

**CITY OF ENGLEWOOD
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2021**

CITY OF ENGLEWOOD
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CITY OF ENGLEWOOD

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2021



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Englewood, as of December 31, 2021 and 2020, 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, 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the City of Englewood as of December 31, 2021 and 2020, 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, 2021 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Englewood as of December 31, 2021 and 2020, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Englewood and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Englewood's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Englewood's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the City of Englewood as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Englewood. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

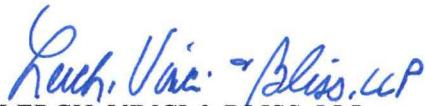
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 9, 2022 on our consideration of the City of Englewood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Englewood's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Englewood's internal control over financial reporting and compliance.



Ruth Vinci Bliss, CPA
LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants



Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
September 9, 2022

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT AND GRANT FUNDS
AS OF DECEMBER 31, 2021 AND 2020

ASSETS	Ref	2021	2021
Current Fund			
Cash	A-4	\$ 19,333,943	\$ 15,475,050
Cash - Change Funds	A	400	400
Due From State of NJ - Senior Citizens and Veterans	A-7	<u>1,887</u>	<u>3,167</u>
		<u>19,336,230</u>	<u>15,478,617</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-8	13,868	37,230
Tax Title Liens Receivable	A-9	252,082	244,686
Foreclosed Property	A-10	70,979	70,979
Sewer User Charges	A-21	161,942	107,876
Prepaid School Tax	A-16	707,784	820,636
Revenue Accounts Receivable	A-11	14,311	16,375
Due from Animal Control Fund	B-11	5,618	3,773
Due from Assessment Trust Fund	B-19	<u>13,155</u>	<u>8,069</u>
		<u>1,239,739</u>	<u>1,309,624</u>
Deferred Charges:			
Special Emergency Authorizations	A-22	200,000	400,000
Overexpenditure of Appropriations	A-23		51,658
Overexpenditure of Appropriation Reserves	A-23	<u>7,658</u>	<u>7,658</u>
		<u>207,658</u>	<u>459,316</u>
Total Current Fund		<u>20,783,627</u>	<u>17,247,557</u>
Grant Fund			
Grants Receivable	A-6	312,448	286,449
Due from Current Fund	A-19	1,646,628	5,164
Due from General Capital Fund	C	<u>399,125</u>	<u>399,125</u>
Total State and Federal Grant Fund		<u>2,358,201</u>	<u>690,738</u>
Total		<u>\$ 23,141,828</u>	<u>\$ 17,938,295</u>

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT AND GRANT FUNDS
AS OF DECEMBER 31, 2021 AND 2020

LIABILITIES, RESERVES AND FUND BALANCE	<u>Ref</u>	<u>2021</u>	<u>2020</u>
Current Fund			
Appropriation Reserves	A-3, A-12	\$ 2,574,068	\$ 4,388,805
Encumbrances Payable	A-20	2,078,725	2,859,824
Accrued Liability for Unsettled Contracts	A-28	1,500,000	
Special Emergency Notes Payable	A-27	200,000	400,000
Tax Overpayments	A-14	492,818	727,050
Prepaid Taxes	A-13	992,568	678,914
Miscellaneous Reserves	A-24	7,234	7,234
Reserve for Tax Appeals	A-25	1,121,207	739,206
County Taxes Payable	A-15	52,660	30,575
Reserve for Terminal Leave	A-26		471,601
Due to Grant Fund	A-19	1,646,628	5,164
Due to General Capital Fund	C-15	139,932	31,267
Due to Other Trust Fund	B-18	258,952	134,561
		<u>11,064,792</u>	<u>10,474,201</u>
Reserve for Receivables	A	1,239,739	1,309,624
Fund Balance	A-1	<u>8,479,096</u>	<u>5,463,732</u>
Total Current Fund		<u>20,783,627</u>	<u>17,247,557</u>
Grant Fund			
Due to Other Trust Fund	B	19,973	19,973
Appropriated Grant Reserves	A-17	704,309	640,377
Unappropriated Grant Reserves	A-18	1,571,702	400
Encumbrances Payable	A-20	<u>62,217</u>	<u>29,988</u>
Total State and Federal Grant Fund		<u>2,358,201</u>	<u>690,738</u>
		<u>\$ 23,141,828</u>	<u>\$ 17,938,295</u>

CITY OF ENGLEWOOD
COMPARATIVE STATEMENTS OF OPERATIONS AND
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
REVENUES AND OTHER INCOME		
Fund Balance Utilized	\$ 1,850,000	\$ 2,165,000
Miscellaneous Revenues Anticipated	8,691,321	8,588,722
Receipts From Delinquent Taxes	37,591	19,756
Receipts from Current Taxes	129,936,130	126,164,787
Non-Budget Revenue	1,321,958	422,815
Other Credits to Income:		
Unexpended Balances of Appropriation Reserves	2,635,284	2,243,472
Prior Year School Taxes Payable	820,636	
Statutory Excess - Animal Control	6,409	4,942
Interfund Loans Returned	<u>11,842</u>	<u>78,660</u>
 Total Revenues and Other Income	 <u>145,311,171</u>	 <u>139,688,154</u>
EXPENDITURES		
Budget Appropriations:		
Operations	53,930,871	53,287,400
Capital Improvements	375,000	405,000
Municipal Debt Service	6,415,151	6,615,560
Deferred Charges and Statutory Expenditures	7,422,666	7,341,750
County Taxes	13,209,419	12,933,284
Local School Taxes	58,362,393	56,346,616
Establish Reserve for Prepaid School Tax	707,784	820,636
Prior Year Senior Citizen Deductions Disallowed	3,750	4,414
Overexpenditure of Appropriation Reserves		7,658
Interfund Advances	<u>18,773</u>	<u>11,842</u>
 Total Expenditures	 <u>140,445,807</u>	 <u>137,774,160</u>
 Excess in Revenues Over Expenditures	 <u>4,865,364</u>	 <u>1,913,994</u>
 Expenditures Included Above Which Are By Statute		
Deferred Charges to Budgets of Succeeding Years	<u>-</u>	<u>7,658</u>
 Statutory Excess to Fund Balance	 <u>4,865,364</u>	 <u>1,921,652</u>
 Balance, January 1	 <u>5,463,732</u>	 <u>5,707,080</u>
 Decreased by:		
Utilization as Anticipated Revenue	<u>1,850,000</u>	<u>2,165,000</u>
 Balance, December 31	 <u>\$ 8,479,096</u>	 <u>\$ 5,463,732</u>

CITY OF ENGLEWOOD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u>	<u>Added by NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
FUND BALANCE ANTICIPATED	\$ 1,850,000	-	\$ 1,850,000	-
MISCELLANEOUS REVENUES				
Licenses				
Alcoholic Beverages	53,500	62,055	\$ 8,555	
Other	185,700	257,706	72,006	
Fees and Permits				
Other	132,500	138,354	5,854	
Fines and Costs				
Municipal Court	500,000	290,831	(209,169)	
Interest and Costs on Taxes	200,000	199,882	(118)	
Parking Meters	495,800	557,573	61,773	
Interest on Investments and Deposits	80,800	114,703	33,903	
Recreation Advisory Committee	347,500	602,811	255,311	
Fire Prevention Fees	120,000	136,555	16,555	
Kings Garden - PILOT	128,100	128,060	(40)	
Rock Creek - Lafayette Housing - PILOT	209,000	188,116	(20,884)	
One William Street - PILOT	525,000	519,681	(5,319)	
Exempt Sewer Charges	250,000	251,343	1,343	
Parking Garage Fees	122,000	183,686	61,686	
Municipal Hotel Tax	84,000	102,850	18,850	
Cable Franchise Fees	100,000	128,758	28,758	
Cell Tower Agreement	96,000	108,925	12,925	
Sewer Charges	31,000			(31,000)
Greater Englewood Annual Fee	100,000	100,000		
Energy Receipts Tax	2,763,296	2,763,296		
Uniform Construction Code Fees	1,208,000	1,059,959	(148,041)	
Public and Private Revenues Offset with Approp:				
Reach & Teach	18,000	18,000		
Municipal Alliance	20,000	20,000		
Clean Communities Grant	\$ 46,550	46,550		
Recycling Tonnage Grant	39,400	39,400		
NJ Healthy Communities Network	10,000	10,000		
US Swimming Foundation Grant	18,051	18,051		
Covid 19 Vaccination	50,000	50,000		
Other Special Items:				
Uniform Fire Safety Act	80,000	94,176	14,176	
Capital Surplus	500,000	500,000	-	
Total Miscellaneous Revenues	<u>8,350,196</u>	<u>164,001</u>	<u>8,691,321</u>	<u>177,124</u>
RECEIPTS FROM DELINQUENT TAXES	<u>10,000</u>	<u>-</u>	<u>37,591</u>	<u>27,591</u>
Subtotal General Revenues	<u>10,210,196</u>	<u>164,001</u>	<u>10,578,912</u>	<u>204,715</u>
AMOUNT TO BE RAISED FOR SUPPORT OF MUNICIPAL BUDGET				
Local Tax for Municipal Purposes	56,426,552	57,019,755	593,203	
Minimum Library Tax	1,729,845	-	1,729,845	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	<u>58,156,397</u>	<u>-</u>	<u>58,749,600</u>	<u>593,203</u>
Total General Revenues	<u>\$ 68,366,593</u>	<u>\$ 164,001</u>	<u>69,328,512</u>	<u>\$ 797,918</u>
Non-Budget Revenue			<u>1,321,958</u>	
			<u>\$ 70,650,470</u>	

CITY OF ENGLEWOOD
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021
(Continued)

ANALYSIS OF REALIZED REVENUES

Allocation of Current Tax Collection	
Revenue from Collections	\$ 129,936,130
Less: Allocated to School and County Taxes	<u>71,571,812</u>
Balance for Support of Municipal Budget Appropriations	58,364,318
Add Appropriation "Reserve for Uncollected Taxes"	<u>385,282</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 58,749,600</u>
Interest on Investments and Deposits	
Revenue Accounts Receivable	\$ 52,577
Due from General Capital Fund	57,012
Due from Animal Control Fund	28
Due from Assessment Trust Fund	<u>5,086</u>
	<u>\$ 114,703</u>
Parking Meters Revenue	
Revenue Accounts Receivable	\$ 554,517
Due from General Capital Fund	<u>3,056</u>
	<u>\$ 557,573</u>

ANALYSIS OF NON-BUDGET REVENUES

Extra Duty Vehicle Admin Fee	\$ 118,950
Englewood Hospital State Fee	556,260
PILOT Westmoor Gardens	22,348
Vacant Property Rentals	16,600
FEMA Reimbursements	41,515
Reimbursement - Urban Search and Rescue	43,059
New Jersey Educational Computing Cooperative	46,862
Department Revenues	182,178
Miscellaneous	<u>294,186</u>
	<u>\$ 1,321,958</u>

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

GENERAL APPROPRIATIONS OPERATIONS WITHIN "CAPS"	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
City Council					
Salaries and Wages	\$ 42,000	\$ 42,000	\$ 42,000		
Other Expenses	10,000	10,000	3,927	\$ 6,073	
City Manager					
Salaries and Wages	325,000	327,000	326,690	310	
Other Expenses	123,700	123,700	70,615	\$ 53,085	
City Clerk					
Salaries and Wages	195,000	197,300	196,792	508	
Overtime	3,300	3,300	2,085	1,215	
Other Expenses	89,750	92,750	90,467	2,283	
Human Resources					
Salaries and Wages	230,000	222,000	221,185	815	
Other Expenses	68,500	48,500	26,533	21,967	
Purchasing					
Other Expenses	3,000	3,000	2,950	50	
Finance					
Salaries and Wages	457,000	457,000	456,723	277	
Other Expenses	192,000	192,000	142,495	\$ 49,505	
Data Processing					
Other Expenses	136,500	136,500	129,902	6,598	
Collection of Taxes					
Salaries and Wages	158,000	158,000	156,790	1,210	
Other Expenses	40,000	40,000	26,816	\$ 13,184	
Assessment of Taxes					
Salaries and Wages	183,000	183,000	180,882	2,118	
Other Expenses	41,000	41,000	28,781	\$ 12,219	
Legal Service and Costs					
Salaries and Wages	83,100	83,100	67,930	15,170	
Other Expenses	900,000	900,000	749,972	\$ 150,028	
Engineering Services					
Salaries and Wages	337,000	307,000	276,795	30,205	
Other Expenses	24,000	24,000	11,562	\$ 12,438	
Community Development					
Other Expenses	172,000	172,000	157,954	14,046	
Municipal Court					
Salaries and Wages	355,000	414,000	404,981	9,019	
Overtime	17,500	17,500	8,925	8,575	
Other Expenses	156,500	156,500	124,830	\$ 31,670	
Public Defender					
Other Expenses	14,000	14,000	9,900	4,100	
Insurance					
Medical	5,200,000	4,975,000	4,813,595	\$ 161,405	
Health Benefit Waiver	100,000	100,000	93,963	6,037	
Other Insurance Premium	1,200,000	1,220,000	1,168,055	51,945	
Workers Compensation	1,100,000	1,100,000	898,175	\$ 201,825	
Land Use					
Other Expenses	87,500	87,500	85,049	2,451	
Fire Division					
Salaries and Wages	6,380,000	6,228,000	5,878,597	\$ 349,403	
Overtime	1,000,000	1,350,000	1,348,598	1,402	
Other Expenses	319,600	389,600	388,925	675	
Police					
Salaries and Wages	12,650,000	12,051,700	11,744,968	\$ 306,732	
Overtime	1,250,000	1,350,000	1,331,135	18,865	
Other Expenses	582,500	582,500	541,571	\$ 40,929	
Aid to Volunteer Ambulance					
40,000		40,000	40,000	-	
Emergency Management Services					
Other Expenses	10,000	10,000	321	9,679	
DPW Administration					
Salaries and Wages	495,000	455,000	432,673	\$ 22,327	
Overtime	5,000	12,000	11,480	520	
Other Expenses	64,850	78,850	78,578	272	
Public Building and Grounds					
Other Expenses	337,500	413,500	413,379	121	

