormwater assistance Grant		15,000	15,000
NACCHO / HIV Grant	-	9,486	9,486
	<u>\$ 3,055,630</u>	<u>\$ 378,866</u>	<u>\$ 3,434,496</u>
Due From Current Fund		<u>\$ 378,866</u>	

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

Balance, December 31, 2022	\$ 3,153,360
Increased by:	
Grant Fund Receipts Deposited in Current Fund	
Grants Receivable	\$ 365,479
Unappropriated Grant Reserves	378,866
Matching Funds for Grants	<u>1,439</u>
	<u>745,784</u>
	3,899,144
Decreased by:	
Grant Fund Expenditures Paid by Current Fund	
Encumbrances Payable	29,156
Appropriated Grant Reserves	337,122
General Capital Fund Expenditures Paid by Grant Fund	165,135
Payments to General Capital Fund from Grant Fund	15,000
Payments to Other Trust Fund from Grant Fund	<u>332,946</u>
	<u>879,359</u>
Balance, December 31, 2023	<u>\$ 3,019,785</u>

CITY OF ENGLEWOOD
STATEMENT OF ENCUMBRANCES / ACCOUNTS PAYABLE

	<u>Regular Fund</u>	<u>Grant Fund</u>
Balance, December 31, 2022	\$ 3,050,709	\$ 29,156
Increased by:		
Charges to:		
Budget Appropriations	2,399,518	
Charges to Appropriation Reserves	881,801	
Appropriated Grants Reserves	<u>-</u>	<u>168,370</u>
	<u>3,281,319</u>	<u>168,370</u>
	<u>6,332,028</u>	<u>197,526</u>
Decreased by:		
Encumbrances Restored to		
Appropriation Reserves	3,023,569	
Cash Disbursed		29,156
Cancelled	<u>27,140</u>	<u>-</u>
	<u>3,050,709</u>	<u>29,156</u>
Balance, December 31, 2023	<u>\$ 3,281,319</u>	<u>\$ 168,370</u>
Encumbrances Payable	\$ 3,255,804	\$ 168,370
Accounts Payable	<u>25,515</u>	<u>-</u>
	<u>\$ 3,281,319</u>	<u>\$ 168,370</u>

CITY OF ENGLEWOOD
STATEMENT OF MISCELLANEOUS RESERVES

	Balance December 31, <u>2022</u>	<u>Cash Receipts</u>	Anticipated as <u>Budgeted Revenue</u>	Balance, December 31, <u>2023</u>
Reassessment	\$ 5,000			\$ 5,000
Codification of Ordinances	2,234			2,234
Municipal Relief Fund	<u>144,144</u>	<u>\$ 288,289</u>	<u>\$ 144,144</u>	<u>288,289</u>
	<u>\$ 151,378</u>	<u>\$ 288,289</u>	<u>\$ 144,144</u>	<u>\$ 295,523</u>

EXHIBIT A-21

STATEMENT OF RESERVE FOR TAX APPEALS

Balance, December 31, 2022	\$ 1,532,737
Increased by:	
Transferred from 2023 Budget Appropriations	<u>600,000</u>
	2,132,737
Decreased by:	
Cash Disbursements	<u>102,098</u>
Balance, December 31, 2023	<u>\$ 2,030,639</u>

EXHIBIT A-22

STATEMENT OF ACCRUED SALARIES AND WAGES PAYABLE

Balance, December 31, 2022	\$ 541,727
Increased by:	
Charges to Appropriation Reserves	<u>56,001</u>
	597,728
Decreased by:	
Cash Disbursements	<u>431,271</u>
Balance, December 31, 2023	<u>\$ 166,457</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, 2022	\$ 1,195,355	\$ 14,457	\$ 327,080	\$ 11,027,137
Increased by Receipts:				
Interest on Deposits	\$ 4,643	\$ 303	\$ 8,428	
Payroll Deductions Payable				\$ 37,196,757
SID Taxes and Liens Receivable				249,303
Miscellaneous Reserve and Deposits				3,613,174
Receipts from Current Fund				2,857,523
Receipts from Grant Fund	-	721	-	332,946
	<u>4,643</u>	<u>1,024</u>	<u>8,428</u>	<u>44,249,703</u>
	1,199,998	15,481	335,508	55,276,840
Decreased by Disbursements:				
Encumbrances Payable				920,095
Animal Control Expenditures		1,492		
Payments to State of New Jersey		966	18,773	
Payroll Deductions Payable				37,080,812
Various Reserves and Deposits				6,090,065
Assessments Serial Bonds	<u>630,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>630,000</u>	<u>2,458</u>	<u>18,773</u>	<u>44,090,972</u>
Balance, December 31, 2023	<u>\$ 569,998</u>	<u>\$ 13,023</u>	<u>\$ 316,735</u>	<u>\$ 11,185,868</u>

