

BOROUGH OF ENGLEWOOD CLIFFS

**Financial Statements With
Supplementary Information**

December 31, 2023

(With Independent Auditor's Report Thereon)

**BOROUGH OF ENGLEWOOD CLIFFS
TABLE OF CONTENTS**

Part I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditor's Report	1
 <u>CURRENT FUND</u>		
A	Comparative Balance Sheet - Regulatory Basis	6
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	8
A-2	Statement of Revenues - Regulatory Basis	9
A-3	Statement of Expenditures - Regulatory Basis	11
 <u>TRUST FUNDS</u>		
B	Comparative Balance Sheet - Regulatory Basis	17
 <u>GENERAL CAPITAL FUND</u>		
C	Comparative Balance Sheet - Regulatory Basis	19
C-1	Statement of Changes Fund Balance - Regulatory Basis	20
 <u>GENERAL FIXED ASSETS ACCOUNT GROUP</u>		
E	Statement of General Fixed Assets - Regulatory Basis	21
 <u>PAYROLL ACCOUNT</u>		
F	Comparative Balance Sheets - Regulatory Basis	22
	Notes to Financial Statements	23
	Supplementary Data and Schedules	64

**BOROUGH OF ENGLEWOOD CLIFFS
TABLE OF CONTENTS, CONTINUED**

Part I, (continued)

<u>Exhibit</u>		<u>Page</u>
<u>CURRENT FUND</u>		
A-4	Schedule of Cash - Collector - Treasurer	71
A-5	Schedule of Change Funds	72
A-6	Schedule of Petty Cash	72
A-7	Schedule of Amount Due From/(To) State of New Jersey for Senior Citizens' and Veterans' Deductions - Ch. 73 P.L. 1976	73
A-8	Schedule of Taxes Receivable and Analysis of Property Tax Levy	74
A-9	Schedule of Property Acquired for Taxes at Assessed Valuation	76
A-10	Schedule of Tax Title Liens Receivable	77
A-11	Schedule of Revenue Accounts Receivable	78
A-12	Schedule of Interfunds - Current Fund	79
A-13	Schedule of Deferred Charges	80
A-14	Schedule of Deferred Charges N.J.S.A. 40A:4-53, Special Emergency Authorizations	81
A-15	Schedule of Appropriation Reserves	82
A-16	Schedule of Encumbrances Payable	84
A-17	Schedule of Accounts Payable	84
A-18	Schedule of Prepaid Taxes	85
A-19	Schedule of Tax Overpayments	85
A-20	Schedule of County Taxes Payable	86
A-21	Schedule of Local District School Taxes Payable	87
A-22	Schedule of Miscellaneous Reserves	88
A-23	Schedule of Special Emergency Notes Payable N.J.S.A. 40A:4-53	89
A-24	Schedule of Grants Receivable - Federal and State Grant Fund	90
A-25	Schedule of Interfunds - Federal and State Grant Fund	91
A-26	Schedule of Appropriated Reserves for Grants - Federal and State Grant Fund	92
A-27	Schedule of Unappropriated Reserves - Federal and State Grant Fund	94
<u>TRUST FUNDS</u>		
B-1	Schedule of Cash	95
B-2	Schedule of Tax Sale Receivable	96
B-3	Schedule of Interfunds/Intrafunds	97
B-4	Schedule of Due from/(to) State Department of Health	98
B-5	Schedule of Reserve for Animal License Trust Fund Expenditures	99
B-6	Schedule of Due to State of New Jersey - Other Trust Fund	100
B-7	Schedule of Various Reserves - Other Trust Funds	101
B-8	Schedule of Reserve for Recycling Expenditures - Other Trust Funds	102
B-9	Schedule of Reserve for Shade Tree Expenditures - Other Trust Funds	103
B-10	Schedule of Reserve for COAH Development Expenditures - Other Trust Funds	104
B-11	Schedule of Reserve for DEA Forfeiture Expenditures - Other Trust Fund	105
B-12	Statement of Service Award Contributions Receivable - Emergency Services Volunteer Length of Service Award Program	106
B-13	Statement of Net Assets Available for Benefits - Emergency Volunteer Length of Service Award Program	107

**BOROUGH OF ENGLEWOOD CLIFFS
TABLE OF CONTENTS, CONTINUED**

Part I, (continued)

<u>Exhibit</u>		<u>Page</u>
	<u>GENERAL CAPITAL FUND</u>	
C-2	Schedule of Cash	108
C-3	Schedule of Analysis of Cash	109
C-4	Schedule of Grants Receivable - NJ Department of Transportation	110
C-5	Schedule of Due from Bergen County	111
C-6	Schedule of Due from Ambulance Corp.	111
C-7	Schedule of Interfunds	112
C-8	Schedule of Deferred Charges to Future Taxation – Funded	113
C-9	Schedule of Deferred Charges to Future Taxation – Unfunded	114
C-10	Schedule of Bond Anticipation Notes	115
C-11	Schedule of General Serial Bonds	116
C-12	Schedule of Capital Leases Payable	117
C-13	Schedule of Improvement Authorizations	118
C-14	Schedule of Encumbrances Payable	119
C-15	Schedule of Capital Improvement Fund	120
C-16	Schedule of Reserve for Payment of Debt	120
C-17	Schedule of Reserve for Cost of Issuance	121
C-18	Schedule of Reserve for Boswell Settlement	122
C-19	Schedule of Reserve for Grants Receivable	122
C-20	Schedule of Bonds and Notes Authorized But Not Issued	123

**BOROUGH OF ENGLEWOOD CLIFFS
TABLE OF CONTENTS, CONTINUED**

Part II

Independent Auditor's Report on Internal Control over Financial Reporting on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	124
Schedule of Findings and Questioned Costs	126
Status of Prior Year Findings	128
General Comments	129
Comments and Recommendations	131
Acknowledgment	134



WIELKOTZ & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Englewood Cliffs
Englewood Cliffs, NJ 07632

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Borough of Englewood Cliffs in the County of Bergen, as of December 31, 2023 and 2022, the related statement of operations and changes in fund balance – regulatory basis for the year then ended, and the related statement of revenues - regulatory basis and the statement of expenditures – regulatory basis of the various funds for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Borough of Englewood Cliffs as of December 31, 2023 and 2022, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

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



Honorable Mayor and
Members of the Borough Council
Page 2.

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Englewood Cliffs on the basis of the financial reporting provisions 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 requirements of New Jersey.

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.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 14 of the financial statement, the Borough participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,671,186 and \$1,314,639 for 2023 and 2022, respectively, were not audited and, therefore, we express no opinion on the LOSAP program. As described in Finding 2023-01 some legal responses concerning litigation, claims and assessments, in accordance with Section 337, have not been received creating a scope limitation.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2023, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2023 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and 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 Borough of Englewood Cliffs’ 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 the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, 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 Borough'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough'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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Englewood Cliffs' basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2024 on our consideration of the Borough of Englewood Cliffs' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over



Honorable Mayor and
Members of the Borough Council
Page 5.

financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Borough of Englewood Cliffs' internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CR00413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

October 14, 2024

BOROUGH OF ENGLEWOOD CLIFFS

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Current Fund:			
Cash	A-4	\$ 10,087,538	10,265,748
Change Fund	A-5	300	300
Petty Cash Fund	A-6	300	300
Due from State of New Jersey - Senior Citizens' and Veterans' Deductions	A-7	98	
		<u>10,088,236</u>	<u>10,266,348</u>
Receivables with Full Reserves:			
Delinquent Property Taxes Receivable	A-8	305,302	267,773
Property Acquired for Taxes - Assessed Valuation	A-9	39,528	39,528
Tax Title Liens Receivable	A-10	1,114	952
Revenue Accounts Receivable	A-11	2,171	1,878
Interfunds	A-12	73,989	29,530
		<u>422,104</u>	<u>339,661</u>
Deferred Charges:			
Over-Expenditure of Appropriations	A-13	169,570	
Special Emergency Authorization	A-14	641,069	1,023,654
		<u>810,639</u>	<u>1,023,654</u>
Total Current Fund		<u>11,320,979</u>	<u>11,629,663</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-24	410,283	410,283
Due From Current Fund	A-25	358,983	609,864
Total Federal and State Grant Fund		<u>769,266</u>	<u>1,020,147</u>
		<u>\$ 12,090,245</u>	<u>12,649,810</u>

BOROUGH OF ENGLEWOOD CLIFFS

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31, 2023 and 2022

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Liabilities:			
Appropriation Reserves	A-3, A-15	1,280,350	2,312,254
Encumbrances	A-16	137,053	481,420
Accounts Payable	A-17	744,738	636,097
Due to State of New Jersey - Senior Citizens' and Veterans' deductions	A-7		402
Prepaid Taxes	A-18	369,510	291,068
Tax Overpayments	A-19	28,372	9,974
County Taxes Payable	A-20	83,571	24,866
Local District School Taxes Payable	A-21		117,018
Interfunds	A-12	1,493,014	1,994,934
Reserve for Miscellaneous Reserves	A-22	344,357	308,302
Special Emergency Notes Payable	A-23	640,830	1,023,415
		<u>5,121,795</u>	<u>7,199,750</u>
Reserve for Receivables		422,104	339,661
Fund Balance	A-1	<u>5,777,080</u>	<u>4,090,252</u>
Total Current Fund		<u>11,320,979</u>	<u>11,629,663</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-26	703,510	997,648
Unappropriated Reserves	A-27	<u>65,756</u>	<u>22,499</u>
Total Federal and State Grant Fund		<u>769,266</u>	<u>1,020,147</u>
		<u>\$ 12,090,245</u>	<u>12,649,810</u>

See accompanying notes to financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
Comparative Statement of Operations and
Changes in Fund Balance - Regulatory Basis

Current Fund

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Revenue and Other Income:		
Fund Balance Utilized	\$ 2,301,000	1,200,000
Miscellaneous Revenues Anticipated	2,631,092	3,510,345
Receipts from Delinquent Taxes	265,749	290,643
Receipts from Current Taxes	40,464,711	39,529,484
Non-budget Revenue	269,665	227,304
Other Credits to Income:		
Prior Year's Interfunds Returned	2,972	6,483
Cancelled Liabilities	6,233	
Unexpended Balance of Appropriation Reserves	2,037,297	1,378,667
	<u>47,978,719</u>	<u>46,142,926</u>
Total Revenue and Other Income		
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	6,509,500	6,410,925
Other Expenses	9,136,984	9,389,661
Municipal Debt Service	2,040,962	2,426,573
Deferred Charges and Statutory Expenditures	1,985,441	1,936,205
Capital Improvement Fund	298,000	537,605
Local District School Taxes	14,569,943	14,284,258
County Taxes	9,352,926	8,440,016
Due County for Added Taxes	83,571	24,866
Overexpenditure of Appropriation Reserves	129,378	
Interfund Advanced	39,181	8,443
Prior Year Refunds	14,575	37,518
	<u>44,160,461</u>	<u>43,496,070</u>
Total Expenditures		
Excess/(Deficit) in Revenue	3,818,258	2,646,856
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are		
by Statute Deferred Charges to Budgets		
of Succeeding Years		
Overexpenditure of Appropriations	40,192	
Overexpenditure of Appropriation Reserves	129,378	
	<u>3,987,828</u>	<u>2,646,856</u>
Statutory Excess to Surplus		
Fund Balance, January 1	4,090,252	2,643,396
Decreased by Utilization as Anticipated Revenue	2,301,000	1,200,000
Fund balance, December 31	<u>\$ 5,777,080</u>	<u>4,090,252</u>

See accompanying notes to financial statements.

BOROUGH OF ENGLEWOOD CLIFFS

Comparative Statement of Revenues - Regulatory Basis

Current Fund

Year ended December 31, 2023

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 2,301,000	2,301,000	
Miscellaneous Revenues:			
Licenses - Alcoholic Beverages	19,000	20,250	1,250
Fees and Permits:			
Construction Code Official	417,120	396,311	(20,809)
Other	54,000	46,063	(7,937)
Municipal Court - Fines and Costs	23,000	26,179	3,179
Interest and Costs on Taxes	79,000	90,740	11,740
Interest on Investments	136,000	178,901	42,901
Commercial Sewer User Fees	321,000	268,467	(52,533)
Cable TV - Annual Fees	37,000	15,134	(21,866)
Cell Tower - Annual Leases	343,000	323,134	(19,866)
Elevator Fees	49,000	64,714	15,714
Consolidated Municipal Property Tax Relief Aid	696,254	696,254	
Municipal Relief Fund	36,070	36,070	
General Capital Fund Balance	69,000	69,000	
Sewer Hook Up Fees	12,000	28,000	16,000
Police - Outside Duty	197,000	371,875	174,875
Total Miscellaneous Revenues	<u>2,488,444</u>	<u>2,631,092</u>	<u>142,648</u>
Receipts from Delinquent Taxes	<u>289,000</u>	<u>265,749</u>	<u>(23,251)</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	<u>16,336,880</u>	<u>17,164,014</u>	<u>827,134</u>
Budget Totals	<u>\$ 21,415,324</u>	<u>22,361,855</u>	<u>946,531</u>
Nonbudget Revenue		<u>269,665</u>	
		<u>\$ 22,631,520</u>	

BOROUGH OF ENGLEWOOD CLIFFS
Comparative Statement of Revenues - Regulatory Basis
Current Fund
Year ended December 31, 2023

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 40,464,711
Less: Allocated to School and County Taxes	<u>24,150,697</u>
Balance for Support of Municipal Budget	16,314,014
 Add Reserve for Uncollected Taxes	 <u>850,000</u>
 Amount for Support of Municipal Budget	 \$ <u><u>17,164,014</u></u>
 Receipts from:	
Delinquent Tax Collections	<u>265,749</u>
	\$ <u><u>265,749</u></u>
 <u>Analysis of Non-Budget Revenue:</u>	
Miscellaneous	17,340
On-Line Fees	15,440
LEA Rebates	14,868
PSE&G Lease	76,000
Recreation Fees	116,551
Worker's Compensation Reimbursement	11,158
Bergen County Utilities Authority Connection Fees	5,898
Insurance Reimbursement	<u>12,410</u>
	\$ <u><u>269,665</u></u>

See accompanying notes to financial statements.

