

**BOROUGH OF ENGLEWOOD CLIFFS
BERGEN COUNTY, NEW JERSEY**

**FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2021 AND 2020

BOROUGH OF ENGLEWOOD CLIFFS
BERGEN COUNTY, NEW JERSEY
DECEMBER 31, 2021 AND 2020

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BERGEN COUNTY, NEW JERSEY
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INDEPENDENT AUDITOR'S REPORT

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

Adverse and Unmodified Opinions

We have audited the accompanying comparative balance sheets - regulatory basis of the various funds of the Borough of Englewood Cliffs, County of Bergen, State of New Jersey (the "Borough"), as of December 31, 2021, and the related comparative statements of operations and changes in fund balance - regulatory basis for the year then ended, and the related statements of revenues and expenditures - regulatory basis, and comparative statement of general fixed assets - regulatory basis for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents. The financial statements of the Borough as of December 31, 2020, and for the year then ended were audited by other auditors. Those auditors expressed a qualified opinion on those "regulatory basis" financial statements in their report dated August 9, 2021.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse, Qualified and Unmodified Opinions" section of our audit report, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough as of December 31, 2021 and 2020, or the changes in financial position for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph, with the exception of the Length of Services Awards Program and scope limitation described below, present fairly, in all material respects, the comparative financial position - regulatory basis, of each funds and account group of the Borough as of December 31, 2021 and 2020, and each fund's respective operations and changes in financial position and fund balance - regulatory basis for the years then ended, on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), as described in Note 1.

Basis for Adverse, Qualified and Unmodified Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide our adverse, qualified and unmodified audit opinions.

Matter Giving Rise to the Adverse and Qualified Opinion

As described in Note 1, the financial statements are prepared and presented by the Borough on the basis of the financial accounting and reporting principles and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey for municipal government entities. The effect on financial statements of the variances between the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As described in Finding 2021-01, some legal responses concerning litigation, claims and assessments, in accordance with Section AU 337, auditing standards that address Inquiry of a Client's Lawyer Concerning, Litigation, Claims, and Assessments, have not been received, creating a scope limitation.

The Length of Service Awards Program (LOSAP) of the Borough has not been audited, and we were not required by the Division to audit nor were we engaged to audit the LOSAP financial statements as part of our audit of the Borough's financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements - regulatory basis (the "financial statements") in accordance with the financial reporting provisions of the Division. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, 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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards in the United States of America, we:

- Exercise professional judgment 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 judgment, 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.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, and historical context. A management discussion and analysis is not required by the financial accounting and reporting principles and practices prescribed by the Division, to supplement the financial statements and therefore it has not been presented by management. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The supplementary schedules and the schedules of federal and state financial assistance are presented for purpose of additional analysis as required by the Division, and are not a required part of the basic financial statements.

The supplementary schedules and schedules of federal and state financial assistance are the responsibility of management and were derived from and relate to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subject 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 information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 27, 2022 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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's internal control over financial reporting and compliance.



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534



Garbarini & Co. P.C.
Certified Public Accountants

April 27, 2022
Carlstadt, New Jersey

**BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
AT DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		At December 31,	
<u>Reference</u>	<u>2021</u>	A	<u>2020</u>
ASSETS			
Current Fund:			
Cash and Cash Equivalents	A-4	\$ 6,611,925.62	\$ 4,050,271.35
Change Fund	A-5	300.00	300.00
Petty Cash	A-6	300.00	300.00
		6,612,525.62	4,050,871.35
Intergovernmental Receivables:			
Due from State of New Jersey - Seniors / Veterans Deductions	A-8		
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	290,900.64	454,352.93
Tax Title Lien Receivable	A-11	792.96	485.24
Property Acquired for Taxes - Assessed Valuation	A-10	39,528.00	39,528.00
Revenue Accounts Receivable	A-12	1,955.16	2,988.00
Due from Payroll Account	E	10,833.37	
Interfund Receivable			
Due From Other Trust Fund	A-21	377.61	
General Capital Fund	A-21		23.19
Animal License Fund	A-21	5,226.50	2,632.92
Escrow Trust Fund	A-21	2,135.25	2,135.25
Recycling Trust Fund	A-21	4,335.02	3,835.02
	A	356,084.51	505,980.55
Deferred Charges:			
Emergency Authorizations	A-22		335,000.00
Over-Expenditure of Appropriations	A-3	10,948.10	
Special Emergency Authorizations	A-22	1,406,239.20	1,149,500.00
		1,417,187.30	1,484,500.00
Total Current Fund		8,385,797.43	6,041,351.90
Federal and State Grants Fund:			
Federal and State Grants Receivable:			
Federal and State Grants Receivable:	A-7	169,733.58	25,394.58
Amount Due from Current Fund	A-21	503,215.34	216,317.65
Total Federal and State Grant Fund		672,948.92	241,712.23
TOTAL ASSETS		\$ 9,058,746.35	\$ 6,283,064.13

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
AT DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

A

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE:</u>			
Current Fund:			
Appropriation Reserves	A-3, A-13	\$ 1,475,359.17	\$ 807,439.53
Encumbrances	A-14	965,687.43	246,511.40
Prepaid Taxes	A-17	440,588.65	323,249.81
Tax Overpayments	A-18	7,815.00	6,956.50
County Taxes Payable	A-19	30,865.89	231,534.46
Due to State and Federal Grant Fund	A-21	503,215.34	216,317.65
Due to Other Trust Fund	A-21	-	1,462.43
Due to Escrow / Trust	A-21		151.96
Due to Capital Fund	A-21	263,525.75	
Due from State of New Jersey - Seniors / Veterans Deductions	A-8	151.96	
Accounts Payable	A-23		
Reserve for:			
Tax Appeals	A-23	247,049.94	281,950.08
State Library Aid	A-23	5,518.00	5,518.00
Recreation Community Pass Master Plan	A-23	-	
Bergen County Utilities Authority Recycling Grant	A-23	1,675.00	1,675.00
Outside Tax Title Lien Redemptions	A-23	11,445.00	11,445.00
Police Outside Duty- Due to Officers	A-23	-	10,233.00
Police Outside Duty- Due to Officers	A-23	27,419.77	27,419.77
Emergency Notes Payable	A-24	1,406,000.00	496,400.00
		<u>5,386,316.90</u>	<u>2,668,264.59</u>
Reserve for Receivables	A	356,084.51	505,980.55
Fund Balance	A-1	<u>2,643,396.02</u>	<u>2,867,106.76</u>
Total Liabilities, Reserves and Fund Balance - Current Fund		<u>8,385,797.43</u>	<u>6,041,351.90</u>
Federal and State Grant Fund:			
Appropriation Reserves	A-15	378,716.23	227,242.14
Unappropriated Reserves	A-16	294,232.69	14,470.09
Total Federal and State Grant Fund		<u>672,948.92</u>	<u>241,712.23</u>
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 9,058,746.35</u>	<u>\$ 6,283,064.13</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
AT DECEMBER 31, 2021 AND 2020

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

A-1

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>Reference</u>	For the Years Ended December 31,	
		<u>2021</u>	<u>2020</u>
Fund Balance Utilized	A-2	\$ 1,467,950.00	\$ 221,200.00
Miscellaneous Revenue Anticipated	A-2	2,610,724.02	2,038,740.00
Receipts from Delinquent Taxes	A-2	454,585.77	485,075.97
Receipts from Current Taxes	A-2	39,323,357.26	39,714,766.58
Non-Budget Revenues	A-2	110,631.66	54,287.07
Other Credits to Income:			
Interfunds Returned			1.23
Animal License Fund Excess	A-21	2,589.00	1,672.00
Cancel TTL Reserve Trust Fund	A-21	1,642.09	
Cancel Outside TTL Redemptions	A-23	10,233.00	
Unexpended Balance of Appropriations	A-3	4,556.08	
Unexpended Balance of Appropriation Reserves	A-13	344,157.78	1,273,136.05
Total Income		44,330,426.66	43,788,878.90
Budgetary and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	6,131,722.16	5,536,342.00
Other Expenses	A-3	8,869,723.14	7,816,871.00
Deferred Charges and Statutory Expenditures	A-3	2,303,441.80	3,651,758.00
Capital Improvements	A-3	302,000.00	25,000.00
Debt Service	A-3	2,727,463.00	2,697,889.00
	A-18		
Bad Checks- Not redeposited	A-4	1,877.66	
Local District School Tax	A-20	14,259,670.00	14,066,171.00
County Taxes	A-19	9,095,049.75	8,750,391.68
County Added/Omitted Taxes	A-19	30,865.89	231,534.46
Interfunds Advanced		3,448.00	4,012.00
Senior and Vet- Prior Year	A-8	250.00	27,522.00
	A-4		
Total Expenditures		43,725,511.40	42,807,491.14
Surplus in Operations		604,915.26	981,387.76
Adjustments to Income Before Fund Balance			
Which are by Statute Deferred to Budget			
of Succeeding Year	A-22	639,324.00	988,100.00
Fund Balance, Beginning of Year	A	2,867,106.76	1,118,819.00
Decreased by:		4,111,346.02	3,088,306.76
Utilized as Anticipated Revenue	A-2	1,467,950.00	221,200.00
Fund Balance, End of Year	A	\$ 2,643,396.02	\$ 2,867,106.76

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

A-2

STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 1,467,950.00	\$ 1,467,950.00	\$ -
Miscellaneous Revenues:				
Licenses				
Alcoholic Beverages		19,440.00	19,200.00	(240.00)
Fees and Permits				-
Construction Code Official		246,660.00	381,480.00	134,820.00
Other		43,640.00	39,105.00	(4,535.00)
Fines and Costs:				-
Municipal Court		20,910.00	37,227.94	16,317.94
Interest and Costs on Taxes		102,920.00	104,164.12	1,244.12
Interest on Investments and Deposits		14,790.00	35,050.35	20,260.35
Recreation Fees		5,390.00	-	(5,390.00)
Commercial Sewer User Fees		244,020.00	361,997.31	117,977.31
Sewer Hook-up fees		116,000.00	116,000.00	-
Energy Receipts Taxes		691,474.00	691,474.00	-
Cable TV Annual Leases		18,220.00	16,312.60	(1,907.40)
Cell Tower- Annual Lease		390,000.00	403,262.00	13,262.00
Elevator Fees		31,800.00	49,340.00	17,540.00
Burglar Alarm Fees		125.00	-	(125.00)
Police Traffic Fines		55,180.00	112,628.60	57,448.60
General Capital Fund -Fund Balance		66,247.00	66,247.00	-
Recycling Tonnage Grant		10,268.68	10,268.68	-
Clean Communities Grant		12,123.53	12,123.53	-
Body Armor Replacement Fund		2,346.56	2,346.56	-
Body Armor Replacement Fund		2,157.33	2,157.33	-
CDBG Grant- Bathrooms		91,351.00	91,351.00	-
Click-it-or Ticket Grant		6,000.00	6,000.00	-
Bureau of Justice Assistance- Body Worn Cameras		52,988.00	52,988.00	-
Total Miscellaneous Revenues		<u>2,244,051.10</u>	<u>2,610,724.02</u>	<u>366,672.92</u>
Receipts From Delinquent Taxes	A-1, A-9	<u>454,500.00</u>	<u>454,585.77</u>	<u>85.77</u>
Amt. to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes Including		<u>16,348,525.00</u>	<u>16,619,116.60</u>	<u>270,591.60</u>
BUDGET TOTALS		<u>\$ 20,515,026.10</u>	<u>21,152,376.39</u>	<u>\$ 637,350.29</u>
NON BUDGET REVENUES			<u>110,631.66</u>	
TOTAL BUDGET AND NON BUDGET REVENUES			<u>\$ 21,263,008.05</u>	

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

	<u>Reference</u>	<u>Realized</u>
<u>Allocation of Current Tax Collections:</u>		
Current Tax Revenue	A-1, A-9	\$ 39,323,357.26
Less: Allocated to School and County Taxes	A-9	(23,524,240.66)
Add: Appropriation for Uncollected Taxes	A-3	<u>820,000.00</u>
 Amount for Support of Municipal Budget Appropriations	 Above	 <u>\$ 16,619,116.60</u>
 <u>ANALYSIS OF NON-BUDGET REVENUE</u>		
OPRA Requests		934.35
Copies		478.35
200 ' List Request Fees		470.00
HHA Fees		3,450.00
Bad Check Fees		200.00
Refunds		5,330.93
ECFD Annual Lease		1.00
DMV Inspections Fine		50.00
COVID 19 Grant- MBRHC		1,771.00
Insurance Reimbursements		5,983.71
South Bergen JIF- WC		24,225.00
Fire Prevention Fines		980.00
Building Inspection Fines		-
Dedicated Penalties		480.00
Bounced Checks		42.69
Polling Places		160.00
Miscellaneous		82.98
Bus Shelter Franchise		-
Michael DRP- Hudson TC Multi Site		10,000.00
Online Payment Fees		9,597.98
FEMA - Tropical Storm Isaias		30,074.26
LEA Rebates		15,789.81
2% Senior/Veteran Admin Fee		370.00
Homestead Rebate Admin Fee		<u>159.60</u>
	A-1,4	<u>\$ 110,631.66</u>

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>		<u>Paid or Charged</u>	<u>EXPENDED</u>		<u>Lapsed</u>
		<u>Budget</u>	<u>Modified Budget</u>		<u>Reserved</u>	<u>Overexpended</u>	
OPERATIONS - WITHIN "CAPS"							
GENERAL GOVERNMENT FUNCTIONS:							
Administrative and Executive							
Salaries and Wages	\$	295,850.00	\$ 295,850.00	\$ 255,840.93	\$ 40,009.07	\$	\$
Other Expenses		107,900.00	107,900.00	104,561.71	3,338.29		
Governing Body							
Salaries and Wages		18,000.00	18,000.00	16,916.67	1,083.33		
Financial Administration							
Salaries and Wages		2,426.16	2,426.16	2,426.16	-		
Other Expenses		188,373.84	188,373.84	129,675.75	58,698.09		
Information Technology- Other Expenses		130,000.00	130,000.00	129,349.25	650.75		
Collection of Taxes							
Salaries and Wages		163,970.00	163,970.00	163,078.36	891.64		
Other Expenses		51,550.00	51,550.00	48,205.21	3,344.79		
Assessment of Taxes							
Salaries and Wages		19,380.00	19,380.00	19,379.89	0.11		
Other Expenses		9,300.00	9,300.00	1,339.40	7,960.60		
Legal Services and Costs							
Other Expenses		700,000.00	850,000.00	849,330.88	669.12		
Appraisal Fees		30,000.00	30,000.00	30,000.00	-		
Engineering Services and Costs							
Other Expenses		40,000.00	40,000.00	32,742.00	7,258.00		
Insurance (N.J.S.A. 40A:4-45.3)							
Other Insurance Premiums		654,200.00	654,200.00	601,829.75	52,370.25		
Group Insurance Plan for Employee		1,563,000.00	1,563,000.00	1,407,196.18	155,803.82		
Council on Affordable Housing (COAH)							
Legal Fees- Other Expenses		1,257,257.20	1,057,257.20	863,985.39	193,271.81		
MUNICIPAL LAND USE LAW (NJSA 40A:55D-1):							
Planning Board							
Salaries and Wages		10,000.00	10,000.00	11,500.00	-	1,500.00	
Other Expenses		146,900.00	196,900.00	172,885.14	24,014.86		

See independent auditor's report and the notes to the financial statements.

(Continued Next Page)

**BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>		<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Lapsed</u>
		<u>Budget</u>	<u>Modified Budget</u>				
OPERATIONS WITHIN "CAPS" (cont'd)							
PUBLIC SAFETY:							
Police							
Salaries and Wages	\$	4,212,056.00	\$ 4,212,056.00	\$ 3,950,322.35	\$ 261,733.65	\$	\$
Other Expenses		285,050.00	285,050.00	234,629.45	50,420.55		
Terminal Leave			639,324.00	636,323.74	3,000.26		
OEM							
Salaries and Wages		5,000.00	5,000.00	1,250.00	3,750.00		
Fire							
Salaries and Wages		77,000.00	77,000.00	55,508.00	21,492.00		
Fire Hydrant Services		90,000.00	95,500.00	104,849.21		9,349.21	
Other Expenses		73,525.00	68,025.00	54,691.95	13,333.05		
Clothing Expenses		25,000.00	25,000.00	22,800.00	2,200.00		
Municipal Court							
Salaries and Wages - Prosec/Pub Defender		14,000.00	14,000.00	14,000.00			
PUBLIC WORKS FUNCTIONS:							
Road Repair and Maintenance							
Salaries and Wages		1,031,710.00	1,031,710.00	892,558.00	139,152.00		
Other Expenses		145,900.00	124,900.00	110,881.73	14,018.27		
Gasoline		65,000.00	65,000.00	60,250.00	4,750.00		
Garbage and Trash Removal							
Other Expenses		559,000.00	559,000.00	541,475.81	17,524.19		
Recycling							
Other Expenses							
Public Buildings and Grounds							
Other Expenses		51,500.00	72,500.00	50,812.60	21,687.40		
Sewer System							
Other Expenses		13,500.00	13,500.00	10,712.63	2,787.37		
Shade Tree							
Salaries and Wages							
Other Expenses		60,000.00	60,000.00	37,025.00	22,975.00		

See independent auditor's report and the notes to the financial statements.

(Continued Next Page)

**BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>		<u>Paid or Charged</u>	<u>EXPENDED</u>		
		<u>Budget</u>	<u>Modified Budget</u>		<u>Reserved</u>	<u>Overexpended</u>	<u>Lapsed</u>
OPERATIONS WITHIN "CAPS" (Cont'd)							
HEALTH AND WELFARE:							
Board of Health							
Salaries and Wages	\$	10,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -	\$ -
Other Expenses		45,758.00	45,758.00	45,272.83	485.17		
Environmental Commission							
Other Expenses		1,250.00	1,250.00	610.94	639.06		
Senior Citizens Committee							
Other Expenses		15,600.00	15,600.00	13,000.00	2,600.00		
Parks and Playgrounds							
Salaries and Wages		30,000.00	30,000.00		30,000.00		
Other Expenses		74,500.00	74,500.00	25,986.66	48,513.34		
Celebration of Public Event, Anniversary or Holiday		8,000.00	8,000.00	588.00	7,412.00		
STATE UNIFORM CONSTRUCTION CODE OFFICIAL:							
Construction Officials							
Salaries and Wages		120,460.00	120,460.00	116,115.06	4,344.94		
Other Expenses		43,750.00	43,750.00	38,980.12	4,769.88		
Plumbing Inspector							
Salaries and Wages		9,870.00	9,870.00	9,862.00	8.00		
Fire Sub-Code Official							
Salaries and Wages		10,000.00	10,000.00	10,000.00	-		
Sewer Inspection							
Salaries and Wages		6,000.00	6,000.00	6,000.00	-		
Fire Prevention							
Salaries and Wages		17,000.00	17,000.00	17,000.00	-		
Other Expenses		4,100.00	4,100.00	1,390.03	2,709.97		
Electrical Inspection							
Salaries and Wages		23,000.00	23,000.00	23,000.00	-		

See independent auditor's report and the notes to the financial statements.