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

	Balance December 31, <u>2022</u>	<u>Receipts</u>		<u>Disbursements</u>	Balance December 31, <u>2023</u>
		<u>Assessments</u>	<u>Interest</u>		
Assessment Serial Bonds	\$ 1,176,966			\$ 630,000	\$ 546,966
Due To Current Fund	18,386		\$ 4,643		23,029
Assessment Trust Surplus	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
	<u>\$ 1,195,355</u>	<u>\$ -</u>	<u>\$ 4,643</u>	<u>\$ 630,000</u>	<u>\$ 569,998</u>

STATEMENT OF ASSESSMENTS RECEIVABLE

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	Balance December 31, <u>2022</u>	Cash <u>Receipts</u>	Balance December 31, <u>2023</u>	Balance Pledged to Serial Bonds <u>Payable</u>
08-07, 03-18, 05-18	Route 4 Access	4/24/2012	<u>\$ 38,034</u>	<u>\$ -</u>	<u>\$ 38,034</u>	<u>\$ 38,034</u>

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 2022</u>	<u>Decreased</u>	<u>Balance December 31, 2023</u>
			<u>Outstanding-December 31, 2023</u>					
			<u>Date</u>	<u>Amount</u>				
Assessment Bonds	12/16/08	\$ 8,775,000	01/01/24	\$ 585,000	5.000%	<u>\$ 1,215,000</u>	<u>\$ 630,000</u>	<u>\$ 585,000</u>

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

<u>Improvement Description</u>	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
Police Vests	\$ 1,282			\$ 1,282
Confiscated Funds (DEA)	389,312	\$ 50,659	\$ 313,180	126,791
Confiscated Funds (DHS)	298,757	15,923	290,850	23,830
Misc Bank Transactions	38,470	76,261		114,731
Charitable Causes	67,443	26,512	19,903	74,052
Honor Guard	1,208			1,208
DARE	600			600
Uniform Fire Safety	69,094	6,678	38,375	37,397
Dedicated Uniform Fire Safety Penalties	18,070	5,150		23,220
COAH	2,009,491	130,485	245,963	1,894,013
POLICE	2,150	25,200	1,019	26,331
Recreation	15,286		15,286	-
POAA	18,497	4,950		23,447
Police Confiscated Funds	34,338			34,338
Ice Arena	13,702			13,702
Tree Fund Donations	51,650	23,400		75,050
Other	25,704	44		25,748
Tax Sale Redemption	43,911	1,307,380	1,282,231	69,060
Environmental Commission	7,119	100	1,780	5,439
Tax Sale Premiums	4,178,900	853,000	3,304,200	1,727,700
Special Improvement District	13,393	250,928	247,304	17,017
Developers Trust	2,194,650	730,094	460,435	2,464,309
Police Off Duty	12,181	185,862	185,768	12,275
4th of July Fireworks	8,212	10,650	17,820	1,042
Englewood Day	5,626			5,626
Englewood Commemorative Council	45	1,000		1,045
Storm Recovery	508,171	157,201	40,635	624,737
Miscellaneous	1,500			1,500
Terminal Leave	2,271,000	650,000	828,361	2,092,639
Stigma Free	2,200	1,000	-	3,200
	<u>\$ 12,301,962</u>	<u>\$ 4,512,477</u>	<u>\$ 7,293,110</u>	<u>\$ 9,521,329</u>
Cash Receipts		\$ 3,613,174		
SID Taxes and Liens		249,303		
Due From Current Fund				
Terminal Leave		<u>650,000</u>		
		<u>\$ 4,512,477</u>		
Cash Disbursements			\$ 6,090,565	
Encumbrances Payable			<u>1,203,045</u>	
			<u>\$ 7,293,610</u>	

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

Balance, December 31, 2022		\$ 9,021
Increased by:		
Animal Control Fees Deposited in Current Fund		<u>5,240</u>
		14,261
Decreased by:		
Cash Disbursements	\$ 1,492	
Statutory Excess Due to Current Fund	<u>4,756</u>	
		<u>6,248</u>
Balance, December 31, 2023		<u><u>\$ 8,013</u></u>

EXHIBIT B-10

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

Balance, December 31, 2022		\$ 8
Increased by:		
State Fees Deposited in Current Fund		<u>958</u>
		966
Decreased by:		
Payments to State of New Jersey		<u>966</u>
Balance, December 31, 2023		<u><u>\$ -</u></u>

EXHIBIT B-11

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

Balance, December 31, 2022		\$ 5,428
Increased by:		
Interest on Deposits	\$ 303	
Receipts from Current Fund	721	
Statutory Excess Due to Current Fund	<u>4,756</u>	
		<u>5,780</u>
		11,208
Decreased by:		
Animal Control Fees Deposited in Current Fund		<u>6,198</u>
Balances, December 31, 2023		<u><u>\$ 5,010</u></u>