**Borough of Englewood Cliffs
Statement of Expenditures - Regulatory Basis**

Current Fund

Year Ended December 31, 2023

	<u>Budget</u>	Total for 2023 as Modified by all Transfers	<u>Expended 2023</u> Paid or Charged	<u>Reserved</u>	<u>Cancelled</u>	<u>Over-</u> <u>Expenditure</u>
Operations-within "CAPS"						
General Government:						
Administrative and Executive:						
Salaries and Wages	\$ 300,000	265,000	261,690	3,310		
Other Expenses	150,000	125,000	98,631	26,369		
Governing Body:						
Salaries and Wages	18,000	18,000	13,833	4,167		
Other Expenses	2,000	2,000		2,000		
Financial Administration:						
Salaries and Wages	150,000	125,000	123,340	1,660		
Other Expenses	150,000	150,000	98,941	51,059		
Information Technology:						
Other Expenses	120,000	120,000	66,837	53,163		
Collection of Taxes:						
Salaries and Wages	100,000	87,500	75,959	11,541		
Other Expenses	50,000	37,500	17,211	20,289		
Assessment of Taxes:						
Salaries and Wages	20,000	20,000	19,872	128		
Other Expenses	35,000	20,000	12,274	7,726		
Legal Services and Costs:						
Other Expenses	1,801,000	1,801,000	1,602,675	198,325		
Engineering Services and Costs:						
Other Expenses	50,000	77,500	57,439	20,061		
Municipal Land Use Law (NJSA40:55D-1)						
Planning Board:						
Salaries and Wages	20,000	20,000	22,000			2,000
Other Expenses	50,000	60,500	55,813	4,687		

Borough of Englewood Cliffs

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	Budget	Total for 2023 as Modified by all Transfers	Paid or Charged	Expended 2023	Reserved	Cancelled	Over- Expenditure
Insurance:							
Other Insurance Premiums	807,000	807,000	789,743	17,257			
Group Insurance Plan for Employees	1,900,000	1,900,000	1,574,203	25,797		300,000	
Public Safety:							
Police:							
Salaries and Wages	4,500,000	4,450,000	4,324,342	125,658			
Other Expenses	300,000	300,000	267,967	32,033			
Office of Emergency Management:							
Salaries and Wages	10,000	10,000	7,750	2,250			
Other Expenses	10,000	10,000		10,000			
Fire Official:							
Salaries and Wages	80,000	135,000	131,795	3,205			
Fire Hydrant Services	90,000	90,000	88,355	1,645			
Other Expenses	100,000	101,000	101,836				836
Clothing Expenses	25,000						
Municipal Court:							
Salaries and Wages- Prosc/Pub Defender	15,000	15,000	3,000	12,000			
Public Works Function:							
Road Repairs and Maintenance:							
Salaries and Wages	1,000,000	950,000	908,139	41,861			
Other Expenses	150,000	195,000	193,987	1,013			
Gasoline	100,000	100,000	69,496	30,504			
Garbage and Trash Removal:							
Other Expenses	585,000	585,000	417,094	17,906		150,000	
Public Buildings and Grounds:							
Other Expenses	85,000	85,000	75,191	9,809			
Sewer System:							
Other Expenses	15,000	30,000	29,413	587			

**Borough of Englewood Cliffs
Statement of Expenditures - Regulatory Basis**

Current Fund

Year Ended December 31, 2023

	<u>Budget</u>	Total for 2023 as Modified by <u>all Transfers</u>	<u>Expended 2023</u> Paid or <u>Charged</u>	<u>Reserved</u>	<u>Cancelled</u>	<u>Over- Expenditure</u>
Shade Tree:						
Other Expenses	75,000	98,000	102,755			4,755
Health and Welfare:						
Board of Health:						
Salaries and Wages	12,000	15,000	15,000			
Other Expenses	50,000	50,000	40,040	9,960		
Environmental Commission:						
Other Expenses	1,500	1,500		1,500		
Senior Citizens Committee:						
Other Expenses	15,000	15,000	13,001	1,999		
Parks and Playgrounds:						
Salaries and Wages	75,000	85,000	80,720	4,280		
Other Expenses	125,000	128,000	130,407			2,407
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses	8,000	8,000		8,000		
Municipal Court:						
Salaries and Wages	60,000	60,000	40,467	19,533		
Other Expenses	10,000	13,000	12,435	565		
Appropriations Offset by Dedicated Revenues:						
Construction Official:						
Salaries and Wages	200,000	232,000	231,418	582		
Other Expenses	50,000	57,000	56,292	708		
Fire Prevention:						
Salaries and Wages	20,000	20,000	17,000	3,000		
Other Expenses	5,000	5,000	295	4,705		

**Borough of Englewood Cliffs
Statement of Expenditures - Regulatory Basis**

Current Fund

Year Ended December 31, 2023

	<u>Budget</u>	Total for 2023 as Modified by all <u>Transfers</u>	<u>Expended 2023</u>	<u>Over-</u>
			<u>Paid or</u> <u>Charged</u>	<u>Cancelled</u> <u>Expenditure</u>
			<u>Reserved</u>	
Unclassified:				
Utilities:				
Electricity and Heating Oil	150,000	150,000	122,278	27,722
Telephone and Fax	130,000	130,000	100,399	29,601
Street Lighting	150,000	150,000	149,398	602
Water	30,000	30,000	18,002	11,998
Total Operations within "CAPS"	<u>13,954,500</u>	<u>13,939,500</u>	<u>12,638,733</u>	<u>860,765</u>
			<u>450,000</u>	<u>9,998</u>
Detail:				
Salaries and Wages	6,580,000	6,507,500	6,276,325	233,175
Other Expenses (Including Contingent)	7,374,500	7,432,000	6,362,408	627,590
			<u>450,000</u>	<u>7,998</u>
(E) Deferred Charges and Statutory Expenditures- Municipal within "CAPS"				
(2) STATUTORY EXPENDITURES:				
Contribution to:				
Public Employees' Retirement System	204,509	204,509	204,509	
Public Employees' Retirement System - Retro				
Social Security System (O.A.S.I.)	250,000	250,000	234,632	15,368
Police and Firemen's Retirement System of NJ	1,141,938	1,141,938	1,141,937	1
DCRP	6,409	6,409	5,039	1,370
Total Deferred Charged and Statutory Expenditures- Municipal within "CAPS"	<u>1,602,856</u>	<u>1,602,856</u>	<u>1,586,117</u>	<u>16,739</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>15,557,356</u>	<u>15,542,356</u>	<u>14,224,850</u>	<u>877,504</u>
			<u>450,000</u>	<u>9,998</u>

Borough of Englewood Cliffs

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	Budget	Total for 2023 as Modified by all Transfers	Expended 2023 Paid or Charged	Reserved	Cancelled	Over-Expenditure
Operations - Excluded from "CAPS"						
Bergen County Utilities Authority						
Sewer Charges - Contractual	912,000	912,000	911,629	371		
Sewer Charges - Borough of Tenafly	15,300	15,300	15,300			
Sewer Charges - City of Englewood	40,000	40,000	21,993	18,007		
LOSAP	25,000	30,000	29,325	675		
Reserve for Tax Appeals	700,000	700,000	316,207	383,793		
Library Services						
Maintenance of Free Public Library	155,000	165,000	165,000			
Public Employees' Retirement System	26,148	26,148	26,148			
Police and Firemen's Retirement System of NJ	258,538	258,538	258,538			
Total Operations-Excluded from "CAPS"	2,131,986	2,146,986	1,744,140	402,846		
Detail:						
Other Expenses	2,131,986	2,146,986	1,744,140	402,846		
Capital Improvements - Excluded from "CAPS"						
Capital Improvement Fund	298,000	298,000	298,000			
Total Capital Improvements Excluded from "CAPS"	298,000	298,000	298,000			
Municipal Debt Service-Excluded from "CAPS"						
Payment of Bond Principal	675,000	675,000	675,000			
Payment of Bond Anticipation Notes and Capital Notes	954,678	954,678	770,049		184,629	
Interest on Bonds	153,750	153,750	153,750			
Interest on Notes	293,062	293,062	323,256			30,194
Bergen County Improvement Authority						
Principal on Capital Leases	117,000	117,000	117,000			
Interest on Capital Leases	1,907	1,907	1,907			
Total Municipal Debt Service-Excluded from "CAPS"	2,195,397	2,195,397	2,040,962		184,629	30,194

Borough of Englewood Cliffs
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	Budget	Total for 2023 as Modified by all Transfers	Paid or Charged	Expended 2023 Reserved	Cancelled	Over- Expenditure
Deferred Charges:						
Special Emergency Authorizations- 5 years (N.J.S. 40A:4-55)	382,585	382,585	382,585			
Total Deferred Charges - Municipal - Excluded from "CAPS"	<u>382,585</u>	<u>382,585</u>	<u>382,585</u>			
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,007,968	5,022,968	4,465,687	402,846	184,629	30,194
Total General Appropriations-Excluded from "CAPS"	<u>5,007,968</u>	<u>5,022,968</u>	<u>4,465,687</u>	<u>402,846</u>	<u>184,629</u>	<u>30,194</u>
Subtotal General Appropriations	20,565,324	20,565,324	18,690,537	1,280,350	634,629	40,192
Reserve for Uncollected Taxes	850,000	850,000	850,000			
Total General Appropriations	<u>\$ 21,415,324</u>	<u>21,415,324</u>	<u>19,540,537</u>	<u>1,280,350</u>	<u>634,629</u>	<u>40,192</u>
Adopted Budget \$	<u>21,415,324</u>					
Encumbrances \$			137,053			
Reserve for Tax Appeals			316,207			
Deferred Charges			382,585			
Reserve for Uncollected Taxes			850,000			
Cash			<u>17,854,692</u>			
			<u>\$ 19,540,537</u>			

See accompanying notes to financial statements.

BOROUGH OF ENGLEWOOD CLIFFS

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Dog License Trust Fund:			
Cash	B-1	\$ 19,078	11,042
		<u>19,078</u>	<u>11,042</u>
Other Trust Fund:			
Cash	B-1	1,716,376	1,527,848
Tax Sale Receivable	B-2	50	50
Interfunds	B-3		3,913
		<u>1,716,426</u>	<u>1,531,811</u>
Recycling Trust Fund:			
Cash	B-1	6,120	4,433
Deferred Charges - Overexpenditure	B-8	6,038	7,725
Intrafunds	B-3	620	620
		<u>12,778</u>	<u>12,778</u>
Shade Tree Trust Fund:			
Cash	B-1	10,594	10,525
Council for Affordable Housing (COAH) Development Trust Fund:			
Cash	B-1	3,440,521	2,781,873
DEA Forfeiture Trust Fund:			
Cash	B-1	136,376	70,888
Interfunds	B-3		63,653
		<u>136,376</u>	<u>134,541</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	1,636,795	1,285,314
Contributions Receivable	B-12	34,391	29,325
		<u>1,671,186</u>	<u>1,314,639</u>
Total Assets		\$ <u>7,006,959</u>	<u>5,797,209</u>

BOROUGH OF ENGLEWOOD CLIFFS
Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2023 and 2022

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Dog License Fund:			
Interfunds	B-3	\$ 14,341	6,091
Reserve for Dog Fund Expenditures	B-5	4,737	4,951
		<u>19,078</u>	<u>11,042</u>
Other Trust Fund:			
Interfunds	B-3	41,316	2,135
Intrafunds	B-3	468	468
Due to State of New Jersey	B-6		12,723
Reserve For:			
Other Trust Deposits	B-7	1,674,642	1,516,485
		<u>1,716,426</u>	<u>1,531,811</u>
Recycling Trust Fund:			
Interfunds	B-3	12,778	12,778
		<u>12,778</u>	<u>12,778</u>
Shade Tree Trust Fund:			
Intrafunds	B-3	152	152
Reserve for Shade Tree Expenditures	B-9	10,442	10,373
		<u>10,594</u>	<u>10,525</u>
Council for Affordable Housing (COAH)			
Development Trust Fund:			
Reserve for COAH Development Expenditures	B-10	3,440,521	2,781,873
		<u>3,440,521</u>	<u>2,781,873</u>
DEA Forfeiture Trust Fund:			
Reserve for DEA Forfeiture Expenditures	B-11	136,376	134,541
		<u>136,376</u>	<u>134,541</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-13	1,671,186	1,314,639
		<u>1,671,186</u>	<u>1,314,639</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 7,006,959</u>	<u>5,797,209</u>

See accompanying notes to financial statements.

BOROUGH OF ENGLEWOOD CLIFFS

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2023 and 2022

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Cash	C-2,C-3	\$ 14,303	330,533
Grants Receivable			
New Jersey Department of Transportation	C-4	842,760	842,760
Bergen County Grants	C-5	302,652	302,652
Due from Ambulance Corp.	C-6	100,000	100,000
Due from Current Fund	C-7	1,134,031	1,317,504
Deferred Charges to Future Taxation:			
Funded	C-8	10,205,000	5,692,000
Unfunded	C-9	7,784,800	14,171,516
		<u>\$ 20,383,546</u>	<u>22,756,965</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-10	1,245,000	7,610,049
General Serial Bonds	C-11	10,205,000	5,575,000
Capital Leases Payable	C-12		117,000
Improvement Authorizations:			
Funded	C-13	935,051	902,372
Unfunded	C-13	6,249,059	7,780,877
Encumbrances Payable	C-14	592,684	232,455
Capital Improvement Fund	C-15	321,839	23,839
Reserve for Payment of Debt	C-16	353,700	
Reserve for Cost of Issuance	C-17	4,086	4,086
Reserve for Boswell Settlement	C-18	185,000	185,000
Reserve for Grants Receivable	C-19	256,652	256,652
Fund Balance	C-1	35,475	69,635
		<u>\$ 20,383,546</u>	<u>22,756,965</u>

There were \$6,539,800 and \$6,561,467 of Bonds and Notes Authorized But Not Issued on December 31, 2023 and 2022 respectively (Exhibit C-20).

