

**CITY OF ENGLEWOOD**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2018**

# CITY OF ENGLEWOOD

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**CITY OF ENGLEWOOD**

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**YEAR ENDED DECEMBER 31, 2018**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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CHRIS SOHN, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the City Council  
City of Englewood  
Englewood, New Jersey

### Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Englewood, as of December 31, 2018 and 2017, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2018, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

***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” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Englewood as of December 31, 2018 and 2017, or changes in financial position, for the years then ended.

***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the City of Englewood as of December 31, 2018 and 2017, 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, 2018 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.

***Other Matters***

***Other Information***

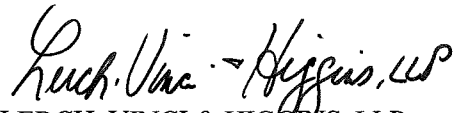
Our audit was conducted for the purpose of forming an opinion on the financial statements of the City of Englewood as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Englewood.

The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with Government Auditing Standards, we have also issued our report dated August 6, 2019 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Englewood's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Englewood's internal control over financial reporting and compliance.



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



Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR00411

Fair Lawn, New Jersey  
August 6, 2019



**CITY OF ENGLEWOOD**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT AND GRANT FUNDS**  
**AS OF DECEMBER 31, 2018 AND 2017**

<b>ASSETS</b>	<b><u>Ref</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Current Fund</b>			
Cash	A-4	\$ 18,207,777	\$ 20,794,032
Cash - Change Funds	A	400	400
Due From State of NJ - Senior Citizens and Veterans	A-9	<u>6,983</u>	<u>7,866</u>
		<u>18,215,160</u>	<u>20,802,298</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-10	48,909	45,891
Tax Title Liens Receivable	A-13	214,110	198,447
Foreclosed Property	A-14	70,979	70,979
Sewer User Charges	A-20	106,683	413,510
Revenue Accounts Receivable	A-17	41,808	41,416
Due from Grant Fund	A-8	30,878	22,650
Due from Animal Control Fund	B-12	<u>11,274</u>	<u>5,225</u>
		<u>524,641</u>	<u>798,118</u>
Deferred Charges:			
Special Emergency Authorizations	A-21	<u>800,000</u>	<u>1,000,000</u>
Total Current Fund		<u>19,539,801</u>	<u>22,600,416</u>
<b>Grant Fund</b>			
Grants Receivable	A-6	97,846	80,789
Due from General Capital Fund	C	<u>399,125</u>	<u>399,125</u>
Total State and Federal Grant Fund		<u>496,971</u>	<u>479,914</u>
Total		<u>\$ 20,036,772</u>	<u>\$ 23,080,330</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF ENGLEWOOD  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
CURRENT AND GRANT FUNDS  
AS OF DECEMBER 31, 2018 AND 2017**

<b>LIABILITIES, RESERVES AND FUND BALANCE</b>	<b><u>Ref</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Current Fund</b>			
Appropriation Reserves	A-3, A-18	\$ 907,160	\$ 1,595,597
Encumbrances Payable	A-19	2,075,660	2,235,254
Special Emergency Notes Payable	A-26	800,000	1,000,000
Tax Overpayments	A-11	473,158	511,619
Prepaid Taxes	A-12	754,874	12,045,771
Miscellaneous Reserves	A-22	7,234	7,234
Reserve for Tax Appeals	A-23	197,242	205,813
County Taxes Payable	A-15	27,109	87,369
Local School Taxes Payable	A-16	86,189	2
Reserve for the Sale of Municipal Assets	A-25	291,793	957,107
Reserve for Terminal Leave	A-24	318,559	
Due to General Capital Fund	C-15	47,000	-
Due to Other Trust Fund	B-19	7,989	5,000
		<u>5,993,967</u>	<u>18,650,766</u>
Reserve for Receivables	A	524,641	798,118
Fund Balance	A-1	<u>13,021,193</u>	<u>3,151,532</u>
Total Current Fund		<u>19,539,801</u>	<u>22,600,416</u>
<b>Grant Fund</b>			
Due to Current Fund	A-8	30,878	22,650
Due to Other Trust Fund	A	19,973	19,973
Reserve for State and Federal Grants - Appropriated	A-7	442,110	425,473
Encumbrances Payable	A-19	<u>4,010</u>	<u>11,818</u>
Total State and Federal Grant Fund		<u>496,971</u>	<u>479,914</u>
		<u>\$ 20,036,772</u>	<u>\$ 23,080,330</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF ENGLEWOOD**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND**  
**AND CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>REVENUES AND OTHER INCOME</b>		
Fund Balance Utilized	\$ 1,750,000	\$ 1,635,600
Miscellaneous Revenues Anticipated	9,950,156	9,846,747
Receipts From Delinquent Taxes	15,691	64,528
Receipts from Current Taxes	120,621,361	117,154,805
Non-Budget Revenue	9,612,305	306,209
Other Credits to Income:		
Unexpended Balances of Appropriation Reserves	1,101,803	698,445
Statutory Excess - Animal Control	11,225	5,177
Prior Year Adjustments		
Tax Overpayments	25,079	
Voided Checks	15,457	
Prior Year Senior Citizens and Veterans Allowed	250	
Interfund Loans Returned	<u>27,875</u>	<u>79,327</u>
Total Revenues and Other Income	<u>143,131,202</u>	<u>129,790,838</u>
<b>EXPENDITURES</b>		
Budget Appropriations:		
Operations	50,384,628	50,808,968
Capital Improvements	390,725	267,625
Municipal Debt Service	6,886,019	6,489,153
Deferred Charges and Statutory Expenditures	6,894,304	6,311,157
County Taxes	11,752,125	11,642,726
County Open Space Taxes	503,192	489,371
Added and Omitted County Taxes	27,109	87,369
Local School Taxes	54,621,089	53,101,501
Prior Year Senior Citizen Deductions Disallowed	4,552	6,250
Prior Year Adjustment - Senior and Veterans Taxation Audit	1,500	
Refund of Prior Year Revenue	4,146	
Interfund Advances	<u>42,152</u>	<u>27,875</u>
Total Expenditures	<u>131,511,541</u>	<u>129,231,995</u>
Excess in Revenues Over Expenditures	11,619,661	558,843
Expenditures Included Above Which Are By Statute		
Deferred Charges to Budgets of Succeeding Years	<u>-</u>	<u>1,000,000</u>
Statutory Excess to Fund Balance	11,619,661	1,558,843
Balance, January 1	<u>3,151,532</u>	<u>3,228,289</u>
	14,771,193	4,787,132
Decreased by:		
Utilization as Anticipated Revenue	<u>1,750,000</u>	<u>1,635,600</u>
Balance, December 31	<u>\$ 13,021,193</u>	<u>\$ 3,151,532</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, 2018**

	Budget	Added by NJS 40A:4-87	Realized	Excess or (Deficit)
<b>FUND BALANCE ANTICIPATED</b>	<u>\$ 1,750,000</u>	<u>-</u>	<u>\$ 1,750,000</u>	<u>-</u>
<b>MISCELLANEOUS REVENUES</b>				
Licenses				
Alcoholic Beverages	58,000		65,259	\$ 7,259
Other	239,888		247,751	7,863
Fees and Permits				
Other	143,600		179,849	36,249
Fines and Costs				
Municipal Court	645,000		640,504	(4,496)
Interest and Costs on Taxes	179,000		176,587	(2,413)
Parking Meters	563,640		610,120	46,480
Interest on Investments and Deposits	19,000		111,951	92,951
Recreation Advisory Committee	608,484		815,644	207,160
Fire Prevention Fees	96,000		119,413	23,413
Kings Garden - PILOT	127,000		134,600	7,600
Rock Creek - Lafayette Housing - PILOT	380,000		371,100	(8,900)
Westmoor Gardens - PILOT	54,000		47,300	(6,700)
Exempt Sewer Charges	134,000		555,236	421,236
Parking Garage Fees	193,000		238,141	45,141
Municipal Hotel Tax	187,500		190,618	3,118
Cable Franchise Fees	93,400		68,544	(24,856)
Cell Tower Agreement	94,000		93,268	(732)
Sewer Charges	37,000		102,380	65,380
Consolidated Municipal Property Tax Relief	20,937		-	(20,937)
Energy Receipts Tax	2,742,359		2,763,296	20,937
Uniform Construction Code Fees	1,112,000		917,150	(194,850)
Public and Private Revenues Offset with Approp:				
Reach & Teach	24,000		24,000	
Municipal Alliance	20,000		20,000	
Drunk Driving Enforcement Fund		\$ 3,775	3,775	
Drive Sober or Get Pulled Over		1,465	1,465	
FDA Retail Standards		4,123	4,123	
Clean Communities Grant		46,648	46,648	
CDBG - Heart Health		8,380	8,380	
Other Special Items:				
Uniform Fire Safety Act	61,000		78,054	17,054
Capital Surplus	650,000		650,000	
Reserve for Sale of Municipal Assets	665,000	-	665,000	-
 Total Miscellaneous Revenues	 <u>9,147,808</u>	 <u>64,391</u>	 <u>9,950,156</u>	 <u>737,957</u>
<b>RECEIPTS FROM DELINQUENT TAXES</b>	<u>45,000</u>	<u>-</u>	<u>15,691</u>	<u>(29,309)</u>
 Subtotal General Revenues	 <u>10,942,808</u>	 <u>64,391</u>	 <u>11,715,847</u>	 <u>708,648</u>
<b>AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET</b>				
Local Tax for Municipal Purposes	52,209,120		52,342,457	133,337
Minimum Library Tax	1,653,822	-	1,653,822	-
 Total Amount to be Raised by Taxes for Support of Municipal Budget	 <u>53,862,942</u>	 <u>-</u>	 <u>53,996,279</u>	 <u>133,337</u>
 Total General Revenues	 <u>\$ 64,805,750</u>	 <u>\$ 64,391</u>	 <u>65,712,126</u>	 <u>\$ 841,985</u>
<b>Non-Budget Revenue</b>			<u>9,612,305</u>	
			<u>\$ 75,324,431</u>	

**CITY OF ENGLEWOOD**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(Continued)**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collection	
Revenue from Collections	\$ 120,621,361
Less: Allocated to School and County Taxes	<u>66,903,516</u>
Balance for Support of Municipal Budget Appropriations	53,717,845
Add Appropriation "Reserve for Uncollected Taxes"	<u>278,434</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 53,996,279</u></u>

Receipts from Delinquent Taxes	
Taxes Receivable	\$ 10,239
Taxe Title Liens Receivable	<u>5,452</u>
	<u><u>\$ 15,691</u></u>

Interest on Investments and Deposits	
Revenue Accounts Receivable	\$ 81,523
Due from General Capital Fund	30,379
Due from Animal Control Fund	<u>49</u>
	<u><u>\$ 111,951</u></u>

**ANALYSIS OF NON-BUDGET REVENUES**

FEMA Disaster Release	\$ 115,066
Hurricane Sandy Reimbursements	14,537
Vacant Property Rentals	37,700
Extra Duty Processing Fee	72,680
Recycling	17,732
Proceeds from Greater Englewood (Lease Assignments)	9,131,325
Department Revenues	152,254
Senior Citizen and Veteran Admin. Fee	1,290
Miscellaneous	<u>69,721</u>
	<u><u>\$ 9,612,305</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF ENGLEWOOD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

GENERAL APPROPRIATIONS OPERATIONS WITHIN "CAPS"	<u>Appropriations</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
City Council					
Salaries and Wages	\$ 30,000	\$ 30,000	\$ 30,000		
Other Expenses	5,000	10,000	5,789	\$ 4,211	
City Manager					
Salaries and Wages	312,000	312,000	310,281	1,719	
Other Expenses	55,850	55,850	48,490	7,360	
City Clerk					
Salaries and Wages	157,000	157,000	151,769	5,231	
Overtime	3,300	3,300	1,055	2,245	
Other Expenses	68,250	68,250	68,175	75	
Human Resources					
Salaries and Wages	155,000	157,000	156,349	651	
Other Expenses	48,000	47,000	26,203	20,797	
Purchasing					
Other Expenses	2,000	2,000	1,924	76	
Finance					
Salaries and Wages	404,500	404,500	403,176	1,324	
Other Expenses	178,150	188,150	185,496	2,654	
Data Processing					
Other Expenses	35,000	52,500	42,711	9,789	
Collection of Taxes					
Salaries and Wages	145,000	145,000	144,355	645	
Other Expenses	40,800	40,800	24,097	16,703	
Assessment of Taxes					
Salaries and Wages	172,000	172,000	171,074	926	
Other Expenses	41,000	41,000	33,764	7,236	
Legal Service and Costs					
Salaries and Wages	80,000	80,000	76,408	3,592	
Other Expenses	642,000	642,000	538,437	103,563	
Engineering Services					
Other Expenses	108,240	108,240	54,600	53,640	
Community Development					
Other Expenses	236,000	236,000	223,913	12,087	
Municipal Court					
Salaries and Wages	325,800	317,800	315,576	2,224	
Overtime	17,500	9,500	7,215	2,285	
Other Expenses	120,000	152,000	140,964	11,036	
Public Defender					
Other Expenses	14,000	14,000	8,100	5,900	
Insurance					
Medical	5,440,000	5,249,500	5,226,303	23,197	
Health Benefit Waiver	60,000	60,000	60,000	-	
Other Insurance Premium	1,100,000	1,100,000	1,060,344	39,656	
Workers Compensation	550,000	1,050,000	987,349	62,651	
Land Use					
Other Expenses	64,000	64,000	63,770	230	
Fire Division					
Salaries and Wages	6,505,000	6,280,000	6,262,949	17,051	
Overtime	500,000	770,000	764,849	5,151	
Other Expenses	340,850	340,850	335,359	5,491	

**CITY OF ENGLEWOOD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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>
<b>GENERAL APPROPRIATIONS (Continued)</b>					
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>					
PUBLIC SAFETY					
Fire Prevention					
Salaries and Wages	\$ 245,000	\$ 245,000	\$ 245,000		
Other Expenses	5,000	5,000	5,000		
Police					
Salaries and Wages	11,810,000	11,510,000	11,499,096	\$ 10,904	
Overtime	850,000	1,020,000	995,895	24,105	
Other Expenses	645,800	345,800	313,509	32,291	
Aid to Volunteer Ambulance	40,000	40,000	-	40,000	
DPW Administration					
Salaries and Wages	260,000	250,000	245,624	4,376	
Other Expenses	43,600	53,600	52,870	730	
Public Building and Grounds					
Other Expenses	281,500	261,500	260,794	706	
Shade Tree					
Salaries and Wages	149,939	153,939	153,000	939	
Overtime	25,000	25,000	18,254	6,746	
Other Expenses	55,000	55,000	54,976	24	
Road Repairs and Maintenance					
Salaries and Wages	384,643	466,643	465,335	1,308	
Overtime	75,000	165,000	163,579	1,421	
Other Expenses	315,000	285,000	244,984	40,016	
Central Maintenance - Garage					
Salaries and Wages	360,782	322,782	319,696	3,086	
Overtime	10,000	18,000	15,783	2,217	
Other Expenses	509,000	649,000	643,152	5,848	
Construction and Facilities Maintenance					
Salaries and Wages	309,445	199,445	196,551	2,894	
Overtime	40,000	56,000	55,811	189	
Other Expenses	106,000	100,000	91,469	8,531	
Sanitation					
Salaries and Wages	1,696,131	1,830,131	1,828,868	1,263	
Overtime	65,000	72,000	70,902	1,098	
Other Expenses	46,000	41,000	40,145	855	
Sewer Department					
Salaries and Wages	273,639	263,639	262,738	901	
Overtime	25,000	30,000	29,630	370	
Other Expenses	66,300	66,300	62,419	3,881	
Parks Department					
Salaries and Wages	279,788	279,788	274,590	5,198	
Overtime	31,000	28,000	26,939	1,061	
Other Expenses	47,000	47,000	42,991	4,009	
Community Services Act					
Condominium Community Costs	240,000	240,000	213,113	26,887	
Board of Health					
Salaries and Wages	635,000	625,000	601,000	24,000	
Overtime	7,210	7,210	7,210	-	
Other Expenses	79,600	79,600	76,897	2,703	
Animal Control Regulation					
Other Expenses	45,000	45,000	39,848	5,152	
Contribution to Child Dev. And Teen Program					
Other Expenses	59,000	59,000	58,413	587	
Recreation Department					
Salaries and Wages	654,000	646,000	643,135	2,865	
Overtime	10,000	10,000	8,923	1,077	
Other Expenses	668,200	688,200	677,858	10,342	