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

Balance, December 31, 2022		\$	47,247
Increased by:			
Unemployment Claims and Other Charges			<u>666</u>
			47,913
Decreased by:			
Payments to State of New Jersey	\$	18,773	
Adjustment Due to Federal Subsidy Applied		<u>4,231</u>	
			<u>23,004</u>
Balances, December 31, 2023		\$	<u>24,909</u>

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

Balance, December 31, 2022		\$	282,151
Increased by:			
Employee Payroll Deductions Due from Other Trust Fund	\$	39,446	
Adjustment Due to Federal Subsidy Applied		4,231	
Interest on Deposits		<u>8,428</u>	
			<u>52,105</u>
			334,256
Decreased by:			
Unemployment Claims and Other Charges - State of NJ			<u>666</u>
Balance, December 31, 2023		\$	<u>333,590</u>

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

Balance, December 31, 2022		\$ 565,424
Increased by:		
Cash Receipts		<u>37,196,757</u>
		37,762,181
Decreased by:		
Cash Disbursements	\$ 37,080,812	
Payroll Deductions Due to Unemployment Compensation Trust Fund	<u>39,446</u>	
		<u>37,120,258</u>
Balance, December 31, 2023		<u>\$ 641,923</u>

**STATEMENT OF ENCUMBRANCES PAYABLE
OTHER TRUST FUND**

Balance, December 31, 2022		\$ 99,175
Increased by:		
Charges to Miscellaneous Reserves and Deposits		<u>1,203,045</u>
		1,302,220
Decreased by:		
Cash Disbursements		<u>920,095</u>
Balances, December 31, 2023		<u>\$ 382,125</u>

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

Balance, December 31, 2022	\$ 9,886
Balance, December 31, 2023	<u>\$ 9,886</u>

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

Balance, December 31, 2022	\$ 108,571
Increased by:	
Billings	<u>250,001</u>
	358,572
Decreased by:	
Other Trust Fund Receipts Deposited in Current Fund	<u>249,303</u>
Balance, December 31, 2023	<u>\$ 109,269</u>

**STATEMENT OF DUE FROM / (TO) CURRENT FUND
OTHER TRUST FUND**

Balance, December 31, 2022 (Due from)	\$ 1,916,086
Increased by:	
Transferred from Current Fund	
2023 Budget	<u>650,000</u>
	2,566,086
Decreased by:	
Receipts from Current Fund	<u>2,857,523</u>
Balances, December 31, 2023 (Due to)	<u>\$ 291,437</u>

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

Balance, December 31, 2022	\$ 18,386
Increased by:	
Interest on Deposits	<u>4,643</u>
Balances, December 31, 2023	<u>\$ 23,029</u>

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

Balance, December 31, 2022 (Due from)	\$ 25,656
Decreased by:	
Cash Receipts from Grant Fund	<u>332,946</u>
Balance, December 31, 2023 (Due to)	<u>\$ 307,290</u>

GENERAL CAPITAL FUND

**CITY OF ENGLEWOOD
STATEMENT OF CASH**

Balance, December 31, 2022		\$ 12,311,870
Increased by Receipts:		
Receipts from Current Fund	\$ 488	
Receipts from Grant Fund	15,000	
Grant Proceeds		
Grants Receivable	800,620	
Deferred Charges Unfunded	5,250	
Fund Balance	231,710	
Premiums on Sale of Bonds and Notes	133,370	
Interest on Deposits	<u>41,275</u>	
		<u>1,227,713</u>
		13,539,583
Decreased by Disbursements:		
Encumbrances Payable	11,097,199	
Bond Anticipation Notes	<u>775,996</u>	
		<u>11,873,195</u>
Balance, December 31, 2023		<u>\$ 1,666,388</u>

**CITY OF ENGLEWOOD
STATEMENT OF CAPITAL CASH
AS OF DECEMBER 31, 2023**

Fund Balance	\$ 983,707
Capital Improvement Fund	147,948
Miscellaneous Reserves	68,759
Reserve for Debt Service	2,191,949
Encumbrances Payable	9,564,412
Due from Current Fund	(465,636)
Due to Community Development Block Grant Fund	9,886
Due to Grant Fund	579,260
Grants Receivable	(5,032,333)

