BOROUGH OF ENGLEWOOD CLIFFS

BERGEN COUNTY, NEW JERSEY

REPORT OF AUDIT

YEAR ENDED DECEMBER 31, 2025

PKF O'CONNOR DAVIES
ACCOUNTANTS AND ADVISORS

BOROUGH OF ENGLEWOOD CLIFFS
TABLE OF CONTENTS

BOROUGH OF ENGLEWOOD CLIFFS
TABLE OF CONTENTS
(Continued)

BOROUGH OF ENGLEWOOD CLIFFS
TABLE OF CONTENTS
(Continued)

BOROUGH OF ENGLEWOOD CLIFFS

BERGEN COUNTY

PART I

REPORT OF AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

Independent Auditors' Report

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

Report on the Audit of the Regulatory Basis Financial Statements

Opinions on Regulatory Basis Financial Statements

We have audited the regulatory basis financial statements of the various funds and the governmental fixed assets of the Borough of Englewood Cliffs, New Jersey, ("Borough") which comprise the balance sheets as of December 31, 2025, and the related statements of operations and changes in fund balance for the year then ended, the statements of changes in fund balance, the statements of revenues and statements of expenditures for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting – December 31, 2025

In our opinion, the accompanying regulatory basis financial statements present fairly, in all material respects, the regulatory basis balance sheets of the Borough as of December 31, 2025, and the regulatory basis statements of operations and changes in fund balances for the year then ended and the regulatory basis statements of revenue and statements of expenditures for the year ended December 31, 2025 and the related notes to the financial statements, in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division") described in Note 1.

Qualified Opinion on Regulatory Basis of Accounting – December 31, 2024

The regulatory basis financial statements of the Borough as of and for the year ended December 31, 2024 were audited by other auditors whose report dated October 2, 2025 expressed a qualified opinion on those regulatory basis financial statements.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2025, or its revenues, expenditures and changes in fund balance thereof for the year then ended.

PKF O'CONNOR DAVIES, LLP
300 Tice Boulevard, Suite 315, Woodcliff Lake, NJ 07677 I Tel: 201.712.9800 I Fax: 201.712.0980 I www.pkfod.com

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), requirements prescribed by the Division, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards and requirements are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough on the basis of the financial reporting provisions of the Division (regulatory basis), which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Division. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial 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.

Auditors' Responsibilities 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards* 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, requirements prescribed by the Division, and *Government Auditing Standards*, 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.

Report on Supplementary Information Required by the Division in Accordance with the Regulatory Basis of Accounting

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough's basic financial statements. The information included in Part II – Supplementary Information – required by the Division, Part III – Supplementary Data, Part IV – Government Auditing Standards and Part V – General Comments and Recommendations, as listed in the table of contents, is presented for purposes of additional analysis as required by the Division and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
June 24, 2026

Gary W. Higgins

Gary W. Higgins, CPA
Registered Municipal Accountant, No. 405

FINANCIAL STATEMENTS – REGULATORY BASIS

BOROUGH OF ENGLEWOOD CLIFFS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
ASSETS AND DEFERRED CHARGES			
Cash - Treasurer	A-4	$ 7,874,685	$ 9,486,206
Cash - Change Fund	A-5	300	300
Petty Cash Fund	A-6	300	300
Due From State of New Jersey - Seniors and Veterans Deductions	A-8	98	98
		7,875,383	9,486,904
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-7	386,196	267,612
Tax Title Liens	A-9	1,319	1,278
Property Acquired for Taxes - Assessed Valuation	A-10	39,528	39,528
Revenue Accounts Receivable	A-11	3,087	1,853
Due From Other Trust Fund	B-4	4,827	76,992
Due From General Capital Fund		-	183,473
Due From Animal Control Fund		-	8,129
Prepaid School Taxes	A-19	1,500,959	-
		1,935,916	578,865
Deferred Charges			
Expenditures Without Appropriation	A-23	48,133	
Overexpenditure of Appropriation Reserves	A-13, A-23	57,642	155,433
Overexpenditure of Appropriations	A-23	76	159,174
Emergency Authorizations			300,000
Special Emergency Authorizations		-	258,484
		105,851	873,091
Total Current Fund		9,917,150	10,938,860
Federal and State Grant Fund			
Federal and State Grants Receivable	A-12	278,605	410,283
Due from Current Fund	A-25	308,637	222,773
Total Federal and State Grant Fund		587,242	633,056
Total		$ 10,504,392	$ 11,571,916

See Accompanying Notes to Financial Statements

BOROUGH OF ENGLEWOOD CLIFFS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - CURRENT FUND
AS OF DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities:			
Appropriation Reserves	A-3, A-13	$ 134,109	$ 265,230
Encumbrances Payable	A-14	78,478	146,883
Accounts Payable		-	9,316
Prepaid Taxes	A-16	733,142	368,698
Tax Overpayments		-	27,185
County Taxes Payable	A-18	95,995	58,759
Due to Federal and State Grant Fund	A-25	308,637	222,773
Reserve for Miscellaneous Reserves	A-20	1,278,668	1,159,701
Due to State of New Jersey - Marriage License Fees	A-24	361	-
Special Emergency Notes Payable		-	258,245
		2,629,390	2,516,790
Reserve for Receivables	A	1,935,916	578,865
Fund Balance	A-1	5,351,844	7,843,205
Total Current Fund		9,917,150	10,938,860
Federal and State Grant Fund			
Appropriated Reserves	A-21	569,724	630,878
Unappropriated Reserves	A-22	17,518	2,178
Total Federal and State Grant Fund		587,242	633,056
Total		$ 10,504,392	$ 11,571,916