**CITY OF ENGLEWOOD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

GENERAL APPROPRIATIONS (Continued) OPERATIONS WITHIN "CAPS" (Continued)	<u>Appropriations</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
Terminal Leave					
Salaries and Wages	\$ 910,000	\$ 650,000	\$ 650,000		
Construction Code Official					
Salaries and Wages	956,000	956,000	909,293	\$ 46,707	
Overtime	3,000	3,000	2,075	925	
Other Expenses	113,550	113,550	111,880	1,670	
Contingency				-	
Solid Waste Disposal	775,000	841,000	775,748	65,252	
Leaf Disposal	175,000	109,000	108,003	997	
Contigent	6,000	6,000	-	6,000	
Utilities					
Street Lighting	725,000	750,000	749,862	138	
Telephone/Communications	120,000	190,000	189,425	575	
Water	43,000	33,000	32,840	160	
Gas and Electric	425,000	375,000	356,219	18,781	
Fire Hydrant	380,000	380,000	374,391	5,609	-
Total Operations Within "CAPS"	44,036,367	44,051,367	43,196,577	854,790	-
Detail:					
Salaries and Wages	27,210,667	26,453,667	26,315,863	137,804	
Other Expenses (Including Contingent)	16,825,700	17,597,700	16,880,714	716,986	-
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"</b>					
Statutory Charges					
Social Security System	980,000	965,000	963,377	1,623	
Consolidated Police & Fireman's Pension Fund	40,000	40,000	2,207	37,793	
Defined Contribution Retirement Plan	5,000	5,000	3,495	1,505	
Police and Firemen's Retirement System	4,597,899	4,597,899	4,597,899	-	
Public Employees Retirement System	1,086,405	1,086,405	1,086,355	50	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	6,709,304	6,694,304	6,653,333	40,971	-
Total General Appropriations for Municipal Purposes within "CAPS"	50,745,671	50,745,671	49,849,910	895,761	-



**CITY OF ENGLEWOOD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
Bergen County Utilities Authority					
Share of Costs Sewer Charges	\$ 2,565,043	\$ 2,565,043	\$ 2,564,213	\$ 830	
Share of Costs Debt Charges	959,957	959,957	959,957	-	
Recycling Tax	36,000	36,000	25,995	10,005	
Maintenance of Free Public Library	2,105,870	2,105,870	2,105,306	564	
Reserve for Tax Appeals	553,000	553,000	553,000	-	-
Total Other Operations Excluded from "CAPS"	6,219,870	6,219,870	6,208,471	11,399	-
<b>State and Federal Programs Offset by Revenues</b>					
Reach and Teach	24,000	24,000	24,000		
Municipal Alliance - State Share	20,000	20,000	20,000		
Municipal Alliance - Local Share	5,000	5,000	5,000		
Drunk Driving Enforcement Fund		3,775	3,775		
Drive Sober or Get Pulled Over		1,465	1,465		
FDA Retail Standards		4,123	4,123		
Clean Communities Grant		46,648	46,648		
CDBG-Heart Health	-	8,380	8,380	-	-
Total Public and Private Programs Offset by Revenues	49,000	113,391	113,391	-	-
Total Operations Excluded from "CAPS"	6,268,870	6,333,261	6,321,862	11,399	-
Detail:					
Other Expenses	6,268,870	6,333,261	6,321,862	11,399	-
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	390,725	390,725	390,725	-	-
Total Capital Improvements Excluded from "CAPS"	390,725	390,725	390,725	-	-
<b>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"</b>					
Payment of Bonds Principal	2,090,000	2,090,000	2,085,000		\$ 5,000
Payments of Bond Anticipation Notes and Capital Notes	646,050	646,050	645,875		175
Interest on Bonds	1,075,000	1,075,000	1,073,287		1,713
Interest on Notes	896,000	896,000	871,857		24,143
BCIA Revenue Bonds	2,210,000	2,210,000	2,210,000		
BCIA Lease Agreement - Principal and Interest	5,000	5,000	-	-	5,000
Total Municipal Debt Service Excluded from "CAPS"	6,922,050	6,922,050	6,886,019	-	36,031

**CITY OF ENGLEWOOD**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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>
<b>DEFERRED CHARGES</b>					
Special Emergency Authorizations	\$ 200,000	\$ 200,000	\$ 200,000	-	-
Total Deferred Charges	200,000	200,000	200,000	-	-
Total General Appropriations Excluded from "CAPS"	13,781,645	13,846,036	13,798,606	\$ 11,399	\$ 36,031
Subtotal General Appropriations	64,527,316	64,591,707	63,648,516	907,160	36,031
Reserve for Uncollected Taxes	278,434	278,434	278,434	-	-
Total General Appropriations	\$ 64,805,750	\$ 64,870,141	\$ 63,926,950	\$ 907,160	\$ 36,031

Adopted Budget	\$ 64,805,750
Added by NJS 40A:4-87	64,391
	<u>\$ 64,870,141</u>

Analysis of Paid or Charged

Cash Disbursements	\$ 59,409,430
Encumbrances Payable	2,066,831
Due to General Capital Fund	
Capital Improvement Fund	390,725
Principal on Bond Anticipation Notes	645,875
Reserve for Tax Appeals	553,000
Transfer to Reserve for Terminal Leave	269,264
Special Emergency Authorizations	200,000
Reserve for Uncollected Taxes	278,434
Reserve for State and Federal Grants Appropriated	113,391
	<u>\$ 63,926,950</u>

**CITY OF ENGLEWOOD  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
TRUST FUNDS  
AS OF DECEMBER 31, 2018 AND 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>			
<b>Assessment Trust Fund</b>			
Cash	B-4, B-5	\$ 744,366	\$ 520,866
Cash Held With Fiscal Agent	B-5, B-8	3,387	3,386
Assessments Receivable	B-6	<u>2,987,250</u>	<u>3,840,750</u>
Total Assessment Trust Fund		<u>3,735,003</u>	<u>4,365,002</u>
<b>Animal Control Trust Fund</b>			
Cash	B-4	27,392	26,704
Due from State Department of Health	B-11	<u>2</u>	<u>9</u>
Total Animal Control Trust Fund		<u>27,394</u>	<u>26,713</u>
<b>Community Development Block Grant Fund</b>			
Due from General Capital Fund	C	<u>9,886</u>	<u>9,886</u>
Total Community Development Block Grant Fund		<u>9,886</u>	<u>9,886</u>
<b>Unemployment Compensation Trust Fund</b>			
Cash	B-4	285,637	259,655
Due from Trust Fund Other	B	<u>2,318</u>	<u>2,318</u>
Total Unemployment Compensation Trust Fund		<u>287,955</u>	<u>261,973</u>
<b>Other Trust Fund</b>			
Cash	B-4	6,525,085	6,331,445
Due from Current Fund	B-19	7,989	5,000
Due from Grant Fund	B	19,973	19,973
Special Improvement District Taxes and Liens Receivable	B-18	<u>79,326</u>	<u>98,929</u>
Total Other Trust Fund		<u>6,632,373</u>	<u>6,455,347</u>
		<u>\$ 10,692,611</u>	<u>\$ 11,118,921</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF ENGLEWOOD  
COMPARATIVE BALANCE SHEETS  
REGULATORY BASIS  
TRUST FUNDS  
AS OF DECEMBER 31, 2018 AND 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Assessment Trust Fund</b>			
Assessment Serial Bonds Payable	B-7	\$ 3,735,000	\$ 4,365,000
Fund Balance	B-1	<u>3</u>	<u>2</u>
Total Assessment Trust Fund		<u>3,735,003</u>	<u>4,365,002</u>
<b>Animal Control Trust Fund</b>			
Reserve for Animal Control Expenditures	B-10	16,120	21,488
Due to Current Fund	B-12	<u>11,274</u>	<u>5,225</u>
Total Animal Control Trust Fund		<u>27,394</u>	<u>26,713</u>
<b>Community Development Block Grant Fund</b>			
Encumbrances Payable	B-17	<u>9,886</u>	<u>9,886</u>
Total Community Development Block Grant Fund		<u>9,886</u>	<u>9,886</u>
<b>Unemployment Compensation Trust Fund</b>			
Reserve for Unemployment Insurance Claims	B-13	<u>287,955</u>	<u>261,973</u>
Total Unemployment Compensation Trust Fund		<u>287,955</u>	<u>261,973</u>
<b>Other Trust Fund</b>			
Payroll Deductions Payable	B-15	14,210	289,190
Miscellaneous Reserves and Deposits	B-9	6,503,305	5,998,310
Due to Unemployment Compensation Fund	B	2,318	2,318
Encumbrances Payable	B-16	33,214	66,600
Reserve for SID Taxes and Liens Receivables	B-18	<u>79,326</u>	<u>98,929</u>
Total Other Trust Fund		<u>6,632,373</u>	<u>6,455,347</u>
		<u>\$ 10,692,611</u>	<u>\$ 11,118,921</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, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Balance, January 1	\$ 2	\$ 1
Increased by:		
Interest Earned on Cash with Fiscal Agent	<u>1</u>	<u>1</u>
	3	2
Decreased by:		
Anticipated as Revenue in Current Fund Budget	<u>-</u>	<u>-</u>
Balance, December 31	<u>\$ 3</u>	<u>\$ 2</u>

EXHIBIT B-2

**STATEMENT OF ASSESSMENT REVENUES - REGULATORY BASIS**  
**ASSESSMENT TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

EXHIBIT B-3

**STATEMENT OF ASSESSMENT EXPENDITURES - REGULATORY BASIS**  
**ASSESSMENT TRUST FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

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

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF ENGLEWOOD  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2018 AND 2017**

	<u>Ref.</u>	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>			
Cash	C-2, C-3	\$ 7,147,880	\$ 3,086,853
Parking Fees Receivable	C-10	205,634	303,363
Due From Current Fund	C-15	47,000	
Deferred Charges to Future Taxation:			
Funded	C-4	32,044,518	35,414,854
Unfunded	C-5	<u>53,008,332</u>	<u>47,498,054</u>
		<u>\$ 92,453,364</u>	<u>\$ 86,303,124</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds Payable	C-13	\$ 28,570,000	\$ 30,655,000
BCIA Revenue Bonds Payable	C-12	3,474,518	4,759,854
Bond Anticipation Notes Payable	C-14	43,600,000	37,715,875
Due to Community Development Block Grant Fund	C	9,886	9,886
Due to Grant Fund	C	399,125	399,125
Encumbrances Payable	C-11	3,225,094	3,781,181
Improvement Authorizations:			
Funded	C-6	365,525	664,052
Unfunded	C-6	11,575,251	7,302,056
Capital Improvement Fund	C-8	59,825	12,825
Reserve for Debt Service	C-7	11,176	11,176
Various Reserves	C-9	68,759	68,759
Reserve for Receivables	C-10	205,634	303,363
Fund Balance	C-1	<u>888,571</u>	<u>619,972</u>
		<u>\$ 92,453,364</u>	<u>\$ 86,303,124</u>

There were bonds and notes authorized but not issued of \$9,479,591 and \$9,478,816 at December 31, 2018 and 2017, respectively (Exhibit C-16).

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, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Balance, January 1	\$ 619,972	\$ 716,326
Increased by:		
Improvement Authorizations Cancelled	452,801	
Premium on Sale of Bonds and Notes	<u>465,798</u>	<u>403,646</u>
	1,538,571	1,119,972
Decreased by:		
Anticipated As Current Fund Revenue	<u>650,000</u>	<u>500,000</u>
Balance, December 31	<u>\$ 888,571</u>	<u>\$ 619,972</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**CITY OF ENGLEWOOD**  
**COMPARATIVE BALANCE SHEETS - REGUALTORY BASIS**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**AS OF DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Land	\$ 92,238,900	\$ 92,238,900
Buildings	20,792,300	20,792,300
Machinery and Equipment	<u>17,109,906</u>	<u>15,128,535</u>
	<u>\$ 130,141,106</u>	<u>\$ 128,159,735</u>
 <b>RESERVE</b>		
Investment in General Fixed Assets	<u>\$ 130,141,106</u>	<u>\$ 128,159,735</u>



## **NOTES TO FINANCIAL STATEMENTS**

**CITY OF ENGLEWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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 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, volunteer fire department or volunteer first aid squad, which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

**B. Description of Regulatory Basis of Accounting**

The financial statements of the City of Englewood have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

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

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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 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 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, 2017 balances to conform to the December 31, 2018 presentation.

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation – Financial Statements (Continued)**

**Financial Statements – Regulatory Basis**

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

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

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

**CITY OF ENGLEWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**Property Tax Revenues/Receivables (Continued)**

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

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

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

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

**Interfunds** - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

**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, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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

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

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

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

**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 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.

**CITY OF ENGLEWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

**General Fixed Assets (Continued)**

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

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

The 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 2018 and 2017 the City Council increased the original budget by \$64,391 and \$1,138,596. The 2018 increases were funded by additional grants allotted to the City. The 2017 increases were due to a special emergency appropriation of \$1,000,000 for terminal leave and for additional grants awarded to the City. In addition, the governing body approved several budget transfers during 2018 and 2017.

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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 all deposits not covered by the FDIC or NCUSIF.

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, 2018 and 2017, the book value of the City's deposits were \$32,941,924 and \$31,023,241 and bank and brokerage firm balances of the City's deposits amounted to \$34,406,134 and \$30,049,621, 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>2018</u>	<u>2017</u>
Insured	\$ 34,166,833	\$ 29,814,638
Uninsured and Collateralized	<u>239,301</u>	<u>234,983</u>
	<u>\$ 34,406,134</u>	<u>\$ 30,049,621</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, 2018 and 2017, the City's bank balances of \$239,301 and \$234,983 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2018</u>	<u>2017</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the City's name	<u>\$ 239,301</u>	<u>\$ 234,983</u>
	<u>\$ 239,301</u>	<u>\$ 234,983</u>



**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**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).

As of December 31, 2018 and 2017, the City had no outstanding investments.

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.

**C. Cash With Fiscal Agents**

At December 31, 2018 and 2017, the City has \$3,387 and \$3,386, respectively held in escrow with the City attorney.

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2018 and 2017 consisted of the following:

	<u><b>2018</b></u>	<u><b>2017</b></u>
Property Taxes	\$ 48,909	\$ 45,891
Tax Title Liens	<u>214,110</u>	<u>198,447</u>
	<u><b>\$ 263,019</b></u>	<u><b>\$ 244,338</b></u>

In 2018 and 2017, the City collected \$15,691 and \$64,528 from delinquent taxes, which represented 6% and 30%, respectively of the prior year delinquent taxes receivable balance.