See accompanying notes to financial statements.

BOROUGH OF ENGLEWOOD CLIFFS

Comparative Statement of Fund Balance - Regulatory Basis

General Capital Fund

Year ended December 31, 2023

	<u>2023</u>	<u>2022</u>
Balance - December 31,	\$ 69,635	67,511
Increased by:		
Premium Received on Bond Sale	34,019	
Premium Received on Note Sale	821	69,624
	<u>104,475</u>	<u>137,135</u>
Decreased by:		
Current Fund Budget Revenue	<u>69,000</u>	<u>67,500</u>
Balance - December 31,	<u>\$ 35,475</u>	<u>69,635</u>

See accompanying notes to financial statements.

BOROUGH OF ENGLEWOOD CLIFFS

Comparative Statement of General Fixed Assets - Regulatory Basis

General Fixed Assets Account Group

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
General Fixed Assets:		
Land	\$ 73,839,615	73,839,615
Buildings	9,360,673	9,360,673
Vehicles and Equipment	<u>7,932,139</u>	<u>7,932,139</u>
	<u>91,132,427</u>	<u>91,132,427</u>
Investment in General Fixed Assets	<u>\$ 91,132,427</u>	<u>91,132,427</u>

See accompanying notes to financial statements.

BOROUGH OF ENGLEWOOD CLIFFS, N.J.

Comparative Balance Sheet-Regulatory Basis

Payroll Account

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Cash	\$ <u>5,554</u>	<u>8,526</u>
	\$ <u><u>5,554</u></u>	<u><u>8,526</u></u>
<u>Liabilities</u>		
Due to Current Fund	\$ <u>5,554</u>	<u>8,526</u>
	\$ <u><u>5,554</u></u>	<u><u>8,526</u></u>

See accompanying notes to financial statements.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups 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 financial statements of the Borough of Englewood Cliffs have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Englewood Cliffs (the "Borough") operates under a Borough Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, 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. 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 Borough do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough 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 Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

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

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

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Emergency Services Volunteer Length of Service Award Program - This fund is used to account for the cumulative payments to participant's in the emergency services volunteer length of service award program including any income, gains, losses or increases or decreases in market value attributable to the investment of the participant's length of service awards.

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

General Fixed Assets Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Englewood Cliffs. 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 for municipalities by the Division 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:

Property Tax Revenues - 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. 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 June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11th day of the 11th month in the fiscal year 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 tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes 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, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - 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 Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

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 of the current fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

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

General Capital Fund
Trust Funds

The governing body shall introduce and approve the annual budget not later than March 20, of the fiscal year. The budget shall be adopted not later than April 28, 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. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. 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. During the years ended December 31, 2023 and 2022, the Governing Body did not approve additional revenues and appropriation with N.J.S.A. 40A:4-87. The Governing Body approved special emergency appropriations in the Current Fund of \$639,324 for Terminal Leave in 2022. In addition, several budget transfers were approved by the governing body in 2023 and 2022.

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 canceled 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, which should be recognized when due.

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

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

Appropriation Reserves - 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.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. 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 be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market 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.

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.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

General Fixed Assets - The Borough of Englewood Cliffs has developed a fixed assets accounting and reporting system, as promulgated by The Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

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 drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates

The preparation of financial statements requires management of the Borough 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough'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.

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Basis of Accounting, (continued)

Impact of Recently Issued Accounting Principles

The following GASB statements became effective for the fiscal year ended December 31, 2023:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Statement will become effective for the Borough's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however, management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

In December 2023, the Government Accounting Standards Board issued GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however, management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2. PENSION PLANS

Description of Systems:

Borough employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

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**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

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 vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
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 Tiers 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 to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 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 a 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 at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

Police and Firemen's Retirement System (PFRS)

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's annual financial report statement, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. The following represents the membership tiers for PFRS:

<u>Tier</u>	<u>Definition</u>
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% (Tiers 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.

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

The Borough of Englewood Cliffs opted for this deferral in the amount of \$436,241. The amount outstanding at December 31, 2023 was \$55,090.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (continued)

Contribution Requirements, (continued)

defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2023	\$230,657	\$1,400,475	\$5,039
2022	197,593	1,103,322	4,584
2021	198,433	1,147,780	5,099

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

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

Public Employees Retirement System (PERS)

At December 31, 2023, the Borough had a liability of \$2,203,238 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the Borough's proportion was 0.0152111376 percent, which was an decrease of (0.00243355) percent from its proportion measured as of June 30, 2022.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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)

For the year ended December 31, 2023, the Borough recognized pension expense of \$230,657. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$21,066	\$9,006
Changes of assumptions	4,840	133,526
Net difference between projected and actual earnings on pension plan investments	10,146	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>186,185</u>	<u>456,877</u>
Total	<u>\$222,237</u>	<u>\$599,409</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$(116,322)
2025	(64,926)
2026	90,730
2027	(16,237)
2028	275

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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)

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred inflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,484,374,047	15,091,376,611
Borough's Proportion	0.0152111376%	0.0176446889%

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00 Percent

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non- Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement based on Scale MP-2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 PERS's target asset allocation as of June 30, 2023 are summarized in the following table:

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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 the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	<u>June 30, 2023</u>		
	<u>1% Decrease 6.00%</u>	<u>At Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Borough's proportionate share of the pension liability	\$2,873,753	\$2,203,238	\$1,632,541

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

At December 31, 2023, the Borough had a liability of \$11,054,567 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2023, the Borough's proportion was 0.10005235 percent, which was an increase of 0.0083789 percent from its proportion measured as of June 30, 2022.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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, (continued)

For the year ended December 31, 2023, the Borough recognized pension expense of \$1,400,475. At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$473,334	\$527,205
Changes of assumptions	23,860	746,448
Net difference between projected and actual earnings on pension plan investments	562,988	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>1,069,898</u>	<u>1,396,767</u>
Total	<u>\$2,130,080</u>	<u>\$2,670,420</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$(430,205)
2025	(412,857)
2026	664,246
2027	(57,130)
2028	20,391
Thereafter	2,084

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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, (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.16, 6.22, 6.17, 5.90, 5.92, 5.73 and 5.59 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts, respectively.

Additional Information

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,753,080,638	\$2,163,793,955
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective net pension liability	13,084,649,602	11,446,356,176
Borough's Proportion	0.10005235%	0.0992144630%

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-16.25% (based on years of service)
Thereafter	Not Applicable
Investment Rate of Return	7.00%

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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, (continued)

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and 109.3% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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 PFRS's target asset allocation as of June 30, 2023 are summarized in the following table:

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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, (continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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, (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2023 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$16,203,779	\$11,054,567	\$6,766,503

Special Funding Situation - PFRS

Under N.J.S.A. 43:16A-15, the Borough 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 Borough 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 Borough'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.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2. PENSION PLANS, (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, (continued)

At December 31, 2023 and 2022, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,036,933 and \$2,021,114, respectively. For the years ended December 31, 2023 and 2022, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$231,697 and \$233,183, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$232,947 and \$251,619, respectively. The State's proportionate share attributable to the Borough 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 Borough's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to the pension benefits described in Note 2, the Borough provides post employment health care benefits as part of the State Health Benefits Local Government Retired Employees Plan.

General Information about the OPEB Plan

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

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) retired 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) retired 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 provides 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 of coverage.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

At December 31, 2023, the Borough had a liability of \$12,311,160 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers in the plan. At June 30, 2023 the Borough's proportion was 0.090986 percent.

For the year ended December 31, 2023, the Borough recognized OPEB expense of \$(310,243). At December 31, 2023, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$629,645	\$3,707,939
Changes of assumptions	1,768,686	3,859,506
Net difference between projected and actual earnings on OPEB plan investments		2,253
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>5,718,321</u>	<u>3,084,643</u>
Total	<u>\$8,116,652</u>	<u>\$10,652,088</u>

Amounts reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB (excluding changes in proportion) will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$(1,549,021)
2025	(1,268,746)
2026	(686,370)
2027	(321,746)
2028	(649,458)
Thereafter	(696,026)

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 7389, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

Actual Assumptions and Other Inputs

The total OPEB liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement

Salary increases*:

Public Employees' Retirement System (PERS)
Rate for all future years

2.75% to 6.55%
based on years of service

Police and Firemen's Retirement System (PFRS)
Rate for all future years

3.25% to 16.25%
based on years of service

Mortality:

PERS

Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PFRS

Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

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

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

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB), (continued)

Discount Rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, 2023, as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2023		
	1%	At Current	1%
	<u>Decrease</u>	<u>Discount Rate</u>	<u>Increase</u>
	<u>2.65%</u>	<u>3.65%</u>	<u>4.65%</u>
Borough's proportionate share of Net OPEB liability	\$15,815,510	\$13,653,850	\$11,915,128

Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rates:

The following presents the Borough's proportionate share of the net OPEB liability as of June 30, 2023 as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1 percentage point higher than the current rate:

	June 30, 2023		
	1%	Healthcare Cost	1%
	<u>Decrease</u>	<u>Trend Rate</u>	<u>Increase</u>
Borough's proportionate share of Net OPEB liability	\$11,604,166	\$13,653,850	\$16,278,072

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 4. MUNICIPAL DEBT

Long-term debt as of December 31, 2023 and 2022 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	<u>\$5,575,000</u>	<u>\$5,305,000</u>	<u>\$675,000</u>	<u>\$10,205,000</u>	<u>\$1,040,000</u>
Total Bonds Payable	<u>5,575,000</u>	<u>5,305,000</u>	<u>675,000</u>	<u>10,205,000</u>	<u>1,040,000</u>
Other Liabilities:					
Pension Deferral	80,174	25,697	(*) 50,781	55,090	55,090
General Capital:					
BCIA Leases Payable	117,000		117,000		
Compensated Absences Payable	<u>1,626,824</u>			<u>1,626,824</u>	
Total Other Liabilities	<u>1,823,998</u>	<u>25,697</u>	<u>167,781</u>	<u>1,681,914</u>	<u>55,090</u>
	<u>\$7,398,998</u>	<u>\$5,330,697</u>	<u>\$842,781</u>	<u>\$11,886,914</u>	<u>\$1,095,090</u>

* - Adjustment was made to agree ending balance with billing amount from subsequent year. Additional adjustments will be needed in the future for additional amounts added by the State which are unknown at this time.

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	<u>\$6,905,000</u>	<u>\$</u>	<u>\$1,330,000</u>	<u>\$5,575,000</u>	<u>\$675,000</u>
Total Bonds Payable	<u>6,905,000</u>	<u>-</u>	<u>1,330,000</u>	<u>5,575,000</u>	<u>675,000</u>
Other Liabilities:					
Pension Deferral	128,838		48,664	80,174	50,781
General Capital:					
BCIA Leases Payable	223,000		106,000	117,000	117,000
Compensated Absences Payable	<u>1,897,614</u>		<u>270,790</u>	<u>1,626,824</u>	
Total Other Liabilities	<u>2,249,452</u>	<u>-</u>	<u>425,454</u>	<u>1,823,998</u>	<u>167,781</u>
	<u>\$9,154,452</u>	<u>\$</u>	<u>\$1,755,454</u>	<u>\$7,398,998</u>	<u>\$842,781</u>

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 4. MUNICIPAL DEBT, (continued)

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

The Borough's debt is summarized as follows:

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
Issued:			
General - Bonds, Notes and Loans	\$11,450,000	\$13,185,049	\$15,225,779
Authorized But Not Issued - General Bonds and Notes	<u>6,539,800</u>	<u>6,561,467</u>	<u>1,800,467</u>
	<u>17,989,800</u>	<u>19,746,516</u>	<u>17,026,246</u>
 Total Bonds, Notes and Loans Issued and Authorized Not Issued	 17,989,800	 19,746,516	 17,026,246
 Less: Deductions	 <u>353,700</u>	 <u> </u>	 <u>2,181,667</u>
Net Debt	<u>\$17,636,100</u>	<u>\$19,746,516</u>	<u>\$14,844,579</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.392% for 2023:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	\$17,989,800	\$353,700	\$17,636,100
	<u>\$17,989,800</u>	<u>\$353,700</u>	<u>\$17,636,100</u>

Net debt of \$17,636,100 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$3,783,725,729 equals 0.392%.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 4. MUNICIPAL DEBT, (continued)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .547% for 2022:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	<u>\$19,746,516</u>	\$ _____	<u>\$19,746,516</u>
	<u>\$19,746,516</u>	<u>\$0</u>	<u>\$19,746,516</u>

Net debt of \$19,746,516 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$3,611,490,021 equals .547%.

Borrowing Power Available Under N.J.S.A. 40A:2-6 as Amended

	<u>2023</u>	<u>2022</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$132,430,401	\$126,402,151
Net Debt	<u>17,636,100</u>	<u>19,746,516</u>
Remaining Borrowing Power	<u>\$114,794,301</u>	<u>\$106,655,635</u>

The Borough's long-term debt consisted of the following at December 31, 2023:

Paid by Current Fund:

	<u>2023</u>	<u>2022</u>
\$9,885,000 General Improvement Bonds - with an interest rate of 2.00% to 3.00% issued March 15, 2014, due through March 15, 2030	\$4,900,000	\$5,575,000
\$3,205,000 General Improvement Refunding Bonds - with an interest rate of 1.550% issued March 3, 2016, due through July 15, 2022	<u>5,305,000</u>	_____
Total General Serial Bonds	<u>\$10,205,000</u>	<u>\$5,575,000</u>

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 4. MUNICIPAL DEBT, (continued)

Aggregate annual debt service requirements for bonded debt issued and outstanding:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$1,040,000	\$338,954	\$1,378,954
2025	1,055,000	308,369	1,363,369
2026	1,200,000	273,169	1,473,169
2027	1,220,000	232,169	1,452,169
2028	1,240,000	190,369	1,430,369
2029-2033	<u>4,450,000</u>	<u>388,544</u>	<u>4,838,544</u>
	<u>\$10,205,000</u>	<u>\$1,731,574</u>	<u>\$11,936,574</u>

General capital serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough.

At December 31, 2023, the Borough had authorized but not issued debt of \$6,539,800.

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**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 5. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2023 and 2022, the Borough had \$1,245,000 and \$7,610,049, respectively, in outstanding General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2023 and 2022:

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
<u>General Capital Notes Payable:</u>				
Bank of NY Mellon	\$5,945,049	\$1,245,000	\$5,945,049	\$1,245,000
Piper Sandler & Co.	<u>1,665,000</u>		<u>1,665,000</u>	
	<u>\$7,610,049</u>	<u>\$1,245,000</u>	<u>\$7,610,049</u>	<u>\$1,245,000</u>
	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>General Capital Notes Payable:</u>				
TD Securities LLC	\$7,370,779	\$	\$7,370,779	\$0
Bank of NY Mellon		5,945,049		5,945,049
Piper Sandler & Co.	<u>950,000</u>	<u>1,665,000</u>	<u>950,000</u>	<u>1,665,000</u>
	<u>\$8,320,779</u>	<u>\$7,610,049</u>	<u>\$8,320,779</u>	<u>\$7,610,049</u>

NOTE 6. SPECIAL EMERGENCY NOTES

Following the adoption of an ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/3 or 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 third or fifth year following the date of the special emergency resolution.

On December 31, 2023 and 2022, the Borough had \$640,830 and \$1,023,415, respectively, in outstanding Current Fund Special Emergency notes.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 6. SPECIAL EMERGENCY NOTES, (continued)

The following activity related to special emergency notes occurred during the calendar years ended December 31, 2023 and 2022:

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
<u>General Capital Notes Payable:</u>				
Piper Sandler & Co.	\$1,023,415	\$	\$1,023,415	\$
Bank of NY Mellon		<u>640,830</u>		<u>640,830</u>
	<u>\$1,023,415</u>	<u>\$640,830</u>	<u>\$1,023,415</u>	<u>\$640,830</u>
	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>General Capital Notes Payable:</u>				
Piper Sandler & Co.	\$1,406,000	\$1,023,415	\$1,406,000	\$1,023,415
	<u>\$1,406,000</u>	<u>\$1,023,415</u>	<u>\$1,406,000</u>	<u>\$1,023,415</u>

NOTE 7. DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023 and 2022, the following deferred charges are shown on the balance sheet of the various funds:

	<u>Balance</u> <u>December 31,</u> <u>2023</u>	<u>2024</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budget</u>
<u>Current Fund:</u>			
Over Expenditure Appropriations	\$169,570	\$	\$169,570
Special Emergency - N.J.S.A. 40A:4-55	641,069	382,585	258,484
Deficit in Recycling Trust	<u>6,038</u>		<u>6,038</u>
	<u>\$816,677</u>	<u>\$382,585</u>	<u>\$434,092</u>
	<u>Balance</u> <u>December 31,</u> <u>2022</u>	<u>2023 Budget</u> <u>Appropriation</u>	<u>Balance to</u> <u>Succeeding</u> <u>Budget</u>
<u>Current Fund:</u>			
Special Emergency - N.J.S.A. 40A:4-55	\$1,023,654	\$382,585	\$641,069
Deficit in Recycling Trust	<u>7,725</u>		<u>7,725</u>
	<u>\$1,031,379</u>	<u>\$382,585</u>	<u>\$648,794</u>

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 8. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2023 and December 31, 2022 which has been appropriated as revenue in the 2024 and 2023 budgets is as follows:

	<u>2024</u>	<u>2023</u>
Current Fund	<u>\$2,450,000</u>	<u>\$2,301,000</u>

NOTE 9. ACCRUED SICK AND VACATION BENEFITS

The Borough permits employees to accrue (with certain restrictions) unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. This amount is not reported either as an expenditure or liability.

The estimated accumulated unpaid compensation as of December 31, 2023 and 2022 was \$1,026,824 and \$1,026,824, respectively. The Borough did not update this analysis for December 31, 2023.

NOTE 10. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

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 Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2023 and 2022, \$4,233 of the Borough's bank balance of \$16,113,250 and \$15,864,037, respectively, were exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 10. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 16, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by AIG, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2023 and 2022 amounted to \$1,636,795 and \$1,285,314, respectively.

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**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 10. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

The following investments represent the total invested with AIG on December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Asset Allocation Fund	\$54,933	\$45,958
Core Bond Fund	3,911	4,545
Dividend Value	57,679	54,381
Emerging Economies	2,250	1,934
Fixed Account Plus	103,111	96,532
Global Strategy	8,228	7,189
Government Securities Fund		873
Growth Fund	8,439	5,683
Government Money Market Fund Inst.	64,559	54,318
High Yield Bond Fund	2,651	2,367
International Equities Fund	11,146	9,316
International Opportunities	2,347	2,074
Mid Cap Index Fund	136,425	115,316
Mid Cap Strategic Growth	1,560	1,287
Mid Cap Value Fund	351,570	300,350
Moderate Growth Lifestyle	6,002	5,311
NASDAQ-100R Index Fund	10,563	6,828
Science & Technology Fund	424,794	272,960
Small Cap Index Fund	10,842	12,656
Small Cap Value Fund	2,358	3,672
Stock Index Fund	248,488	195,133
Systematic Core Fund	8,517	6,891
Systematic Growth Fund	115,277	78,720
Systematic Value	1,145	1,020
	<u>\$1,636,795</u>	<u>\$1,285,314</u>

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 11. LOCAL DISTRICT SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough has elected to defer school taxes as of December 31, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Balance of tax	\$7,357,100	\$7,329,861
Deferred	<u>7,357,100</u>	<u>7,212,843</u>
Tax payable	<u>\$0</u>	<u>\$117,018</u>

NOTE 12. FIXED ASSETS

The following is a summary of General Fixed Assets Account Group as of December 31, 2023 and 2022:

	Restated Balance <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2023</u>
Land	\$73,839,615	\$	\$	\$73,839,615
Buildings	9,360,673			9,360,673
Vehicles and Equipment	<u>7,932,139</u>	<u> </u>	<u> </u>	<u>7,932,139</u>
	<u>\$91,132,427</u>	<u>\$0</u>	<u>\$0</u>	<u>\$91,132,427</u>
	Restated Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2022</u>
Land	\$73,839,615	\$	\$	\$73,839,615
Buildings	9,360,673			9,360,673
Vehicles and Equipment	<u>7,909,742</u>	<u>69,759</u>	<u>47,362</u>	<u>7,932,139</u>
	<u>\$91,110,030</u>	<u>\$69,759</u>	<u>\$47,362</u>	<u>\$91,132,427</u>

The Borough did not update their fixed assets as of December 31, 2023.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 13 INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2023 consist of the following:

\$358,983	Due to the Federal and State Grant Fund from the Current Fund for grant awards received less cash disbursements made.
1,134,031	Due to the Capital Fund from the Current Fund for reimbursement of expenses paid.
14,341	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
2,135	Due to the Current Fund from the Escrow Trust Fund for interest earnings not turned over.
39,181	Due to the Current Fund from the Other Trust Fund for reimbursement of expenses paid less interest earnings not turned over.
5,554	Due to the Current Fund from the Payroll Fund for excess funds.
12,778	Due to the Current Fund from the Recycling Trust Fund for reimbursement of expenses paid.
152	Due to the Recycling Trust Fund from the Shade Tree Trust Fund for deposits in error.
468	Due to the Recycling Trust Fund from the Other Trust Fund for deposits in error.

\$1,567,623

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 14. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On December 6, 2001, the Division of Local Government Services approved the Borough's LOSAP plan, provided by the Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for an annual contribution of \$1,150 to all eligible members, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 14. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2023 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 15. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2020 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Borough of Englewood Cliffs is a member of the South Bergen Municipal Joint Insurance Fund (JIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The JIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, 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 insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

The funds provide 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.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 15. RISK MANAGEMENT, (continued)

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

Financial statements for the funds are available at the office of the funds executive director, Public Entity Risk Management Administrators, Inc.

NOTE 16. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance Dec 31, 2023</u>	<u>Balance Dec 31, 2022</u>
Prepaid Taxes	<u>\$369,510</u>	<u>\$291,068</u>
Cash Liability for Taxes Collected in Advance	<u>\$369,510</u>	<u>\$291,068</u>

NOTE 17. COMMITMENTS AND CONTINGENT LIABILITIES

The Borough is in litigation in various lawsuits, unusual for a municipality of its size and scope of operation. The Borough's attorneys at balance sheet date and the date of this report have not provided a description and an evaluation of any litigation, impending litigation, claims, contingent liabilities, unasserted claims or assessments (Statement of Financial Accounting Standards No. 5) or statutory violations, which involve the Borough, and which might materially affect the December 31, 2023 financial position or results of operations or subsequent events.

Various tax appeal cases were pending in the tax court at December 31, 2023 and 2022. The Borough is vigorously defending its assessments in each case. Under the accounting principals prescribed by the Division, the Borough does not recognize a liability, if any, until these cases have been adjudicated and may be material. Funding of any ultimate liability would be provided for in succeeding years' budget, fund balance or property tax refunding bond ordinances.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 18: OTHER MATTERS

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Borough of Englewood Cliffs is \$560,395 which will be available for use until December 31, 2024.

NOTE 19: SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through October 14, 2024, the date which the financial statements were available to be issued and no other items were noted for disclosure.

On August 28, 2024, the Borough Council approved an emergency appropriation in the amount of \$8,333,869.18 (\$1,333,869.18 for the 800 Sylvan Ave tax appeal litigation and \$7,000,000 for 800 Sylvan Ave litigation). Refunding Bonds ordinances have been introduced to fund these emergencies and the Borough is waiting for Local Finance Board Approval to adopt these ordinances.

SUPPLEMENTARY DATA

BOROUGH OF ENGLEWOOD CLIFFS

Supplementary data

Comparative Schedule of Tax Rate Information

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax rate	1.141	1.123	1.124
Apportionment of tax rate:			
Municipal	0.461	0.476	0.464
School	0.415	0.407	0.401
County	0.265	0.240	0.259

Assessed Value

2023	\$ 3,541,358,300
2022	3,534,427,800
2021	3,522,873,275

Comparison of Tax Levies and Collections 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>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2023	\$ 40,787,265	40,464,711	99.21%
2022	39,825,740	39,529,484	99.26%
2021	39,731,048	39,323,357	98.97%

Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$ 305,302	1,114	306,416	0.75%
2022	267,773	952	268,725	0.67%
2021	290,901	793	291,694	0.73%

BOROUGH OF ENGLEWOOD CLIFFS

Supplementary data

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2023 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2023	\$	39,528
2022		39,528
2021		39,528

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2023	\$ 5,777,080	2,450,000
	2022	4,090,252	2,301,000
	2021	2,643,396	1,200,000
	2020	2,867,273	1,146,950
	2019	1,118,819	121,200

BOROUGH OF ENGLEWOOD CLIFFS

Supplementary Data

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Type of bond</u>
Mario M. Kranjac	Mayor		
Glenn A. Luciano	Council President		
Tim Koutroubas	Councilperson		
David DiGregorio	Councilperson		
Mark Park	Councilperson (1/1/2023- 1/23/2023)		
Maria Villari	Councilperson (2/22/2023- 12/31/2023)		
Kris Kim	Councilperson		
Melanie Simon	Councilperson		
Laura Borchers	Borough Clerk		
Jerome Barberio	Interim Borough Administrator (01/11/2023-05/25/2023)		
Christopher Rathis	Interim Borough Administrator (05/26/2023-07/11/2023)		
Roberta Stern	Borough Administrator (07/12/2023- 12/31/2023)		
Elizabeth Kasica	Finance/ Payroll Clerk (01/01/2023- 09/15/2023)		
Shuaib Firozvi	Chief Financial Officer (09/01/2023-12/31/2023)		
Vincent Buono	Tax Collector	\$ 1,000,000	(A)
Paul Duffy	Deputy Tax Collector		
Joseph Mariniello	Borough Attorney		
Boswell Engineering	Borough Engineer		
Gino Tessaro	Construction Code Official		
Carolina Calderon, Esq.	Municipal Judge	\$ 1,000,000	(A)
Marc D. Ramundo, Esq.	Prosecutor (01/01/2023- 03/14/2023)		
Anthony Arnone	Prosecutor (03/14/2023- 12/31/2023)		
Kevin Corrison	Public Defender		
Sarah Holbig	Tax Assessor		
William Henkelman	Police Chief		

(A) - Statutory positions are covered under the South Bergen Municipal Jointure policy (\$50,000) and Municipal Excess Liability Joint Insurance Fund (Excess Crime Policy - Public Employee Bond - \$950,000)

BOROUGH OF ENGLEWOOD CLIFFS
Schedule of Expenditures of Federal Financial Assistance
Year ended December 31, 2023

Program	Assistance Listing Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Expended	MEMO Cumulative Total Expenditures
Federal and State Grant Fund:								
<u>Department of Housing and Urban Development</u>								
Community Development Block Grant	14.219	H20UC340100		2000	\$ 20,000			* 7,669
Community Development Block Grant	14.219	H21UC340100		2021	91,351			* *
Community Development Block Grant	14.219	H22UC340100		2022	43,800			* 7,669
<u>Department of Justice</u>								
Body-Worn Cameras	16.835			2021	52,988			* 51,676
<u>Department of Law and Public Safety</u>								
Bulletproof Vest Partnership Program	16.607		2017-BU-BX-17089799		7,986			* 7,986
<u>Department of Transportation</u>								
Transportation Grant				2022	200,000			* *
<u>Department of Treasury</u>								
Passed through the State of New Jersey								* *
Department of Community Affairs								* *
ARP Fiscal Recovery Funds	21.027			2021	560,395		229,978	* 322,618
<i>Total Federal and State Grant Fund</i>								
							229,978	* 389,949
<u>Trust Funds:</u>								
U.S. Department of Justice								* *
DEA/Equitable Sharing Program	16.922	19-DEA-631603	NJ0023200		134,241	1,850	15	* 1,015
<i>Total Trust Funds</i>								
						1,850	15	* 1,015
<i>Total Federal Assistance</i>								
					\$	1,850	229,993	* 390,964

Note: This schedule was not subject to an audit in accordance with Uniform Guidance

BOROUGH OF ENGLEWOOD CLIFFS
Schedule of Expenditures of State and Local Financial Assistance
Year ended December 31, 2023

	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Cash Received</u>	<u>Expended</u>	<u>MEMO Cumulative Total Expenditures</u>
Federal and State Grant Fund:						
Division of Criminal Justice						
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2014	1,403			*
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2015	1,179			*
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2016	665			*
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2017	193			*
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2018	878			*
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2021	1,136			*
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2022	316			*
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2023	130	130		*
Body Armor Replacement Fund	1020-718-066-1020-001	2019	2,684			*
Body Armor Replacement Fund	1020-718-066-1020-001	2020	2,347			*
Body Armor Replacement Fund	1020-718-006-1020-001	2023	2,164	2,164		*
Emergency Management Assistance Fund		2016	5,000			*
				<u>2,294</u>		<u>1,077</u>
Division of Motor Vehicles						
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2003	509			*
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2004	1,141			*
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2005	279			*
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2009	378			*
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2014	3,400			*
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2015	2,278			*
						<u>635</u>
Department of Health						
Hepatitis B	4230-100-046-4781-241-J002-3890	2002	756			*
Domestic Violence Grant		2006	1,000			*
						<u>21</u>

BOROUGH OF ENGLEWOOD CLIFFS
Schedule of Expenditures of State and Local Financial Assistance
Year ended December 31, 2023

	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Cash Received</u>	<u>Expended</u>	<u>MEMO Cumulative Total Expenditures</u>
Department of Environmental Protection						
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2014	10,669		8,288	* 10,669
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2015	12,963		12,963	* 12,963
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2016	14,824		14,251	* 14,824
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2017	12,594		2,679	* 8,103
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2018	12,047			*
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2019	13,447			*
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2020	12,124			* 10,403
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2021	12,899			* 1,018
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2022	13,130			*
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2023	14,726	14,726		* 14,726
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2013	6,793		5,306	* 6,793
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2014	10,012		10,012	* 10,012
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2015	9,982		9,982	* 9,982
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2016	9,152		679	* 679
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2017	7,631			*
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2018	10,269			* 8,861
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2019	9,053			*
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2020	8,822	8,823		* 8,823
				<u>23,549</u>	<u>64,160</u>	* <u>94,307</u>
Total State Financial Assistance			\$	<u>25,843</u>	<u>64,160</u>	* <u>96,040</u>
Other Financial Assistance						*
The Heritage Program (Firemen's Fund Insurance Company)						*
Fireman's Fund Grant	N/A	2011	12,774			* 11,207
						* <u>11,207</u>
County of Bergen						*
Municipal Recycling Assistance Program		PY	11,163			* 680
Municipal Recycling Assistance Program		PY	10,211			* 500
Municipal Recycling Assistance Program		2005	4,008			* 500
Municipal Recycling Assistance Program		2007	2,549			* <u>1,180</u>

BOROUGH OF ENGLEWOOD CLIFFS
Schedule of Expenditures of State and Local Financial Assistance
Year ended December 31, 2023

	<u>Grant Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Cash Received</u>	<u>Expended</u>	<u>MEMO</u> <u>Cumulative Total Expenditures</u>
Passed through -						*
County of Bergen						*
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2017	9,876			9,720
Monsanto Settlement		2023	17,414	17,414		*
Total Other Financial Assistance			17,414	17,414		22,107
<i>Total Federal and State Grant Fund</i>			43,257	64,160		118,147
<u>General Capital Fund:</u>						*
County of Bergen Open Space						*
ADA Cooperative Curb Ramp Construction Grant	Ord. 2014-10	2014	46,000			*
White Field Improvement Project	Ord. 2022-13	2022	256,652			*
Department of Transportation						*
Federal Highway Planning and						*
(passed through State Department of Transportation)						*
Summit Street	Ord. 2013-09	2013	150,000			150,000
Pershing Road	Ord. 2018-02	2018	212,000			212,000
5th Street	Ord. 2021-07	2021	425,000	400,000		400,000
Summit Street	Ord. 2021-07	2021	202,000			172,983
<i>Total General Capital Fund</i>				400,000		934,983
Total State and Other Financial Assistance			\$ 43,257	464,160		1,053,130

Note: This schedule was not subject to an audit in accordance with N.J. OMB 15-08.

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Cash - Collector-Treasurer

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022		\$ 10,265,748
Increased by:		
Veterans' and Senior Citizens' Deductions	\$ 14,500	
Taxes Receivable	40,358,904	
Prepaid Taxes	369,510	
Tax Overpayments	93,860	
Interfunds	11,031	
Revenue Accounts Receivable	2,588,640	
Miscellaneous Revenue Not Anticipated	269,665	
Miscellaneous Reserves	72,125	
Unappropriated Reserves	<u>43,257</u>	
		<u>43,821,492</u>
		54,087,240
Decreased by:		
Budget Appropriations	17,854,692	
Appropriation Reserves	777,114	
County Taxes Payable	9,377,792	
School Taxes Payable	14,686,961	
Tax Overpayments	3,741	
Interfunds	291,897	
Miscellaneous Reserves	316,207	
Special Emergency Notes	382,585	
Prior Year Refunds	14,575	
Appropriated Grant Reserves	<u>294,138</u>	
		<u>43,999,702</u>
Balance - December 31, 2023		<u><u>\$ 10,087,538</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Change Funds

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022 \$ 300

Balance - December 31, 2023 \$ 300

Schedule of Petty Cash

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022 \$ 300

Balance - December 31, 2023 \$ 300

BOROUGH OF ENGLEWOOD CLIFFS

**Schedule of Due From/(To) State of New Jersey -
Senior Citizens' and Veterans' Deductions**

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022		\$	(402)
Increased by:			
Veterans' Deductions per Duplicate	\$	14,750	
Senior Citizens' Deductions per Duplicate		<u>500</u>	
			<u>15,250</u>
			14,848
Decreased by:			
Senior Citizens' Deductions Disallowed		250	
Cash Received		<u>14,500</u>	
			<u>14,750</u>
Balance - December 31, 2023		\$	<u><u>98</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

**Schedule of Taxes Receivable and Analysis of
Property Tax Levy**

Current Fund

Year Ended December 31, 2023

<u>Year</u>	<u>Balance, Dec. 31, 2022</u>	<u>2023 Tax Levy</u>	<u>2022</u>	<u>Collections</u>	<u>2023</u>	<u>Veterans and Senior Citizens</u>	<u>Transferred to Tax Title Liens</u>	<u>Remitted, Abated or Cancelled</u>	<u>Balance, Dec. 31, 2023</u>
2021	258							258	
2022	<u>267,515</u>			<u>265,749</u>				<u>1,766</u>	
	267,773			265,749				2,024	
2023		<u>40,787,265</u>	<u>291,068</u>	<u>40,158,643</u>	<u>15,000</u>	<u>162</u>	<u>17,090</u>		<u>305,302</u>
	<u>\$ 267,773</u>	<u>40,787,265</u>	<u>291,068</u>	<u>40,424,392</u>	<u>15,000</u>	<u>162</u>	<u>19,114</u>		<u>305,302</u>
			Overpayments Applied	65,488					
			Cash Receipts	40,358,904					
				<u>\$ 40,424,392</u>					

BOROUGH OF ENGLEWOOD CLIFFS

**Schedule of Taxes Receivable and Analysis of
Property Tax Levy**

Current Fund

Year Ended December 31, 2023

Year	Balance, Dec. 31, 2022	2023 Tax Levy	2022 Collections	2023 Collections	Veterans and Senior Citizens	Transferred to Tax Title Liens	Remitted, Abated or Cancelled	Balance, Dec. 31, 2023
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Analysis of 2023 Property Tax Levy

Tax Yield:
General Property Tax \$ 40,425,456
Added Tax (R.S. 54:4-63.1 et seq.) 361,809

\$ 40,787,265

Tax Levy:

Local District School Tax \$ 14,714,200
County Tax \$ 8,959,892
County Open Space Preservation 393,034
County Added and Omitted Taxes 83,571

9,436,497

Local Tax for Municipal Purposes \$ 16,336,880
Add: Additional Taxes Levied 299,688

16,636,568

Local Tax for Municipal Purposes

\$ 40,787,265

BOROUGH OF ENGLEWOOD CLIFFS

**Schedule of Property Acquired for Taxes
(at Assessed Valuation)**

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$ <u>39,528</u>
Balance - December 31, 2023	\$ <u><u>39,528</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Tax Title Liens Receivable

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$	952
Increased by:		
Transfers from Taxes Receivable		<u>162</u>
Balance - December 31, 2023	\$	<u><u>1,114</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Accrued in 2023	<u>Collected</u>	Balance, Dec. 31, <u>2023</u>
Miscellaneous Revenues:				
Licenses - Alcoholic Beverages	\$	20,250	20,250	
Fees and Permits:				
Construction Code Official		396,311	396,311	
Other		46,063	46,063	
Municipal Court - Fines and Costs	1,878	26,472	26,179	2,171
Interest and Costs on Taxes		90,740	90,740	
Interest on Investments		178,901	178,901	
Commercial Sewer User Fees		268,467	268,467	
Cable TV - Annual Fees		15,134	15,134	
Cell Tower - Annual Leases		323,134	323,134	
Elevator Fees		64,714	64,714	
Consolidated Municipal Property Tax Relief Aid		696,254	696,254	
Municipal Relief Fund		36,070	36,070	
General Capital Fund Balance		69,000	69,000	
Sewer Connection Fees		28,000	28,000	
Police - Outside Duty		371,875	371,875	
	<u>\$ 1,878</u>	<u>2,631,385</u>	<u>2,631,092</u>	<u>2,171</u>
		Interfunds \$ 6,382		
		Miscellaneous Reserves 36,070		
		Cash <u>2,588,640</u>		
		<u>\$ 2,631,092</u>		

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Interfunds

Current Fund

Year ended December 31, 2023

	Due from/(to) Balance <u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2023</u>
Federal and State Grant Fund	\$ (609,864)	294,138	43,257	(358,983)
General Capital Fund	(1,317,504)	183,473		(1,134,031)
Dog License Trust Fund	6,091	8,250		14,341
Payroll Account	8,526		2,972	5,554
Recycling Trust Fund	12,778			12,778
DEA Forfeiture Trust Fund	(63,653)	63,653		
Assessment/Other Trust Fund				
Other Trust Fund	(3,913)	51,153	8,059	39,181
Escrow Trust Fund	2,135			2,135
	<u>(1,965,404)</u>	<u>600,667</u>	<u>54,288</u>	<u>(1,419,025)</u>
Interfunds due from	29,530	55,490	11,031	73,989
Interfunds (due to)	<u>(1,994,934)</u>	<u>545,177</u>	<u>43,257</u>	<u>(1,493,014)</u>
	<u>\$ (1,965,404)</u>	<u>600,667</u>	<u>54,288</u>	<u>(1,419,025)</u>
			Cash Receipts \$ 11,031	
		Cash Disbursements 291,897		
		Interest on Investments 6,382		
		Statutory Excess 8,129		
		Reimbursement for Expenses 121		
		Appropriated Grant Reserves 294,138		
		Unappropriated Grant Reserves	43,257	
		<u>\$ 600,667</u>	<u>54,288</u>	

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2023

<u>Purpose</u>	<u>Added in 2023</u>	<u>Balance, Dec. 31, 2023</u>
Overexpenditure of:		
Budget Appropriations	\$ 40,192	40,192
Appropriations Reserves	<u>129,378</u>	<u>129,378</u>
	<u>\$ 169,570</u>	<u>169,570</u>

BOROUGH OF ENGLEWOOD CLIFFS

**Schedule of Deferred Charges - N.J.S.A. 40A:4-53
Special Emergency Authorizations**

Current Fund

Year ended December 31, 2023

<u>Date</u>	<u>Purpose</u>	<u>Net Amount</u>	<u>1/5 of net</u>	<u>Balance</u>	<u>Reduced by:</u>	<u>Balance</u>
<u>Authorized</u>	<u>Authorized</u>	<u>Amount</u>	<u>Authorized</u>	<u>Dec. 31,</u>	<u>2023 Budget</u>	<u>Dec. 31,</u>
				<u>2022</u>	<u>Appropriation</u>	<u>2023</u>
November 17, 2019	Special Emergency - Terminal Leave	620,500	124,100	\$ 248,200	124,100	124,100
November 23, 2020	Special Emergency - Terminal Leave	653,100	130,620	391,860	130,620	261,240
November 20, 2021	Special Emergency - Terminal Leave	639,324	127,865	383,594	127,865	255,729
				<u>\$ 1,023,654</u>	<u>382,585</u>	<u>641,069</u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2023

	Balance, Dec.31, <u>2022</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>	Over- <u>Expenditures</u>
Salaries and Wages:					
Administrative and Executive	64,977	64,977		64,977	
Mayor & Council	1,153	1,153		1,153	
Financial Administration	30,696	30,696		30,696	
Collection of Taxes	8,720	8,720		8,720	
Police	262,691	262,691		262,691	
Police - Terminal Leave	24,768	24,768		24,768	
Fire Official	17,400	17,400		17,400	
Road Repairs and Maintenance	73,058	73,058		73,058	
Parks and Playgrounds	5,190	5,190		5,190	
Construction Official	4,599	4,599		4,599	
Plumbing Inspector	8	8		8	
Fire Sub-Code Official	1	1		1	
Electrical Inspector	1,416	1,416		1,416	
Board of Health	120	120		120	
Public Defender	500	500		500	
Municipal Court	17,313	17,313		17,313	
Other Expenses:					
Administrative and Executive	29	1,494	4,789		3,295
Financial Administration	25,941	85,941	285	85,656	
Information Technology	47,177	56,248	18,900	37,348	
Collection of Taxes	40,007	40,007		40,007	
Assessment of Taxes	6,845	6,845		6,845	
Legal Services and Costs					
Other Expenses	298,649	532,199	328,333	203,866	
Appraisal Fees	2,165	2,165		2,165	
Engineering Services and Costs	2	3	13,004		13,001
Insurance (N.J.S.A. 40A:4-45.3(00))					
Other Insurance Premiums	184,521	184,521		184,521	
Group Insurance Plan for Employee	425,701	425,701	2,239	423,462	
Planning Board	136,450	136,450	525	135,925	
Police					
Other Expenses	27,717	61,254	27,349	33,905	
Office of Emergency Management	179	179		179	
Fire					
Hydrant Services	12,877	20,635		20,635	
Other Expenses	25	8,777	8,972		195
Road Repairs and Maintenance					
Other Expenses	9,701	20,359	19,323	1,036	
Gasoline	15,680	16,598		16,598	
Garbage and Trash Removal	97,652	187,651	65,725	121,926	
Public Buildings and Grounds	14,703	19,063	1,449	17,614	
Sewer System	4,156	5,656		5,656	
Shade Tree	3,537	4,387		4,387	
Board of Health	254	7,339		7,339	
Environmental Commission	562	562		562	

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Appropriation Reserves

Current Fund

Year ended December 31, 2023

	Balance, Dec.31, <u>2022</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>	Over- <u>Expenditures</u>
Senior Citizens Committee	2,600	2,600		2,600	
Parks and Playgrounds	8,812	15,719	2,870	12,849	
Celebration of Public Events	6,074	6,074		6,074	
Construction Official	10,617	10,617		10,617	
Fire Prevention	1,088	1,088		1,088	
Municipal Court	8,778	8,790		8,790	
Electricity and Heating Oil	48,973	52,660		52,660	
Telephone and Fax	110	143		143	
Street Lighting	10,203	10,203		10,203	
Water	8,499	9,776		9,776	
Social Security System (O.A.S.I.)	9,203	9,203		9,203	
Public Employee's Retirement System of NJ	9,700	9,700		9,700	
DCRP	916	916		916	
Sewer - Contractual - BCUA Service Charges	3,517	3,517		3,517	
Sewer Charges - Borough of Tenafly			15,526		15,526
LOSAP	1,418	1,418		1,418	
Reserve for Tax Appeals	1	1		1	
Capital Improvement Fund:					
DPW Garbage Trucks & Vehicles	184,605	184,605	281,966		97,361
Road Resurfacing	130,000	130,000	94,500	35,500	
	<u>\$ 2,312,254</u>	<u>2,793,674</u>	<u>885,755</u>	<u>2,037,297</u>	<u>129,378</u>
Appropriation Reserves	\$ 2,312,254				
Encumbrances		<u>481,420</u>			
		<u>\$ 2,793,674</u>			
			Cash \$ 777,114		
			Transferred to Accounts Payable <u>108,641</u>		
			<u>\$ 885,755</u>		

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Encumbrances Payable

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$	481,420
Increased by:		
Charges to 2023 Budget Appropriations		<u>137,053</u>
		618,473
Decreased by :		
Transferred to 2022 Appropriation Reserves		<u>481,420</u>
Balance - December 31, 2023	\$	<u><u>137,053</u></u>

Schedule of Accounts Payable

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$	636,097
Increased by:		
Transferred from Appropriation Reserves		<u>108,641</u>
Balance - December 31, 2023	\$	<u><u>744,738</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$ 291,068
Increased by:	
Cash Receipts	<u>369,510</u>
	660,578
Decreased by :	
Applied to Taxes	<u>291,068</u>
Balance - December 31, 2023	<u><u>\$ 369,510</u></u>

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$ 9,974
Increased by:	
Cash Receipts	<u>93,860</u>
	103,834
Decreased by:	
Cash Disbursements	\$ 3,741
Overpayments Applied	65,488
Cancelled	<u>6,233</u>
	<u>75,462</u>
Balance - December 31, 2023	<u><u>\$ 28,372</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of County Taxes Payable

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022		\$	24,866
Increased by:			
County Share of 2023 Levy	\$	8,959,892	
County Open Space Preservation of 2023 Levy		393,034	
County Share of 2023 Levy - Added Taxes		<u>83,571</u>	
			<u>9,436,497</u>
			9,461,363
Decreased by:			
Cash Disbursements			<u>9,377,792</u>
Balance - December 31, 2023		\$	<u><u>83,571</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Local District School Taxes Payable

Current Fund

Year ended December 31, 2023

Balance - December 31, 2022		
School Taxes Payable	\$	117,018
School Taxes Deferred		<u>7,212,843</u>
		\$ <u>7,329,861</u>
Increased by:		
Local School Share of Fiscal Year 2023 Levy		<u>14,714,200</u>
		22,044,061
Decreased by:		
Cash Disbursement		<u>14,686,961</u>
Balance - December 31, 2023	\$	<u><u>7,357,100</u></u>
School Taxes Deferred	\$	<u><u>7,357,100</u></u>
<u>2023 Liability for Local School District Taxes:</u>		
Tax Liability	\$	14,714,200
Add: Balance Deferred - December 31, 2022		<u>7,212,843</u>
		21,927,043
Less: Balance Deferred - December 31, 2023		<u>7,357,100</u>
Amount Charged to 2023 Operations	\$	<u><u>14,569,943</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Miscellaneous Reserves

Current Fund

Year Ended December 31, 2023

<u>Reserve for</u>	Balance, Dec. 31, <u>2022</u>	<u>Increased by:</u>	<u>Decreased by:</u>	Balance, Dec. 31, <u>2023</u>
State Library Aid	\$ 5,518			5,518
Tax Appeal Reserve	226,174	316,207	316,207	226,174
Master Plan	1,675			1,675
BCUA Recycling Grant	11,445			11,445
Municipal Relief Fund	36,070	72,125	36,070	72,125
Police Outside Duty-Due to Officers	27,420			27,420
	<u>\$ 308,302</u>	<u>388,332</u>	<u>352,277</u>	<u>344,357</u>
		Cash Receipt \$ 72,125		
		Budget Appropriation 316,207		
		Revenue Account Receivable	36,070	
		Cash Disbursement	<u>316,207</u>	
		<u>\$ 388,332</u>	<u>352,277</u>	

BOROUGH OF ENGLEWOOD CLIFFS

**Schedule of Special Emergency Notes Payable
N.J.S.A. 40A:4-53**

Current Fund

Year ended December 31, 2023

Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2022	Increased	Decreased	Balance, Dec. 31, 2023
Special Emergency - Terminal Leave 2019	Dec. 30, 2019	Nov. 09, 2022	Aug. 09, 2023	4.500% \$	248,200	124,100	248,200	124,100
Special Emergency - Terminal Leave 2020	Nov. 12, 2020	Nov. 09, 2022	Aug. 09, 2023	4.500%	391,860	261,240	391,860	261,240
Special Emergency - Terminal Leave 2021	Nov. 12, 2021	Nov. 09, 2022	Aug. 09, 2023	4.500%	383,355	255,490	383,355	255,490
					<u>\$ 1,023,415</u>	<u>640,830</u>	<u>1,023,415</u>	<u>640,830</u>
							Cash \$ 382,585	
							Renewed 640,830	
							<u>\$ 640,830</u>	<u>1,023,415</u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended December 31, 2023

	Balance, Dec. 31, <u>2022</u>	Balance, Dec. 31, <u>2023</u>
Bulletproof Vest Fund	\$ 7,986	7,986
Community Development Block Grant	6,459	6,459
Community Development Block Grant - 2022	43,800	43,800
Municipal Alliance on Alcoholism and Drug Abuse	7,699	7,699
Body-Worn Cameras	52,988	52,988
Community Development Block Grant - Bathrooms	91,351	91,351
New Jersey Transportation Grant	<u>200,000</u>	<u>200,000</u>
	<u>\$ 410,283</u>	<u>410,283</u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Interfunds

Federal and State Grant Funds

Year ended December 31, 2023

	Due from/(to) Balance <u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2023</u>
Current Fund	\$ <u>609,864</u>	<u>43,257</u>	<u>294,138</u>	<u>358,983</u>
	\$ <u><u>609,864</u></u>	<u><u>43,257</u></u>	<u><u>294,138</u></u>	<u><u>358,983</u></u>
Appropriated Grant Reserves	\$		294,138	
Unappropriated Grant Reserves		<u>43,257</u>		
	\$	<u><u>43,257</u></u>	<u><u>294,138</u></u>	

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Appropriated Grant Reserves

Federal and State Grant Funds

Year ended December 31, 2023

<u>Grant</u>	Balance Dec. 31, <u>2022</u>	Decreased by:	Balance Dec. 31, <u>2023</u>
Community Development Block Grant	\$ 12,331		12,331
Community Development Block Grant - 2021	91,351		91,351
Community Development Block Grant - 2022	43,800		43,800
BCUA Recycling Grant	10,483		10,483
BCUA Recycling Grant	10,211		10,211
BCUA Recycling Grant	3,508		3,508
BCUA Recycling Grant	2,549		2,549
Clean Communities - 2014	8,288	8,288	
Clean Communities - 2015	12,963	12,963	
Clean Communities - 2016	14,251	14,251	
Clean Communities - 2017	7,170	2,679	4,491
Clean Communities - 2018	12,047		12,047
Clean Communities - 2019	13,447		13,447
Clean Communities - 2021	1,721		1,721
Clean Communities - 2022	11,881		11,881
Recycling Tonnage Grant - 2016	5,306	5,306	
Recycling Tonnage Grant - 2017	10,012	10,012	
Recycling Tonnage Grant - 2018	9,982	9,982	
Recycling Tonnage Grant - 2019	9,152	679	8,473
Recycling Tonnage Grant - 2020	7,631		7,631
Recycling Tonnage Grant - 2021	1,408		1,408
Alcohol Education Rehabilitation - 2014	326		326
Alcohol Education Rehabilitation - 2015	1,179		1,179
Alcohol Education Rehabilitation - 2016	665		665
Alcohol Education Rehabilitation - 2017	193		193
Alcohol Education Rehabilitation - 2018	879		879
Alcohol Education Rehabilitation - 2022	1,136		1,136
Municipal Alliance - 2017	156		156
Drunk Driving Enforcement Fund - 2003	162		162
Drunk Driving Enforcement Fund - 2004	1,141		1,141
Drunk Driving Enforcement Fund - 2005	279		279

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Appropriated Grant Reserves

Federal and State Grant Funds

Year ended December 31, 2023

<u>Grant</u>	Balance Dec. 31, <u>2022</u>	Decreased by:	Balance Dec. 31, <u>2023</u>
Drunk Driving Enforcement Fund - 2009	378		378
Drunk Driving Enforcement Fund - 2014	3,400		3,400
Drunk Driving Enforcement Fund - 2015	1,989		1,989
New Jersey Transportation Grant	200,000		200,000
Body Armor Grant - 2018	2,684		2,684
Body Armor Grant - 2021	4,504		4,504
Body-Worn Cameras Grant	1,312		1,312
ARP - Fire Department Vehicles	350,000	148,723	201,277
ARP - DPW Vehicles	17,755		17,755
ARP - Police Vehicles & Armor/Cameras	100,000	81,255	18,745
Hepatitis B	735		735
Emergency Management Assistance Grant	5,000		5,000
Domestic Violence	1,000		1,000
Fireman's Fund Grant	1,567		1,567
Hazard Mitigation 2015 - Matching Grant	1,716		1,716
	<u>\$ 997,648</u>	<u>294,138</u>	<u>703,510</u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Unappropriated Reserves

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Grant</u>	Balance, Dec. 31, <u>2022</u>	Cash <u>Received</u>	Balance, Dec. 31, <u>2023</u>
Clean Communities 2022	\$ 13,130		13,130
Clean Communities 2023		14,726	14,726
Alcohol Education & Rehabilitation Grant 2022	316		316
Alcohol Education & Rehabilitation Grant 2023		130	130
Monsanto Settlement		17,414	17,414
Body Armor Grant 2023		2,164	2,164
Recycling Tonnage Grant 2019	9,053		9,053
Recycling Tonnage Grant 2020		8,823	8,823
	<u> </u>	<u> </u>	<u> </u>
	\$ <u>22,499</u>	<u>43,257</u>	<u>65,756</u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Cash

Trust Funds

Year ended December 31, 2023

	Dog License	Other Trust	Recycling Trust	Shade Tree Trust	COAH Development	DEA Forfeiture Trust	Emergency Services Trust LOSAP
Balance - December 31, 2022	\$ 11,042	1,527,848	4,433	10,525	2,781,873	70,888	1,285,314
Increased by:							
Dog License Fees	2,090						
Dog License State Fees	305						
Miscellaneous	6,149						
State Fees		28,335					
Other Trust Reserves		726,650					
Recycling			1,648				
COAH Development Fees					605,317		
Interfunds						63,653	
Investment Earnings/Interest	121	6,261	39	69	53,496	1,850	330,593
Borough Contributions	8,665	761,246	1,687	69	658,813	65,503	29,325
	19,707	2,289,094	6,120	10,594	3,440,686	136,391	1,645,232
Decreased by:							
Dog License Fund Expenditures	324						
Dog License State Fees	305						
Other Trust Reserves		572,718					
COAH Development Expenditures					165		
DEA Forfeiture Expenditures						15	8,437
Distributions/Losses	629	572,718			165	15	8,437
Balance - December 31, 2023	\$ 19,078	1,716,376	6,120	10,594	3,440,521	136,376	1,636,795

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Tax Sale Receivable

Other Trust Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$ <u>50</u>
Balance - December 31, 2023	\$ <u><u>50</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Interfunds/Intrafunds