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
GENERAL APPROPRIATIONS (Continued)					
OPERATIONS WITHIN "CAPS" (Continued)					
Shade Tree					
Salaries and Wages	\$ 156,000	\$ 156,000	\$ 152,923	\$ 3,077	
Overtime	20,000	24,000	21,788	2,212	
Other Expenses	67,000	82,000	81,265	735	
Road Repairs and Maintenance					
Salaries and Wages	500,000	465,000	442,833	22,167	
Overtime	140,000	185,000	167,713	17,287	
Other Expenses	321,000	336,000	335,868	132	
Central Maintenance - Garage					
Salaries and Wages	235,000	205,000	199,887	5,113	
Overtime	60,000	40,000	33,171	6,829	
Other Expenses	717,600	872,600	872,256	344	
Construction and Facilities Maintenance					
Salaries and Wages	157,000	157,000	154,219	2,781	
Overtime	60,000	65,000	62,186	2,814	
Other Expenses	92,000	103,000	102,440	560	
Sanitation					
Salaries and Wages	1,400,000	1,260,000	1,259,915	85	
Overtime	130,000	330,000	305,981	24,019	
Other Expenses	51,000	76,000	75,273	727	
Sewer Department					
Salaries and Wages	220,000	220,000	219,840	160	
Overtime	40,000	80,000	79,798	202	
Other Expenses	79,800	94,800	94,696	104	
Parks Department					
Salaries and Wages	365,000	378,000	377,976	24	
Overtime	50,000	95,000	83,868	11,132	
Other Expenses	47,000	57,000	56,866	134	
Community Services Act					
Condominium Community Costs	240,000	240,000	229,922	10,078	
Board of Health					
Salaries and Wages	672,000	707,000	674,055	32,945	
Overtime	7,500	17,500	16,150	1,350	
Other Expenses	80,400	80,400	76,986	3,414	
Animal Control Regulation					
Other Expenses	40,200	40,200	40,178	22	
Contribution to Child Dev. And Teen Program					
Other Expenses	59,000	59,000		59,000	
Recreation Department					
Salaries and Wages	825,000	705,000	700,396	4,604	
Overtime	15,000	15,000		15,000	
Other Expenses	784,300	784,300	746,542	37,758	
Terminal Leave					
Salaries and Wages	650,000	650,000	650,000		
Construction Code Official					
Salaries and Wages	1,071,000	1,071,000	1,033,143	37,857	
Overtime	24,000	24,000	4,073	19,927	
Other Expenses	141,500	141,500	117,210	24,290	
Solid Waste Disposal					
	1,000,000	1,000,000	999,607	393	
Leaf Disposal					
	260,000	260,000	259,789	211	
Contingent					
	6,000	6,000		6,000	
Utilities					
Street Lighting	820,000	820,000	754,264	65,736	
Telephone	170,000	190,000	169,202	20,798	
Water	45,000	64,000	50,003	13,997	
Gas and Electric	330,000	370,000	333,445	36,555	
Fire Hydrant	370,000	350,000	312,931	37,069	-
Total Operations Within "CAPS"	47,698,100	47,685,100	45,536,202	2,148,898	-
Detail:					
Salaries and Wages	31,063,400	30,807,400	29,823,107	984,293	-
Other Expenses (Including Contingent)	16,634,700	16,877,700	15,713,095	1,164,605	-

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"	<u>Appropriations</u>		<u>Expendited</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
Deferred Charges					
Overexpenditure of Budget Appropriation	\$ 51,658	\$ 51,658	\$ 51,658		
Statutory Charges					
Social Security System	990,000	1,073,000	1,046,611	\$ 26,389	
Consolidated Police & Fireman's Pension Fund	40,000	-			
Defined Contribution Retirement Plan	15,000	15,000	10,558	4,442	
Police and Firemen's Retirement System	4,893,733	4,893,733	4,813,733	80,000	
Public Employees Retirement System	1,219,275	1,189,275	1,185,569	3,706	-
Total Deferred Charges & Statutory Expenditures - Municipal within "CAPS"	7,209,666	7,222,666	7,108,129	114,537	-
Total General Appropriations for Municipal Purposes within "CAPS"	54,907,766	54,907,766	52,644,331	2,263,435	-
OPERATIONS - EXCLUDED FROM "CAPS"					
Bergen County Utilities Authority					
Share of Operating Costs	2,195,460	2,195,460	2,195,444	16	
Share of Debt Service Costs	831,440	831,440	831,440	-	
Recycling Tax	36,000	36,000	11,228	24,772	
Maintenance of Free Public Library	2,105,870	2,105,870	1,820,572	285,298	
Declared State of Emergency	270,000	270,000	269,453	547	
Reserve for Tax Appeals	600,000	600,000	600,000	-	-
Total Other Operations Excluded from "CAPS"	6,038,770	6,038,770	5,728,137	310,633	-
STATE AND FEDERAL PROGRAMS OFFSET BY REVENUES					
Reach and Teach	18,000	18,000	18,000		
Municipal Alliance - State Share	20,000	20,000	20,000		
Municipal Alliance - Local Share	5,000	5,000	5,000		
Clean Communities Grant		46,550	46,550		
Recycling Tonnage Grant		39,400	39,400		
NJ Healthy Communities Network		10,000	10,000		
US Swimming Foundation Grant		18,051	18,051		
Covid 19 Vaccination	-	50,000	50,000	-	-
Total Public and Private Programs Offset by Revenues	43,000	207,001	207,001	-	-
Total Operations Excluded from "CAPS"	6,081,770	6,245,771	5,935,138	310,633	-
Detail:					
Other Expenses	6,081,770	6,245,771	5,935,138	310,633	-
CAPITAL IMPROVEMENTS					
Capital Improvement Fund	375,000	375,000	375,000	-	-
Total Capital Improvements Excluded from "CAPS"	375,000	375,000	375,000	-	-
MUNICIPAL DEBT SERVICE					
Payment of Bonds Principal	2,255,000	2,255,000	2,255,000		
Interest on Bonds	1,390,775	1,390,775	1,390,775	-	
Interest on Notes	561,000	561,000	559,376	\$ 1,624	
Capital Lease Obligations	2,210,000	2,210,000	2,210,000	-	-
Total Municipal Debt Service Excluded from "CAPS"	6,416,775	6,416,775	6,415,151	-	1,624

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Appropriations</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	<u>Cancelled</u>
DEFERRED CHARGES					
Special Emergency Authorizations	\$ 200,000	\$ 200,000	\$ 200,000	-	-
Total Deferred Charges	200,000	200,000	200,000	-	-
Total General Appropriations Excluded from "CAPS"	13,073,545	13,237,546	12,925,289	\$ 310,633	\$ 1,624
Subtotal General Appropriations	67,981,311	68,145,312	65,569,620	2,574,068	1,624
Reserve for Uncollected Taxes	385,282	385,282	385,282	-	-
Total General Appropriations	\$ 68,366,593	\$ 68,530,594	\$ 65,954,902	\$ 2,574,068	\$ 1,624
Adopted Budget		\$ 68,366,593			
Added by NJS 40A:4-87		164,001			
		<u>\$ 68,530,594</u>			
Analysis of Paid or Charged					
Cash Disbursements		\$ 61,419,088			
Encumbrances Payable		2,066,873			
Due to General Capital Fund		375,000			
Reserve for Tax Appeals		600,000			
Reserve for Terminal Leave		650,000			
Deferred Charges		51,658			
Special Emergency Authorizations		200,000			
Reserve for Uncollected Taxes		385,282			
Appropriated Grant Reserves		207,001			
		<u>\$ 65,954,902</u>			

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Assessment Trust Fund			
Cash	B-4, B-5	\$ 1,512,860	\$ 1,188,870
Assessments Receivable	B-6	<u>345,298</u>	<u>1,294,202</u>
Total Assessment Trust Fund		<u>1,858,158</u>	<u>2,483,072</u>
Animal Control Trust Fund			
Cash	B-4	<u>17,002</u>	<u>18,600</u>
Total Animal Control Trust Fund		<u>17,002</u>	<u>18,600</u>
Community Development Block Grant Fund			
Due from General Capital Fund	C	<u>9,886</u>	<u>9,886</u>
Total Community Development Block Grant Fund		<u>9,886</u>	<u>9,886</u>
Unemployment Compensation Trust Fund			
Cash	B-4	304,413	273,573
Due from Other Trust Fund	B	<u>2,318</u>	<u>2,318</u>
Total Unemployment Compensation Trust Fund		<u>306,731</u>	<u>275,891</u>
Other Trust Fund			
Cash	B-4	14,364,587	9,641,506
Special Improvement District Taxes and Liens Receivable	B-17	106,681	124,518
Due from Current Fund	B-18	258,952	134,561
Due from Grant Fund	B	<u>19,973</u>	<u>19,973</u>
Total Other Trust Fund		<u>14,750,193</u>	<u>9,920,558</u>
		<u><u>\$ 16,941,970</u></u>	<u><u>\$ 12,708,007</u></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, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Assessment Trust Fund			
Due to Current Fund	B-19	\$ 13,155	\$ 8,069
Assessment Serial Bonds Payable	B-7	1,845,000	2,475,000
Fund Balance	B-1	<u>3</u>	<u>3</u>
		<u>1,858,158</u>	<u>2,483,072</u>
Animal Control Trust Fund			
Reserve for Animal Control Expenditures	B-9	11,381	14,819
Due to State of NJ	B-10	3	8
Due to Current Fund	B-11	<u>5,618</u>	<u>3,773</u>
		<u>17,002</u>	<u>18,600</u>
Community Development Block Grant Fund			
Reserve for Community Development Block Grant	B-16	<u>9,886</u>	<u>9,886</u>
		<u>9,886</u>	<u>9,886</u>
Unemployment Compensation Trust Fund			
Due to State of New Jersey	B-12	42,303	275,891
Reserve for Unemployment Insurance Claims	B-13	<u>264,428</u>	<u>275,891</u>
		<u>306,731</u>	<u>275,891</u>
Other Trust Fund			
Miscellaneous Reserves and Deposits	B-8	14,297,832	9,520,958
Due to Unemployment Compensation Fund	B	2,318	2,318
Payroll Deductions Payable	B-14	163,869	125,031
Encumbrances Payable	B-15	179,493	147,733
Reserve for SID Taxes and Liens Receivables	B-7	<u>106,681</u>	<u>124,518</u>
		<u>14,750,193</u>	<u>9,920,558</u>
		<u><u>\$ 16,941,970</u></u>	<u><u>\$ 12,708,007</u></u>

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF ENGLEWOOD
STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Balance, January 1	\$ <u> 3</u>	\$ <u> 3</u>
Balance, December 31	<u>\$ 3</u>	<u>\$ 3</u>

STATEMENT OF ASSESSMENT REVENUES - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Anticipated</u>	<u>Realized</u>	<u>Variance</u>
Assessment Cash	\$ <u>630,000</u>	<u>\$ 948,904</u>	<u>\$ 318,904</u>

STATEMENT OF ASSESSMENT EXPENDITURES - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

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

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	C-2, C-3	\$ 14,232,614	\$ 8,330,195
Deferred Charges to Future Taxation:			
Funded	C-4	64,670,000	40,918,812
Unfunded	C-5	24,962,932	46,174,885
Grants Receivable	C-7	4,696,000	3,360,000
Parking Fees Receivable	C-9	13,694	
Due From Current Fund	C-15	139,932	31,267
		<u>\$ 108,701,478</u>	<u>\$ 98,828,853</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations:			
Funded	C-6	\$ 4,752,502	\$ 1,633,980
Unfunded	C-6	19,911,914	22,014,886
BCIA Revenue Bonds Payable	C-11	1,098,812	
General Serial Bonds Payable	C-13	64,670,000	39,820,000
Bond Anticipation Notes Payable	C-14	8,708,000	27,930,000
Due to Community Development Block Grant Fund	C	9,886	9,886
Due to Grant Fund	C	399,125	399,125
Encumbrances Payable	C-10	5,443,173	2,381,948
Capital Improvement Fund	C-12	114,221	34,515
Reserve for Debt Service	C-16	12,045	11,176
Miscellaneous Reserves	C-8	68,759	68,759
Reserve for Parking Fees Receivable	C-9	13,694	
Reserve for Grants Receivable	C-7	2,625,000	2,625,000
Fund Balance	C-1	1,986,853	787,072
		<u>\$ 108,701,478</u>	<u>\$ 98,828,853</u>

There were bonds and notes authorized but not issued of \$16,254,932 and \$18,232,060 at December 31, 2021 and 2020, respectively (Exhibit C-17).