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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>2018</u>		<u>2017</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	\$ 42,152	\$ 54,989	\$ 27,875	\$ 5,000
Grant	399,125	50,851	399,125	42,623
Trust Fund:				
Animal Control		11,274		5,225
Other Trust	27,962	2,318	24,973	2,318
Unemployment Compensation	2,318		2,318	
Community Development				
Block Grant	9,886		9,886	
General Capital Fund	<u>47,000</u>	<u>409,011</u>	<u>-</u>	<u>409,011</u>
Total	<u>\$ 528,443</u>	<u>\$ 528,443</u>	<u>\$ 464,177</u>	<u>\$ 464,177</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.

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	<u>Balance</u>
<u>2018</u>			
Current Fund			
Special Emergency Authorization	<u>\$ 800,000</u>	<u>\$ 200,000</u>	<u>\$ 600,000</u>
<u>2017</u>			
Current Fund			
Special Emergency Authorization	<u>\$ 1,000,000</u>	<u>\$ 200,000</u>	<u>\$ 800,000</u>

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 7 FUND BALANCES APPROPRIATED**

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

	<b>2018</b>		<b>2017</b>	
	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31,</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 13,014,210	\$ 2,750,000	\$ 3,143,666	\$ 1,750,000
Non-Cash Surplus	<u>6,983</u>	<u>-</u>	<u>7,866</u>	<u>-</u>
	<u>\$ 13,021,193</u>	<u>\$ 2,750,000</u>	<u>\$ 3,151,532</u>	<u>\$ 1,750,000</u>

**NOTE 8 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2018 and 2017.

	<u>Balance December 31, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, December 31, 2018</u>
Land	\$ 92,238,900			\$ 92,238,900
Buildings and Building Improvements	20,792,300			20,792,300
Machinery and Equipment	<u>15,128,535</u>	<u>\$ 2,515,949</u>	<u>\$ 534,578</u>	<u>17,109,906</u>
	<u>\$ 128,159,735</u>	<u>\$ 2,515,949</u>	<u>\$ 534,578</u>	<u>\$ 130,141,106</u>
	<u>Balance December 31, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, December 31, 2017</u>
Land	\$ 92,238,900			\$ 92,238,900
Buildings and Building Improvements	20,792,300			20,792,300
Machinery and Equipment	<u>15,261,175</u>	<u>\$ 316,800</u>	<u>\$ 449,440</u>	<u>15,128,535</u>
	<u>\$ 128,292,375</u>	<u>\$ 316,800</u>	<u>\$ 449,440</u>	<u>\$ 128,159,735</u>

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for general capital fund projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond anticipation notes, which are issued to temporarily finance capital projects, 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>2018</u>	<u>2017</u>
Issued		
General		
Bonds, Notes and Loans	\$ 75,644,518	\$ 73,130,729
Assessment		
Bonds and Notes	<u>3,735,000</u>	<u>4,365,000</u>
	79,379,518	77,495,729
Less Funds Temporarily Held to Pay Bonds and Notes	<u>288,069</u>	<u>11,176</u>
Net Debt Issued	79,091,449	77,484,553
Authorized But Not Issued		
General		
Bonds and Notes	<u>9,479,591</u>	<u>9,478,816</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 88,571,040</u>	<u>\$ 86,963,369</u>

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows indicates a statutory net debt of 1.800% and 1.804% at December 31, 2018 and 2017, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2018</u></b>			
General Debt	\$ 88,859,109	\$ 288,069	\$ 88,571,040
School Debt	<u>9,545,000</u>	<u>9,545,000</u>	<u>-</u>
Total	<u>\$ 98,404,109</u>	<u>\$ 9,833,069</u>	<u>\$ 88,571,040</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2017</u></b>			
General Debt	\$ 86,974,545	\$ 11,176	\$ 86,963,369
School Debt	<u>10,905,000</u>	<u>10,905,000</u>	<u>-</u>
Total	<u>\$ 97,879,545</u>	<u>\$ 10,916,176</u>	<u>\$ 86,963,369</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>2018</u>	<u>2017</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 172,738,995	\$ 168,730,011
Less: Net Debt	<u>88,571,040</u>	<u>86,963,369</u>
Remaining Borrowing Power	<u>\$ 84,167,955</u>	<u>\$ 81,766,642</u>

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

	<u><b>2018</b></u>	<u><b>2017</b></u>
\$4,365,000, 2010 Bonds, due in annual installments of \$200,000 to \$310,000 through August, 2030, interest at 3.50% to 4.00%	\$ 3,010,000	\$ 3,200,000
\$3,613,000, 2014 Bonds, due in annual installments of \$770,000 through April 1, 2019 interest at 2.00%	770,000	1,510,000
\$16,450,000, 2014 Bonds, due in annual installments of \$535,000 to \$1,010,000 through April 1, 2032 interest at 3.00% to 3.50%	11,130,000	11,660,000
\$14,285,000, 2017 Bonds, due in annual installments of \$625,000 to \$1,250,000 through April 2031, interest at 2.00% to 3.00%	<u>13,660,000</u>	<u>14,285,000</u>
Total	<u>\$ 28,570,000</u>	<u>\$ 30,655,000</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><b>2018</b></u>	<u><b>2017</b></u>
\$8,775,000, 2008 Bonds, due in annual installments of \$585,000 to \$630,000 through January 2024, interest at 5.00%	<u>\$ 3,735,000</u>	<u>\$ 4,365,000</u>

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**General Intergovernmental Loans Payable**

**Capital Loan**

On September 20, 2005, the City entered into an agreement with the Bergen County Improvement Authority whereby the Bergen County Improvement Authority issued \$15,316,016 of Capital Appreciation Bonds (Series 2005B). Simultaneously with the issuance of these bonds, the Authority entered into a Borrower Purchase Agreement with the City of Englewood whereby the Authority purchased a Borrower Bond from the City in the principal amount of the Bonds issued. Under the Borrower Bond, the City is required repay the Bergen County Improvement Authority in the amount of principal and interest due on the Bonds. The payments commenced on September 1, 2008 and continue through September 1, 2021. The following represents the remaining annual maturities under this agreement.

<u>Date</u>	<u>Payment</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Accretion</u>	<u>Annual Amount</u>
9/1/19	\$ 1,219,257	0.000%	4.310%	55.170	\$ 990,743	\$ 2,210,000
9/1/20	1,156,449	0.000%	4.380%	52.328	1,053,551	2,210,000
9/1/21	<u>1,098,812</u>	0.000%	4.430%	49.720	<u>1,111,188</u>	<u>2,210,000</u>
	<u>\$ 3,474,518</u>				<u>\$ 3,155,482</u>	<u>\$ 6,630,000</u>

The City's principal and interest for long-term debt issued and outstanding as of December 31, 2018 is as follows:

<u>Calendar</u>	<u>General</u>		<u>Assessment</u>		<u>Intergovernmental Loan</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal and Accreted Interest</u>	<u>Total</u>
2019	\$ 2,130,000	\$ 823,401	\$ 630,000	\$ 171,000	\$ 2,210,000	\$ 5,964,401
2020	1,375,000	780,001	630,000	139,500	2,210,000	5,134,501
2021	1,750,000	739,251	630,000	108,000	2,210,000	5,437,251
2022	1,950,000	691,676	630,000	76,500		3,348,176
2023	2,005,000	640,426	630,000	45,000		3,320,426
2024-2028	11,095,000	2,256,725	585,000	14,625		13,951,350
2029-2033	<u>8,265,000</u>	<u>479,525</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,744,525</u>
Total	<u>\$ 28,570,000</u>	<u>\$ 6,411,005</u>	<u>\$ 3,735,000</u>	<u>\$ 554,625</u>	<u>\$ 6,630,000</u>	<u>\$ 45,900,630</u>

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**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, 2018 and 2017, \$2,740,000 and \$2,870,000, respectively, of bonds outstanding are considered defeased.

**Guarantee of Debt**

On October 24, 2006, the Englewood Volunteer Ambulance Corp. was approved for a low interest loan with the State of New Jersey under the volunteer Emergency Service Organizations Program. The loan of \$50,000 was used for the purchase of an ambulance. The loan was to be paid in annual installments over a ten year period. On October 9, 2008, the Englewood Volunteer First Aid Corp. defaulted on the loan and on June 23, 2009, the City assumed the loan and a significant portion of the emergency medical services responsibilities in the City. The City of Englewood agreed to pay the loan from the loan proceeds and an annual budget appropriation to pay the interest on the loan. At December 31, 2016, the loan balance was \$5,000. The final installment of the loan balance was paid during 2017.

**Changes in Long-Term Municipal Debt**

The City's long-term capital debt activity for the years ended December 31, 2018 and 2017 were as follows:

	Balance, December 31, <u>2017</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2018</u>	Due Within <u>One Year</u>
General Capital Fund					
Bonds Payable	\$ 30,655,000		\$ 2,085,000	\$ 28,570,000	\$ 2,130,000
Intergovernmental Loans Payable	<u>4,759,854</u>	<u>-</u>	<u>1,285,336</u>	<u>3,474,518</u>	<u>1,219,257</u>
General Capital Fund Long-Term Liabilities	<u>\$ 35,414,854</u>	<u>\$ -</u>	<u>\$ 3,370,336</u>	<u>\$ 32,044,518</u>	<u>\$ 3,349,257</u>
Assessment Trust Fund					
Bonds Payable	<u>\$ 4,365,000</u>	<u>\$ -</u>	<u>\$ 630,000</u>	<u>\$ 3,735,000</u>	<u>\$ 630,000</u>



**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt (Continued)**

**Changes in Long-Term Municipal Debt (Continued)**

	Balance, December 31, <u>2016</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2017</u>	Due Within <u>One Year</u>
General Capital Fund					
Bonds Payable	\$ 17,795,000	\$ 14,285,000	\$ 1,425,000	\$ 30,655,000	\$ 2,085,000
Intergovernmental Loans Payable	<u>6,109,589</u>	<u>-</u>	<u>1,349,735</u>	<u>4,759,854</u>	<u>1,285,336</u>
General Capital Fund Long-Term Liabilities	<u>\$ 23,904,589</u>	<u>\$ 14,285,000</u>	<u>\$ 2,774,735</u>	<u>\$ 35,414,854</u>	<u>\$ 3,370,336</u>
Assessment Trust Fund					
Bonds Payable	<u>\$ 4,995,000</u>	<u>\$ -</u>	<u>\$ 630,000</u>	<u>\$ 4,365,000</u>	<u>\$ 630,000</u>

**B. Short-Term Debt**

The City's short-term debt activity for the years ended December 31, 2018 and 2017 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	Balance, December 31, <u>2017</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2018</u>
Various Capital Improvements	3.00%	4/2/2019	\$ 15,350,950	\$ 14,875,296	15,350,950	\$ 14,875,296
Ice Arena Improvements	3.00%	4/2/2019	625,600	599,392	625,600	599,392
Overpeck Creek Channel Wall Replacement	3.00%	4/2/2019	604,200	583,365	604,200	583,365
Construction of Fire House	3.00%	4/2/2019	7,267,500	7,144,322	7,267,500	7,144,322
Various Equipment and Capital Improvements	3.00%	4/2/2019	8,458,800	8,458,800	8,458,800	8,458,800
Various Fire Equipment	3.00%	4/2/2019	323,950	323,950	323,950	323,950
Various Equipment and Capital Improvements	3.00%	4/2/2019	5,084,875	5,084,875	5,084,875	5,084,875
Various Capital Improvements	3.00%	8/20/2019	<u>-</u>	<u>6,530,000</u>	<u>-</u>	<u>6,530,000</u>
			<u>\$ 37,715,875</u>	<u>\$ 43,600,000</u>	<u>\$ 37,715,875</u>	<u>\$ 43,600,000</u>

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	Balance, December 31, <u>2016</u>	<u>Renewed/</u> <u>Issued</u>	<u>Retired/</u> <u>Redeemed</u>	Balance, December 31, <u>2017</u>
Renovations to City Hall	2.25%	4/6/2017	\$ 299,480		\$ 299,480	
Various Capital Improvements	2.50%	4/4/2018	28,785,624	\$ 15,350,950	28,785,624	\$ 15,350,950
Fire Truck and Various Equip	2.25%	4/6/2017	263,866		263,866	
Acq. Of DPW Equipment	2.25%	4/6/2017	513,288		513,288	
Tax Appeals	1.30%	12/13/17	580,000		580,000	
Ice Arena Improvements	2.50%	4/4/2018	652,154	625,600	652,154	625,600
Overpeck Creek Channel Wall Replacement	2.50%	4/4/2018	604,200	604,200	604,200	604,200
Construction of Fire House	2.50%	4/4/2018	7,267,500	7,267,500	7,267,500	7,267,500
Various Equipment and Capital Improvements	2.50%	4/4/2018	8,458,800	8,458,800	8,458,800	8,458,800
Various Fire Equipment	2.50%	4/4/2018	323,950	323,950	323,950	323,950
Various Equipment and Capital Improvements	1.12%	4/4/2018	-	5,084,875	-	5,084,875
			<u>\$ 47,748,862</u>	<u>\$ 37,715,875</u>	<u>\$ 47,748,862</u>	<u>\$ 37,715,875</u>

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

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

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations or to meet cash flow needs (Tax Anticipation Notes) to temporarily finance operating expenditures. This debt which is not included in the City's statutory debt limit calculation is reported in the Current Fund for the years 2018 and 2017 as follows:

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Special Emergency Notes**

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

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance, December 31, <u>2017</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2018</u>
<b><u>2018</u></b>						
Terminal Leave	2.00%	8/14/2019	<u>\$ 1,000,000</u>	<u>\$ 800,000</u>	<u>\$ 1,000,000</u>	<u>\$ 800,000</u>

<u>Purpose</u>	<u>Rate</u> <u>(%)</u>	<u>Maturity</u> <u>Date</u>	Balance, December 31, <u>2016</u>	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, <u>2017</u>
<b><u>2017</u></b>						
Terminal Leave	2.25%	8/16/2018	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>

**NOTE 10 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Capital Project</u>	<u>Construction</u> <u>Commitment</u>	<u>Estimated</u> <u>Date of</u> <u>Completion</u>
<b><u>2018</u></b>		
Improvements to City Facilities	\$ 315,318	2019
Road Improvements	1,823,003	2019
Sanitary Sewers	694,083	2019
<b><u>2017</u></b>		
Improvements to Roads, Curbs and Sidewalks	\$1,118,048	2018
Improvements to City Facilities	397,829	2018
Sanitary Sewers	596,086	2018
Improvements to Parks	117,772	2018
Acquisition of Equipment	1,060,733	2018
Ice Arena Improvements	84,259	2018

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**Compensated Absences**

Under the existing policies and labor agreements of the City, employees are allowed to accumulate (with certain restrictions) unused vacation benefits, personal, sick 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 \$8,639,258 and \$9,211,385 at December 31, 2018 and 2017, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

**Changes in Other Long-Term Liabilities**

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

The City's changes in other long-term liabilities for the years ended December 31, 2018 and 2017 were as follows:

	Balance, December 31, 2017	Additions	Reductions	Balance, December 31, 2018	Due Within One Year
Compensated Absences	\$ 9,211,385		\$ 572,127	\$ 8,639,258	
Net OPEB Liability	41,447,726		9,528,558	31,919,168	
Net Pension Liability					
PERS	30,472,616		5,179,502	25,293,114	
PFRS	80,204,735	-	11,477,863	68,726,872	-
Total Other Long-Term Liabilities	\$ 161,336,462	\$ -	\$ 26,758,050	\$ 134,578,412	\$ -

	Balance, December 31, 2016	Prior Period Adjustment	Additions	Reductions	Balance, December 31, 2017	Due Within One Year
Compensated Absences	\$ 8,750,517		\$ 460,868		\$ 9,211,385	
Net OPEB Liability		\$ 45,979,130		\$ 4,531,404	41,447,726	
Net Pension Liability						
PERS	38,858,242			8,385,626	30,472,616	
PFRS	99,170,516	-	-	18,965,781	80,204,735	-
Total Other Long-Term Liabilities	\$ 146,779,275	\$ 45,979,130	\$ 460,868	\$ 31,882,811	\$ 161,336,462	\$ -

- (A) The prior period adjustment reflects the opening balance of the Net OPEB liability as of December 31, 2016, resulting from the implementation of GASB Statement No. 75 "Accounting and financial Reporting for Post-employment Benefits Other Than Pensions" during the year ended December 31, 2018.