Year ended December 31, 2023

	Due from/(to) Balance Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance Dec. 31, <u>2023</u>
<u>INTERFUNDS:</u>				
Dog License Trust Fund:				
Current Fund	\$ (6,091)		8,250	(14,341)
Other Trust Fund:				
Current Fund - Other Trust	3,913	8,059	51,153	(39,181)
Current Fund - Escrow Trust	(2,135)			(2,135)
Recycling Trust Fund:				
Current Fund	(12,778)			(12,778)
DEA Forfeiture Trust Fund:				
Current Fund	63,653		63,653	
<u>INTRAFUNDS:</u>				
Due to Recycling Trust - Other Trust	(468)			(468)
Due to Recycling Trust - Shade Tree Trust	(152)			(152)
Due from Other Trust - Recycling Trust	468			468
Due from Shade Tree Trust - Recycling Trust	152			152
	<u>46,562</u>	<u>8,059</u>	<u>123,056</u>	<u>(68,435)</u>
Interfunds due from	67,566		66,946	620
Interfunds (due to)	<u>(21,004)</u>	<u>8,059</u>	<u>56,110</u>	<u>(69,055)</u>
	\$ <u>46,562</u>	<u>8,059</u>	<u>123,056</u>	<u>(68,435)</u>
	Cash Receipts \$		63,653	
	Interest on Investments		6,382	
	Various Reserves	4,225		
	Due to State of New Jersey	3,834	44,892	
	Statutory Excess		8,129	
		\$ <u>8,059</u>	<u>123,056</u>	

BOROUGH OF ENGLEWOOD CLIFFS

**Schedule of Due from/(to)
State Department of Health**

Animal License Trust Fund

Year ended December 31, 2023

Increased by:

State Fees Collected

\$ 305

Decreased by:

Paid to State of New Jersey

\$ 305

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Reserve for Animal License Trust Fund Expenditures

Dog License Trust Fund

Year ended December 31, 2023

Balance - December 31, 2022		\$	4,951
Increased by:			
Dog license fees	\$	1,740	
Miscellaneous		6,149	
Late Fees		<u>350</u>	
			<u>8,239</u>
			13,190
Decreased by:			
Statutory Excess due Current Fund		8,129	
Expenditures under R.S. 4:19-15:11		<u>324</u>	
			<u>8,453</u>
Balance - December 31, 2023		\$	<u><u>4,737</u></u>

License Fees Collected

<u>Year</u>		<u>Amount</u>
2021	\$	2,843
2022		<u>1,894</u>
	\$	<u><u>4,737</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Due to State of New Jersey

Other Trust Fund

Year ended December 31, 2023

Balance - December 31, 2022		\$	12,723
Increased by:			
Marriage License Fees	\$	75	
Interfunds		3,834	
DCA Fees		<u>28,260</u>	
			<u>32,169</u>
			44,892
Decreased by:			
Interfunds	\$	<u>44,892</u>	

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Various Reserves - Other Trust Funds

Other Trust Fund

Year ended December 31, 2023

	Balance Dec. 31, <u>2022</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2023</u>
Reserve for:				
Escrow Deposits	\$ 1,197,623	656,913	558,612	1,295,924
TTL & Premiums		55,000		55,000
Accumulated Absences	131,000			131,000
Other Trust Deposits:				
Street Opening Fees	75			75
P.O.A.A.	855	110		965
Law Enforcement Trust	1,171			1,171
Public Defender	300			300
5K Run	50,165	8,875	14,047	44,993
Donations:				
Police	25,656	5,050	59	30,647
Police in Car/Body Camera	25			25
Recreation	1,161	600		1,761
Fire Department	100			100
General Donations	3,606			3,606
Benches	1,115			1,115
Sign	1,085			1,085
Downstream Improvements	79,123			79,123
Shade Tree Fees	1,398			1,398
Sewer Maintenance	7,100			7,100
Recreation - Summer Camp	9,273			9,273
Parks and Recreation	1,921	13		1,934
Snow Removal	550			550
Miscellaneous	3,183	4,314		7,497
	<u>\$ 1,516,485</u>	<u>730,875</u>	<u>572,718</u>	<u>1,674,642</u>
Cash	\$ 726,650		572,718	
Interfunds		<u>4,225</u>		
		<u>\$ 730,875</u>	<u>572,718</u>	

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Reserve for Recycling Expenditures

Other Trust Funds

Year ended December 31, 2023

Balance - December 31, 2022		\$	(7,725)
Increased by:			
Recycling Receipts	\$	1,648	
Interest		<u>39</u>	
			<u>1,687</u>
Balance - December 31, 2023		\$	<u><u>(6,038)</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Reserve for Shade Tree Expenditures

Other Trust Funds

Year ended December 31, 2023

Balance - December 31, 2022	\$	10,373
Increased by:		
Interest		<u>69</u>
Balance - December 31, 2023	\$	<u><u>10,442</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Reserve for COAH Development Expenditures

Other Trust Funds

Year ended December 31, 2023

Balance - December 31, 2022		\$	2,781,873
Increased by:			
Development Fees	\$	605,317	
Interest		<u>53,496</u>	
			<u>658,813</u>
			3,440,686
Decreased by:			
Development Expenditures			<u>165</u>
Balance - December 31, 2023		\$	<u><u>3,440,521</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Reserve for DEA Forfeiture Expenditures

Other Trust Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$	134,541
Increased by:		
Interest		<u>1,850</u>
		136,391
Decreased by:		
Other Expenditures		<u>15</u>
Balance - December 31, 2023	\$	<u><u>136,376</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Statement of Service Award Contributions Receivable

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2023

Balance - December 31, 2022	\$	29,325
Increased by:		
2023 Service Award Contribution		<u>34,391</u>
		63,716
Decreased by:		
Contributions Paid		<u>29,325</u>
Balance - December 31, 2023	\$	<u><u>34,391</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Statement of Net Assets Available for Benefits

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2023

Balance - December 31, 2022		\$	1,314,639
Increased by:			
Borough Contributions	\$	34,391	
Interest		2,669	
Investment Income		<u>327,924</u>	
			<u>364,984</u>
			1,679,623
Decreased by:			
Distributions			<u>8,437</u>
Balance - December 31, 2023		\$	<u><u>1,671,186</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Cash

General Capital Fund

Year ended December 31, 2023

Balance - December 31, 2022		\$	330,533
Increased by:			
Fund Balance	\$	34,840	
Capital Improvement Fund		298,000	
Interfunds		<u>183,473</u>	
			<u>516,313</u>
			846,846
Decreased by:			
Capital Fund Balance - Budget Revenue		69,000	
Improvement Authorizations		<u>763,543</u>	
			<u>832,543</u>
Balance - December 31, 2023		\$	<u><u>14,303</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Analysis of Cash

General Capital Fund

Year ended December 31, 2023

Grants Receivable -		
State of New Jersey Department of Transportation	\$	(842,760)
Bergen County Grants		(302,652)
Due to/(from) Ambulance Corp.		(100,000)
Due to/(from) Current Fund		(1,134,031)
Encumbrances Payable		592,684
Capital Improvement Fund		321,839
Reserve for Payment of Debt		353,700
Reserve for Cost of Issuance		4,086
Reserve for Boswell Settlement		185,000
Reserve for Grants Receivable		256,652
Fund Balance		35,475

Improvement Authorizations:

<u>Ordinance</u>	<u>Improvement Description</u>	
<u>Number</u>		
2017-06	Various Acquisitions and Improvements	378,364
2018-01	5th Street Improvements (Special Assessment)	(3,964)
2018-02	Various Acquisitions and Improvements	363,919
2019-10	Refunding Bond Ordinance - Tax Appeals	13,789
2020-10	Contribution for the Construction of Affordable Housing	53,114
2021-07	Multi-Purpose - NJ DOT Road Projects	38,051
2021-23	Various Equipment	101,603
2022-13	Various Recreation Improvements	(300,566)
		<u>\$ 14,303</u>

BOROUGH OF ENGLEWOOD CLIFFS

**Schedule of Grants Receivable
New Jersey Department of Transportation**

General Capital Fund

Year ended December 31, 2023

Balance - December 31, 2022 \$ 842,760

Balance - December 31, 2023 \$ 842,760

Analysis of Balance

Ord. 2013-09: Reconstruction of Summit Street	3,760
Ord. 2018-02: Various Acquisitions & Improvements	212,000
Ord. 2021-07 Various Road Improvements	<u>627,000</u>
	\$ <u><u>842,760</u></u>

Exhibit C-5

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Due from Bergen County

General Capital Fund

Year ended December 31, 2023

Balance - December 31, 2022 \$ 302,652

Balance - December 31, 2023 \$ 302,652

Analysis of Balance

Ord. 2014-10 Various Acquisitions and Improvements	46,000
Ord. 2023-13 Various Recreation Improvements	<u>256,652</u>
	\$ <u><u>302,652</u></u>

Exhibit C-6

Schedule of Due from Ambulance Corp.

Ordinance 2011-11/2012-15

General Capital Fund

Year ended December 31, 2023

Balance - December 31, 2022 \$ 100,000

Balance - December 31, 2023 \$ 100,000

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Interfunds

General Capital Fund

Year ended December 31, 2023

	Balance Dec. 31, <u>2022</u>	<u>Decreased</u>	Balance Dec. 31, <u>2023</u>
Current Fund	\$ <u>1,317,504</u>	<u>183,473</u>	<u>1,134,031</u>
	<u>1,317,504</u>	<u>183,473</u>	<u>1,134,031</u>
		Receipts \$ <u>183,473</u>	

BOROUGH OF ENGLEWOOD CLIFFS

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year ended December 31, 2023

Balance - December 31, 2022		\$	5,692,000
Increased by:			
Serial Bonds Issued			<u>5,305,000</u>
			10,997,000
Decreased by:			
2023 Budget Appropriation:			
Serial Bonds	\$	675,000	
Capital Lease		<u>117,000</u>	
			<u>792,000</u>
Balance - December 31, 2023		\$	<u><u>10,205,000</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2023

Ordinance Number	Improvement Description	Balance, Dec. 31, 2022	Authorizations 2023	Decreased By:	Balance, Dec. 31, 2023	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2013-11	Acquisition of Generators, Garbage Truck and related expenses	\$ 356,760		356,760				
	Tax Appeal Refunds	21,667		21,667				
2013-15	Various Acquisitions and Improvements	1,385,215		1,385,215				
2014-10	Various Acquisitions and Improvements	773,471		773,471				
2015-09	Various Acquisitions and Improvements	825,098		825,098				
2016-07	Various Acquisitions and Improvements	839,496		839,496				
2017-06	5th Street Improvements (Special Assessment)	133,300			133,300		3,964	129,336
2018-01	Various Acquisitions and Improvements	815,009		815,009				
2018-02	Refunding Bond Ordinance - Tax Appeals	1,740,000		420,000	1,320,000	1,245,000		75,000
2019-10	Road Imps. Acquisition of Equipment & Vehicles	950,000		950,000				
2019-11	Contribution for the Construction of Affordable Housing	1,377,500			1,377,500			1,377,500
2020-10	Multi-purpose - NJ DOT Road Projects	193,000			193,000			193,000
2021-07	Various Recreation Improvements	4,761,000			4,761,000		300,566	4,460,434
2022-13		\$ 14,171,516		6,386,716	7,784,800	1,245,000	304,530	6,235,270

Paydown on Bond Anticipation Notes \$ 770,049

Cancelled Bond Issued 21,667

Budget Appropriations \$ 770,049

Improvement Authorizations Unfunded \$ 6,249,059

Less: Unexpended Proceeds of Bond Anticipation Notes Ord. 2019-10 \$ 13,789

\$ 6,386,716

\$ 6,235,270

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of General Serial Bonds

General Capital Fund

Year ended December 31, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2023</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2023</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds of 2014	March 15, 2014	9,885,000	March 15, 2024	700,000	3.000	\$ 5,575,000		675,000	4,900,000
			March 15, 2025	700,000	3.000				
			March 15, 2026	700,000	3.000				
			March 15, 2027	700,000	3.000				
			March 15, 2028	700,000	3.000				
			March 15, 2029	700,000	3.000				
			March 15, 2030	700,000	3.000				
General Improvement Bonds of 2023	43,677	5,305,000	August 1, 2024	340,000	4.000		5,305,000		5,305,000
			August 1, 2025	355,000	4.000				
			August 1, 2026	500,000	4.000				
			August 1, 2027	520,000	4.000				
			August 1, 2028	540,000	4.000				
			August 1, 2029	565,000	4.000				
			August 1, 2030	585,000	4.000				
			August 1, 2031	610,000	4.000				
			August 1, 2032	635,000	4.000				
			August 1, 2033	655,000	3.125				
						\$ 5,575,000	5,305,000	675,000	10,205,000

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Capital Leases Payable

General Capital Fund

Year ended December 31, 2023

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities Outstanding at December 31, 2023</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2022</u>	<u>Decreased</u>
Refund of Unfunded Pension Obligation	May 17, 2012	804,000			\$ 117,000	117,000
					\$ 117,000	117,000