Ord No.	<u>Improvement Authorizations</u>	
03-15	Various Capital Improvements	7,693
10-18	Various Capital Improvements	860
12-15	Various Capital Improvements	7,557
13-01,14-25	Various Capital Improvements	5,500
13-06	Various Capital Improvements	93,685
13-11a	Ice Arena Improvements	77,200
13-15	Overpeck Creek Channel Wall Replacements	3,393
14-16	Various Capital Improvements	12,567
15-03,15-12	Various Equipment and Capital Improvements	935,645
16-07	Various Equipment and Capital Projects	283,351
17-03	Various Equipment and Capital Improvements	90,110
18-09	Various Capital Improvements	1,210,743
19-10, 22-09	Various Capital Improvements	1,193,473
20-02	Various Capital Improvements	601,975
21-05, 22-15	Various Capital Improvements	(1,755,037)
22-06	Various Capital Improvements	(6,713,822)
22-19	Acquisition of Real Property	(368,794)
23-01	Various Roadway Improvements and Equipment Acquisition	(310,196)
23-12	Various Capital Improvements	(1,757,467)
		<u>\$ 1,666,388</u>

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

Balance, December 31, 2022	\$ 60,580,000
Decreased by:	
Current Fund Budget Appropriations	
Serial Bond Principal	<u>4,530,000</u>
Balance, December 31, 2023	<u>\$ 56,050,000</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2022	2023 Authorizations	Grant Proceeds	Capital Fund Balance	Balance, December 31, 2023	Analysis of Balance December 31, 2023		Unexpended Balance of Improvement Authorizations
							Bond Anticipation Notes	Expenditures	
09-13	Various Capital Improvements	\$ 50				\$ 50			\$ 50
13-01,14-25	Various Capital Improvements	104,500				104,500			104,500
16-07	Various Equipment and Capital Projects	1,115,004			\$ 825,000	290,004	\$ 290,004		
18-09	Various Capital Improvements	775				775			775
19-10, 22-09	Various Capital Improvements	4,642,854				4,642,854	4,642,000		854
20-02	Various Capital Improvements	7,409,615		\$ 5,250		7,404,365	3,000,000		4,404,365
21-05, 22-15	Various Capital Improvements	5,595,334				5,595,334	3,000,000	1,755,037	840,297
22-06	Various Capital Improvements	11,115,425				11,115,425		6,713,822	4,401,603
22-19	Acquisition of Real Property	708,000	-			708,000		368,794	339,206
23-01	Various Roadway Improvements and Equipment Acquisition		\$ 327,735			327,735		310,196	17,539
23-12	Various Capital Improvements	-	9,572,740	-	-	9,572,740	-	1,757,467	7,815,273
		<u>\$ 30,691,557</u>	<u>\$ 9,900,475</u>	<u>\$ 5,250</u>	<u>\$ 825,000</u>	<u>\$ 39,761,782</u>	<u>\$ 10,932,004</u>	<u>\$ 10,905,316</u>	<u>\$ 17,924,462</u>
Improvement Authorizations - Unfunded									\$ 20,003,261
Less: Unexpended Note Proceeds									
Ordinance 16-07								\$ 283,351	
Ordinance 19-10/22-09								1,193,473	
Ordinance 20-02								601,975	
									<u>2,078,799</u>
									<u>\$ 17,924,462</u>

**CITY OF ENGLEWOOD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Balance, December 31, 2022		2023 Authorizations			Cancelled Encumbrances	Paid or Charged	Balance, December 31, 2023	
		Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded	Grants Awards			Funded	Unfunded
General Improvements										
03-15	Various Capital Improvements						\$ 7,693		\$ 7,693	
10-18	Various Capital Improvements						910		860	\$ 50
12-15	Various Capital Improvements						7,557		7,557	
13-01,14-25	Various Capital Improvements	\$ 5,500	\$ 104,500						5,500	104,500
13-06	Various Capital Improvements	127,483						\$ 33,798	93,685	
13-11a	Ice Arena Improvements						77,200		77,200	
13-15	Overpeck Creek Channel Wall Replacements	3,393							3,393	
14-16	Various Capital Improvements						12,567		12,567	
15-03,15-12	Various Equipment and Capital Improvements	864,999					70,646		935,645	
16-07	Various Equipment and Capital Projects		366,734					83,383		283,351
17-03	Various Equipment and Capital Improvements		147,617					57,507	90,110	
18-09	Various Capital Improvements	1,380,830	775					170,087	1,210,743	775
19-10, 22-09	Various Capital Improvements		1,986,897					792,570		1,194,327
20-02	Various Capital Improvements		5,538,959					532,619		5,006,340
21-05, 22-15	Various Capital Improvements		3,590,224					2,749,927		840,297
22-06	Various Capital Improvements		8,060,014					3,658,411		4,401,603
22-19	Acquisition of Real Property	36,000	708,000					404,794		339,206
23-01	Various Roadway Improvements and Equipment Acquisition			\$ 16,387	\$ 327,735	\$ 155,878		482,461		17,539
23-12	Various Capital Improvements	-	-	478,638	9,572,740	2,542,510	-	4,778,615	-	7,815,273
		<u>\$ 2,418,205</u>	<u>\$ 20,503,720</u>	<u>\$ 495,025</u>	<u>\$ 9,900,475</u>	<u>\$ 2,698,388</u>	<u>\$ 176,573</u>	<u>\$ 13,744,172</u>	<u>\$ 2,444,953</u>	<u>\$ 20,003,261</u>
Encumbrances Payable								<u>\$ 13,744,172</u>		