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS**

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

**Consolidated Police and Firemen's Pension Fund (CPFPPF)** – established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members. Additionally, based on recent actuarial valuation there was no normal cost or accrued liability contributions required for the fiscal year ended June 30, 2017. CPFPPF is a single-employer defined benefit plan. For additional information about CPFPPF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**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) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PFRS:

<b>Tier</b>	<b>Definition</b>
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) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://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, except for medical benefits, which, if applicable, vest after 25 years of service or under the disability provisions of PERS.

**CITY OF ENGLEWOOD  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees' Retirement System (PERS) (Continued)**

The following represents the membership tiers for PERS:

<b>Tier</b>	<b>Definition</b>
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 1/55<sup>th</sup> 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 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and 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.

**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 PERS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours 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 State also administers the Pensions Adjustment Fund (PAF). Prior to the adoption of pension reform legislation, P.L. 2011, C.78, it provided cost of living increases equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPFPF. Cost-of-living increases provided under the State's pension adjustment program are currently suspended as a result of the reform legislation. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PERS 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.

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Other Pension Funds (Continued)**

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](http://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. 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](http://www.state.nj.us/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for PERS at June 30, 2018 and 2017 is \$43.4 billion and \$48.9 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 40.45% and 36.78%, respectively. The collective net pension liability of the participating employers for PFRS at June 30, 2018 and 2017 is \$19.7 billion and \$21.6 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 57.91% and 54.52%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 and 2016 which were rolled forward to June 30, 2018 and 2017, respectively.

**Actuarial Methods and Assumptions**

In the July 1, 2017 and 2016 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.

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**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 2018 and 2017 based on 10.0% for PFRS, 7.50% (effective July 1, 2018) and 7.34% (effective July 1, 2017) for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2018 and 2017 for CPFPPF, 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 2018, 2017 and 2016 were equal to the required contributions.

During the years ended December 31, 2018, 2017 and 2016, the City, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>CPFPPF</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2018	\$ 2,207	\$ 4,597,899	\$ 1,212,696	\$ 3,495
2017		4,232,823	1,165,579	3,521
2016	34,859	4,141,446	1,075,289	3,203

In addition for the years ended December 31, 2018 and 2017 the City contributed for long-term disability insurance premiums (LTDI) \$15,006 and \$5,140 for PERS.

**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. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2018 and 2017. Employer allocation percentages have been rounded for presentation purposes.



**CITY OF ENGLEWOOD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS)**

At December 31, 2018 and 2017, the City reported a liability of \$25,293,114 and \$30,472,616, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and 2016, respectively. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2018, the City's proportionate share was .12846 percent, which was a decrease of .00245 percent from its proportionate share measured as of June 30, 2017 of .13091 percent.

For the years ended December 31, 2018 and 2017, the pension system has determined the City's pension expense to be \$1,515,501 and \$2,405,035, respectively, for PERS based on the actuarial valuations which are more than the actual contributions reported in the City's financial statements of \$1,212,696 and \$1,165,579, respectively. At December 31, 2018 and 2017, 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:

	<u>2018</u>		<u>2017</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 482,343	\$ 130,419	\$ 717,525	
Changes of Assumptions	4,167,886	8,087,393	6,139,182	\$ 6,116,675
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		237,250	207,498	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>676,554</u>	<u>631,210</u>	<u>974,861</u>	<u>268,871</u>
Total	<u>\$ 5,326,783</u>	<u>\$ 9,086,272</u>	<u>\$ 8,039,066</u>	<u>\$ 6,385,546</u>

**CITY OF ENGLEWOOD**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

At December 31, 2018 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

<u>Year</u> <u>Ending</u> <u>December 31,</u>	<u>Total</u>
2019	\$ 276,951
2020	(117,812)
2021	(1,736,781)
2022	(1,633,700)
2023	<u>(548,147)</u>
	<u>\$ (3,759,489)</u>

***Actuarial Assumptions***

The City's total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

**2018 and 2017**

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65%-5.15% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

The actuarial assumptions used in the July 1, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014, respectively.

**CITY OF ENGLEWOOD**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

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, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, are summarized in the following table:

<u>Asset Class</u>	<u>2018 and 2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equity	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2018	5.66%
2017	June 30, 2017	5.00%

**CITY OF ENGLEWOOD**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

	<u>2018</u>	<u>2017</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2046	Through June 30, 2040
Municipal Bond Rate *	From July 1, 2046 and Thereafter	From July 1, 2040 and Thereafter

\* The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, respectively. 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.

***Sensitivity of Net Pension Liability***

The following presents the City's proportionate share of the PERS net pension liability as of December 31, 2018 and 2017 calculated using the discount rate of 5.66% and 5.00%, respectively, 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 4.66% and 4.00%, respectively or 1-percentage-point higher 6.66% and 6.00%, respectively than the current rate:

	<b>1% Decrease (4.66%)</b>	<b>Current Discount Rate (5.66%)</b>	<b>1% Increase (6.66%)</b>
<b><u>2018</u></b>			
City's Proportionate Share of the PERS Net Pension Liability	\$ 31,803,177	\$ 25,293,114	\$ 19,831,588
	<b>1% Decrease (4.00%)</b>	<b>Current Discount Rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
<b><u>2017</u></b>			
City's Proportionate Share of the PERS Net Pension Liability	\$ 37,803,348	\$ 30,472,616	\$ 24,365,208

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2018 and 2017. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

**CITY OF ENGLEWOOD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

**Public Employees Retirement System (PERS) (Continued)**

***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](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2018 and 2017, the City reported a liability of \$68,726,872 and \$80,204,735, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and 2016, respectively. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2018, the City's proportionate share was .50790 percent, which was a decrease of .01163 percent from its proportionate share measured as of June 30, 2017 of .51953 percent.

For the years ended December 31, 2018 and 2017, the pension system has determined the City pension expense to be \$5,488,820 and \$7,752,173, respectively, for PFRS based on the actuarial valuations which are more than the actual contributions reported in the City's financial statements of \$4,597,899 and \$4,232,823, respectively. At December 31, 2018 and 2017, 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:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 699,207	\$ 284,408	\$ 520,321	\$ 470,736
Changes of Assumptions	5,899,277	17,613,511	9,890,137	13,135,191
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		375,998	1,530,494	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	1,067,608	1,672,581	1,619,753	233,886
Total	<u>\$ 7,666,092</u>	<u>\$ 19,946,498</u>	<u>\$ 13,560,705</u>	<u>\$ 13,839,813</u>

**CITY OF ENGLEWOOD**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

At December 31, 2018 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

Year Ending <u>December 31,</u>	<u>Total</u>
2019	\$ 785,707
2020	(2,017,375)
2021	(5,785,558)
2022	(3,919,167)
2023	<u>(1,344,013)</u>
	<u>\$ (12,280,406)</u>

***Actuarial Assumptions***

The City's total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<b><u>2018 and 2017</u></b>	
Inflation Rate	2.25%
Salary Increases:	
Through 2026	2.10%-8.98% Based on Age
Thereafter	3.10%-9.98% Based on Age
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2000

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2017 and July 1, 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**CITY OF ENGLEWOOD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

***Long-Term Expected Rate of Return***

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, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, are summarized in the following table:

<u>Asset Class</u>	<u>2018 and 2017</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.87%
US Equity	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PFRS plan was as follows:

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2018	6.51%
2017	June 30, 2017	6.14%

**CITY OF ENGLEWOOD**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

***Discount Rate (Continued)***

The following table represents the crossover period, if applicable, for the PFRS defined benefit plan:

	<u>2018</u>	<u>2017</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	Through June 30, 2062	Through June 30, 2057
Municipal Bond Rate *	From July 1, 2062 and Thereafter	From July 1, 2057 and Thereafter

\* The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, respectively. 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.

***Sensitivity of Net Pension Liability***

The following presents the City's proportionate share of the PFRS net pension liability as of December 31, 2018 and 2017 calculated using the discount rate of 6.51% and 6.14%, respectively, 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 5.51% and 5.14%, respectively or 1-percentage-point higher 7.51% and 7.14%, respectively than the current rate:

	<b>1% Decrease (5.51%)</b>	<b>Current Discount Rate (6.51%)</b>	<b>1% Increase (7.51%)</b>
<b><u>2018</u></b>			
City's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 91,982,390</u>	<u>\$ 68,726,872</u>	<u>\$ 49,545,306</u>
	<b>1% Decrease (5.14%)</b>	<b>Current Discount Rate (6.14%)</b>	<b>1% Increase (7.14%)</b>
<b><u>2017</u></b>			
City's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 105,676,343</u>	<u>\$ 80,204,735</u>	<u>\$ 59,276,912</u>

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2018 and 2017. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.



**CITY OF ENGLEWOOD**  
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**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

***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, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$9,335,409 and \$8,983,606, respectively. For the years ended December 31, 2018 and 2017, 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 \$1,105,765 and \$1,098,898, respectively, which are more than the actual contributions the State made on behalf of the City of \$552,882 and \$449,219, respectively. At December 31, 2018 (measurement date June 30, 2018) the State's share of the PFRS net pension liability attributable to the City was .50790 percent, which was a decrease of .01163 percent from its proportionate share measured as of December 31, 2017 (measurement date June 30, 2017) of .51953 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](http://www.state.nj.us/treasury/pensions).

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS**

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

**Plan Description and Benefits Provided**

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

**CITY OF ENGLEWOOD**  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**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. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), 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 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](http://www.state.nj.us/treasury/pensions).

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

**Collective Net OPEB Liability**

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2018 and 2017 is \$15.7 billion and \$20.4 billion, respectively, and the plan fiduciary net position as a percentage of the total OPEB liability is 1.97% and 1.03%, respectively.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 and 2016 which were rolled forward to June 30, 2018 and 2017.

**Actuarial Methods and Assumptions**

In the June 30, 2017 and 2016 OPEB 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 Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contribution**

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

**CITY OF ENGLEWOOD  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Post-Retirement Medical Benefits Contribution (Continued)**

The employers participating in the OPEB plan made contributions of \$421.2 million and \$381.8 million and the State of New Jersey, as the non-employer contributing entity, contributed \$53.5 million and \$53.1 million for fiscal years 2018 and 2017, respectively.

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, 2018, 2017 and 2016 were \$1,481,773, \$1,426,620 and \$1,202,136, 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. The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2018 and 2017. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2018 and 2017, the City reported a liability of \$31,919,168 and \$41,447,726, respectively, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018 and 2017, respectively, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017 and 2016, respectively. 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, 2018 and 2017 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2018 and 2017, respectively. As of the measurement date of June 30, 2018 the City's proportionate share was .20374 percent, which was an increase of .00072 percent from its proportionate share measured as of June 30, 2017 of .20302 percent.

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

For the years ended December 31, 2018 and 2017, the Plan has determined the City's OPEB expense to be \$1,027,474 and \$2,598,565, respectively, based on the actuarial valuations which are less than the 2018 actual contributions and more than the 2017 actual contributions reported in the City's financial statements of \$1,481,773 and \$1,426,620, respectively. At December 31, 2018 and 2017, 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:

	<u>2018</u>		<u>2017</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience		\$ 6,480,730		\$ 4,600,345
Changes of Assumptions		8,096,715		
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	\$ 16,868		\$ 7,103	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>143,622</u>	<u>1,418,926</u>	<u>-</u>	<u>1,653,847</u>
Total	<u>\$ 160,490</u>	<u>\$ 15,996,371</u>	<u>\$ 7,103</u>	<u>\$ 6,254,192</u>

At December 31, 2018 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2019	\$ (2,251,804)
2020	(2,251,804)
2021	(2,251,805)
2022	(2,253,579)
2023	(2,256,465)
Thereafter	<u>(4,570,424)</u>
	<u>\$ (15,835,881)</u>

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

*Actuarial Assumptions*

The City's total OPEB liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total OPEB liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

**2018 and 2017**

Inflation Rate	2.50%
Salary Increases*	
Initial Fiscal Year Applied Through	2026
Rate	1.65% to 8.98%
Rate Thereafter	2.65% to 9.98%
Mortality	RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2017.
Long-Term Rate of Return	1.00%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and his or her age.

For the June 30, 2018 measurement date healthcare cost trend rates for pre-Medicare preferred provider organization (PPO) and health maintenance organization (HMO) medical benefits, the trend rate is initially 5.8% and decreases to a 5.0% long-term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long-term trend rate after seven years. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

For the June 30, 2017 measurement date healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefit, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in all future years.

The actuarial assumptions used in the June 30, 2017 and 2016 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2010 to June 30, 2013 and July 1, 2011 to June 30, 2014, respectively.

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

***Long-Term Expected Rate of Return***

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% and 1.00% as of June 30, 2018 and 2017, respectively.

**Discount Rate**

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

**Calendar**

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2018	3.87%
2017	June 30, 2017	3.58%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

***Sensitivity of Net OPEB Liability to Changes in the Discounts Rate***

The following presents the City's proportionate share of the OPEB net liability as of December 31, 2018 and 2017 calculated using the discount rate of 3.87% and 3.58%, respectively, 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 2.87% and 2.58%, respectively or 1-percentage-point higher 4.87% and 4.58%, respectively than the current rate:

	<b>1% Decrease (2.87%)</b>	<b>Current Discount Rate (3.87%)</b>	<b>1% Increase (4.87%)</b>
<b><u>2018</u></b>			
City's Proportionate Share of the Net OPEB Liability	\$ 37,449,623	\$ 31,919,168	\$ 27,501,586
	<b>1% Decrease (2.58%)</b>	<b>Current Discount Rate (3.58%)</b>	<b>1% Increase (4.58%)</b>
<b><u>2017</u></b>			
City's Proportionate Share of the Net OPEB Liability	\$ 48,888,828	\$ 41,447,726	\$ 35,543,337

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2018 and 2017. A sensitivity analysis specific to the City's net OPEB liability was not provided by the Plan.