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2023

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2022		Authorizations Expended	Authorizations Cancelled	Balance, December 31, 2023	
				Funded	Unfunded			Funded	Unfunded
2013-9	Road and Parking Lot Reconstruction and Improvements to the Firehouse	Aug. 14, 2013	1,555,000	551			551		
2013-11	Acquisition of Generators, Garbage Truck and related expenses	Sept. 11, 2013	525,000		277,856	277,856			
2013-15	Tax Appeal Refunds	Dec. 11, 2013	590,000	9,361	21,667		31,028		
2014-10	Various Acquisitions and Improvements	July 22, 2014	1,928,000		103,321	72,172	31,149		
2015-09	Various Acquisitions and Improvements	June 10, 2015	1,008,500		94,014		94,014		
2015-12	Tax Appeal Refunds	Nov. 9, 2015	1,460,000	21,078			21,078		
2015-13	Various Acquisitions and Improvements	Nov. 9, 2015	682,500	68,879		56,248	12,631		
2016-07	Various Acquisitions and Improvements	July 13, 2016	1,030,000		57,112	(11,505)	68,617		
2017-06	Various Acquisitions and Improvements	June 14, 2017	984,560		377,405	(959)		378,364	129,336
2018-01	5th Street Improvements (Special Assessment)	March 20, 2018	140,000		129,336			363,919	
2018-02	Various Acquisitions and Improvements	June 26, 2018	1,110,000		296,999	(66,920)			88,789
2019-10	Refunding Bond Ordinance - Tax Appeals	Sept. 11, 2019	3,000,000		88,789		116,299		
2019-11	Road Imps., Acquisition of Equipment & Vehicles	Oct. 19, 2019	1,000,000		2,878	(113,421)			
2020-10	Contribution for the Construction of Affordable Housing	Nov. 23, 2020	1,450,000	53,114	1,377,500			53,114	1,377,500
2021-07	Multi-purpose - NJ DOT Road Projects	May 12, 2021	820,000	411,538	193,000	373,487		38,051	193,000
2021-23	Various Equipment	Dec. 8, 2021	125,000	98,851		(2,732)		101,603	
2022-13	Various Recreation Improvements		5,000,000	239,000	4,761,000	539,566			4,460,434
			\$	902,372	7,780,877	1,123,772	375,367	935,051	6,249,059

Cash \$ 763,543
 Prior Year Encumbrances Cancelled (232,455)
 Encumbrances Payable 592,684

\$ 1,123,772

Deferred Charges Unfunded \$ 21,667
 Reserve for Payment of Debt 353,700

\$ 375,367

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Encumbrances Payable

General Capital Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$	232,455
Increased by:		
Transfer from Improvement Authorizations		<u>592,684</u>
		825,139
Decreased by:		
Cancelled Encumbrances		<u>232,455</u>
Balance - December 31, 2023	\$	<u><u>592,684</u></u>

Exhibit C-15

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$	23,839
Increased by:		
Budget Appropriation		<u>298,000</u>
Balance - December 31, 2023	\$	<u><u>321,839</u></u>

Exhibit C-16

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2023

Increased by:		
Cancelled Improvement Authorizations	\$	<u>353,700</u>
Balance - December 31, 2023	\$	<u><u>353,700</u></u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Reserve for Cost of Issuance

General Capital Fund

Year ended December 31, 2023

Balance - December 31, 2022	\$ <u>4,086</u>
Balance - December 31, 2023	\$ <u><u>4,086</u></u>

BOROUGH OF ENGLEWOOD CLIFFS
Schedule of Reserve for Boswell Settlement
General Capital Fund
Year ended December 31, 2023

Balance - December 31, 2022	\$ <u>185,000</u>
Balance - December 31, 2023	\$ <u><u>185,000</u></u>

Schedule of Reserve for Grants Receivable
General Capital Fund
Year ended December 31, 2023

Balance - December 31, 2022	\$ <u>256,652</u>
Balance - December 31, 2023	\$ <u><u>256,652</u></u>
Analysis of Balance	
BC Open Space - Ord. 2022-13 Witte Field Impr.	\$ <u><u>256,652</u></u>

BOROUGH OF ENGLEWOOD CLIFFS
Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance Dec. 31, <u>2022</u>	<u>Decreased</u>	Balance Dec. 31, <u>2023</u>
2013-15	Tax Appeal Refunds	\$ 21,667	21,667	
2018-01	5th Street Improvements (Special Assessment)	133,300		133,300
2019-10	Refunding Bond Ordinance - Tax Appeals	75,000		75,000
2020-10	Contribution for the Construction of Affordable Housing	1,377,500		1,377,500
2021-07	Multi Purpose - NJ DOT Road Projects	193,000		193,000
2022-13	Various Recreation Improvements	<u>4,761,000</u>		<u>4,761,000</u>
		<u>\$ 6,561,467</u>	<u>21,667</u>	<u>6,539,800</u>
			Cancelled \$ <u>21,667</u>	

BOROUGH OF ENGLEWOOD CLIFFS

PART II

**LETTER ON INTERNAL CONTROL AND ON COMPLIANCE
AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023



WIELKOTZ & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA
MATTHEW B. WIELKOTZ, CPA, PSA
DAVID BOTTGE, CPA, RMA, PSA
PAUL J. CUVA, CPA, RMA, PSA
KARI FERGUSON, CPA, RMA, CMFO, PSA
ROBERT C. MCNINCH, CPA, CFE, PSA
KEVIN REEVES, CPA, PSA

401 WANAQUE AVENUE
POMPTON LAKES, NEW JERSEY 07442
PHONE: (973)-835-7900
FAX: (973)-835-6631
EMAIL: OFFICE@W-CPA.COM
WWW.W-CPA.COM

**INDEPENDENT AUDITOR'S 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**

The Honorable Mayor and
Members of the Borough Council
Borough of Englewood Cliffs
Englewood Cliffs, New Jersey 07632

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Englewood Cliffs in the County of Bergen as of and for the year ended December 31, 2023 and the related notes to the financial statements, and have issued our report thereon dated October 14, 2024, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. Our opinion on the regulatory basis of accounting was adverse due to a scope limitation.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Englewood Cliffs' internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Englewood Cliffs' internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Englewood Cliffs' 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We did identify certain immaterial deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.


Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Borough of Englewood Cliffs' financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Englewood Cliffs in the accompanying comments and recommendations section of this report.

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 Borough of Englewood Cliffs' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Englewood Cliffs' internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CR00413


WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

October 14, 2024



BOROUGH OF ENGLEWOOD CLIFFS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

Section II - Financial Statement Findings

FINDING 2023-001

Attorney responses for audit inquiry of a client's lawyer concerning litigation, claims and assessments, in accordance with Section 337, were not received from a number of attorneys.

Criteria:

Response to an audit inquiry letter should be sent between the specified date of the lawyer's response and the expected completion date of the audit in accordance with Section AU 337, auditing standards that address Inquiry of a Client's Lawyer Concerning, Litigation, Claims and Assessments.

Condition:

Law firms representing the Borough did not provide a full disclosure of outstanding litigation, claims and assessments through the effective date of the audit period, creating an audit scope limitation.

Questioned Costs:

None

Context:

ABA Statement of Policy Regarding Lawyer's Responses to Auditor's Request for information, paragraphs 5(b), 5(c) and 6 (the "ABA" Statement).

Effect:

Responses were not received within the requested timeframe and beyond a reasonable period after the latest response date specified, creating a scope limitation.

Cause:

The Borough was not able to provide full legal disclosure of outstanding litigation, claims and assessments through the effective date of the audit period.

BOROUGH OF ENGLEWOOD CLIFFS

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

*Section II - Financial Statement Findings
(Continued)*

FINDING 2023-001 (Continued)

Recommendation

Management should maintain communication with active and terminated legal professionals through the audit effective date in order to communicate outstanding litigation, claims and assessments in accordance with Section AU 337 to complete the audit.

Response

Management believes that communication with some legal counsel is futile since outstanding litigation is present between the Borough and nonresponsive outside counsel.

**BOROUGH OF ENGLEWOOD CLIFFS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(continued)**

STATUS OF PRIOR YEAR FINDINGS

Finding 2022-001

Condition:

Attorney responses for audit inquiry of a client's lawyer concerning litigation, claims, and assessments, in accordance with Section 337, were not received from a number of attorneys.

Current Status:

Corrective action has not been taken, see Finding 2023-001.

BOROUGH OF ENGLEWOOD CLIFFS

GENERAL COMMENTS

Effective April 17, 2000 and thereafter the bid threshold in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500.00 and \$25,000.00 with a qualified purchasing agent. On July 1, 2010, the threshold was increased to \$36,000.00 with a qualified purchasing agent. On July 1, 2015, the threshold was increased to \$40,000.00 with a qualified purchasing agent. On July 1, 2020, the threshold was increased to \$44,000.00 with a qualified purchasing agent.

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500 or \$21,000 after July 1, 2005 the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

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

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

Handicapped Accessible Bathrooms
Renovations of Police Department Locker Room
Leaf Disposal and Transcript
Solid Waste Collection and Disposal
Senior Center Covid-19 Improvements

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

BOROUGH OF ENGLEWOOD CLIFFS

GENERAL COMMENTS, (continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory 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 N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 1, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

NOW, THEREFORE, BE IT RESOLVED that the Mayor and Council of the Borough of Englewood Cliffs do hereby fix the rate of 8% (eight percent) interest per annum up to \$1,500.00; 18% (eighteen percent) per annum thereafter to be charged for delinquent payment of any installments made within 10 days from the date upon which taxes become payable.

BE IT FURTHER RESOLVED that any installment received after the expiration of the grace period shall bear interest from the due date.

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes and Tax Title Liens

A tax sale was held on December 8, 2023.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of liens</u>
2023	1
2022	1
2021	1

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2023**

COMMENTS:

Finance:

1. *Not all prior year interfunds and intrafunds were liquidated prior to the close of the current fiscal year.
2. *There were instances in which goods and/or services were ordered prior to the execution of a purchase order in violation of Technical Accounting Directive #1.
3. *There are long outstanding grant contributions/receivables in the Federal and State Grant Fund and the General Capital Fund.
4. *There are significant amounts of appropriated grant reserves available for expenditure.
5. *There are stale dated outstanding checks being carried as reconciling items on the following bank reconciliations:
 - a. Current Fund
 - b. Payroll Account
 - c. Escrow Account
6. *A detailed analysis of the liability for accrued sick and vacation was not available for review at the time of audit.
7. *The Borough's accounting policy for the outside employment of police officers withing the police salary and wage line item is not authorized and is contrary to State law and regulations as stated in Local Finance Notice 2000-14 "Managing for Outside Employment of Police".
8. There are numerous items included on December 2023 bank reconciliations that were not satisfied in a timely manner.
9. There were instances in which expenditures were made with a purchase order and were not recorded in the accounting system.
10. There were over-expenditures resulting in deferred charges in the following:
 - a. Current Fund Budget Appropriations - \$40,192
 - b. Current Fund Appropriation Reserves - \$129,378
11. There is a deficit in the Recycling Trust Fund Reserves of \$6,038 as a result of bills paid in excess of the reserve balance.
12. Form 1099's issued to vendors receiving payments in excess of IRS thresholds were not provided for review to determine proper amounts were reported.
13. Fixed asset records were not updated for additions and deletions during the year.
14. There were instances where supporting documentation for purchases made was not provided at the time of audit.
15. There were instances in which disbursements were not properly included on the bills list approved by the Council.
16. There was one instance in which an employee's hourly salary exceeded the approved salary range.

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2023
(continued)**

COMMENTS (continued):

Clerk:

1. *A review of various professional service contracts and award procedures revealed that the Township did not properly utilize the “fair and open” process as set forth in the state’s “Pay to Play” statute (P.L. 2005, c.51).
 - a. An awarding resolution did not contain “not to exceed” cost language as required by N.J.A.C. 5:30-5.5(b)(1).
 - b. Awarding resolutions did not include a certification of availability of funds and doesn’t specify the line item appropriation(s).

Municipal Court:

1. The December monthly management report indicated the following
 - a. There are 9 tickets eligible for FTA over 14 days.
 - b. There are 7 tickets eligible for order of D/L suspension.
 - c. There are 9 cases on overpayment status.
 - d. There are 61 tickets assigned over 180 days.
 - e. There are 3 complaints eligible for FTA over 14 days.
 - f. There are 17 complaints eligible for warrant.
 - g. There are 3 complaints eligible for DSUS.
2. There were instances in which deposits were not made within 48 hours of receipt as required by N.J.S.A. 40A:5-15.

RECOMMENDATIONS:

Finance:

1. *That all interfunds and intrafunds be liquidated prior to the close of the year.
2. *That all goods/services be encumbered prior to being ordered in accordance.
3. *That all grants receivable should be reviewed and assessed for collectability and cancelled if necessary.
4. *That greater effort be made to charge appropriated grant reserves for allowable expenditures.
5. *That outstanding checks be investigated and either liquidated and/or cancelled via resolution.
6. *That a detailed analysis of the accrued liability for sick and vacation be maintained and made available for review at the time of audit.

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2023
Continued**

RECOMMENDATIONS (Continued):

7. *The Borough should receive estimated payments for private-duty prior to the performance of police work, in accordance with N.J.A.C. 5:30-8.6(h).
8. That all reconciling items be liquidated in a timely manner and stale dated items be investigated and cancelled if necessary.
9. All expenditures should be made through a valid purchase order to ensure the transaction is properly recorded in the accounting system.
10. That more care be taken to ensure that sufficient funds are available prior to expenditures being processed.
11. That greater oversight and monitoring be utilized to ensure reserve balances are adequate to fund expenditures.
12. That Form 1099's issued to all eligible vendors as required by IRS Rev. Rul. 2003-66 be provided at the time of audit for review.
13. The Borough should implement the process of updating the fixed asset report as items are purchased or disposed of as required by Technical Accounting Directive #2, codified as N.J.A.C. 5:30-5.6.
14. That all supporting documentation for purchases made be maintained and made available for review at the time of audit.
15. That all disbursements be included on the bills list for approval by the Council prior to release.
16. More care be taken to ensure salaries are within the range of the approved salary ordinance.

Clerk:

1. The Borough should comply with all Pay-to-Play Compliance Regulations when awarding a Professional Service contract.

Municipal Court:

1. Court personnel take steps to ensure that all tickets and complaints are processed in a timely manner and that all tickets that are assigned but not issued over 180 days be recalled and either destroyed or reassigned to other officers.
2. Deposits should be made within 48 hours of receipt as required by N.J.S.A. 40A:5-15.

BOROUGH OF ENGLEWOOD CLIFFS

STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATION

A review was performed on all prior year recommendations and corrective action was taken on all, except for the findings/recommendations marked with an “*”.

SUGGESTIONS TO MANAGEMENT:

1. That all required employees file an annual financial disclosure on time (April 30th) as required by LFN-2022-06.

ACKNOWLEDGMENT

We received the complete cooperation of all the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

October 14, 2024