**CITY OF ENGLEWOOD
STATEMENT OF GRANTS RECEIVABLE**

<u>Grantor</u>	<u>Balance December 31, 2022</u>	<u>Grant Awards</u>	<u>Cash Receipts</u>	<u>Balance December 31, 2023</u>
Bergen County				
Ord. No. 19-10	\$ 125,000			\$ 125,000
Ord. No. 21-05	115,000			115,000
N.J. Dept. of Transportation				
Ord. No. 20-02	585,000		\$ 150,000	435,000
Ord. No. 21-05	246,000		184,919	61,081
Ord. No. 23-12		\$ 417,870		417,870
Community Development Block Grant				
Ord. No. 20-02	150,000			150,000
Ord. No. 23-01		155,878		155,878
Ord. No. 23-12		207,810		207,810
N.J. Department of Environmental Protection				
Ord. No. 21-05	1,301,065			1,301,065
Ord. No. 23-12		100,000		100,000
U.S. Department of Justice				
Ord. No. 23-12		1,750,000		1,750,000
Urban Community Forestry Grant				
Ord. No. 23-12		66,830		66,830
Federal Emergency Management Agency				
Ord. No. 22-06	737,500	-	465,701	271,799
	<u>\$ 3,259,565</u>	<u>\$ 2,698,388</u>	<u>\$ 800,620</u>	<u>\$ 5,157,333</u>

Balance Pledged to:

Reserve	\$ 125,000
Ordinance	<u>5,032,333</u>
	<u>\$ 5,157,333</u>

**CITY OF ENGLEWOOD
STATEMENT OF MISCELLANEOUS RESERVES**

Balance, December 31, 2022	\$ 68,759
Balance, December 31, 2023	<u>\$ 68,759</u>
<u>Analysis of Balance at December 31, 2023</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, 2022	\$ 7,259,147
Increased by:	
Charges to Improvement Authorizations	<u>13,744,172</u>
	21,003,319
Decreased by:	
Cash Disbursements	\$ 11,097,199
General Capital Fund Expenditures Paid by Grant Fund	165,135
Cancelled	<u>176,573</u>
	<u>11,438,907</u>
Balance, December 31, 2023	<u>\$ 9,564,412</u>

EXHIBIT C-10

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2022	\$ 122,973
Increased by:	
Current Fund Budget Appropriation	<u>520,000</u>
	642,973
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>495,025</u>
Balances, December 31, 2023	<u>\$ 147,948</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 Outstanding-Dec 31, 2023</u>			<u>Interest Rate</u>	<u>Balance December 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2023</u>
			<u>Date</u>	<u>Amount</u>						
General Improvement Bonds	4/2/2014	\$ 16,450,000	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%	\$ 8,775,000		\$ 740,000	\$ 8,035,000
General Obligation Bonds	4/1/2017	14,285,000	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%	10,425,000		1,030,000	9,395,000
General Obligation Bonds	3/28/2019	15,260,000	04/01/24	530,000		5.000%				
			04/01/25	545,000		5.000%				
			04/01/26	560,000		5.000%				
			04/01/27	580,000		5.000%				
			04/01/28	600,000		5.000%				
			04/01/29	625,000		4.000%				
			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%	13,745,000		515,000	13,230,000

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Balance December 31, 2022	Increased	Decreased	Balance December 31, 2023
			Outstanding-Dec 31, 2023	Date	Amount				
General Obligation Bonds	3/24/2021	\$ 27,105,000	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%	\$ 25,520,000		\$ 2,005,000	\$ 23,515,000
2022 General Improvement Refunding Bonds	1/27/2022	2,380,000	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%	2,115,000	-	240,000	1,875,000
						\$ 60,580,000	\$ -	\$ 4,530,000	\$ 56,050,000

Issued

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, 2022	Increased	Decreased	Balance, December 31, 2023
16-07	Various Capital Improvements	12/12/2019	3/22/2022 3/16/2023	3/21/2023 3/15/2024	3.00% 4.50%	\$ 1,066,000	\$ 290,004	\$ 1,066,000	\$ 290,004
19-10	Various Capital Improvements	3/24/2021	3/22/2022 3/16/2023	3/21/2023 3/15/2024	3.00% 4.50%	4,642,000	4,642,000	4,642,000	4,642,000
20-02	Various Capital Improvements	3/24/2021	3/22/2022 3/16/2023	3/21/2023 3/15/2024	3.00% 4.50%	3,000,000	3,000,000	3,000,000	3,000,000
21-05	Various Capital Improvements	3/10/2022	3/22/2022 3/16/2023	3/21/2023 3/15/2024	3.00% 4.50%	3,000,000 -	3,000,000	3,000,000 -	3,000,000
						<u>\$ 11,708,000</u>	<u>\$ 10,932,004</u>	<u>\$ 11,708,000</u>	<u>\$ 10,932,004</u>
							\$ 10,932,004	\$ 10,932,004	
							-	775,996	
							<u>\$ 10,932,004</u>	<u>\$ 11,708,000</u>	

Renewals
Paid with Capital Cash

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

Balance, December 31, 2022		\$ 487,399
Increased by:		
Budget Appropriations		
Capital Improvement Fund		<u>520,000</u>
		1,007,399
Decreased by:		
Receipts from Current Fund	488	
Anticipated as Revenue in Current Fund Budget:		
Fund Balance	500,000	
Interest on Deposits	<u>41,275</u>	
		<u>541,763</u>
Balance, December 31, 2023		<u>\$ 465,636</u>

STATEMENT OF DUE TO GRANT FUND

Balance, December 31, 2022		\$ 399,125
Increased by:		
Receipts from Grant Fund	\$ 15,000	
General Capital Fund Expenditures Paid by Grant Fund	<u>165,135</u>	
		<u>180,135</u>
Balance, December 31, 2023		<u>\$ 579,260</u>

STATEMENT OF DUE TO COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Balance, December 31, 2022	<u>\$ 9,886</u>
Balance, December 31, 2023	<u>\$ 9,886</u>

STATEMENT OF RESERVE FOR DEBT SERVICE

Balance, December 31, 2022	<u>\$ 2,191,949</u>
Balance, December 31, 2023	<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>2022</u>	2023 <u>Authorizations</u>	Grant <u>Receipts</u>	Capital Fund <u>Balance</u>	Notes Paid with Capital <u>Cash</u>	Balance, December 31, <u>2023</u>
09-13	Various Capital Improvements	\$ 50					\$ 50
13-01,14-25	Various Capital Improvements	104,500					104,500
16-07	Various Equipment and Capital Projects	49,004			\$ 825,000	\$ 775,996	
18-09	Various Capital Improvements	775					775
19-10	Various Capital Improvements	854					854
20-02	Various Capital Improvements	4,409,615		\$ 5,250			4,404,365
21-05, 22-15	Various Capital Improvements	2,595,334					2,595,334
22-06	Various Capital Improvements	11,115,425					11,115,425
22-19	Acquisition of Real Property	708,000					708,000
23-01	Various Roadway Imprvts. and Equipment Acq.		\$ 327,735				327,735
23-12	Various Capital Improvements	-	9,572,740	-	-	-	9,572,740
		<u>\$ 18,983,557</u>	<u>\$ 9,900,475</u>	<u>\$ 5,250</u>	<u>\$ 825,000</u>	<u>\$ 775,996</u>	<u>\$ 28,829,778</u>

CITY OF ENGLEWOOD

PART II

GOVERNMENT AUDITING STANDARDS

AND

SINGLE AUDIT



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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**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, 2023, and the related notes to the financial statements, and have issued our report thereon dated September 4, 2024. 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.

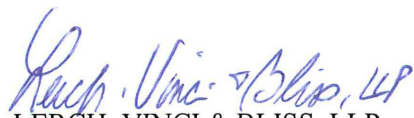
Report on Compliance and Other Matters

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 CR000411

Fair Lawn, New Jersey
September 4, 2024



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
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DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

**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, 2023. 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, 2023.

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.

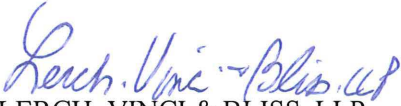
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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, 2023, and the related notes to the financial statements and have issued our report thereon dated September 4, 2024, 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 CR000411

Fair Lawn, New Jersey
September 4, 2024

CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Federal Program</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2022</u>	<u>Revenue</u>	<u>Expended</u>	<u>Balance, December 31, 2023</u>	<u>(Memo Only) Cumulative Expenditures</u>
Department of Homeland Security								
FEMA - Assistance to Firefighters Grants	97.044			-				
Firefighters Grant				\$ 4			\$ 4	
Firefighters Grant		2023	\$ 245,455		\$ 245,455		245,455	
Driver Training Grant		2023	170,870		170,870	\$ 75,856	95,014	\$ 75,856
Vehicle Extrication Grant		2023	55,484		55,484		55,484	
Training Trailer Grant		2023	94,100	-	94,100	94,100	-	94,100
				<u>4</u>	<u>565,909</u>	<u>169,956</u>	<u>395,957</u>	<u>169,956</u>
FEMA - Disaster Grants - Public Assistance	97.036							
Tropical Storm Isaias		2023	510,505		510,505	510,505		510,505
Hurricane IDA		2023	623,035	-	623,035	623,035	-	623,035
				<u>-</u>	<u>1,133,540</u>	<u>1,133,540</u>	<u>-</u>	<u>1,133,540</u>
Department of Community Affairs								
American Rescue Plan Firefighter Grant	21.027	2023	42,000		42,000	42,000		42,000
Department of Justice								
Community Oriented Police Services Grant (COPS) - Ordinance 23-12	16.710	2023			1,750,000		1,750,000	-
Department of Law and Public Safety								
Public Assistance Grants								
Department of Transportation								
Hazardous Materials Emergency	20.703		11,900		11,900	11,900		11,900
Department of Health and Human Services								
Public Health Emergency Preparedness Grant	93.069	2023	427,132		427,132	26,724	400,408	26,724
Immunization Cooperative Agreements	93.268	2021		607			607	
Immunization Cooperative Agreements	93.268	2022		819	-	-	819	
				<u>\$ 1,430</u>	<u>\$ 3,930,481</u>	<u>\$ 1,384,120</u>	<u>\$ 2,547,791</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, 2023

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>2023 Grant Receipts</u>	<u>Balance, December 31, 2022</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2023</u>	<u>(Memo Only) Cumulative Expenditures</u>
Recycling Tonnage Grant		2019		\$ 15,977		\$ 15,977		\$ 32,428
		2020		32,428		19,511	\$ 12,917	19,511
		2021		39,400			39,400	
		2022		35,705			35,705	
		2023	\$ 38,934		\$ 38,935		38,935	
Drunk Driving Enforcement Fund	1110-448-031020-22	Prior		58,124		140	57,984	140
		2017		13,596			13,596	
		2018		3,775			3,775	
		2019		956			956	
		2020		200			200	
		2022		140			140	
		2023	8,380		8,380		8,380	
Clean Communities Program	4900-765-178900	2020		23,436		23,436		46,550
		2021		46,550		16,016	30,534	16,016
		2022		55,130			55,130	
		2023	58,467		58,466		58,466	
Police Body Armor - State Share	N/A	2017		7,169		7,169		7,169
		2019		7,780		7,780		7,780
		2020		6,795		4,632	2,163	4,632
		2021		8,364			8,364	
		Prior		16,457			16,457	6,550
New Jersey Division of Criminal Justice Body Worn Cameras	N/A	2022						
Public Health Priority Funding	N/A	Prior		35			35	
Adolescent Health Grant	N/A	Prior		25,298		3,200	22,098	20,708
H1N1 Emergency Preparedness	N/A	Prior		267			267	
		2021		2,426		2,086	340	17,711
Alcohol Education	N/A	Prior		3,537			3,537	
		2019		5,465			5,465	
		2020		1,834			1,834	
		2022		790			790	
New Jersey Department of Environmental Protection Green Acres Grant Mackay Park Pool and Splash Park Improvements (Ordinance 23-12)	N/A	2023			100,000		100,000	
Urban and Community Forestry Grant Tree Replacement Program (Ordinance 23-12)	N/A	2023			66,830		66,830	
New Jersey Department of Transportation Lafayette Place Road Reconstruction (Ordinance 23-12)	N/A	2023			167,870		167,870	
ADA Improvement Program (Ordinance 23-12)	N/A	2023			250,000		250,000	
New Jersey Department of Health Strengthening Local Public Health Capacity	N/A	2020		5,994		5,994		101,608
		2023	247,735		247,735	126,318	121,417	126,318
Covid 19 Vaccinations	N/A	2021		50,000		6,996	43,004	6,996
		2023	50,000		50,000		50,000	
Municipal Alliance	N/A	2019		4,372		4,372		20,000
		2020		20,000		11,467	8,533	11,467
		2021		20,000			20,000	
		2022		5,754			5,754	
		2023		-	5,754	-	5,754	
Total State Financial Assistance				\$ 517,754	\$ 993,970	\$ 255,094	\$ 1,256,630	

* 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, 2023

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			
Regular Fund	\$ 976,339		\$ 976,339
Grant Fund	1,046,941	\$ 409,270	1,456,211
Other Trust Fund	157,201		157,201
General Capital Fund	<u>1,750,000</u>	<u>584,700</u>	<u>2,334,700</u>
 Total Financial Awards	 <u>\$ 3,930,481</u>	 <u>\$ 993,970</u>	 <u>\$ 4,924,451</u>

**CITY OF ENGLEWOOD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2023**

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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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, 2023

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	<u>\$2.980</u>	<u>\$2.949</u>	<u>\$2.890</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1.307	1.282	1.257
Library	.043	0.040	0.038
County	.302	0.286	0.282
County Open Space	.014	0.012	0.012
Local School	1.314	1.329	1.301
<u>Assessed Valuation</u>			
2023	<u>\$4,546,651,800</u>		
2022		<u>\$4,529,617,800</u>	
2021			<u>\$4,487,503,500</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>
2023	\$ 135,768,986	\$ 135,695,051	99.95%
2022	133,747,150	133,493,296	99.81%
2021	130,206,452	129,936,130	99.79%

**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.

December 31 <u>Year</u>	Amount of Delinquent <u>Taxes</u>	<u>Taxes</u> <u>Title Lien</u>	<u>Total</u>	Percentage of <u>Tax Levy</u>
2023	\$ 46,949	\$ 289,197	\$ 336,146	0.25%
2022	26,529	269,632	296,161	0.22%
2021	13,868	252,082	265,950	0.20%

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>
2023	\$70,979
2022	70,979
2021	70,979

Comparative Schedule of Fund Balance

	<u>Year</u>	Balance, <u>December 31</u>	Utilized In Budget of <u>Succeeding Year</u>
Current Fund	2023	\$11,837,817	\$3,100,000
	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

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE

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)
Lisa Wisotsky	Councilmember (Ward 2)
Judith Maron	Councilmember (Ward 3)
Kevin A. Wilson	Councilmember (Ward 4)
Robert Hoffmann	City Manager
Michael Kaufmann	Chief Financial Officer
Jodi DeMaio	Tax Collector
Diana Patino-Valle	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

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.

Current Year

Our audit of trust fund reserves revealed that balances reported on the City's general ledger were not always in agreement with available balances reflected on the trust account status report. It is recommended that the trust account status report be reviewed and adjusted to ensure balances are in agreement with the audit.

Our audit of payroll revealed that rates utilized to calculate out of title and upgrade pay for DPW employees were not always calculated in accordance with the terms of the respective contract. The City has taken corrective action on this finding therefore no audit recommendation is warranted.

Our audit revealed that supplemental pension reports related to retroactive salary payments were not always filed with the State of NJ Division of Pensions on a timely basis. It is recommended that pension reports related to retroactive salary payments be promptly filed with the State of NJ Division of Pensions.

Our audit of departments noted the following:

- 943 tickets in excess of six (6) months in age have been assigned to police officers but have not been issued.
- Certain recreation receipts were not reflected on the department's records, resulting in a variance with the amount reflected on the Finance Department ledgers.

It is recommended that:

- Traffic Tickets assigned but not issued in excess of six (6) months in age be recalled and re-assigned in the ATS system.
- The Recreation Department accounting ledgers be periodically reconciled with the Finance Department records.

Prior Year

The City's official minutes for 2023 were not approved in a timely manner. It is recommended that continued efforts be made to ensure the minutes of City Council meetings are approved in a timely manner.

CITY OF ENGLEWOOD

GENERAL COMMENTS

Prior Year (Continued)

With respect to purchasing:

- Political contribution disclosure forms (PCD) were not obtained for certain vendors paid in excess of \$17,500.
- Documentation supporting state contract utilized for furniture was not available for audit.
- Electrical services, the cost of which exceeded the bid threshold, was not able to be supported with respect to the method of procurement.
- The City procured a fire truck through the use of a national cooperative purchasing agreement. The required procedures for awarding a contract through the use of such agreement were not adhered to.

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.

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:

Traffic Signal Maintenance and Repair	2023 Roads Program
Fire Department Painting	Howard Place Improvements
Cleanup Services	Hudson Ave. Culvert Replacement Project
Concord St. and Wilbur St. Road Improvements	2023 Curb & Sidewalk Program
HVAC Maintenance and Repair Services	High-Water Rescue Truck
Pool Cleaning and Maintenance Services	Three Zero Turn Mower
Health Department Clinic Alterations	Mackay Arena Maintenance
Welding Services	Lafayette Place Improvements
Sewer Pumping and Collection Facilities	Chestnut St./Court Improvements
Potential Emergency Construction Tasks	Generator Maintenance and Repair
Firehouse Apron Repairs	Fire Training Trailer
ADA Ramps	Humphrey St. and Tibbs Court Road Improvements
Thompson Road Paving	Elevator Inspection
West St. Road Improvements	William St. Parking Lot

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.

CITY OF ENGLEWOOD

GENERAL COMMENTS

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, 2023, 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.

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. With regards to City's Departments:
 - Traffic Tickets assigned but not issued in excess of six (6) months in age be recalled and re-assigned in the ATS system.
 - The Recreation Department accounting ledgers be periodically reconciled with the Finance Department records.
- * 4. Continued efforts be made to ensure the minutes of City Council meetings are approved in a timely manner.
- 5. The trust account status report be reviewed and adjusted to ensure balances are in agreement with the audit.
- 6. Pension reports related to retroactive salary payments be promptly filed with the State of NJ Division of Pensions.

* * * * *

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 (*).