**CITY OF ENGLEWOOD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

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

The following presents the City's proportionate share of the OPEB net liability as of December 31, 2018 and 2017 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:

<u>2018</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
City's Proportionate Share of the Net OPEB Liability	\$ <u>26,625,704</u>	\$ <u>31,919,168</u>	\$ <u>38,769,697</u>
<u>2017</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
City's Proportionate Share of the Net OPEB Liability	\$ <u>34,444,271</u>	\$ <u>41,447,726</u>	\$ <u>50,567,036</u>

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2018 and 2017. 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, 2018 AND 2017**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

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

***Special Funding Situation (Continued)***

At December 31, 2018 and 2017, the State's proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$39,142,684 and \$57,792,411, respectively. For the years ended December 31, 2018 and 2017 the plan has determined the State's proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is \$1,184,895 and \$4,135,977, respectively. At December 31, 2018, (measurement date June 30, 2018), the State's share of the OPEB liability attributable to the City was .62993 percent, which was a decrease of .0347 percent from its proportionate share measured as of December 31, 2017 (measurement date June 30, 2017) of .66463 percent. The State's proportionate share attributable to the City was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

***OPEB Plan Fiduciary Net Position***

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

**NOTE 14 RISK MANAGEMENT**

The City is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The City has obtained commercial 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 (GSMJIF). The joint insurance 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 insurance fund 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, 2018 AND 2017**

**NOTE 14 RISK MANAGEMENT (Continued)**

The City has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the City is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The City is billed quarterly for amounts due to the State. The following is a summary of City contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the City's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended</u> <u>December 31</u>	<u>City</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2018		\$ 33,143	\$ 8,460	\$ 287,955
2017			39,878	261,973
2016				291,062

**NOTE 15 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2018 and 2017. 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, 2018 and 2017, the City reserved \$197,242 and \$205,813, 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, 2018 and 2017, significant amounts of grant expenditure have not been audited by the various grantor agencies but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

**NOTE 16 FEDERAL ARBITRAGE REGULATIONS**

The City is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2018 and 2017, 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, 2018 AND 2017**

**NOTE 17 TAX ABATEMENTS**

For the years ended December 31, 2018 and 2017, 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, 2018 and 2017 the City abated property taxes totaling \$1,289,792 and \$1,597,018, respectively under the LTTE program. The City received \$553,000 and \$566,898 in PILOT payments under this program for the years ended December 31, 2018 and 2017, respectively.

**NOTE 18 SUBSEQUENT EVENTS**

**Serial Bonds**

On March 28, 2019, the City issued \$15,260,000 of General Improvement Bonds for the purpose of funding various capital improvements of the City. The City awarded the sale of said bonds to Roosevelt and Cross, Inc. and Associates at an interest rate of 3.00% to 5.00%. These bonds dated April 1, 2019 will mature over 22 years with the first maturity due April 1, 2020.

**Bond Anticipation Notes**

On March 28, 2019, the City issued bond anticipation notes in the amount of \$13,865,000 to temporarily finance expenditures related to various capital projects. The City has awarded the sale of said notes to Roosevelt and Cross, Inc. and Associates at an interest rate of 3.00%. These notes dated March 28, 2019 will mature on March 27, 2020.

## **CURRENT AND GRANT FUNDS**

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

Balance, December 31, 2017		\$ 20,794,032
Increased by Receipts:		
Taxes Receivable	\$ 108,510,364	
Tax Title Liens	5,452	
Non Budget Revenue	9,612,305	
Due From State - Senior Citizens and Veterans	63,006	
Revenue Accounts Receivable	7,941,101	
Prepaid Taxes	754,874	
Sewer User Charges	555,236	
Tax Overpayments	496,189	
Special Emergency Note	800,000	
Receipts from Other Trust Fund	22,220	
Receipts from General Capital Fund	905,649	
Animal Control Receipts Deposited in Current Fund	9,780	
Prior Year Adjustment - Voided Checks	15,457	
Other Trust Fund Receipts Deposited in Current Fund	<u>276,492</u>	
		<u>129,968,125</u>
		150,762,157
Decreased by Disbursements:		
2018 Budget Appropriation	59,409,430	
Appropriation Reserves	487,876	
Encumbrances Payable	2,183,048	
Payments to General Capital Fund	989,600	
Payments to Other Trust Fund	273,503	
Payments to Animal Control Fund	4,555	
Payments to Grant Fund	13,228	
Tax Appeals	561,571	
Reserve for Sale of Assets	314	
Tax Overpayments	502,031	
Local School Taxes Payable	54,534,902	
County Taxes Payable	12,342,686	
Special Emergency Note Payable	1,000,000	
Other Trust Fund Expenditure Paid by Current Fund	22,220	
General Capital Expenditure Paid by Current Fund	225,270	
Refund of Prior Year Revenue	<u>4,146</u>	
		<u>132,554,380</u>
Balance, December 31, 2018		<u><u>\$ 18,207,777</u></u>

**CITY OF ENGLEWOOD  
STATEMENT OF CASH  
GRANT FUND**

## Increased by:

Grant Receivables	\$ 91,334	
Receipts from Current Fund	<u>13,228</u>	
		\$ 104,562

## Decreased by:

Appropriated Grant Reserves	95,878	
Encumbrances Payable	<u>8,684</u>	
		<u>104,562</u>

Balance, December 31, 2018	<u><u>\$ -</u></u>
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**STATEMENT OF STATE AND FEDERAL GRANTS RECEIVABLE  
GRANT FUND**

<u>Program</u>	Balance December 31, 2017	Budget Revenue	Cash Receipts	Balance December 31, 2018
ANJAC-Smart Growth Grant	\$ 4,066			\$ 4,066
Reach & Teach	30,000	\$ 24,000	\$ 14,000	40,000
Municipal Alliance	18,554	20,000	12,943	25,611
Open Space Stewardship Project (ANJEC)	500			500
CDBG Heart Health		8,380	8,380	-
Drunk Driving Enforcement Fund		3,775	3,775	-
FDA Foodborne Illness Grant	4,321			4,321
Clean Communities Grant		46,648	46,648	-
Body Armor Replacement				-
Alcohol Education		1,465	1,465	
FDA Retail Standards	1,189	4,123	4,123	1,189
FDA Mentorship Grant (NACCHO)	1,569			1,569
Historic Preservation Grant - Mackay Gate House	<u>20,590</u>	<u>-</u>	<u>-</u>	<u>20,590</u>
	<u><u>\$ 80,789</u></u>	<u><u>\$ 108,391</u></u>	<u><u>\$ 91,334</u></u>	<u><u>\$ 97,846</u></u>

**CITY OF ENGLEWOOD**  
**STATEMENT OF RESERVE FOR STATE AND FEDERAL GRANTS - APPROPRIATED**  
**GRANT FUND**

<u>Program</u>	<u>Balance</u> <u>December 31,</u> <u>2017</u>	<u>Transferred</u> <u>from 2018</u> <u>Budget</u>	<u>Prior Year</u> <u>Adjustment</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>December 31,</u> <u>2018</u>
Municipal Alliance Program	\$ 16,587	\$ 20,000		\$ 10,809	\$ 25,778
Municipal Alliance Program-Local Match	1,961	5,000		3,430	3,531
State Forestry Services Green Communities	3,000				3,000
Bio-Terrorism Sub-Grant	1,067			499	568
Alcohol Education & Rehabilitation Fund	2,072	1,465			3,537
Reach & Teach	96,000	24,000		24,000	96,000
Drunk Driving Enforcement Fund	71,720	3,775			75,495
Take Me Fishing Grant	44				44
Hepatitis B Grant	13				13
BC/US Dept of Justice Grant (JAG)	7,711				7,711
Public Health Grant	35				35
Adolescent Health Grant	42,806		\$ (998)	1,523	40,285
H1N1 Emergency Preparedness	817				817
H1N1 Corrective Action Mini Grant	839			499	340
Louis La Salle Tomorrow Fund	23,203				23,203
ANJAC-Smart Growth Grant-Local Match	6,654			6,402	252
Open Space Stewardship Project (ANJEC)	1,500				1,500
Emergency Prep Grant (NJACCHO)	15		998	49	964
FDA Mentorship Grant (NACCHO)	2,395				2,395
FDA Retail Standards	1,327	4,123		4,867	583
FDA Foodborne Illness Grant	5,892				5,892
FEMA-Firefighters Grant	4				4
Body Armor Replacement	30,176				30,176
CDBG Heart Health		8,380		8,379	1
Hurricane Irene Relief Employment Fund	8,625				8,625
Historic Preservation Grant - Mackay Gate House	20,590				20,590
Recycling Tonnage	26,365				26,365
Clean Communities Program	36,297	46,648		36,297	46,648
Community Chest of Englewood	5,102				5,102
Drunk Driving Prevention	7,656				7,656
Sustainable Energy Grant	5,000	-	-	-	5,000
	<u>\$ 425,473</u>	<u>\$ 113,391</u>	<u>\$ -</u>	<u>\$ 96,754</u>	<u>\$ 442,110</u>
Cash Disbursements				\$ 95,878	
Encumbrances Payable				<u>876</u>	
				<u>\$ 96,754</u>	

**CITY OF ENGLEWOOD  
STATEMENT OF DUE TO CURRENT FUND  
GRANT FUND**

Balance, December 31, 2017	\$ 22,650
Increased by:	
Receipts from Current Fund	<u>13,228</u>
	35,878
Decreased by:	
Budget Appropriations - Local Share	<u>5,000</u>
Balance, December 31, 2018	<u><u>\$ 30,878</u></u>

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

Balance, December 31, 2017	\$ 7,866
Increased by:	
Deductions Allowed Per Tax Duplicate	\$ 67,500
Prior Year Deductions Allowed by Tax Collector	250
2018 Deductions Allowed by Tax Collector	<u>750</u>
	<u>68,500</u>
	76,366
Decreased by:	
2018 Deductions Disallowed by Tax Collector	325
Prior Year Deductions Disallowed by Tax Collector	4,552
Adjustment - Taxation Audit	1,500
Cash Received from State	<u>63,006</u>
	<u>69,383</u>
Balance, December 31, 2018	<u><u>\$ 6,983</u></u>



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

<u>Year</u>	<u>Balance,</u> <u>December 31,</u> <u>2017</u>	<u>Levy</u>	<u>Senior</u> <u>Citizens'</u> <u>and Veterans'</u> <u>Deductions</u> <u>Disallowed</u>	<u>Collected In</u>		<u>Senior</u> <u>Citizens'</u> <u>and Veterans'</u> <u>Deductions</u> <u>Allowed</u>	<u>Tax</u> <u>Overpayments</u> <u>Applied</u>	<u>Cancelled</u>	<u>Transferred</u> <u>to Tax</u> <u>Title Liens</u>	<u>Balance,</u> <u>December 31,</u> <u>2018</u>
2013	\$ 6,744									\$ 6,744
2014	8,148									8,148
2015	8,216		\$ 250		\$ 250					8,216
2016	10,512				60	-	\$ 2,165			8,287
2017	12,271	-	4,302	-	7,764	\$ 250	-	-	-	8,559
	45,891	-	4,552	-	8,074	250	2,165	-	-	39,954
2018	-	\$ 121,010,458	325	\$ 12,045,771	108,502,290	68,250	5,375	\$ 359,027	\$ 21,115	8,955
	<u>\$ 45,891</u>	<u>\$ 121,010,458</u>	<u>\$ 4,877</u>	<u>\$ 12,045,771</u>	<u>\$ 108,510,364</u>	<u>\$ 68,500</u>	<u>\$ 7,540</u>	<u>\$ 359,027</u>	<u>\$ 21,115</u>	<u>\$ 48,909</u>

Analysis of Property Tax Levy

**TAX YIELD**

General Purpose Tax	\$ 120,743,105
Added Taxes (RS 54:4-36.1 et seq.)	267,353
	<u>\$ 121,010,458</u>

**TAX LEVY**

Local District School Tax (Abstract)	\$ 54,621,089
County Tax (Abstract)	11,752,125
County Open Space Tax	503,192
Due County for Added and Omitted Taxes (54:4-63.1)	<u>27,109</u>
	\$ 66,903,515
Local Tax for Municipal Purposes (Abstract)	52,209,120
Minimum Library Tax	1,653,822
Add Additional Tax Levied	<u>244,001</u>
	<u>54,106,943</u>
	<u>\$ 121,010,458</u>

**CITY OF ENGLEWOOD  
STATEMENT OF TAX OVERPAYMENTS**

Balance, December 31, 2017		\$ 511,619
Increased by:		
Cash Receipts		<u>496,189</u>
		1,007,808
Decreased by:		
Refunds	\$ 502,031	
Prior Year Adjustments - Tax Billings	25,079	
Applied to Taxes Receivable	<u>7,540</u>	
		<u>534,650</u>
Balance, December 31, 2018		<u><u>\$ 473,158</u></u>

**STATEMENT OF PREPAID TAXES**

Balance, December 31, 2017		\$ 12,045,771
Increased by:		
Collection of 2019 Taxes		<u>754,874</u>
		12,800,645
Decreased by:		
Applied to 2018 Taxes		<u>12,045,771</u>
Balance, December 31, 2018		<u><u>\$ 754,874</u></u>

**STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, December 31, 2017		\$ 198,447
Increased by:		
Transfers from 2018 Taxes		<u>21,115</u>
		219,562
Decreased by:		
Cash Receipts		<u>5,452</u>
Balance, December 31, 2018		<u><u>\$ 214,110</u></u>

**CITY OF ENGLEWOOD  
STATEMENT OF FORECLOSED PROPERTY**

Balance, December 31, 2017	\$ 70,979
Balance, December 31, 2018	<u>\$ 70,979</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, December 31, 2017	\$ 87,369
Increased by:	
2018 Levy:	
County Taxes	\$ 11,752,125
County Open Space Taxes	503,192
Added and Omitted Taxes	<u>27,109</u>
	<u>12,282,426</u>
	12,369,795
Decreased by:	
Cash Disbursements	<u>12,342,686</u>
Balance, December 31, 2018	<u>\$ 27,109</u>

**SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE**

Balance, December 31, 2017	\$ 2
Increased by:	
2018 Levy	<u>54,621,089</u>
	54,621,091
Decreased by:	
Cash Disbursements	<u>54,534,902</u>
Balance, December 31, 2018	<u>\$ 86,189</u>

**CITY OF ENGLEWOOD**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, December 31, <u>2017</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2018</u>
Licenses				
Alcoholic Beverages		\$ 65,259	\$ 65,259	
Other		247,751	247,751	
Fees and Permits		179,849	179,849	
Municipal Court	\$ 41,416	640,896	640,504	\$ 41,808
Interest and Costs on Taxes		176,587	176,587	
Parking Meters		610,120	610,120	
Interest on Investments and Deposits		81,523	81,523	
Recreation Advisory Committee		815,644	815,644	
Fire Prevention Fees		119,413	119,413	
Kings Garden - PILOT		134,600	134,600	
Rock Creek - Lafayette House - PILOT		371,100	371,100	
Westmoor Gardons - PILOT		47,300	47,300	
Parking Garage Fees		238,141	238,141	
Municipal Hotel Tax		190,618	190,618	
Cable Franchise Fees		68,544	68,544	
Cell Tower Agreement		93,268	93,268	
Sewer Charges		102,380	102,380	
Consolidated Municipal Property Tax Relief		20,937	20,937	
Energy Receipts Tax		2,742,359	2,742,359	
Uniform Construction Code Fees		917,150	917,150	
Uniform Fire Safety Act	-	78,054	78,054	-
	<u>\$ 41,416</u>	<u>\$ 7,941,493</u>	<u>\$ 7,941,101</u>	<u>\$ 41,808</u>