CITY OF ENGLEWOOD
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Balance, January 1	\$ 787,072	\$ 1,287,072
Increased by:		
Premium on Sale of Bonds and Notes	<u>1,699,781</u>	-
	2,486,853	1,287,072
Decreased by:		
Anticipated As Current Fund Revenue	<u>500,000</u>	<u>500,000</u>
Balance, December 31	<u>\$ 1,986,853</u>	<u>\$ 787,072</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Land	\$ 92,238,900	\$ 92,238,900
Buildings	21,179,227	21,179,227
Machinery and Equipment	<u>17,257,728</u>	<u>17,283,616</u>
	<u><u>\$ 130,675,855</u></u>	<u><u>\$ 130,701,743</u></u>
RESERVE		
Investment in General Fixed Assets	<u><u>\$ 130,675,855</u></u>	<u><u>\$ 130,701,743</u></u>

NOTES TO FINANCIAL STATEMENTS

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Description of Regulatory Basis of Accounting

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

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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The City has the following funds and account group:

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

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

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

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

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

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

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

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

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

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

Reclassifications - Certain reclassifications may have been made to the December 31, 2020 balances to conform to the December 31, 2021 presentation.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property Tax Revenues/Receivables (Continued)

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

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

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

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

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

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

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

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

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

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 AND 2020**

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 2021 and 2020 the City Council increased the original budget by \$164,001 and \$247,930. The increases were funded by additional grants allotted to the City. In addition, the governing body approved several budget transfers during 2021 and 2020.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Excess Expenditures Over Appropriations

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
<u>2021</u>			
There are none.			
<u>2020</u>			
Current Fund-Appropriation Reserves			
Fire Division			
Other Expenses	<u>\$18</u>	<u>\$7,676</u>	<u>\$7,658</u>

In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

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, 2021 and 2020, the book value of the City's deposits were \$49,765,819 and \$34,928,194 and bank and brokerage firm balances of the City's deposits amounted to \$51,941,720 and \$38,459,475, 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>2021</u>	<u>2020</u>
Insured	\$ 51,695,647	\$ 38,213,503
Uninsured and Collateralized	<u>246,073</u>	<u>245,972</u>
	<u>\$ 51,941,720</u>	<u>\$ 38,459,475</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

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, 2021 and 2020, the City's bank balances of \$246,073 and \$245,972 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2021</u>	<u>2020</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the City's name	\$ 246,073	\$ 245,972
	<u>\$ 246,073</u>	<u>\$ 245,972</u>

B. Investments

The City is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the City or bonds or other obligations of the school districts which are a part of the City or school districts located within the City, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law, " (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJS 40A:5-15.1 (8a-8e).

As of December 31, 2021 and 2020, 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.

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Property Taxes	\$ 13,868	\$ 37,230
Tax Title Liens	<u>252,082</u>	<u>244,686</u>
	<u>\$ 265,950</u>	<u>\$ 281,916</u>

In 2021 and 2020, the City collected \$37,591 and \$19,756 from delinquent taxes, which represented 13% and 8%, respectively of the prior year delinquent taxes receivable balance.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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>2021</u>		<u>2020</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	\$ 18,773	\$ 2,045,512	\$ 11,842	\$ 170,992
Grant	2,045,753	19,973	404,289	19,973
Trust Fund:				
Assessment Trust		13,155		8,069
Animal Control		5,618		3,773
Community Development				
Block Grant	9,886		9,886	
Unemployment Compensation	2,318		2,318	
Other Trust	278,925	2,318	154,534	2,318
General Capital Fund	<u>139,932</u>	<u>409,011</u>	<u>31,267</u>	<u>409,011</u>
Total	<u>\$ 2,495,587</u>	<u>\$ 2,495,587</u>	<u>\$ 614,136</u>	<u>\$ 614,136</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:

	Subsequent Year		
	Balance <u>December 31,</u>	Budget <u>Appropriation</u>	<u>Balance</u>
<u>2021</u>			
Current Fund			
Special Emergency Authorization	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ -</u>
Overexpenditure of Appropriation Reserves	<u>\$ 7,658</u>	<u>\$ 7,658</u>	<u>\$ -</u>
<u>2020</u>			
Current Fund			
Special Emergency Authorization	<u>\$ 400,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>
Overexpenditure of Appropriations	<u>\$ 51,658</u>	<u>\$ 51,658</u>	<u>\$ -</u>
Overexpenditure of Appropriation Reserves	<u>\$ 7,658</u>	<u>\$ -</u>	<u>\$ 7,658</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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:

	2021		2020	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 8,469,551	\$ 2,180,000	\$ 5,401,249	\$ 1,850,000
Non-Cash Surplus	<u>9,545</u>	<u>-</u>	<u>62,483</u>	<u>-</u>
	<u>\$ 8,479,096</u>	<u>\$ 2,180,000</u>	<u>\$ 5,463,732</u>	<u>\$ 1,850,000</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, 2021 and 2020.

	Balance December 31, 2020	Increases	Decreases	Balance, December 31, 2021
Land	\$ 92,238,900			\$ 92,238,900
Buildings and Building Improvements	21,179,227			21,179,227
Machinery and Equipment	<u>17,283,616</u>	\$ 520,685	\$ 546,573	<u>17,257,728</u>
	<u>\$ 130,701,743</u>	<u>\$ 520,685</u>	<u>\$ 546,573</u>	<u>\$ 130,675,855</u>
	Balance December 31, 2019	Increases	Decreases	Balance, December 31, 2020
Land	\$ 92,238,900			\$ 92,238,900
Buildings and Building Improvements	21,179,227			21,179,227
Machinery and Equipment	<u>17,023,273</u>	\$ 861,439	\$ 601,096	<u>17,283,616</u>
	<u>\$ 130,441,400</u>	<u>\$ 861,439</u>	<u>\$ 601,096</u>	<u>\$ 130,701,743</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 9 MUNICIPAL DEBT

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

The City's debt is summarized as follows:

	<u>2021</u>	<u>2020</u>
Issued		
General		
Bonds, Notes and Loans	\$ 73,378,000	\$ 68,848,812
Assessment		
Bonds	<u>1,845,000</u>	<u>2,475,000</u>
	75,223,000	71,323,812
Less Funds Temporarily Held to Pay Bonds and Notes	<u>12,045</u>	<u>1,192,843</u>
Net Debt Issued	75,210,955	70,130,969
Authorized But Not Issued		
General		
Bonds and Notes	<u>16,254,932</u>	<u>18,232,060</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 91,465,887</u>	<u>\$ 88,363,029</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows indicates a statutory net debt of 1.737% and 1.727% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 91,477,932	\$ 12,045	\$ 91,465,887
School Debt	<u>5,095,000</u>	<u>5,095,000</u>	<u>-</u>
Total	<u>\$ 96,572,932</u>	<u>\$ 5,107,045</u>	<u>\$ 91,465,887</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2020</u>			
General Debt	\$ 89,555,872	\$ 1,192,843	\$ 88,363,029
School Debt	<u>6,700,000</u>	<u>6,700,000</u>	<u>-</u>
Total	<u>\$ 96,255,872</u>	<u>\$ 7,892,843</u>	<u>\$ 88,363,029</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>2021</u>	<u>2020</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 184,310,438	\$ 178,989,748
Less: Net Debt	<u>91,465,887</u>	<u>88,363,029</u>
Remaining Borrowing Power	<u>\$ 92,844,551</u>	<u>\$ 90,626,719</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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>2021</u>	<u>2020</u>
\$4,365,000, 2010 Bonds, due in annual installments of \$225,000 to \$310,000 through August, 2030, interest at 4.00%	\$ 2,390,000	\$ 2,605,000
\$16,450,000, 2014 Bonds, due in annual installments of \$720,000 to \$1,010,000 through April 1, 2032 interest at 3.00% to 3.50%	9,495,000	10,050,000
\$14,285,000, 2017 Bonds, due in annual installments of \$1,005,000 to \$1,250,000 through April 2031, interest at 2.00% to 3.00%	11,430,000	12,410,000
\$15,260,000, 2019 Bonds, due in annual installments of \$505,000 to \$1,005,000 through April 2041, interest at 3.00% to 5.00%	14,250,000	14,755,000
\$27,105,000, 2021 Bonds, due in annual installments of \$1,565,000 to \$2,340,000 through February 2035, interest at 2.00% to 4.00%	27,105,000	-
Total	<u>\$ 64,670,000</u>	<u>\$ 39,820,000</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>2021</u>	<u>2020</u>
\$8,775,000, 2008 Bonds, due in annual installments of \$585,000 to \$630,000 through January 2024, interest at 5.00%	<u>\$ 1,845,000</u>	<u>\$ 2,475,000</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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 (the “BCIA”) whereby the BCIA 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 BCIA in the amount of principal and interest due on the Bonds. The payments commenced on September 1, 2008 and was retired in full on September 1, 2021.

The City's principal and interest for long-term debt issued and outstanding as of December 31, 2021 is as follows:

Calendar Year	General		Assessment			Total
	Principal	Interest	Principal	Interest		
2022	4,040,000	\$ 2,162,419	\$ 630,000	\$ 76,500	\$ 6,908,919	
2023	4,525,000	1,775,675	630,000	45,000	6,975,675	
2024	4,365,000	1,607,100	585,000	14,625	6,571,725	
2025	4,255,000	1,444,950			5,699,950	
2026	4,395,000	1,285,825			5,680,825	
2027-2031	24,255,000	4,235,800			28,490,800	
2032-2036	14,185,000	1,420,850			15,605,850	
2037-2041	<u>4,650,000</u>	<u>383,869</u>	<u>-</u>	<u>-</u>	<u>5,033,869</u>	
Total	<u>\$ 64,670,000</u>	<u>\$ 14,316,488</u>	<u>\$ 1,845,000</u>	<u>\$ 136,125</u>	<u>\$ 80,967,613</u>	

Prior Year Defeasance of Debt

In prior years, the City defeased certain serial bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the City's financial statements. On December 31, 2021 and 2020, \$2,335,000 and \$2,470,000, respectively, of bonds outstanding are considered defeased.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

The City's long-term capital debt activity for the years ended December 31, 2021 and 2020 were as follows:

	<u>Balance, December 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2021</u>	<u>Due Within One Year</u>
General Capital Fund					
Bonds Payable	\$ 39,820,000	\$ 27,105,000	\$ 2,255,000	\$ 64,670,000	\$ 4,040,000
Intergovernmental Loans Payable	<u>1,098,812</u>	<u>-</u>	<u>1,098,812</u>	<u>-</u>	<u>-</u>
General Capital Fund Long-Term Liabilities	<u>\$ 40,918,812</u>	<u>\$ 27,105,000</u>	<u>\$ 3,353,812</u>	<u>\$ 64,670,000</u>	<u>\$ 4,040,000</u>
Assessment Trust Fund					
Bonds Payable	<u>\$ 2,475,000</u>	<u>\$ -</u>	<u>\$ 630,000</u>	<u>\$ 1,845,000</u>	<u>\$ 630,000</u>
	<u>Balance, December 31, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, December 31, 2020</u>	<u>Due Within One Year</u>
General Capital Fund					
Bonds Payable	\$ 41,700,000		\$ 1,880,000	\$ 39,820,000	\$ 2,255,000
Intergovernmental Loans Payable	<u>2,255,261</u>	<u>-</u>	<u>1,156,449</u>	<u>1,098,812</u>	<u>1,098,812</u>
General Capital Fund Long-Term Liabilities	<u>\$ 43,955,261</u>	<u>\$ -</u>	<u>\$ 3,036,449</u>	<u>\$ 40,918,812</u>	<u>\$ 3,353,812</u>
Assessment Trust Fund					
Bonds Payable	<u>\$ 3,105,000</u>	<u>\$ -</u>	<u>\$ 630,000</u>	<u>\$ 2,475,000</u>	<u>\$ 630,000</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The City's short-term debt activity for the years ended December 31, 2021 and 2020 was as follows:

Bond Anticipation Notes

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	Balance, December 31, 2019	Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31, 2020
Various Capital Improvements	1.98%	3/25/2021	\$ 314,383	\$ 302,317	\$ 314,383	\$ 302,317
Various Equipment and Capital Improvements	1.98%	3/25/2021	8,153,207	7,571,590	8,153,207	7,571,590
Various Fire Equipment	1.98%	3/25/2021	312,535	301,120	312,535	301,120
Various Equipment and Capital Improvements	1.98%	3/25/2021	5,084,875	4,924,973	5,084,875	4,924,973
Various Capital Improvements	1.98%	3/25/2021	6,530,000	6,530,000	6,530,000	6,530,000
Various Capital Improvements	1.98%	3/25/2021	<u> </u> 8,300,000	<u> </u> 8,300,000	<u> </u> 8,300,000	<u> </u> 8,300,000
			<u> </u> \$ 28,695,000	<u> </u> \$ 27,930,000	<u> </u> \$ 28,695,000	<u> </u> \$ 27,930,000

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

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 2021 and 2020 the City issued Special Emergency Notes to finance the terminal leave benefits paid to employees who retired from the City.

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>	Rate (%)	Maturity <u>Date</u>	Balance, December 31,		Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31,	
			2020	2021			2020	2021
<u>2021</u>								
Terminal Leave	1.00%	3/23/2022	\$ 400,000	\$ 200,000	\$ 400,000	\$ 200,000		
<u>2020</u>								
<u>Purpose</u>	Rate (%)	Maturity <u>Date</u>	Balance, December 31,		Renewed/ <u>Issued</u>	Retired/ <u>Redeemed</u>	Balance, December 31,	
			2019	2020			2020	2021
Terminal Leave	1.98%	3/25/2021	\$ 600,000	\$ 400,000	\$ 600,000	\$ 400,000		

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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 Commitment</u>	<u>Estimated Date of Completion</u>
<u>2021</u>		
Road and Sidewalk Improvements	\$1,924,882	2022
Acquisition of Equipment	2,011,636	2022
Improvements to City Facilities	692,333	2022
Sanitary Sewer Improvements	259,748	2022
Improvements to Parks	159,381	2022
<u>2020</u>		
Road Improvements	\$503,548	2021
Acquisition of Equipment	1,471,961	2021

NOTE 11 OTHER LONG-TERM LIABILITIES

Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$6,941,000 and \$6,838,511 at December 31, 2021 and 2020, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability. At December 31, 2021 and 2020, the City has reserved \$604,976 and \$471,601, respectively, to fund terminal leave payments.