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**BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>			<u>EXPENDED</u>		
		<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Overexpended</u>	<u>Lapsed</u>
OPERATIONS WITHIN "CAPS" (Cont'd)							
MUNICIPAL COURT:							
Salaries and Wages		\$ 56,000.00	\$ 56,000.00	\$ 41,942.50	\$ 14,057.50	\$	\$
Other Expenses		10,450.00	10,450.00	4,437.66	6,012.34		
ACCUMULATED ABSENCES							
Council on Affordable Housing (COAH) EXPENSES							
UNCLASSIFIED:							
Electricity and Heating Oil		120,000.00	120,000.00	117,148.57	2,851.43		
Telephone and Fax		107,000.00	107,000.00	105,634.76	1,365.24		
Street Lighting		146,500.00	146,500.00	145,094.81	1,405.19		
Water		35,000.00	35,000.00	22,677.42	12,322.58		
Total Operations within "CAPS"		<u>12,990,586.20</u>	<u>13,629,910.20</u>	<u>12,373,074.50</u>	<u>1,267,684.91</u>	<u>10,849.21</u>	
CONTINGENT							
Total Operations Including Contingent within "CAPS"		<u>12,990,586.20</u>	<u>13,629,910.20</u>	<u>12,373,074.50</u>	<u>1,267,684.91</u>	<u>10,849.21</u>	
Detail:							
Salaries and Wages	A-1	6,131,722.16	6,131,722.16	5,616,699.92	516,522.24	1,500.00	
Other Expenses	A-1	6,858,864.04	7,498,188.04	6,756,374.58	751,162.67	9,349.21	
Deferred Charges							
Tax Appeals							
STATUTORY EXPENDITURES:							
Contribution to:							
Social Security System (O.A.S.J.)		225,000.00	225,000.00	216,549.44	8,450.56		
Police and Fireman's Retirement System of N.J.		1,147,780.00	1,147,780.00	1,147,780.00			
Public Employees' Retirement Fund		198,433.00	198,433.00	198,433.00			
Public Employees' Retirement Fund- Retro		9,644.00	9,644.00	9,643.78	0.22		
DCRP		5,000.00	5,000.00	5,098.89	(0.00)	98.89	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>1,585,857.00</u>	<u>1,585,857.00</u>	<u>1,577,505.11</u>	<u>8,450.78</u>	<u>98.89</u>	
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"		<u>14,576,443.20</u>	<u>15,215,767.20</u>	<u>13,950,579.61</u>	<u>1,276,135.69</u>	<u>10,948.10</u>	

(Continued Next Page)

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

<u>Expenditures</u>	<u>Ref.</u>	<u>APPROPRIATIONS</u>		<u>Paid or Charged</u>	<u>EXPENDED</u>		<u>Lapsed</u>
		<u>Budget</u>	<u>Modified Budget</u>		<u>Reserved</u>	<u>Overexpended</u>	
OPERATIONS - EXCLUDED FROM "CAPS"							
Sewer - Contractual - BCUA Service Charges	\$	934,000.00	\$ 934,000.00	\$ 933,933.23	\$ 66.77	\$	\$
Sewer Charges - Borough of Tenafly		15,300.00	15,300.00	15,300.00	-		
Sewer Charges - City of Englewood		40,000.00	40,000.00	36,925.29	3,074.71		
LOSAP		25,000.00	25,000.00	17,180.00	7,820.00		
Tax Appeals					-		
Library Services							
Maintenance of Free Public Library		150,000.00	150,000.00	150,000.00	-		
Declared State of Emergency Costs for Coronavirus N.J.S.A. 40A:4-45 45(b) and 40A:4-45 3(bb)		30,000.00	30,000.00		30,000.00		
Public and Private Programs Offset by Revenues							
Recycling Tonnage Grant		10,268.68	10,268.68	10,268.68	-		
Clean Communities Grant		12,123.53	12,123.53	12,123.53	-		
Body Armor Replacement Fund		2,346.56	2,346.56	2,346.56	-		
Body Armor Replacement Fund		2,157.33	2,157.33	2,157.33	-		
CDBG Grant- Bathrooms		91,351.00	91,351.00	91,351.00	-		
Click-it-or Ticket Grant		6,000.00	6,000.00	6,000.00	-		
Bureau of Justice Assistance- Body Worn Cameras		52,988.00	52,988.00	52,988.00	-		
Total Operations - Excluded from "CAPS"		1,371,535.10	1,371,535.10	1,330,573.62	40,961.48		
Salaries and Wages	A-1				-		
Other Expenses	A-1	1,371,535.10	1,371,535.10	1,330,573.62	40,961.48		

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See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021**

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Expenditures	Ref.	APPROPRIATIONS		EXPENDED			
		Budget	Modified Budget	Paid or Charged	Reserved	Overexpended	Lapsed
Capital Improvement Fund - Excluded from "CAPS"							
Capital Improvement Fund	A-1	\$ 125,000.00	\$ 125,000.00	\$ 125,000.00	\$ -	\$ -	\$ -
Computers		40,000.00	40,000.00		40,000.00		
911/Borough Phone System		117,000.00	117,000.00		117,000.00		
Fire Department Oxygen Tanks		20,000.00	20,000.00	18,738.00	1,262.00		
Total Capital Improvements-Excluded from "CAPS"		<u>302,000.00</u>	<u>302,000.00</u>	<u>143,738.00</u>	<u>158,262.00</u>	<u>-</u>	<u>-</u>
Municipal Debt Service							
Payment of Bond Principal		1,305,000.00	1,305,000.00	1,305,000.00			
Payment of Bond Anticipation Notes and Capital Notes		950,738.00	950,739.00	950,739.00			
Interest on Bonds		200,775.00	200,775.00	200,774.09			0.91
Interest on Notes		165,400.00	165,399.00	164,404.43			994.57
Bergen County Improvement Authority:							
Principal on Capital Leases		97,000.00	97,000.00	97,000.00			-
Interest on Capital Leases		8,550.00	8,550.00	4,989.40			3,560.60
Total Municipal Debt Service-Excluded from "CAPS"		<u>2,727,463.00</u>	<u>2,727,463.00</u>	<u>2,722,906.92</u>	<u>-</u>	<u>-</u>	<u>4,556.08</u>
Deferred Charges:							
Special Emergency Authorizations -							
Emergency Authorizations		335,000.00	335,000.00	335,000.00	-		
5 Years (N.J.S. 40A:4-55)		382,584.80	382,584.80	382,584.80	-		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"		<u>5,118,582.90</u>	<u>5,118,582.90</u>	<u>4,914,803.34</u>	<u>199,223.48</u>	<u>-</u>	<u>4,556.08</u>
Subtotal General Appropriations		19,695,026.10	20,334,350.10	18,865,382.95	1,475,359.17	10,948.10	4,556.08
Reserve for Uncollected Taxes	A-2	<u>820,000.00</u>	<u>820,000.00</u>	<u>820,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL APPROPRIATIONS		<u>20,515,026.10</u>	<u>\$ 21,154,350.10</u>	<u>\$ 19,685,382.95</u>	<u>\$ 1,475,359.17</u>	<u>\$ 10,948.10</u>	<u>\$ 4,556.08</u>
	Ref.	A-2	Below	Below	A	A	A-1
Adopted Budget	Above	20,515,026.10					
Added Chapter 159's							
Added Emergency	A-22	<u>639,324.00</u>					
Modified Budget	Above	<u>\$ 21,154,350.10</u>					
	Reference						
Cash Disbursements	A-4			\$ 16,319,438.80			
Budget Contras- Refunds	A-4			(557,206.61)			
Deferred Charges	A-22			717,584.80			
Due to Capital Fund	A-21			1,240,143.43			
Due to Trust Fund	A-21			2,500.00			
Encumbrances Payable	A-14			965,687.43			
Reserve for State Tax Appeals	A-23						
Non-cash Expenditure - Federal and State Grant Fund	A-21			177,235.10			
Non-cash Expenditure - Reserve for Uncollected Taxes	A-2			<u>820,000.00</u>			
	Above			<u>\$ 19,685,382.95</u>			

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
AT DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

B

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Assessment/Other Trust Fund:			
Cash- Other Trust	B-1	\$ 1,547,109.78	\$ 1,813,942.21
Tax sale receivable	B-3	50.00	50.00
Due from Current Fund:			
Other Trust Fund	B-6		1,462.43
		<u>1,547,159.78</u>	<u>1,815,454.64</u>
Dog License Trust Fund:			
Cash	B-1	9,459.50	6,893.92
Due from State of New Jersey	B-5		-
		<u>9,459.50</u>	<u>6,893.92</u>
Recycling Trust Fund:			
Cash	B-1	2,157.91	3,912.80
Deferred Charges- Over-expenditure	B-11	1,557.26	
Due from- Shade Tree Trust	B	151.90	151.90
Due from Other-Trust Fund	B	467.95	467.95
		<u>4,335.02</u>	<u>4,532.65</u>
Shade Tree Trust Fund:			
Cash	B-1	10,419.69	10,414.48
Council on Affordable Housing (COAH) Development Trust			
Cash	B-1	2,492,999.28	1,094,322.55
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	1,614,809.42	1,377,485.16
Contributions receivable	B-4	23,582.00	11,400.00
		<u>1,638,391.42</u>	<u>1,388,885.16</u>
DEA Forfeiture Trust:			
Cash	B-1	71,588.38	71,484.22
TOTAL ASSETS		\$ 5,774,353.07	\$ 4,391,987.62

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
AT DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

B

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2021</u>	<u>2020</u>
<u>LIABILITIES, RESERVES and FUND BALANCE</u>			
Assessment/Other Trust Fund:			
Due to Current Fund:			
Escrow Trust Fund	B-6	\$ 2,135.25	\$ 2,135.25
Other Trust Fund	B-6	377.61	
Due to State of New Jersey	B-7	3,377.00	9,645.00
Due to Recycling Trust Fund	B-1	467.95	467.95
Reserve for:			
Other Trust deposits	B-9	1,540,801.97	1,803,206.44
		<u>1,547,159.78</u>	<u>1,815,454.64</u>
 Dog License Fund:			
Due to State of New Jersey	B-5	-	
Due to Current Fund	B-6	5,226.50	2,632.92
Reserve for Dog Fund expenditures	B-10	4,233.00	4,261.00
		<u>9,459.50</u>	<u>6,893.92</u>
 Recycling Trust Fund:			
Due to Current Fund	B-6	4,335.02	3,835.02
Reserve for Recycling expenditures	B-11	-	697.63
		<u>4,335.02</u>	<u>4,532.65</u>
 Shade Tree Trust Fund:			
Due to Recycling Trust	B	151.90	151.90
Reserve for Shade Tree expenditures	B-12	10,267.79	10,262.58
		<u>10,419.69</u>	<u>10,414.48</u>
 COAH Development Trust:			
Reserve for COAH Development expenditures	B-13	2,492,999.28	1,094,322.55
 Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-14	1,638,391.42	1,388,885.16
 DEA Forfeiture Trust			
Reserve for expenditures	B-15	71,588.38	71,484.22
		<u>71,588.38</u>	<u>71,484.22</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 5,774,353.07</u>	<u>\$ 4,391,987.62</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

C

ASSETS	<u>Reference</u>	At December 31,	
		<u>2021</u>	<u>2020</u>
Cash	C-2,3	\$ 1,288,858.56	\$ 1,990,877.37
Grants Receivable			
New Jersey Department of Transportation	C-4	842,759.77	215,759.77
Bergen County -ADA Grant	C-4	46,000.00	46,000.00
Due from Ambulance Corp.	C	100,000.00	100,000.00
Due from Current Fund	C-5	263,525.75	
Deferred Charges to Future Taxation:			
Funded	C-14	7,128,000.00	8,530,000.00
Unfunded	C-7	10,121,246.00	10,878,985.00
TOTAL ASSETS		<u>\$ 19,790,390.08</u>	<u>\$ 21,761,622.14</u>
LIABILITIES, RESERVE AND FUND BALANCE			
Due To Current Fund	C-5	\$ -	\$ 23.19
Bond Anticipation Notes	C-8	8,320,779.00	9,271,518.00
General Serial Bonds	C-9	6,905,000.00	8,210,000.00
Capital Leases Payable	C-10	223,000.00	320,000.00
Encumbrance Payable	C-11	224,257.80	190,088.36
Improvement Authorizations			
Funded	C-11	701,217.26	262,085.62
Unfunded	C-11	3,119,700.81	3,212,734.80
Capital Improvement Fund	C-13	39,838.60	39,838.60
Reserve for Costs of Issuance	C-12	4,085.81	4,085.81
Reserve for Boswell Settlement	C	185,000.00	185,000.00
Fund Balance	C-1	67,510.80	66,247.76
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u>\$ 19,790,390.08</u>	<u>\$ 21,761,622.14</u>

There were \$1,800,467 and \$1,607,467 of Bonds and Notes Authorized But Not Issued on December 31, 2021 and 2020, respectively, (Exhibit C-15).

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Reference</u>	C-1
Balance December 31, 2020	C	\$ 66,247.76
Increased by:		
Premium on Bond Anticipation Note	C-2	67,510.04
		<u>133,757.80</u>
Decreased by:		
Due to Current Fund- Anticipated Revenue	C-5	66,247.00
		<u>66,247.00</u>
Balance December 31, 2021	C	<u>\$ 67,510.80</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
 GENERAL FIXED ASSETS ACCOUNTS GROUP
 AT DECEMBER 31, 2021 AND 2020

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
GROUP OF ACCOUNTS - REGULATORY BASIS

D

	At December 31,	
	<u>2021</u>	<u>2020</u>
<u>General Fixed Assets</u>		
Land	\$ 73,839,615	\$ 73,839,615
Buildings	9,360,673	9,360,673
Vehicles and Equipment	7,909,742	7,818,375
	<u>91,110,030</u>	<u>91,018,663</u>
<u>Investment in General Fixed Assets</u>	<u>\$ 91,110,030</u>	<u>\$ 91,018,663</u>

* The above values used are derived from the Borough's Fixed Asset Inventory Report as of December 31, 2021 prepared by AM Consultants, Inc.

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
PAYROLL ACCOUNT
AT DECEMBER 31, 2021 AND 2020**

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

E

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2021</u>	<u>2020</u>
<u>ASSETS</u>			
Cash	A	\$ 10,833.37	\$ 756.18
Deficit in Payroll Reserve		-	8,015.00
TOTAL ASSETS		<u>\$ 10,833.37</u>	<u>\$ 8,771.18</u>
 <u>LIABILITIES AND RESERVES</u>			
Payroll Agency Payable		\$ -	\$ 8,771.18
Due to Current Fund	A	10,833.37	-
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		<u>\$ 10,833.37</u>	<u>\$ 8,771.18</u>

See independent auditor's report and the notes to the financial statements.

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

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 (the "Borough") 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 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.

B. Fund Accounting

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division. 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. The accounts of the Borough are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues, and expenses or expenditures. The following funds and groups of accounts are used by the Borough:

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

See independent auditor's report.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

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 the Trust Funds.

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.

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.

Shade Tree Trust Fund - This fund is used to account for all fees and donations collected for the removal and replacement of trees.

Recycling Trust Fund - This fund is used to account for all fees collected from the sale of recyclable materials.

Emergency Services Volunteer Length of Service Award Program - Deferred compensation plan under IRC 457 and NJ Deferred Revenue Regulation. This fund is used to account for the cumulative payments to volunteer participants 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.

C. Measurement Focus and Basis of Accounting

The financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Under this modified accrual basis of accounting, revenues, except for 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 GAAP applicable to local government units.

See independent auditor's report.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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 5-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 April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a 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.

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. Transfers can be made during the last two months and the first three months of the following year. The budget may also be amended by emergency appropriation, which must be raised in the succeeding year's budget. Special items of revenue and corresponding expenditure may be added to the budget with special written consent from the Division of Local Government Services (Chapter 159).

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

General Capital Fund
Trust Funds

See independent auditor's report

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Budgets and Budgetary Accounting (Continued):

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. 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 2021, the mayor and council approved several budget transfers. Expenditures may not legally exceed budgeted appropriations at the line item level.

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.

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.

See independent auditor's report.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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. 40A5-15.1(a) to bonds or obligations of the Federal Government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase.

Incurred but Not Reported (IBNR) Reserves - The Borough has not created a reserve for any potential unreported losses which have taken place but for which the Borough has not received notice or report of losses. Additionally, the Borough has not recorded a liability for those claims, which have been filed but have not yet been paid. GAAP requires the establishment of reserves for such potential claims if material.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

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 non-funding 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.

General Fixed Assets - N.J.A.C. 5:30-5.6 codifies fixed asset accounting, the Technical Accounting Directive No. 86-2 (the "TAD") took effect in 1986. This TAD required local units to create and maintain a fixed asset accounting system for their physical assets. The requirement has now been codified as N.J.A.C. 5:30-5.6. The codification updates the definition of a fixed asset to refer to the 1997 edition of the U.S. Office of Management and Budget Circular A-87, Cost Principals for State, Local and Indian Governments. The regulation continues the requirement of the local units to:

- i. Place a value of all fixed assets put into service
- ii. Have a subsidiary ledger of detailed records of fixed assets
- iii. Provide property management standards to control fixed assets
- iv. Provide a statement of fixed assets in the annual audit.

Fixed Assets purchased after December 31, 1989 are stated at cost.

Fixed Assets purchased prior to December 31, 1989 are stated as follows:

Land and Buildings	Assessed Valuations
Machinery and Equipment	Estimated Market Value

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

See independent auditor's report.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

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.

Foreclosed Property - Foreclosed property is recorded in the Current Fund when such property was acquired and is fully reserved.

D. 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. CASH AND CASH EQUIVALENTS

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, 2021 and 2020, \$0 of the Borough's bank balance \$ 12,497,370.32 and \$9,794,384 respectively, were exposed to custodial credit risk.

Investments

Interest 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.

Credit Risk - New Jersey Statutes 40A: 5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: 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.

See independent auditor's report.

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

NOTE 2. CASH AND CASH EQUIVALENTS (Continued)

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 17, 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 American International Group, Inc. (AIG), which is an authorized provider by the Division of Local Government Services. The balance in the account on December 31, 2021 and 2020 amounted to \$1,614,809 and \$1,377,485 respectively.

The following investments represent the total invested with AIG on December 31, 2021 and 2020:

	2021	2020
Asset Allocation Fund	\$ 54,486	\$ 52,421
Blue Chip Growth Fund	127,297	108,817
Capital Conservation		1,694
Core Bond Fund	5,321	
Dividend Value	58,201	48,216
Emerging Economies	2,504	2,936
Fixed Account Plus	91,174	96,304
Global Strategy	8,725	8,116
Government Money Market 1	50,390	49,168
Government Securities Fund	993	1,027
Growth Fund	8,975	7,495
Health Sciences		39,224
High Yield Bond Fund	2,676	2,589
International Equities Fund	10,567	9,545
International Opportunities	2,773	2,625
Large CAP Core		1,915
Large CAP Value Fund		1,056
Mid Cap Growth Fund		1,473
Mid Cap Index Fund	130,488	106,184
Mid Cap Strategic Growth	1,698	
Mid Cap Value Fund	325,449	253,028
Moderate Growth Lifestyle	6,284	5,566
NASDAQ-100R Index Fund	10,263	8,167
Science & Technology Fund	447,424	356,956
Small Cap Index Fund	15,505	13,786
Small Cap Value Fund	4,306	3,273
Stock Index Fund	239,760	188,096
Strategic Bond Fund		3,120
Strategic Core Fund	8,305	4,688
Systematic Value	1,245	
	\$ 1,614,809	\$ 1,377,485

See independent auditor's report.