**CITY OF ENGLEWOOD**  
**STATEMENT OF APPROPRIATION RESERVES**

	Balance, December 31, 2017	Prior Year Encumbrances Restored	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
City Council						
Other Expenses	\$ 618			\$ 618		\$ 618
City Manager						
Salaries and Wages	12,285			12,285		12,285
Other Expenses	19,635			19,635	\$ 513	19,122
City Clerk						
Salaries and Wages	2,959			2,959		2,959
Other Expenses	2,013	\$ 329		2,342		2,342
Human Resources						
Salaries and Wages	778			778		778
Other Expenses	15,220			15,220	8,221	6,999
Purchasing						
Other Expenses	18			18		18
Finance						
Salaries and Wages	2,359			2,359		2,359
Other Expenses	38,999	100		39,099		39,099
Data Processing						
Other Expenses	6,209			6,209		6,209
Collection of Taxes						
Salaries and Wages	637			637		637
Assessment of Taxes						
Salaries and Wages	1,490			1,490		1,490
Other Expenses	201			201		201
Legal Service and Costs						
Salaries and Wages	13,095			13,095		13,095
Other Expenses	239,331			239,331	103,657	135,674
Community Development						
Other Expenses	11,514			11,514	6,539	4,975
Municipal Court						
Salaries and Wages	3,007			3,007		3,007
Other Expenses	188	1,259		1,447		1,447
Public Defender						
Other Expenses	537			537		537
Insurance						
Medical	25,144			25,144	988	24,156
Other Insurance Premium	53,487			53,487		53,487
Workers Compensation	51,052		\$ 38,000	89,052	89,052	-
Land Use						
Other Expenses	12,534			12,534	5,949	6,585
Fire Division						
Salaries and Wages	24,113			24,113		24,113
Other Expenses	14,440			14,440	2,018	12,422
Police						
Salaries and Wages	80,367		(14,000)	66,367		66,367
Other Expenses	164,698			164,698	31,179	133,519
DPW Administration						
Salaries and Wages	11,777			11,777		11,777
Other Expenses	3,225	172		3,397		3,397
Public Building and Grounds						
Other Expenses	8,468		30,000	38,468	20,941	17,527
Shade Tree						
Salaries and Wages	21,035			21,035		21,035
Other Expenses	2,392	621		3,013		3,013

**CITY OF ENGLEWOOD  
STATEMENT OF APPROPRIATION RESERVES**

	Balance, December 31, 2017	Prior Year Encumbrances Restored	Transfers	Balance After Modification	Paid or Charged	Balance Lapsed
Road Repairs and Maintenance						
Salaries and Wages	\$ 8,898			\$ 8,898		\$ 8,898
Other Expenses	140,738		\$ (80,000)	60,738	\$ 12,827	47,911
Central Maintenance - Garage						
Salaries and Wages	11,806			11,806		11,806
Other Expenses	29,295		25,000	54,295	37,196	17,099
Construction and Facilities Maintenance						
Salaries and Wages	17,056			17,056		17,056
Other Expenses	24,758			24,758	13,939	10,819
Sanitation						
Salaries and Wages	11,284			11,284		11,284
Other Expenses	7,770			7,770	706	7,064
Sewer Maintenance						
Salaries and Wages	3,706			3,706		3,706
Other Expenses	3,762			3,762	1,081	2,681
Park Department						
Salaries and Wages	24,307			24,307		24,307
Other Expenses	4,234			4,234		4,234
Condominium Services Act						
Other Expenses	6,448	\$ 25,000		31,448		31,448
Board of Health						
Salaries and Wages	5,185			5,185		5,185
Other Expenses	10,471	2,040		12,511		12,511
Animal Control Regulation						
Other Expenses	7,266			7,266	600	6,666
Contribution of Child Dev. And Teen Program						
Other Expenses	587			587		587
Recreation Department						
Salaries and Wages	326			326		326
Other Expenses	15,967	18,309		34,276		34,276
Terminal Leave						
Salaries and Wages	49,295			49,295	49,295	-
Construction Code Official						
Salaries and Wages	45,328			45,328		45,328
Other Expenses	19,786			19,786	6,346	13,440
Contingency	6,000			6,000		6,000
Solid Waste Disposal	80,486			80,486	58,410	22,076
Leaf Disposal Site	112,506			112,506	78,866	33,640
Utilities						
Street Lighting	2,723		1,000	3,723	2,919	804
Telephone/Communications	5,148	4,376		9,524		9,524
Water	108			108		108
Gas and Electric	19,959			19,959		19,959
Fire Hydrant	173			173		173
Statutory Expenditures:						
Contribution to:						
Social Security System	11,312			11,312		11,312
Defined Contribution Retirement Program	1,479			1,479		1,479
Consolidated Police and Firemens	40,000			40,000		40,000
Share of Costs Sewer Charges	1			1		1
Recycling Tax	10,830			10,830	1,984	8,846
Maintenance of Free Public Library	12,774	-	-	12,774	12,774	-
	<u>\$ 1,595,597</u>	<u>\$ 52,206</u>	<u>\$ -</u>	<u>\$ 1,647,803</u>	<u>\$ 546,000</u>	<u>\$ 1,101,803</u>

Cash Disbursements	\$ 487,876
Transfer to Reserve for Terminal Leave	49,295
Transfer to Accounts Payable	8,829
	<u>\$ 546,000</u>

**CITY OF ENGLEWOOD  
STATEMENT OF ENCUMBRANCES PAYABLE**

	Current <u>Fund</u>	Grant <u>Fund</u>
Balance, December 31, 2017	\$ 2,235,254	\$ 11,818
Increased by:		
Charges to:		
Budget Appropriations	2,066,831	
Appropriation Reserves	8,829	
State and Federal Grant Appropriations	<u>-</u>	<u>876</u>
	<u>2,075,660</u>	<u>876</u>
	<u>4,310,914</u>	<u>12,694</u>
Decreased by:		
Cancelled Encumbrances Restored to		
Appropriation Reserves	52,206	
Cash Disbursed	<u>2,183,048</u>	<u>8,684</u>
	<u>2,235,254</u>	<u>8,684</u>
Balance, December 31, 2018	<u><u>\$ 2,075,660</u></u>	<u><u>\$ 4,010</u></u>

**STATEMENT OF SEWER USER CHARGES RECEIVABLE**

Balance, December 31, 2017	\$ 413,510
Increased by:	
Billings	<u>248,409</u>
	661,919
Decreased By:	
Cash Receipts	<u>555,236</u>
Balance, December 31, 2018	<u><u>\$ 106,683</u></u>

**CITY OF ENGLEWOOD  
STATEMENT OF DEFERRED CHARGES  
SPECIAL EMERGENCY AUTHORIZATIONS N.J.S. 40A:4-53**

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance December 31, 2017</u>	<u>Decreased</u>	<u>Balance, December 31, 2018</u>
7/11/2017	Severance Liabilities	\$ 1,000,000	\$ 200,000	<u>\$ 1,000,000</u>	<u>\$ 200,000</u>	<u>\$ 800,000</u>

**STATEMENT OF MISCELLANEOUS RESERVES**

	<u>Balance December 31, 2017</u>	<u>Balance, December 31, 2018</u>
Reassessment	\$ 5,000	\$ 5,000
Codification of Ordinances	<u>2,234</u>	<u>2,234</u>
	<u>\$ 7,234</u>	<u>\$ 7,234</u>

**STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, December 31, 2017	\$ 205,813
Increased by:	
Transferred from 2018 Budget Appropriations	<u>553,000</u>
	758,813
Decreased by:	
Cash Disbursements	<u>561,571</u>
Balance, December 31, 2018	<u>\$ 197,242</u>

**STATEMENT OF RESERVE FOR TERMINAL LEAVE**

Increased by:	
Transferred from 2018 Budget Appropriations	\$ 269,264
Transferred from Appropriation Reserves	<u>49,295</u>
Balance, December 31, 2018	<u>\$ 318,559</u>



**CITY OF ENGLEWOOD  
STATEMENT OF RESERVE FOR SALE OF MUNICIPAL ASSETS**

Balance, December 31, 2017	\$ 957,107
Decreased by:	
Anticipated in 2018 Budget	\$ 665,000
Cash Disbursements	<u>314</u>
	<u>665,314</u>
Balance, December 31, 2018	<u>\$ 291,793</u>

**STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance, December 31, 2017</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2018</u>
Severance Liabilities	8/17/2017	8/14/2019	<u>\$ 1,000,000</u>	<u>\$ 800,000</u>	<u>\$ 1,000,000</u>	<u>\$ 800,000</u>

## **TRUST FUNDS**

**CITY OF ENGLEWOOD  
STATEMENT OF CASH**

	Assessment Trust Fund	Animal Control Fund	Unemployment Compensation Fund	Other Trust Fund
Balance, December 31, 2017	\$ 520,866	\$ 26,704	\$ 259,655	\$ 6,331,445
Increased by Receipts:				
Interest on Deposit		\$ 49	\$ 1,299	
Payroll Deductions Payable				\$ 31,796,106
Employee Payroll Deductions			33,143	
Assessments Receivable	\$ 853,500			
Various Reserve and Deposits				3,944,557
Receipts from Current Fund	-	4,555	-	273,503
	<u>853,500</u>	<u>4,604</u>	<u>34,442</u>	<u>36,014,166</u>
	1,374,366	31,308	294,097	42,345,611
Decreased by Disbursements:				
Encumbrances Payable				66,600
Animal Control Expenditures		2,671		
Payments to State of New Jersey		1,245	8,460	
Payroll Deductions Payable				32,071,086
Various Reserves and Deposits				3,660,620
Assessments Serial Bonds	630,000			
Payments to Current Fund	-	-	-	22,220
	<u>630,000</u>	<u>3,916</u>	<u>8,460</u>	<u>35,820,526</u>
Balance, December 31, 2018	<u>\$ 744,366</u>	<u>\$ 27,392</u>	<u>\$ 285,637</u>	<u>\$ 6,525,085</u>

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

	Balance December 31, <u>2017</u>	<u>Receipts</u>		<u>Disbursements</u>	Balance December 31, <u>2018</u>
		<u>Assessments</u>	<u>Interest</u>		
Assessment Serial Bonds	\$ 524,250	\$ 853,500		\$ 630,000	\$ 747,750
Assessment Trust Surplus	<u>2</u>	<u>-</u>	<u>\$ 1</u>	<u>-</u>	<u>3</u>
	<u>\$ 524,252</u>	<u>\$ 853,500</u>	<u>\$ 1</u>	<u>\$ 630,000</u>	<u>\$ 747,753</u>
			Cash		\$ 744,366
			Cash with Held with Fiscal Agents		<u>3,387</u>
					<u>\$ 747,753</u>

**STATEMENT OF ASSESSMENTS RECEIVABLE**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	Balance December 31, <u>2017</u>	Cash <u>Receipts</u>	Balance December 31, <u>2018</u>	Balance Pledged to Serial Bonds <u>Payable</u>
08-07, 03-18, 05-18	Route 4 Access	4/24/2012	<u>\$ 3,840,750</u>	<u>\$ 853,500</u>	<u>\$ 2,987,250</u>	<u>\$ 2,987,250</u>

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

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding-December 31, 2018</u>		<u>Interest Rate</u>	<u>Balance December, 31 2017</u>	<u>Decreased</u>	<u>Balance December 31, 2018</u>
			<u>Date</u>	<u>Amount</u>				
Assessment Bonds	12/16/08	\$ 8,775,000	01/01/19	630,000	5.000%			
			01/01/20	630,000	5.000%			
			01/01/21	630,000	5.000%			
			01/01/22	630,000	5.000%			
			01/01/23	630,000	5.000%			
			01/01/24	585,000	5.000%	\$ 4,365,000	\$ 630,000	\$ 3,735,000

**CITY OF ENGLEWOOD  
STATEMENT OF CASH HELD WITH FISCAL AGENT  
ASSESSMENT TRUST FUND**

Balance, December 31, 2017	\$ 3,386
Increased by:	
Interest on Deposits	<u>1</u>
Balance, December 31, 2018	<u>\$ 3,387</u>
Pledged to Serial Bonds	\$ 3,384
Fund Balance	<u>3</u>
	<u>\$ 3,387</u>

EXHIBIT B-9

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

<u>Improvement Description</u>	Balance, December 31, 2017	Increases	Decreases	Balance, December 31, 2018
Police Vests	\$ 9,218	\$ 1,600	\$ 1,790	\$ 9,028
Confiscated Funds (DEA)	293,873	32,371	33,701	292,543
Confiscated Funds (DHS)	197,513	89,247		286,760
Misc Bank Transactions	14,812	3,265	1,323	16,754
Charitable Causes	31,328	11,295	13,219	29,404
Honor Guard	1,208			1,208
DARE	600			600
Police Proceeds	2			2
Uniform Fire Safety	74,915	3,625	8,077	70,463
Dedicated Uniform Fire Safety Penalties	5,700	1,125		6,825
COAH	633,631	596,663		1,230,294
Recreation	15,286			15,286
POAA	14,127	6,658	8,500	12,285
Police Confiscated Funds	34,336			34,336
Ice Arena	4,702	9,000		13,702
Tree Fund Donations	3,150			3,150
Other	29,984	134		30,118
Tax Sale Redemption	103,987	1,183,104	1,210,669	76,422
Environmental Commission	6,220	3	679	5,544
Tax Sale Premiums	2,469,400	1,585,600	2,014,235	2,040,765
Special Improvement District	624,120	272,624	152,304	744,440
Developers Trust	1,410,243	409,694	260,957	1,558,980
Police Extra Duty	12,034	41		12,075
4th of July Fireworks	7,921	15,000	10,600	12,321
	<u>\$ 5,998,310</u>	<u>\$ 4,221,049</u>	<u>\$ 3,716,054</u>	<u>\$ 6,503,305</u>
Cash Received		\$ 3,944,557		
Deposited in Current Fund		<u>276,492</u>		
		<u>\$ 4,221,049</u>		
Cash Disbursements			\$ 3,660,620	
Due To Current Fund			22,220	
Encumbrances Payable			<u>33,214</u>	
			<u>\$ 3,716,054</u>	

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

Balance, December 31, 2017		\$ 21,488
Increased by:		
Animal Control Fees Collected		<u>8,528</u>
		30,016
Decreased by:		
Cash Disbursements	\$ 2,671	
Statutory Excess Due to Current Fund	<u>11,225</u>	
		<u>13,896</u>
Balance, December 31, 2018		<u>\$ 16,120</u>

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

Balance, December 31, 2017		\$ 9
Increased by:		
Payments to State of New Jersey		<u>1,245</u>
		1,254
Decreased by:		
State Share of Dog License Fees Collected		<u>1,252</u>
Balance, December 31, 2018		<u>\$ 2</u>

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

Balance, December 31, 2017		\$ 5,225
Increased by:		
Interest on Deposits	\$ 49	
Receipts from Current Fund	4,555	
Statutory Excess Due to Current Fund	<u>11,225</u>	
		<u>15,829</u>
		21,054
Decreased by:		
Animal Control Receipts Deposited in Current Fund		<u>9,780</u>
Balances, December 31, 2018		<u>\$ 11,274</u>

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

Balance, December 31, 2017	\$ 261,973
Increased by:	
Employee Payroll Deductions	\$ 33,143
Interest on Deposit	<u>1,299</u>
	<u>34,442</u>
	296,415
Decreased by:	
Unemployment Claims and Other Charges - State of NJ	<u>8,460</u>
Balance, December 31, 2018	<u>\$ 287,955</u>

EXHIBIT B-14

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

Balance, December 31, 2017	\$ -
Increased by:	
Unemployment Claims and Other Charges	<u>8,460</u>
	8,460
Decreased by:	
Payments to State of New Jersey	<u>8,460</u>
Balances, December 31, 2018	<u>\$ -</u>



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

Balance, December 31, 2017	\$ 289,190
Increased by:	
Cash Receipts	<u>31,796,106</u>
	32,085,296
Decreased by:	
Cash Disbursements	<u>32,071,086</u>
Balance, December 31, 2018	<u>\$ 14,210</u>

**STATEMENT OF ENCUMBRANCES PAYABLE  
OTHER TRUST FUND**

Balance, December 31, 2017	\$ 66,600
Increased by:	
Charges to Various Reserves and Deposits	<u>33,214</u>
	99,814
Decreased by:	
Cash Disbursements	<u>66,600</u>
Balances, December 31, 2018	<u>\$ 33,214</u>

**STATEMENT OF ENCUMBRANCES PAYABLE  
COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

Balance, December 31, 2017	<u>\$ 9,886</u>
Balance, December 31, 2018	<u>\$ 9,886</u>

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

Balance, December 31, 2017	\$ 98,929
Increased by:	
Billings and Adjustments	<u>250,001</u>
	348,930
Decreased by:	
Other Trust Fund Receipts Deposited in Current Fund	<u>269,604</u>
Balance, December 31, 2018	<u>\$ 79,326</u>

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

Balance, December 31, 2017	\$ 5,000
Increased by:	
Other Trust Fund Receipts Deposited in Current Fund	\$ 276,492
Payments to Current Fund	<u>22,220</u>
	<u>298,712</u>
	303,712
Decreased by:	
Other Trust Fund Expenditures Paid by Current Fund	22,220
Receipts from Current Fund	<u>273,503</u>
	<u>295,723</u>
Balances, December 31, 2018	<u>\$ 7,989</u>

**GENERAL CAPITAL FUND**

**CITY OF ENGLEWOOD  
STATEMENT OF CASH**

Balance, December 31, 2017		\$ 3,086,853
Increased by Receipts:		
Proceeds from Bond Anticipation Notes	\$ 6,530,000	
Premium on Sale of Notes	465,798	
Receipts from Current Fund	989,600	
Grant Proceeds	276,893	
Parking Fees Receivable	97,729	
Interest Earned on Investments	<u>30,379</u>	
		<u>8,390,399</u>
		11,477,252
Decreased by Disbursements:		
Improvement Authorizations	779,625	
Encumbrances Payable	1,998,223	
Payment of Bond Anticipation Note	645,875	
Payments to Current Fund	<u>905,649</u>	
		<u>4,329,372</u>
Balance, December 31, 2018		<u>\$ 7,147,880</u>

**CITY OF ENGLEWOOD  
STATEMENT OF CAPITAL CASH  
AS OF DECEMBER 31, 2018**

Fund Balance		\$ 888,571
Reserve for Miscellaneous Reserves		68,759
Reserve for Debt Service		11,176
Capital Improvement Fund		59,825
Encumbrances Payable		3,225,094
Due from Current Fund		(47,000)
Due to Community Development Block Grant Fund		9,886
Due to State and Federal Grant Fund		399,125
Excess Proceeds on Bond Anticipation Notes		276,893
Ord		
<u>No.</u>	<u>Improvement Authorizations</u>	
00-11	Various Capital Improvements	1,117
01-12	Various Improvements	1
03-15	Various Capital Improvements	500
05-11	Various Capital Improvements	5,218
08-07	Route 4 Access	99,349
08-25	Various Capital Improvements	7,257
09-13	Various Capital Improvements	(50)
10-18	Various Capital Improvements	9,360
11-05	Millers Pond	22,297
11-10	Various Capital Improvements	94,482
12-15	Various Capital Improvements	120,444
12-20	Various Capital Improvements	238,873
	Reserve for Palisades South Redevelopment	(205,634)
13-01,14-25	Various Capital Improvements	5,500
13-06	Various Capital Improvements	494,894
13-11a	Ice Arena Improvements	36,628
13-15	Overpect Creek Channel Wall Replacements	3,393
14-16	Various Capital Improvements	716,190
14-24	Various Capital Improvements	180,016
15-03,15-12	Various Equipment and Capital Improvements	1,179,732
15-13	Various Fire Equipment	2,171
16-07	Various Equipment and Capital Projects	(7,474,715)
17-03	Various Equipment and Capital Improvements	1,555,145
18-09	Various Capital Improvements	5,163,383
		<u>\$ 7,147,880</u>

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

Balance, December 31, 2017		\$ 35,414,854
Decreased by:		
Paid by Budget Appropriations:		
Serial Bonds	\$ 2,085,000	
BCIA Revenue Bonds	<u>1,285,336</u>	
		<u>3,370,336</u>
Balance, December 31, 2018		<u>\$ 32,044,518</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2017	2018 Authorizations	Budget Appropriations	Parking Fees Applied	Grant Proceeds	Balance, December 31, 2018	Analysis of Balance December 31, 2018		
								Bond Anticipation Notes	Expenditures	Unexpended Balance of Improvement Authorizations
09-13	Various Capital Improvements	\$ 50					\$ 50		\$ 50	
10-18	Various Capital Improvements	50					50			\$ 50
11-10	Various Capital Improvements	50					50			50
12-15	Various Capital Improvements	8,100					8,100			8,100
12-20	Various Capital Improvements	3,133,000		\$ 65,060			3,067,940	\$ 3,067,940		
	Reserve for Palisades South Redevelopment	303,363			\$ 97,729		205,634		205,634	
13-01,14-25	Various Capital Improvements	104,500					104,500			104,500
13-06	Various Capital Improvements	3,994,700		129,304			3,865,396	3,865,396		
13-11a	Ice Arena Improvements	625,600		26,208			599,392	599,392		
13-15	Overpeck Creek Channel Wall Replacements	604,200		20,835			583,365	583,365		
14-01	Construction of Fire House	7,267,500		123,178			7,144,322	7,144,322		
14-16	Various Capital Improvements	5,554,250		194,868			5,359,382	5,359,382		
14-24	Various Capital Improvements	2,669,000		86,422			2,582,578	2,582,578		
15-03,15-12	Various Equipment and Capital Improvements	8,458,800				\$ 276,893	8,181,907	8,181,907		
15-13	Various Fire Equipment	323,950					323,950	323,950		
16-07	Various Equipment and Capital Projects	9,366,066					9,366,066		7,474,715	1,891,351
17-03	Various Equipment and Capital Improvements	5,084,875					5,084,875	5,084,875		
18-09	Various Capital Improvements	-	\$ 6,530,775	-	-	-	6,530,775	6,530,000	-	775
		<u>\$ 47,498,054</u>	<u>\$ 6,530,775</u>	<u>\$ 645,875</u>	<u>\$ 97,729</u>	<u>\$ 276,893</u>	<u>\$ 53,008,332</u>	<u>\$ 43,323,107</u>	<u>\$ 7,680,399</u>	<u>\$ 2,004,826</u>
Bond Anticipation Notes								\$ 43,600,000		
Less: Excess Proceeds - Ordinance 15-03,15-12								276,893		
								<u>\$ 43,323,107</u>		
Improvement Authorizations, Unfunded										\$ 11,575,251
Less: Unexpended Proceeds on Bond Anticipation Notes										
Ordinance No. 12-20								\$ 238,873		
Ordinance No. 13-06								494,894		
Ordinance No. 13-11a								36,628		
Ordinance No. 13-15								3,393		
Ordinance No. 14-16								716,190		
Ordinance No. 14-24								180,016		
Ordinance No. 15-03, 15-12								1,179,732		
Ordinance No. 15-13								2,171		
Ordinance No. 17-03								1,555,145		
Ordinance No. 18-09								5,163,383		
										<u>9,570,425</u>
										<u>\$ 2,004,826</u>

**CITY OF ENGLEWOOD  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2017		2018 Authorizations		Cancellation of Prior Year Encumbrances	Paid or Charged	Expenditure Reclassifications	Authorization Cancelled	Balance, December 31, 2018	
				Funded	Unfunded	Capital Improvement Fund	Deferred Charges Unfunded					Funded	Unfunded
General Improvements													
80-13	Melzer Brook Construction	Not Available	\$ 32,940	\$ 1,247							\$ 1,247	\$ -	
00-11	Various Capital Improvements	5/2/2000	500,000					\$ 1,117				1,117	
01-12	Various Improvements, City Hall, Fire and Parks	5/1/2001	1,400,000	1								1	
03-11	Acquisition Lincoln/Liberty School	9/2/2003	4,900,000	693							693	-	
03-15	Various Capital Improvements	12/16/2003	1,185,000	19,204				500			19,204	500	
04-06	Construction of Parking Garage	4/20/2004	1,750,000	23,887							23,887	-	
04-12	Various Capital Improvements	6/29/2004	1,050,000	76,812							76,812	-	
05-11	Various Capital Improvements	6/14/2005	4,610,000	4,908				5,218	\$ 3,585		1,323	5,218	
06-08	Various Capital Improvements	6/20/2006	5,345,000	519						519		-	
07-01,10-31	Various Capital Improvements/Dredging of Quarry Pond	2/13/2007-10/5/2010	2,387,958	148,613						(4,104)	152,717	-	
*08-07	Route 4 Access	3/18/2008	1,535,000	249,349							150,000	99,349	
08-09	Various Equipment	5/6/2008	179,800	26,246						(672)	26,918		
08-25	Various Capital Improvements	9/16/2008	380,000					7,257				7,257	
10-18	Various Capital Improvements	7/20/2010	3,820,000	9,703	\$ 50				\$ 343			9,360	\$ 50
11-05	Millers Pond	Not Available	40,000	22,297								22,297	
11-10	Various Capital Improvements	Not Available	2,488,200					94,532				94,482	50
12-15	Various Capital Improvements	4/24/2012	3,565,600	80,573	8,100			39,871				120,444	8,100
12-20	Various Capital Improvements	7/17/2012	3,390,000		241,139					-	2,266		238,873
13-01,14-25	Various Capital Improvements	2/26/2013 - 7/29/14	2,900,000		110,000							5,500	104,500
13-06	Various Capital Improvements	05/07/13	4,345,000	673,153				3,066	181,325				494,894
13-11a	Ice Arena Improvements	08/27/13	960,000	30,470				6,158					36,628
13-15	Overpeck Creek Channel Wall Replacements	12/10/13	636,000	3,393									3,393
14-16	Various Capital Improvements	05/13/14	5,965,000	573,125				24,526	5,568	(124,107)			716,190
14-24	Various Capital Improvements	07/29/14	2,810,000	174,825						(5,191)			180,016
15-03,15-121	Various Equipment and Capital Improvements	5/12/15 - 11/24/15	8,904,000	1,116,110				158,474	151,962	(57,110)			1,179,732
15-13	Various Fire Equipment	11/24/2015	341,000	2,171									2,171
16-07	Various Equipment and Capital Projects	5/24/2016	9,859,017	2,288,364				72,830	516,616	(46,773)			1,891,351
17-03	Various Equipment and Capital Improvements	6/13/2017	5,352,500	2,081,156				31,592	326,016	231,587			1,555,145
18-09	Various Capital Improvements	7/17/2018	6,874,500	-	-	\$ 343,725	\$ 6,530,775	-	1,710,342	-	-	-	5,164,158
				\$ 664,052	\$ 7,302,056	\$ 343,725	\$ 6,530,775	\$ 445,141	\$ 2,892,172	\$ -	\$ 452,801	\$ 365,525	\$ 11,575,251
									Cash Disbursements	\$ 779,625			
									Encumbrances Payable	2,112,547			
									\$ 2,892,172				



**CITY OF ENGLEWOOD  
STATEMENT OF RESERVE FOR DEBT SERVICE**

Balance, December 31, 2017	\$ <u>11,176</u>
Balance, December 31, 2018	\$ <u>11,176</u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, December 31, 2017	\$ 12,825
Increased by:	
2018 Current Fund Budget Appropriation	<u>390,725</u>
	403,550
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>343,725</u>
Balances, December 31, 2018	\$ <u>59,825</u>

**CITY OF ENGLEWOOD  
STATEMENT OF MISCELLANEOUS RESERVES**

Balance, December 31, 2017	\$ 68,759
Balance, December 31, 2018	<u>\$ 68,759</u>
<u>Analysis of Balance at December 31, 2018</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-10

**STATEMENT OF PARKING FEES RECEIVABLE**

Balance, December 31, 2017	\$ 303,363
Increased by:	
Cash Receipts	<u>97,729</u>
Balances, December 31, 2018	<u>\$ 205,634</u>

**CITY OF ENGLEWOOD**  
**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2017		\$ 3,781,181
Increased by:		
Charges to Improvement Authorizations		<u>2,112,547</u>
		5,893,728
Decreased by:		
Cash Disbursements	\$ 1,998,223	
General Capital Expenditure Paid by Current Fund	225,270	
Cancellations	<u>445,141</u>	
		<u>2,668,634</u>
Balance, December 31, 2018		<u>\$ 3,225,094</u>

**CITY OF ENGLEWOOD**  
**STATEMENT OF BCIA REVENUE BONDS PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities</u>		<u>Interest Rate</u>	<u>Balance</u>		<u>Balance</u>
			<u>Outstanding-Dec 31, 2018</u>	<u>Amount</u>		<u>December 31, 2017</u>	<u>Decreased</u>	<u>December 31, 2018</u>
County Guaranteed Governmental Loan Revenue Bonds Series 2005B	9/20/2005	\$ 15,316,016	9/1/2019	\$ 1,219,257	4.31%			
			9/1/2020	1,156,449	4.38%			
			9/1/2021	1,098,812	4.43%	\$ 4,759,854	\$ 1,285,336	\$ 3,474,518
						\$ 4,759,854	\$ 1,285,336	\$ 3,474,518

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds			Balance		Balance	
			Outstanding-Dec 31, 2018	Date	Amount	InterestRate	December 31, 2017	Increased	December 31, 2018
General Improvement Bonds	5/16/2010	\$ 4,365,000		8/15/19	\$ 200,000	3.500%			
				8/15/20	205,000	4.000%			
				8/15/21	215,000	4.000%			
				8/15/22	225,000	4.000%			
				8/15/23	235,000	4.000%			
				8/15/24	245,000	4.000%			
				8/15/25	255,000	4.000%			
				8/15/26	265,000	4.000%			
				8/15/27	275,000	4.000%			
				8/15/28	285,000	4.000%			
				8/15/29	295,000	4.000%			
				8/15/30	310,000	4.000%	\$ 3,200,000		
								\$ 190,000	\$ 3,010,000
General Improvement Bonds (2014A) (Taxable)	4/2/2014	3,613,000		04/1/19	770,000	2.000%	1,510,000		770,000
General Improvement Bonds (2014B)	4/2/2014	16,450,000		04/1/19	535,000	3.000%			
				04/1/20	545,000	3.000%			
				04/1/21	555,000	3.000%			
				04/1/22	720,000	3.000%			
				04/1/23	740,000	3.000%			
				04/1/24	765,000	3.000%			
				04/1/25	795,000	3.000%			
				04/1/26	825,000	3.000%			
				04/1/27	855,000	3.000%			
				04/1/28	885,000	3.000%			
				04/1/29	925,000	3.250%			
				04/1/30	965,000	3.250%			
				04/1/31	1,010,000	3.500%			
				04/1/32	1,010,000	3.500%	11,660,000		11,130,000
								530,000	
General Obligation Bonds of 2017	4/1/2017	14,285,000		04/01/19	625,000	2.000%			
				04/01/20	625,000	2.000%			
				04/01/21	980,000	2.000%			
				04/01/22	1,005,000	2.000%			
				04/01/23	1,030,000	2.000%			
				04/01/24	1,060,000	2.500%			
				04/01/25	1,095,000	3.000%			
				04/01/26	1,125,000	3.000%			
				04/01/27	1,165,000	3.000%			
				04/01/28	1,200,000	3.000%			
				04/01/29	1,250,000	3.000%			
				04/01/30	1,250,000	3.000%			
				04/01/31	1,250,000	3.000%			
							14,285,000	\$ -	625,000
							\$ 30,655,000	\$ -	\$ 2,085,000
									\$ 28,570,000

**CITY OF ENGLEWOOD**  
**STATEMENT OF BOND ANTICIPATION NOTES PAYABLE**

Ord. No.	Improvement Description	Date of Original Note	Issue	Date of Maturity	Interest Rate	Balance, December 31, 2017	Increased	Decreased	Balance, December 31, 2018
12-20	Various Capital Improvements	5/1/2014	4/5/2017 4/3/2018	4/4/2018 4/2/2019	2.50% 3.00%	\$ 3,133,000		\$ 3,133,000	\$ 3,067,940
13-06	Various Capital Improvements	5/1/2014	4/5/2017 4/3/2018	4/4/2018 4/2/2019	2.50% 3.00%	3,994,700	3,865,396	3,994,700	3,865,396
13-11a	Ice Arena Improvements	5/1/2014	4/5/2017 4/3/2018	4/4/2018 4/2/2019	2.50% 3.00%	625,600	599,392	625,600	599,392
13-15	Overpeck Creek Channel Wall Replacements	4/21/2015	4/5/2017 4/3/2018	4/4/2018 4/2/2019	2.50% 3.00%	604,200	583,365	604,200	583,365
14-01	Construction of Fire House	4/21/2015	4/5/2017 4/3/2018	4/4/2018 4/2/2019	2.50% 3.00%	7,267,500	7,144,322	7,267,500	7,144,322
14-16	Various Capital Improvements	4/21/2015	4/5/2017 4/3/2018	4/4/2018 4/2/2019	2.50% 3.00%	5,554,250	5,359,382	5,554,250	5,359,382
14-24	Various Capital Improvements	4/21/2015	4/5/2017 4/3/2018	4/4/2018 4/2/2019	2.50% 3.00%	2,669,000	2,582,578	2,669,000	2,582,578
15-03, 15-12	Various Equipment and Capital Improvements	4/7/2016	4/5/2017 4/3/2018	4/4/2018 4/2/2019	2.50% 3.00%	8,458,800	8,458,800	8,458,800	8,458,800
15-13	Various Fire Equipment	4/7/2016	4/5/2017 4/3/2018	4/4/2018 4/2/2019	2.50% 3.00%	323,950	323,950	323,950	323,950
17-03	Various Equipment and Capital Improvement	8/17/2017	8/17/2017 4/3/2018	4/4/2018 4/2/2019	1.12% 3.00%	5,084,875	5,084,875	5,084,875	5,084,875
18-09	Various Capital Improvements	8/21/2018	8/21/2018	8/20/2019	3.00%	-	6,530,000	-	6,530,000
						<u>\$ 37,715,875</u>	<u>\$ 43,600,000</u>	<u>\$ 37,715,875</u>	<u>\$ 43,600,000</u>
						Renewals	\$ 37,070,000	\$ 37,070,000	
						Notes Issued	6,530,000		
						Budget Appropriation	-	645,875	
							<u>\$ 43,600,000</u>	<u>\$ 37,715,875</u>	

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

## Increased by:

## Budget Appropriations:

Capital Improvement Fund	\$ 390,725	
Principal on Bond Anticipation Notes	645,875	
Payments to Current Fund	<u>905,649</u>	
		<u>\$ 1,942,249</u>

1,942,249

## Decreased by:

Receipts from Current Fund	989,600	
General Capital Expenditure Paid by Current Fund	225,270	
Anticipated as Revenue in Current Fund Budget:		
Fund Balance	650,000	
Interest Earned on Investments	<u>30,379</u>	
		<u>1,895,249</u>

Balance, December 31, 2018

\$ 47,000

EXHIBIT C-16

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Cap No.</u>	<u>Improvement Description</u>	Balance, December 31, <u>2017</u>	2018 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	Balance, December 31, <u>2018</u>
09-13	Various Capital Improvements	\$ 50			\$ 50
10-18	Various Capital Improvements	50			50
11-10	Various Capital Improvements	50			50
12-15	Various Capital Improvements	8,100			8,100
13-01,14-25	Various Capital Improvements	104,500			104,500
16-07	Various Equipment and Capital Projects	9,366,066			9,366,066
18-09	Various Capital Improvements	<u>-</u>	<u>\$ 6,530,775</u>	<u>\$ 6,530,000</u>	<u>775</u>
		<u>\$ 9,478,816</u>	<u>\$ 6,530,775</u>	<u>\$ 6,530,000</u>	<u>\$ 9,479,591</u>

**CITY OF ENGLEWOOD**

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**PART II**

**GOVERNMENT AUDITING STANDARDS**





# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

### INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the City Council  
City of Englewood  
Englewood, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the City of Englewood as of and for the year ended December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated August 6, 2019. 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.

#### 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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of Englewood's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Englewood's internal control.

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

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

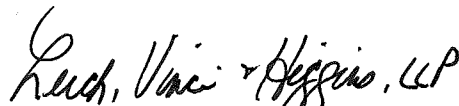
### **Compliance and Other Matters**


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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

### **Purpose of this Report**

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

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

  
Gary J. Vinci  
Registered Municipal Accountant  
RMA Number CR00411

Fair Lawn, New Jersey  
August 6, 2019

**CITY OF ENGLEWOOD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Federal Program</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Grant Receipts</u>	<u>Balance, December 31, 2017</u>	<u>Revenue</u>	<u>Expended</u>	<u>Balance, December 31, 2018</u>	<u>(Memo Only) Cumulative Expenditures</u>
Department of Homeland Security								
Federal Emergency Management Agency								
Public Assistance - Hurricane Sandy	97.036	2013	\$ 14,537		\$ 14,537	\$ 14,537		\$ 14,537
Public Assistance - Hurricane Sandy	97.036	2016	115,066		115,066	115,066		115,066
Firefighters Grant	97.044			\$ 4			\$ 4	
Department of Housing and Urban Development								
Community Development Block Grant								
CDBG - Heart Health			8,380		8,380	8,379	1	8,379
Ordinance No. 15-03,15-21 East Palisade Avenue					276,893	276,893		267,893
Department of Health and Human Services								
Public Health Emergency Preparedness Grant	93.069	2017		15	998	49	964	2,354
FDA Retail Standards	NA			1,327		1,327	-	4,151
FDA Retail Standards					4,123	3,540	583	
FDA Foodborne Illness	NA			<u>5,892</u>	<u>-</u>	<u>-</u>	<u>5,892</u>	
				<u>\$ 7,238</u>	<u>\$ 419,997</u>	<u>\$ 419,791</u>	<u>\$ 7,444</u>	

This schedule is not subject to a single audit as defined by U.S. Uniform Guidance

**CITY OF ENGLEWOOD**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>2018 Grant Receipts</u>	<u>Balance, December 31, 2017</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Adjustment</u>	<u>Balance, December 31, 2018</u>	<u>(Memo Only) Cumulative Expenditures</u>
Recycling Tonnage Grant		2017	\$ 33,109	\$ 26,365				\$ 26,365	\$ 6,744
Drunk Driving Enforcement Fund	1110-448-031020-22	2018	3,775		\$ 3,775			3,775	
		2017		13,596				13,596	
		Prior		58,124				58,124	
Clean Communities Program	4900-765-178900	2018	46,648		46,648			46,648	
		2017		36,297		\$ 36,297		-	48,746
Police Body Armor - State Share	N/A	2017		7,169				7,169	
		Prior		23,007				23,007	
Public Health Priority Funding		Prior		35				35	
Adolescent Health Grant		Prior		42,806		2,521		40,285	2,521
H1N1 Emergency Preparedness		Prior		817				817	
Alcohol Education		2018	1,465		1,465			1,465	
		Prior					\$ 2,072	2,072	
								-	
Municipal Alliance		2018	12,943		20,000			20,000	
		2017		16,587	-	10,809	-	5,778	14,222
Total State Financial Assistance				\$ 224,803	\$ 71,888	\$ 49,627	\$ 2,072	\$ 249,136	

\* Not Available

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

**CITY OF ENGLEWOOD**  
**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS**  
**AND STATE FINANCIAL ASSISTANCE**  
**YEAR ENDED DECEMBER 31, 2018**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the City of Englewood. The City is defined in Note 1(A) to the City's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedules of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the City's financial statements.

**NOTE 3 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	\$ 129,603		\$ 129,603
Grant Fund	13,501	\$ 71,888	85,389
General Capital Fund	<u>276,893</u>	<u>-</u>	<u>276,893</u>
Total Financial Awards	<u>\$ 419,997</u>	<u>\$ 71,888</u>	<u>\$ 491,885</u>

**NOTE 4 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 5 DE MINIMIS INDIRECT COST RATE**

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

**CITY OF ENGLEWOOD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

*Part I – Summary of Auditor's Results*

**Financial Statements**

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified                      yes       X       no

2) Significant deficiency(ies) that are not considered to be material weakness(es)?                      yes       X       none reported

Noncompliance material to the financial statements noted?                      yes       X       no

**Federal Awards Section**

**NOT APPLICABLE**

**State Awards Section**

**NOT APPLICABLE**

**CITY OF ENGLEWOOD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

*Part 2 – Schedule of Financial Statement Findings*

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

There are none.

**CITY OF ENGLEWOOD  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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**

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**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2018**

**CITY OF ENGLEWOOD  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Tax Rate</u>	<u>\$2.722</u>	<u>\$2.641</u>	<u>\$2.557</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1.177	1.127	1.059
Library	0.037	0.036	0.036
County	0.265	0.264	0.266
County Open Space	0.011	0.011	0.003
Local School	1.232	1.203	1.193
<u>Assessed Valuation</u>			
2018	<u>\$4,435,823,100</u>		
2017		<u>\$4,416,204,800</u>	
2016			<u>\$4,378,630,700</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>
2018	\$ 121,010,458	\$ 120,621,631	99.68%
2017	117,470,299	117,154,805	99.73%
2016	112,385,016	111,892,053	99.56%

**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>
2018	\$ 48,909	\$ 214,110	\$ 263,019	0.22%
2017	45,891	198,447	244,338	0.21%
2016	39,696	175,424	215,120	0.19%

The City held a tax sale on December 21, 2018.

**Property Acquired by Tax Title Lien Liquidation**

No properties have been acquired in 2018 by foreclosure or deed, as a result of liquidation of tax title liens. 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>
2018	\$70,979
2017	70,979
2016	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	2018	\$13,021,193	\$2,750,000
	2017	3,151,532	1,750,000
	2016	3,228,289	1,635,600
	2015	4,990,119	3,300,000
	2014	6,602,422	4,300,000

**CITY OF ENGLEWOOD  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Frank Huttie III	Mayor	
Charles Cobb	Councilmember (At Large Member)	
Cheryl Weiner Rosenburg	Councilmember (Ward 1)	
Michael D. Cohen	Councilmember (Ward 2)	
Katharine Glynn	Councilmember (Ward 3)	
C. Wayne Hamer	Councilmember (Ward 4)	
Edward Hynes	City Manager	
Michael Kaufmann	Chief Financial Officer	
Jodi DeMaio	Tax Collector	
Diana Patino	Treasurer	
Yancy Wazimas	City Clerk	
Lesley R. Adams	Judge	
Debbian Barr	Court Administrator	

(A) Employees are covered by a Blanket Public Employees' Faithful Performance Bond in the amount of \$1,000,000 per loss.

## **CITY OF ENGLEWOOD**

### **GENERAL COMMENTS**

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

#### **Current Year**

Our audit of the General Capital Fund revealed that certain balances in the Improvement Authorization ledger report were not in agreement with the audited balances. It is recommended that the Improvement Authorization ledger report be reviewed and in agreement with the audited balances.

Our audit of the Other Trust fund revealed that a payroll agency ledger by deduction is not maintained. It is recommended that a payroll agency ledger by deduction be maintained and be in agreement with the monthly reconciled bank balance.

Our audit noted that the City's fixed asset accounting records were not updated in a timely manner. In addition, the fixed asset records are updated by an independent appraisal company. It is recommended that the City's fixed asset accounting records be updated in a timely manner and consideration be given to integrate the fixed asset accounting system with the purchasing system.

With regard to Local Public Contracts Law, we noted the following:

- Bids were not obtained for certain accumulated purchases which in the aggregate exceeded the City's bid threshold of \$40,000.
- Political Contribution Disclosure Forms (PCD) were not obtained for certain vendors paid in excess of \$17,500.
- The City made purchases through two national cooperative contracts but did not adhere to the requirements promulgated by New Jersey Local Public Contracts Law and Local Finance Notice (LFN) 2012-10.
- Quotations for certain purchases exceeding \$6,000 were not made available for audit.

It is recommended that the City adhere to all requirements contained in New Jersey Local Public Contracts Laws and Local Finance Notices.

Our audit noted that the annual Uniform Construction Code (UCC) report for 2018 was not available for audit. It is recommended that the annual Uniform Construction Code (UCC) report be filed in a timely manner and available for audit.

#### **Prior Year**

Our audit of expenditures revealed that payment approval signatures were not always obtained on the purchase orders. In addition, several purchase orders were dated subsequent to the invoice date or the date services were rendered.

It is recommended that:

- Payment approval signatures be obtained on the completed purchase orders.
- Purchase orders be encumbered prior to the ordering of goods and/or services.

## **CITY OF ENGLEWOOD**

### **GENERAL COMMENTS**

#### **Prior Year (Continued)**

The City's payroll tax remittances are prepared and filed by the City's payroll service provider. The City was able to independently verify the various state withholding remittances, however the City could not access the federal web-site to confirm that the federal tax deductions were accurately paid by the respective due date. It is recommended that continued efforts be made to verify that all federal tax remittances have been made by its payroll service provider.

#### **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 \$40,000. The City has approved the Chief Financial Officer 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:

2018 Road Program	Sanitary Sewer Inspections
Flat Rock Brook Stream Stabilization	Booth Avenue Improvements
Oakland Street Drainage Improvements	

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, 2018, adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

#### **Suggestions to Management**

- The City develop a formal written petty cash policy.
- The City consider utilizing blanket purchase orders for monthly/quarterly recurring expenditures.
- The City's special assessment fund be reported in the City's tax and accounting software systems.

## CITY OF ENGLEWOOD

### RECOMMENDATIONS

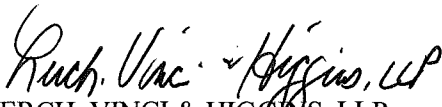
It is recommended that:

1. With regards to expenditures,
  - \* a) Payment approval signatures be obtained on the completed purchase orders.
  - \* b) Purchase orders be encumbered prior to the ordering of goods and/or services.
  - c) The City adhere to all requirements contained in New Jersey Local Public Contracts Laws and Local Finance Notices.
2. A payroll agency ledger by deduction be maintained and be in agreement with the monthly reconciled bank balance.
3. The City's fixed asset accounting records be updated in a timely manner and consideration be given to integrate the fixed asset accounting system with the purchasing system.
- \* 4. Continued efforts be made to verify that all federal tax remittances have been made by its payroll service provider.
5. The Improvement Authorization ledger report be reviewed and in agreement with the audited balances.
6. The annual Uniform Construction Code (UCC) report be filed in a timely manner and available for audit.

\* \* \* \* \*

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

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to contact us.

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