Changes in Other Long-Term Liabilities

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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities (Continued)

The City's changes in other long-term liabilities for the years ended December 31, 2021 and 2020 were as follows:

	<u>Balance,</u> <u>December 31,</u> <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Compensated Absences	\$ 6,838,511	\$ 619,114	\$ 516,625	\$ 6,941,000	
Net OPEB Liability (1)	38,407,905			38,407,905	
Net Pension Liability (1)					
PERS	19,934,073			19,934,073	
PFRS	55,676,157	-	-	55,676,157	-
 Total Other Long-Term Liabilities	 <u>\$ 120,856,646</u>	 <u>\$ 619,114</u>	 <u>\$ 516,625</u>	 <u>\$ 120,959,135</u>	 <u>\$ -</u>
	<u>Balance,</u> <u>December 31,</u> <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2020</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Compensated Absences	\$ 7,777,199		\$ 938,688	\$ 6,838,511	\$ 750,000
Net OPEB Liability	27,011,949	\$ 11,395,956		38,407,905	
Net Pension Liability					
PERS	21,725,034		1,790,961	19,934,073	
PFRS	59,261,995	-	3,585,838	55,676,157	-
 Total Other Long-Term Liabilities	 <u>\$ 115,776,177</u>	 <u>\$ 11,395,956</u>	 <u>\$ 6,315,487</u>	 <u>\$ 120,856,646</u>	 <u>\$ 750,000</u>

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

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS

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

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.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which, if applicable, vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have a least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS 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 cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions.

Measurement Focus and Basis of Accounting

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

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

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2021 was not available and for June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32% at June 30, 2020. The collective net pension liability of the participating employers for local PFRS at June 30, 2021 was not available and for June 30, 2020 is \$14.9 billion and the plan fiduciary net position as a percentage of total pension liability is 63.52% at June 30, 2020.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2021 and 2020 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

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 2021, 2020 and 2019 were equal to the required contributions.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Contributions)

During the years ended December 31, 2021, 2020 and 2019, the City, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2021	\$ 4,813,733	\$ 1,337,240	\$ 10,558
2020	4,891,490	1,172,805	1,620
2019	4,965,444	1,277,761	2,730

In addition for the years ended December 31, 2020 and 2019 the City contributed for long-term disability insurance premiums (LTDI) \$3,744 and \$5,324, respectively for PERS. Due to favorable claims experience, no LTDI premium contribution was required for the year ended December 31, 2021.

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

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

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2022-12 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2020, the City reported a liability of \$19,934,073 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the ratio of the City's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the City's proportionate share was .12224 percent, which was an increase of .00167 percent from its proportionate share measured as of June 30, 2019 of .12057 percent.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

For the year ended December 31, 2020, the pension system has determined the City's pension expense to be \$292,851, for PERS based on the actuarial valuations which is less than the actual contribution reported in the City's financial statements of \$1,172,805. At December 31, 2020, 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:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 362,967	\$ 70,495
Changes of Assumptions	646,684	8,346,585
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	681,363	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	427,474	1,376,110
Total	\$ 2,118,488	\$ 9,793,190

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	Total
2021	\$ (2,784,362)
2022	(2,681,281)
2023	(1,595,725)
2024	(511,288)
2025	(102,046)
Thereafter	-
	\$ (7,674,702)

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The City's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020.

The actuarial assumptions used in the July 1, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2020, as reported for the year ended December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was 7.00% at December 31, 2020 (measurement date June 30, 2020).

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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)

Sensitivity of Net Pension Liability

The following presents the City's proportionate share of the PERS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

<u>2020</u>	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
Borough's Proportionate Share of the PERS Net Pension Liability	\$ 25,093,672	\$ 19,934,073	\$ 15,556,012

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2020. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2020 the City reported a liability of \$55,676,157 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the ratio of the City's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the City's proportionate share was .43089 percent, which was a decrease of .05336 percent from its proportionate share measured as of June 30, 2019 of .48425 percent.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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)

For the year ended December 31, 2020, the pension system has determined the City pension expense to be \$961,641 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the City's financial statements of \$4,891,490. At December 31, 2020, 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:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 561,310	\$ 199,815
Changes of Assumptions	140,109	14,926,444
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,264,553	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>193,026</u>	<u>10,440,775</u>
 Total	<u>\$ 4,158,998</u>	<u>\$ 25,567,034</u>

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense (benefit) as follows:

Year Ending <u>December 31,</u>	Total
2021	\$ (7,990,355)
2022	(6,123,964)
2023	(3,548,809)
2024	(2,254,962)
2025	(1,489,946)
Thereafter	<u>-</u>
	<u>\$ (21,408,036)</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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)

Actuarial Assumptions

The City's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate:

Price	2.75%
Wage	3.25%

Salary Increases:

Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%

Mortality Rate Table	Pub - 2010
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Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020.

The actuarial assumptions used in the July 1, 2019 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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, 2020, as reported for the year ended December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

Discount Rate

The discount rate used to measure the total pension liabilities of the PFRS plan was 7.00% at December 31, 2020 (measurement date June 30, 2020).

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

CITY OF ENGLEWOOD
NOTES TO 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)

Sensitivity of Net Pension Liability

The following presents the City's proportionate share of the PFRS net pension liability as of December 31, 2020 calculated using the discount rate of 7.00% as well as what the City's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
2020			
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 74,037,829</u>	<u>\$ 55,676,157</u>	<u>\$ 40,425,386</u>

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2020. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the City is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the City by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the City's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2020, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$8,640,686. For the year ended December 31, 2020, 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 \$979,249, which is more than the actual contribution the State made on behalf of the City of \$664,896. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the City was .43089 percent, which was a decrease of .05336 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .48425 percent. The State's proportionate share attributable to the City was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the City's financial statements.

Pension Plan Fiduciary Net Position

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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) 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.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2021 was not available and for 2020 is \$17.9 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is 0.91% at June 30, 2020.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2019 which was rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contribution

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

The employers participating in the OPEB plan made contributions of \$292.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$35.0 million for fiscal year 2020.

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, 2021, 2020 and 2019 were \$1,486,837, \$1,198,847 and \$1,062,065, respectively, which equaled the required contributions for each year.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

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

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2022-12 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 75 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2020, the City reported a liability of \$38,407,905, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. 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, 2020 to the total OPEB liability for the State Health Benefit Program Fund – Local Government Retired Plan at June 30, 2020. As of the measurement date of June 30, 2020 the City's proportionate share was .21401 percent, which was an increase of .0146 percent from its proportionate share measured as of June 30, 2019 of .19941 percent.

For the year ended December 31, 2020, the Plan has determined the City's OPEB expense to be \$380,051, based on the actuarial valuation which is less than the actual contributions reported in the City's financial statements of \$1,198,847. At December 31, 2020, 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:

	2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,011,635	\$ 7,152,268
Changes of Assumptions	5,744,614	8,541,325
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	24,391	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	2,945,858	1,691,820
Total	\$ 9,726,498	\$ 17,385,413

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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)

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense (benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2022	\$ (1,439,309)
2023	(1,439,309)
2024	(1,439,311)
2025	(1,444,872)
2026	(1,446,798)
Thereafter	<u>(449,316)</u>
	<u>\$ (7,658,915)</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
PFRS:	
Initial Fiscal Year Applied Through	Rate for All Future Years
Rate	3.25% to 15.25%
Rate Thereafter	Not Applicable
Mortality	
PERS	Pub-2010 General Classification Headcount-Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2020.
PFRS	Pub-2010 Safety Classification Headcount-Weighted Mortality Table with fully generational mortality improvement projections from the central year using Scale MP-2020.

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The rates used for 2023 and 2024 are 21.83% and 18.53%, respectively, trending to 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
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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)

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

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

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was 2.21% as of December 31, 2020 (measurement date of June 30, 2020).

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

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the City's proportionate share of the net OPEB liability as of December 31, 2020 calculated using the discount rate of 2.21%, as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower 1.21% or 1-percentage-point higher 3.21% than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
<u>2020</u>			
City's Proportionate Share of the Net OPEB Liability	\$ <u>45,406,259</u>	\$ <u>38,407,905</u>	\$ <u>32,868,072</u>

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2020. A sensitivity analysis specific to the City's net OPEB liability was not provided by the Plan.

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

The following presents the City's proportionate share of the net OPEB liability as of December 31, 2020 calculated using the healthcare trend rates as disclosed above as well as what the City's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease <u>(1.21%)</u>	Healthcare Cost Trend Rates <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
<u>2020</u>			
City's Proportionate Share of the Net OPEB Liability	\$ <u>31,782,581</u>	\$ <u>38,407,905</u>	\$ <u>47,083,858</u>

The sensitivity analysis was based on the proportionate share of the City's net OPEB liability at December 31, 2020. A sensitivity analysis specific to the City's net OPEB liability was not provided by the pension system.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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.

At December 31, 2020, the State's proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$38,447,950. For the year ended December 31, 2020 the plan has determined the State's proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is \$1,913,948. At December 31, 2020, (measurement date June 30, 2020), the State's share of the OPEB liability attributable to the City was .70388 percent, which was an increase of .1437 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .56018 percent. The State's proportionate share attributable to the City was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

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

NOTE 14 RISK MANAGEMENT

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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 14 RISK MANAGEMENT (Continued)

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

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

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

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

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

<u>Year Ended December 31</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ 33,137	\$ 45,019	\$ 264,428
2020	1,487	20,825	275,891
2019	10,630	26,189	294,491

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, 2020 and 2019. 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, 2021 and 2020, the City reserved \$1,121,207 and \$739,206, 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.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 15 CONTINGENT LIABILITIES (Continued)

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, 2021 and 2020, 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, 2021 and 2020 the City has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 17 TAX ABATEMENTS

For the years ended December 31, 2021 and 2020, 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, 2021 and 2020 the City abated property taxes totaling \$2,375,428 and \$2,314,583, respectively under the LTTE program. The City received \$858,205 and \$985,787 in PILOT payments under this program for the years ended December 31, 2021 and 2020, respectively.

NOTE 18 SUBSEQUENT EVENTS

Serial Bonds

On February 10, 2022 the City issued \$2,380,000 of General Improvement Refunding Bonds for the purpose of refunding the callable 2010 General Improvement Bonds maturing after August 15, 2022 in the amount of \$2,390,000 and pay the costs associated with the issuance of debt. The City awarded the sale of said bonds at interest rate of 3%. These bonds, dated February 10, 2022 will mature over 9 years with the first maturity due August 1, 2022.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 18 SUBSEQUENT EVENTS (Continued)

Bond Anticipation Notes

On March 22, 2022, the City issued Bond Anticipation Notes in the amount of \$11,708,000 to temporarily finance expenditures related to various capital projects. The City has awarded the sale of said notes to Piper Sandler and Company, at an interest rate of 3.00%. These notes will mature on March 21, 2023.

Debt Authorized/Canceled

On June 14, 2022, the City adopted a bond ordinance authorizing the issuance of \$11,115,425 in bonds or bond anticipation notes to fund various capital improvements. As of the date of this report, the City has not issued nor awarded the sale of said bonds or notes.

On July 5, 2022, the City amended a bond ordinance previously adopted by the City on August 20, 2019. The amendment decreased the authorized issuance of debt from \$9,642,854 to \$4,642,854.