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

NOTE 3. PROPERTY TAXES RECEIVABLE, TAX TITLE LIENS

In accordance with the accounting principles prescribed by the State of New Jersey, taxes receivable and tax title liens are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of taxes receivable and tax title liens that are uncollectible.

For the year ended December 31, 2021 and 2020, property taxes receivable were \$290,900.64 and \$454,352.93, respectively and the borough had tax title liens receivable of \$792.96 and 485.24, respectively.

NOTE 4. MUNICIPAL DEBT

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 10 years and five months or retired by the issuance of bonds.

A. Temporary Debt, Notes

The Borough's temporary debt at December 31, 2021, consists of Bond Anticipation Note Payable of \$6,235,779 dated February 19, 2021, maturing February 18, 2022, bearing interest rate of 1% per annum, and Bond Anticipation Note Payable of \$2,085,000 dated November 12, 2021, maturing November 10, 2022, bearing an interest rate of 1% per annum.

At December 31, 2020, the Borough's temporary debt consisted of Bond Anticipation Note Payable of \$6,766,518, dated February 20, 2020, maturing February 19, 2021 bearing interest rate of 2% per annum, and Bond Anticipation Note Payable of \$ 2,505,000 dated November 14, 2020, maturing November 12, 2021, bearing an interest rate of 1% per annum.

The Borough also had a Special Emergency Notes payable at December 31, 2021 of \$1,406,000 dated November 12, 2021, maturing November 10, 2022, bearing an interest rate of 1% per annum.

B. Permanent, Temporary and Authorized Debt (excluding current fund and capital leases)

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Issued</u>			
General Capital Fund:			
Serial Bonds	\$ 6,905,000	\$ 8,210,000	\$ 9,475,000
Bond Anticipation Notes	8,320,779	9,271,518	9,218,505
Total Issued	<u>15,225,779</u>	<u>17,481,518</u>	<u>18,693,505</u>
<u>Authorized but not Issued</u>			
General:			
Bonds and Notes	<u>1,800,467</u>	<u>1,607,467</u>	<u>1,179,967</u>
Net Bonds and Notes Issued and Authorized but not Issued	<u>\$ 17,026,246</u>	<u>\$ 19,088,985</u>	<u>\$ 19,873,472</u>

See independent auditor's report.

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

NOTE 4. MUNICIPAL DEBT (Continued)

C. 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 .416% and .529% as of December 31, 2021 and 2020. The Equalized Valuation Basis of the Borough was \$3,570,088,919 and \$3,610,659,409 as of December 31, 2021 and 2020.

	<u>2021</u>	<u>2021</u>	<u>2021</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ -	\$ -	\$ -
General Debt-Excluding Capital Leases	17,026,246	2,181,667	14,844,579
	<u>\$ 17,026,246</u>	<u>\$ 2,181,667</u>	<u>\$ 14,844,579</u>
	<u>2020</u>	<u>2020</u>	<u>2020</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 340,000	\$ 340,000	\$ -
General Debt-Excluding Capital Leases	19,088,985		19,088,985
	<u>\$ 19,428,985</u>	<u>\$ 340,000</u>	<u>\$ 19,088,985</u>

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

<u>Borrowing Power Under N.J.S.A. 40A:2-6 As Amended</u>	<u>2021</u>	<u>2020</u>
3 1/2% of Equalized Valuation Basis (Municipal)	\$ 124,953,112	\$ 126,373,079
Net Debt	14,844,579	19,088,985
	<u>\$ 110,108,533</u>	<u>\$ 107,284,094</u>
Remaining Borrowing Power		

D. Overlapping Debt

County of Bergen (1) – Borough’s share (1.794%)	\$26,522,867
Bergen County Utilities Authority (2)	<u>4,196,777</u>
Total Overlapping Debt	\$30,719,644

(1) The County of Bergen has \$1,478,420,679 @ 12/31/21 in gross long-term and temporary debt. The Borough’s net share is obtained by dividing the Borough’s equalized valuation \$ 3,465,798,819 by the County’s equalized valuation \$193,236,794,929.

(2) Overlapping debt was computed based upon usage @ 12/31/2020.

See independent auditor’s report.

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

NOTE 4. MUNICIPAL DEBT (Continued)

E. Permanent Debt

	Balance Dec. 31, 2020	Additions	Reductions	Balance Dec. 31, 2021	Due in One Year
Bonds Payable:					
General Obligation Debt	\$ 8,210,000	\$ -	\$ 1,305,000	\$ 6,905,000	\$ 1,330,000
Total Bonds Payable	8,210,000	-	1,305,000	6,905,000	1,330,000
Other Liabilities:					
General Capital					
BCIA Leases Payable	320,000		97,000	223,000	106,000
Pension Deferral	173,351		44,513	128,838	48,664
Compensated Absences Payable	2,267,966		370,352	1,897,614	
	\$ 10,971,317	\$ -	\$ 1,816,865	\$ 9,154,452	\$ 1,484,664

The Borough's long-term debt consisted of permanent financing at December 31, 2021:

<u>General Serial Bonds</u>	<u>2021</u>	<u>2020</u>
\$9,885,000 General improvement bonds issued March 15, 2014, due through March 15, 2030 at variable rates of 2.00% to 3.00%	\$ 6,225,000	\$ 6,860,000
\$3,205,000 Refunding bonds issued April 1, 2016, due through July 15, 2022 at rate of 1.55%	680,000	1,350,000
Total General Serial Bonds	<u>\$ 6,905,000</u>	<u>\$ 8,210,000</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.

Debt Service- Permanent Financing (Bonds)

<u>Year End</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,507,540	\$ 1,330,000	\$ 177,540
2023	828,750	675,000	153,750
2024	836,500	700,000	136,500
2025	815,500	700,000	115,500
2026	794,500	700,000	94,500
2027-2030	2,968,000	2,800,000	168,000
	<u>\$ 7,750,790</u>	<u>\$ 6,905,000</u>	<u>\$ 845,790</u>

At December 31, 2021 and 2020, the Borough had authorized but not issued debt as follows:

	<u>2021</u>	<u>2020</u>
General Capital Fund	\$ 1,800,467	\$ 1,607,467

See independent auditor's report.

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

NOTE 5. CAPITAL LEASES PAYABLE

The Borough entered into an \$870,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. Principal and interest payments are due semi-annually through 2023. During 2012, the Borough entered into a new lease agreement to refinance the original unfunded pension liability. Principal and interest payments are due semi-annually through 2023. The following is a schedule of the future minimum lease payments under the agreements, and the present value of the net minimum lease payments at December 31, 2021:

Schedule of Annual Debt Service for Principal and Interest for

<u>Year End</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 111,461	\$ 106,000	\$ 5,461
2023	118,907	117,000	1,907
	<u>\$ 230,367</u>	<u>\$ 223,000</u>	<u>\$ 7,367</u>

NOTE 6. SPECIAL EMERGENCY NOTES & EMERGENCY NOTES PAYABLE

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. The Borough may also borrow money to fund emergency authorizations approved during the year for budget emergencies. These emergency notes must be paid for by the last day of the following year in which the notes were issued and the emergency appropriation authorized.

On December 31, 2021 and 2020, the Borough had \$1,406,000 and \$496,400, respectively, in outstanding Current Fund Special Emergency notes.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Interest Rate</u>
TD Securities	\$ 496,400	\$ -	\$ 496,400	\$ -	2.00%
Piper Sandler & Co.		1,406,000		1,406,000	1.00%
	<u>\$ 496,400</u>	<u>\$ 1,406,000</u>	<u>\$ 496,400</u>	<u>\$ 1,406,000</u>	

See independent auditor's report.

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

NOTE 7. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2021 will be appropriated as revenue in the 2022 introduced budget. The planned introduction date of the budget is June 8, 2022, with a budget adoption date to be determined.

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2021 and 2020 were as follows:

Fund Type	2021		2020	
	Receivables	Payables	Receivables	Payables
Current Fund	\$ 22,907.75	\$ 766,741.09	\$ 8,626.38	\$ 217,780.08
Federal and State Grant Fund	503,215.34		216,317.65	
Trust Fund	619.85	12,694.23	2,082.28	9,223.04
Capital Fund	263,525.75			23.19
Payroll and Payroll Agency Fund		10,833.37		
	<u>\$ 790,268.69</u>	<u>\$ 790,268.69</u>	<u>\$ 227,026.31</u>	<u>\$ 227,026.31</u>

NOTE 9. DEFERRED CHARGES

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2021 and 2020, the following deferred charges are shown on the balance sheet of the various funds:

2021 Current Fund:	Balance	2022	Balance to
	December 31, 2021	Budget Appropriation	Succeeding Budget
Special Emergency- N.J.S.A. 40A:4-55	\$ 1,406,239	\$ 382,585	\$ 1,023,654
Over-expenditure of Appropriation	10,948	10,948	-
<u>Trust Fund</u>			
Recycling Trust Fund Deficit	1,557	1,557	-
	<u>\$ 1,418,745</u>	<u>\$ 395,090</u>	<u>\$ 1,023,654</u>
2020 Current Fund:	Balance	2021	Balance to
	December 31, 2020	Budget Appropriation	Succeeding Budget
Special Emergency- N.J.S.A. 40A:4-55	\$ 1,149,500	\$ 254,720	\$ 894,780
Emergency Authorization	335,000	335,000	-
Deficit Payroll Reserve	8,015		8,015
	<u>\$ 1,492,515</u>	<u>\$ 589,720</u>	<u>\$ 902,795</u>

See independent auditor's report.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
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NOTE 10. PROPERTY TAX CALENDAR

Property tax revenues are collected in quarterly installments due February 1, May 1, August 1 and November 1. Property taxes unpaid on April 1 of the year following their final due date are subject to tax sale in accordance with State statutes. The amount of tax levied includes not only the amount required in support of the Borough's annual budget, but also the amounts required in support of the budget of the entities that follow. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund; accordingly, such amounts are not recorded as revenue until collected. GAAP requires such revenue to be recognized when they are available and measurable, reduced by an allowance for doubtful accounts.

School Taxes

The Borough is responsible for levying, collecting and remitting school taxes for the Board of Education. Operations are charged for the full amount required to be raised from taxation to operate the local school district.

County Taxes

The municipality is responsible for levying, collecting and remitting county taxes for the County of Bergen. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Prepaid Taxes

Taxes collected in advance are recorded as cash liabilities in the financial statements and were \$440,588.65 and \$323,249.81 for the year ended December 31, 2021 and 2020, respectively.

Reserve for Uncollected Taxes

The inclusion of the "Reserve for Uncollected Taxes" appropriation in the Borough's annual budget protects the Borough from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations. A Reserve for Uncollected Taxes is not established under GAAP.

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, 2021 and 2020 as follows:

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2020</u>
Balance of Tax	\$ 7,071,414.50	\$ 6,932,759.48
Deferred	7,071,414.50	6,932,759.48
Prepaid Taxes	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report.

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

NOTE 11. LOCAL DISTRICT SCHOOL TAXES (continued)

The school tax levy was certified for an amount that was not in accordance with State of New Jersey Department of Education Budget Guidance and resulted in a certification amount to be raised by taxation that was lower than the actual payments requested by the school in the amount of \$269,245 for Fiscal year 2021/22. The certified school tax amount was \$14,129,080 and the Borough paid the district based on the schedule of payments requested in the amount of \$14,398,325. The amount of taxes levied to taxpayers was based on the incorrect certification. The borough paid amounts to the school in accordance with the school payment schedule and not the certification tax levy.

NOTE 12. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2021.

<u>2021</u>	<u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Deletions/Adjust</u>	<u>Dec. 31, 2021</u>
Land	\$ 73,839,615			\$ 73,839,615
Buildings	9,360,673			9,360,673
Vehicles & Equipment	7,818,375	91,367		7,909,742
	<u>\$ 91,018,663</u>	<u>\$ 91,367</u>	<u>\$ -</u>	<u>\$ 91,110,030</u>

<u>2020</u>	<u>Dec. 31, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Dec. 31, 2020</u>
Land	\$ 73,817,090	\$ 22,525		\$ 73,839,615
Buildings	9,360,673			9,360,673
Vehicles & Equipment	7,656,236	162,139		7,818,375
	<u>\$ 90,833,999</u>	<u>\$ 184,664</u>	<u>\$ -</u>	<u>\$ 91,018,663</u>

NOTE 13. PENSION PLANS

Description of Plans

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System- (PERS). Those systems are sponsored and administered by the State of New Jersey and are considered cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for PERS and PFRS. This report may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625 or can be found at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>

See independent auditor's report.

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

NOTE 13. PENSION PLANS (Continued)

Summary of Significant Accounting Policies -PERS and PFRS

GASB 68, *Accounting and Financial Reporting for Pensions*, is effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.

Amendments to and further clarification of GASB 68, include GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB 67 and 68.*, and GASB 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*.

New Jersey municipalities and counties do not follow GAAP accounting principles and, as such, do not follow GASB requirements with respect to recording the net pension liability as a liability on their balance sheets. However, N.J.A.C. 5:30-6.1(c)(2) requires municipalities and counties to disclose GASB 68 information in the Notes to the Financial Statements. Therefore, the following information with regards to GASB 68 and its amendments is for disclosure purposes only. GASB 68 reports were not available as of the date of our audit. Amounts reflected are for the year ended June 30, 2020.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system or other state or local jurisdiction.

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

At June 30, 2020, the Borough had disclosed a liability of \$2,834,217 respectively, for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2020, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PERS during the year ended June 30, 2020. At June 30, 2020, the Borough's proportion was 0.0173799603%.

See independent auditor's report.

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

NOTE 13. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

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

For the year ended December 31, 2021, the Borough recognized pension expense of \$198,433 as measured at June 30, 2020. At June 30, 2020, the Borough had deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	June 30, 2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ 51,606	\$ 10,023
Changes of assumptions	91,945	1,186,713
Net difference between projected and actual earnings on pension plan investments	96,876	
Changes in proportion and differences between Borough and proportionate share of contributions	236,708	272,011
Borough contributions subsequent to the measurement date		
Total	\$ 477,135	\$ 1,468,747

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30:
2021	\$ (355,642)
2022	(324,238)
2023	(185,294)
2024	(74,930)
2025	(16,206)
Total	\$ (956,310)

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 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for the years for the 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

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

NOTE 13. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

	6/30/2020
Collective deferred outflows of resources	1,383,360,202
Collective deferred inflows of resources	6,885,726,332
Collective net pension liability (Non-State-Local Group)	16,435,616,426
Borough's portion of net pension liability	2,834,217
Borough's proportion %	0.01737996%

Actuarial assumptions. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00% – 6.00% based on years of service
Thereafter	3.00% – 7.00% based on years of service
Investment Rate of Return:	7.00%

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. Postretirement 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 is based on Scale MP-2020.

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

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00 % at June 30, 2020) 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.

See independent auditor's report.

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

NOTE 13. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

Discount rate. The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020, respectively. 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 78% of the actuarially determined contributions for the State employer and 100% of the actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments to determine the total pension liability.

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

NOTE 13. PENSION PLANS (Continued)

Public Employees' Retirement System (PERS)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the Borough's proportionate share of the net pension 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:

	<u>1% Decrease</u>	<u>June 30, 2020</u> <u>Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00%)</u>
Borough's proportionate share of the net pension liability	\$ 3,573,575	\$ 2,834,217	\$ 2,206,852

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>

PERS Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B. All benefits vest after ten years of service, except for medical benefits that vest after 25 years of service or under disability provisions of PERS. 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 tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 years or more 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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

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

NOTE 13. PENSION PLANS (Continued)

Police and Firemen's Retirement System (PFRS)

The Police and Firemen's Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full-time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

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

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

At June 30, 2020, the Borough has disclosed a liability of \$12,585,672 for its proportionate share of the net pension liability for reporting purposes only. The net pension liability was measured as of June 30, 2020, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The Borough's proportion of the net pension liability is based on the ratio of the contributions as an individual employer to total contributions to the PFRS during the years ended June 30, 2020. At June 30, 2020, the Borough's proportion was 0.09740238%.

A special funding situation exists for Local employers of the PFRS, in which the State of New Jersey is required to pay additional costs incurred by Local employers under 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. Since the local participating employers do not contribute under this legislation, there is no pension liability, deferred inflows or outflows to report. The amount of the Borough's proportionate share of collective net pension liability at June 30, 2020 was \$1,953,239.

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

NOTE 13. PENSION PLANS (Continued)

Police and Firemen's Retirement System (PFRS)

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

For the year ended December 31, 2021, the Borough recognized pension expense of \$1,147,780. At June 30, 2020, the Borough had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 126,885	\$ 45,168
Changes of assumptions	31,672	3,374,143
Net difference projected and actual earnings on pension plan investments	737,957	
Changes in proportion and differences between Borough's and proportionate share of contributions	748,638	2,155,110
Borough contributions subsequent to the measurement date		
Total	\$ 1,645,152	\$ 5,574,421

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30:
2021	\$ (1,208,700,565)
2022	(815,726,399)
2023	(332,087,897)
2024	(125,450,959)
2025	(108,112,902)
Total	\$ (2,590,078,722)

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 5.90, 5.92, 5.73, 5.59, 5.58, 5.53, and 6.17 years for the years for the 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts, respectively.

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

NOTE 13. PENSION PLANS (Continued)

Police and Firemen's Retirement System (PFRS)

	6/30/2020
Collective deferred outflows of resources	\$ 920,422,625
Collective deferred inflows of resources	3,510,501,347
Collective net pension liability (Non-State-Local Group)	14,926,648,722
Borough's portion of net pension liability	12,585,672
Borough's portion of net pension liability	0.0974023800%

Actuarial assumptions. The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
	3.25%
Salary Increases:	
Through all future years	3.25% – 15.25% based on years of service
Investment Rate of Return:	7.00%

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. For healthy annuitants, postretirement 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% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, 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 retirement rates were based on the 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 a generational basis. Mortality improvement is based on Scale MP-2020.

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

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

NOTE 13. PENSION PLANS (Continued)

Police and Firemen's Retirement System (PFRS)

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00 % at June 30, 2020) 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, 2020 are summarized in the following table:

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

Discount rate. The discount rate used to measure the total pension liability was 7.00% of June 30, 2020. 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 78% of the actuarially determined contributions for the State employer and 100% of the 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 projected benefit payments to determine the total pension liability

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

NOTE 13. PENSION PLANS (Continued)

Police and Firemen's Retirement System (PFRS)

Sensitivity of the Borough's proportionate share of the net pension liability to changes in the discount rate. The following presents the Borough's proportionate share of the net pension liability measured as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the net pension 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:

	<u>1% Decrease</u>	June 30, 2020 <u>Rate</u>	<u>1% Increase</u>
	<u>(6.00%)</u>	<u>(7.00%)</u>	<u>(8.00)</u>
Borough's proportionate share of the net pension liability	\$ 17,380,520	\$ 12,585,672	\$ 8,603,184

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

PFRS Vesting and Benefit Provisions - The vesting and benefit provisions for PERS are set by N.J.S.A. 43:16A. All benefits vest after ten years of service, except for disability benefits that vest after 4 years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of the final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and tier 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 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.

See independent auditor's report.

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

NOTE 13. PENSION PLANS (Continued)

Funding Policy- PERS and PFRS

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 employees. 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 and 8.5% for PFRS of the employees' annual compensation, as defined. Under the provisions of Chapter 78, P.L. 2012, PERS employee pension contribution rates increased from 5.5% to 6.5% of salary, effective October 1, 2012. An additional increase to be phased over the next 7 years will bring the total pension contribution rate to 7.5% of salary. PFRS employee pension contribution rates increased from 8.5% to 10% of salary, effective October 1, 2012. Employers are required to contribute at an actuarially determined rate in PERS and PFRS. The Borough's contributions to PERS and PFRS were as follows:

Year Ended December 31,	PERS Amount	PFRS Amount	Total
2021	\$ 198,433.00	\$ 1,147,780.00	\$ 1,346,213.00
2020	181,591.00	1,193,927.00	1,375,518.00
2019	169,565.00	1,117,155.00	1,286,720.00
2018	176,310.00	1,038,602.00	1,214,912.00

Significant Legislation

On March 07, 2009, the legislature of the State of New Jersey enacted Public Laws 2009, c19(S-21) the "Pension Deferral Program." This law allows the Division of Pensions and Benefits to provide non-state governmental pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction on 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 State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting April 2012 and over a 15-year period and 8 ¼ 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, 2021 and 2020 respectively was \$128,838 and \$173,351.

Defined Contribution Retirement Program

The Defined Contributions Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waive participation on the DCRP for the office or position. The waiver is irrevocable.

See independent auditor's report.

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

NOTE 13. PENSION PLANS (Continued)

Defined Contribution Retirement Program

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is re-elected to an elected office held prior to that date without a break in service may remain in the PERS. A Governor appointee by an elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

Deferred Compensation Plan

The Borough of Englewood Cliffs maintains a Deferred Compensation Plan in accordance with Internal Revenues Code Section 457 and NJ Deferred Revenue Regulation.

Any employee of the Borough is eligible to participate in the Plan. Participation in the Plan is entirely voluntary on the part of each employee. The Borough does not and is not required to make contributions to the Plan. AIG (VALIC), Nationwide Retirement Solutions, and Axa-Equitable Equivest are the Administrators of the Plan. Fund assets at December 31, 2021 and December 31, 2020 totaled \$3,283,268.95 and \$2,882,960.21 respectively.

NOTE 14. OTHER POST EMPLOYMENT BENEFITS

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

State Health Benefit Program Fund- Local Government Retired (the Plan) (including Prescription Drug Program Fund) - N.J.S.A. 43 :3c-24 established a separate trust fund for certain non-State participating employers to provide funding for State Health Benefit Program coverage to its eligible retirees. Under the provisions of Chapter 330, P.L. 1997, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. For additional information about the Plan, please refer to the State Division of Pensions and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

See independent auditor's report.

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

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (Continued)

The Plan provides medical and prescription drug coverage to retirees and their covered dependents. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiation agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52: 14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level coverage.

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

Measurement Focus and Basis of Accounting

The financial statements of the OPEB plan are prepared in accordance with U.S. generally accepted accounting principles as applicable to government organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB). The accrual basis of accounting is used for measuring financial position and changes in net position of the other postemployment benefit plan. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

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

See independent auditor's report.

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

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress

As of June 30, 2020, the most recent measurement date available, the State had \$17,946,612,946 unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$5,462,303,132 for state non-employer active and retired members, \$12,484,309,814 for local participating employer active and retired members.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2020 OPEB actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Plan Membership and Contributing Employers

At June 30, 2019, the OPEB plan membership and contributing employers consisted of the following:

<u>Local Government Retired</u>	<u>June 30, 2019</u>
Active Plan Members	62,547
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>30,614</u>
Total Plan Members	93,161
 Contributing Employers	 579

Post-Retirement Medical Benefits Contribution

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

See independent auditor's report.

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

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution (continued):

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan-using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The Borough's contributions to the State Health Benefits Program Fund Local Government Retired Plan for post-retirement benefits for the years ended December 31, 2021 was \$481,258.54, which equaled the required contributions. Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough of Englewood Cliffs on a monthly basis. Funds for retiree health premiums are raised each year in the municipality via property taxes.

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

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020, the most recent available report. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2020, the Borough reported a liability of \$14,467,662, for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Borough's proportionate share of the net OPEB liability was based on the ratio of the Borough's proportionate share of the OPEB liability attributable to the Borough at December 31, 2020 to the total OPEB liability for the State Health Benefit Program Fund- Local Government Retired Plan at June 30, 2020. As of the measurement date of June 30, 2020, the Borough's proportionate share was .080615 percent, which was an increase of .025174 percent from its proportionate share measured as of June 30, 2019 of .055441 percent.

See independent auditor's report.

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

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

For the year ended December 31, 2020 the Plan has determined the Borough's OPEB expense/adjustment of (\$37,639) based on the actuarial valuations which is less than the actual contributions reported in the Borough's financial statements of \$481,258.54. At December 31, 2020, measured at June 30, 2020, the Borough's deferred outflows of resources and deferred inflows of resources related to the OPEB plan which are not reported on the Borough's financial statements are from the following resources:

	June 30, 2020	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflow of</u> <u>Resources</u>
Difference between expected and actual experience	\$ 381,067	\$ 2,694,149
Changes of assumptions	2,163,907	3,217,385
Net difference projected and actual earnings on OPEB plan investments	9,188	
Changes in proportion and differences between Borough's and proportionate share of contributions	5,182,593	5,070,341
Borough contributions subsequent to the measurement date		
Total	\$ 7,736,755	\$ 10,981,875

At June 30, 2021 the amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB plan will be recognized in OPEB expense as follows:

	Year Ended June 30:
2021	\$ (777,709)
2022	(778,414)
2023	(779,554)
2024	(780,595)
2025	(532,267)
Thereafter	291,168
Total	\$ (3,357,371)

Changes in Proportion

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

See independent auditor's report.

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

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Actuarial Assumptions

The Borough's total OPEB liability reported for the year ended December 31, 2021 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

Inflation rate:	2.50%
Salary Increases*:	
PERS-Through 2026	2.00-6.00%
Thereafter	3.00-7.00%
PFRS- Rate for Future Years	3.25-15.25%

Mortality:

PERS	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020.
PFRS	Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from central year using Scale MP-2020.

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

Actuarial assumptions used in the July 1, 2019 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2013 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively. 100% of active members are considered to participate in the Plan upon retirement.

Health Care Trend Assumptions

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

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2020.

Discount rate

The discount rate used to measure the total OPEB liability was 2.21% as of June 30, 2020. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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**BOROUGH OF ENGLEWOOD CLIFFS
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YEARS ENDED DECEMBER 31, 2021 AND 2020**

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of Net OPEB Liability to Changes in the Discounts Rate

The following presents the Borough's proportionate share of the OPEB net liability as of June 30, 2020 calculated using the discount rate of 2.21%, 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:

1% Decrease

	June 30, 2020		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
	<u>1.21%</u>	<u>2.21%</u>	<u>3.21%</u>
Borough's proportionate share of the net OPEB liability	\$ 17,103,833	\$ 14,467,662	\$ 12,382,963

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

The following presents the Borough's proportionate share of the OPEB net liability as of June 30, 2020 calculated using the healthcare trend rates as disclosed above as well as what the Borough's proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>Current Discount</u>		
	Health Cost Trend Rates- June 30, 2020		
	<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
Borough's proportionate share of the net OPEB liability	\$ 11,972,005	\$ 14,467,662	\$ 17,735,759

See independent auditor's report.

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

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium of periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2020 (measured at June 30, 2020), the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$0. For the year ended June 30, 2020 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$0. At December 31, 2020, (measurement date June 30, 2019), the State's share of the OPEB liability attributable to the Borough was 0 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

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

NOTE 15. 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. It is estimated that the current cost of such unpaid compensation would approximate \$ 1,897,614 and \$2,267,966 as of December 31, 2021 and 2020, respectively. This amount is not reported either as an expenditure or liability.

See independent auditor's report.

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

NOTE 16. CONTINGENCIES

Litigation

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, 2021 financial position or results of operations or subsequent events.

Pending Tax Appeals:

Various tax appeal cases were pending in the tax court at December 31, 2021 and 2020. The Borough is vigorously defending its assessments in each case. Under the accounting principles 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.

Federal and State Awards

The Municipality participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2021 and 2020, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

NOTE 17. 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). In 2019, VALIC renamed to AIG Retirement Services. 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.

AIG 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 year's budget. 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, 2021 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

See independent auditor's report.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
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NOTE 18. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Borough is a member of the South Bergen County Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing its members the following low cost coverage:

General liability	Law enforcement professional liability
Automobile liability	Employee benefits liability

Members are insured up to \$250,000. The Borough pays actuarial assessments annually. If these assessments prove deficient, additional assessments may be levied. The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The Borough is also a member of the Municipal Excess Liability Joint Insurance Fund (the "MEL"). The MEL provides insurance coverage for claims in excess of \$250,000 for general liability, automobiles and workers' compensation/employer's liability. The MEL provides the following coverage:

- Public officials' liability/employment practices liability
- Crime coverage
- Statutory and excess public official bond
- Workers compensation
- Environmental liability

In addition, the MEL also provides for a Faithful Performance and Employee Dishonesty Blanket Bond with a \$1,000,000 limit.

The Borough continues to carry commercial insurance coverage for all these risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

Health Insurance Waiver: The Borough does not offer health insurance waivers to its employees.

NOTE 19. MUNICIPAL COURT

The Municipal Court Report is issued separately.

See independent auditor's report.

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

NOTE 20. FEDERAL ARBITRAGE REGULATIONS

Municipalities are subject to Section 148 of the IRC as it pertains to the “arbitrage rebate” on all tax-exempt obligations. Under 1986 TRA, the IRS required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. Excess earnings may be required to be rebated to the IRS. Bond Counsel should be engaged to calculate the estimated arbitrage earnings due to the IRS, if any.

NOTE 21: Liquidity, Management Plans and Intentions

Due to COVID-19 Pandemic, the Borough had to adjust its operations in 2020 and 2021 to continue to provide services to taxpayers. The Pandemic did not have a significant impact on the financial statements of the Borough for the year ended December 31, 2021. However, the Pandemic did result in the State of New Jersey taking steps to award additional grant monies to help offset some additional costs incurred related to public health. 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 \$525,935, which will be available until December 31, 2024. The first installment of half the amount was received during 2021 and the remainder will be received during 2022. Additionally, the Borough prepared and balanced the 2022 budget and considered the potential impact the Pandemic could have on Borough operations. Management believes that the fund balance available as of December 31, 2021, and the anticipated revenues from taxes, grants, and other revenues will be sufficient to meet the Borough’s financial needs for one year from the date of issuance of this report.

NOTE 22. SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 27, 2022, which is the date the financial statements were available to be issued. The Borough has not adopted their 2022 Municipal Budget and it is scheduled to be introduced on June 8th, 2022. There were no subsequent events that required financial statement adjustment.

See independent auditor’s report.

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

SUPPLEMENTARY DATA

Comparative Schedule of Tax Rate Information:

	2021	2020	2019	2018
Tax Rate	\$1.124	\$1.151	\$1.081	\$1.043

Apportionment of Tax Rate

Municipal	0.464	0.479	0.418	0.401
County	0.259	0.257	0.258	0.251
Local School	0.401	0.415	0.405	0.391

***Revaluation**

Net Valuation Taxable as listed in the Bergen County Board of Taxation Levy Duplicate

2021	\$	3,522,873,275
2020		\$ 3,403,273,632
2019		\$ 3,398,134,192
2018		\$3,400,524,332

Comparison of Tax Levies and Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

Year	Tax Levy	Cash Collection	Percentage of Collection
2021	\$ 39,731,048.00	\$ 39,323,357.00	98.97%
2020	40,208,628.00	39,714,767.00	98.77%
2019	36,800,703.00	36,195,677.00	98.36%
2018	35,613,790.00	34,816,744.00	97.76%

See independent auditor's report.

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

SUPPLEMENTARY DATA

Delinquent Taxes and Tax Title Liens

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

<u>December Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2021	\$ 793	\$ 290,901	\$ 291,694	0.73%
2020	485	454,353	454,838	1.13%
2019	322	484,915	485,237	1.32%
2018	168	340,809	340,977	0.96%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2021	\$ 39,528
2020	39,528
2019	39,528
2018	39,528

Comparative Schedule of Fund Balances

<u>Year</u>	<u>Balance December 31</u>	<u>of Succeeding Year</u>
2021	\$ 2,631,899	Not Adopted
2020	2,867,273	1,146,950
2019	1,118,819	121,200
2018	1,387,950	1,217,114

See independent auditor's report.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF CASH - TREASURER

A-4

	<u>Reference</u>		
Balance December 31, 2020	A		\$ 4,050,271.35
Increased by Cash Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	\$ 110,631.66	
Budget Contras/ Refunds	A-3	557,206.61	
Petty Cash	A-5	-	
Grants Receivable	A-7,21	18,426.01	
Due from State of New Jersey for			
Senior Citizens' and Veterans' Deductions	A-8	18,500.00	
Taxes Receivable	A-9	39,453,435.23	
Revenue Accounts Receivable	A-12	2,366,291.90	
Unappropriated Grants Reserves	A-16,21	294,232.69	
Prepaid Taxes	A-17	401,549.41	
Miscellaneous Reserves and Payables	A-23	-	
Interfunds Receivable	A-21	-	
Emergency Note Payable	A-24	-	
			43,220,273.51
			47,270,544.86
Decreased by Cash Disbursements			
2021 Budget Appropriations	A-3	16,319,438.80	
2020 Appropriation Reserves	A-13	709,793.15	
Petty Cash	A-5	-	
Prior Year Grant Expenditures	A-15	25,761.01	
Bad Checks- Not redeposited	A-1	1,877.66	
Tax Overpayments Refunded	A-18	12,494.41	
Local County Taxes	A-19	9,326,584.21	
Local School Taxes	A-20	14,259,670.00	
Interfunds Disbursed	A-21	3,000.00	
Miscellaneous Reserves & Payables	A-23	-	
			40,658,619.24
Balance, December 31, 2021	A		\$ 6,611,925.62

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF CHANGE FUNDS

A-5

	<u>Reference</u>	
Balance December 31, 2020	A	\$ 300.00
Balance December 31, 2021	A	\$ 300.00

SCHEDULE OF PETTY CASH

A-6

	<u>Reference</u>	
Balance, December 31, 2020	A	\$ 300.00
Increased by:		
Petty Cash Returned	A-4	300.00
Decreased by:		
Petty Cash Disbursed	A-4	300.00
Balance, December 31, 2021	A	\$ 300.00

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
 FEDERAL AND STATE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

A-7

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	Balance December 31, 2020	Realized As Revenues 2021 Budget	Cash Received In Current Fund	Balance December 31, 2021
Municipal Alliance on Alcoholism and Drug Abuse	\$ 7,698.57	\$ -	\$ -	\$ 7,698.57
Bullet Proof Vest Fund	7,986.36			7,986.36
Recycling Tonnage Grant		10,268.68	10,268.68	-
Body Armor Replacement Fund		2,157.33	2,157.33	-
Click- it- or- Ticket Grant		6,000.00	6,000.00	-
Bureau of Justice- Body Worn Cameral Grant		52,988.00		52,988.00
Community Development Block Grant	9,709.65			9,709.65
Com Dev. Block Grant Bathrooms		91,351.00	-	91,351.00
	<u>\$ 25,394.58</u>	<u>\$ 162,765.01</u>	<u>\$ 18,426.01</u>	<u>\$ 169,733.58</u>
<u>Ref.</u>	A	A-2,15	A-4,7	A

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

**SCHEDULE OF DUE FROM STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS (CHAPTER. 20, P.L. 1971)**

A-8

	<u>Reference</u>		
Balance December 31, 2020	A		\$ 151.96
Increased by:			
Tax Billings:			
Senior Citizen's Deductions	Below	\$ 1,250.00	
Veteran's Deductions	Below	18,000.00	
Allowed by Tax Collector:			
2021 Senior Citizen Deductions	Below	<u> </u>	<u>19,250.00</u>
			19,401.96
Decreased by:			
Disallowed by Tax Collector -2020 Taxes	A-9	250.00	
Disallowed by Tax Collector-2021 Taxes:		500.00	
Cash Receipts	A-4	<u>18,500.00</u>	<u>19,250.00</u>
Balance December 31, 2021	A		<u>\$ 151.96</u>

Analysis of State's Share of Senior Citizen's and Veteran's Deductions

	<u>Ref.</u>		
Senior Citizen's & Veteran's Deductions (Net):			
Tax Billings:			
Senior Citizen's Deductions	Above	\$ 1,250.00	
Veteran's Deductions	Above	18,000.00	
Allowed by Tax Collector:			
2021 Senior Citizen Deductions	Above		
Disallowed by Tax Collector:			
2021 Senior Citizen Deductions		<u>(500.00)</u>	
	A-9		<u>\$ 18,750.00</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

A-9

Year	Balance 12/31/20	Added Taxes	2021 Tax Levy	Collections 2020	2021	Senior Citizens and Veterans Deductions	Cancellations	Transfer To Tax Title Liens	Balance 12/31/21
2020	\$ 454,352.93	\$ -	\$ -	\$ -	\$ 454,585.77	\$ (250.00)	\$ 17.16	\$ -	\$ (0.00)
2021		133,952.13	39,597,095.67	323,249.81	38,981,357.45	18,750.00	116,630.29	159.61	290,900.64
	<u>\$ 454,352.93</u>	<u>\$ 133,952.13</u>	<u>\$ 39,597,095.67</u>	<u>\$ 323,249.81</u>	<u>\$ 39,435,943.22</u>	<u>\$ 18,500.00</u>	<u>\$ 116,647.45</u>	<u>\$ 159.61</u>	<u>\$ 290,900.64</u>
Reference	A	Below	Below	A-17	Below	A-8		A-11	A

ANALYSIS OF PROPERTY TAX LEVY

	Reference	
General Property Tax		\$ 39,577,845.67
Senior Citizen and Veterans Deductions		19,250.00
Tax Levy		\$ 39,597,095.67
Added Taxes (54:4-63, 1et. seq.)	Above	133,952.13
	Below	\$ 39,731,047.80
County Taxes	A-19	\$ 8,732,499.29
County Open Space Tax	A-19	362,550.46
Due County for Added Taxes	A-19	30,865.89
Local District School Tax	A-20	14,398,325.02
	A-2	\$ 23,524,240.66
Amount to be Raised by Taxes	A-2	16,348,525.00
Local Tax for Municipal Purpose Levied Shortage (FS Note #11)		(141,717.86)
		16,206,807.14
	Above	\$ 39,731,047.80

ANALYSIS OF CASH COLLECTIONS - NET OF REFUNDS

	Delinquent	Current	Total
Collections			
2020 Taxes	\$ 454,585.77	\$ -	\$ 454,585.77
2021 Taxes		39,323,357.26	39,323,357.26
	<u>454,585.77</u>	<u>39,323,357.26</u>	<u>39,777,943.03</u>
Senior & Veterans Deductions	A-8	18,750.00	18,750.00
Prepaid Taxes Applied to 2021	A-17	323,249.81	323,249.81
Cash Receipts Taxes	A-4	38,994,521.11	39,453,435.23
Taxes Applied Overpayments	A-18	(4,328.35)	(17,492.01)
	A-2	\$ 454,585.77	\$ 39,323,357.26
		<u>\$ 39,323,357.26</u>	<u>\$ 39,777,943.03</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATIONS

A-10

	<u>Reference</u>	
Balance December 31, 2020	A	\$ 39,528.00
Balance December 31, 2021	A	\$ 39,528.00

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

A-11

	<u>Reference</u>	
Balance December 31, 2020	A	\$ 485.24
Increased by:		
Transferred from Taxes Receivable	A-9	\$ 159.61
Adjustment - Added		148.11
		<u>307.72</u>
Balance December 31, 2021	A	\$ 792.96

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-12

	Balance December 31, <u>2020</u>	Accrued in <u>2021</u>	Received in <u>2021</u>	Balance December 31, <u>2021</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 19,200.00	\$ 19,200.00	\$ -
Fees and Permits				
Construction Code Official		371,434.00	371,434.00	-
Other		49,151.00	49,151.00	-
Municipal Court Fines and Costs	2,988.00	36,195.10	37,227.94	1,955.16
Burglar Alarm Fees		-	-	-
Interest and Cost on Taxes		104,164.12	104,164.12	-
Interest on Investments		35,050.35	35,050.35	-
Recreation Fees		-	-	-
Cable TV Annual Leases		16,312.60	16,312.60	-
Cell Tower- Annual Lease		403,262.00	403,262.00	-
Elevator Fees		49,340.00	49,340.00	-
Energy Receipts Taxes		691,474.00	691,474.00	-
Police Traffic Fines		112,628.60	112,628.60	-
General Capital- Fund Balance		66,247.00	66,247.00	-
Sewer Hook-up Fees		116,000.00	116,000.00	-
Commercial Sewer Use Fees		361,997.31	361,997.31	-
TOTALS	<u>\$ 2,988.00</u>	<u>\$ 2,432,456.08</u>	<u>\$ 2,433,488.92</u>	<u>\$ 1,955.16</u>
Ref.	A, A-1		Below	A
Cash Receipts		A-4	\$ 2,366,291.90	
Due from General Capital Fund		A-21	66,247.00	
Interest		A-21	950.02	
			<u>\$ 2,433,488.92</u>	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF 2020 APPROPRIATION RESERVES

A-13

<u>Appropriations</u>	<u>Balance Dec. 31, 2020</u>	<u>2020 Encumbrances</u>	<u>Balance after Transfers and Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>GENERAL GOVERNMENT FUNCTIONS (within "CAPS")</u>					
Administrative and Executive					
Salaries and Wages	\$ 74.56	\$ -	\$ 74.56	\$ -	\$ 74.56
Other Expenses	6,645.77	10,200.42	16,846.19	1,515.35	15,330.84
Financial Administration					
Salaries and Wages	0.92		0.92	0.00	0.92
Other Expenses	20,114.75	34,700.00	54,814.75	36,239.19	18,575.56
Collection of Taxes					
Salaries and Wages	11,879.42		11,879.42	7,247.55	4,631.87
Other Expenses	6,291.98	3,587.87	9,879.85	3,175.07	6,704.78
Assessment of Taxes					
Salaries and Wages	0.98		0.98	0.00	0.98
Other Expenses	7,699.00		7,699.00	0.00	7,699.00
Legal Services and Costs					
Other Expenses	33,873.33	16,862.50	50,735.83	47,553.25	3,182.58
Appraisal Fees	950.00	13,000.00	13,950.00	0.00	13,950.00
Engineering Services and Costs					
Other Expenses	5,653.55		5,653.55	737.83	4,915.72
Insurance					
Other Insurance Premiums	83,662.55		8,662.55	0.00	8,662.55
Group Insurance Plan for Employees	62,016.84		22,016.84	0.00	22,016.84
COAH					
Legal Fees - Other Expenses	3,461.85	3,237.50	105,699.35	102,459.00	3,240.35
<u>MUNICIPAL LAND USE LAW (NJSA 40:55D-1)</u>					
Planning Board					
Other Expenses	86,259.09	11,842.01	98,101.10	89,904.80	8,196.30
<u>PUBLIC SAFETY:</u>					
Police					
Salaries and Wages	122,062.66		247,062.66	244,174.98	2,887.68
Other Expenses	9,969.20	18,314.29	28,283.49	8,963.33	19,320.16
Fire Official					
Salaries and Wages	32,550.00		32,550.00	20,180.00	12,370.00
Fire Hydrant Services	10,888.24		10,888.24	0.00	10,888.24
Other Expenses	39,134.33	13,329.37	17,463.70	8,252.81	9,210.89
Clothing Expenses	250.00		750.00	750.00	0.00

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

A-13

SCHEDULE OF 2020 APPROPRIATION RESERVES

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>2020</u> <u>Encumbrances</u>	<u>Balance after</u> <u>Transfers and</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
<u>PUBLIC WORKS FUNCTIONS</u>					
Road Repairs and Maintenance					
Salaries and Wages	\$ 63,866.75	\$ -	\$ 22,766.75	\$ 7,977.16	\$ 14,789.59
Other Expenses	7,396.92	28,912.72	36,309.64	23,116.59	13,193.05
Gasoline	39,065.00	10,112.36	29,177.36	0.00	29,177.36
Garbage and Trash Removal					
Other Expenses	22,735.56	37,630.00	100,365.56	95,134.76	5,230.80
Recycling					
Other Expenses	0.00		0.00	0.00	0.00
Public Building and Grounds					
Other Expenses	1,370.11	7,051.78	8,421.89	2,047.94	6,373.95
Sewer System					
Other Expenses	889.80	5,509.04	6,398.84	1,064.67	5,334.17
Shade Tree					
Salaries and Wages	0.00		0.00	0.00	0.00
Other Expenses	355.00		355.00	0.00	355.00
<u>HEALTH AND WELFARE</u>					
Board of Health					
Other Expenses	1,488.63	117.12	1,605.75	0.00	1,605.75
Environmental Commission					
Other Expenses	865.86		865.86	0.00	865.86
Senior Citizens Committee					
Other Expenses	2,030.85		2,030.85	0.00	2,030.85
Parks and Playgrounds					
Salaries and Wages	61.94		61.94	0.00	61.94
Other Expenses	5,238.17	8,633.55	13,871.72	5,440.00	8,431.72
Celebration of Public Event, Anniversary or Holiday	2,188.65		2,188.65	0.00	2,188.65
<u>UNIFORM CONSTRUCTION CODE (within "CAPS")</u>					
Construction Code Officials					
Salaries and Wages	1,675.46		2,275.46	2,200.00	75.46
Other Expenses	8,583.00	200.00	8,783.00	0.00	8,783.00
Plumbing Inspector					
Salaries and Wages	38.00		38.00	0.00	38.00
Fire Sub-Code Official					
Salaries and Wages	1,120.00		1,120.00	0.00	1,120.00
Fire Prevention					
Other Expenses	2,042.40		2,042.40	0.00	2,042.40
Electrical Inspections					
Salaries and Wages	0.88		0.88	0.00	0.88

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

A-13

SCHEDULE OF 2020 APPROPRIATION RESERVES

<u>Appropriations</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>2020</u> <u>Encumbrances</u>	<u>Balance after</u> <u>Transfers and</u> <u>Encumbrances</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
Municipal Court					
Salaries and Wages	\$ 10,825.62	\$ -	\$ 10,825.62	\$ 1,492.50	\$ 9,333.12
Other Expenses	3,064.01	5,701.14	8,765.15	0.98	8,764.17
<u>Unclassified</u>					
Utilities					
Electricity and Heating Oil	23,140.86	1,743.17	884.03	0.00	884.03
Telephone and Fax	5,254.48		5,254.48	0.00	5,254.48
Street Lighting	12,387.77	973.66	361.43	0.00	361.43
Water	15,066.54	2,352.90	419.44	165.39	254.05
STATUTORY EXPENDITURES (within "CAPS")					
Contribution to:					
Social Security System (O.A.S.I.)	15,828.70		15,828.70	0.00	15,828.70
Public Employees' Retirement Fund	0.00		0.00	0.00	0.00
DCRP	1,611.30		1,611.30	0.00	1,611.30
OPERATIONS (excluded from "CAPS")					
Sewer Contractual- BCUA Service Charges	6,153.25		6,153.25	0.00	6,153.25
Sewer Charges Borough of Tenafly	0.00		0.00	0.00	0.00
Sewer Charges - City of Englewood	0.00		0.00	0.00	0.00
LOSAP	9,655.00		9,655.00	0.00	9,655.00
Library Services	0.00	12,500.00	12,500.00	0.00	12,500.00
TOTAL GENERAL APPROPRIATIONS	<u>\$ 807,439.53</u>	<u>\$ 246,511.40</u>	<u>\$ 1,053,950.93</u>	<u>\$ 709,793.15</u>	<u>\$ 344,157.78</u>
<u>Reference</u>	A	A-14		A-4	A-1

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
 CURRENT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF ENCUMBRANCES PAYABLE

A-14

	<u>Reference</u>	
Balance December 31, 2020	A	\$ 246,511.40
Increased by:		
Charges to 2021 Budget Appropriations	A-3	965,687.43
		1,212,198.83
Decreased by:		
Transferred to 2020 Appropriation Reserves	A-13	246,511.40
		246,511.40
Balance December 31, 2021	A	\$ 965,687.43

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
FEDERAL AND STATE GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

A-15

SCHEDULE OF FEDERAL AND STATE GRANTS APPROPRIATED

	Balance December 31, 2020	Transfer From 2021 Budget	Decreased by	Balance December 31, 2021
Community Development Block Grant	\$ 12,330.72	\$ -	\$ -	\$ 12,330.72
Community Development Block Grant-2021		91,351.00		91,351.00
BCUA Recycling Grant	10,483.00			10,483.00
BCUA Recycling Grant	10,211.00			10,211.00
BCUA Recycling Grant	3,508.00			3,508.00
BCUA Recycling Grant	2,549.42			2,549.42
Clean Communities - 2012	5,543.00		5,543.00	-
Clean Communities - 2013	11,376.42		8,531.97	2,844.45
Clean Communities - 2014	10,668.64			10,668.64
Clean Communities - 2015	12,963.25			12,963.25
Clean Communities - 2016	14,251.17			14,251.17
Clean Communities - 2017	7,170.06			7,170.06
Clean Communities - 2018	12,046.57			12,046.57
Clean Communities - 2019	13,446.58			13,446.58
Clean Communities - 2020		12,123.53		12,123.53
Recycling Tonnage Grant - 2010	9,137.00		5,686.04	3,450.96
Recycling Tonnage Grant - 2011	7,326.00			7,326.00
Recycling Tonnage Grant - 2013	6,920.64			6,920.64
Recycling Tonnage Grant - 2014	9,674.93			9,674.93
Recycling Tonnage Grant - 2015	6,792.82			6,792.82
Recycling Tonnage Grant - 2017	10,012.13			10,012.13
Recycling Tonnage Grant - 2018	9,982.09			9,982.09
Recycling Tonnage Grant - 2019	9,152.29			9,152.29
Recycling Tonnage Grant - 2020	7,630.99			7,630.99
Recycling Tonnage Grant - 2021		10,268.68		10,268.68
Alcohol Education Rehabilitation-2014	943.18			943.18
Alcohol Education Rehabilitation - 2015	1,178.66			1,178.66
Alcohol Education Rehabilitation - 2016	664.75			664.75
Alcohol Education Rehabilitation - 2017	193.02			193.02
Alcohol Education Rehabilitation - 2018	878.79			878.79
Click it or Ticket Grant - 2021		6,000.00	6,000.00	-
Municipal Alliance	156.00			156.00
Drunk Driving Enforcement Fund-2003	162.57			162.57
Drunk Driving Enforcement Fund-2004	1,141.50			1,141.50
Drunk Driving Enforcement Fund-2005	278.80			278.80
Drunk Driving Enforcement Fund-2009	377.54			377.54
Drunk Driving Enforcement Fund-2014	3,400.00			3,400.00
Drunk Driving Enforcement Fund-2015	1,989.00			1,989.00
Body Armor Grant	2,683.97			2,683.97
Body Armor Grant-2021		4,503.89		4,503.89
Bureau of Justice Assistance- Body Worn Cameras		52,988.00		52,988.00
Hepatitis B	734.60			734.60
State Police	5,000.00			5,000.00
Domestic Violence	1,000.00			1,000.00
Fireman's Fund Grant	1,567.04			1,567.04
Matching Grant	1,716.00			1,716.00
	<u>\$ 227,242.14</u>	<u>\$ 177,235.10</u>	<u>\$ 25,761.01</u>	<u>\$ 378,716.23</u>
Ref.	A	Below, A-21	Below, A-21	A
Grant Disbursements		A-4	25,761.01	
Misc. Revenue Unanticipated		A-2,16	14,470.09	
2021 Revenue Anticipated		A-7	162,765.01	
		<u>\$ 177,235.10</u>	<u>\$ 25,761.01</u>	
		Above	Above	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
 FEDERAL AND STATE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

A-16

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

	Balance December 31, 2020	Transferred To 2021 Budget	Received	Balance December 31, 2021
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Clean Communities	\$ 12,123.53	\$ 12,123.53	\$ 12,898.98	\$ 12,898.98
Alcohol Education & Rehabilitation Grant			1,135.99	1,135.99
Body Armor Replacement Program	2,346.56	2,346.56		-
American Rescue Plan- ARP Grant			280,197.72	280,197.72
	<u>\$ 14,470.09</u>	<u>\$ 14,470.09</u>	<u>\$ 294,232.69</u>	<u>\$ 294,232.69</u>
<u>Ref.</u>	A	A-15	A-4	A

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF PREPAID TAXES

A-17

	<u>Reference</u>		
Balance December 31, 2020	A		\$ 323,249.81
Increased by:			
Applied from Overpayments	A-18	39,039.24	
Cash Receipts	A-4	<u>401,549.41</u>	<u>440,588.65</u>
			763,838.46
Decreased by:			
Applied to 2021 Taxes	A-9		<u>323,249.81</u>
Balance December 31, 2021	A		<u>\$ 440,588.65</u>

SCHEDULE OF TAX OVERPAYMENTS

A-18

	<u>Reference</u>		
Balance December 31, 2020	A		\$ 6,956.50
Increased by:			
Tax Appeals	A-23	34,900.14	
2021 Tax Overpayments	A-9	13,163.66	
2020 Tax Overpayments	A-9	<u>4,328.35</u>	<u>52,392.15</u>
			59,348.65
Decreased by:			
Applied to Prepaid	A-17	39,039.24	
Disbursed	A-4	<u>12,494.41</u>	<u>51,533.65</u>
Balance December 31, 2021	A		<u>\$ 7,815.00</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF COUNTY TAXES PAYABLE

A-19

	<u>Reference</u>		
Balance December 31, 2020	A	\$	231,534.46
Increased by:			
County Tax Levy	A-1, A-9	\$	8,732,499.29
County Open Space Tax Levy	A-1, A-9		362,550.46
Due to County for:			
Added/Omitted Taxes	A-1, A-9		<u>30,865.89</u>
			<u>9,125,915.64</u>
			9,357,450.10
Decreased by:			
Cash Disbursements	A-4		<u>9,326,584.21</u>
Balance, December 31, 2021	A	\$	<u><u>30,865.89</u></u>

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES DEFERRED/ PAYABLE

A-20

	<u>Reference</u>		
Balance December 31, 2020			
School Taxes Payable		\$	-
School Taxes Deferred			<u>6,932,759.48</u>
		\$	6,932,759.48
Increased by:			
Levy School Year	A-9		<u>14,398,325.02</u>
			21,331,084.50
Decreased by:			
Cash Disbursements	A-4		<u>14,259,670.00</u>
Balance December 31, 2021		\$	<u><u>7,071,414.50</u></u>
School Taxes Payable			-
School Taxes Deferred		\$	<u>7,071,414.50</u>
		\$	7,071,414.50
<u>2021 Liability for Local School District Taxes:</u>			
Tax Paid		\$	14,259,670.00
Tax Payable			<u>-</u>
			14,259,670.00
Less: Taxes Payable at 2021			
			<u>-</u>
Amount Charged to 2021 Operations	A-1	\$	<u><u>14,259,670.00</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

A-21

SCHEDULE OF INTERFUNDS RECEIVABLE/ (PAYABLE)

	<u>Ref.</u>	<u>Total</u>	Federal and State Grant <u>Fund</u>	Dog License Trust <u>Trust Fund</u>	Assessment/ Other Trust/ <u>Escrow Fund</u>	General Capital <u>Fund</u>
Balance, December 31, 2020						
Due From	A	\$ 8,626.38	\$ -	\$ 2,632.92	\$ 5,970.27	\$ 23.19
Due To	A	(217,780.08)	(216,317.65)	-	(1,462.43)	-
		<u>(209,153.70)</u>	<u>(216,317.65)</u>	<u>2,632.92</u>	<u>4,507.84</u>	<u>23.19</u>
Increased by:						
Emergency Note Received in Capital	A-24	1,406,000.00				1,406,000.00
Interest on Investments/Deposit Error	A-12	950.02		4.58	197.95	747.49
Statutory Excess	A-1	2,589.00		2,589.00		
Cancel TTL Reserve Trust	A-1				1,642.09	
Cash Disbursements- Due to Capital/Trust	A-4	3,000.00			3,000.00	
Anticipated Revenues- Grants	A-2	177,235.10	177,235.10			
Budget Revenue Anticipated	A-2,12	66,247.00				66,247.00
Grants Expended	A-15	25,761.01	25,761.01			
		<u>275,782.13</u>	<u>202,996.11</u>	<u>2,593.58</u>	<u>4,840.04</u>	<u>1,472,994.49</u>
Decreased by:						
Budget Appropriations	A-3,15	1,419,878.53	177,235.10		2,500.00	1,240,143.43
Emergency Note Paid in Capital	A-24	496,400.00				496,400.00
Accumulated Absence Reserve	A-13	-				
Federal and State Grants Receivable	A-4,7	18,426.01	18,426.01			
Cash Receipts	A-4	-				
Unappropriated Grants Received	A-4	294,232.69	294,232.69			
		<u>2,228,937.23</u>	<u>489,893.80</u>	<u>-</u>	<u>2,500.00</u>	<u>1,736,543.43</u>
Balance, December 31, 2021						
Due From	A	\$ (251,451.37)	\$ -	\$ 5,226.50	\$ 6,847.88	\$ (263,525.75)
Due To	A	(503,215.34)	(503,215.34)	-	-	-
		<u>(754,666.71)</u>	<u>(1,006,430.64)</u>	<u>5,226.50</u>	<u>6,847.88</u>	<u>(263,525.75)</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-53

		A-22					
<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	<u>1/5 of Net</u> <u>Amount</u> <u>Authorized</u>	<u>Balance</u> <u>December 31,</u> <u>2020</u>	<u>Increased</u> <u>in</u> <u>2021</u>	<u>Reduced</u> <u>in</u> <u>2021</u>	<u>Balance</u> <u>December 31,</u> <u>2021</u>
11/17/2019	Special Emergency- Terminal Leave	620,500.00	124,100.00	\$ 496,400.00	-	\$ 124,100.00	\$ 372,300.00
11/23/2020	Special Emergency- Terminal Leave	653,100.00	130,620.00	653,100.00		130,620.00	522,480.00
2021	Special Emergency- Terminal Leave	639,324.00	127,864.80		639,324.00	127,864.80	511,459.20
2020	Emergency Authorization	335,000.00		335,000.00		335,000.00	-
				<u>\$ 1,484,500.00</u>	<u>\$ 639,324.00</u>	<u>\$ 717,584.80</u>	<u>\$ 1,406,239.20</u>
	<u>Ref.</u>			A	A-1,3	A-3	A

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

A-23

SCHEDULE OF MISCELLANEOUS RESERVES & PAYABLES

	Balance December 31, 2020	Increased by	Decreased by	Balance December 31, 2021
State Library Aid	\$ 5,518.00	\$ -	\$ -	\$ 5,518.00
Tax Appeal Reserve	281,950.08		34,900.14	247,049.94
Master Plan	1,675.00			1,675.00
Recreation Community Pass Reserve	-			-
BCUA Recycling Grant	11,445.00			11,445.00
Outside Tax Title Lien Redemption	10,233.00		10,233.00	-
Police Outside Duty- Due to Officers	27,419.77			27,419.77
	\$ 338,240.85	\$ -	\$ 45,133.14	\$ 293,107.71
Ref.	A	Below	Below	A
Appropriation Reserves	A-13		\$ -	
Applied to Tax Overpay.	A-18		34,900.14	
Cash Rec/Disb.	A-4		-	
Cancel to Fund Balance	A-1		10,233.00	
		\$ -	\$ 45,133.14	
		Above	Above	

A-24

SCHEDULE OF SPECIAL EMERGENCY & EMERGENCY NOTES PAYABLE

Description	Date of Issuance of Original Note	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased Note Receipt	Decreased Note Paid	Balance Dec. 31, 2021
Special Emergency Note-Terminal Leave 2019	11/12/20	11/10/22	1.00%	\$ 496,400.00	\$ 372,300.00	\$ 496,400.00	\$ 372,300.00
Special Emergency Note-Terminal Leave 2020	11/12/21	11/10/22	1.00%		522,480.00		522,480.00
Special Emergency Note-Terminal Leave 2021	11/12/21	11/10/22	1.00%		511,220.00		511,220.00
				\$ 496,400.00	\$ 1,406,000.00	\$ 496,400.00	\$ 1,406,000.00
		<u>Reference</u>		A	A-21	A-21	A

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF CASH AND CASH EQUIVALENTS

	<u>Reference</u>	<u>Assessment/ Other</u>	<u>Dog License</u>	<u>Recycling</u>	<u>Shade Tree</u>	<u>COAH Development</u>	<u>DEA Forfeiture</u>	<u>B-1 Emergency Services Trust LOSAP</u>
Balance - December 31, 2020	B	\$ 1,813,942.21	\$ 6,893.92	\$ 3,912.80	\$ 10,414.48	\$ 1,094,322.55	\$ 71,484.22	\$ 1,377,485.16
Increased by:								
Escrow/Other Trust deposits	B-9	2,702,965.18						
Dog license fees	B-10		2,843.20					
Dog license state fees	B-5		361.80					
Shade Tree fees/donations	B-12				-			
COAH development fees	B-13					1,533,127.72		
Due from Recycling Trust	Contra						-	
Due to Current Fund	B-6			3,000.00				
State fees	B-7	27,905.00						
Recycling Receipts	B-11			6,956.81				
Investment earnings/interest	B-6,11,12,13,14,15	197.95	4.38	2.15	5.21	1,901.01	104.16	230,276.01
Due from Recycling Trust	B							
Borough contributions	B-4							17,180.00
		<u>2,731,068.13</u>	<u>3,209.38</u>	<u>9,958.96</u>	<u>5.21</u>	<u>1,535,028.73</u>	<u>104.16</u>	<u>247,456.01</u>
		4,545,010.34	10,103.30	13,871.76	10,419.69	2,629,351.28	71,588.38	1,624,941.17
Decreased by:								
Escrow/ Other Trust disbursements	B-9	2,963,727.56						
State fees	B-7	34,173.00						
Due to Trust Fund	Contra							
Recycling expenditures	B-11			11,713.85				
Shade Tree expenditures	B-12				-			
COAH development expenditures	B-13					136,352.00		
DEA forfeiture expenditures	B-15						-	
Due to Current Fund	B-6							
Dog License Fund expenditures	B-10		282.00					
Dog License State fees	B-5		361.80					
Distributions	B-14							10,131.75
		<u>2,997,900.56</u>	<u>643.80</u>	<u>11,713.85</u>	<u>-</u>	<u>136,352.00</u>	<u>-</u>	<u>10,131.75</u>
Balance - December 31, 2021	B	<u>\$ 1,547,109.78</u>	<u>\$ 9,459.50</u>	<u>\$ 2,157.91</u>	<u>\$ 10,419.69</u>	<u>\$ 2,492,999.28</u>	<u>\$ 71,588.38</u>	<u>\$ 1,614,809.42</u>

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF ASSESSMENT LIENS

B-2

Balance - December 31, 2020	B	\$	-
			-
Balance - December 31, 2021		\$	-
			-

SCHEDULE OF TAX SALE RECEIVABLE

B-3

Balance - December 31, 2020	B	\$	50.00
			50.00
Balance - December 31, 2021		\$	50.00
			50.00

**SCHEDULE OF SERVICES AWARD CONTRIBUTIONS RECEIVABLE
EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM**

B-4

Balance - December 31, 2020	B	\$	11,400.00
			11,400.00
Increased by:			
2021 Borough Award Contributions	B-14		23,582.00
2020 Service Award Contribution Adjustment	B-14		5,780.00
			40,762.00
Decreased by:			
Contributions Paid	B-1,14		17,180.00
			17,180.00
Balance - December 31, 2021		\$	23,582.00
			23,582.00

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**SCHEDULE OF DUE TO/(FROM) THE STATE OF NEW JERSEY
DOG LICENSE TRUST FUND**

B-5

	Reference		
Balance December 31, 2020	B	\$	-
Increased by:			
State Fees collected	B-1		361.80
			361.80
Decreased by:			
Cancelled	B-10	\$	-
Paid to State of New Jersey	B-1		361.80
			361.80
Balance December 31, 2021	B	\$	-

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF DUE TO/(FROM) CURRENT FUND

	Reference	<u>Total</u>	<u>Dog License Trust</u>	<u>Recycling Trust</u>	B-6	
					<u>Assessment/Other Trust</u>	<u>Trust Fund Escrow Trust</u>
Balance - December 31, 2020	B	\$ 7,140.76	\$ 2,632.92	\$ 3,835.02	\$ (1,462.43)	\$ 2,135.25
Increased by:						
Interest on investments	B-1	202.33	4.38		197.95	
Cancelled Adjust Reserves	B-9	1,642.09			1,642.09	
Cash Receipts	B-1	3,000.00		3,000.00		
Statutory excess due to Current Fund	B-10	2,589.20	2,589.20			
		<u>7,433.62</u>	<u>2,593.58</u>	<u>3,000.00</u>	<u>1,840.04</u>	<u>-</u>
Decreased by:						
Due from Current	B-11	2,500.00		2,500.00		
Cash disbursements	B-1	<u>-</u>				
		<u>2,500.00</u>	<u>-</u>	<u>2,500.00</u>	<u>-</u>	<u>-</u>
Balance - December 31, 2021	B	<u>\$ 12,074.38</u>	<u>\$ 5,226.50</u>	<u>\$ 4,335.02</u>	<u>\$ 377.61</u>	<u>\$ 2,135.25</u>

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF DUE TO STATE OF NEW JERSEY

	Reference		B-7
Balance December 31, 2020	B		\$ 9,645.00
Increased by:			
Marriage license fees		\$ 400.00	
DCA fees		27,505.00	
	B-1	27,505.00	27,905.00
			37,550.00
Decreased by:			
Cancelled	B-6	-	
Cash disbursements	B-1	34,173.00	
		34,173.00	34,173.00
Balance December 31, 2021	B, Below		\$ 3,377.00

Analysis of Balance

Due to State of New Jersey:			
Marriage license fees			\$ -
DCA fees			3,377.00
			3,377.00
	Above		\$ 3,377.00

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF RESERVE FOR ASSESSMENT LIENS

	Reference	B-8
Balance December 31, 2020	B	No Activity
Balance December 31, 2021	B	No Activity

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

SCHEDULE OF RESERVE - OTHER TRUST FUNDS

B-9

	Balance December 31, 2020	Cash Receipts	Cash Disbursements	Adjustment Due from Current	Balance December 31, 2021
Reserve for:					
Escrow deposits	\$ 1,498,562.63	\$ 2,645,268.72	\$ 2,911,568.87	\$ -	\$ 1,232,262.48
Tax title liens and premiums	1,642.09	50,700.00	50,700.00	1,642.09	(0.00)
Reserve for Accumulated Absences	131,000.00				131,000.00
Other Trust deposits:					
Street opening fees	-	25.00			25.00
P.O.A.A.	615.00	104.00			719.00
Law Enforcement Trust	1,171.08				1,171.08
Public Defender Trust	300.00				300.00
Reserve for 5K Run	34,759.44				34,759.44
Donations:					
Police	21,052.59	2,734.00	1,458.69		22,327.90
Police in Car/Body Camera	25.00				25.00
Community Night	517.65				517.65
Recreation	6,505.07	1,000.00			7,505.07
Fire Department	100.00				100.00
General Donations	5,650.00				5,650.00
Benches	1,114.88				1,114.88
Sign Donation	1,085.00				1,085.00
Down Stream Improvement Reserve	79,123.00				79,123.00
SLA HEOP grant	-				-
Cell tower relocation	-				-
Shade Tree fees	1,140.00				1,140.00
Sewer maintenance	7,100.00				7,100.00
Sale of Borough property	-				-
Reserve for Recreation- Summer Camp	9,272.75				9,272.75
Recreation Fee Based Programs	0.01				0.01
Parks and Recreations Trust Fund	1,920.39	0.96			1,921.35
Snow Removal Trust	549.86				549.86
Miscellaneous		3,132.50			3,132.50
	<u>\$ 1,803,206.44</u>	<u>\$ 2,702,965.18</u>	<u>\$ 2,963,727.56</u>	<u>\$ 1,642.09</u>	<u>\$ 1,540,801.97</u>
Reference	B	B-1	B-1	B-6	B

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
DOG LICENSE TRUST FUND**

	Reference		B-10
Balance - December 31, 2020	B		\$ 4,261.00
Increased by:			
Animal License Fees		\$ 2,355.00	
Late fees & Replacement Fees		488.20	
	B-1	2,843.20	2,843.20
			7,104.20
Decreased by:			
Statutory Excess due Current Fund	B-6	2,589.20	
Expenditures under R.S. 4:19-15:11	B-1	282.00	
		2,871.20	2,871.20
Balance - December 31, 2021	B		\$ 4,233.00

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2020	\$ 2,108.00
2019	2,125.00
	\$ 4,233.00

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**SCHEDULE OF RESERVE FOR RECYCLING TRUST DEPOSITS
RECYCLING TRUST FUND**

	Reference	B-11
Balance - December 31, 2020	B	\$ 697.63
Increased by:		
Recycling receipts	B-1	\$ 6,956.81
Due from Current Fund	B-6	2,500.00
Interest Income	B-1	2.15
Deferred Charges - Over-expended	B	<u>1,557.26</u>
		<u>11,016.22</u>
		11,713.85
Decreased by:		
Expenditures	B-1	<u>11,713.85</u>
Balance - December 31, 2021	B	<u><u>\$ -</u></u>

**SCHEDULE OF RESERVE FOR SHADE TREE TRUST DEPOSITS
SHADE TREE TRUST FUND**

	Reference	B-12
Balance - December 31, 2020	B	\$ 10,262.58
Increased by:		
Shade Tree fees & Donations	B-1	\$ -
Interest	B-1	<u>5.21</u>
		<u>5.21</u>
		10,267.79
Decreased by:		
Shade Tree expenditures	B-1	<u>-</u>
Balance - December 31, 2021	B	<u><u>\$ 10,267.79</u></u>

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**SCHEDULE OF RESERVE FOR COAH DEVELOPMENT EXPENDITURES
COAH DEVELOPMENT TRUST FUND**

	Reference	B-13
Balance - December 31, 2020	B	\$ 1,094,322.55
Increased by:		
Development fees	B-1	\$ 1,533,127.72
Interest	B-1	1,901.01
		1,535,028.73
		2,629,351.28
Decreased by:		
Development expenditures	B-1	136,352.00
		136,352.00
Balance - December 31, 2021	B	\$ 2,492,999.28

**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM**

		B-14
Balance - December 31, 2020	B	\$ 1,388,885.16
Increased by:		
Borough contributions - PY Adjustment	B-4	\$ 5,780.00
Borough contributions- Receivable	B-4	23,582.00
Investment income/appreciation	B-1	230,276.01
		259,638.01
		1,648,523.17
Decreased by:		
Distributions	B-1	10,131.75
		10,131.75
Balance - December 31, 2021	B	\$ 1,638,391.42

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

**SCHEDULE OF RESERVE FOR DEA FORFEITURE EXPENDITURES
DEA FORFEITURE TRUST FUND**

	Reference		B-15
Balance - December 31, 2020	B	\$	71,484.22
Increased by:			
Receipts	B-1	\$	-
Interest	B-1		104.16
			<u>104.16</u>
			71,588.38
Decreased by:			
Expenditures	B-1		<u>-</u>
Balance - December 31, 2021	B	\$	<u><u>71,588.38</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF CASH - COLLECTOR - TREASURER

C-2

	<u>Reference</u>		
Balance December 31, 2020	C		\$ 1,990,877.37
Increased by:			
Premium on Bond Anticipation Note	C-1	\$ 67,510.04	
Bond Anticipation Notes	C-8	8,320,779.00	
Due to Current Fund - Emergency Note	C-5	1,406,000.00	
Due to Current Fund - Interest	C-5	747.49	
	C-3	<u>9,795,036.53</u>	
			<u>11,785,913.90</u>
Decreased by:			
Transfer to Current - Note Interest	C-5	164,404.43	
Due to Current Fund - Emergency Note	C-5	496,400.00	
Bond Anticipation Notes	C-8	9,271,518.00	
Improvement Authorizations	C-11	564,732.91	
	C-3	<u>10,497,055.34</u>	
Balance December 31, 2021	C		<u><u>\$ 1,288,858.56</u></u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

C-3

	Balance	Receipts	Disbursements	Transfer	Balance
	<u>Dec. 31, 2020</u>			<u>To/(From)</u>	<u>Dec. 31, 2021</u>
Grants Receivable -					
State of New Jersey Department of Transportation	\$ (215,759.77)	\$ -	\$ -	\$ (627,000.00)	\$ (842,759.77)
Bergen County ADA Grant	(46,000.00)				(46,000.00)
Due to/(from) Ambulance Corp.	(100,000.00)				(100,000.00)
Due to/(from) Grant Fund	-				-
Due to/(from) Current Fund	23.19	1,406,747.49	660,804.43	(1,009,492.00)	(263,525.75)
Capital Improvement Fund	39,838.60			-	39,838.60
BAN Re-Issue		8,320,779.00	9,271,518.00	950,739.00	-
Encumbrance Payable	190,088.36			34,169.44	224,257.80
Reserve for Cost of Issuance	4,085.81				4,085.81
Reserve for Boswell Settlement	185,000.00				185,000.00
Fund Balance	66,247.76	67,510.04		(66,247.00)	67,510.80
Improvement Authorizations:					
<u>Ord #</u>					
	<u>Improvement Description</u>				
2013-09	Road & Parking Lot Recons. & Improv. to Firehouse	551.00		6,512.37	551.00
2013-11	Acq. of Generators, Garbage Truck & related expenses	278,341.78		486.26	277,855.52
2013-15	Tax Appeal Refunds	9,361.20		3,486.26	8,874.94
2014-10	Various Acquisitions and Improvements	103,807.53		3,000.00	103,807.53
2015-09	Various Acquisitions and Improvements	95,121.32		486.26	94,635.06
2015-12	Tax Appeal Refunds	21,077.75			21,077.75
2015-13	Various Acquisitions and Improvements	182,959.42		46,328.06	80,574.58
2016-07	Various Acquisitions & Improvements	61,257.91		14,059.65	58,429.34
2017-06	Various Acquisitions & Improvements	384,990.81		55,626.26	377,404.76
2018-01	5th Street Improvements (Special Assessment)	(3,964.20)			(3,964.20)
2018-12	Various Acquisitions & Improvements	438,675.77		110,916.58	305,159.19
2019-10	Refunding Bond Ordinance - Tax Appeals	14,332.48		(22,600.00)	13,788.73
2019-11	Road Improvements, Acq. Of Equipment & Vehicles	211,626.65		543.75	92,604.14
2020-10	Contribution of the Construction of Affordable Housing	69,214.00		121,239.51	53,114.50
2021-07	Multi Purpose- NJ DOT Road Projects			16,099.50	411,538.23
2021-23	Various Equipment			188,948.45	125,000.00
				125,000.00	125,000.00
		<u>\$ 1,990,877.37</u>	<u>\$ 9,795,036.53</u>	<u>\$ 10,497,055.34</u>	<u>\$ (0.00)</u>
		C,C-2	C-2	C-2	C,C-2

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>Ordinance</u>	<u>Purpose</u>	<u>Balance December 31, 2020</u>	<u>2021 Awards/Canceled</u>	<u>Grant Receipts</u>	<u>Transfer to Reserve for Payment of BAN</u>	<u>C-4 Balance December 31, 2021</u>
	NJ Department of Transportation:					
2013-09	Reconstruction of Summit Street	\$ 3,759.77	\$ -	\$ -	\$ -	\$ 3,759.77
2018-02	Various Acquisitions & Improvements	212,000.00				212,000.00
2021-07	Improvements to 5th Street		425,000.00			425,000.00
2021-07	Improvements to Summit Street		202,000.00			202,000.00
		<u>215,759.77</u>	<u>627,000.00</u>	<u>-</u>	<u>-</u>	<u>842,759.77</u>
	Bergen County ADA Grant					
2014-10		46,000.00				46,000.00
		<u>46,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,000.00</u>
		<u>\$ 261,759.77</u>	<u>\$ 627,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 888,759.77</u>
Reference		C	C-7,15	C-5		C

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF DUE FROM/(TO) CURRENT FUND

C-5

	<u>Reference</u>		
Balance December 31, 2020	C		\$ (23.19)
Increased by:			
Bond Ant. Note Paydowns	C-8	\$ 950,739.00	
Capital Improv. Fund- Due to Capital	C-13	125,000.00	
Note Interest Paid in Capital	C-2	164,404.43	
Emergency Note Paid in Capital	C-2	496,400.00	
			1,736,543.43
Decreased by:			
Anticipated Surplus - Due to Current	C-1	66,247.00	
Interest Earned on Investments	C-2	747.49	
Emergency Notes Received in Capital	C-2	1,406,000.00	
			1,472,994.49
Balance December 31, 2021	C		\$ 263,525.75

SCHEDULE OF DUE FROM / (TO) GRANT FUND

C-6

	<u>Reference</u>		
Balance December 31, 2020	C		\$ -
Decreased by:			
Transfer from Grant Fund	C-2		-
Balance December 31, 2021	Below		\$ -

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

C-7

Ord. #	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Capital Improvement Fund	Canceled/ Refunded/ Funded	Budget Appropriation	Analysis of Balance - Dec. 31, 2021			
							Balance Dec. 31, 2021	Financed by BAN	Expenditures	Unexpended Improvement Authorizations
2013-11	Acquisition of Generators, Garbage Truck , & related expenses	\$ 404,090.00	\$ -	\$ -	\$ -	\$ 23,665.00	\$ 380,425.00	\$ 380,425.00	\$ 102,569.48	\$ 277,855.52
2013-15	Tax appeal Refunds	21,667.00					21,667.00			21,667.00
2014-10	Various Acquisitions and Improvements	1,546,289.00				80,537.00	1,465,752.00	1,465,752.00	1,362,430.73	103,321.27
2015-09	Various Acquisitions and Improvements	865,773.00				46,151.00	819,622.00	819,622.00	724,986.94	94,635.06
2015-12	Tax Appeal Refunding Ordinance	280,000.00				280,000.00	-			
2016-07	Various Acquisitions & Improvements	928,366.00				51,634.00	876,732.00	876,732.00	818,302.66	58,429.34
2017-06	Various Acquisitions & Improvements	937,000.00				48,752.00	888,248.00	888,248.00	510,843.24	377,404.76
2018-01	5th Street Improvements (Special Assessment)	133,300.00					133,300.00		3,964.20	129,335.80
2018-12	Various Acquisitions & Improvements	855,000.00					855,000.00	855,000.00	549,840.81	305,159.19
2019-10	Refunding Bond Ordinance- Tax Appeals	2,580,000.00				420,000.00	2,160,000.00	2,085,000.00	2,071,211.27	88,788.73
2019-11	Road Imps. Acquisition of Equipment & Vehicles	950,000.00					950,000.00	950,000.00	857,395.86	92,604.14
2020-10	Contribution for the Construction of Affordable Housing	1,377,500.00					1,377,500.00		-	1,377,500.00
2021-07	Multi Purpose- NJ DOT Road Projects		820,000.00		627,000.00		193,000.00		-	193,000.00
2021-23	Various Equipment		125,000.00	125,000.00						
		<u>\$ 10,878,985.00</u>	<u>\$ 945,000.00</u>	<u>\$ 125,000.00</u>	<u>\$ 627,000.00</u>	<u>\$ 950,739.00</u>	<u>\$ 10,121,246.00</u>	<u>\$ 8,320,779.00</u>	<u>\$ 7,001,545.19</u>	<u>\$ 3,119,700.81</u>
	Reference	C	C-11, 15	C-13	Below	Below	C	C-8		C-11
	Grant Receivable			C-4	627,000.00					
	Budget Approp. BAN Paydown			C-2,8		950,739.00				
				Above	<u>\$ 627,000.00</u>	<u>\$ 950,739.00</u>				

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

C-8

SCHEDULE OF BOND ANTICIPATION NOTES

Ord. #	Improvement Description	Date of Issuance of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2020	Increased B.A.N. Receipt	Decreased B.A.N. Paid	Balance Dec. 31, 2021
2013-11	Acquisition of Generators, Garbage Truck , & related expenses	02/28/2014	02/19/2021	02/18/2022	1.00%	\$ 404,090.00	\$ 380,425.00	\$ 404,090.00	\$ 380,425.00
2014-10	Various Acquisitions and Improvements	02/27/2015	02/19/2021	02/18/2022	1.00%	1,546,289.00	1,465,752.00	1,546,289.00	1,465,752.00
2015-12	Tax Appeals Refunds	02/26/2016	11/12/2021	N/A	N/A	280,000.00	-	280,000.00	0.00
2015-09	Various Acquisitions and Improvements	02/26/2016	02/19/2021	02/18/2022	1.00%	865,773.00	819,622.00	865,773.00	819,622.00
2016-07	Various Acquisitions and Improvements	02/23/2017	02/19/2021	02/18/2022	1.00%	928,366.00	876,732.00	928,366.00	876,732.00
2017-06	Various Acquisitions & Improvements	02/22/2018	02/19/2021	02/18/2022	1.00%	937,000.00	888,248.00	937,000.00	888,248.00
2018-12	Various Acquisitions & Improvements	02/22/2018	02/19/2021	02/18/2022	1.00%	855,000.00	855,000.00	855,000.00	855,000.00
2019-10	Tax Appeals Refunds	11/14/2019	11/12/2021	11/10/2022	1.00%	2,505,000.00	2,085,000.00	2,505,000.00	2,085,000.00
2019-11	Road Impr., Acq. Of Equipment & Vehicles	02/20/2020	02/19/2021	02/18/2022	1.00%	950,000.00	950,000.00	950,000.00	950,000.00
						<u>\$ 9,271,518.00</u>	<u>\$ 8,320,779.00</u>	<u>\$ 9,271,518.00</u>	<u>\$ 8,320,779.00</u>
<u>Reference</u>						C	C-2,7, Below	C-2, Below	C
<u>Analysis of New Issue:</u>									
Budget Appropriation Payment						C-5, 7	\$ -	\$ 950,739.00	
New BAN Issues							-		
Renewals of BAN							<u>8,320,779.00</u>	<u>8,320,779.00</u>	
						Above, C-2	<u>\$ 8,320,779.00</u>	<u>\$ 9,271,518.00</u>	
						Above	Above	Above	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

C-9

SCHEDULE OF GENERAL SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>			<u>Balance Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>				
General Improvements Bonds of 2014	03/15/2014	9,885,000.00	03/15/2022	2.00%	650,000.00	\$ 6,860,000.00	\$ -	\$ 635,000.00	\$ 6,225,000.00
			03/15/2023	2.00%	675,000.00				
			03/15/2024-30	3.00%	700,000.00				
General Improvement Refunding Bonds 2016	04/01/16	3,205,000.00	07/15/2022	1.55%	680,000.00	1,350,000.00	670,000.00	680,000.00	
<u>Reference</u>						<u>\$ 8,210,000.00</u>	<u>\$ -</u>	<u>\$ 1,305,000.00</u>	<u>\$ 6,905,000.00</u>
						C	C-14	C-14	C

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
 CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF CAPITAL LEASE PAYABLE

C-10

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding</u>		<u>Balance Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date of Maturity</u>	<u>Interest Rate</u>				
Refund of Unfunded Pension Obligation	03/01/2003	\$ 870,000.00	03/15/2022	3.109%	\$ 106,000.00	\$ -	\$ 97,000.00	\$ 223,000.00
			03/15/2023	3.259%	117,000.00			
					<u>\$ 223,000.00</u>	<u>\$ -</u>	<u>\$ 97,000.00</u>	<u>\$ 223,000.00</u>
			<u>Reference</u>		C	-	C-14	C

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF RESERVE FOR COST OF ISSUANCE-REFUNDED SERIAL BONDS

	<u>Reference</u>	C-12
Balance December 31, 2020	C	\$ 4,085.81
Decreased by:		
Cash Disbursements	C-2	<u>-</u>
Balance December 31, 2021	C	<u>\$ 4,085.81</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

	<u>Reference</u>	C-13
Balance December 31, 2020	C	\$ 39,838.60
Increased by:		
Budget Appropriation	C-5	<u>125,000.00</u>
		164,838.60
Decreased by:		
Improvement Authorizations	C-7, 15	<u>125,000.00</u>
Balance December 31, 2021	C	<u>\$ 39,838.60</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

	<u>Reference</u>	C-14
Balance December 31, 2020	C	\$ 8,530,000.00
Increased by:		
Serial Bond Issued	C-9	<u>-</u>
		8,530,000.00
Decreased by:		
Serial Bonds Paid	C-9	\$ 1,305,000.00
Capital Leases Paid	C-10	<u>97,000.00</u>
		1,402,000.00
Balance December 31, 2021	C	<u>\$ 7,128,000.00</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-15

Ord. #	<u>Improvement Description</u>	Balance <u>Dec. 31, 2020</u>	2021 <u>Authorizations</u>	<u>Canceled</u>	Capital Improvement <u>Fund</u>	Refunded/ <u>Funded</u>	Balance <u>Dec. 31, 2021</u>
2013-15	Tax Appeal Refunds	\$ 21,667.00	\$ -	\$ -	\$ -	\$ -	\$ 21,667.00
2018-01	5th Street Improvements (Special Assessment)	133,300.00					133,300.00
2019-10	Refunding Bond Ordinance - Tax Appeals	75,000.00					75,000.00
2020-10	Contribution for the Construction of Affordable Housing	1,377,500.00					1,377,500.00
2021-07	Multi Purpose- NJ DOT Road Projects		820,000.00			627,000.00	193,000.00
2021-23	Various Equipment		125,000.00		125,000.00		0.00
		<u>\$ 1,607,467.00</u>	<u>\$ 945,000.00</u>	<u>\$ -</u>	<u>\$ 125,000.00</u>	<u>\$ 627,000.00</u>	<u>\$ 1,800,467.00</u>
	<u>Reference</u>	C	C-7,11	C-7,11	C-13	Below	C
	Bond Anticipation Notes				C-8	\$ -	
	Budget Appropriation				C-7		
	Grants Receivable- NJ Department of Transportation				C-4	627,000.00	
	Developer Contribution				C-2		
					Above	<u>\$ 627,000.00</u>	

See independent auditor's report and the notes to the financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS
LAST TEN FISCAL YEARS ENDED JUNE 30,**

Exhibit F-1

**SCHEDULE OF BOROUGH'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Police and Firemen's Retirement System (PFRS)**

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Borough's proportionate share of the net pension liability (asset) **	Not Available	0.09740%	0.11230%	0.10821%	0.11069%	0.10376%	0.10244%	0.10705%	0.89316%	
Borough's proportionate share of the net pension liability (asset) associated with the Borough	Not Available	\$ 12,585,672	\$ 13,743,104	\$ 14,642,207	\$ 17,087,839	\$ 19,820,828	\$ 17,062,433	\$ 13,465,931	\$ 11,873,799	
Total	-	<u>12,585,672</u>	<u>13,743,104</u>	<u>14,642,207</u>	<u>17,087,839</u>	<u>19,820,828</u>	<u>17,062,433</u>	<u>13,465,931</u>	<u>11,873,799</u>	
Borough's covered employee payroll	\$ 3,497,045	\$ 3,162,763	Not Available	\$ 3,653,574	\$ 3,527,692	\$ 3,463,218	\$ 3,374,296	\$ 3,052,122	3,000,000	
Borough's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Not Available	398%	Not Available	401%	484%	572%	506%	441%	396%	
Plan fiduciary net position as a percentage of the total pension liability (Local)	Not Available	63.52%	65.00%	62.48%	58.60%	52.01%	56.31%	62.41%	58.70%	

Public Employees' Retirement System (PERS)

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Borough's proportionate of the net pension liability (asset)	Not Available	0.01738%	0.01768%	0.01617%	0.01794%	0.01771%	0.01843%	0.01682%	0.01583%	
Borough's proportionate share of the net pension liability (asset)	Not Available	\$ 2,834,217	\$ 3,201,556	\$ 3,184,025	\$ 4,177,152	\$ 5,245,024	\$ 4,138,065	\$ 3,148,604	\$ 3,025,660	
Borough's covered employee payroll	\$ 1,278,479	\$ 1,206,287	Not Available	\$ 1,200,728	\$ 1,232,162	\$ 1,291,037	\$ 1,264,061	\$ 1,224,593	\$ 1,200,000	
Borough's proportionate share of net pension liability (asset) as a percentage of its covered -employee payroll	Not Available	235%	Not Available	265%	339%	406%	327%	257%	252%	
Plan fiduciary net position as a percentage of the total pension liability (Local)	Not Available	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%	

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

See independent auditor's report and the notes to the financial statements

**BOROUGH OF ENGLEWOOD CLIFFS
LAST TEN FISCAL YEARS ENDED JUNE 30,**

Exhibit F-2

**SCHEDULE OF BOROUGH CONTRIBUTIONS
Police and Firemen's Retirement System (PFRS)**

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution*	Not Available	\$ 1,088,151	\$ 1,134,357	\$ 1,057,884	\$ 979,595	\$ 845,998	\$ 832,660	\$ 822,220	\$ 651,632	
Contributions in relation to the contractually required contributions*	Not Available	(1,088,151)	(1,134,357)	(1,057,884)	(979,595)	(845,998)	(832,660)	(822,220)	(651,632)	
Contributions deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Borough's covered employee payroll	\$ 3,497,045	\$ 3,162,763	Not Available	\$ 3,653,574	\$ 3,527,692	\$ 3,463,218	\$ 3,374,296	\$ 3,052,122	\$ 3,000,000	
Contributions as a percentage of covered-employee payroll	0.00%	34.41%	Not Available	28.95%	27.77%	24.43%	24.68%	26.94%	21.72%	

Public Employees' Retirement System (PERS)

	Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution*	Not Available	\$ 190,128	\$ 172,832	\$ 160,851	\$ 166,235	\$ 157,328	\$ 158,483	\$ 138,637	\$ 119,285	
Contributions in relation to the contractually required contributions*	Not Available	(190,128)	(172,832)	(160,851)	(166,235)	(157,328)	(158,483)	(138,637)	(119,285)	
Contributions deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Borough's covered employee payroll	\$ 1,278,479	\$ 1,206,287	Not Available	1,200,728	1,232,162	1,291,037	1,264,061	1,224,593	1,200,000	
Contributions as a percentage of covered-employee payroll	0.00%	15.76%	Not Available	13.40%	13.49%	12.19%	12.54%	11.32%	9.94%	

* Until a full ten year trend is compiled, information will be presented for those years for which information is available.

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Pension Schedules
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit F-3

Police & Firemen's Retirement System

Changes of benefit terms. 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 medical benefits, which vest after 25 years of service, and disability benefits after 4 years of service

Changes of assumptions. 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. For healthy annuitants, postretirement 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% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries, 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 retirement rates were based on the 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 a generational basis. Mortality improvement is based on Scale MP-2020.

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

Public Employees' Retirement System (PERS)

Changes of benefit terms. 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.

Changes of assumptions. 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. Postretirement 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 is based on Scale MP-2020.

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

**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**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), the financial statements – regulatory basis (the "financial statements") of the Borough of Englewood Cliffs, State of New Jersey (the "Borough"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated April 27, 2022. As described in Note 1, the Borough prepares its financial statements on a basis of accounting prescribed by the Division that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Borough'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 to those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001, 2021-002, 2021-003 and 2021-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division as findings and questioned costs items 2021-002, 2021-003, and 2021-004.

We noted certain other matters that we reported to management of the Borough in the schedule of comments and recommendations as item number 2021-005 through 2021-016.

Borough's Response to Findings

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

Purpose of this Report

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



Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534



Garbarini & Co. P.C.
Certified Public Accountants

April 27, 2022
Carlstadt, New Jersey

BOROUGH OF ENGLEWOOD CLIFFS
SCHEDULE OF EXPENDITURE OF STATE/OTHER FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

State Grantor	Program	Account Number	Receivable Amount	Grant Award Amount	Schedule I-1				
					Balance December 31, 2020	Revenue Realized/ *Adjustments	Expended	Balance December 31, 2021	Cumulative Expenditures
Division of Criminal Justice	Alcohol Education & Rehabilitation'14	9735-760-098-Y900-001-X100-6020		\$ 1,403.45	\$ 943.18	\$ -	\$ -	\$ 943.18	\$ 460.27
	Alcohol Education & Rehabilitation'15	9735-760-098-Y900-001-X100-6020		1,178.66	1,178.66			1,178.66	
	Alcohol Education & Rehabilitation'16	9735-760-098-Y900-001-X100-6020		664.75	664.75			664.75	
	Alcohol Education & Rehabilitation'17	9735-760-098-Y900-001-X100-6020		193.02	193.02			193.02	
	Alcohol Education & Rehabilitation'18	9735-760-098-Y900-001-X100-6020		878.79	878.79			878.79	
					<u>3,858.40</u>	<u>0.00</u>	<u>0.00</u>	<u>3,858.40</u>	
	Body Armor Replacement-2019	1020-718-066-001		2,683.97	2,683.97			2,683.97	
	Body Armor Replacement-2020	1020-718-066-001		2,346.56		2,346.56		2,346.56	
	Body Armor Replacement-2021	1020-718-066-001		2,157.33		2,157.33		2,157.33	
					<u>2,683.97</u>	<u>4,503.89</u>	<u>0.00</u>	<u>7,187.86</u>	
State Police	N/A		5,000.00	5,000.00			5,000.00		
Division of Motor Vehicles	DDEF - 2003	6400-100-078-6400-YYYY		509.00	162.57			162.57	346.43
	DDEF - 2004	6400-100-078-6400-YYYY		1,141.50	1,141.50			1,141.50	
	DDEF - 2005	6400-100-078-6400-YYYY		278.80	278.80			278.80	
	DDEF - 2009	6400-100-078-6400-YYYY		377.54	377.54			377.54	
	DDEF - 2014	6400-100-078-6400-YYYY		3,400.00	3,400.00			3,400.00	
	DDEF - 2015	6400-100-078-6400-YYYY		2,278.16	1,989.00			1,989.00	289.16
					<u>7,349.41</u>	<u>0.00</u>	<u>0.00</u>	<u>7,349.41</u>	
	Hepatitis B - 2002	4230-100-046-4781-241-J002-3890		756.00	734.60			734.60	21.40
	Domestic Violence Grant-2006			1,000.00	1,000.00			1,000.00	
	Clean Communities Act - 2012	4900-765-042-4900-004-V42Y-6020		9,688.00	5,543.00		5,543.00	0.00	9,688.00
Clean Communities Act - 2013	4900-765-042-4900-004-V42Y-6020		11,376.42	11,376.42		8,531.97	2,844.45	8,531.97	
Clean Communities Act - 2014	4900-765-042-4900-004-V42Y-6020		10,668.64	10,668.64			10,668.64		
Clean Communities Act - 2015	4900-765-042-4900-004-V42Y-6020		12,963.25	12,963.25			12,963.25		
Clean Communities Act - 2016	4900-765-042-4900-004-V42Y-6020		14,824.08	14,251.17			14,251.17	572.91	
Clean Communities Act - 2017	4900-765-042-4900-004-V42Y-6020		12,593.99	7,170.06			7,170.06	5,423.93	
Clean Communities Act - 2018	4900-765-042-4900-004-V42Y-6020		12,046.57	12,046.57			12,046.57		
Clean Communities Act - 2019	4900-765-042-4900-004-V42Y-6020		13,446.58	13,446.58			13,446.58		
Clean Communities Act - 2020	4900-765-042-4900-004-V42Y-6020		12,123.53		12,123.53		12,123.53		
				<u>87,465.69</u>	<u>12,123.53</u>	<u>14,074.97</u>	<u>85,514.25</u>		
Recycling Tonnage Grant - 2010	4900-752-042-4900-001-V42Y-6020		9,137.00	9,137.00		5,686.04	3,450.96	5,686.04	
Recycling Tonnage Grant - 2011	4900-752-042-4900-001-V42Y-6020		7,326.00	7,326.00			7,326.00		
Recycling Tonnage Grant - 2013	4900-752-042-4900-001-V42Y-6020		6,920.64	6,920.64			6,920.64		
Recycling Tonnage Grant - 2014	4900-752-042-4900-001-V42Y-6020		9,674.93	9,674.93			9,674.93		
Recycling Tonnage Grant - 2015	4900-752-042-4900-001-V42Y-6020		6,792.82	6,792.82			6,792.82		
Recycling Tonnage Grant - 2016	4900-752-042-4900-001-V42Y-6020		10,012.13	10,012.13			10,012.13		
Recycling Tonnage Grant - 2018	4900-752-042-4900-001-V42Y-6020		9,982.09	9,982.09			9,982.09		
Recycling Tonnage Grant - 2019	4900-752-042-4900-001-V42Y-6020		9,152.29	9,152.29			9,152.29		
Recycling Tonnage Grant - 2020	4900-752-042-4900-001-V42Y-6020		7,630.99	7,630.99			7,630.99		
Recycling Tonnage Grant - 2021	4900-752-042-4900-001-V42Y-6020		10,268.68		10,268.68		10,268.68		
				<u>76,628.89</u>	<u>10,268.68</u>	<u>5,686.04</u>	<u>81,211.53</u>		

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
 SCHEDULE OF EXPENDITURE OF STATE/OTHER FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule I-1

<u>State Grantor</u>	<u>Program</u>	<u>Account Number</u>	<u>Receivable Amount</u>	<u>Grant Award Amount</u>	<u>Balance December 31, 2020</u>	<u>Revenue Realized/ *Adjustments</u>	<u>Expended</u>	<u>Balance December 31, 2021</u>	<u>Cumulative Expenditures</u>
Other Financial Assistance:									
Fireman's Fund Grant	The Heritage Program (Firemen's Fund Ins Co.)	N/A		\$ 12,774.00	\$ 1,567.04	\$ -	\$ -	\$ 1,567.04	\$ 11,206.96
Bergen County	Municipal Alliance Grant -2017		7,698.57	9,876.00	156.00			156.00	9,720.00
	Municipal Recycling Assistance Program-PY			11,163.00	10,483.00			10,483.00	680.00
	Municipal Recycling Assistance Program-PY			10,211.00	10,211.00			10,211.00	
	Municipal Recycling Assistance Program-2005			4,008.00	3,508.00			3,508.00	500.00
	Municipal Recycling Assistance Program-2007			2,549.42	2,549.42			2,549.42	
					<u>26,751.42</u>	<u>0.00</u>	<u>0.00</u>	<u>26,751.42</u>	
Total State/Other Programs					<u>\$ 213,195.42</u>	<u>\$ 26,896.10</u>	<u>\$ 19,761.01</u>	<u>\$ 220,330.51</u>	

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor	Program	CFDA Number	Receivable Amount	Grant Award Amount	Schedule I-2				Cumulative Expenditures
					Balance December 31, 2020	Adjustment/ Revenue Realized	Expenditures	Balance December 31, 2021	
U.S. Department of Housing and Urban Development (Passed through County Dept. of Community Development)	Community Development Block Grant-2000 Community Development Block Grant-2021	14.219	\$ 9,709.65	\$ 20,000.00	\$ 12,330.72	\$ -	\$ -	\$ 12,330.72	7,669.28
			91,351.00	91,351.00		91,351.00	91,351.00		-
					<u>12,330.72</u>	<u>91,351.00</u>	<u>0.00</u>	<u>103,681.72</u>	
Department of Transportation	Ordinance #2018-02: Irving Avenue	20.205	212,000.00	212,000.00	-	-	-	-	212,000.00
	Ordinance #2021-07: 5th Street		425,000.00	-	425,000.00	-	425,000.00	-	-
	Ordinance #2021-07: Summit Street		202,000.00	-	202,000.00	172,983.27	29,016.73	-	172,983.27
					<u>-</u>	<u>627,000.00</u>	<u>172,983.27</u>	<u>454,016.73</u>	
Division of Highway Traffic Safety	Click-it-or-Ticket	20.616	-	6,000.00	-	6,000.00	-	6,000.00	
Department of Law and Public Safety	Public Assistance Grants- Tropical Storm Isaias	97.036	-	30,074.26	-	30,074.26	30,074.26	-	30,074.26
	Bullet Proof Vest Fund	16.607	7,986.36	7,986.36	-	-	-	-	7,986.36
Coronavirus State and Local Fiscal Recovery Funds	COVID ARP State and Local Fiscal Recovery Funds	21.027	-	560,395.44	-	-	-	-	-
Bureau of Justice Assistance- Department of Justice	Body Worn Cameras	16.835	52,988.00	52,988.00	-	52,988.00	-	52,988.00	-
Total Federal Grant Programs						<u>12,330.72</u>	<u>807,413.26</u>	<u>203,057.53</u>	<u>616,686.45</u>
Total Non - Major State/Federal Programs						<u>\$ 225,526.14</u>	<u>\$ 834,309.36</u>	<u>\$ 222,818.54</u>	<u>\$ 837,016.96</u>

See independent auditor's report and the notes to the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS
 NOTES TO THE SCHEDULES OF EXPENDITURES
 OF FEDERAL AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2021

1. General

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

2. Basis of Accounting

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

3. Relationship of Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements, exclusive of the unappropriated reserves. Financial assistance awards are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State/Other</u>	<u>Total</u>
Current /Grant Fund	\$ 30,074.26	\$ 19,761.01	\$ 49,835.27
Capital	172,983.27		\$ 172,983.27
	\$ 203,057.53	\$ 19,761.01	\$ 222,818.54

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. State Loans Outstanding

The Borough did not have any state loans outstanding at December 31, 2021, which are not required to be reported on the schedule of expenditures of state financial assistance.

BOROUGH OF ENGLEWOOD CLIFFS
 ROSTER OF OFFICIALS AND SURETY BONDS
 AT DECEMBER 31, 2021

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

Title	Name	Amount of Bond	Type
Mayor	Mario M. Kranjac		
Councilman	David Di Gregorio		
Councilman	Ramon Ferro		
Councilman	Glen A. Luciano		
Councilman	Tim Koutroubas		
Councilman	Mark Park		
Councilman	Seat Vacant		
Borough Administrator- Interim	Jewel Thompson-Chin (from October 1 st 2021 to March 31, 2022)		
Deputy Borough Clerk	Laura Borchers		
Chief Financial Officer	Christopher Battaglia (from January 2021 to April 2021)		
Chief Financial Officer	Tammy Zucca (from May 2021 to December 31, 2021)		
Tax Collector	Vincent Buono	\$1,000,000	(A)
Tax Clerk	Paul Duffy		
Borough Attorney	Matthew Moench, Esq. (from September 2021)		
Borough Engineer	Neglia Engineering Associates		
Municipal Judge	Marc C. Saperstein, Esq.	\$1,000,000	(A)
Prosecutor	Mark Ramundo		
Public Defender	Jill Cadre, Esq.		
Court Administrator - Interim	Dawn Curatola	\$1,000,000	(A)
Tax Assessor	Sarah Holbig		
Police Chief	William Henkelman		
Construction Code Official	Gino Tessaro		

(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
GENERAL COMMENTS

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

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agents, for the provision or performance of any goods or services, the cost of which in the aggregate exceed the bid threshold [40A:11-3 "a contract year the total sum of \$17,500...If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$44,000.'], shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law."

N.J.S. 40A:11-9 states "The governing body of any contracting unit may by ordinance, in the case of a municipality, by ordinance or resolution, as the case may be, in the case of a county, or by resolution in all other cases, establish the office of purchasing agent, or a purchasing department or a purchasing board, with the authority, responsibility, and accountability as its contracting agent, for the purchasing activity for the contract in unit, to prepare public advertising for bids and to receive bids for the provision or performance of goods or services on behalf of the contracting unit and to award contracts permitted pursuant to subsection a. of section 3 of P.L.1971, c. 198 (C.40A:11-3) in the name of the contracting unit, and conduct any activities as may be necessary or appropriate to the purchasing function of the contracting unit."

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the calendar year or any twelve-month period. Where questions arise as to whether any contract or agreement might result in a violation of the statute, the Borough Attorney's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of statutory thresholds "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.

Expenditure of \$2,625 or more and less than \$17,500 Per N.J.S.A. 40A:11-6.1

N.J.S.A 40A:11-6.1 states, "a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5), except for paragraph (a) of that subsection professional services and paragraph (b) of the subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor. Whenever two or more responses to a request of a contracting agent offer equal prices and are the lowest responsible bids or proposals, the contracting unit may award the contract to the vendor whose response, in the discretion of the contracting unit, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous."

BOROUGH OF ENGLEWOOD CLIFFS
GENERAL COMMENTS

Collection of Interest of Delinquent Taxes and Assessments

The governing body on January 1, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, in accordance with the provisions of New Jersey Statute 54:4-67, the governing body of each municipality may, by resolution, fix the rate of interest to be charged for nonpayment of taxes or assessments, on or before the date on which they would become delinquent;

WHEREAS, R.S. 54:4-67 provides that the governing body by resolution, may provide that no interest shall be charged if payment of any installment is made within ten days after the date upon which the same become payable;

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 ten 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.

Borough of Englewood Cliffs
Schedule of Findings and Responses
For the Year Ended December 31, 2021

Part I- Summary of Auditor's Results

Financial Statement Section

A) Type of Auditors Report Issued

Unmodified (Regulatory Basis)

B) Internal Control over Financial Reporting

1) Material weakness identified

Yes

X

No

2) Were reportable conditions identified that were not considered to be material weaknesses?

X

Yes

No

C) Noncompliance material to financial statements?

Yes

X

No

Federal Awards Section

NOT APPLICABLE

State Awards Section

NOT APPLICABLE

Borough of Englewood Cliffs
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2021

Part 2 - Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18-5.20 of *Government Auditing Standards*.

Finding 2021-001

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

Criteria or Specific Requirements

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 Cost

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).

Effects

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

Recommendations

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

Management's 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 Responses (Continued)
For the Year Ended December 31, 2021

Part 2 - Schedule of Financial Statement Findings (Continued):

Finding 2021-002

The Borough did not have a fully functioning general ledger for the current fund. Several balance sheet accounts were excluded from the general ledger and or opening balances not entered. The general ledger only had cash receipts and disbursement posted and did not have any required journal entries posted.

Criteria or Specific Requirements

N.J.A.C. 5:30-5.7. Requirement for fully functional General Ledger System and required books of original entry.

Condition

The Borough did not post opening balances of all balance sheet accounts and or all activity therein. Required journal entries were not posted.

Questioned Cost

None

Context

The Borough had turnover in the position of CFO during 2021.

Effects

The general ledger did not reflect the correct opening balance and or activity in all accounts.

Recommendations

That the general ledger be maintained correctly with audited opening balances entered and all activity, including journal entries, be posted to the correct accounts.

Management's Response

Management has reviewed this finding and has indicated that the general ledger will be reviewed and maintained correctly.

Borough of Englewood Cliffs
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2021

Part 2 - Schedule of Financial Statement Findings (Continued):

Finding 2021-003

Our audit revealed expenditures in excess of available appropriations in the Current Fund and expenditures in excess of reserves in the Trust Fund.

Criteria or Specific Requirements

On August 2, 1990, Chapter 131 of the Laws of 1989 was enacted into law, making the disbursing of monies or incurring of obligations by public officials in excess of appropriations or an amount limited by law a gross violation of state statute, as per N.J.S.A. 40A:4-57.

Condition

The current fund had appropriations in excess of budgeted amounts of \$10,948.10. The trust fund had a deficit in Trust Recycling in the amount of \$1,557.26.

Questioned Cost

None

Context

Expenditures exceeded available appropriations and trust recycling reserve in the current fund and trust fund.

Effects

Funds were expended in excess of available appropriations and reserves resulting in deferred charges which are required to be raised in the subsequent year's budget.

Recommendations

That budget transfers be made prior to the over-expenditure of appropriations. Trust reserve expenditures in excess of reserves should be charged to an appropriate line item in the budget.

Management's Response

Management has reviewed this finding and has indicated that corrective action has been implemented to address this finding.

Borough of Englewood Cliffs
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2021

Finding 2021-004

Our audit revealed that the school tax levy was certified incorrectly on Certification and Report on School Taxes Form A4.

Criteria or Specific Requirements

The certification for school taxes is completed following budget guidance issued by the State of New Jersey Department of Education.

Condition

The school tax levy was certified for an amount that was not in accordance with State of New Jersey Department of Education Budget Guidance and resulted in a certification amount to be raised by taxation that was lower than the actual payments requested by the school in the amount of \$269,245 for Fiscal year 2021/22. The certified school tax amount was \$14,129,080 and the Borough paid the district based on the schedule of payments requested in the amount of \$14,398,325. The amount of taxes levied to taxpayers was based on the incorrect certification. The borough paid amounts to the school in accordance with the school payment schedule and not the certification tax levy.

Questioned Cost

None

Context

The school tax certification was not reviewed for accuracy.

Effects

The payments to the school district resulted in a net deficit to the Borough in the amount of \$269,245, which was not billed to taxpayers as part of the total levy. The financial statements reflect the correct levy that should have been certified.

Recommendations

That the school business administrator be informed of the error in certification of school taxes and that they be instructed to contact the County Business Administrator to rectify the error.

Management's Response

Management has reviewed this finding and has indicated that the school business administrator has been contacted for corrective action.

Borough of Englewood Cliffs
Schedule of Findings and Responses (Continued)
For the Year Ended December 31, 2021

Part 3- Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by the "Uniform Guidance" and New Jersey OMB's Circular 15-08, as amended.

CURRENT YEAR FEDERAL AWARDS

None

CURRENT YEAR STATE AWARDS

None

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

This section identifies the status of prior year findings related to the financial statements and federal and state awards required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, ("Uniform Guidance") and NJ OMB Circular 15-08.

Status of Prior Year Findings

Recommendation 2020-01:

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

Status:

Corrective action has not been taken.

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021**

Finding 2021-05:

The Borough's accounting policy for the outside employment of police officers within 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."

Recommendations

That the Borough establish a dedication by rider trust fund for the receipt of fees collected from private persons or entities for payment of wages to police officers for off-duty or outside employment services, in lieu of the Borough's accounting policy.

***Finding 2021-06:**

There are open purchase orders included as open encumbrances in the General Capital Fund that are greater than one year old.

Recommendations

That open purchase orders be reviewed prior to year- end to determine validity.

Finding 2021-07:

The Capital Fund appropriation journal did not have the correct 2021 Capital Ordinances posted.

Recommendations

That all adopted capital ordinances be posted to the Capital Fund appropriations journal.

***Finding 2021-08:**

The Current and Payroll Account bank reconciliation contains long outstanding reconciling items and or check, which should be reviewed and voided, if applicable.

Recommendations

That more care be taken to ensure that long outstanding reconciling items are reviewed and valid.

***Finding 2021-09:**

Budget transfers of appropriation reserves were made prior to approval by the Board, as distinguished by N.J.S.A. 40A:4-58(a). Appropriation transfers for 2021 were not entered into the system correctly. Beginning balances were manually changed to reflect the transfers.

Recommendations

That all budget transfers be made subsequent to the Board's approval. That budget transfers be entered as such in the budget software system to be able to ascertain the amount of each transfer, rather than changing of opening balances for budget appropriations.

*Repeated Prior Year Audit

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021**

Finding 2021-10:

The Escrow Trust Fund was not reconciled for all of 2021.

Recommendations

That bank reconciliations be completed monthly for the Escrow Trust Fund.

Finding 2021-11:

The Mayor and Council meeting minutes for August, November, December of 2021 and all of 2022 were not available for inspection. Approved resolutions and ordinances were provided for our review.

Recommendations

That all meeting minutes of the Mayor and Council be available for inspection.

***Finding 2021-12:**

Municipal Court:

a. Review of ATS/ACS Monthly Management Report for the month of December 2021 indicated some backlog in ticket processing:

- 1). There were 50 tickets eligible for FTA over 14 days.
- 2). There were 4 tickets held over 120 days and 7 tickets on other case statuses.
- 3). There were 20 tickets assigned over 180 days.
- 4). There were 8 tickets not assigned.
- 5). There were 10 cases on overpayment status.

*b. In the General account, the ending balances were not disbursed and mailed by the 15th day of the month, as per Rule 7:14-4(a).

c. Monies collected in the General account were not being deposited in the bank within 48 hours at all times.

d. Pre-numbered manual receipt books used for acceptance of bail were not available for audit from the court office and/or the police department. Police bail logbook was also not available.

Recommendations

a. That the following backlog in ticket processing be rectified:

- 1.). The Eligible for FTA Report should be reviewed, and FTAs should be promptly generated.
- 2). The Case Status Report should be reviewed for list of cases that will require court action to ensure processing is continued.
- 3). The Tickets Assigned Not Issued Report should be reviewed, and all tickets assigned over six (6) months not issued should be recalled.
- 4). The Tickets Issued Not Assigned Report should be reviewed, there should not be any tickets issued and not assigned.
- 5). Overpayments should be cleared timely.

*Repeated Prior Year Audit

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021**

Municipal Court:

Recommendations (Continued):

- *b. That all ending balances in the General account be remitted to the respective agencies by the 15th day of the following month in accordance with Rule 7:14-4(a).
- c. That all monies collected in the General account be deposited within 48 hours at all times.
- d. That pre-numbered bail receipts books be utilized for the acceptance of bail and be available for review at the time of audit.

Finding 2021-13:

There exists a substantial amount of prior year grants appropriated that are accumulating and have not been spent. These balances can be found on Schedule A-15 of our audit report.

Recommendations

That the prior year grants appropriated balances are reviewed and spent.

Finding 2021-14:

An emergency resolution was not available for inspection for an invoice in the amount of \$12,350, which was over the quote threshold, and for which additional quotes were not received. This invoice was for emergency replacement of two cooling units in the police server room. Another vendor was paid \$26,301 for various police auto repairs, requiring a bid for police/borough auto repairs.

Recommendations

Emergency resolutions should be approved by Mayor and Council and available for inspection for any emergency job over the quote or bid threshold for which multiple quotes or bids were not received.

Finding 2021-15:

The Borough was not performing a Federal and State payroll tax payment verification for taxes submitted by the Borough's payroll company.

Recommendations

The payroll clerk should document receipt on the Federal and State tax website at least monthly to ascertain that the payroll taxes are submitted as indicated by the payroll company.

*Repeated Prior Year Audit

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021**

Finding 2021-16:

Inspection of employee share of health benefits contributions for health, prescription and dental insurance discovered that the dental premium used in the calculation had not been updated resulting in an inaccurate withholding from borough employees for the health benefits reimbursement.

Recommendations

That the premiums used in the calculation of the employee share of health benefits contributions be reviewed to ensure that the correct and updated premium amounts are used.

*Repeated Prior Year Audit

**BOROUGH OF ENGLEWOOD CLIFFS
STATUS OF PRIOR YEAR
COMMENTS AND RECOMMENDATIONS
DECEMBER 31, 2021**

Recommendation 2020-001:

Open purchase orders should be reviewed prior to year-end to determine validity.

Status:

Corrective action has *not* been taken.

Recommendation 2020-002:

More care should be taken to ensure long outstanding items are reviewed and valid.

Status:

Corrective action has *not* been taken.

Recommendation 2020-003:

Any unallocated accounts in the reserves for tax title liens should be reviewed and returned to the respective parties or turned over to Current Fund.

Status:

Corrective action has been taken.

Recommendation 2020-004:

That all budget transfers be made subsequent to the Board's approval.

Status:

Corrective action has *not* been taken.

Recommendation 2020-005:

Municipal Court:

- a. More care should be taken to ensure that all receipts due to other agencies are properly turned over in the subsequent month.
- b. More care should be taken to ensure long outstanding items are reviewed and valid.
- c. That all items be available for review at the time of audit.

Status:

Partial corrective action has been taken.

Appreciation

We desire to express our appreciation of the assistance and courtesies rendered by the Borough Officials and employees during the year.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.