See Accompanying Notes to Financial Statements

BOROUGH OF ENGLEWOOD CLIFFS
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
REVENUES AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	$ 3,900,000	$ 2,450,000
Miscellaneous Revenue Anticipated	A-2	3,331,047	4,491,185
Receipts from Delinquent Taxes	A-2	279,741	307,939
Receipts from Current Taxes	A-2	41,764,105	40,882,297
Nonbudget Revenue	A-2	316,919	384,392
Other Credits to Income			
Interfunds Returned	A-23	263,767	6,212
Cancelled Liabilities		-	733,606
Unexpended Balance of Appropriation Reserves	A-13	86,571	622,795
Total Revenues and Other Income		49,942,150	49,878,426
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	7,464,057	7,026,987
Other Expenses	A-3	8,197,488	9,594,557
Municipal Debt Service	A-3	3,225,367	1,901,332
Deferred Charges and Statutory Expenditures	A-3	2,854,055	2,268,048
Capital Improvement Fund	A-3	100,000	300,000
Local District School Taxes	A-19	15,688,066	15,040,372
County Taxes	A-18	9,356,989	9,378,247
Due County for Added Taxes	A-18	94,995	58,759
Overexpenditure of Appropriation Reserves	A-20	31,588	26,055
Expenditures Without Appropriation	A-4	48,133	-
Interfunds Advanced - Reserve Established for Prepaid School Taxes	A-19	1,500,959	202,447
Prior Year Refunds	A-4	51,285	10,534
State of New Jersey - Tax Audit	A-8	250	-
Total Expenditures		48,613,232	45,807,338
Excess in Revenues		1,328,918	4,071,088
Adjustments to Income Before Fund Balance:			
Expenditures Included Above Which are by Statute			
Deferred Charges to Budgets of Succeeding Years			
Emergency Appropriations		-	300,000
Overexpenditure of Appropriations		-	118,982
Overexpenditure of Appropriation Reserves	A-13	31,588	26,055
Expenditures without Appropriation	A-4	48,133	-
Statutory Excess to Fund Balance		1,408,639	4,516,125
Fund Balance, January 1	A	7,843,205	5,777,080
		9,251,844	10,293,205
Decreased by Utilization as Anticipated Revenue	A-2	3,900,000	2,450,000
Fund Balance, December 31	A	$ 5,351,844	$ 7,843,205

See Accompanying Notes to Financial Statements

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Reference	2025 Budget	Added by N.J.S.A. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	$ 3,900,000	-	$ 3,900,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-11	20,000		20,000	
Fees and Permits					
Other	A-11	50,000		44,294	$ (5,706)
Fines and Costs					
Municipal Court	A-11	35,000		27,410	(7,590)
Interest and Costs on Taxes	A-11	90,000		87,594	(2,406)
Interest on Investments and Deposits	A-11	550,000		479,085	(70,915)
Sewer Use Fees Commercial	A-11	350,000		165,796	(184,204)
Cellular Tower Fees	A-11	350,000		326,466	(23,534)
Cable Television Franchise Fees	A-11	14,000		12,834	(1,166)
Elevator Fees	A-11	50,000		50,477	477
Energy Receipts	A-11	699,720		699,720	
Municipal Relief Fund Reserve	A-20	72,125		72,125	
Public and Private Programs					
Offset with Appropriations:					
Bergen County 200 Club Fire Grant	A-12		$ 3,534	3,534	
Body Armor Replacement Grant	A-12		2,178	2,178	
Recycling Tonnage Grant	A-12		7,850	7,850	
Clean Communities Program	A-12		16,589	16,589	
Other Special Items:					
Uniform Construction Code Fees	A-11	500,000		832,646	332,646
Sewer Connection Fees	A-11	41,000		285,887	244,887
Police Outside Duty Administrative Fees	A-11	250,000	-	196,562	(53,438)
Total Miscellaneous Revenues	A-1	3,071,845	30,151	3,331,047	229,051
Delinquent Taxes	A-7	255,101	-	279,741	24,640
Amount to be Raised by Taxes for Support of Municipal Budget -					
Local Tax for Municipal Purposes	A-2	16,336,880	-	17,152,533	815,653
		16,336,880	-	17,152,533	815,653
Total Budget Revenues	A-3	$ 23,563,826	$ 30,151	24,663,321	$ 1,069,344
Nonbudget Revenue	A-1, A-2			316,919	
				$ 24,980,240	

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025
(Continued)

	Reference	
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-7	$ 41,764,105
Less: Allocated to School and County Taxes	A-19, A-20	25,461,572
		16,302,533
Add Appropriation "Reserve for Uncollected Taxes"	A-3	850,000
Amount for Support of Municipal Budget Appropriation	A-2	$ 17,152,533
Nonbudget Revenue:		
PSE & G Agreement		$ 66,000
Refunds		5,122
Police FIFA Worldcup		2,500
BCUA Sewer Connection Rebate		2,069
Worker's Compensation Reimbursement		11,025
Online Payment Processing Fees		15,389
Recreation Fees		189,899
Fire LEA Rebates		17,743
Miscellaneous		7,172
	A-1, A-4	$ 316,919

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended		Unexpended
	2025 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT FUNCTIONS					
General Administration					
Salaries and Wages	$ 446,500	$ 401,500	$ 401,463	$ 37	
Other Expenses	150,000	100,000	99,726	274	
Mayor and Council					
Salaries and Wages	18,000	12,500	12,500	-	
Other Expenses	2,000	2,000	1,507	493	
Financial Administration					
Salaries and Wages	170,500	167,000	166,854	146	
Other Expenses	75,000	100,000	95,008	4,992	
Information Technology					
Other Expenses	120,000	137,000	136,441	559	
Collection of Taxes					
Salaries and Wages	83,500	82,000	81,711	289	
Other Expenses	25,000	18,000	17,745	255	
Tax Assessment Administration					
Salaries and Wages	21,500	21,500	21,186	314	
Other Expenses	10,000	11,500	11,341	159	
Legal Services					
Other Expenses	1,400,000	1,305,000	403,781	1,219	$ 900,000
Engineering Services					
Other Expenses	60,000	200,000	172,696	27,304	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	20,000	20,000	20,000	-	
Other Expenses	50,000	5,000	1,583	3,417	
INSURANCE					
Joint Insurance Fund	900,535	900,535	900,535	-	
Employee Group Health	1,900,000	1,995,500	1,995,333	167	
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTIONS					
Police Department					
Salaries and Wages	5,000,000	4,950,000	4,949,624	376	
Other Expenses	300,000	250,000	237,984	12,016	
Municipal Court					
Salaries and Wages	55,000	41,500	41,105	395	
Other Expenses	15,000	15,500	15,479	21	
Office of Emergency Management					
Salaries and Wages	10,000	10,000	8,500	1,500	
Other Expenses	4,000	4,000	3,196	804	
Prosecutor and Public Defender					
Salaries and Wages	15,000	-	-	-	
Fire Department					
Salaries and Wages	115,000	140,000	133,655	6,345	
Other Expenses	110,000	100,000	97,039	2,961	
Clothing Expenses	25,000	-	-	-	
Uniform Fire Safety Act (P.L. 1983, Ch. 383)					
Salaries and Wages	20,000	20,000	20,000	-	
Other Expenses	5,000	1,500	1,446	54	
PUBLIC WORKS FUNCTIONS					
Streets and Road Maintenance					
Salaries and Wages	1,000,000	1,072,500	1,072,496	4	
Other Expenses	300,000	385,000	381,924	3,076	
Sewer Services					
Other Expenses	25,000	23,000	22,647	353	
Shade Tree - Advisory Committee					
Other Expenses	150,000	120,000	109,500	10,500	
Solid Waste Collection					
Garbage/Recycling - Other Expenses	517,500	467,500	463,428	4,072	
Buildings and Grounds					
Other Expenses	100,000	110,000	108,753	1,247	

See Accompanying Notes to Financial Statements

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended		Unexpended
	2025 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - WITHIN "CAPS" (Continued)					
HEALTH AND HUMAN SERVICES FUNCTIONS					
Public Health Services					
Salaries and Wages	$ 20,000	$ 15,000	$ 15,000		
Other Expenses	50,000	50,000	48,785	$ 1,215	
Environmental Health Services					
Salaries and Wages	2,000	-	-	-	
Senior Citizens Committee					
Other Expenses	20,000	15,500	15,400	100	
PARKS AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	152,557	152,557	150,165	2,392	
Other Expenses	150,000	200,000	199,363	637	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	10,000	-	-	-	
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17) STATE UNIFORM CONSTRUCTION CODE					
UNIFORM CONSTRUCTION CODE ADMINISTRATION					
Salaries and Wages	400,000	440,000	438,724	1,276	
Other Expenses	60,000	50,000	49,675	325	

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended		Unexpended
	2025 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - WITHIN "CAPS" (Continued)					
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	$ 140,000	$ 148,500	$ 143,758	$ 4,742	
Street Lighting	160,000	165,000	151,144	13,856	
Telephone	125,000	100,000	98,640	1,360	
Water	25,000	27,000	26,060	940	
Fire Hydrants	100,000	100,000	99,797	203	
Gasoline	100,000	75,000	71,720	3,280	-
Total Operations Within "CAPS"	14,733,592	14,728,092	13,714,417	113,675	$ 900,000
Detail:					
Salaries and Wages	7,451,057	7,464,057	7,451,272	12,785	-
Other Expenses	7,282,535	7,264,035	6,263,145	100,890	900,000
Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"					
Statutory Expenditures					
Public Employees' Retirement System	219,267	219,267	219,267		
Social Security System (O.A.S.I.)	275,000	285,000	285,000		
Police and Firemen's Retirement System of N.J.	1,491,289	1,491,289	1,491,289		
Defined Contribution Retirement Program	10,000	5,500	5,361	139	-
	1,995,556	2,001,056	2,000,917	139	-
Deferred Charges:					
Overexpenditure of Appropriation Reserves - 2022	129,379	129,379	129,379		
Overexpenditure of Appropriation - 2023	40,193	40,193	40,193		
Overexpenditure of Appropriation - 2024	118,905	118,905	118,905		
Overexpenditure of Recycling Trust	8,192	8,192	6,038	-	2,154
	296,669	296,669	294,515	-	2,154
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	2,292,225	2,297,725	2,295,432	139	2,154
Total General Appropriations for Municipal Purposes - Within "CAPS"	17,025,817	17,025,817	16,009,849	113,814	902,154

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended		Unexpended
	2025 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
OPERATIONS - EXCLUDED FROM "CAPS"					
EDUCATION FUNCTIONS					
Municipal Library					
Other Expenses	$ 190,000	$ 195,000	$ 195,000		
UTILITY EXPENSES AND BULK PURCHASES					
Sewerage Processing and Disposal					
Borough of Tenafly	15,300	15,300	-	$ 15,300	
City of Englewood	40,000	40,000	36,549	3,451	
Bergen County Utilities Authority	978,040	978,040	978,040		
Reserve for Tax Appeals					
Other Expenses	200,000	200,000	200,000		
Length of Service Awards Program	40,000	35,000	33,456	1,544	
Insurance(s):					
Joint Insurance Fund- Liability Insurance	257,462	257,462	257,462		
Garbage Removal and Disposal	82,500	82,500	82,500	-	-
Total Other Operations Excluded from "CAPS"	1,803,302	1,803,302	1,783,007	20,295	-
Public and Private Programs Offset by Revenues					
Matching Funds for Grants					
Clean Communities Program Grant		16,589	16,589		
Recycling Tonnage Grant		7,850	7,850		
Body Armor Replacement Grant		2,178	2,178		
Bergen County 200 Club Fire Grant	-	3,534	3,534	-	-
	-	30,151	30,151	-	-
Total Operations Excluded from "CAPS"	1,803,302	1,833,453	1,813,158	20,295	-
Detail:					
Other Expenses	1,803,302	1,833,453	1,813,158	20,295	-

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	Appropriated		Expended		Unexpended
	2025 Budget	Budget After Modification	Paid or Charged	Reserved	Balance Cancelled
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	$ 100,000	$ 100,000	$ 100,000	-	-
Total Capital Improvements Excluded from "CAPS"	100,000	100,000	100,000	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,055,000	1,055,000	1,055,000		
Payment of Bond Anticipation Notes	1,440,000	1,440,000	1,440,000		
Interest on Bonds	308,369	308,369	308,369		
Interest on Notes	422,853	422,853	421,998	-	$ 855
Total Municipal Debt Service Excluded From "CAPS"	3,226,222	3,226,222	3,225,367	-	855
DEFERRED CHARGES:					
Emergency Authorizations	300,000	300,000	300,000		
Special Emergency Authorizations - 5 Years (N.J.S.A.40A:4-55)	258,485	258,485	258,484	-	1
Total Deferred Charges	558,485	558,485	558,484	-	1
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,688,009	5,718,160	5,697,009	$ 20,295	856
Subtotal General Appropriations	22,713,826	22,743,977	21,706,858	134,109	903,010
Reserve for Uncollected Taxes	850,000	850,000	850,000	-	-
Total General Appropriations	$ 23,563,826	$ 23,593,977	$ 22,556,858	$ 134,109	$ 903,010
Reference	A-2			A	

	Reference		
Adopted Budget	A-2	$ 23,563,826	
Added by N.J.S.A. 40A:4-87	A-2	30,151	
		$ 23,593,977	
Cash Disbursed	A-4		$ 20,551,268
Reserve for Uncollected Taxes	A-2		850,000
Transferred to Appropriated Grant Reserves	A-21		30,151
Deferred Charges:			
Overexpenditures	A-23		288,477
Emergency Authorizations	A-23		300,000
Special Emergency Authorizations	A-27		258,484
Reserve for Tax Appeals	A-20		200,000
Encumbrances Payable	A-14		78,478
Due to Other Trust Fund	B-4		6,038
			$ 22,556,858

BOROUGH OF ENGLEWOOD CLIFFS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
ASSETS			
ANIMAL CONTROL TRUST FUND			
Cash	B-1	$ 7,521	$ 14,339
OTHER TRUST FUND			
Cash	B-1	3,338,330	2,877,380
Tax Sale Receivable	B-2	50	50
Intrafunds	B-5	620	620
Deferred Charges - Deficit in Reserve for Recycling Trust		-	6,038
		3,339,000	2,884,088
Total Assets		$ 3,346,521	$ 2,898,427

See Accompanying Notes to Financial Statements

BOROUGH OF ENGLEWOOD CLIFFS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
LIABILITIES AND RESERVES			
ANIMAL CONTROL TRUST FUND			
Due to Current Fund			$ 8,129
Reserve for Animal Control Expenditures	B-7	$ 7,521	6,210
		7,521	14,339
OTHER TRUST FUND			
Due to Current Fund	B-4	4,827	76,992
Intrafunds	B-5	620	620
Reserve for Accrued Payroll	B-15	21,318	(6,454)
Reserve for:			
Other Trust Deposits	B-9	1,813,928	1,903,692
Recycling Expenditures	B-10	1,181	483
Shade Tree Expenditures	B-12	13,773	10,373
Reserve for COAH Development Expenditures	B-13	1,363,958	757,343
Reserve for DEA Forfeiture Expenditures	B-14	119,395	141,039
		3,339,000	2,884,088
Total Liabilities and Reserves		$ 3,346,521	$ 2,898,427

See Accompanying Notes to Financial Statements

BOROUGH OF ENGLEWOOD CLIFFS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
ASSETS			
Cash	C-2,C-3	$ 146,814	$ 1,072,012
Grants Receivable			
New Jersey Department of Transportation	C-4	1,187,669	1,187,669
Bergen County	C-5	302,652	302,652
Due from Ambulance Corp.	C-6	100,000	100,000
Deferred Charges to Future Taxation			
Funded	C-8	8,110,000	9,165,000
Unfunded	C-9	25,097,138	23,004,138
Total Assets		$ 34,944,273	$ 34,831,471
LIABILITIES, RESERVES AND FUND BALANCE			
Due to Current Fund			$ 183,473
Bond Anticipation Notes Payable	C-10	$ 14,924,000	15,365,000
General Serial Bonds Payable	C-11	8,110,000	9,165,000
Improvement Authorizations			
Funded	C-12	1,251,838	1,318,035
Unfunded	C-12	7,057,821	6,785,224
Encumbrances Payable	C-13	2,507,630	864,390
Capital Improvement Fund	C-14	234,086	321,086
Reserve for Payment of Debt	C-15	353,700	353,700
Reserve for Cost of Issuance	C-16	4,086	4,086
Reserve for Boswell Settlement	C-17	185,000	185,000
Reserve for Grants Receivable	C-18	256,652	256,652
Fund Balance	C-1	59,460	29,825
Total Liabilities, Reserves and Fund Balance		$ 34,944,273	$ 34,831,471

There were bonds and notes authorized but not issued on December 31, 2025 and 2024 in the amount of $10,173,138 and $7,639,138, respectively (Exhibit C-19).

See Accompanying Notes to Financial Statements

BOROUGH OF ENGLEWOOD CLIFFS
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Reference	2025	2024
Balance, January 1	C	$ 29,825	$ 35,475
Increased by:			
Premium on Note Sale	C-8	29,635	29,350
		59,460	64,825
Decreased by:			
Due to Current Fund as Anticipated Revenue		-	35,000
Balance, December 31	C	$ 59,460	$ 29,825

See Accompanying Notes to Financial Statements

BOROUGH OF ENGLEWOOD CLIFFS
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
General Fixed Assets		
Land and Land Improvements	$ 74,525,731	$ 74,525,731
Buildings and Building Improvements	9,388,303	9,388,303
Vehicles and Equipment	9,526,632	9,094,469
Total General Fixed Assets	$ 93,440,666	$ 93,008,503
Investment in General Fixed Assets	$ 93,440,666	$ 93,008,503

See Accompanying Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Englewood Cliffs (the "Borough") was incorporated in 1903 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day-to-day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department which is considered a component unit under accounting principles generally accepted in the United States of America (GAAP). Complete financial statements of the above component unit can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The Borough has the following funds and account group:

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

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

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

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

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

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

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the 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.

Reclassifications - Certain reclassifications may have been made to the December 31, 2024 balances to conform to the December 31, 2025 presentation.

Financial Statements – Regulatory Basis

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

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

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that liabilities for compensated absences be recorded for leave that has not been used when the leave is attributable to services already rendered and the leave is more likely than not to be used for time off or otherwise paid in cash. Compensated absences liabilities are not recorded on the balance sheet.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount. GAAP does not permit the deferral of unpaid school taxes to fund balance at year end.

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Englewood Cliffs has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of $1,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

General Fixed Assets purchased during 2025 and 2024 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to the Borough's initial fixed assets report are stated as follows:

Land and Buildings	Assessed Value
Vehicles and Equipment	Current Replacement Value

No depreciation has been provided for in the financial statements.

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

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

Long-term Debt – The Borough's long-term debt is stated at face value. Additional information pertinent to the Borough's long-term debt is disclosed in Note 9 to the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources and Pension Expense - The requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71*, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68* require governmental entities to record their distributive shares of net pension liability, deferred outflows of resources, deferred inflows of resources and total pension related expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of the liabilities, deferrals, and expenses, but do require the disclosure of these amounts. The audited financial information related to these pensions is released annually by the State's Division of Pension and Benefits and is required to be included as note disclosures in the financial statements. Pursuant to N.J.A.C. 5:30-6.1(c)2, municipalities may use the most recent available audited GASB 68 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. The 2024 Public Employees' Retirements System Report and the 2024 Police and Firemen's Retirement System Report were the most recent reports available and therefore information for that year was disclosed accordingly. Refer to Note 11 for these disclosures.

Other Post-Employment Benefits Other Than Pensions – The requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* that is provided by other entities require governmental entities to record in their financial statements a share of the other governments net OPEB liability, deferred outflows of resources, deferred inflows of resources and total OPEB expense. Accounting principles applicable to municipalities, which have been prescribed by the Division, do not require the recording of these liabilities, deferrals, and expenses, but do require the disclosure of these amounts. Since the Borough does not follow generally accepted accounting principles, the GASB did not result in a change in the Borough's assets, liabilities and contribution requirements. However, it did result in additional note disclosures as required by the GASB. Pursuant to N.J.A.C. 5:30-6.1(c)2, municipalities may use the most recent available audited GASB 75 financial information published by the New Jersey Department of the Treasury, Division of Pensions and Benefits. The 2024 Report was the most recent report available and therefore information for that year was disclosed accordingly. Refer to Note 12 for these disclosures.

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 accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds
General Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2025 and 2024, the Borough Council increased the original budget by $30,151 and $390,617, respectively. The increase in 2025 was $30,151 of additional aid allotted to the Borough. The increase in 2024 was funded by a special emergency authorization of $300,000 for attorney fees and $90,617 of additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2025 and 2024.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. Cash Deposits

The Borough’s deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or $200 million for all deposits not covered by the FDIC or NCUSIF.

Bank balances are insured up to $250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to $250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of $250,000 for each failed brokerage firm. At December 31, 2025 and 2024, the book value of the Borough's deposits were $11,496,535 and $13,450,537 and bank and brokerage firm balances of the Borough's deposits amounted to $11,873,457 and $15,524,671, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

	Bank Balance	
Depository Account	**2025**	**2024**
Insured	$ 11,660,916	$ 15,520,438
Uninsured and Collateralized	212,541	4,233
	$ 11,873,457	$ 15,524,671

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 does not have a formal policy for custodial credit risk. As of December 31, 2025 and 2024, the Borough's bank balances of $212,541 and $4,233 were exposed to custodial credit risk as follows:

Depository Account	**2025**	**2024**
Uninsured and Collateral held by pledging financial institution's trust department not in the Borough's name	$ 212,541	$ 4,233

B. Investments

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

As of December 31, 2025 and 2024, the Borough had State of of New Jersey Cash Management Funds of $5,090 and $4,233, respectively. These amounts are included in the book values of the Borough's deposits above.

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk.

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The 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.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19. The Borough does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough's investment in a single issuer. The Borough places no limit in the amount the Borough may invest in any one issuer.

Fair Value of Investments. The Borough measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Interest earned in the General Capital Fund, Animal Control Trust Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2025 and 2024 consisted of the following:

	2025	2024
Current		
Property Taxes	$ 386,196	$ 267,612
Tax Title Liens	1,319	1,278
	$ 387,515	$ 268,890

In 2025 and 2024, the Borough collected $279,741 and $307,939 from delinquent taxes, which represented 99.90% and 99.64%, respectively of the prior year delinquent taxes receivable balance.

NOTE 5 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	2025		2024	
	Due from Other Funds	Due to Other Funds	Due from Other Funds	Due to Other Funds
Current Fund	$ 4,827	$ 308,637	$ 268,594	$ 222,773
Federal and State Grant Fund	308,637		222,773	
General Capital Fund				183,473
Other Trust Fund	620	5,447	620	77,612
Animal Control Trust Fund	-	-	-	$ 8,129
Total	$ 314,084	$ 314,084	$ 491,987	$ 491,987

The above balances are the result of interest and fees earned in the Animal Control Trust Fund and owed to the Current Fund and a statutory excess occurring in the Animal Control Trust Fund and owed to the Current Fund and the Current Fund owed General Capital Fund for capital improvements ongoing.

The Borough expects all interfund balances to be liquidated within one year.

NOTE 6 DEFERRED AND PREPAID SCHOOL TAXES

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual school levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred, the amount reported as a liability (payable) and the amount prepaid at December 31, 2025 and 2024 are as follows:

	Local District School	
	2025	2024
Balance of Tax	$ 8,004,795	$ 7,683,273
Deferred Liability	8,004,795	7,683,273
Taxes Payable	$ -	$ -

As of December 31, 2025, the Borough prepaid the January 2026 school taxes in the amount of $1,500,959. This amount is recorded in the Current Fund with an offsetting reserve.

NOTE 7 FUND BALANCES APPROPRIATED

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

	2025		2024	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget*	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	$ 5,245,895	$ 3,000,000	$ 6,970,016	$ 3,900,000
Non-Cash Surplus	105,949	-	873,189	-
	$ 5,351,844	$ 3,000,000	$ 7,843,205	$ 3,900,000

* The 2026 budget has not been adopted as of the date of audit.

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 8 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2025 and 2024.

	Balance January 1, 2025	Additions	Retirements	Balance, December 31, 2025
2025				
Land and Land Improvements	$ 74,525,731			$ 74,525,731
Buildings and Building Improvements	9,388,303			9,388,303
Vehicle and Equipment	9,094,469	$ 432,163	$ -	9,526,632
	$ 93,008,503	$ 432,163	$ -	$ 93,440,666

	Balance January 1, 2024	Additions	Retirements	Balance, December 31, 2024
2024				
Land	$ 73,839,615	$ 686,116		$ 74,525,731
Buildings and Building Improvements	9,360,673	27,630		9,388,303
Vehicle and Equipment	7,932,139	1,162,330	$ -	9,094,469
	$ 91,132,427	$ 1,876,076	$ -	$ 93,008,503

NOTE 9 MUNICIPAL DEBT

The Local Bond Law (N.J.S.A. 40A:2 et.seq.) governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for general capital fund projects and acquisitions or other purposes permitted by the Local Bond Law. 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 and acquisitions or other purposes permitted by the Local Bond Law, must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	2025	2024
Issued		
General		
Bonds, Notes and Loans	$ 23,034,000	$ 24,530,000
Less Funds Temporarily Held to Pay Notes	353,700	353,700
Net Debt Issued	22,680,300	24,176,300
Authorized But Not Issued		
General		
Bonds and Notes	10,173,138	7,639,138
Net Bonds and Notes Issued and Authorized But Not Issued	$ 32,853,438	$ 31,815,438

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .785% and .794% at December 31, 2025 and 2024, respectively.

	Gross Debt	Deductions	Net Debt
2025			
General Debt	$ 33,207,138	$ 353,700	$ 32,853,438

	Gross Debt	Deductions	Net Debt
2024			
General Debt	$ 32,169,138	$ 353,700	$ 31,815,438

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt (Continued)

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	2025	2024
3-1/2% of Equalized Valuation Basis (Municipal)	$ 146,557,803	$ 140,257,112
Net Debt	32,853,438	31,815,438
Remaining Borrowing Power	$ 113,704,365	$ 108,441,674

A. Long-Term Debt

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

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. The general obligation bonds are direct obligations of the Borough. Bonds issued by the Borough are backed by the full faith and credit of the Borough. General obligation bonds outstanding at December 31 are as follows:

	2025	2024
$9,885,000, 2014 Bonds, due in annual installments of $700,000 through March, 2030 interest at 3.00%	$ 3,500,000	$ 4,200,000
$5,305,000, 2023 Bonds, due in annual installments of $500,000 and $655,000 through August, 2033 interest at 3.125% and 4.00%	4,610,000	4,965,000
	$ 8,110,000	$ 9,165,000

NOTE 9 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2025 is as follows:

	Serial Bonds		
Year	Principal	Interest	Total
2026	$ 1,200,000	$ 273,169	$ 1,473,169
2027	1,220,000	232,169	1,452,169
2028	1,240,000	190,369	1,430,369
2029	1,265,000	147,769	1,412,769
2030	1,285,000	104,169	1,389,169
2031-2033	1,900,000	136,607	2,036,607
	$ 8,110,000	$ 1,084,252	$ 9,194,252

Changes in Long-Term Municipal Debt

The Borough’s long-term capital debt activity for the years ended December 31, 2025 and 2024 were as follows:

	Balance, January 1, 2025	Reductions	Balance, December 31, 2025	Due Within One Year
2025				
General Capital Fund				
Bonds Payable	$ 9,165,000	$ 1,055,000	$ 8,110,000	$ 1,200,000
General Capital Fund Long-Term Liabilities	$ 9,165,000	$ 1,055,000	$ 8,110,000	$ 1,200,000

	Balance, January 1, 2024	Reductions	Balance, December 31, 2024	Due Within One Year
2024				
General Capital Fund				
Bonds Payable	$ 10,205,000	$ 1,040,000	$ 9,165,000	$ 1,055,000
General Capital Fund Long-Term Liabilities	$ 10,205,000	$ 1,040,000	$ 9,165,000	$ 1,055,000

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2025 and 2024 was as follows:

Bond Anticipation Notes

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

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

Purpose	Rate Purpose	Maturity Purpose	Balance January 1, 2025	Renewed/ Issued	Retired/ Redeemed	Balance December 31, 2025
2025						
General Capital Notes Payable						
Refunding Bond Ordinance - Tax Appeals	4.00%	10/16/2025	$ 815,000		$ 815,000	
	3.25%	10/14/2026		$ 385,000		$ 385,000
Various Park Improvements	4.00%	10/16/2025	4,693,750		4,693,750	
	3.25%	10/14/2026		4,693,750		4,693,750
Riverside Co-Op Road Improvement Program	4.00%	10/16/2025	665,000		665,000	
	3.25%	10/14/2026		665,000		665,000
Road Resurfacing Project	4.00%	10/16/2025	641,250		641,250	
	3.25%	10/14/2026		641,250		641,250
Various Capital Improvements	3.25%	10/14/2026		999,000		999,000
Settlement - 800 Sylvan Avenue II, LLC	3.50%	5/28/2025	7,100,000		7,100,000	
	4.00%	5/21/2026		6,380,000		6,380,000
Tax Appeal Refunds	4.70%	5/28/2025	1,450,000		1,450,000	
	4.24%	5/26/2026	-	1,160,000	-	1,160,000
			$ 15,365,000	$ 14,924,000	$ 15,365,000	$ 14,924,000

Purpose	Rate Purpose	Maturity Purpose	Balance January 1, 2024	Renewed/ Issued	Retired/ Redeemed	Balance December 31, 2024
2024						
General Capital Notes Payable						
Refunding Bond Ordinance - Tax Appeals	4.00%	10/16/2025		$ 815,000		$ 815,000
Various Park Improvements	4.00%	10/16/2025		4,693,750		4,693,750
Riverside Co-Op Road Improvement Program	4.00%	10/16/2025		665,000		665,000
Road Resurfacing Project	4.00%	10/16/2025		641,250		641,250
Settlement - 800 Sylvan Avenue II, LLC	3.50%	5/28/2025		7,100,000		7,100,000
Tax Appeal Refunds	4.50%	8/8/2024	$ 1,245,000		$ 1,245,000	
	4.70%	5/28/2025	-	1,450,000	-	1,450,000
			$ 1,245,000	$ 15,365,000	$ 1,245,000	$ 15,365,000

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

Special Emergency Notes

Following the adoption of an ordinance or resolution for special emergency appropriations, the Borough may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/3 or 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the third or fifth year following the date of the special emergency resolution.

On December 31, 2025 and 2024, the Borough had $0 and $258,245 of special emergency notes outstanding.

Purpose	Balance, January 1, 2025	Additions	Deletions	Balance, December 31, 2025
2025				
Bergen County Improvement Authority	$ 258,245	$ -	$ 258,245	$ -

Purpose	Balance, January 1, 2024	Additions	Deletions	Balance, December 31, 2024
2024				
Bergen County Improvement Authority		$ 258,245		$ 258,245
County of Bergen		258,245	$ 258,245	
Bank of NY Melon	$ 640,830	-	640,830	-
	$ 640,830	$ 516,490	$ 899,075	$ 258,245

NOTE 10 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

The estimated accumulated unpaid compensation as of December 31, 2025 and 2024 was $2,200,995 and $2,213,659, respectively.

NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)

B. Deferred Charges

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2025 and 2024, the following deferred charges are shown on the balance sheet of the various funds:

	Balance December 31, 2025	2026 Appropriations (A)	Balance to Succeeding Budgets
Current Fund			
Expenditures Without Appropriation	$ 48,133	$ 48,133	
Overexpenditure of Appropriations	76	76	$ 39,581
Overexpenditure of Appropriation Reserves	57,642	17,791	-
	$ 105,851	$ 66,000	$ 39,581

	Balance December 31, 2024	2025 Appropriations	Balance to Succeeding Budgets
Current Fund			
Overexpenditure of Appropriation Reserves	$ 155,433	$ 129,379	$ 26,054
Overexpenditure of Appropriations	159,174	159,098	76
Special Emergency	258,484	258,484	
Emergency Authorizations	300,000	300,000	-
	873,091	846,961	26,130
Other Trust Fund			
Deficit in Recycling Trust	6,038	6,038	-
	$ 879,129	$ 852,999	$ 26,130

(A) Based on the 2026 Introduced Budget.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS

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

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PFRS:

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

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

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

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

The following represents the membership tiers for PERS:

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least $5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The state established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems, but are currently suspended as a result of reform legislation.

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 was $13.7 billion. The collective net pension liability of the participating employers for local PFRS at June 30, 2024 was $12.3 billion.

Actuarial Methods and Assumptions

In the July 1, 2023 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2025 and 2024 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's pensionable compensation.

For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2025, 2024 and 2023 were equal to the required contributions.

During the years ended December 31, 2025, 2024 and 2023, the Borough was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the actual contributions for each respective year:

December 31	PFRS	PERS	DCRP
2025	$ 1,431,528	$ 210,981	$ 5,361
2024	1,331,898	203,301	10,131
2023	1,400,475	230,657	5,039

For the years ended December 31, 2025, 2024 and 2023 the Borough had no required contributions for long-term disability insurance premiums (LTDI) for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, (GASB No. 68)* their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal year ended June 30, 2024. Employer allocation percentages have been rounded for presentation purposes.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

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

At December 31, 2024, the Borough had a liability of $2,106,819 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2024, the Borough's proportionate share was .01550 percent, which was a increase of .00023 percent from its proportionate share measured as of June 30, 2023 of .01527 percent.

For the year ended December 31, 2024, the pension system has determined the Borough's pension benefit to be ($23,390) for PERS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of $203,301. At December 31, 2024, the Borough's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough's financial statements are from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 42,203	$ 5,609
Changes of Assumptions	2,617	23,971
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		97,687
Changes in Proportion	150,987	307,761
Borough Contribution Subsequent to the Measurement Date	210,981	-
Total	$ 406,788	$ 435,028

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

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

The $210,981 of deferred outflows of resources resulting from the Borough's contribution subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense (benefit) on the GAAP basis as follows if GASB 68 were recognized:

Year Ending December 31,	Total
2025	$ (159,043)
2026	46,781
2027	(106,734)
2028	(21,391)
2029	1,166
Thereafter	-
	$ (239,221)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2024
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through All Future Years	2.75%-6.55% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

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

Actuarial Assumptions (Continued)

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2021.

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024, as reported for the year ended December 31, 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-U.S Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Assets	8.00%	10.95%
Real Estates	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

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

Discount Rate

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

Calendar Year	Measurement Date	Discount Rate
2024	June 30, 2024	7.00%

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

	2024
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2025 calculated using the discount rate of 7.00%, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

2024	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Borough's Proportionate Share of the PERS Net Pension Liability	$ 2,799,444	$ 2,106,819	$ 1,517,399

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at June 30, 2024. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation – PERS

Under N.J.S.A. 43:15A-15, the Borough is responsible for their own PERS 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 365, P.L. 2001, and Chapter 133, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PERS under this legislation.

At December 31, 2024 the State's proportionate share of the net pension liability attributable to the Borough for the PERS special funding situation is $0. For the year ended December 31, 2024, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PERS special funding situation is $6,792, which is equal to the actual contribution the State made on behalf of the Borough of $6,792. At December 31, 2024 (measurement date June 30, 2024) the State's share of the PERS net pension liability attributable to the Borough was 0.01558 percent, which was an increase of .00031 percent from its proportionate share measured as of December 31, 2023 (measurement date June 30, 2023) of .01527 percent The State's proportionate share attributable to the Borough was developed based on actual contributions made to PERS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2024, the Borough had a liability of $10,687,099 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Borough's proportionate share of the net pension liability was based on the ratio of the Borough's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2024, the Borough's proportionate share was .10349 percent, which was an increase of .00344 percent from its proportionate share measured as of June 30, 2023 of .10005 percent.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

For the year ended December 31, 2024, the pension system has determined the Borough pension expense to be $325,444 for PFRS based on the actuarial valuations which is less than the actual contribution reported in the Borough's financial statements of $1,331,898. At December 31, 2025, the Borough's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough's financial statements are from the following sources:

	2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	$ 673,279	$ 365,866
Changes of Assumptions	16,894	313,863
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		83,646
Changes in Proportion	1,066,840	795,161
Borough Contributions Subsequent to the Measurement Date	1,431,528	-
Total	$ 3,188,541	$ 1,558,536

The $1,431,528 of deferred outflows of resources resulting from the Borough's contribution subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense (benefit) on the GAAP basis as follows if GASB 68 were recognized:

Year Ending December 31,	Total
2025	$ (478,905)
2026	(91,445)
2027	619,404
2028	136,840
2029	10,966
2030	1,617
Thereafter	-
	$ 198,477

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2024 was based on the June 30, 2024 measurement date as determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	2024
Inflation Rate:	
Price	2.75%
Salary Increases:	
Through all future years	3.25%-15.25% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pubs - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2021.

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024, as reported for the year ended December 31, 2025 are summarized in the following table:

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Long-Term Expected Rate of Return (Continued)

	2024	
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.63%
Non-US Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Assets	8.00%	10.95%
Real Estate	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	100.00%	

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% 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.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Discount Rate (Continued)

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

Calendar Year	Measurement Date	Discount Rate
2024	June 30, 2024	7.00%

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PFRS net pension liability as of December 31, 2025 calculated using the discount rate of 7.00% as well as what the Borough's proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% or 1-percentage-point higher 8.00% than the current rate:

2024	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	$ 15,269,487	$ 10,687,099	$ 6,870,974

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2024. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Special Funding Situation – PFRS

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

At December 31, 2024, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is $2,106,939. For the year ended December 31, 2024, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is $242,386 which is equal to the actual contribution the State made on behalf of the Borough of $242,386. At December 31, 2024 (measurement date June 30, 2024) the State's share of the PFRS net pension liability attributable to the Borough was .10349 percent, which was an increase of .00344 percent from its proportionate share measured as of December 31, 2024 (measurement date June 30, 2023) of .10005 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

DEFINED CONTRIBUTION RETIREMENT PLAN

The Defined Contribution Retirement Plan (DCRP) is a multiple employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by The New Jersey Division of Pensions and Benefits (Division). The more significant aspects of the DCRP are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in PFRS or PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PFRS or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least $5,000 annually; and employees otherwise eligible to enroll in PFRS or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least $5,000 annually.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employees' base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable.

A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS

State Health Benefit Local Government Retired Employees Plan

General Information about the OPEB Plan

Plan Description

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

Benefits Provided

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

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

Contributions

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 of coverage.

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Plan membership and contributing employers/nonemployers consisted of the following at June 30, 2024:

	June 30, 2024
Active Plan Members	60,691
Inactive plan members or beneficiaries currently receiving benefits	28,899
Total	89,590

Nonspecial Funding Situation - The State of New Jersey's Total OPEB Liability for nonspecial funding situation was $17,748,257,548 at June 30, 2024.

,

Components of Net OPEB Liability - The components of the collective net OPEB liability for Local Government Retired Employees Plan, including the State of New Jersey, is as follows:

		June 30, 2024
Total OPEB Liability	$	17,748,257,548
Plan Fiduciary Net Position (Deficit)		(157,187,957)
Net OPEB Liability	$	17,905,445,505
Plan fiduciary net position as a percentage of the total OPEB liability		-0.89%

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. These actuarial valuations used the following actuarial assumptions, applied to all periods (2024) in the measurement:

Salary increases*	
Public Employees' Retirement Systems (PERS)	
Rate for all future years	2.75% to 6.55%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 16.25%
Mortality:	
PERS	Pub-2010 general classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
PFRS	Pub-2010 safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

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

Preretirement and postretirement mortality rates were based on the Pub-2010 General and Safety Headcount-Weighted mortality table with fully generational mortality improvement projections from the central year using the MP-2021 scale. Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

The health care trend assumption is used to project the growth of the expected claims over the lifetime of the health care recipients. The GASB statement does not require a particular source for information to determine health care trends, but it does recommend selecting a source that is “publicly available, objective, and unbiased”.

Discount Rate - The discount rate for June 30, 2024 was 3.93%. 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.

Sensitivity of the State’s Net OPEB Liability to Changes in the Discount Rate - The following presents the collective net OPEB liability of the participating employers and the Borough as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage- point higher than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB Liability	$ 20,857,914,273	$ 17,905,445,505	$ 15,540,780,410
Borough's Proportionate Share of the Net OPEB Liability	$ 19,096,464	$ 16,393,331	$ 14,228,362

Sensitivity of the State’s Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the participating employers and of the Borough as of June 30, 2024, calculated using the healthcare trend rate as disclosed above as well as what the net OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	Healthcare Care Trend Rate	1% Increase
Net OPEB Liability	$ 15,144,352,142	$ 17,905,445,505	$ 21,455,435,620
Borough's Proportionate Share of the Net OPEB Liability	$ 13,865,412	$ 16,393,331	$ 19,643,525

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 is 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.

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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 nonemployer 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, 2024, the State's proportionate share of the net pension liability attributable to the Borough for the OPEB special funding situation is $16,393,331.

NOTE 13 RISK MANAGEMENT

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

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

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

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

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

NOTE 14 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2025 and 2024. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2025 and 2024, the Borough reserved $1,232,000 and $1,041,518, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

NOTE 14 CONTINGENT LIABILITIES (Continued)

Federal and State Awards - The Borough 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, 2025 and 2024, 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 the overall financial position of the Borough.

NOTE 15 FEDERAL ARBITRAGE REGULATIONS

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2025 and 2024, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 16 LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)-UNAUDITED

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

VALIC will provide for the benefit of participants a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for an annual contribution of $2,159 and $2,091 for 2025 and 2024, 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. The total Borough contributions were $25,908 and $33,456 for 2025 and 2024, respectively.

Vesting and Benefits

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.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Review Services.

NOTE 17 LESSOR REVENUES

Lease Assets

The Borough has entered into a certain leases for the use of Borough owned real property. The leases are due to the Borough in installments as outlined in each individual lease. The Borough recognizes the revenues on an annual basis based upon cash received. The following table represents the lease principal throughout the term of the leases.

Year End December 31,		Annual Lease Payments
2026	$	63,000
2027		66,150
2028		69,458
2029		72,930
2030		76,577
2031-2035		444,292
2036-2040		567,042
2041-2045		723,706
2046-2049		720,471
	$	2,803,626

NOTE 18 SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2025 through the date of this report, which is the date the financial statements were available to be issued. Based on this evaluation, the Borough has determined that no subsequent events have occurred which require disclosure in the financial statements.

BOROUGH OF ENGLEWOOD CLIFFS

BERGEN COUNTY

PART II

SUPPLEMENTARY INFORMATION
REQUIRED BY THE DIVISION

YEAR ENDED DECEMBER 31, 2025

CURRENT FUND

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF CASH - TREASURER

Balance, January 1, 2025		$ 9,486,206
Increased by Receipts:		
Veterans' and Senior Citizens' Deductions	$ 12,000	
Taxes Receivable	41,662,898	
2026 Prepaid Taxes	733,142	
Receipts from General Capital Fund	183,473	
Receipts from Animal Control Trust Fund	8,129	
Receipts from Other Trust Fund	66,127	
Revenue Accounts Receivable	3,228,771	
Miscellaneous Revenue not Anticipated	316,919	
Grant Receivable	159,651	
Unappropriated Grant Reserves	17,518	
Marriage License Fees	361	
		46,388,989
		55,875,195
Decreased by Disbursements:		
Budget Appropriation	20,545,230	
Appropriation Reserves	366,446	
County Taxes Payable	9,414,748	
School Taxes Payable	17,189,025	
Expenditures Without Appropriation	48,133	
Tax Overpayments	27,185	
Miscellaneous Reserves	8,908	
Special Emergency Notes	258,245	
Prior Year Refunds	51,285	
Appropriated Grant Reserves	91,305	
		48,000,510
Balance, December 31, 2025		$ 7,874,685

EXHIBIT A-5

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF CHANGE FUND

Balance - December 31, 2025 and 2024	$ 300

EXHIBIT A-6

STATEMENT OF PETTY CASH FUND

Balance - December 31, 2025 and 2024	$ 300

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance, January 1, 2025	2025 Levy	Added	Senior Citizens' and Veterans' Deductions Disallowed	Collected by Cash 2024	Collected by Cash 2025	Senior Citizens' and Veterans' Deductions Allowed	Transfer to Tax Title Liens	Balance, December 31, 2025
2024	$ 267,612	-	$ 12,129	-	-	$ 279,741	-	-	-
	267,612	-	12,129	-	-	279,741	-	-	-
2025	-	$ 42,150,342	-	$ 500	$ 368,698	41,383,157	$ 12,750	$ 41	$ 386,196
	$ 267,612	$ 42,150,342	$ 12,129	$ 500	$ 368,698	$ 41,662,898	$ 12,750	$ 41	$ 386,196

Analysis of 2025 Property Tax Levy

Tax Yield			
General Purpose Tax		$ 41,716,138	
Added Taxes (54:4-63.1 et seq.)		434,204	
			$ 42,150,342
Tax Levy			
Local District School Tax (Abstract)		$ 16,009,588	
County Taxes	$ 8,937,707		
County Open Space Taxes	419,282		
Due County for Added Taxes	94,995		
		9,451,984	
Local Tax for Municipal Purposes	16,336,880		
Additional Tax Levied	24,650		
Added Taxes (54:4-63.1 et seq.)	327,240		
		16,688,770	
			$ 42,150,342

EXHIBIT A-8

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF DUE FROM/(TO) STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Balance, January 1, 2025		$ 98
Increased by:		
Veterans' Deductions Per Duplicate	$ 12,000	
Senior Citizens' