

**CITY OF ENGLEWOOD
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2024**

CITY OF ENGLEWOOD

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2024

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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 financial statements of the City of Englewood which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2024, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the accompanying 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, 2024 and 2023, 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, 2024 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 accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Englewood as of December 31, 2024 and 2023, 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.

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Basis for Qualified Opinion on Regulatory Basis of Accounting

We were unable to audit the financial activities of the General Fixed Assets Account Group for the year ended December 31, 2024 because sufficient documentation was not available to support amounts reported in the financial statements – regulatory basis referred to above. We were unable to satisfy ourselves about the amounts reported by means of other auditing procedures.

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 is the responsibility of management and was derived from and relate 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 supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated August 12, 2025 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.

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

Gary Vinci
Gary J. Vinci
Registered Municipal Accountant
RMA Number CR000411

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2024 AND 2023

| ASSETS | <u>Ref</u> | <u>2024</u> | <u>2023</u> |
|---|------------|----------------------|----------------------|
| Regular Fund | | | |
| Cash | A-4 | \$ 28,985,239 | \$ 25,662,875 |
| Cash - Change Funds | A | 400 | 400 |
| Due From State of NJ - Senior Citizens and Veterans | A-6 | <u>47,159</u> | <u>31,426</u> |
| | | <u>29,032,798</u> | <u>25,694,701</u> |
| Receivables and Other Assets with Full Reserves: | | | |
| Delinquent Property Taxes | A-7 | 64,626 | 46,949 |
| Tax Title Liens Receivable | A-8 | 309,355 | 289,197 |
| Property Acquired for Taxes | A | 70,979 | 70,979 |
| Sewer User Charges | A-9 | 45,283 | 42,096 |
| Prepaid School Tax | A-15 | | 822,768 |
| Revenue Accounts Receivable | A-10 | 35,065 | 21,591 |
| Due from Animal Control Fund | B-11 | 5,840 | 5,010 |
| Due from Other Trust Fund | B-18 | | 291,437 |
| Due from Assessment Trust Fund | B-19 | 14,196 | 23,029 |
| Due from General Capital Fund | C-13 | <u>465,140</u> | <u>-</u> |
| | | <u>1,010,484</u> | <u>1,613,056</u> |
| Total Current Fund | | <u>30,043,282</u> | <u>27,307,757</u> |
| Grant Fund | | | |
| Grants Receivable | A-5 | 1,254,057 | 1,396,914 |
| Due from Current Fund | A-18 | 4,063,894 | 3,019,785 |
| Due from General Capital Fund | C-14 | | 579,260 |
| Due from Other Trust Fund | B-20 | <u>307,290</u> | <u>307,290</u> |
| Total State and Federal Grant Fund | | <u>5,625,241</u> | <u>5,303,249</u> |
| Total | | <u>\$ 35,668,523</u> | <u>\$ 32,611,006</u> |

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2024 AND 2023

| LIABILITIES, RESERVES AND FUND BALANCE | <u>Ref</u> | <u>2024</u> | <u>2023</u> |
|---|------------|---------------|---------------|
| Regular Fund | | | |
| Appropriation Reserves | A-3, A-11 | \$ 2,814,682 | \$ 3,845,292 |
| Encumbrances Payable | A-19 | 2,318,680 | 3,255,804 |
| Accounts Payable | A-19 | 833,670 | 25,515 |
| Accrued Salaries and Wages | A-22 | 866,457 | 166,457 |
| Prepaid Taxes | A-12 | 735,822 | 505,250 |
| Tax Overpayments | A-13 | 19,346 | 217,423 |
| Miscellaneous Reserves | A-20 | 7,234 | 295,523 |
| Reserve for Tax Appeals | A-21 | 2,519,113 | 2,030,639 |
| County Taxes Payable | A-14 | 36,807 | 29,560 |
| School Taxes Payable | A-15 | 86,194 | |
| Due to Grant Fund | A-18 | 4,063,894 | 3,019,785 |
| Due to General Capital Fund | C-13 | | 465,636 |
| Due to Other Trust Fund | B-18 | 1,481,523 | - |
| | | 15,783,422 | 13,856,884 |
| Reserve for Receivables | A | 1,010,484 | 1,613,056 |
| Fund Balance | A-1 | 13,249,376 | 11,837,817 |
| Total Current Fund | | 30,043,282 | 27,307,757 |
| Grant Fund | | | |
| Due to General Capital Fund | C-14 | 2,390,125 | |
| Appropriated Grant Reserve | A-16 | 1,922,167 | 1,700,383 |
| Unappropriated Grant Reserves | A-17 | 1,243,580 | 3,434,496 |
| Encumbrances Payable | A-19 | 69,369 | 168,370 |
| Total State and Federal Grant Fund | | 5,625,241 | 5,303,249 |
| | | \$ 35,668,523 | \$ 32,611,006 |

CITY OF ENGLEWOOD
COMPARATIVE STATEMENTS OF OPERATIONS AND
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|---|--------------------------|--------------------------|
| REVENUES AND OTHER INCOME | | |
| Fund Balance Utilized | \$ 3,100,000 | \$ 3,100,000 |
| Miscellaneous Revenues | 13,134,017 | 12,965,325 |
| Receipts From Delinquent Taxes | 10,348 | 7,318 |
| Receipts from Current Taxes | 140,288,521 | 135,695,051 |
| Non-Budget Revenue | 1,289,011 | 860,715 |
| Other Credits to Income: | | |
| Unexpended Balances of Appropriation Reserves | 725,634 | 2,394,539 |
| Prior Year School Taxes Payable | 822,768 | |
| Statutory Excess - Animal Control | 382 | 4,756 |
| Cancelled Encumbrances/Accounts Payable | | 27,140 |
| Interfund Loans Returned | <u>319,476</u> | <u>23,814</u> |
| Total Revenues and Other Income | <u>159,690,157</u> | <u>155,078,658</u> |
| EXPENDITURES | | |
| Budget Appropriations: | | |
| Operations | 61,518,990 | 60,598,819 |
| Capital Improvements | 620,000 | 520,000 |
| Municipal Debt Service | 6,862,095 | 6,632,789 |
| Deferred Charges and Statutory Expenditures | 8,503,756 | 7,852,159 |
| County Taxes | 15,021,923 | 14,332,406 |
| Local School Taxes | 62,165,155 | 59,740,886 |
| Establish Reserve for Prepaid School Tax | | 822,768 |
| Prior Year Senior Citizen Deductions Disallowed | 1,503 | 4,250 |
| Refund of Prior Year Revenues | | |
| Interfund Advances | <u>485,176</u> | <u>319,476</u> |
| Total Expenditures | <u>155,178,598</u> | <u>150,823,553</u> |
| Excess in Revenues Over Expenditures | 4,511,559 | 4,255,105 |
| Balance, January 1 | <u>11,837,817</u> | <u>10,682,712</u> |
| | 16,349,376 | 14,937,817 |
| Decreased by: | | |
| Utilization as Anticipated Revenue | <u>3,100,000</u> | <u>3,100,000</u> |
| Balance, December 31 | <u>\$ 13,249,376</u> | <u>\$ 11,837,817</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, 2024

| | <u>Budget</u> | <u>Added by NJS 40A:4-87</u> | <u>Realized</u> | <u>Excess or (Deficit)</u> |
|--|----------------------|----------------------------------|---------------------|--------------------------------|
| FUND BALANCE ANTICIPATED | \$ 3,100,000 | - | \$ 3,100,000 | - |
| MISCELLANEOUS REVENUES | | | | |
| Licenses | | | | |
| Alcoholic Beverages | 53,500 | 54,849 | \$ 1,349 | |
| Other | 269,800 | 248,967 | (20,833) | |
| Fees and Permits | | | | |
| Other | 352,200 | 258,175 | (94,025) | |
| Fines and Costs | | | | |
| Municipal Court | 380,000 | 371,625 | (8,375) | |
| Interest and Costs on Taxes | 200,000 | 209,370 | 9,370 | |
| Parking Meters | 635,800 | 613,768 | (22,032) | |
| Interest on Investments and Deposits | 325,500 | 1,488,957 | 1,163,457 | |
| Recreation Advisory Committee | 725,800 | 869,169 | 143,369 | |
| Fire Prevention Fees | 200,000 | 259,481 | 59,481 | |
| Kings Garden - PILOT | 500,000 | 475,842 | (24,158) | |
| Greater Englewood - PILOT | 280,000 | 312,422 | 32,422 | |
| One William Street - PILOT | 590,000 | 663,090 | 73,090 | |
| Westmoor Gardens - PILOT | 90,000 | 100,448 | 10,448 | |
| Exempt Sewer Charges | 350,000 | 254,602 | (95,398) | |
| Parking Garage Fees | 140,000 | 118,964 | (21,036) | |
| Hotel Occupancy Tax | 190,000 | 228,383 | 38,383 | |
| Cable Franchise Fees | 130,000 | 134,655 | 4,655 | |
| Cell Tower Agreement | 113,000 | 109,162 | (3,838) | |
| Greater Englewood Annual Fee | 100,000 | 100,000 | - | |
| Energy Receipts Tax | 2,796,247 | 2,796,247 | - | |
| Reserve for Municipal Relief Fund Aid | 288,289 | 288,289 | - | |
| Uniform Construction Code Fees | 1,060,000 | 909,262 | (150,738) | |
| Public and Private Revenues Offset with Approp: | | | | |
| Reach & Teach | | | | |
| Municipal Alliance | 5,754 | 5,754 | - | |
| Drive Sober or Get Pulled Over | 6,790 | 6,790 | - | |
| DCA American Rescue Plan | 45,000 | 45,000 | - | |
| FEMA - Technical Rescue Training Grant | | \$ 161,702 | 161,702 | |
| FEMA - Fire Prevention and Safety Grant | | 85,714 | 85,714 | |
| Hazardous Materials Emergency Grant | 11,900 | 11,900 | - | |
| Recycling Tonnage | | 20,017 | 20,017 | |
| Junior Police Academy Expansion Grant | 30,000 | 30,000 | - | |
| Clean Communities | | 66,408 | 66,408 | |
| Local Recreation Improvement | | 75,000 | 75,000 | |
| Other Special Items: | | | | |
| Uniform Fire Safety Act | 50,000 | 163,364 | 113,364 | |
| Capital Surplus | 500,000 | 500,000 | - | |
| Hospital Community Fee | 578,000 | 590,308 | 12,308 | |
| Greater Englewood Cash Flow | 200,000 | 75,000 | (125,000) | |
| Reserve for Payment of Debt | 38,034 | | (38,034) | |
| Extra Duty Fees | 60,000 | 361,472 | 301,472 | |
| Sewer Charges | 70,000 | -69,861 | (139) | |
| Total Miscellaneous Revenues | <u>11,365,614</u> | <u>408,841</u> | <u>13,134,017</u> | <u>1,359,562</u> |
| RECEIPTS FROM DELINQUENT TAXES | <u>7,300</u> | <u>-</u> | <u>10,348</u> | <u>3,048</u> |
| Subtotal General Revenues | <u>14,472,914</u> | <u>408,841</u> | <u>16,244,365</u> | <u>1,362,610</u> |
| AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET | | | | |
| Local Tax for Municipal Purposes | 60,770,239 | 61,245,010 | 474,771 | |
| Minimum Library Tax | <u>2,115,802</u> | <u>-</u> | <u>2,115,802</u> | <u>-</u> |
| Total Amount to be Raised by Taxes for Support of Municipal Budget | <u>62,886,041</u> | <u>-</u> | <u>63,360,812</u> | <u>474,771</u> |
| Total General Revenues | <u>\$ 77,358,955</u> | <u>\$ 408,841</u> | <u>79,605,177</u> | <u>\$ 1,837,381</u> |
| Non-Budget Revenues | | | <u>1,289,011</u> | |
| | | | <u>80,894,188</u> | |

CITY OF ENGLEWOOD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024
(Continued)

ANALYSIS OF REALIZED REVENUES

| | |
|--|-----------------------------|
| Allocation of Current Tax Collection | \$ 140,288,521 |
| Revenue from Collections | <u>77,187,078</u> |
| Less: Allocated to School and County Taxes | <u>77,187,078</u> |
| Balance for Support of Municipal Budget Appropriations | 63,101,443 |
| Add Appropriation "Reserve for Uncollected Taxes" | <u>259,369</u> |
| Amount for Support of Municipal Budget Appropriations | <u><u>\$ 63,360,812</u></u> |

Interest on Investments and Deposits

| | |
|--------------------------------|----------------------------|
| Revenue Accounts Receivable | \$ 1,058,172 |
| Due from General Capital Fund | 402,074 |
| Due from Animal Control Fund | 399 |
| Due from Assessment Trust Fund | <u>28,312</u> |
| | <u><u>\$ 1,488,957</u></u> |

ANALYSIS OF NON-BUDGET REVENUES

| | |
|--|----------------------------|
| Prior Year Refund | \$ 457,292 |
| FEMA Reimbursement | 163,974 |
| Police Extra Duty Vehicle Fee | 6,405 |
| NJECC (New Jersey Educational Computing Cooperative) | 4,959 |
| West Street Improvement | 150,000 |
| Premium Turnover to the City | 85,700 |
| Board of Health Receipts | 2,100 |
| Building Dept Receipts | 37,575 |
| City Clerk Receipts | 2,438 |
| DPW Receipts | 2,850 |
| Engineering | 1,530 |
| Misc Permits | 9,869 |
| Planning Bd Receipts | 3,550 |
| Police - Records and Firearms | 29,161 |
| Miscellaneous | <u>331,608</u> |
| | <u><u>\$ 1,289,011</u></u> |

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| GENERAL APPROPRIATIONS OPERATIONS WITHIN "CAPS" | <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 Government | | | | | |
| Mayor and Council | | | | | |
| Salaries and Wages | \$ 60,000 | \$ 60,000 | \$ 60,000 | \$ 2,110 | |
| Other Expenses | 8,500 | 8,500 | 6,390 | | |
| City Manager | | | | | |
| Salaries and Wages | 507,000 | 507,000 | 505,818 | 1,182 | |
| Other Expenses | 97,200 | 97,200 | 97,140 | 60 | |
| City Clerk | | | | | |
| Salaries and Wages | 273,000 | 243,000 | 230,580 | 12,420 | |
| Overtime | 3,000 | 3,000 | 1,242 | 1,758 | |
| Other Expenses | 92,750 | 117,750 | 106,241 | 11,509 | |
| Human Resources | | | | | |
| Salaries and Wages | 329,000 | 302,500 | 292,163 | 10,337 | |
| Other Expenses | 155,450 | 105,450 | 60,368 | 45,082 | |
| Purchasing | | | | | |
| Other Expenses | 4,000 | 6,500 | 5,537 | 963 | |
| Finance | | | | | |
| Salaries and Wages | 495,000 | 496,000 | 495,631 | 369 | |
| Other Expenses | 167,000 | 167,000 | 159,250 | 7,750 | |
| Data Processing | | | | | |
| Other Expenses | 185,000 | 185,000 | 153,696 | 31,304 | |
| Collection of Taxes | | | | | |
| Salaries and Wages | 201,000 | 201,000 | 200,198 | 802 | |
| Other Expenses | 39,800 | 39,800 | 39,583 | 217 | |
| Assessment of Taxes | | | | | |
| Salaries and Wages | 196,000 | 196,000 | 192,689 | 3,311 | |
| Other Expenses | 28,000 | 28,000 | 24,237 | 3,763 | |
| Legal Service and Costs | | | | | |
| Salaries and Wages | 87,344 | 87,344 | 71,474 | 15,870 | |
| Other Expenses | 850,000 | 875,000 | 867,019 | 7,981 | |
| Engineering Services | | | | | |
| Salaries and Wages | 455,000 | 335,000 | 333,283 | 1,717 | |
| Other Expenses | 34,000 | 34,000 | 16,585 | 17,415 | |
| Community Development | | | | | |
| Other Expenses | 240,000 | 240,000 | 239,973 | 27 | |
| Municipal Court | | | | | |
| Salaries and Wages | 447,000 | 437,000 | 421,892 | 15,108 | |
| Overtime | 17,500 | 17,500 | 3,414 | 14,086 | |
| Other Expenses | 166,000 | 201,000 | 195,527 | 5,473 | |
| Public Defender | | | | | |
| Other Expenses | 14,000 | 14,000 | 9,900 | 4,100 | |
| Insurance | | | | | |
| Medical | 7,566,502 | 7,116,502 | 6,851,004 | 265,498 | |
| Health Benefit Waiver | 110,000 | 110,000 | 103,344 | 6,656 | |
| Other Insurance Premium | 1,552,500 | 1,552,500 | 1,301,966 | 250,534 | |
| Workers Compensation | 1,000,000 | 1,000,000 | 835,990 | 164,010 | |
| Land Use | | | | | |
| Planning and Land Use | | | | | |
| Other Expenses | 87,500 | 87,500 | 70,799 | 16,701 | |
| Master Plan | 125,000 | 125,000 | 99,073 | 25,927 | |
| Public Safety | | | | | |
| Fire Division | | | | | |
| Salaries and Wages | 6,805,000 | 6,405,000 | 6,391,520 | 13,480 | |
| Overtime | 1,100,000 | 1,500,000 | 1,392,411 | 107,589 | |
| Other Expenses | 411,500 | 411,500 | 408,300 | 3,200 | |
| Police | | | | | |
| Salaries and Wages | 13,872,000 | 13,592,000 | 13,588,169 | 3,831 | |
| Overtime | 1,100,000 | 1,430,000 | 1,374,953 | 55,047 | |
| Other Expenses | 653,500 | 658,500 | 652,033 | 6,467 | |
| Emergency Management Services | | | | | |
| Other Expenses | 10,000 | 10,000 | 1,650 | 8,350 | |

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <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) | | | | | | |
| Public Works | | | | | | |
| DPW Administration | | | | | | |
| Salaries and Wages | \$ 687,000 | \$ 537,000 | \$ 521,659 | \$ 15,341 | | |
| Overtime | 8,000 | 8,000 | 798 | 7,202 | | |
| Other Expenses | 67,900 | 67,900 | 55,556 | 12,344 | | |
| Public Building and Grounds | | | | | | |
| Other Expenses | 572,000 | 682,000 | 616,714 | 65,286 | | |
| Shade Tree | | | | | | |
| Salaries and Wages | 168,000 | 168,000 | 167,743 | 257 | | |
| Overtime | 20,000 | 30,000 | 26,229 | 3,771 | | |
| Other Expenses | 114,000 | 129,000 | 112,962 | 16,038 | | |
| Road Repairs and Maintenance | | | | | | |
| Salaries and Wages | 501,000 | 511,000 | 508,250 | 2,750 | | |
| Overtime | 136,000 | 126,000 | 79,230 | 46,770 | | |
| Other Expenses | 251,000 | 251,000 | 144,134 | 106,866 | | |
| Central Maintenance - Garage | | | | | | |
| Salaries and Wages | 327,000 | 247,000 | 234,860 | 12,140 | | |
| Overtime | 37,000 | 67,000 | 54,301 | 12,699 | | |
| Other Expenses | 933,500 | 956,500 | 828,132 | 128,368 | | |
| Construction and Facilities Maintenance | | | | | | |
| Salaries and Wages | 272,000 | 177,000 | 176,564 | 436 | | |
| Overtime | 61,000 | 61,000 | 59,473 | 1,527 | | |
| Other Expenses | 104,000 | 104,000 | 62,765 | 41,235 | | |
| Sanitation | | | | | | |
| Salaries and Wages | 1,222,000 | 1,222,000 | 1,208,136 | 13,864 | | |
| Overtime | 187,000 | 217,000 | 204,588 | 12,412 | | |
| Other Expenses | 58,500 | 58,500 | 33,703 | 24,797 | | |
| Sewer Department | | | | | | |
| Salaries and Wages | 237,000 | 278,000 | 277,127 | 873 | | |
| Overtime | 56,000 | 71,000 | 60,981 | 10,019 | | |
| Other Expenses | 85,300 | 85,300 | 61,599 | 23,701 | | |
| Parks Department | | | | | | |
| Salaries and Wages | 382,000 | 402,000 | 390,590 | 11,410 | | |
| Overtime | 50,000 | 70,000 | 57,998 | 12,002 | | |
| Other Expenses | 145,000 | 145,000 | 111,482 | 33,518 | | |
| Community Services Act | | | | | | |
| Condominium Community Costs | 240,000 | 270,000 | 256,656 | 13,344 | | |
| Health and Human Services | | | | | | |
| Board of Health | | | | | | |
| Salaries and Wages | 758,500 | 728,500 | 712,355 | 16,145 | | |
| Overtime | 13,000 | 13,000 | 11,348 | 1,652 | | |
| Other Expenses | 91,800 | 91,800 | 77,335 | 14,465 | | |
| Recreation | | | | | | |
| Recreation Department | | | | | | |
| Salaries and Wages | 898,000 | 878,000 | 855,609 | 22,391 | | |
| Overtime | 10,000 | 20,000 | 18,259 | 1,741 | | |
| Other Expenses | 799,200 | 799,200 | 629,055 | 170,145 | | |
| Uniform Construction Code | | | | | | |
| Construction Code Official | | | | | | |
| Salaries and Wages | 1,281,000 | 1,281,000 | 1,097,464 | 183,536 | | |
| Overtime | 24,000 | 24,000 | 2,300 | 21,700 | | |
| Other Expenses | 188,000 | 188,000 | 164,731 | 23,269 | | |

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <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 | 1,400,000 | 1,139,352 | \$ 260,648 | |
| Leaf Disposal | 350,000 | 380,000 | 135,400 | 244,600 | |
| Contingent | 6,000 | 6,000 | | 6,000 | |
| Celebration of Public Events | 75,000 | 75,000 | 60,373 | 14,627 | |
| Utilities | | | | | |
| Street Lighting | 800,000 | 823,000 | 822,651 | 349 | |
| Telephone | 180,000 | 180,000 | 162,202 | 17,798 | |
| Water | 50,000 | 50,000 | 42,497 | 7,503 | |
| Gas and Electric | 390,000 | 485,000 | 482,882 | 2,118 | |
| Fire Hydrant | 360,000 | 370,000 | 369,024 | 976 | |
| Total Operations Within "CAPS" | <u>54,392,746</u> | <u>54,386,746</u> | <u>51,606,109</u> | <u>2,780,637</u> | <u>-</u> |
| Detail: | | | | | |
| Salaries and Wages | 33,933,344 | 33,598,844 | 32,931,299 | 667,545 | |
| Other Expenses (Including Contingent) | <u>20,459,402</u> | <u>20,787,902</u> | <u>18,674,810</u> | <u>2,113,092</u> | <u>-</u> |
| DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS" | | | | | |
| Statutory Expenditures | | | | | |
| Social Security System | 1,200,000 | 1,197,200 | 1,184,318 | 12,882 | |
| Defined Contribution Retirement Plan | 25,000 | 25,000 | 18,189 | 6,811 | |
| Police and Firemen's Retirement System | 5,839,440 | 5,839,440 | 5,839,440 | | |
| Public Employees Retirement System | 1,396,171 | 1,404,971 | 1,404,944 | 27 | |
| Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS" | <u>8,460,611</u> | <u>8,466,611</u> | <u>8,446,891</u> | <u>19,720</u> | <u>-</u> |
| Total General Appropriations for Municipal Purposes within "CAPS" | <u>62,853,357</u> | <u>62,853,357</u> | <u>60,053,000</u> | <u>2,800,357</u> | <u>-</u> |
| OPERATIONS - EXCLUDED FROM "CAPS" | | | | | |
| Bergen County Utilities Authority | | | | | |
| Share of Operating Costs | 2,442,817 | 2,442,817 | 2,442,817 | | |
| Share of Debt Service Costs | 669,576 | 669,576 | 669,576 | | |
| Recycling Tax | 36,000 | 36,000 | 29,585 | 6,415 | |
| Maintenance of Free Public Library | 2,115,802 | 2,115,802 | 2,107,892 | 7,910 | |
| Police and Firemen's Retirement System | 159,886 | 159,886 | 159,886 | | |
| Public Employees Retirement System | 341 | 341 | 341 | | |
| Insurance - Medical | 393,498 | 393,498 | 393,498 | | |
| Insurance - Other | 204,600 | 204,600 | 204,600 | | |
| Reserve for Tax Appeals | 600,000 | 600,000 | 600,000 | | |
| Total Other Operations Excluded from "CAPS" | <u>6,622,520</u> | <u>6,622,520</u> | <u>6,608,195</u> | <u>14,325</u> | <u>-</u> |
| 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 | | |
| Drive Sober or Get Pulled Over | 6,790 | 6,790 | 6,790 | | |
| DCA American Rescue Plan | 45,000 | 45,000 | 45,000 | | |
| FEMA - Technical Rescue Training Grant | | 161,702 | 161,702 | | |
| FEMA - Fire Prevention and Safety Grant | | 85,714 | 85,714 | | |
| Hazardous Materials Emergency Grant | 11,900 | 11,900 | 11,900 | | |
| Junior Police Academy Expansion Grant | 30,000 | 30,000 | 30,000 | | |
| Local Recreation Improvement | | 75,000 | 75,000 | | |
| Recycling Tonnage | | 20,017 | 20,017 | | |
| Clean Communities | <u>-</u> | <u>66,408</u> | <u>66,408</u> | <u>-</u> | <u>-</u> |

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <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> |
| PUBLIC AND PRIVATE PROGRAMS OFFSET WITH REVENUES | | | | | |
| (Continued) | | | | | |
| Total Public and Private Programs Offset with Revenues | \$ 100,883 | \$ 509,724 | \$ 509,724 | - | - |
| Total Operations Excluded from "CAPS" | <u>6,723,403</u> | <u>7,132,244</u> | <u>7,117,919</u> | <u>\$ 14,325</u> | <u>-</u> |
| Detail: | | | | | |
| Other Expenses | <u>6,723,403</u> | <u>7,132,244</u> | <u>7,117,919</u> | <u>14,325</u> | <u>-</u> |
| CAPITAL IMPROVEMENTS | | | | | |
| Capital Improvement Fund | <u>620,000</u> | <u>620,000</u> | <u>620,000</u> | <u>-</u> | <u>-</u> |
| Total Capital Improvements | <u>620,000</u> | <u>620,000</u> | <u>620,000</u> | <u>-</u> | <u>-</u> |
| MUNICIPAL DEBT SERVICE | | | | | |
| Payment of Bonds Principal | 4,365,000 | 4,365,000 | 4,365,000 | | |
| Interest on Bonds | 1,586,150 | 1,586,150 | 1,586,150 | | |
| Payment of Bond Anticipation Notes and Capital Notes | 337,000 | 337,000 | 337,000 | | |
| Interest on Notes | <u>576,642</u> | <u>576,642</u> | <u>573,945</u> | <u>-</u> | <u>\$ 2,697</u> |
| Total Municipal Debt Service | <u>6,864,792</u> | <u>6,864,792</u> | <u>6,862,095</u> | <u>-</u> | <u>2,697</u> |
| DEFERRED CHARGES - MUNICIPAL EXCLUDED FROM "CAPS" | | | | | |
| Deferred Charges - Assessment Trust Fund | <u>38,034</u> | <u>38,034</u> | <u>37,145</u> | <u>-</u> | <u>889</u> |
| Total Deferred Charges | <u>38,034</u> | <u>38,034</u> | <u>37,145</u> | <u>-</u> | <u>889</u> |
| Total General Appropriations Excluded from "CAPS" | <u>14,246,229</u> | <u>14,655,070</u> | <u>14,637,159</u> | <u>14,325</u> | <u>3,586</u> |
| Subtotal General Appropriations | 77,099,586 | 77,508,427 | 74,690,159 | 2,814,682 | 3,586 |
| Reserve for Uncollected Taxes | <u>259,369</u> | <u>259,369</u> | <u>259,369</u> | <u>-</u> | <u>-</u> |
| Total General Appropriations | <u>\$ 77,358,955</u> | <u>\$ 77,767,796</u> | <u>\$ 74,949,528</u> | <u>\$ 2,814,682</u> | <u>\$ 3,586</u> |
| Adopted Budget | <u>\$ 77,358,955</u> | | | | |
| Added by NJS 40A:4-87 | <u>408,841</u> | | | | |
| | <u><u>\$ 77,767,796</u></u> | | | | |
| Analysis of Paid or Charged | | | | | |
| Cash Disbursements | \$ 69,617,610 | | | | |
| Encumbrances Payable | 2,318,680 | | | | |
| Due to General Capital Fund | 957,000 | | | | |
| Due to Other Trust Fund | 650,000 | | | | |
| Deferred Charges - Due to Assessment Trust Fund | 37,145 | | | | |
| Reserve for Tax Appeals | 600,000 | | | | |
| Appropriated Grant Reserves | 509,724 | | | | |
| Reserve for Uncollected Taxes | <u>259,369</u> | | | | |
| | <u><u>\$ 74,949,528</u></u> | | | | |

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2024 AND 2023

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|---------------------|---------------------|
| ASSETS | | | |
| Assessment Trust Fund | | | |
| Cash | B-4, B-5 | \$ 14,199 | \$ 569,998 |
| Assessments Receivable | B-6 | - <hr/> | 38,034 <hr/> |
| Total Assessment Trust Fund | | <hr/> 14,199 | <hr/> 608,032 |
| Animal Control Trust Fund | | | |
| Cash | B-4 | <hr/> 15,173 | <hr/> 13,023 |
| Total Animal Control Trust Fund | | <hr/> 15,173 | <hr/> 13,023 |
| Community Development Block Grant Fund | | | |
| Due from General Capital Fund | C | <hr/> 9,886 | <hr/> 9,886 |
| Total Community Development Block Grant Fund | | <hr/> 9,886 | <hr/> 9,886 |
| Unemployment Compensation Trust Fund | | | |
| Cash | B-4 | 243,962 | 316,735 |
| Due from Other Trust Fund | B | <hr/> 83,004 | <hr/> 41,764 |
| Total Unemployment Compensation Trust Fund | | <hr/> 326,966 | <hr/> 358,499 |
| Other Trust Fund | | | |
| Cash | B-4 | 10,858,851 | 11,185,868 |
| Special Improvement District Taxes and Liens Receivable | B-17 | 86,183 | 109,269 |
| Due from Current Fund | B-18 | <hr/> 1,481,523 | <hr/> - <hr/> |
| Total Other Trust Fund | | <hr/> 12,426,557 | <hr/> 11,295,137 |
| | | <hr/> \$ 12,792,781 | <hr/> \$ 12,284,577 |

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, 2024 AND 2023

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|-----------------------------|-----------------------------|
| LIABILITIES, RESERVES AND FUND BALANCE | | | |
| Assessment Trust Fund | | | |
| Due to Current Fund | B-19 | \$ 14,196 | \$ 23,029 |
| Assessment Serial Bonds Payable | B-7 | | 585,000 |
| Fund Balance | B-1 | <u>3</u> | <u>3</u> |
| Total Assessment Trust Fund | | <u>14,199</u> | <u>608,032</u> |
| Animal Control Trust Fund | | | |
| Reserve for Animal Control Expenditures | B-9 | 9,324 | 8,013 |
| Due to State of NJ | B-10 | 9 | |
| Due to Current Fund | B-11 | <u>5,840</u> | <u>5,010</u> |
| Total Animal Control Trust Fund | | <u>15,173</u> | <u>13,023</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 | 66,850 | 24,909 |
| Reserve for Unemployment Insurance Claims | B-13 | <u>260,116</u> | <u>333,590</u> |
| Total Unemployment Compensation Trust Fund | | <u>326,966</u> | <u>358,499</u> |
| Other Trust Fund | | | |
| Miscellaneous Reserves and Deposits | B-8 | 11,585,920 | 9,521,329 |
| Due to Current Fund | B-18 | | 291,437 |
| Due to Grant Fund | B-20 | 307,290 | 307,290 |
| Due to Unemployment Compensation Fund | B | 83,004 | 41,764 |
| Payroll Deductions Payable | B-14 | 173,106 | 641,923 |
| Encumbrances Payable | B-15 | 191,054 | 382,125 |
| Reserve for SID Taxes and Liens Receivables | B-17 | <u>86,183</u> | <u>109,269</u> |
| Total Other Trust Fund | | <u>12,426,557</u> | <u>11,295,137</u> |
| | | <u><u>\$ 12,792,781</u></u> | <u><u>\$ 12,284,577</u></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, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|----------------------|-----------------------|-----------------------|
| Balance, January 1 | \$ <u> 3</u> | \$ <u> 3</u> |
| Balance, December 31 | <u>\$ 3</u> | <u>\$ 3</u> |

STATEMENT OF REVENUES - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <u>Anticipated</u> | <u>Realized</u> | <u>Variance</u> |
|---|------------------------------------|------------------------------------|-------------------------------|
| Assessment Cash Deficit (Current Budget) | \$ <u>546,966</u> <u>38,034</u> | \$ <u>547,855</u> <u>37,145</u> | \$ <u>(889)</u> <u>889</u> |
| | <u>\$ 585,000</u> | <u>\$ 585,000</u> | <u>\$ -</u> |

STATEMENT OF EXPENDITURES - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

| | <u>Appropriation</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------|----------------------|-------------------|-----------------|
| Payment of Bond Principal | <u>\$ 585,000</u> | <u>\$ 585,000</u> | <u>\$ -</u> |

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023

| | <u>Ref.</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|-----------------------|-----------------------|
| ASSETS | | | |
| Cash | C-2, C-3 | \$ 8,242,145 | \$ 1,666,388 |
| Deferred Charges to Future Taxation | | | |
| Funded | C-4 | 51,685,000 | 56,050,000 |
| Unfunded | C-5 | 50,824,896 | 39,761,782 |
| Grants Receivable | C-7 | 9,028,359 | 5,157,333 |
| Due from Library | C-17 | 545,193 | |
| Due From Current Fund | C-13 | | 465,636 |
| Due From Grant Fund | C-14 | 2,390,125 | - |
| | | <u>\$ 122,715,718</u> | <u>\$ 103,101,139</u> |
| LIABILITIES, RESERVES AND FUND BALANCE | | | |
| Improvement Authorizations | | | |
| Funded | C-6 | \$ 5,682,972 | \$ 2,444,953 |
| Unfunded | C-6 | 24,161,433 | 20,003,261 |
| General Serial Bonds Payable | C-11 | 51,685,000 | 56,050,000 |
| Bond Anticipation Notes Payable | C-12 | 27,320,000 | 10,932,004 |
| Due to Current Fund | C-13 | 465,140 | |
| Due to Community Development Block Grant Fund | C-15 | 9,886 | 9,886 |
| Due to Grant Fund | C-14 | | 579,260 |
| Encumbrances Payable | C-9 | 10,221,960 | 9,564,412 |
| Capital Improvement Fund | C-10 | 181,172 | 147,948 |
| 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 | 602,447 | 983,707 |
| | | <u>\$ 122,715,718</u> | <u>\$ 103,101,139</u> |

There were bonds and notes authorized but not issued of \$23,839,356 and \$28,829,778 at December 31, 2024 and 2023, respectively (Exhibit C-18).

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, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|---|-------------------|---------------------|
| Balance, January 1 | <u>\$ 983,707</u> | <u>\$ 1,943,627</u> |
| Increased by: | | |
| Grant Proceeds on Fully Funded Ordinances | 231,710 | |
| Premium on Sale of Bonds and Notes | <u>118,740</u> | <u>133,370</u> |
| | <u>118,740</u> | <u>365,080</u> |
| | 1,102,447 | 2,308,707 |
| Decreased by: | | |
| Anticipated As Current Fund Revenue | 500,000 | 500,000 |
| Deferred Charges - Unfunded | <u>-</u> | <u>825,000</u> |
| | <u>500,000</u> | <u>1,325,000</u> |
| Balance, December 31 | <u>\$ 602,447</u> | <u>\$ 983,707</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, 2024 AND 2023

| | <u>2024</u> | <u>2023</u> |
|-------------------------------------|------------------------------|------------------------------|
| | (Unaudited) | |
| ASSETS | | |
| Land | \$ 92,238,900 | \$ 92,238,900 |
| Buildings and Building Improvements | 21,179,227 | 21,179,227 |
| Construction in Progress | | |
| Machinery and Equipment | <u>20,200,177</u> | <u>20,200,177</u> |
| | <u><u>\$ 133,618,304</u></u> | <u><u>\$ 133,618,304</u></u> |
| RESERVE | | |
| Investment in General Fixed Assets | <u><u>\$ 133,618,304</u></u> | <u><u>\$ 133,618,304</u></u> |

NOTES TO FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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. However under the regulatory basis of accounting municipalities are required to follow GASB pronouncements with regard to disclosure requirements for notes to the financial statements.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2023 balances to conform to the December 31, 2024 presentation.

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.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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, 2024 AND 2023

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, 2024 AND 2023

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. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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. Additionally, municipalities can bank the unused tax levy for use in any of the next three (3) succeeding budget years.

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 2024 and 2023 the City Council increased the original budget by \$408,841 and \$1,450,457. 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, 2024 AND 2023

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, 2024 and 2023, the book value of the City's deposits were \$48,083,743 and \$39,152,884 and bank and brokerage firm balances of the City's deposits amounted to \$50,497,518 and \$48,028,827 and \$43,335,915, 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>2024</u> | <u>2023</u> |
| Insured | \$ 45,585,722 | \$ 38,191,390 |
| Uninsured and Collateralized | <u>4,911,796</u> | <u>5,144,525</u> |
| | <u>\$ 50,497,518</u> | <u>\$ 43,335,915</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, 2024 and 2023, the City's bank balances of \$4,911,796 and \$5,144,525 were exposed to custodial credit risk as follows:

| <u>Depository Account</u> | <u>2024</u> | <u>2024</u> |
|---|---------------------|---------------------|
| Uninsured and Collateralized | | |
| Collateral held by pledging financial institution's trust department not in the City's name | \$ 4,911,796 | \$ 5,144,525 |
| | <u>\$ 4,911,796</u> | <u>\$ 5,144,525</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, 2024 AND 2023

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2024 and 2023, the City had the following investments which are reported as cash in the City's financial statements:

| | <u>2024</u> | <u>2023</u> |
|---------------------------|-------------------|-------------------|
| N.J. Cash Management Fund | <u>\$ 276,226</u> | <u>\$ 262,403</u> |

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, 2024 and 2023, \$276,226 and \$262,403 of the City's investments were exposed to custodial credit risk as follows:

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| Uninsured and Collateralized: | | |
| Collateral held by pledging financial institution's trust department but not in the City's name | <u>\$ 276,226</u> | <u>\$ 262,403</u> |

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, 2024 and 2023 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, 2024 AND 2023

NOTE 4 TAXES RECEIVABLE

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

| | <u>2024</u> | <u>2023</u> |
|-----------------|--------------------------|--------------------------|
| Property Taxes | \$ 64,626 | \$ 46,949 |
| Tax Title Liens | <u>309,355</u> | <u>289,197</u> |
| | <u><u>\$ 373,981</u></u> | <u><u>\$ 336,146</u></u> |

In 2024 and 2023, the City collected \$10,348 and \$7,318 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>2024</u> | | <u>2023</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 | \$ 485,176 | \$ 5,545,417 | \$ 319,476 | \$ 3,485,421 |
| Grant | 4,371,184 | 2,390,125 | 3,906,335 | |
| Trust Fund: | | | | |
| Assessment Trust | | 14,196 | | 23,029 |
| Animal Control | | 5,840 | | 5,010 |
| Community Development | | | | |
| Block Grant | 9,886 | | 9,886 | |
| Unemployment Compensation | 41,764 | | 41,764 | |
| Other Trust | 1,481,523 | 349,054 | | 640,491 |
| General Capital Fund | <u>2,390,125</u> | <u>475,026</u> | <u>465,636</u> | <u>589,146</u> |
| Total | <u><u>\$ 8,779,658</u></u> | <u><u>\$ 8,779,658</u></u> | <u><u>\$ 4,743,097</u></u> | <u><u>\$ 4,743,097</u></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, 2024 AND 2023

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:

| | 2024 | | 2023 | |
|------------------|-------------------------------------|--|-------------------------------------|--|
| | Fund Balance <u>December 31,</u> | Utilized in Subsequent Year's Budget | Fund Balance <u>December 31,</u> | Utilized in Subsequent Year's Budget |
| Current Fund | | | | |
| Cash Surplus | \$ 13,202,217 | \$ 3,300,000 | \$ 11,806,391 | \$ 3,100,000 |
| Non-Cash Surplus | <u>47,159</u> | <u>-</u> | <u>31,426</u> | <u>-</u> |
| | <u><u>\$ 13,249,376</u></u> | <u><u>\$ 3,300,000</u></u> | <u><u>\$ 11,837,817</u></u> | <u><u>\$ 3,100,000</u></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, 2024 and 2023.

| | Balance <u>December 31,</u> <u>2023</u> | | | Balance, <u>December 31,</u> <u>2024</u> (<u>Unaudited</u>) |
|-------------------------------------|---|----------------------------|----------------------------|--|
| | | <u>Increases</u> | <u>Decreases</u> | |
| <u>2024 (Unaudited)</u> | | | | |
| Land | \$ 92,238,900 | | | \$ 92,238,900 |
| Buildings and Building Improvements | 21,179,227 | | | 21,179,227 |
| Construction in Progress | | | | - |
| Machinery and Equipment | <u>20,200,177</u> | <u>-</u> | <u>-</u> | <u>20,200,177</u> |
| | <u><u>\$ 133,618,304</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 133,618,304</u></u> |
| <u>2023</u> | | | | |
| | Balance <u>December 31,</u> <u>2022</u> | <u>Increases</u> | <u>Decreases</u> | Balance, <u>December 31,</u> <u>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><u>\$ 131,762,790</u></u> | <u><u>\$ 3,126,640</u></u> | <u><u>\$ 1,271,126</u></u> | <u><u>\$ 133,618,304</u></u> |

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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>2024</u> | <u>2023</u> |
|---|-----------------------|----------------------|
| Issued | | |
| General | | |
| Bonds and Notes | \$ 79,005,000 | \$ 66,982,004 |
| Assessment | | |
| Bonds | <u>-</u> | <u>585,000</u> |
| | 79,005,000 | 67,567,004 |
| Less Funds Temporarily Held to Pay Bonds and Notes | <u>2,526,409</u> | <u>2,738,916</u> |
| | 76,478,591 | 64,828,088 |
| Net Debt Issued | | |
| Authorized But Not Issued | | |
| General | | |
| Bonds and Notes | <u>23,839,356</u> | <u>28,829,778</u> |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$ 100,317,947</u> | <u>\$ 93,657,866</u> |

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows indicates a statutory net debt of 1.584% and 1.607% at December 31, 2024 and 2023, respectively.

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|--------------------|-----------------------|---------------------|-----------------------|
| <u>2024</u> | | | |
| General Debt | \$ 102,844,356 | 2,526,409 | \$ 100,317,947 |
| School Debt | — | — | — |
| Total | <u>\$ 102,844,356</u> | <u>\$ 2,526,409</u> | <u>\$ 100,317,947</u> |

| | <u>Gross Debt</u> | <u>Deductions</u> | <u>Net Debt</u> |
|--------------------|----------------------|---------------------|----------------------|
| <u>2023</u> | | | |
| General Debt | \$ 96,396,782 | \$ 2,738,916 | \$ 93,657,866 |
| School Debt | <u>1,765,000</u> | <u>1,765,000</u> | — |
| Total | <u>\$ 98,161,782</u> | <u>\$ 4,503,916</u> | <u>\$ 93,657,866</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>2024</u> | <u>2023</u> |
|---|-----------------------|-----------------------|
| 3-1/2% of Equalized Valuation Basis (Municipal) | \$ 221,620,975 | \$ 207,329,700 |
| Less: Net Debt | <u>100,317,947</u> | <u>93,657,866</u> |
| Remaining Borrowing Power | <u>\$ 121,303,028</u> | <u>\$ 113,671,834</u> |

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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>2024</u> | <u>2023</u> |
|--|----------------------|----------------------|
| \$16,450,000, 2014 Bonds, due in annual installments of \$795,000 to \$1,010,000 through April 1, 2032 interest at 3.00% to 3.50% | \$ 7,270,000 | \$ 8,035,000 |
| \$14,285,000, 2017 Bonds, due in annual installments of \$1,095,000 to \$1,250,000 through April 2031, interest at 2.50% to 3.00% | 8,335,000 | 9,395,000 |
| \$15,260,000, 2019 Bonds, due in annual installments of \$545,000 to \$1,005,000 through April 2041, interest at 3.00% to 5.00% | 12,700,000 | 13,230,000 |
| \$27,105,000, 2022 Bonds, due in annual installments of \$1,565,000 to \$2,340,000 through February 2035, interest at 2.00% to 4.00% | 21,750,000 | 23,515,000 |
| \$2,380,000, 2023 Refunding Bonds, due in annual installments of \$255,000 to \$295,000 through August 2030, interest at 3.00% | <u>1,630,000</u> | <u>1,875,000</u> |
| Total | <u>\$ 51,685,000</u> | <u>\$ 56,050,000</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>2024</u> | <u>2023</u> |
|--|-------------|-------------------|
| \$8,775,000, 2008 Bonds, due in an annual installment of \$585,000 on January 1, 2024, interest at 5.00% | <u>\$ -</u> | <u>\$ 585,000</u> |

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The City's principal and interest for long-term debt issued and outstanding as of December 31, 2024 is as follows:

| Calendar <u>Year</u> | General | | | <u>Total</u> |
|-------------------------|----------------------|---------------------|----------------------|--------------|
| | <u>Principal</u> | <u>Interest</u> | | |
| 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 | 4,910,000 | 843,944 | 5,753,944 | |
| 2030-2034 | 20,505,000 | 2,315,906 | 22,820,906 | |
| 2035-2039 | 6,640,000 | 685,044 | 7,325,044 | |
| 2040-2041 | 1,970,000 | 64,675 | 2,034,675 | |
| Total | <u>\$ 51,685,000</u> | <u>\$ 8,703,094</u> | <u>\$ 60,388,094</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, 2024 and 2023, \$1,685,000 and \$1,930,000, 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, 2024 and 2023 were as follows:

| | Balance, December 31, <u>2023</u> | | | Balance, December 31, <u>2024</u> | | Due Within <u>One Year</u> |
|--|---|-------------------|--------------|---|--------------|----------------------------------|
| | <u>Additions</u> | <u>Reductions</u> | | | | |
| General Capital Fund Bonds Payable | \$ 56,050,000 | \$ - | \$ 4,365,000 | \$ 51,685,000 | \$ 4,255,000 | |
| Assessment Trust Fund Bonds Payable | \$ 585,000 | \$ - | \$ 585,000 | \$ - | \$ - | |

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt (Continued)

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

B. Short-Term Debt

The City's short-term debt activity for the years ended December 31, 2024 and 2023 was as follows:

Bond Anticipation Notes

| <u>Purpose</u> | Interest Rate | Maturity Date | Balance, December 31, 2023 | Renewed/ Issued | Retired/ Redeemed | Balance, December 31, 2024 |
|--|------------------|------------------|----------------------------------|--------------------|----------------------|----------------------------------|
| <u>2024</u> | | | | | | |
| Various Capital Improvements | 4.50% | 5/28/2025 | \$ 26,284,265 | | | \$ 26,284,265 |
| Acquisition of Real Property | 4.50% | 5/28/2025 | | 708,000 | | 708,000 |
| Various Roadway Improvements and Equipment Acquisitions | 4.50% | 5/28/2025 | | 327,735 | | 327,735 |
| Various Capital Improvements | 3.25% | 5/31/2024 | | 12,320,000 | \$ 12,320,000 | |
| Various Capital Improvements | 4.50% | 3/15/2024 | \$ 10,932,004 | | 10,932,004 | |
| | | | \$ 10,932,004 | \$ 39,640,000 | \$ 23,252,004 | \$ 27,320,000 |
| <u>Purpose</u> | Interest Rate | Maturity Date | Balance, December 31, 2022 | Renewed/ Issued | Retired/ Redeemed | Balance, December 31, 2023 |
| <u>2023</u> | | | | | | |
| Various Capital Improvements | 3.00% | 3/21/2024 | \$ 11,708,000 | | | \$ 11,708,000 |
| Various Capital Improvements | 4.50% | 3/15/2024 | | \$ 10,932,004 | | \$ 10,932,004 |
| | | | \$ 11,708,000 | \$ 10,932,004 | \$ 11,708,000 | \$ 10,932,004 |

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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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>2024</u> | | |
| Renovation of City Hall Basements | \$1,200,000 | 2025 |
| Repair of 4 Culverts | 709,215 | 2025 |
| Emergency Repairs Mackay Park | 354,300 | 2025 |
| Reconstruction Project - Various | 734,599 | 2025 |
| Chassis and Leach – T480 | 408,916 | 2025 |
| Truck and Accessories | 491,259 | 2025 |
| Fire Trucks | 739,612 | 2025 |
| 2024 Road Program | 100,039 | 2025 |
| <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 |

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 \$8,397,187 and \$8,464,609 at December 31, 2024 and 2023, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability. At December 31, 2024 and 2023, the City has reserved \$1,479,056 and \$2,092,639, 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.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities (Continued)

The City's changes in other long-term liabilities for the years ended December 31, 2024 and 2023 were as follows:

| | <u>Balance, December 31, 2023</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance, December 31, 2024</u> | <u>Due Within One Year</u> |
|-----------------------------------|---|-------------------|---------------------|---|------------------------------------|
| Compensated Absences | \$ 8,464,609 | \$ 996,161 | \$ 1,063,583 | \$ 8,397,187 | |
| Net OPEB Liability (1) | 57,905,584 | | | 57,905,584 | |
| Net Pension Liability (1) | | | | | |
| PERS | 16,412,862 | | | 16,412,862 | |
| PFRS | 49,793,567 | | | 49,793,567 | |
| Total Other Long-Term Liabilities | <u>\$ 132,576,622</u> | <u>\$ 996,161</u> | <u>\$ 1,063,583</u> | <u>\$ 132,509,200</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.

| | <u>Balance, December 31, 2022</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance, December 31, 2023</u> | <u>Due Within One Year</u> |
|-----------------------------------|---|---------------------|---------------------|---|------------------------------------|
| Compensated Absences | \$ 7,468,527 | \$ 996,082 | | \$ 8,464,609 | |
| Net OPEB Liability | 53,652,348 | 4,253,236 | | 57,905,584 | |
| Net Pension Liability | | | | | |
| PERS | 17,791,349 | | 1,378,487 | 16,412,862 | |
| PFRS | 50,386,026 | | 592,459 | 49,793,567 | |
| Total Other Long-Term Liabilities | <u>\$ 129,298,250</u> | <u>\$ 5,249,318</u> | <u>\$ 1,970,946</u> | <u>\$ 132,576,622</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.

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.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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.

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.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

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. Empower (formerly 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.us/treasury/doinvest.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31 2024 AND 2023**

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 was not available and for June 30, 2023 is \$14.6 billion, and the plan fiduciary net position as a percentage of the total pension liability is 65.22% at June 30, 2023. The collective net pension liability of the participating employers for local PFRS at June 30, 2024 was not available and for June 30, 2023 is \$13.1 billion and the plan fiduciary net position as a percentage of total pension liability is 70.16% at June 30, 2023.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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 2024 and 2023 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, 2024 and 2023 for CPF/PF, which is a single-employer defined benefit plan, the annual pension cost differs from the annual required contribution. 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 2024, 2023 and 2022 were equal to the required contributions.

During the years ended December 31, 2024, 2023 and 2022, 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:

| Year Ended | PFRS | PERS | DCRP |
|--------------------|--------------|--------------|-------------|
| December 31 | | | |
| 2024 | \$ 5,839,440 | \$ 1,404,944 | \$ 18,189 |
| 2023 | 5,724,941 | 1,368,773 | 20,743 |
| 2022 | 5,201,491 | 1,367,855 | 21,020 |

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31 2024 AND 2023

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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, 2024 for the measurement date of June 30, 2024 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, 2024 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, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2023, the City reported a liability of \$16,412,862, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023, the City's proportionate share was .11331 percent, which was a decrease of .00458 percent from its proportionate share measured as of June 30, 2022 of .11789 percent.

For the year ended December 31, 2023, the pension system has determined the City's pension benefit to be \$837,576, for PERS based on the actuarial valuations which is less than the actual contribution reported in the City's financial statements of \$1,368,773. At December 31, 2023, 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:

| | 2023 | |
|---|--|---|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Difference Between Expected and Actual Experience | \$ 156,928 | \$ 67,091 |
| Changes of Assumptions | 36,056 | 994,690 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 75,583 | |
| Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions | 209,696 | 1,177,298 |
| Total | \$ 478,263 | \$ 2,239,079 |

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

At December 31, 2023 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:

| Year Ending <u>December 31,</u> | <u>Total</u> |
|---------------------------------------|------------------------------|
| 2024 | \$ (1,159,357) |
| 2025 | (639,196) |
| 2026 | 486,133 |
| 2027 | (427,041) |
| 2028 | (21,355) |
| Thereafter | <u>-</u> |
| | <u><u>\$ (1,760,816)</u></u> |

Actuarial Assumptions

The City's total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

| <u>2023</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% |

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2023) 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, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

| <u>Asset Class</u> | <u>2023</u> | |
|---------------------------------|--------------------------|---|
| | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| Risk Mitigation Strategies | 3.00% | 6.21% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Investment Grade Credit | 7.00% | 5.19% |
| US Equity | 28.00% | 8.98% |
| Non-US Developed Markets Equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging Markets Equity | 5.50% | 11.13% |
| High Yield | 4.50% | 6.97% |
| Real Assets | 3.00% | 8.40% |
| Private Credit | 8.00% | 9.20% |
| Real Estate | 8.00% | 8.58% |
| Private Equity | 13.00% | 12.50% |

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2023. 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, 2024 AND 2023**

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, 2023 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> |
|---|----------------------------------|--|----------------------------------|
| 2023 | | | |
| City's Proportionate Share of the PERS Net Pension Liability | <u>\$ 21,366,054</u> | <u>\$ 16,412,862</u> | <u>\$ 12,197,041</u> |

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2023. 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, 2023, the City reported a liability of \$49,793,567, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023, the City's proportionate share was .45067 percent, which was an increase of .01049 percent from its proportionate share measured as of June 30, 2022 of .44018 percent.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2023, the pension system has determined the City pension expense to be \$870,964 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the City's financial statements of \$5,724,941. At December 31, 2023, 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:

| | 2023 | |
|---|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference Between Expected and Actual Experience | \$ 2,132,061 | \$ 2,374,711 |
| Changes of Assumptions | 107,472 | 3,362,259 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 2,535,892 | |
| Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions | <u>2,899,121</u> | <u>4,488,840</u> |
| Total | <u>\$ 7,674,546</u> | <u>\$ 10,225,810</u> |

At December 31, 2023 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:

| Year Ending <u>December 31,</u> | Total |
|--|---------------------------|
| 2024 | (3,342,268) |
| 2025 | (2,577,252) |
| 2026 | 3,245,917 |
| 2027 | (157,520) |
| 2028 | 241,072 |
| Thereafter | <u>38,787</u> |
| | <u>\$ (2,551,264)</u> |

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

| | <u>2023</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% |

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2023) 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, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

| <u>Asset Class</u> | <u>2023</u> | |
|---------------------------------|--------------------------|---|
| | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
| Risk Mitigation Strategies | 3.00% | 6.21% |
| Cash Equivalents | 2.00% | 3.31% |
| U.S. Treasuries | 4.00% | 3.31% |
| Investment Grade Credit | 7.00% | 5.19% |
| US Equity | 28.00% | 8.98% |
| Non-US Developed Markets Equity | 12.75% | 9.22% |
| International Small Cap Equity | 1.25% | 9.22% |
| Emerging Markets Equity | 5.50% | 11.13% |
| High Yield | 4.50% | 6.97% |
| Real Assets | 3.00% | 8.40% |
| Private Credit | 8.00% | 9.20% |
| Real Estate | 8.00% | 8.58% |
| Private Equity | 13.00% | 12.50% |

Discount Rate

The discount rate used to measure the total pension liability for PFRS was 7.00% as of June 30, 2023. 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, 2024 AND 2023

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, 2023 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:

| | 1% Decrease <u>(6.00%)</u> | Current Discount Rate <u>(7.00%)</u> | 1% Increase <u>(8.00%)</u> |
|---|----------------------------------|--|----------------------------------|
| <u>2023</u> | | | |
| City's Proportionate Share of the PFRS Net Pension Liability | \$ <u>69,378,617</u> | \$ <u>49,793,567</u> | \$ <u>33,483,900</u> |

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2023. 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, 2023, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$9,175,043. For the year ended December 31, 2023, 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 \$1,043,643, which is less than the actual contribution the State made on behalf of the City of \$1,049,292. At December 31, 2023 (measurement date June 30, 2023) the State's share of the PFRS net pension liability attributable to the City was .45067 percent, which was an increase of .01049 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of .44018 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, 2024 AND 2023

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, 2024 AND 2023

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, 2023:

| | |
|---|----------------|
| Active Plan Members | 65,613 |
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | <u>34,771</u> |
| | |
| Total | <u>100,384</u> |
| | |
| Contributing Employers | 574 |
| 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, 2024 was not available and for June 30, 2023 is \$15.0 billion, and the plan fiduciary net (deficit) as a percentage of the total OPEB liability is (0.79)% at June 30, 2023.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2022 which was rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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 can be a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members. The State of New Jersey makes contributions to cover those employees eligible under Chapter 330, P.L. 1967, as disclosed previously. Local employers remit employer contributions on a monthly basis. Retired member contributions are generally received on a monthly basis.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The employers participating in the OPEB plan made contributions of \$431.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$55.6 million for fiscal year 2023.

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, 2024, 2023 and 2022 were \$2,619,393, \$2,295,975 and \$1,968,905, 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, 2024 for the measurement date of June 30, 2024 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, 2024 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, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2023, the City reported a liability of \$57,905,584 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2023. As of the measurement date of June 30, 2023 the City's proportionate share was .38587 percent, which was an increase of .05365 percent from its proportionate share measured as of June 30, 2022 of .33222 percent.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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, 2023, the Plan has determined the City's OPEB expense to be \$3,022,688, 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, 2023, 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:

| | 2023 | |
|---|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference Between Expected and Actual Experience | \$ 2,670,307 | \$ 15,725,264 |
| Changes of Assumptions | 7,500,946 | 16,368,055 |
| Net Difference Between Projected and Actual Earnings on OPEB Plan Investments | | 9,555 |
| Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions | 28,101,343 | 618,756 |
| Contributions made Subsequent to the Measurement Date | <u>-</u> | <u>-</u> |
| Total | \$ 38,272,596 | \$ 32,721,630 |

At December 31, 2023 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:

| Year Ending December 31, | Total |
|---|---------------------|
| 2024 | \$ (81,725) |
| 2025 | 1,488,626 |
| 2026 | 301,135 |
| 2027 | 2,637,781 |
| 2028 | 1,267,614 |
| Thereafter | <u>(62,465)</u> |
| | <u>\$ 5,550,966</u> |

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Actuarial Assumptions

The City's total OPEB liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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>2023</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.

The actuarial assumptions used in the July 1, 2022 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.

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 6.50% and decreases to a 4.50% long-term trend rate after 9 years. For post-65 medical benefits PPO, the trend is, increasing to 14.80% in Fiscal Year 2026 and decreasing to 4.50% in Fiscal Year 2033. For HMO the trend is increasing to 17.40% in Fiscal Year 2026 and decreasing to 4.50% in Fiscal Year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after 7 years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2023 measurement date was 3.65%. 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, 2023 calculated using the discount rate of 3.65% 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

| | 1% Decrease <u>2.65%</u> | Current Discount Rate <u>3.65%</u> | 1% Increase <u>4.65%</u> |
|---|--------------------------------|--|--------------------------------|
| 2023 | | | |
| City's Proportionate Share of the Net OPEB Liability | \$ <u>67,073,123</u> | \$ <u>57,905,584</u> | \$ <u>50,531,713</u> |

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2023. 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, 2023 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 |
|---|----------------------|--------------------------------|----------------------|
| 2023 | | | |
| City's Proportionate Share of the Net OPEB Liability | \$ <u>49,212,933</u> | \$ <u>57,905,584</u> | \$ <u>69,034,834</u> |

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2023. 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, 2024 AND 2023**

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

At December 31, 2023, the State's proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$8,152,092. For the year ended December 31, 2023 the plan has determined the State's proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is \$1,478,134. At December 31, 2023, (measurement date June 30, 2023), the State's share of the OPEB liability attributable to the City was .23365 percent, which was a decrease of .03399 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of .26764 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. These on-behalf contributions have not been reported in the City's financial statements.

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, 2024 AND 2023

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 December 31</u> | <u>Employee Contributions</u> | <u>Amount Reimbursed</u> | <u>Ending Balance</u> |
|-----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2024 | \$ 41,240 | \$ 125,018 | \$ 260,116 |
| 2023 | 39,446 | 18,773 | 333,590 |
| 2022 | 32,343 | 25,935 | 282,151 |

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, 2024 and 2023. 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, 2024 and 2023, the City reserved \$2,519,113 and \$2,030,639, 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, 2024 and 2023, 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, 2024 and 2023 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, 2024 AND 2023

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 \$39,844 and \$32,600 in lease revenue for 2024 and 2023, which includes interest earnings.

The City leases space on its cell tower to a third party. The City receives monthly lease payments. The City recognized \$69,318 and \$72,918 in lease revenue for 2024 and 2023, respectively, which includes interest earnings.

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 2024 and 2023, which includes interest earnings of \$79,592 and \$80,057, respectively. As of December 31, 2024 and 2023 the City's receivable for lease payments, exclusive of future interest earnings is \$3,395,570 and \$3,415,977, respectively.

The future lease revenue principal and interest payments as of December 31, 2024 were as follows:

| Calendar Year | Principal | Interest | Total |
|------------------|--------------|--------------|--------------|
| 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 | 22,899 | 77,101 | 100,000 |
| 2030-2034 | 122,749 | 377,251 | 500,000 |
| 2035-2039 | 137,732 | 362,268 | 500,000 |
| 2040-2044 | 154,543 | 345,457 | 500,000 |
| 2045-2049 | 173,406 | 326,594 | 500,000 |
| 2050-2054 | 194,571 | 305,429 | 500,000 |
| 2055-2059 | 218,320 | 281,680 | 500,000 |
| 2060-2064 | 244,967 | 255,033 | 500,000 |
| 2065-2069 | 274,867 | 225,133 | 500,000 |
| 2070-2074 | 308,417 | 191,583 | 500,000 |
| 2075-2079 | 346,061 | 153,939 | 500,000 |
| 2080-2084 | 388,300 | 111,700 | 500,000 |
| 2085-2089 | 435,695 | 64,305 | 500,000 |
| 2090-2092 | 286,545 | 13,455 | 300,000 |
| Total | \$ 3,395,570 | \$ 3,404,430 | \$ 6,800,000 |

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 17 TAX ABATEMENTS

For the years ended December 31, 2024 and 2023, 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, 2024 and 2023 the City abated property taxes totaling \$2,526,719 and \$2,450,251, respectively under the LTTE program. The City received \$1,551,802 and \$1,599,946 in PILOT payments under this program for the years ended December 31, 2024 and 2023, respectively.

NOTE 18 SUBSEQUENT EVENTS

Debt Authorized

On March 4, 2025 the City adopted a bond ordinance authorizing the issuance \$10,100,000 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 22, 2025, the City entered into a note purchase agreement with the Bergen County Improvement Authority (BCIA) in the amount of \$41,861,000 to temporarily finance expenditures related to various capital projects. The notes dated May 22, 2025, will mature on May 21, 2026 and bear an interest rate of 4.00%.

CURRENT FUND

CITY OF ENGLEWOOD
STATEMENT OF CASH
CURRENT FUND

| | |
|---|----------------------|
| Balance, December 31, 2023 | \$ 25,662,875 |
| Increased by Receipts: | |
| Taxes Receivable | \$ 139,729,020 |
| Non Budget Revenue | 1,289,011 |
| Due From State of NJ - Senior Citizens and Veterans | 47,363 |
| Revenue Accounts Receivable | 11,152,056 |
| Prepaid Taxes | 735,822 |
| Sewer User Charges | 254,602 |
| Tax Overpayments | 19,346 |
| Grant Fund Receipts Deposited in Current Fund | |
| Grants Receivable | 651,142 |
| Unappropriated Grant Reserves | <u>781,880</u> |
| | <u>154,660,242</u> |
| | 180,323,117 |
| Decreased by Disbursements: | |
| 2024 Budget Appropriations | 69,617,610 |
| Appropriation Reserves | 3,019,177 |
| Accounts Payable | 48,130 |
| Grant Fund Expenditures Paid by Current Fund | |
| Appropriated Grant Reserves | 218,892 |
| Encumbrances Payable | 168,049 |
| Payments to Grant Fund | 3,411 |
| Payments to Animal Trust Fund | 49 |
| Payments to Other Trust Fund | 677,040 |
| Payments to General Capital Fund | 985,702 |
| Reserve for Tax Appeals | 111,526 |
| Tax Overpayments | 217,423 |
| Local School Taxes Payable | 61,256,193 |
| County Taxes Payable | <u>15,014,676</u> |
| | <u>151,337,878</u> |
| Balance, December 31, 2024 | <u>\$ 28,985,239</u> |

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

| <u>Program</u> | <u>Balance</u> <u>December 31,</u> <u>2023</u> | <u>Budget</u> <u>Revenue</u> | <u>Cash</u> <u>Receipts</u> | <u>Balance</u> <u>December 31,</u> <u>2024</u> |
|---|--|---------------------------------|--------------------------------|--|
| ANJAC-Smart Growth Grant | \$ 4,066 | | | \$ 4,066 |
| Reach & Teach | 82,000 | | | 82,000 |
| Municipal Alliance | 78,981 | \$ 5,754 | \$ 8,105 | 76,630 |
| Open Space Stewardship Project (ANJEC) | 500 | | | 500 |
| Recycling Tonnage Grant | | 20,017 | 20,017 | - |
| Drive Sober or Get Pulled Over | | 6,790 | 6,790 | - |
| FDA Foodborne Illness Grant | 4,321 | | | 4,321 |
| Clean Communities Grant | | 66,408 | 66,408 | - |
| FDA Retail Standards | 1,189 | | | 1,189 |
| FDA Mentorship Grant (NACCHO) | 290 | | | 290 |
| Strengthening Local Public Health Capacity | 212,704 | | 212,704 | - |
| Covid-19 Vaccination | 100,000 | | 23,626 | 76,374 |
| Historic Preservation Grant - Mackay Gate House | 20,590 | | | 20,590 |
| Assistance to FF Grant | 169,599 | | 33,008 | 136,591 |
| DCA American Recovery Rescue Plan | | 45,000 | 11,781 | 33,219 |
| FEMA Driver Training | 170,870 | | 15,334 | 155,536 |
| FEMA Vehicle Extraction | 55,484 | | 2,062 | 53,422 |
| Hazardous Materials Emergency Grant | 11,900 | 11,900 | 11,900 | 11,900 |
| FEMA Training Trailer Grant | 94,100 | | 85,627 | 8,473 |
| NJ Emergency Prep Grant (NJACCHO) | 390,320 | | 153,780 | 236,540 |
| Junior Police Academy Expansion Grant | | 30,000 | | 30,000 |
| FEMA - Technical Rescue Training Grant | | 161,702 | | 161,702 |
| FEMA - Fire Prevention and Safety Grant | | 85,714 | | 85,714 |
| Local Recreation Improvement | - | <u>75,000</u> | - | <u>75,000</u> |
| | <u>\$ 1,396,914</u> | <u>\$ 508,285</u> | <u>\$ 651,142</u> | <u>\$ 1,254,057</u> |

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

| | |
|---|------------------|
| Balance, December 31, 2023 | \$ 31,426 |
| Increased by: | |
| Deductions Allowed Per Tax Duplicate | \$ 47,250 |
| Deductions Allowed by Tax Collector | <u>17,349</u> |
| | <u>64,599</u> |
| | 96,025 |
| Decreased by: | |
| Prior Year Deductions Disallowed by Tax Collector | 1,503 |
| Cash Received from State of NJ | <u>47,363</u> |
| | <u>48,866</u> |
| Balance, December 31, 2024 | <u>\$ 47,159</u> |

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

| <u>Year</u> | Balance, December 31, <u>2023</u> | <u>Levy</u> | Senior Citizens' and Veterans' Deductions <u>Disallowed</u> | Collected In | | Senior Citizens' and Veterans' Deductions <u>Allowed</u> | <u>Cancelled</u> | Transferred to Tax Title Liens | Balance, December 31, <u>2024</u> |
|-------------|---|----------------|---|--------------|----------------|--|------------------|--------------------------------------|---|
| | | | | <u>2023</u> | <u>2024</u> | | | | |
| 2021 | 3,343 | | | | | | | | \$ 3,343 |
| 2022 | 14,023 | | | | | \$ 4,463 | | | 9,560 |
| 2023 | 29,583 | - | \$ 1,503 | - | 5,885 | | \$ 7,545 | - | 17,656 |
| | 46,949 | - | 1,503 | - | 10,348 | - | 7,545 | - | 30,559 |
| 2024 | - | \$ 140,421,342 | - | \$ 505,250 | 139,718,672 | \$ 64,599 | 78,596 | \$ 20,158 | 34,067 |
| | \$ 46,949 | \$ 140,421,342 | \$ 1,503 | \$ 505,250 | \$ 139,729,020 | \$ 64,599 | \$ 86,141 | \$ 20,158 | \$ 64,626 |

Analysis of Property Tax Levy

TAX YIELD

| | |
|------------------------------------|------------------------------|
| General Purpose Tax | \$ 140,078,590 |
| Added Taxes (RS 54:4-36.1 et seq.) | <u>342,752</u> |
| | <u><u>\$ 140,421,342</u></u> |

TAX LEVY

| | |
|---------------------------|---------------|
| Local District School Tax | \$ 62,165,155 |
| County Tax | 14,340,110 |
| County Open Space Tax | 645,006 |
| Added County Taxes | <u>36,807</u> |
| | \$ 77,187,078 |

Local Tax for

| | |
|---------------------------|------------------------------|
| Municipal Purposes | 60,770,239 |
| Minimum Library Tax | 2,115,802 |
| Add Additional Tax Levied | <u>348,223</u> |
| | <u>63,234,264</u> |
| | <u><u>\$ 140,421,342</u></u> |

EXHIBIT A-8

CITY OF ENGLEWOOD
STATEMENT OF TAX TITLE LIENS RECEIVABLE

| | |
|---------------------------------|-------------------|
| Balance, December 31, 2023 | \$ 289,197 |
| Increased by: | |
| Transfers from Taxes Receivable | <u>20,158</u> |
| Balance, December 31, 2024 | <u>\$ 309,355</u> |

EXHIBIT A-9

STATEMENT OF SEWER USER CHARGES RECEIVABLE

| | |
|----------------------------|------------------|
| Balance, December 31, 2023 | \$ 42,096 |
| Increased by: | |
| Billings | <u>257,789</u> |
| Decreased By: | |
| Cash Receipts | <u>254,602</u> |
| Balance, December 31, 2024 | <u>\$ 45,283</u> |

CITY OF ENGLEWOOD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

| | Balance, December 31, <u>2023</u> | Accrued | Collected | Balance, December 31, <u>2024</u> |
|--------------------------------------|---|----------------------|----------------------|---|
| Licenses | | | | |
| Alcoholic Beverages | \$ 54,849 | \$ 54,849 | \$ 54,849 | |
| Other | 248,967 | 248,967 | 248,967 | |
| Fees and Permits | | | | |
| Municipal Court | \$ 21,591 | 385,099 | 371,625 | \$ 35,065 |
| Interest and Costs on Taxes | | 209,370 | 209,370 | |
| Parking Meters | | 613,768 | 613,768 | |
| Interest on Investments and Deposits | | 1,058,172 | 1,058,172 | |
| Recreation Advisory Committee | | 869,169 | 869,169 | |
| Fire Prevention Fees | | 259,481 | 259,481 | |
| Kings Garden - PILOT | | 475,842 | 475,842 | |
| Greater Englewood - PILOT | | 312,422 | 312,422 | |
| One William Street - PILOT | | 663,090 | 663,090 | |
| Westmoor Gardens - PILOT | | 100,448 | 100,448 | |
| Parking Garage Fees | | 118,964 | 118,964 | |
| Hotel Occupancy Tax | | 228,383 | 228,383 | |
| Cable Franchise Fees | | 134,655 | 134,655 | |
| Cell Tower Agreement | | 109,162 | 109,162 | |
| Energy Receipts Tax | | 2,796,247 | 2,796,247 | |
| Uniform Construction Code Fees | | 909,262 | 909,262 | |
| Uniform Fire Safety Act | | 163,364 | 163,364 | |
| Hospital Community Fee | | 590,308 | 590,308 | |
| Sewer Charges | | 69,861 | 69,861 | |
| Greater Englewood Annual Fee | | 100,000 | 100,000 | |
| Greater Englewood Cash Flow | | 75,000 | 75,000 | |
| Extra Duty Fees | <u> </u> | <u>361,472</u> | <u>361,472</u> | <u> </u> |
| | <u>\$ 21,591</u> | <u>\$ 11,165,530</u> | <u>\$ 11,152,056</u> | <u>\$ 35,065</u> |

CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATION RESERVES

| | Balance, December 31, <u>2023</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 | \$ 3,333 | | \$ 3,333 | \$ 3,333 | |
| Other Expenses | 2,382 | | 2,382 | | \$ 2,382 |
| City Manager | | | | | |
| Salaries and Wages | 15,187 | | 15,187 | | 15,187 |
| Other Expenses | 42,914 | \$ | 8,693 | 55,607 | 55,351 |
| City Clerk | | | | | |
| Salaries and Wages | 12,230 | | 12,230 | | 12,230 |
| Overtime | 2,030 | | 2,030 | | 2,030 |
| Other Expenses | 561 | | 8,019 | 11,080 | 6,078 |
| Human Resources | | | | | |
| Salaries and Wages | 4,790 | | 4,790 | | 4,790 |
| Other Expenses | 33,147 | | 4,783 | 37,930 | 37,907 |
| Purchasing | | | | | |
| Other Expenses | 63 | | 522 | 585 | 521 |
| Finance | | | | | |
| Salaries and Wages | 13,816 | | 13,816 | | 13,816 |
| Other Expenses | 25,942 | | 40,467 | 66,409 | 40,781 |
| Computerized Data Processing Center | | | | | |
| Other Expenses | 508 | | 63,611 | 104,119 | 96,162 |
| Collection of Taxes | | | | | |
| Salaries and Wages | 638 | | 638 | | 638 |
| Other Expenses | 2,037 | | 155 | 6,692 | 6,530 |
| Assessment of Taxes | | | | | |
| Salaries and Wages | 4,525 | | 4,525 | | 4,525 |
| Other Expenses | 33,423 | | 122 | 33,545 | 33,122 |
| Legal Service and Costs | | | | | |
| Salaries and Wages | 16,761 | | 16,761 | | 16,761 |
| Other Expenses | 358,154 | | 44,426 | 402,580 | 397,707 |
| Engineering Services | | | | | |
| Salaries and Wages | 18,806 | | 18,806 | | 18,806 |
| Other Expenses | 14,534 | | 3,560 | 18,094 | 3,560 |
| Community Development | | | | | |
| Other Expenses | 1,910 | | 30,652 | 34,562 | 32,155 |
| Municipal Court | | | | | |
| Salaries and Wages | 1,610 | | 1,610 | | 1,610 |
| Overtime | 15,168 | | 15,168 | | 15,168 |
| Other Expenses | 11,750 | | 25,923 | 37,673 | 21,393 |
| Public Defender | | | | | |
| Other Expenses | 4,100 | | 4,100 | 900 | 3,200 |
| Insurance | | | | | |
| Medical | 707,135 | | 1,021,244 | 1,599,379 | 1,599,244 |
| Health Benefit Waiver | 94 | | 94 | | 94 |
| Other Insurance Premium | 23,819 | | 29,312 | 53,131 | 52,826 |
| Workers Compensation | 9,307 | | 155,660 | 204,967 | 201,093 |
| Land Use | | | | | |
| Other Expenses | 22,523 | | 16,590 | 69,113 | 68,591 |
| Fire Division | | | | | |
| Salaries and Wages | 111 | | 70,111 | 70,000 | 111 |
| Overtime | 33,386 | | 33,386 | | 33,386 |
| Other Expenses | 385 | | 49,645 | 50,030 | 49,697 |
| Police | | | | | |
| Salaries and Wages | 530,208 | | 460,208 | 460,000 | 208 |
| Overtime | 38,409 | | 38,409 | 38,000 | 409 |
| Other Expenses | 28,721 | | 80,776 | 109,497 | 103,669 |
| 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 APPROPRIATION RESERVES

| | Balance, December 31, <u>2023</u> | Prior Year <u>Encumbrances</u> | Balance After <u>Modification</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|---|---|-----------------------------------|---|---------------------------|--------------------------|
| DPW Administration | | | | | |
| Salaries and Wages | \$ 9,385 | | \$ 9,385 | | \$ 9,385 |
| Overtime | 7,921 | | 7,921 | | 7,921 |
| Other Expenses | 1,779 | \$ | 14,760 | \$ | 9,192 |
| Public Building and Grounds | | | | | |
| Other Expenses | 92 | | 139,498 | 144,590 | 117,605 |
| Shade Tree | | | | | |
| Salaries and Wages | 57 | | 57 | | 57 |
| Overtime | 28 | | 28 | | 28 |
| Other Expenses | 28,724 | | 4,487 | 33,211 | 14,136 |
| Roads | | | | | |
| Salaries and Wages | 75 | | 75 | | 75 |
| Overtime | 39,764 | | 39,764 | 39,500 | 264 |
| Other Expenses | 87,047 | | 48,401 | 135,448 | 129,604 |
| Central Maintenance - Garage | | | | | |
| Salaries and Wages | 17,723 | | 17,723 | | 17,723 |
| Overtime | 10,368 | | 10,368 | | 10,368 |
| Other Expenses | 109,017 | | 90,634 | 199,651 | 172,477 |
| Construction and Facilities Maintenance | | | | | |
| Salaries and Wages | 3,307 | | 3,307 | | 3,307 |
| Overtime | 5,736 | | 5,736 | | 5,736 |
| Other Expenses | 1,411 | | 18,775 | 20,186 | 20,127 |
| Sanitation | | | | | |
| Salaries and Wages | 16,959 | | 16,959 | | 16,959 |
| Overtime | 19,938 | | 19,938 | | 19,938 |
| Other Expenses | 2,391 | | 27,860 | 30,251 | 27,860 |
| Sewer Maintenance | | | | | |
| Salaries and Wages | 1,891 | | 1,891 | | 1,891 |
| Overtime | 4,722 | | 4,722 | | 4,722 |
| Other Expenses | 24,759 | | 18,637 | 43,396 | 23,730 |
| Park Maintenance | | | | | |
| Salaries and Wages | 24,578 | | 24,578 | 24,500 | 78 |
| Overtime | 14,327 | | 14,327 | 14,000 | 327 |
| Other Expenses | 45,058 | | 9,617 | 54,675 | 26,944 |
| Condominium Services Act | | | | | |
| Other Expenses | 75,370 | | 75,370 | 73,124 | 2,246 |
| Board of Health | | | | | |
| Salaries and Wages | 1,901 | | 1,901 | | 1,901 |
| Overtime | 2,289 | | 2,289 | | 2,289 |
| Other Expenses | 15,790 | | 9,936 | 25,726 | 8,622 |
| Animal Control Regulation | | | | | |
| Other Expenses | 22,786 | | 22,786 | | 22,786 |
| Contribution to Child Dev. & Teen Program | | | | | |
| Other Expenses | 59,000 | | 59,000 | 59,000 | - |
| Recreation Services and Programs | | | | | |
| Salaries and Wages | 22,416 | | 22,416 | | 22,416 |
| Overtime | 15,000 | | 15,000 | | 15,000 |
| Other Expenses | 79,077 | | 39,123 | 118,200 | 42,410 |
| Construction Code Official | | | | | |
| Salaries and Wages | 122,477 | | 122,477 | 122,000 | 477 |
| Overtime | 16,787 | | 16,787 | | 16,787 |
| Other Expenses | 9,509 | | 17,245 | 26,754 | 3,094 |
| Contingency | | | | | |
| Solid Waste Disposal | 6,000 | | 88,260 | 285,212 | 285,212 |
| Leaf Disposal Site | 196,952 | | 52,769 | 86,770 | - |
| | | | | | |
| | | | | | |

CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATION RESERVES

| | Balance, December 31, 2023 | Prior Year <u>Encumbrances Restored</u> | Balance After <u>Modification</u> | Paid or <u>Charged</u> | Balance <u>Lapsed</u> |
|---|----------------------------------|--|---|----------------------------|--------------------------|
| Utilities | | | | | |
| Street Lighting | \$ 69,519 | 67,250 | \$ 136,769 | \$ 136,249 | \$ 520 |
| Telephone / Communications | 22,852 | | 22,852 | 22,000 | 852 |
| Water | 4,621 | | 4,621 | | 4,621 |
| Gas and Electric | 50,943 | | 50,943 | 50,900 | 43 |
| Fire Hydrant | 15,029 | | 15,029 | | 15,029 |
| Statutory Expenditures: | | | | | |
| Contribution to: | | | | | |
| Public Employee's Retirement System | 22 | | 22 | | 22 |
| Social Security System | 2 | | 1,002 | 255 | 747 |
| Defined Contribution Retirement Program | 4,257 | | 4,257 | 135 | 4,122 |
| BCUA | | | | | |
| Recycling Tax | 10,004 | 3,028 | 13,032 | 8,492 | 4,540 |
| Maintenance of Free Public Library | | | | | |
| Salaries and Wages | <u>408,446</u> | <u>131,078</u> | <u>539,524</u> | <u>537,739</u> | <u>1,785</u> |
| | <u><u>\$ 3,845,292</u></u> | <u><u>\$ 2,399,519</u></u> | <u><u>\$ 6,244,811</u></u> | <u><u>\$ 5,519,177</u></u> | <u><u>\$ 725,634</u></u> |
| | | | | | |
| | | Cash Disbursements Due to Other Trust Fund | | \$ 3,019,177 | |
| | | | | <u><u>2,500,000</u></u> | |
| | | | | <u><u>\$ 5,519,177</u></u> | |

EXHIBIT A-12

**CITY OF ENGLEWOOD
STATEMENT OF PREPAID TAXES**

| | |
|----------------------------------|-------------------|
| Balance, December 31, 2023 | \$ 505,250 |
| Increased by: | |
| Collection of 2025 Taxes | <u>735,822</u> |
| | 1,241,072 |
| Decreased by: | |
| Applied to 2024 Taxes Receivable | <u>505,250</u> |
| Balance, December 31, 2024 | <u>\$ 735,822</u> |

EXHIBIT A-13

STATEMENT OF TAX OVERPAYMENTS

| | |
|----------------------------|------------------|
| Balance, December 31, 2023 | \$ 217,423 |
| Increased by: | |
| Cash Receipts | <u>19,346</u> |
| | 236,769 |
| Decreased by: | |
| Refunds | <u>217,423</u> |
| Balance, December 31, 2024 | <u>\$ 19,346</u> |

CITY OF ENGLEWOOD
STATEMENT OF COUNTY TAXES PAYABLE

| | |
|----------------------------|-------------------|
| Balance, December 31, 2023 | \$ 29,560 |
| Increased by: | |
| Levy, Calendar Year | |
| County Taxes | \$ 14,340,110 |
| County Open Space Taxes | 645,006 |
| Added and Omitted Taxes | <u>36,807</u> |
| | <u>15,021,923</u> |
| | 15,051,483 |
| Decreased by: | |
| Cash Disbursements | <u>15,014,676</u> |
| Balance, December 31, 2024 | <u>\$ 36,807</u> |

SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE (PREPAID)

| | |
|--------------------------------------|-------------------|
| Balance, December 31, 2023 (Prepaid) | \$ 822,768 |
| Increased by: | |
| Levy, Calendar Year | <u>62,165,155</u> |
| | |
| | 61,342,387 |
| Decreased by: | |
| Cash Disbursements | <u>61,256,193</u> |
| Balance, December 31, 2024 (Payable) | <u>\$ 86,194</u> |

CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATED GRANT RESERVES
GRANT FUND

| <u>Program</u> | <u>Balance</u> <u>December 31,</u> <u>2023</u> | <u>Transferred</u> <u>from 2024</u> <u>Budget</u> | <u>Cancelled</u> <u>Encumbrance</u> | <u>Paid or</u> <u>Charged</u> | <u>Balance</u> <u>December 31,</u> <u>2024</u> |
|---|--|---|--|----------------------------------|--|
| Municipal Alliance Program | \$ 40,041 | \$ 5,754 | | \$ 2,248 | \$ 43,547 |
| Municipal Alliance Program-Local Match | 12,668 | 1,439 | 321 | | 14,428 |
| State Forestry Services Green Communities | 3,000 | | | | 3,000 |
| Bio-Terrorism Sub-Grant | 369 | | | | 369 |
| Alcohol Education & Rehabilitation Fund | 11,626 | 6,790 | | | 18,416 |
| Reach & Teach | 90,000 | | | | 90,000 |
| Drunk Driving Enforcement Fund | 85,031 | | | 19,271 | 65,760 |
| Take Me Fishing Grant | 44 | | | | 44 |
| Hepatitis B Grant | 13 | | | | 13 |
| BC/US Dept of Justice Grant | 7,711 | | | 2,407 | 5,304 |
| Public Health Grant | 35 | | | | 35 |
| Adolescent Health Grant | 22,098 | | | | 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) | 400,408 | | | 61,106 | 339,302 |
| FEMA-Firefighters Grant | 4 | | | | 4 |
| Body Armor Replacement | 26,984 | | | 6,831 | 20,153 |
| Hurricane Irene Relief Employment Fund | 8,625 | | | | 8,625 |
| Historic Preservation Grant - Mackay Gate House | 20,590 | | | | 20,590 |
| Recycling Tonnage | 126,957 | 20,017 | | | 146,974 |
| Clean Communities Program | 144,130 | 66,408 | | 24,970 | 185,568 |
| 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 | 121,417 | | | 39,672 | 81,745 |
| Sustainable Energy Grant | 5,000 | | | | 5,000 |
| USA Swimming Foundation Grant | 33,676 | | | | 33,676 |
| Covid-19 Vaccination | 93,004 | | | 14,539 | 78,465 |
| Assistance to FF Grant | 245,455 | | | 23,485 | 221,970 |
| DCA American Rescue Plan | | 45,000 | | 25,591 | 19,409 |
| FEMA Driver Training | 95,014 | | | 10,650 | 84,364 |
| FEMA Vehicle Extraction | 55,484 | | | 4,404 | 51,080 |
| Hazardous Materials Emergency | | 11,900 | | 11,900 | - |
| Junior Police Academy Expansion Grant | | 30,000 | | | 30,000 |
| FEMA - Technical Rescue Training Grant | | 161,702 | | | 161,702 |
| FEMA - Fire Prevention and Safety Grant | | 85,714 | | | 85,714 |
| Local Recreation Improvement | - | 75,000 | - | 17,984 | 57,016 |
| | <u>\$ 1,700,383</u> | <u>\$ 509,724</u> | <u>\$ 321</u> | <u>\$ 288,261</u> | <u>\$ 1,922,167</u> |

| | |
|----------------------|------------|
| Cash Disbursements | \$ 218,892 |
| Encumbrances Payable | 69,369 |
| Due to Current Fund | |

\$ 288,261

CITY OF ENGLEWOOD
STATEMENT OF UNAPPROPRIATED GRANT RESERVES
GRANT FUND

| | Balance December 31, <u>2023</u> | Cash Receipts | Due to General Capital Fund | Balance December 31, <u>2024</u> |
|--|--|-------------------|--------------------------------|--|
| Drunk Driving Enforcement Fund | \$ 600 | \$ 600 | | \$ 1,200 |
| Body Armor Replacement Grant | 10,288 | 5,690 | | 15,978 |
| 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 | 677,953 | | 1,026,842 |
| Stormwater assistance Grant | 15,000 | | | 15,000 |
| NACCHO / HIV Grant | 9,486 | | | 9,486 |
| Drive Sober or Get Pulled Over | | 613 | | 613 |
| Strengthening Local Public Health Capacity | | 60,574 | | 60,574 |
| Local Public Health | - | 36,450 | | 36,450 |
| | <u>\$ 3,434,496</u> | <u>\$ 781,880</u> | <u>\$ 2,972,796</u> | <u>\$ 1,243,580</u> |

STATEMENT OF DUE FROM CURRENT FUND
GRANT FUND

| | |
|---|---------------------|
| Balance, December 31, 2023 | \$ 3,019,785 |
| Increased by: | |
| Grant Fund Receipts Deposited in Current Fund | |
| Grants Receivable | \$ 651,142 |
| Unappropriated Grant Reserves | 781,880 |
| Matching Funds for Grants | <u>1,439</u> |
| | <u>1,434,461</u> |
| | 4,454,246 |
| Decreased by: | |
| Grant Fund Expenditures Paid by Current Fund | |
| Encumbrances Payable | 168,049 |
| Appropriated Grant Reserves | 218,892 |
| Receipts from Current Fund | <u>3,411</u> |
| | <u>390,352</u> |
| Balance, December 31, 2024 | <u>\$ 4,063,894</u> |

CITY OF ENGLEWOOD
STATEMENT OF ENCUMBRANCES / ACCOUNTS PAYABLE

| | Regular <u>Fund</u> | Grant <u>Fund</u> |
|------------------------------|------------------------|----------------------|
| Balance, December 31, 2023 | <u>\$ 3,281,319</u> | <u>\$ 168,370</u> |
| Increased by: | | |
| Charges to: | | |
| Budget Appropriations | 2,318,680 | |
| Appropriated Grants Reserves | - <u>69,369</u> | |
| | <u>2,318,680</u> | <u>69,369</u> |
| | <u>5,599,999</u> | <u>237,739</u> |
| Decreased by: | | |
| Encumbrances Restored to | | |
| Appropriation Reserves | 2,399,519 | 321 |
| Cash Disbursements | 48,130 <u>168,049</u> | |
| | <u>2,447,649</u> | <u>168,370</u> |
| Balance, December 31, 2024 | <u>\$ 3,152,350</u> | <u>\$ 69,369</u> |
| | | |
| Encumbrances Payable | \$ 2,318,680 | \$ 69,369 |
| Accounts Payable | 833,670 <u>-</u> | |
| | <u>\$ 3,152,350</u> | <u>\$ 69,369</u> |

CITY OF ENGLEWOOD
STATEMENT OF MISCELLANEOUS RESERVES

| | Balance December 31, 2023 | Anticipated as <u>Cash Receipts</u> | Anticipated as <u>Budgeted Revenue</u> | Balance, December 31, 2024 |
|----------------------------|---------------------------------|--|---|----------------------------------|
| Reassessment | \$ 5,000 | | | \$ 5,000 |
| Codification of Ordinances | 2,234 | | | 2,234 |
| Municipal Relief Fund | <u>288,289</u> | - | <u>288,289</u> | - |
| | <u>\$ 295,523</u> | <u>\$ -</u> | <u>\$ 288,289</u> | <u>\$ 7,234</u> |

STATEMENT OF RESERVE FOR TAX APPEALS

| | |
|---|---------------------|
| Balance, December 31, 2023 | \$ 2,030,639 |
| Increased by: | |
| Transferred from 2024 Budget Appropriations | <u>600,000</u> |
| | |
| Decreased by: | 2,630,639 |
| Cash Disbursements | <u>111,526</u> |
| Balance, December 31, 2024 | <u>\$ 2,519,113</u> |

STATEMENT OF ACCRUED SALARIES AND WAGES PAYABLE

| | |
|--|-------------------|
| Balance, December 31, 2023 | \$ 166,457 |
| Increased by: | |
| Restored from Other Trust Fund | 700,000 |
| Miscellaneous Reserves and Deposits - Terminal Leave | |
| Balance, December 31, 2024 | <u>\$ 866,457</u> |

TRUST FUNDS

CITY OF ENGLEWOOD
STATEMENT OF CASH

| | <u>Assessment Trust Fund</u> | <u>Animal Control Fund</u> | <u>Unemployment Compensation Fund</u> | <u>Other Trust Fund</u> |
|------------------------------------|----------------------------------|----------------------------|---|-----------------------------|
| Balance, December 31, 2023 | \$ 569,998 | \$ 13,023 | \$ 316,735 | \$ 11,185,868 |
| Increased by Receipts: | | | | |
| Interest on Deposits | \$ 28,312 | \$ 399 | \$ 10,304 | |
| Animal Control Fees | | 3,420 | | |
| State Dog License Fees | | 581 | | |
| Assessments Receivable | 889 | | | |
| Employee Payroll Deductions | | | | 38,591,451 |
| SID Taxes and Liens Receivable | | | | 273,086 |
| Miscellaneous Reserve and Deposits | | | | 6,673,205 |
| Cash Received from Current Fund | - | 49 | - | 677,040 |
| | <u>29,201</u> | <u>49</u> | <u>4,449</u> | <u>10,304</u> |
| | 599,199 | 17,472 | 327,039 | 57,400,650 |
| Decreased by Disbursements: | | | | |
| Encumbrances Payable | | | | 382,125 |
| Animal Control Expenditures | | 1,727 | | |
| Payments to State of New Jersey | | 572 | 83,077 | |
| Payroll Deductions Payable | | | | 39,019,028 |
| Various Reserves and Deposits | | | | 7,140,646 |
| Assessments Serial Bonds | <u>585,000</u> | <u>-</u> | <u>2,299</u> | <u>-</u> |
| | <u>585,000</u> | <u>-</u> | <u>2,299</u> | <u>-</u> |
| | \$ 14,199 | \$ 15,173 | \$ 243,962 | \$ 10,858,851 |
| Balance, December 31, 2024 | | | | |

CITY OF ENGLEWOOD
ANALYSIS OF ASSESSMENT TRUST CASH

| | Balance | | | | Balance December 31, 2024 | |
|--|--------------------------|----------------------|-------------------------|--------------------|---------------------------------|--|
| | Receipts | | | | | |
| | December 31, 2023 | Assessments | Interest | Transfer | | |
| Assessment Serial Bonds Due To Current Fund | \$ 546,966 | \$ 889 | | \$ 37,145 | \$ 585,000 | |
| Assessment Trust Surplus | 23,029 | | \$ 28,312 | (37,145) | \$ 14,196 | |
| | <u>3</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3</u> | |
| | <u><u>\$ 569,998</u></u> | <u><u>\$ 889</u></u> | <u><u>\$ 28,312</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 585,000</u></u> | |
| | | | | | \$ 14,199 | |

STATEMENT OF ASSESSMENTS RECEIVABLE

| <u>Ordinance Number</u> | <u>Improvement Description</u> | <u>Confirmation</u> | Balance | | <u>Current Fund Budget</u> | Balance December 31, 2024 |
|-------------------------|--------------------------------|---------------------|-----------|----------------------|--------------------------------|---------------------------------|
| | | | Date of | December 31, 2023 | Cash | |
| 08-07, 03-18, 05-18 | Route 4 Access | 4/24/2012 | \$ 38,034 | \$ 889 | \$ 37,145 | \$ - |

STATEMENT OF ASSESSMENT SERIAL BONDS PAYABLE

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | Maturities of Bonds | | | <u>Interest Rate</u> | <u>Balance December, 31 2023</u> | <u>Decreased</u> | <u>Balance December 31, 2024</u> | | | | |
|------------------|--------------------------|---------------------------|--------------------------------------|---------------|--------|--------------------------|--------------------------------------|------------------|--------------------------------------|--|--|--|--|
| | | | <u>Outstanding-December 31, 2024</u> | | | | | | | | | | |
| | | | <u>Date</u> | <u>Amount</u> | | | | | | | | | |
| Assessment Bonds | 12/16/08 | \$ 8,775,000 | 01/01/24 | \$ 585,000 | 5.000% | | \$ 585,000 | \$ 585,000 | \$ - | | | | |

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

| <u>Improvement Description</u> | | Balance, December 31, <u>2023</u> | | | Balance, December 31, <u>2024</u> |
|---|---------------------|---|---------------------|----------------------|---|
| | | <u>Increases</u> | <u>Decreases</u> | | |
| Police Vests | \$ 1,282 | | | \$ 1,282 | |
| Confiscated Funds (DEA) | 126,791 | \$ 1,000 | \$ (4,062) | 131,853 | |
| Confiscated Funds (DHS) | 23,830 | 14,455 | (21,340) | 59,625 | |
| Misc Bank Transactions | 114,731 | 168,399 | 24,519 | 258,611 | |
| Charitable Causes | 74,052 | 14,300 | 7,205 | 81,147 | |
| Honor Guard | 1,208 | | | 1,208 | |
| DARE | 600 | | | 600 | |
| Uniform Fire Safety | 37,397 | 8,241 | 4,187 | 41,451 | |
| Dedicated Uniform Fire Safety Penalties | 23,220 | 5,220 | | 28,440 | |
| COAH | 1,894,013 | 760,582 | 111,067 | 2,543,528 | |
| POLICE | 26,331 | 11,170 | 16,086 | 21,415 | |
| POAA | 23,447 | 3,014 | | 26,461 | |
| Police Confiscated Funds | 34,338 | | | 34,338 | |
| Ice Arena | 13,702 | | | 13,702 | |
| Tree Fund Donations | 75,050 | 9,650 | | 84,700 | |
| Other | 25,748 | 41 | | 25,789 | |
| Tax Sale Redemption | 69,060 | 1,283,214 | 1,209,498 | 142,776 | |
| Environmental Commission | 5,439 | 608 | 1,699 | 4,348 | |
| Tax Sale Premiums | 1,727,700 | 1,336,900 | 1,412,600 | 1,652,000 | |
| Special Improvement District | 17,017 | 273,087 | 268,618 | 21,486 | |
| Developers Trust | 2,464,309 | 496,558 | 681,004 | 2,279,863 | |
| Police Off Duty | 12,275 | 2,489,552 | 2,305,065 | 196,762 | |
| 4th of July Fireworks | 1,042 | 20,000 | | 21,042 | |
| Englewood Day | 5,626 | | (700) | 6,326 | |
| Englewood Commemorative Council | 1,045 | 50,000 | | 51,045 | |
| Storm Recovery | 624,737 | 2,000,000 | 252,501 | 2,372,236 | |
| Miscellaneous | 1,500 | | | 1,500 | |
| Terminal Leave | 2,092,639 | 1,150,000 | 1,763,583 | 1,479,056 | |
| Stigma Free | 3,200 | 300 | 170 | 3,330 | |
| | <u>\$ 9,521,329</u> | <u>\$ 10,096,291</u> | <u>\$ 8,031,700</u> | <u>\$ 11,585,920</u> | |
| Cash Receipts | | \$ 6,673,204 | | | |
| SID Taxes and Liens | | 273,087 | | | |
| Due From Current Fund | | | | | |
| Storm Recovery | | 2,000,000 | | | |
| Terminal Leave | | 1,150,000 | | | |
| | | <u>\$ 10,096,291</u> | | | |
| Cash Disbursements | | \$ 7,140,646 | | | |
| Encumbrances Payable | | 191,054 | | | |
| Due to Current Fund | | 700,000 | | | |
| | | <u>\$ 8,031,700</u> | | | |

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

| | |
|--------------------------------------|-----------------|
| Balance, December 31, 2023 | \$ 8,013 |
| Increased by: | |
| Animal Control Fees Received | <u>3,420</u> |
| | |
| | 11,433 |
| Decreased by: | |
| Cash Disbursements | \$ 1,727 |
| Statutory Excess Due to Current Fund | <u>382</u> |
| | <u>2,109</u> |
| Balance, December 31, 2024 | <u>\$ 9,324</u> |

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

| | |
|---------------------------------|-------------|
| Increased by: | |
| State Fees Collected | \$ 581 |
| Decreased by: | |
| Payments to State of New Jersey | <u>572</u> |
| | |
| Balance, December 31, 2024 | <u>\$ 9</u> |

STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL TRUST FUND

| | |
|--------------------------------------|-----------------|
| Balance, December 31, 2023 | \$ 5,010 |
| Increased by: | |
| Interest on Deposits | \$ 399 |
| Receipts from Current Fund | 49 |
| Statutory Excess Due to Current Fund | <u>382</u> |
| | <u>830</u> |
| Balances, December 31, 2024 | <u>\$ 5,840</u> |

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

| | |
|---------------------------------------|------------------|
| Balance, December 31, 2023 | \$ 24,909 |
| Increased by: | |
| Unemployment Claims and Other Charges | <u>125,018</u> |
| | 149,927 |
| Decreased by: | |
| Payments to State of New Jersey | <u>83,077</u> |
| Balances, December 31, 2024 | <u>\$ 66,850</u> |

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

| | |
|---|-------------------|
| Balance, December 31, 2023 | \$ 333,590 |
| Increased by: | |
| Employee Payroll Deductions Due from Other Trust Fund | \$ 41,240 |
| Interest on Deposits | <u>10,304</u> |
| | <u>51,544</u> |
| | 385,134 |
| Decreased by: | |
| Unemployment Claims and Other Charges - State of NJ | <u>125,018</u> |
| Balances, December 31, 2024 | <u>\$ 260,116</u> |

CITY OF ENGLEWOOD
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND

| | |
|---|-------------------|
| Balance, December 31, 2023 | \$ 641,923 |
| Increased by: | |
| Cash Receipts | <u>38,591,451</u> |
| | 39,233,374 |
| Decreased by: | |
| Cash Disbursements | \$ 39,019,028 |
| Unemployment Withholdings Due from Other Trust Fund | <u>41,240</u> |
| | <u>39,060,268</u> |
| Balance, December 31, 2024 | <u>\$ 173,106</u> |

STATEMENT OF ENCUMBRANCES PAYABLE
OTHER TRUST FUND

| | |
|--|-------------------|
| Balance, December 31, 2023 | \$ 382,125 |
| Increased by: | |
| Charges to Miscellaneous Reserves and Deposits | <u>191,054</u> |
| | 573,179 |
| Decreased by: | |
| Cash Disbursements | <u>382,125</u> |
| Balances, December 31, 2024 | <u>\$ 191,054</u> |

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

| | |
|----------------------------|-----------------|
| Balance, December 31, 2023 | \$ 9,886 |
| Balance, December 31, 2024 | <u>\$ 9,886</u> |

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

| | |
|----------------------------|------------------|
| Balance, December 31, 2023 | \$ 109,269 |
| Increased by: | |
| Billings | <u>250,000</u> |
| | 359,269 |
| Decreased by: | |
| Cash Receipts | <u>273,086</u> |
| Balance, December 31, 2024 | <u>\$ 86,183</u> |

STATEMENT OF DUE FROM / TO CURRENT FUND
OTHER TRUST FUND

| | |
|---|---------------------|
| Balance, December 31, 2023 (Due to) | \$ 291,437 |
| Increased by: | |
| Transferred from Current Fund | \$ 650,000 |
| 2024 Budget Appropriation | <u>2,500,000</u> |
| 2023 Budget Appropriation Reserves | <u>3,150,000</u> |
| | 2,858,563 |
| Decreased by: | |
| Cash Receipts from Current Fund | 677,040 |
| Restored to Current Fund Accrued Salaries and Wages | <u>700,000</u> |
| | <u>1,377,040</u> |
| Balances, December 31, 2024 (Due from) | <u>\$ 1,481,523</u> |

STATEMENT OF DUE TO CURRENT FUND
ASSESSMENT TRUST FUND

| | |
|-----------------------------|------------------|
| Balance, December 31, 2023 | \$ 23,029 |
| Increased by: | |
| Interest on Deposits | <u>28,312</u> |
| | 51,341 |
| Decreased by: | |
| Budget Appropriation | <u>37,145</u> |
| Balances, December 31, 2024 | <u>\$ 14,196</u> |

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

| | |
|----------------------------|-------------------|
| Balance, December 31, 2023 | \$ <u>307,290</u> |
| Balance, December 31, 2024 | \$ <u>307,290</u> |

GENERAL CAPITAL FUND

CITY OF ENGLEWOOD
STATEMENT OF CASH

| | |
|---------------------------------------|---------------------|
| Balance, December 31, 2023 | \$ 1,666,388 |
| Increased by Receipts: | |
| Grant Proceeds | \$ 155,878 |
| Grants Receivable | 335,314 |
| Deferred Charges Unfunded | 16,725,000 |
| Proceeds from Bond Anticipation Notes | 118,740 |
| Premiums on Sale of Bonds and Notes | 985,702 |
| Cash Receipts from Current Fund | 402,074 |
| Interest on Deposits | <u>18,722,708</u> |
| | 20,389,096 |
| Decreased by Disbursements: | |
| Improvement Authorizations | 6,129,575 |
| Encumbrances Payable | 5,680,372 |
| Bond Anticipation Notes | <u>337,004</u> |
| | <u>12,146,951</u> |
| Balance, December 31, 2024 | <u>\$ 8,242,145</u> |

CITY OF ENGLEWOOD
STATEMENT OF CAPITAL CASH
AS OF DECEMBER 31, 2024

| | |
|---|-------------|
| Fund Balance | \$ 602,447 |
| Capital Improvement Fund | 181,172 |
| Miscellaneous Reserves | 68,759 |
| Reserve for Debt Service | 2,191,949 |
| Encumbrances Payable | 10,221,960 |
| Due from Library | (545,193) |
| Due to Current Fund | 465,140 |
| Due to Community Development Block Grant Fund | 9,886 |
| Due from Grant Fund | (2,390,125) |
| Grants Receivable | (8,903,359) |
| Excess Note Proceeds | 334,460 |

| <u>Ord</u> <u>No.</u> | <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 | 105,500 |
| 13-06 | Various Capital Improvements | 46,222 |
| 13-11a | Ice Arena Improvements | 2,950 |
| 13-15 | Overpeck Creek Channel Wall Replacements | 3,393 |
| 14-16 | Various Capital Improvements | 4,867 |
| 15-03,15-12 | Various Equipment and Capital Improvements | 803,254 |
| 16-07 | Various Equipment and Capital Projects | 233,912 |
| 17-03 | Various Equipment and Capital Improvements | 15,337 |
| 18-09 | Various Capital Improvements | 919,742 |
| 19-10, 22-09 | Various Capital Improvements | 814,246 |
| 20-02 | Various Capital Improvements | 1,520,487 |
| 21-05, 22-15 | Various Capital Improvements | (542,200) |
| 22-06 | Various Capital Improvements | (1,247,250) |
| 22-19 | Acquisition of Real Property | 339,206 |
| 23-01 | Various Roadway Improvements and Equipment Acquisition | 8,408 |
| 23-12 | Various Capital Improvements | 3,446,053 |
| 24-05/24-12 | Various Capital Improvements | <u>(485,188)</u> |
| | | <u>\$ 8,242,145</u> |

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

| | |
|------------------------------------|----------------------|
| Balance, December 31, 2023 | \$ 56,050,000 |
| Decreased by: | |
| Current Fund Budget Appropriations | 4,365,000 |
| Serial Bond Principal | <u>4,365,000</u> |
| Balance, December 31, 2024 | <u>\$ 51,685,000</u> |

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

| Ord. No. | Improvement Description | Balance, December 31, 2023 | 2024 Authorizations | Notes Paid by Budget Appropriations | Grant Proceeds | Balance, December 31, 2024 | Analysis of Balance December 31, 2024 | | 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 | \$ 100,000 | | 4,500 |
| 16-07 | Various Equipment and Capital Projects | 290,004 | | \$ 11,000 | | 279,004 | 279,000 | | 4 |
| 18-09 | Various Capital Improvements | 775 | | | | 775 | | | 775 |
| 19-10, 22-09 | Various Capital Improvements | 4,642,854 | | 198,000 | \$ 199,000 | 4,245,854 | 4,245,854 | | |
| 20-02 | Various Capital Improvements | 7,404,365 | | 128,000 | | 7,276,365 | 4,372,000 | | 2,904,365 |
| 21-05, 22-15 | Various Capital Improvements | 5,595,334 | | | | 5,595,334 | 4,500,000 | \$ 542,200 | 553,134 |
| 22-06 | Various Capital Improvements | 11,115,425 | | | | 11,115,425 | 6,525,000 | 1,247,250 | 3,343,175 |
| 22-19 | Acquisition of Real Property | 708,000 | | | | 708,000 | 708,000 | | |
| 23-01 | Various Roadway Improvements and Equipment Acquisitior | 327,735 | | | 136,314 | 191,421 | 191,421 | | |
| 23-12 | Various Capital Improvements | 9,572,740 | | | | 9,572,740 | 6,064,265 | | 3,508,475 |
| 24-05/24-12 | Various Improvements | - | \$ 11,735,428 | - | - | 11,735,428 | - | 4,350,785 | 7,384,643 |
| | | <u>\$ 39,761,782</u> | <u>\$ 11,735,428</u> | <u>\$ 337,000</u> | <u>\$ 335,314</u> | <u>\$ 50,824,896</u> | <u>\$ 26,985,540</u> | <u>\$ 6,140,235</u> | <u>\$ 17,699,121</u> |
| | | | | | | | Improvement Authorizations - Unfunded | | \$ 24,161,433 |
| | | | | | | | Bond Anticipation Notes | | \$ 27,320,000 |
| | | | | | | | Less: Excess Note Proceeds | | |
| | | | | | | | Ordinance 19-10 | \$ 198,146 | |
| | | | | | | | Ordinance 23-01 | <u>136,314</u> | <u>334,460</u> |
| | | | | | | | | | <u>\$ 26,985,540</u> |
| | | | | | | | Less: Unexpended Note Proceeds | | |
| | | | | | | | Ordinance 13-01/14-25 | | \$ 100,000 |
| | | | | | | | Ordinance 16-07 | | 233,912 |
| | | | | | | | Ordinance 19-10/22-09 | | 814,246 |
| | | | | | | | Ordinance 20-02 | | 1,520,487 |
| | | | | | | | Ordinance 22-19 | | 339,206 |
| | | | | | | | Ordinance 23-01 | | 8,408 |
| | | | | | | | Ordinance 23-12 | | 3,446,053 |
| | | | | | | | | | <u>6,462,312</u> |
| | | | | | | | | | <u>\$ 17,699,121</u> |

CITY OF ENGLEWOOD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

CITY OF ENGLEWOOD
STATEMENT OF GRANTS RECEIVABLE

| <u>Grantor</u> | <u>Balance</u> <u>December 31, 2023</u> | <u>Grant</u> <u>Awards</u> | <u>Cash</u> <u>Receipts</u> | <u>Balance</u> <u>December 31, 2024</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 | 435,000 | | | 435,000 |
| Ord. No. 21-05 | 61,081 | | | 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 |
| Ord. No. 24-05 | | \$ 156,500 | | 156,500 |
| N.J. Department of Environmental Protection | | | | |
| Ord. No. 21-05 | 1,301,065 | | | 1,301,065 |
| Ord. No. 23-12 | 100,000 | | | 100,000 |
| Ord. No. 24-05 | | 550,000 | | 550,000 |
| 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 | 271,799 | | | 271,799 |
| Other | | | | |
| Ord. No. 24-05 | | 1,440,000 | | 1,440,000 |
| Library Capital Projects | | | | |
| Ord. No. 24-05 | - | 2,507,206 | 626,802 | 1,880,404 |
| | <u>\$ 5,157,333</u> | <u>\$ 4,653,706</u> | <u>\$ 782,680</u> | <u>\$ 9,028,359</u> |
| | Cash Received | \$ 155,878 | | |
| | Due from Library | 626,802 | | |
| | | <u>\$ 782,680</u> | | |

CITY OF ENGLEWOOD
STATEMENT OF MISCELLANEOUS RESERVES

| | |
|---|------------------|
| Balance, December 31, 2023 | \$ 68,759 |
| Balance, December 31, 2024 | <u>68,759</u> |
| <u>Analysis of Balance at December 31, 2024</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, 2023 | \$ 9,564,412 |
| Increased by: | |
| Charges to Improvement Authorizations | <u>6,341,331</u> |
| | |
| | 15,905,743 |
| Decreased by: | |
| Cash Disbursements | \$ 5,680,372 |
| Due from Grant Fund | <u>3,411</u> |
| | <u>5,683,783</u> |
| Balance, December 31, 2024 | <u>\$ 10,221,960</u> |

EXHIBIT C-10

STATEMENT OF CAPITAL IMPROVEMENT FUND

| | |
|--|-------------------|
| Balance, December 31, 2023 | \$ 147,948 |
| Increased by: | |
| Current Fund Budget Appropriation | <u>620,000</u> |
| | |
| | 767,948 |
| Decreased by: | |
| Appropriated to Finance Improvement Authorizations | <u>586,776</u> |
| | |
| Balances, December 31, 2024 | <u>\$ 181,172</u> |

CITY OF ENGLEWOOD
STATEMENT OF GENERAL SERIAL BONDS PAYABLE

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | Maturities of Bonds | | | <u>Interest Rate</u> | <u>Balance December 31, 2023</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance December 31, 2024</u> |
|---------------------------|----------------------|-----------------------|---------------------|---------------|---------------------------------|----------------------|----------------------------------|------------------|------------------|----------------------------------|
| | | | <u>Date</u> | <u>Amount</u> | <u>Outstanding-Dec 31, 2024</u> | | | | | |
| General Improvement Bonds | 4/2/2014 | \$ 16,450,000 | 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% | \$ 8,035,000 | | \$ 765,000 | \$ 7,270,000 | |
| General Obligation Bonds | 4/1/2017 | 14,285,000 | 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% | \$ 9,395,000 | | 1,060,000 | \$ 8,335,000 | |
| General Obligation Bonds | 3/28/2019 | 15,260,000 | 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% | \$ 13,230,000 | | \$ 530,000 | \$ 12,700,000 | |

CITY OF ENGLEWOOD
STATEMENT OF GENERAL SERIAL BONDS PAYABLE

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Original Issue</u> | Maturities of Bonds | | | <u>December 31, 2023</u> | <u>Increased</u> | <u>Decreased</u> | <u>Balance December 31, 2024</u> |
|--|----------------------|-----------------------|---------------------------------|--------------|---------------|--------------------------|------------------|------------------|----------------------------------|
| | | | <u>Outstanding-Dec 31, 2024</u> | <u>Date</u> | <u>Amount</u> | | | | |
| General Obligation Bonds | 3/24/2021 | \$ 27,105,000 | 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% | \$ 23,515,000 | | | \$ 1,765,000 \$ 21,750,000 |
| 2023 General Improvement Refunding Bonds | 1/27/2023 | 2,380,000 | 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% | 1,875,000 | - | | 245,000 1,630,000 |
| | | | | | | | | | |
| | | | | | | \$ 56,050,000 | \$ - | \$ 4,365,000 | \$ 51,685,000 |

CITY OF ENGLEWOOD
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE

| Ord. <u>No.</u> | <u>Improvement Description</u> | Date of Original <u>Note</u> | Date of <u>Issue</u> | Date of <u>Maturity</u> | Interest Rate | Balance, December 31, <u>2023</u> | Increased | Decreased | Balance, December 31, <u>2024</u> |
|--------------------|---|------------------------------------|--|--|----------------------------------|--|---|---|---|
| 16-07 | Various Capital Improvements | 12/12/2019 | 3/16/2023 3/16/2024 5/29/2024 | 3/15/2024 5/31/2024 5/28/2025 | 4.50% 3.25% 4.50% | \$ 290,004 | \$ 279,000 279,000 | \$ 290,004 279,000 | \$ 279,000 |
| 19-10 | Various Capital Improvements | 3/24/2021 | 3/16/2023 3/16/2024 5/29/2024 | 3/15/2024 5/31/2024 5/28/2025 | 4.50% 3.25% 4.50% | 4,642,000 | 4,444,000 4,444,000 | 4,642,000 4,444,000 | 4,444,000 |
| 20-02 | Various Capital Improvements | 3/24/2021 | 3/16/2023 3/16/2024 5/29/2024 5/29/2024 | 3/15/2024 5/31/2024 5/28/2025 5/28/2025 | 4.50% 3.25% 4.50% 4.50% | 3,000,000 | 2,872,000 2,872,000 1,500,000 | 3,000,000 2,872,000 | 2,872,000 1,500,000 |
| 21-05 | Various Capital Improvements | 3/10/2023 | 3/16/2023 3/16/2024 5/29/2024 5/29/2024 | 3/15/2024 5/31/2024 5/28/2025 5/28/2025 | 4.50% 3.25% 4.50% 4.50% | 3,000,000 | 3,000,000 3,000,000 | 3,000,000 3,000,000 | 3,000,000 1,500,000 |
| 22-06 | Various Capital Improvements | 3/16/2024 | 3/16/2024 5/29/2024 5/29/2024 | 5/31/2024 5/28/2025 5/28/2025 | 3.25% 4.50% 4.50% | | 1,725,000 1,725,000 4,800,000 | 1,725,000 | 1,725,000 4,800,000 |
| 13-01/14-05 | Various Capital Improvements | 5/29/2024 | 5/29/2024 | 5/28/2025 | 4.50% | | 100,000 | | 100,000 |
| 22-19 | Acquisition of Real Property | 5/29/2024 | 5/29/2024 | 5/28/2025 | 4.50% | | 708,000 | | 708,000 |
| 23-01 | Various Roadway Imprvts. and Equipment Acq. | 5/29/2024 | 5/29/2024 | 5/28/2025 | 4.50% | | 327,735 | | 327,735 |
| 23-12 | Various Capital Improvements | 5/29/2024 | 5/29/2024 | 5/28/2025 | 4.50% | -\$ 6,064,265 | -\$ 6,064,265 | | -\$ 6,064,265 |
| | | | | | | \$ 10,932,004 | \$ 39,640,000 | \$ 23,252,004 | \$ 27,320,000 |
| | | | | | | Renewals Notes Issued Paid with Capital Cash Paid by Budget Appropriation | \$ 22,915,000 16,725,000 4 -\$ 337,000 | \$ 22,915,000 16,725,000 4 -\$ 337,000 | |
| | | | | | | | \$ 39,640,000 | \$ 23,252,004 | |

CITY OF ENGLEWOOD
STATEMENT OF DUE FROM / TO CURRENT FUND

| | |
|---|-------------------|
| Balance, December 31, 2023 (Due from) | \$ 465,636 |
| Increased by: | |
| Budget Appropriations | \$ 620,000 |
| Capital Improvement Fund | <u>337,000</u> |
| Payment of Bond Anticipation Note Principal | <u>957,000</u> |
| | 1,422,636 |
| Decreased by: | |
| Cash Received from Other Funds | 985,702 |
| Current Fund Realized Revenue: | |
| Fund Balance | 500,000 |
| Interest on Deposits | <u>402,074</u> |
| | <u>1,887,776</u> |
| Balance, December 31, 2024 (Due to) | <u>\$ 465,140</u> |

EXHIBIT C-14

STATEMENT OF DUE FROM / TO GRANT FUND

| | |
|--|---------------------|
| Balance, December 31, 2023 (Due to) | \$ 579,260 |
| Increased by: | |
| Transferred from Grant Fund - Unappropriated Grant Reserves | <u>2,972,796</u> |
| | 2,393,536 |
| Decreased by: | |
| Cash Disbursed by Grant Fund on Behalf of General Capital Fund | <u>3,411</u> |
| Balance, December 31, 2024 (Due from) | <u>\$ 2,390,125</u> |

EXHIBIT C-15

STATEMENT OF DUE TO COMMUNITY DEVELOPMENT BLOCK GRANT FUND

| | |
|----------------------------|-----------------|
| Balance, December 31, 2023 | \$ 9,886 |
| Balance, December 31, 2024 | <u>\$ 9,886</u> |

EXHIBIT C-16

STATEMENT OF RESERVE FOR DEBT SERVICE

| | |
|----------------------------|---------------------|
| Balance, December 31, 2023 | \$ 2,191,949 |
| Balance, December 31, 2024 | <u>\$ 2,191,949</u> |

EXHIBIT C-17

STATEMENT OF DUE FROM LIBRARY

| | |
|--|-------------------|
| Increased by: | |
| Grant Proceeds Received by Library On-Behalf of City | \$ 626,802 |
| Decreased by: | |
| Cash Disbursed by Library on Behalf of City | <u>81,609</u> |
| Balance, December 31, 2024 (Due from) | <u>\$ 545,193</u> |

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

| <u>Cap No.</u> | <u>Improvement Description</u> | <u>Balance, December 31, 2023</u> | <u>2024 Authorizations</u> | <u>Cash Receipts</u> | <u>Notes Issued</u> | <u>Notes Paid with Capital Cash</u> | <u>Balance, December 31, 2024</u> |
|----------------|---|---|--------------------------------|--------------------------|-------------------------|---|---|
| 09-13 | Various Capital Improvements | \$ 50 | | | | | \$ 50 |
| 13-01,14-25 | Various Capital Improvements | 104,500 | | | \$ 100,000 | | 4,500 |
| 16-07 | Various Equipment and Capital Projects | | | | | \$ 4 | 4 |
| 18-09 | Various Capital Improvements | 775 | | | | | 775 |
| 19-10 | Various Capital Improvements | 854 | | \$ 854 | | | |
| 20-02 | Various Capital Improvements | 4,404,365 | | | 1,500,000 | | 2,904,365 |
| 21-05, 22-15 | Various Capital Improvements | 2,595,334 | | | 1,500,000 | | 1,095,334 |
| 22-06 | Various Capital Improvements | 11,115,425 | | | 6,525,000 | | 4,590,425 |
| 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 | | | 6,064,265 | | 3,508,475 |
| 24-05,24-12 | Various Improvements | - | \$ 11,735,428 | - | - | - | 11,735,428 |
| | | <u>\$ 28,829,778</u> | <u>\$ 11,735,428</u> | <u>\$ 854</u> | <u>\$ 16,725,000</u> | <u>\$ 4</u> | <u>\$ 23,839,356</u> |

CITY OF ENGLEWOOD

PART II
GOVERNMENT AUDITING STANDARDS
AND
SINGLE AUDIT

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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JOHN CUIFFO, CPA, PSA

**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 which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended and the related notes to the financial statements, and have issued our report thereon dated August 12, 2025. 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. In addition, our report on the financial statements – regulatory basis was qualified on the regulatory basis of accounting because of the presentation of the unaudited General Fixed Assets Account Group financial statements.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2024-001 that we consider to be a significant deficiency.

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 an instance of noncompliance or other matter that is 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 and which is described in the accompanying schedule of findings and responses as item 2024-001.

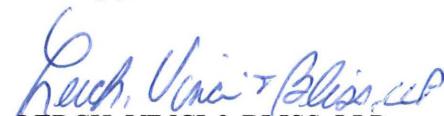
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the City of Englewood in Part III of this report of audit entitled, "General Comments and Recommendations".

City of Englewood's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of Englewood's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The City of Englewood's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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
August 12, 2025

DIETER P. LERCH, CPA, RMA, PSA
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**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, 2024. 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 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, 2024.

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; 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.

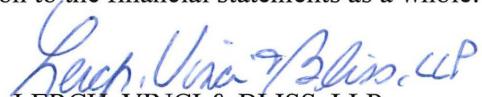
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 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, which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance - regulatory basis, statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year then ended and the related notes to the financial statements and have issued our report thereon dated August 12, 2025, which contained a modified opinion on those financial statements prepared in accordance with the regulatory basis of accounting because of the presentation of the unaudited General Fund Assets Account Group financial statements 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 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 and schedule of expenditures of state financial assistance are 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
August 12, 2025

CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

| <u>Federal Program</u> | <u>CFDA Number</u> | <u>Grant Year</u> | <u>Grant Receipts</u> | <u>Balance, December 31, 2023</u> | <u>Revenue</u> | <u>Expended</u> | <u>Balance, December 31, 2024</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 | \$ 33,008 | 245,455 | | \$ 23,485 | 221,970 | \$ 23,485 |
| Fire Prevention and Safety Grant | | 2024 | | | \$ 85,714 | | 85,714 | |
| Technical Rescue Training | | 2024 | | | 161,702 | | 161,702 | |
| Driver Training Grant | | 2023 | 15,334 | 95,014 | | 10,650 | 84,364 | 86,506 |
| Vehicle Extrication Grant | | 2023 | 2,062 | 55,484 | | 4,404 | 51,080 | 4,404 |
| Training Trailer Grant | | 2023 | 85,627 | - | - | - | - | 94,100 |
| | | | | 395,957 | 247,416 | 38,539 | 604,834 | 208,495 |
| Department of Treasury | | | | | | | | |
| American Rescue Plan | 21.027 | 2024 | | | | | | |
| Ordinance 24-05/24-12 | | | | | | | | |
| Sanitary Sewer Improvements | | | | | 1,477,796 | | 1,477,796 | 1,477,796 |
| Improvements to Traffic Signals | | | | | 910,390 | | 910,390 | 910,390 |
| LED Signage | | | | | 240,973 | | 240,973 | 240,973 |
| Improvements to Municipal Building and Facilities | | | | | 343,638 | | 343,638 | 343,638 |
| Firefighter Grant | | 11,781 | | 45,000 | 25,591 | | 19,409 | 25,591 |
| | | | | - | 3,017,797 | 2,998,388 | 19,409 | 2,998,388 |
| OTHER | | | | | | | | |
| Overpeck Creek Improvements - Ordinance 24-05 | | 2024 | | - | 1,440,000 | | 1,440,000 | - |
| Department of Housing and Urban Development | | | | | | | | |
| Community Development Block Grant/Entitlement Grants | 14.218 | 2024 | | | 156,500 | | 156,500 | 156,500 |
| Department of Justice | | | | | | | | |
| Community Oriented Police Services Grant (COPS) - Ordinance 23-12 | 16.710 | 2023 | | 1,750,000 | | 837,721 | 912,279 | |
| Department of Health and Human Services | | | | | | | | |
| Public Health Emergency Preparedness Grant | 93.069 | 2023 | 212,704 | 400,408 | | 61,106 | 339,302 | 87,830 |
| Immunization Cooperative Agreements | 93.268 | 2021 | | 607 | | | 607 | |
| Immunization Cooperative Agreements | 93.268 | 2022 | | 819 | - | - | 819 | |
| | | | | \$ 2,547,791 | \$ 4,861,713 | \$ 4,092,254 | \$ 3,317,250 | |

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, 2024

| <u>State Grant Program</u> | <u>Grant Number</u> | <u>Grant Year</u> | <u>2024 Grant Receipts</u> | <u>Balance, December 31, 2023</u> | <u>Revenue Realized</u> | <u>Expended</u> | <u>Balance, December 31, 2024</u> | <u>(Memo Only) Cumulative Expenditures</u> |
|--|---------------------|-------------------|----------------------------|-----------------------------------|-------------------------|-----------------|-----------------------------------|--|
| Recycling Tonnage Grant | | 2020 | \$ 12,917 | | | | \$ 12,917 | |
| | | 2021 | 39,400 | | | | 39,400 | |
| | | 2022 | 35,705 | | | | 35,705 | |
| | | 2023 | 38,935 | | | | 38,935 | |
| | | 2024 | \$ 20,017 | \$ 20,017 | | | 20,017 | |
| Drunk Driving Enforcement Fund | 1110-448-031020-22 | Prior | 57,984 | | | \$ 19,271 | 38,713 | \$ 19,411 |
| | | 2017 | 13,596 | | | | 13,596 | |
| | | 2018 | 3,775 | | | | 3,775 | |
| | | 2019 | 956 | | | | 956 | |
| | | 2020 | 200 | | | | 200 | |
| | | 2022 | 140 | | | | 140 | |
| | | 2023 | 8,380 | | | | 8,380 | |
| Clean Communities Program | 4900-765-178900 | 2021 | 30,534 | | | 24,970 | 5,564 | 40,986 |
| | | 2022 | 55,130 | | | | 55,130 | |
| | | 2023 | 58,466 | | | | 58,466 | |
| | | 2024 | 66,408 | | | 66,408 | 66,408 | |
| Police Body Armor - State Share | N/A | 2020 | 2,163 | | | | 2,163 | 4,632 |
| | | 2021 | 8,364 | | | | 8,364 | |
| | | Prior | 16,457 | | | \$ 6,831 | 9,626 | |
| Hazardous Materials Emergency Grant | | 2024 | 11,900 | | | 11,900 | | 11,900 |
| Local Recreation Improvement Grant | | 2024 | | | | 75,000 | 17,984 | 57,016 |
| State Library Capital Projects (Ordinance 24-05) | | 2024 | | | | 2,507,206 | 81,609 | 2,425,597 |
| New Jersey Division of Criminal Justice | | | | | | | | |
| Public Health Priority Funding | N/A | Prior | | 35 | | | | 35 |
| Adolescent Health Grant | N/A | Prior | | 22,098 | | | | 22,098 |
| H1N1 Emergency Preparedness | N/A | Prior | | 267 | | | | 267 |
| | | 2021 | | 340 | | | | 340 |
| Alcohol Education | N/A | Prior | | 3,537 | | | | 3,537 |
| | | 2019 | | 5,465 | | | | 5,465 |
| | | 2020 | | 1,834 | | | | 1,834 |
| | | 2022 | | 790 | | | | 790 |
| | | 2024 | 6,790 | | | 6,790 | | 6,790 |
| 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 |
| Improvements to Municipal Parks and Facilities - Mackay Park (Ordinance 24-12) | N/A | 2024 | | | | 550,000 | 16,716 | 533,284 |
| Urban and Community Forestry Grant | | | | | | | | 16,716 |
| 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 | 2023 | | 121,417 | | | | 165,990 |
| Covid 19 Vaccinations | N/A | 2021 | | 43,004 | | | | 21,535 |
| | | 2023 | | 50,000 | | | | |
| Municipal Alliance | N/A | 2020 | 2,351 | 8,533 | | 2,248 | 6,285 | 13,715 |
| | | 2021 | | 20,000 | | | 20,000 | |
| | | 2022 | | 5,754 | | | 5,754 | |
| | | 2023 | | 5,754 | | | 5,754 | |
| | | 2024 | 5,754 | - | 5,754 | - | 5,754 | |
| Total State Financial Assistance | | | | \$ 1,256,630 | \$ 3,243,075 | \$ 235,740 | \$ 4,263,965 | |

* Not Available

This schedule is not subject to Single Audit in accordance with New Jersey OMB Circular 15-08.

CITY OF ENGLEWOOD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

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 | | | |
| Grant Fund | \$ 292,416 | \$ 185,869 | \$ 478,285 |
| General Capital Fund | <u>4,569,297</u> | <u>3,057,206</u> | <u>7,626,503</u> |
| Total Financial Awards | <u>\$ 4,861,713</u> | <u>\$ 3,243,075</u> | <u>\$ 8,104,788</u> |

CITY OF ENGLEWOOD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

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
SCHEDE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Part I – Summary of Auditor's Results

Financial Statements

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

Federal Awards Section

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

Identification of major programs:

| <u>AL Number</u> | <u>Name of Federal Program</u> |
|------------------|---|
| <u>21.027</u> | <u>American Rescue Plan</u> |
| <u>16.710</u> | <u>Community Oriented Police Services</u> |

CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2024

Part I – Summary of Auditor's Results

State Awards Section

Not Applicable.

**CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2024**

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*.

Finding 2024-001

Our audit revealed that the City's General Fixed Assets Account Group internal accounting records were not updated for the 2024 additions and deletions.

Criteria or Specific Requirement

Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets.

Condition

Additions and deletions to the fixed asset accounting inventory were not recorded. A December 31, 2024 fixed asset inventory listing was not available for audit.

Cause

Unknown.

Effect

Fixed assets may be acquired or disposed of and not be reported.

Recommendation

A fixed asset inventory be completed and updated in a timely manner and available for audit.

Views of Responsible Officials and Planned Corrective Action

The administration has prepared a Request for Qualifications (RFQ) for the purpose of hiring a consultant to provide management with a list of fixed assets. It is anticipated the subsequent additions and deletions will be maintained by the Finance Department.

**CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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 are none.

**CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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 STATE AWARDS

Not applicable

CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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, 2024

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|----------------------------------|------------------------|------------------------|------------------------|
| <u>Tax Rate</u> | <u>\$3.073</u> | <u>\$2.980</u> | <u>\$2.949</u> |
| <u>Apportionment of Tax Rate</u> | | | |
| Municipal | 1.333 | 1.307 | 1.282 |
| Library | .046 | .043 | 0.040 |
| County | .315 | .302 | 0.286 |
| County Open Space | .015 | .014 | 0.012 |
| Local School | 1.364 | 1.314 | 1.329 |
| <u>Assessed Valuation</u> | | | |
| 2024 | <u>\$4,558,366,000</u> | | |
| 2023 | | <u>\$4,546,651,800</u> | |
| 2022 | | | <u>\$4,529,617,800</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> |
|-------------|-----------------|-------------------------|---|
| 2024 | \$ 140,421,342 | \$ 140,288,521 | 99.91% |
| 2023 | 135,768,986 | 135,695,051 | 99.95% |
| 2022 | 133,747,150 | 133,493,296 | 99.81% |

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

| <u>December 31 Year</u> | <u>Amount of Delinquent Taxes</u> | <u>Taxes Title Lien</u> | <u>Total</u> | <u>Percentage of Tax Levy</u> |
|-----------------------------|---|-----------------------------|--------------|---------------------------------------|
| 2024 | \$ 64,626 | \$ 309,355 | \$ 373,981 | 0.27% |
| 2023 | 46,949 | 289,197 | 336,146 | 0.25% |
| 2022 | 26,529 | 269,632 | 296,161 | 0.22% |

Property Acquired by Tax Title Lien Liquidation

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

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2024 | \$70,979 |
| 2023 | 70,979 |
| 2022 | 70,979 |

Comparative Schedule of Fund Balance

| | <u>Year</u> | <u>Balance, December 31</u> | <u>Utilized In Budget of Succeeding Year</u> |
|--------------|-------------|---------------------------------|--|
| Current Fund | 2024 | \$13,249,376 | \$3,300,000 |
| | 2023 | 11,837,817 | 3,100,000 |
| | 2022 | 10,682,712 | 3,100,000 |

**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) |
| Angela David | 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 |
| 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 indicated old and/or invalid reconciling items were reported on the reconciliations of the City's various bank accounts. It is recommended that reconciling items on the City's bank account reconciliations be reviewed and cleared of record, where applicable.

Our audit indicated balances related to purchase orders from prior years remain outstanding on the City's records. It is recommended that prior year purchase order balances be reviewed for cancellation.

Our audit of the City's Unemployment Trust Fund indicated that quarterly claims bills were not always remitted to the State of New Jersey Department of Labor on a timely basis, resulting in interest in penalties being assessed by the State. In addition, duplicate payments of certain quarterly claims bills were made. It is recommended that payment of unemployment claims bills be promptly remitted by the required due date to the State of New Jersey Department of Labor. In addition, the City seek refund and/or credit of payments made in duplicate.

Our audit revealed that contracts were not always encumbered upon award. It is recommended that vendor contracts be encumbered promptly upon award by the City Council.

Our audit noted that certain grant fund expenditures relating to capital projects were not always charged to the proper ordinance and were not always accounted for separately from non-grant expenditures. It is recommended that the expenditure of grant funds for capital projects be applied to the proper ordinance and be accounted for separately from non-grant related expenditures.

Our audit noted that collections reported within the Uniform Construction Code department's internal records were not reconciled with amounts transferred to and reported by the City's Finance Department. It is recommended that revenues collected by the Uniform Construction Code department and reported in the department's internal accounting records be reconciled with amounts transferred to the City's Finance Department.

Prior 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 Fund account status report be reviewed and adjusted to ensure balances are in agreement with the audit.

Our audit of the municipal court noted 718 tickets in excess of six (6) months in age have been assigned to police officers but have not been issued. 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.

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.
- Certain goods were obtained, the cost of which exceeded the quote threshold, without proof of obtaining multiple such quotes.
- The City procured certain goods/services through the use of a national cooperative purchasing agreement; however, 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:

Infield Maintenance
Fire Department Kitchens
Improvements to 2nd and 4th Streets
Tree Trimming and Removal Services
Steel Top Trailer
Fencing Repair and Improvements
Rescue Truck Repair and Upgrade
2024 Roads Program
Everett Place, Marlboro Road and
Windsor Road Reconstruction Project
Drop Screen Repair – Mackay Ice Rink
2024 Crosswalk Program
Mackay Ice Rink Netting Repair
Traffic Signal Upgrades and Improvement -
Broad Ave. and Van Nostrand Ave.

Traffic Signal Upgrades and Improvement -
Knickerbocker Ave. and Liberty Road
Renovation to City Hall 1st Floor Restroom
City Hall Jail Cell Demolition
Sunset Avenue Improvements
Design and Installation of Trash Rack - Overpeck Park
Leaf Composting and Brush Grinding Services
2024 CDBG Milling and Paving Program
Emergency Repairs - Mackay Park
Repair of Four (4) Culverts
Renovation of City Hall Basement
Roofing at DPW
Landscape Plantings at DPW Yard
City Hall Clerk's Office Relocation

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 2, 2024, 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

- Grant receivable balances in the Current and General Capital Funds be reviewed and action taken to collect or clear them of record.
- Interfunds be liquidated prior to year-end.

CITY OF ENGLEWOOD

RECOMMENDATIONS

It is recommended that:

1. Reconciling items on the City's bank account reconciliations be reviewed and cleared of record, where applicable.
2. Payment of unemployment claims bills be remitted by the required due date to the State of New Jersey Department of Labor. In addition, the City seek refund and/or credit of payments made in duplicate.
3. An update to the City's fixed asset appraisal report be obtained in a timely manner and available for audit.
4. Vendor contracts be encumbered promptly upon award by the City Council.
5. Prior year purchase order balances be reviewed for cancellation.
6. The expenditure of grant funds for capital projects be applied to the proper ordinance and be accounted for separately from non-grant related expenditures.

* 7. 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.

* 8. 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.

9. With regards to City's Departments:

- Revenues collected by the Uniform Construction Code department and reported in the department's internal accounting records be reconciled with amounts transferred to the City's Finance Department.
- Traffic Tickets assigned but not issued in excess of six (6) months in age be recalled and re-assigned in the ATS system.

* 10. The Trust Fund account status report be reviewed and adjusted to ensure balances are in agreement with the audit.

* * * * *

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