NOTE 19 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020

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

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

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

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

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

The City will receive \$2,972,796 from the Plan in two equal payments. On May 24, 2021, the City received its first installment of funds under the Plan in the amount of \$1,486,398. The City has not yet determined how it will spend the funds. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

CURRENT AND GRANT FUNDS

CITY OF ENGLEWOOD
STATEMENT OF CASH
CURRENT FUND

Balance, December 31, 2020	\$ 15,475,050
Increased by Receipts:	
Taxes Receivable	\$ 129,239,807
Non Budget Revenue	1,321,958
Due From State - Senior Citizens and Veterans	52,530
Revenue Accounts Receivable	7,672,795
Prepaid Taxes	992,568
Exempt Property Sewer User Charges	251,343
Tax Overpayments	199,263
Special Emergency Note	200,000
Receipts from Grant Fund	1,636,464
Receipts from General Capital Fund	325,000
Animal Control Fund Fees Deposited in Current Fund	4,592
Other Trust Fund Receipts Deposited in Current Fund	<u>205,338</u>
	<u>142,101,658</u>
	157,576,708
Decreased by Disbursements:	
2021 Budget Appropriation	61,419,088
Appropriation Reserves	2,840,704
Encumbrances Payable	10,789
Payments to General Capital Fund	31,267
Payments to Other Trust Fund	935,923
Reserve for Terminal Leave	516,625
Reserve for Tax Appeals	217,999
Tax Overpayments	433,495
Local School Taxes Payable	58,249,541
County Taxes Payable	13,187,334
Special Emergency Note Payable	<u>400,000</u>
	<u>138,242,765</u>
Balance, December 31, 2021	<u>\$ 19,333,943</u>

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

Increased by:

Grant Receivables	\$ 176,002
Unappropriated Grant Reserves	<u>1,571,302</u>
	<u>\$ 1,747,304</u>

Decreased by:

Appropriated Grant Reserves	80,852
Encumbrances Payable	29,988
Payments to Current Fund	<u>1,636,464</u>
	<u>1,747,304</u>

Balance, December 31, 2021

\$	<u> </u>	-
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**STATEMENT OF STATE AND FEDERAL GRANTS RECEIVABLE
GRANT FUND**

<u>Program</u>	Balance December 31, <u>2020</u>	Budget Revenue	Cash Receipts	Balance December 31, <u>2021</u>
ANJAC-Smart Growth Grant	\$ 4,066			\$ 4,066
Reach & Teach	64,000	\$ 18,000		82,000
Municipal Alliance	47,978	20,000		67,978
Open Space Stewardship Project (ANJEC)	500			500
Recycling Tonnage Grant		39,400	\$ 39,400	-
FDA Foodborne Illness Grant	4,321			4,321
Clean Communities Grant		46,550	46,550	-
FDA Retail Standards	1,189			1,189
FDA Mentorship Grant (NACCHO)	1,569			1,569
NJ Healthy Communities Network		10,000	10,000	-
Strengthening Local Public Health Capacity	142,236		62,001	80,235
USA Swimming Foundation Grant		18,051	18,051	
Covid-19 Vaccination		50,000		50,000
Historic Preservation Grant - Mackay Gate House	<u>20,590</u>	<u>-</u>	<u>-</u>	<u>20,590</u>
	<u>\$ 286,449</u>	<u>\$ 202,001</u>	<u>\$ 176,002</u>	<u>\$ 312,448</u>

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

Balance, December 31, 2020	\$ 3,167
Increased by:	
Deductions Allowed Per Tax Duplicate	\$ 54,000
Deductions Allowed by Tax Collector	<u>1,000</u>
	<u>55,000</u>
	58,167
Decreased by:	
Prior Year Deductions Disallowed by Tax Collector	3,750
Cash Received from State	<u>52,530</u>
	<u>56,280</u>
Balance, December 31, 2021	<u>\$ 1,887</u>

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

<u>Year</u>	Balance, December 31,		Senior Citizens' and Veterans' Deductions			Senior Citizens' and Veterans' Deductions			Transferred to Tax Title Liens	Balance, December 31, <u>2021</u>
	<u>2020</u>	<u>Levy</u>	<u>Disallowed</u>	<u>2020</u>	<u>Collected In</u>	<u>2021</u>	<u>Allowed</u>	<u>Cancelled</u>		
2020	\$ 37,230		\$ 3,750		\$ 37,591		\$ 429			\$ 2,960
2021	-	\$ 130,206,452	-	\$ 678,914	\$ 129,202,216	\$ 55,000	\$ 242,682	\$ 16,732		\$ 10,908
	<u>\$ 37,230</u>	<u>\$ 130,206,452</u>	<u>\$ 3,750</u>	<u>\$ 678,914</u>	<u>\$ 129,239,807</u>	<u>\$ 55,000</u>	<u>\$ 243,111</u>	<u>\$ 16,732</u>		<u>\$ 13,868</u>

Analysis of Property Tax Levy

TAX YIELD

General Purpose Tax	\$ 129,688,851
Added Taxes (RS 54:4-36.1 et seq.)	<u>517,601</u>
	<u><u>\$ 130,206,452</u></u>

TAX LEVY

Local District School Tax	\$ 58,362,393
County Tax	12,631,802
County Open Space Tax	524,957
Due County for Added and Omitted Taxes (54:4-63.1)	<u>52,660</u>
	\$ 71,571,812

Local Tax for Municipal Purposes	56,426,552
Minimum Library Tax	1,729,845
Add Additional Tax Levied	<u>478,243</u>
	<u>58,634,640</u>
	<u><u>\$ 130,206,452</u></u>

EXHIBIT A-9

CITY OF ENGLEWOOD
STATEMENT OF TAX TITLE LIENS RECEIVABLE

Balance, December 31, 2020	\$ 244,686
Increased by:	
Transfers from Taxes Receivable	<u>16,732</u>
	261,418
Decreased by:	
Cancellations and Adjustments	<u>9,336</u>
Balance, December 31, 2021	<u>\$ 252,082</u>

EXHIBIT A-10

STATEMENT OF FORECLOSED PROPERTY

Balance, December 31, 2020	\$ <u>70,979</u>
Balance, December 31, 2021	<u>\$ 70,979</u>

CITY OF ENGLEWOOD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2020</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2021</u>
Licenses				
Alcoholic Beverages	\$ 62,055	\$ 62,055	\$ 62,055	
Other	257,706		257,706	
Fees and Permits				
Municipal Court	\$ 16,375	288,767	290,831	\$ 14,311
Interest and Costs on Taxes		199,882	199,882	
Parking Meters		554,517	554,517	
Interest on Investments and Deposits		52,577	52,577	
Recreation Advisory Committee		602,811	602,811	
Fire Prevention Fees		136,555	136,555	
Kings Garden - PILOT		128,060	128,060	
Rock Creek - Lafayette House - PILOT		188,116	188,116	
One William Street - PILOT		519,681	519,681	
Parking Garage Fees		183,686	183,686	
Municipal Hotel Tax		102,850	102,850	
Cable Franchise Fees		128,758	128,758	
Cell Tower Agreement		108,925	108,925	
Energy Receipts Tax		2,763,296	2,763,296	
Uniform Construction Code Fees		1,059,959	1,059,959	
Uniform Fire Safety Act		94,176	94,176	
Greater Englewood Annual Fee	- 100,000	100,000	- 100,000	- 100,000
	<u>\$ 16,375</u>	<u>\$ 7,670,731</u>	<u>\$ 7,672,795</u>	<u>\$ 14,311</u>

CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATION RESERVES

	Balance, December 31, 2020	Prior Year <u>Encumbrances Restored</u>	Balance After <u>Modification</u>	Paid or Charged	Balance Lapsed
City Council					
Other Expenses	\$ 5,982	\$ 2,506	\$ 8,488	\$ 2,506	\$ 5,982
City Manager					
Salaries and Wages	45,888		41,888		41,888
Other Expenses	19,380	4,414	28,794	23,273	5,521
City Clerk					
Salaries and Wages	3,209		3,209	2,860	349
Overtime	1,879		1,879		1,879
Other Expenses	13,520	12,701	26,221	15,721	10,500
Human Resources					
Salaries and Wages	9,168		9,168		9,168
Other Expenses	36,713	1,442	38,155	5,495	32,660
Purchasing					
Other Expenses	817	1,052	1,869	1,052	817
Finance					
Salaries and Wages	8,231		8,231		8,231
Other Expenses	46,124	30,153	76,277	44,587	31,690
Data Processing					
Other Expenses	1		1		1
Collection of Taxes					
Salaries and Wages	1,203		1,203		1,203
Other Expenses	12,220	8,417	20,637	11,879	8,758
Assessment of Taxes					
Salaries and Wages	1,680		1,680	1,680	-
Other Expenses	18,585	7,204	25,789	7,484	18,305
Legal Service and Costs					
Salaries and Wages	15,526		15,526		15,526
Other Expenses	14,699	319,942	334,641	321,935	12,706
Engineering Services					
Salaries and Wages	188,538		188,538	150,000	38,538
Other Expenses	47,162	857	48,019	875	47,144
Community Development					
Other Expenses	41,298	11,882	53,180	7,980	45,200
Municipal Court					
Salaries and Wages	5		5		5
Overtime	11,480		11,480		11,480
Other Expenses	64,415	14,231	78,646	16,114	62,532
Public Defender					
Other Expenses	4,100	900	5,000	1,800	3,200
Insurance					
Medical	164,565	791,514	956,079	791,514	164,565
Health Benefit Waiver	57,058		57,058		57,058
Other Insurance Premium	53,582	5,524	59,106	5,529	53,577
Workers Compensation	94,294	294,546	388,840	137,590	251,250
Land Use					
Other Expenses	41,682	7,828	49,510	16,893	32,617
Fire Division					
Salaries and Wages	751,071		751,071	688,024	63,047
Overtime	168,041		168,041	159,271	8,770
Other Expenses	1,154	69,743	70,897	59,667	11,230
Police					
Salaries and Wages	375,825		375,825	371,079	4,746
Other Expenses	185,712	166,459	352,171	167,516	184,655
Aid to Volunteer Ambulance	40,000		40,000	40,000	-
DPW Administration					
Salaries and Wages	2,653		2,653		2,653
Overtime	2		2		2
Other Expenses	7,485	16,085	23,570	18,479	5,091
Public Building and Grounds					
Other Expenses	4,966	157,696	177,662	139,171	38,491
Shade Tree					
Salaries and Wages	2,742		2,742		2,742
Overtime	2,755		2,755		2,755
Other Expenses	12,631	23,689	36,320	29,980	6,340

**CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATION RESERVES**

	Balance, December 31, 2020	Prior Year Encumbrances Restored	Balance After Modification	Paid or Charged	Balance Lapsed
Road Repairs and Maintenance					
Salaries and Wages	\$ 20,859		\$ 20,859		\$ 20,859
Overtime	3,300		3,300		3,300
Other Expenses	54,851	\$ 33,073	87,924	\$ 87,924	-
Central Maintenance - Garage					
Salaries and Wages	27,034		27,034	25,000	2,034
Overtime	1,573		1,573		1,573
Other Expenses	315,642	174,368	464,010	404,493	59,517
Construction and Facilities Maintenance					
Salaries and Wages	1,231		1,231		1,231
Overtime	2,138		12,138		12,138
Other Expenses		2,476	2,476	(2,185)	4,661
Sanitation					
Salaries and Wages	27,156		27,156	25,000	2,156
Overtime	155		155		155
Other Expenses	23,504	107,267	130,771	118,372	12,399
Sewer Maintenance					
Salaries and Wages	51,066		51,066	50,000	1,066
Overtime	3		3		3
Other Expenses	41,788	21,083	62,871	61,325	1,546
Park Department					
Salaries and Wages	7		7		7
Overtime	12,893		12,893		12,893
Other Expenses	7,321	18,535	25,856	19,047	6,809
Condominium Services Act					
Other Expenses	40,303		40,303		40,303
Board of Health					
Salaries and Wages	7,419		7,419		7,419
Overtime	1,147		1,147		1,147
Other Expenses	8,300	24,423	32,723	18,393	14,330
Animal Control Regulation					
Other Expenses	4,072	20,089	24,161	20,089	4,072
Contribution to Child Dev. And Teen Program					
Other Expenses	59,000		59,000		59,000
Recreation Department					
Salaries and Wages	49,083		49,083	41,808	7,275
Overtime	14,695		14,695		14,695
Other Expenses	70,703	57,216	127,919	15,572	112,347
Construction Code Official					
Salaries and Wages	74,823		74,823	66,511	8,312
Overtime	23,342		23,342	20,000	3,342
Other Expenses	28,987	28,887	57,874	33,447	24,427
Solid Waste Disposal					
Leaf Disposal	30,032	131,312	161,344	130,555	30,789
Contingent	4,200		4,200		4,200
Utilities					
Street Lighting	234		234		234
Telephone/Communications	2,586	32,945	35,531	10,716	24,815
Water	10,360		10,360	3,820	6,540
Gas and Electric	31,358		31,358	3,176	28,182
Fire Hydrant	67,275		67,275	28,448	38,827
Statutory Expenditures:					
Contribution to:					
Social Security System	25		25		25
Defined Contribution Retirement Program	13,380		13,380		13,380
Consolidated Police and Firemens	40,000		40,000		40,000
Police and Firemen's Retirement System	73,954		73,954		73,954
Public Employees Retirement System	82,692		82,692		82,692
BCUA - Share of Costs Sewer Charges	3,913		3,913		3,913
BCUA - Recycling Tax	10,279		10,279		10,279
Declared State of Emergency	259,219	17,518	276,737	(18,743)	295,480
Maintenance of Free Public Library	208,862	214,613	423,475	199,834	223,641
	\$ 4,388,805	\$ 2,849,035	\$ 7,237,840	\$ 4,602,556	\$ 2,635,284
		Cash Disbursements		\$ 2,840,704	
		Accrued Salaries and Wages		1,500,000	
		Storm Recovery Reserve		250,000	
		Encumbrances Payable		11,852	
				\$ 4,602,556	

EXHIBIT A-13

**CITY OF ENGLEWOOD
STATEMENT OF PREPAID TAXES**

Balance, December 31, 2020	\$ 678,914
Increased by:	
Collection of 2022 Taxes	<u>992,568</u>
	1,671,482
Decreased by:	
Applied to 2021 Taxes Receivable	<u>678,914</u>
Balance, December 31, 2021	<u>\$ 992,568</u>

EXHIBIT A-14

STATEMENT OF TAX OVERPAYMENTS

Balance, December 31, 2020	\$ 727,050
Increased by:	
Cash Receipts	<u>199,263</u>
	926,313
Decreased by:	
Refunds	<u>433,495</u>
Balance, December 31, 2021	<u>\$ 492,818</u>

CITY OF ENGLEWOOD
STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2020	\$ 30,575
Increased by:	
2021 Levy:	
County Taxes	\$ 12,631,802
County Open Space Taxes	524,957
Added and Omitted Taxes	<u>52,660</u>
	<u>13,209,419</u>
	13,239,994
Decreased by:	
Cash Disbursements	<u>13,187,334</u>
Balance, December 31, 2021	<u>\$ 52,660</u>

SCHEDULE OF LOCAL SCHOOL TAXES PAYABLE (PREPAID)

Balance, December 31, 2020 (Prepaid)	\$ (820,636)
Increased by:	
2021 Levy	
	<u>58,362,393</u>
Decreased by:	
Cash Disbursements	<u>58,249,541</u>
Balance, December 31, 2021 (Prepaid)	<u>\$ (707,784)</u>

CITY OF ENGLEWOOD
STATEMENT OF APPROPRIATED GRANT RESERVES
GRANT FUND

<u>Program</u>	Balance December 31, 2020	Transferred from 2021 Budget	Paid or Charged	Balance December 31, 2021
Municipal Alliance Program	\$ 48,042	\$ 20,000	\$ 3,743	\$ 64,299
Municipal Alliance Program-Local Match	9,471	5,000	650	13,821
State Forestry Services Green Communities	3,000			3,000
Bio-Terrorism Sub-Grant	369			369
Alcohol Education & Rehabilitation Fund	10,836			10,836
Reach & Teach	72,000	18,000		90,000
Drunk Driving Enforcement Fund	76,651			76,651
Take Me Fishing Grant	44			44
Hepatitis B Grant	13			13
BC/US Dept of Justice Grant	7,711			7,711
Public Health Grant	35			35
Adolescent Health Grant	30,843		2,272	28,571
H1N1 Emergency Preparedness	267			267
H1N1 Corrective Action Mini Grant	340			340
Louis La Salle Tomorrow Fund	23,203			23,203
ANJAC-Smart Growth Grant-Local Match	252			252
Open Space Stewardship Project	1,500			1,500
Emergency Prep Grant	2,830			2,830
FDA Mentorship Grant	525			525
FDA Retail Standards	3,089			3,089
FDA Foodborne Illness Grant	5,892			5,892
FEMA-Firefighters Grant	4			4
Body Armor Replacement	44,751			44,751
CDBG Heart Health	1			1
Hurricane Irene Relief Employment Fund	8,625			8,625
Historic Preservation Grant - Mackay Gate House	20,590			20,590
Recycling Tonnage	48,405	39,400		87,805
Clean Communities Program	55,594	46,550	32,158	69,986
Community Chest of Englewood	5,102			5,102
Drunk Driving Prevention	7,656			7,656
NJ Healthy Communities Network	7,500	10,000	6,417	11,083
Strengthening Local Public Health Capacity	140,236		97,829	42,407
Sustainable Energy Grant	5,000			5,000
USA Swimming Foundation Grant		18,051		18,051
Covid-19 Vaccination	-	50,000	-	50,000
	<hr/> <u>\$ 640,377</u>	<hr/> <u>\$ 207,001</u>	<hr/> <u>\$ 143,069</u>	<hr/> <u>\$ 704,309</u>

Cash Disbursements	\$ 80,852
Encumbrances Payable	<hr/> <u>\$ 62,217</u>
	<hr/> <u>\$ 143,069</u>

CITY OF ENGLEWOOD
STATEMENT OF UNAPPROPRIATED GRANT RESERVES
GRANT FUND

	Balance December 31, <u>2020</u>	Increased by: <u>Cash Receipts</u>	Balance December 31, <u>2021</u>
Drunk Driving Enforcement Fund	\$ 400	\$ 5,104	\$ 400
Body Armor Replacement Grant		3,003	5,104
Clean Communities		76,797	3,003
New Jersey State Police - Special Data Collections		76,797	76,797
American Rescue Plan Grant	<u>-</u>	<u>1,486,398</u>	<u>1,486,398</u>
	<u>\$ 400</u>	<u>\$ 1,571,302</u>	<u>\$ 1,571,702</u>

STATEMENT OF DUE FROM CURRENT FUND
GRANT FUND

Balance, December 31, 2020	\$ 5,164
Increased by:	
Payments to Current Fund	\$ 1,636,464
Budget Appropriation - Local Share	<u>5,000</u>
	<u>1,641,464</u>
Balance, December 31, 2021	<u>\$ 1,646,628</u>

CITY OF ENGLEWOOD
STATEMENT OF ENCUMBRANCES PAYABLE

	Current <u>Fund</u>	Grant <u>Fund</u>
Balance, December 31, 2020	\$ 2,859,824	\$ 29,988
Increased by:		
Charges to:		
Budget Appropriations	2,066,873	
Charges to Appropriation Reserves	11,852	
State and Federal Appropriated Grants	-	62,217
	<hr/>	<hr/>
	2,078,725	62,217
	<hr/>	<hr/>
	4,938,549	92,205
Decreased by:		
Encumbrances Restored to		
Appropriation Reserves	2,849,035	
Cash Disbursements	10,789	29,988
	<hr/>	<hr/>
	2,859,824	29,988
	<hr/>	<hr/>
Balance, December 31, 2021	<u>\$ 2,078,725</u>	<u>\$ 62,217</u>

STATEMENT OF SEWER USER CHARGES RECEIVABLE

Balance, December 31, 2020	\$ 107,876
Increased by:	
Billings	<hr/>
	305,409
	<hr/>
	413,285
Decreased By:	
Cash Receipts	<hr/>
	251,343
	<hr/>
Balance, December 31, 2021	<u>\$ 161,942</u>

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

<u>Date Authorized</u>	<u>Purpose</u>	Net Amount <u>Authorized</u>	1/5 of Net Amount <u>Authorized</u>	Balance December 31, <u>2020</u>	Decreased <u>2020</u>	Balance, December 31, <u>2021</u>
7/11/2017	Severance Liabilities	\$ 1,000,000	\$ 200,000	\$ 400,000	\$ 200,000	\$ 200,000

STATEMENT OF DEFERRED CHARGES

	Balance, December 31, <u>2020</u>	Decreased <u>in 2021</u>	Balance, December 31, <u>2021</u>
Overexpenditure of Appropriations	\$ 51,658	\$ 51,658	
Overexpenditure of Appropriation Reserves	<u>7,658</u>	<u>-</u>	<u>7,658</u>
	<u>\$ 59,316</u>	<u>\$ 51,658</u>	<u>\$ 7,658</u>

STATEMENT OF MISCELLANEOUS RESERVES

	Balance December 31, <u>2020</u>	Balance December 31, <u>2021</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, 2020	\$ 739,206
Increased by:	
Transferred from 2021 Budget Appropriations	<u>600,000</u>
	1,339,206
Decreased by:	
Cash Disbursements	<u>217,999</u>
Balance, December 31, 2021	<u>\$ 1,121,207</u>

EXHIBIT A-26

CITY OF ENGLEWOOD
STATEMENT OF RESERVE FOR TERMINAL LEAVE

Balance, December 31, 2020	\$ 471,601
Increased by:	
Budget Appropriation	<u>650,000</u>
	1,121,601
Decreased by:	
Cash Disbursements	
Transferred to Other Trust Fund	<u>\$ 516,625</u> <u>604,976</u>
	<u>1,121,601</u>
Balance, December 31, 2021	<u>\$ -</u>

EXHIBIT A-27

STATEMENT OF SPECIAL EMERGENCY NOTE PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	Balance, December 31,		<u>Decreased</u>	Balance, December 31, <u>2021</u>
			<u>2020</u>	<u>Increased</u>		
Severance Liabilities	3/25/2021	3/23/2022	<u>\$ 400,000</u>	<u>\$ 200,000</u>	<u>\$ 400,000</u>	<u>\$ 200,000</u>

EXHIBIT A-28

STATEMENT OF ACCRUED SALARIES AND WAGES PAYABLE

Increased by:	
Charges to Appropriation Reserves	<u>\$ 1,500,000</u>
Balance, December 31, 2021	<u>\$ 1,500,000</u>

TRUST FUNDS

CITY OF ENGLEWOOD
STATEMENT OF CASH

	<u>Assessment Trust</u> <u>Fund</u>	<u>Animal Control Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2020	\$ 1,188,870	\$ 18,600	\$ 273,573	\$ 9,641,506
Increased by Receipts:				
Interest on Deposits	\$ 5,086	\$ 28	\$ 419	
Employee Payroll Deductions			33,137	\$ 32,990,329
Assessments Receivable	948,904			
Miscellaneous Reserve and Deposits				10,718,805
Receipts from Current Fund	-	-	-	<u>935,923</u>
	<u>953,990</u>	<u>28</u>	<u>33,556</u>	<u>44,645,057</u>
	2,142,860	18,628	307,129	54,286,563
Decreased by Disbursements:				
Encumbrances Payable				443,922
Animal Control Expenditures		958		
Payments to State of New Jersey		668	2,716	
Payroll Deductions Payable				32,951,491
Various Reserves and Deposits				6,526,563
Assessments Serial Bonds	<u>630,000</u>	<u>-</u>	<u>1,626</u>	<u>-</u>
	<u>630,000</u>	<u>1,626</u>	<u>2,716</u>	<u>39,921,976</u>
Balance, December 31, 2021	<u>\$ 1,512,860</u>	<u>\$ 17,002</u>	<u>\$ 304,413</u>	<u>\$ 14,364,587</u>

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

	Balance		Receipts			Balance	
	December 31,		Assessments	Interest	Disbursements	December 31,	
	<u>2020</u>	<u>2021</u>				<u>2021</u>	
Assessment Serial Bonds Due To Current Fund Assessment Trust Surplus	\$ 1,180,798 8,069 3	\$ 948,904 \$ 5,086 -	\$ 630,000 13,155 -	\$ 1,499,702 13,155 3			
	<u>\$ 1,188,870</u>	<u>\$ 948,904</u>	<u>\$ 5,086</u>	<u>\$ 630,000</u>		<u>\$ 1,512,860</u>	

STATEMENT OF ASSESSMENTS RECEIVABLE

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	Balance		<u>Balance December 31, 2021</u>	<u>Balance Pledged to Serial Bonds Payable</u>
			<u>December 31, 2020</u>	<u>Cash Receipts</u>		
08-07, 03-18, 05-18	Route 4 Access	4/24/2012	<u>\$ 1,294,202</u>	<u>\$ 948,904</u>	<u>\$ 345,298</u>	<u>\$ 345,298</u>

STATEMENT OF ASSESSMENT SERIAL BONDS PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds			<u>Interest Rate</u>	<u>Balance December 31, 2020</u>	<u>Decreased</u>	<u>Balance December 31, 2021</u>				
			<u>Outstanding-December 31, 2021</u>		<u>Amount</u>								
			<u>Date</u>	<u>Amount</u>									
Assessment Bonds	12/16/08	\$ 8,775,000	01/01/22	630,000	5.000%								
			01/01/23	630,000	5.000%								
			01/01/24	585,000	5.000%	\$ 2,475,000	\$ 630,000	\$ 1,845,000					

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

<u>Improvement Description</u>	Balance, December 31, <u>2020</u>	Increases	Decreases	Balance, December 31, <u>2021</u>
Police Vests	\$ 11,168	\$ 3,200	\$ 13,086	\$ 1,282
Confiscated Funds (DEA)	60,404	973,864	35,958	998,310
Confiscated Funds (DHS)	323,569	38,034	45,117	316,486
Misc Bank Transactions	25,059	5,879		30,938
Charitable Causes	44,521	7,570	3,339	48,752
Honor Guard	1,208			1,208
DARE	600			600
Uniform Fire Safety	63,712	1,705	834	64,583
Dedicated Uniform Fire Safety Penalties	15,570	250		15,820
COAH	1,474,197	617,401	36,966	2,054,632
Recreation	15,286			15,286
POAA	13,767	3,488	2,214	15,041
Police Confiscated Funds	34,338	1,460	1,460	34,338
Ice Arena	13,702			13,702
Tree Fund Donations	14,750	900		15,650
Other	30,550	106	5,000	25,656
Tax Sale Redemption	90,788	1,642,663	1,649,637	83,814
Environmental Commission	4,884	5,004	1,586	8,302
Tax Sale Premiums	5,405,000	6,594,600	4,450,600	7,549,000
Special Improvement District	75,995	228,501	296,680	78,116
Developers Trust	1,637,835	787,006	334,265	2,090,576
Police Off Duty	12,150	12		12,162
4th of July Fireworks	15,331	11,000	14,555	11,776
Englewood Day	10,029		4,403	5,626
Englewood Commemorative Council	1,045			1,045
Storm Recovery	125,000	250,000	106,545	268,455
Miscellaneous		1,500		1,500
Terminal Leave		604,976		604,976
Stigma Free	500	-	-	500
	<u>\$ 9,520,958</u>	<u>\$ 11,779,119</u>	<u>\$ 7,002,245</u>	<u>\$ 14,297,832</u>
Cash Received Due From Current Fund	\$ 10,718,805			
	<u>1,060,314</u>			
	<u><u>\$ 11,779,119</u></u>			
Cash Disbursements Encumbrances Payable	\$ 6,526,563			
	<u>475,682</u>			
	<u><u>\$ 7,002,245</u></u>			

EXHIBIT B-9

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

Balance, December 31, 2020	\$ 14,819
Increased by:	
Animal Control Fees Deposited in Current Fund	<u>3,929</u>
	18,748
Decreased by:	
Cash Disbursements	\$ 958
Statutory Excess Due to Current Fund	<u>6,409</u>
	<u>7,367</u>
Balance, December 31, 2021	<u>\$ 11,381</u>

EXHIBIT B-10

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

Balance, December 31, 2020	\$ 8
Increased by:	
State Fees Deposited in Current Fund	<u>663</u>
	671
Decreased by:	
Payments to State of New Jersey	<u>668</u>
Balance, December 31, 2021	<u>\$ 3</u>

EXHIBIT B-11

STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL TRUST FUND

Balance, December 31, 2020	\$ 3,773
Increased by:	
Interest on Deposits	\$ 28
	<u>6,409</u>
	<u>6,437</u>
Decreased by:	
Animal Control Fees Deposited in Current Fund	<u>4,592</u>
Balances, December 31, 2021	<u>\$ 5,618</u>

EXHIBIT B-12

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

Increased by:

Unemployment Claims and Other Charges \$ 45,019

Decreased by:

Payments to State of New Jersey 2,716

Balances, December 31, 2021

\$ 42,303

EXHIBIT B-13

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

Balance, December 31, 2020

\$ 275,891

Increased by:

Employee Payroll Deductions \$ 33,137
Interest on Deposits 419
33,556

309,447

Decreased by:

Unemployment Claims and Other Charges - State of NJ 45,019

Balance, December 31, 2021

\$ 264,428

CITY OF ENGLEWOOD
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE
OTHER TRUST FUND

Balance, December 31, 2020	\$ 125,031
Increased by:	
Cash Receipts	<u>32,990,329</u>
	33,115,360
Decreased by:	
Cash Disbursements	<u>32,951,491</u>
Balance, December 31, 2021	<u>\$ 163,869</u>

STATEMENT OF ENCUMBRANCES PAYABLE
OTHER TRUST FUND

Balance, December 31, 2020	\$ 147,733
Increased by:	
Charges to Miscellaneous Reserves and Deposits	<u>475,682</u>
	623,415
Decreased by:	
Cash Disbursements	<u>443,922</u>
Balances, December 31, 2021	<u>\$ 179,493</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Balance, December 31, 2020	<u>\$ 9,886</u>
Balance, December 31, 2021	<u>\$ 9,886</u>

EXHIBIT B-17

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

Balance, December 31, 2020	\$ 124,518
Increased by:	
Billings and Adjustments	<u>187,501</u>
	312,019
Decreased by:	
Other Trust Fund Receipts Deposited in Current Fund	<u>205,338</u>
Balance, December 31, 2021	<u>\$ 106,681</u>

EXHIBIT B-18

STATEMENT OF DUE FROM CURRENT FUND
OTHER TRUST FUND

Balance, December 31, 2020	\$ 134,561
Increased by:	
Transferred from Current Fund Appropriation Reserves	\$ 250,000
Other Trust Fund Receipts Deposited in Current Fund	205,338
Transferred from Current Fund Budget	<u>604,976</u>
	<u>1,060,314</u>
Decreased by:	
Receipts from Current Fund	<u>935,923</u>
Balances, December 31, 2021	<u>\$ 258,952</u>

EXHIBIT B-19

STATEMENT OF DUE TO CURRENT FUND
ASSESSMENT TRUST FUND

Balance, December 31, 2020	\$ 8,069
Increased by:	
Interest on Deposits	<u>5,086</u>
Balances, December 31, 2021	<u>\$ 13,155</u>

GENERAL CAPITAL FUND

CITY OF ENGLEWOOD
STATEMENT OF CASH

Balance, December 31, 2020	\$ 8,330,195
Increased by Receipts:	
Receipts from Current Fund	\$ 31,267
Current Fund Receipts Deposited in General Capital Fund	3,056
Proceeds from Serial Bonds	27,105,000
Proceeds from Bond Anticipation Notes	7,883,000
Premiums on Sale of Bonds and Notes	1,699,781
Parking Fees Receivable	13,694
Interest on Deposits	<u>57,012</u>
	<u>36,792,810</u>
	45,123,005
Decreased by Disbursements:	
Encumbrances Payable	3,460,391
Payments to Current Fund	325,000
Payment of Bond Anticipation Note	<u>27,105,000</u>
	<u>30,890,391</u>
Balance, December 31, 2021	<u>\$ 14,232,614</u>

CITY OF ENGLEWOOD
STATEMENT OF CAPITAL CASH
AS OF DECEMBER 31, 2021

Fund Balance	\$ 1,986,853
Capital Improvement Fund	114,221
Miscellaneous Reserves	68,759
Reserve for Debt Service	12,045
Encumbrances Payable	5,443,173
Due from Current Fund	(139,932)
Due to Community Development Block Grant Fund	9,886
Due to Grant Fund	399,125
Grants Receivable	(2,071,000)

Ord No.	<u>Improvement Authorizations</u>	
01-12	Various Improvements	535
03-15	Various Capital Improvements	4,762
05-11	Various Capital Improvements	5,218
07-01,10-31	Various Capital Improvements	1,542
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	3,726
11-05	Millers Pond	5,597
11-10	Various Capital Improvements	122,943
12-15	Various Capital Improvements	119,660
12-20	Various Capital Improvements	201,813
13-01,14-25	Various Capital Improvements	5,500
13-06	Various Capital Improvements	294,313
13-11a	Ice Arena Improvements	36,683
13-15	Overpeck Creek Channel Wall Replacements	3,393
14-16	Various Capital Improvements	499,909
14-24	Various Capital Improvements	135,722
15-03,15-12	Various Equipment and Capital Improvements	1,051,403
15-13	Various Fire Equipment	2,171
16-07	Various Equipment and Capital Projects	704,332
17-03	Various Equipment and Capital Improvements	688,466
18-09	Various Capital Improvements	1,462,540
19-10	Various Capital Improvements	2,289,192
20-02	Various Capital Improvements	1,515,150
21-05	Various Capital Improvements	<u>(851,642)</u>
		<u>\$ 14,232,614</u>

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

Balance, December 31, 2020	\$ 40,918,812
Increased by:	
Serial Bonds Issued	<u>27,105,000</u>
	68,023,812
Decreased by:	
Current Fund Budget Appropriations:	
Serial Bonds	\$ 2,255,000
BCIA Revenue Bonds	<u>1,098,812</u>
	<u>3,353,812</u>
Balance, December 31, 2021	<u><u>\$ 64,670,000</u></u>

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

Ord. No.	Improvement Description	Balance, December 31, 2020	2021 Authorizations	Serial Bonds Issued	Parking Fees Applied	Balance, December 31, 2021	Analysis of Balance December 31, 2021		
							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
	Reserve for Palisades South Redevelopment	13,694			\$ 13,694	-			
13-01,14-25	Various Capital Improvements	104,500				104,500			104,500
14-24	Various Capital Improvements	302,317		\$ 302,317		-			
15-03,15-12	Various Equipment and Capital Improvements	7,570,721		7,570,721		-			
15-13	Various Fire Equipment	301,120		301,120		-			
16-07	Various Equipment and Capital Projects	9,366,066		7,475,000		1,891,066	\$ 1,066,000		665,164
17-03	Various Equipment and Capital Improvements	4,924,973		4,924,973		-			159,902
18-09	Various Capital Improvements	6,530,775		6,530,000		775			775
19-10	Various Capital Improvements	9,642,854				9,642,854	4,642,000		5,000,854
20-02	Various Capital Improvements	7,409,615		-		7,409,615	3,000,000		4,409,615
21-05	Various Capital Improvements	-	\$ 5,905,872	-	-	5,905,872	-	851,642	5,054,230
		<u>\$ 46,174,885</u>	<u>\$ 5,905,872</u>	<u>\$ 27,104,131</u>	<u>\$ 13,694</u>	<u>\$ 24,962,932</u>	<u>\$ 8,708,000</u>	<u>\$ 851,692</u>	<u>\$ 15,403,240</u>

Improvement Authorizations, Unfunded	\$ 19,911,914
Less: Unexpended Proceeds on Bond Anticipation Notes	
Ordinance No. 16-07	\$ 704,332
Ordinance No. 19-10	2,289,192
Ordinance No. 20-02	<u>1,515,150</u>
	<u>4,508,674</u>
	\$ 15,403,240

CITY OF ENGLEWOOD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	2021 Authorizations								Balance, December 31, 2021	
		Balance, December 31, 2020		Capital Improvement Fund	Deferred Charges Unfunded	Grants Awards	Cancelled Encumbrances	Paid or Charged	Funded	Unfunded	
General Improvements											
01-12	Various Improvements, City Hall, Fire and Parks	\$ 1						\$ 534		\$ 535	
03-15	Various Capital Improvements	4,762								4,762	
05-11	Various Capital Improvements	5,218								5,218	
07-01	Various Capital Improvements							1,542		1,542	
*08-07	Route 4 Access	99,349								99,349	
08-25	Various Capital Improvements	7,257								7,257	
10-18	Various Capital Improvements	3,270	\$ 50					456		3,726	\$ 50
11-05	Millers Pond	5,597								5,597	
11-10	Various Capital Improvements	89,653	50					33,290		122,943	50
12-15	Various Capital Improvements	105,216	8,100					14,444		119,660	8,100
12-20	Various Capital Improvements	201,813								201,813	
13-01,14-25	Various Capital Improvements	5,500	104,500							5,500	104,500
13-06	Various Capital Improvements	358,861						\$ 64,548		294,313	
13-11a	Ice Arena Improvements	35,782					901			36,683	
13-15	Overpeck Creek Channel Wall Replacements	3,393								3,393	
14-16	Various Capital Improvements	572,831								499,909	
14-24	Various Capital Improvements		160,992							72,922	
15-03,15-121	Various Equipment and Capital Improvements		1,118,570							67,167	1,051,403
15-13	Various Fire Equipment		2,171								2,171
16-07	Various Equipment and Capital Projects		1,550,994							181,498	1,369,496
17-03	Various Equipment and Capital Improvements		1,005,151							156,783	688,466
18-09	Various Capital Improvements		2,317,951							854,636	1,462,540
19-10	Various Capital Improvements		8,336,742							1,046,696	7,290,046
20-02	Various Capital Improvements	135,477	7,409,615							1,620,327	5,924,765
21-05	Various Capital Improvements			\$ 295,294	\$ 5,905,872	\$ 1,336,000				2,482,936	
											\$ 5,054,230
		\$ 1,633,980	\$ 22,014,886	\$ 295,294	\$ 5,905,872	\$ 1,336,000		\$ 51,167	\$ 6,572,783	\$ 4,752,502	\$ 19,911,914

Encumbrances Payable

\$ 6,572,783

CITY OF ENGLEWOOD
STATEMENT OF GRANTS RECEIVABLE

		(Ord. No. 19-10)	(Ord. No. 19-10)	(Ord. No. 20-02)	(Ord. No. 20-02)	(Ord. No. 21-05)	(Ord. No. 21-05)	(Ord. No. 21-05)
	Total	Bergen County Open Space *	Library Grant *	NJ Dept. of Transportation	Comm. Dev. Block Grant	NJ Dept. of Transportation	Bergen County Open Space	NJ Dept. of Env. Protection
Balance, December 31, 2020	\$ 3,360,000	\$ 125,000	\$ 2,500,000	\$ 585,000	\$ 150,000			
Increased by:								
Grant Award	<u>1,336,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,000</u>	<u>115,000</u>
Balance, December 31, 2021	<u>\$ 4,696,000</u>	<u>\$ 125,000</u>	<u>\$ 2,500,000</u>	<u>\$ 585,000</u>	<u>\$ 150,000</u>	<u>\$ 246,000</u>	<u>\$ 115,000</u>	<u>\$ 975,000</u>
Balance Pledged to:								
Reserve Ordinance	\$ 2,625,000 <u>2,071,000</u>	\$ 125,000 <u>-</u>	\$ 2,500,000 <u>-</u>	\$ 585,000 <u>\$ 585,000</u>	\$ 150,000 <u>\$ 150,000</u>	\$ 246,000 <u>\$ 246,000</u>	\$ 115,000 <u>\$ 115,000</u>	\$ 975,000 <u>\$ 975,000</u>
	<u>\$ 4,696,000</u>	<u>\$ 125,000</u>	<u>\$ 2,500,000</u>	<u>\$ 585,000</u>	<u>\$ 150,000</u>	<u>\$ 246,000</u>	<u>\$ 115,000</u>	<u>\$ 975,000</u>

CITY OF ENGLEWOOD
STATEMENT OF MISCELLANEOUS RESERVES

Balance, December 31, 2020	\$ 68,759
Balance, December 31, 2021	<u>\$ 68,759</u>
<u>Analysis of Balance at December 31, 2021</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>

STATEMENT OF PARKING FEES RECEIVABLE

Balance, December 31, 2020	\$ 13,694
Increased by:	
Cash Receipts	<u>13,694</u>
Balances, December 31, 2021	<u>\$ -</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2020	\$ 2,381,948
Increased by:	
Charges to Improvement Authorizations	<u>6,572,783</u>
	8,954,731
Decreased by:	
Cash Disbursements	\$ 3,460,391
Cancellations	<u>51,167</u>
	<u>3,511,558</u>
Balance, December 31, 2021	<u>\$ 5,443,173</u>

CITY OF ENGLEWOOD
STATEMENT OF BCIA REVENUE BONDS PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Balance December 31, 2020</u>	<u>Decreased</u>	<u>Balance December 31, 2021</u>
County Guaranteed Governmental Loan Revenue Bonds Series 2005B	9/20/2005	\$ 15,316,016	\$ 1,098,812	\$ 1,098,812	\$ -
			\$ 1,098,812	\$ 1,098,812	\$ -

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2020	\$ 34,515
Increased by:	
2021 Current Fund Budget Appropriation	<u>375,000</u>
	409,515
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>295,294</u>
Balances, December 31, 2021	<u>\$ 114,221</u>

CITY OF ENGLEWOOD
STATEMENT OF GENERAL SERIAL BONDS PAYABLE

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds <u>Outstanding-Dec 31, 2021</u>			<u>Interest Rate</u>	<u>Balance December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>						
General Improvement Bonds	5/16/2010	\$ 4,365,000	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%	\$ 2,605,000		\$ 215,000	\$ 2,390,000	
General Improvement Bonds	4/2/2014	16,450,000	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%	10,050,000		555,000	9,495,000	
General Obligation Bonds	4/1/2017	14,285,000	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%					
			04/01/29-31	1,250,000	3.000%	12,410,000		980,000	11,430,000	

CITY OF ENGLEWOOD
STATEMENT OF GENERAL SERIAL BONDS PAYABLE

CITY OF ENGLEWOOD
STATEMENT OF BOND ANTICIPATION NOTES PAYABLE

Ord. No.	<u>Improvement Description</u>	Date of Original <u>Note</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>	Interest Rate	Balance, December 31, <u>2020</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2021</u>
14-24	Various Capital Improvements	4/21/2015	3/26/2020	3/25/2021	1.98%	\$ 302,317		\$ 302,317	
15-03/15-12	Various Equipment and Capital Improvements	4/7/2016	3/26/2020	3/25/2021	1.98%	7,571,590		7,571,590	
15-13	Various Fire Equipment	4/7/2016	3/26/2020	3/25/2021	1.98%	301,120		301,120	
16-07	Various Capital Improvements	12/12/2019	3/26/2020 3/24/2021	3/25/2021 3/23/2022	1.98% 1.00%	8,300,000	\$ 1,066,000	8,300,000	\$ 1,066,000
17-03	Various Equipment and Capital Improvement	8/17/2017	3/26/2020	3/25/2021	1.98%	4,924,973		4,924,973	
18-09	Various Capital Improvements	8/21/2018	3/26/2020	3/25/2021	1.98%	6,530,000		6,530,000	
19-10	Various Capital Improvements	3/24/2021	3/24/2021	3/23/2022	1.00%		4,642,000		4,642,000
20-02	Various Capital Improvements	3/24/2021	3/24/2021	3/23/2022	1.00%	3,000,000		3,000,000	
						\$ 27,930,000	\$ 8,708,000	\$ 27,930,000	\$ 8,708,000
					Renewals Notes Issued Serial Bonds Issued		\$ 825,000 7,883,000 -	\$ 825,000 27,105,000	
							\$ 8,708,000	\$ 27,930,000	

CITY OF ENGLEWOOD
STATEMENT OF DUE FROM CURRENT FUND

Balance, December 31, 2020	\$ 31,267
Increased by:	
Budget Appropriations:	
Capital Improvement Fund	\$ 375,000
Payments to Current Fund	<u>325,000</u>
	<u>700,000</u>
	731,267
Decreased by:	
Receipts from Current Fund	31,267
Current Fund Receipts Deposited in General Capital Fund	3,056
Anticipated as Revenue in Current Fund Budget:	
Fund Balance	500,000
Interest on Deposits	<u>57,012</u>
	<u>591,335</u>
Balance, December 31, 2021	<u>\$ 139,932</u>

EXHIBIT C-16

STATEMENT OF RESERVE FOR DEBT SERVICE

Balance, December 31, 2020	\$ 11,176
Increased by:	
Excess Bond Proceeds	<u>869</u>
Balance, December 31, 2021	<u>\$ 12,045</u>

EXHIBIT C-17

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Cap No.</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2020</u>	<u>2021 Authorizations</u>	<u>Bond Anticipation Notes Issued</u>	<u>Balance, December 31, 2021</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	1,066,066		\$ 241,000	825,066
18-09	Various Capital Improvements	775			775
19-10	Various Capital Improvements	9,642,854		4,642,000	5,000,854
20-02	Various Capital Improvements	7,409,615		3,000,000	4,409,615
21-05	Various Capital Improvements	-	\$ 5,905,872	-	<u>5,905,872</u>
		<u>\$ 18,232,060</u>	<u>\$ 5,905,872</u>	<u>\$ 7,883,000</u>	<u>\$ 16,254,932</u>

CITY OF ENGLEWOOD

PART II

GOVERNMENT AUDITING STANDARDS



DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the City of Englewood as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated September 9, 2022. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Englewood's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of Englewood's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Englewood's internal control.

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

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

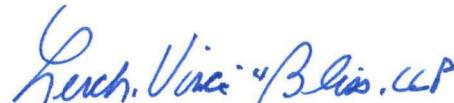
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Englewood's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements 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 & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants



Gary J. Vinci
Registered Municipal Accountant
RMA Number CR00411

Fair Lawn, New Jersey
September 9, 2022

CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Federal Program</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Grant Receipts</u>	Balance, December 31, 2020	<u>Revenue</u>	<u>Expended</u>	<u>Adjustments</u>	Balance, December 31, 2021	(Memo Only) Cumulative Expenditures
Department of Homeland Security									
Federal Emergency Management Agency									
Firefighters Grant	97.044			\$ 4				\$ 4	
Department of Law and Public Safety									
Public Assistance Grants									
Coronavirus Pandemic	97.036	2021	\$ 32,678		\$ 32,678	\$ 32,678			\$ 32,678
Tropical Storm Isaias	97.036	2021	8,837		8,837	8,837			8,837
Special Data Collections and Statistical Studies	16.734	2021	76,796						
National Urban Search and Rescue	97.025	2021	43,059		43,059	43,059			43,059
Department of Treasury									
Coronavirus State and Local Fiscal Recovery Funds	21.027	2021	1,486,398						
Department of Housing and Urban Development									
Community Development Block Grant									
CDBG - Heart Health				1				1	
Department of Health and Human Services									
Public Health Emergency Preparedness Grant	93.069	2020		2,830				2,830	2,785
Covid-19 ELC Enhanced Detection	93.323	2021	40,628			40,628	\$ 40,628		40,628
FDA Retail Standards	NA			817				817	3,671
FDA Retail Standards	NA			2,272				2,272	
FDA Foodborne Illness	NA			5,892				5,892	
					\$ 11,816	\$ 84,574	\$ 125,202	\$ 40,628	\$ 11,816

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

SCHEDULE B

CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>State Grant Program</u>	<u>Grant Number</u>	<u>Grant Year</u>	<u>2021 Grant Receipts</u>	<u>Balance, December 31, 2020</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2021</u>	<u>(Memo Only) Cumulative Expenditures</u>
Recycling Tonnage Grant		2019		\$ 15,977			\$ 15,977	\$ 16,451
		2020		32,428			32,428	
		2021	\$ 39,400		\$ 39,400		39,400	
Drunk Driving Enforcement Fund	1110-448-031020-22	2018		3,775			3,775	
		2019		956			956	
		2020		200			200	
		2017		13,596			13,596	
		Prior		58,124			58,124	
Clean Communities Program	4900-765-178900	2018					-	
		2019		9,044		\$ 9,044	-	51,625
		2020		46,550		23,114	23,436	23,114
		2021	49,554		46,550		46,550	
Police Body Armor - State Share	N/A	2017		7,169			7,169	
		2019		7,780			7,780	
		2020		6,795			6,795	
		2021	3,260					
		2021	5,104					
		Prior		23,007			23,007	
Public Health Priority Funding	N/A	Prior		35			35	
Adolescent Health Grant	N/A	Prior		30,843		2,272	28,571	14,235
H1N1 Emergency Preparedness	N/A	Prior		267			267	
		2021	18,051		18,051		18,051	
Alcohol Education	N/A	Prior		3,537			3,537	
		2019		5,465			5,465	
		2020		1,834			1,834	
New Jersey Department of Health								
Strengthening Local Public Health Capacity	N/A	2020	21,343	140,236		97,829	42,407	59,201
Covid 19 Vaccinations	N/A	2021			50,000		50,000	
Municipal Alliance	N/A	2018		8,042		3,743	4,299	15,702
		2019		20,000			20,000	
		2020		20,000			20,000	
		2021	-	20,000		-	20,000	
Total State Financial Assistance				\$ 455,660	\$ 174,001	\$ 136,002	\$ 493,659	

* 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, 2021

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	\$ 84,574		\$ 84,574
Grant Fund	<u> </u> -	\$ 174,001	<u> </u> 174,001
Total Financial Awards	<u> </u> \$ 84,574	<u> </u> \$ 174,001	<u> </u> \$ 258,575

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, 2021

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, 2021**

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, 2021**

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

STATUS OF PRIOR YEAR FINDINGS

There were none.

CITY OF ENGLEWOOD

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	<u>\$2.890</u>	<u>\$2.815</u>	<u>\$2.789</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1.257	1.233	1.209
Library	0.038	0.038	0.038
County	0.282	0.276	0.266
County Open Space	0.012	0.012	0.011
Local School	1.301	1.256	1.265
<u>Assessed Valuation</u>			
2021	<u>\$4,487,503,500</u>		
2020		<u>\$4,486,356,200</u>	
2019			<u>\$4,439,452,700</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>
2021	\$ 130,206,452	\$ 129,936,130	99.79%
2020	126,590,198	126,164,787	99.66%
2019	125,071,131	124,731,033	99.73%

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

December 31 <u>Year</u>	Amount of Delinquent			Percentage of Tax Levy
	<u>Taxes</u>	<u>Title Lien</u>	<u>Total</u>	
2021	\$ 13,868	\$ 252,082	\$ 265,950	0.20%
2020	37,230	244,686	281,916	0.22%
2019	12,383	227,011	239,394	0.19%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2021	\$70,979
2020	70,979
2019	70,979

Comparative Schedule of Fund Balance

		<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2021	\$8,479,096	\$2,180,000
	2020	5,463,732	1,850,000
	2019	5,707,080	2,165,000
	2018	13,021,193	10,093,440
	2017	3,151,532	1,750,000

**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>
Michael Wildes	Mayor
Charles Cobb	Councilmember (At Large Member)
Kenneth Rosenzweig	Councilmember (Ward 1)
Michael D. Cohen	Councilmember (Ward 2)
Judith Maron	Councilmember (Ward 3)
C. Wayne Hamer	Councilmember (Ward 4)
Sonia Alves-Viveiros	City Manager
Michael Kaufmann	Chief Financial Officer
Jodi DeMaio	Tax Collector
Diana Patino	Treasurer
Yancy Wazimas	City Clerk
Aishaah Rasul	Judge
Helene C. Herbert	Judge
Francis J. Leddy, Jr.	Judge
Debbian Barr	Court Administrator

CITY OF ENGLEWOOD

GENERAL COMMENTS

Current Year

Our audit noted that prior year audit adjustments for fixed assets were not included in the City's 2021 appraisal report. It is recommended that the City's fixed asset annual appraisal report be adjusted and in agreement with the audited balances.

Our audit of payroll revealed differences with the Federal and Social Security taxes as reported in the City's payroll records and the quarterly tax returns. In addition, our review of the quarterly IRS 941 Reports and the City's year-end W-3 Form noted differences in gross wages, social security/Medicare wages and taxes. It is recommended that the City review and reconcile the payroll reports, respective tax filings and withholdings prior to submitting the information to the various state and federal agencies.

A valuation of the City's accumulated sick and vacation liability by individual employee was not provided for audit. It is recommended that a year-end valuation of the City's accumulated sick and vacation liability, by employee, be prepared and made available for audit.

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

Our audit noted that transfer resolutions for the 2020 appropriation reserves were approved by the City Council but were not input into the budgetary accounting system. It is recommended that all budget transfers be entered into the budgetary accounting system in a timely manner.

Prior Year

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

Our audit of payroll revealed that overtime sheets are not maintained in the payroll department. In addition, several overtime sheets we reviewed did not contain the signature of the employee's supervisor/director and/or of the employee. It is recommended that all overtime sheets be reviewed upon submission to ensure all required signatures are present.

With respect to purchasing:

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

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

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

CITY OF ENGLEWOOD

GENERAL COMMENTS

Prior Year (continued)

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

Our audit noted that payments to certain vendors accumulated during the year, exceeded the quote and bid threshold, whereby the City did not have documentation to support that quotes or public bids were obtained. It is recommended that the City adhere to all purchasing requirements contained in the New Jersey Local Public Contracts Law and Division of Local Government Service Local Finance Notices.

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

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

Overlook Place Improvements	Johnson Avenue Improvements
Cedar Street Improvements	West Demarest Avenue Reconstruction
Mackay Park Court Rehabilitation	Mackay Park Little League Field Restoration
2021 Road Improvement Program	Public Safety Building Roof Replacement
HVAC Services	Tree Removal Services
Grand Avenue Intersection 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 4, 2021, 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

- Prior year tax overpayment balances be reviewed and cleared of record.
- Grant receivable balances in the Current and General Capital Funds be reviewed and action taken to collect or clear them of record.
- Sewer user charges receivable be reviewed and action taken to collect or clear them of record.
- Appropriated grant reserve balances be reviewed and action taken to expend or clear of record.
- The City consider utilizing blanket purchase orders for monthly and/or quarterly recurring expenditures.
- The City develop a formal written policy regarding the use of store credit cards.
- Interfunds be eliminated prior to year-end.

CITY OF ENGLEWOOD

RECOMMENDATIONS

It is recommended that:

- * 1. Purchase orders be encumbered prior to the ordering of goods and/or services.
- * 2. All overtime sheets be reviewed upon submission to ensure all required signatures are present.
- * 3. The City adhere to all purchasing requirements contained in the New Jersey Local Public Contracts Law and Division of Local Government Services Local Finance Notices.
- * 4. The City review the Police Off Duty outstanding invoice balances and action be taken to collect or clear them of record.
- 5. The City's fixed asset annual appraisal report be adjusted and in agreement with audited balances.
- 6. The City review and reconcile the payroll reports, respective tax filings and withholdings prior to submitting the information to the various state and federal agencies.
- 7. A year-end valuation of the City's accumulated sick and vacation liability, by employee, be prepared and made available for audit.
- 8. The Annual UCC report be in agreement with the City's budget reports and that the reconciliation be made available for audit.
- 9. All budget transfers be entered into the budgetary accounting system in a timely manner.

* * * * *

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 (*).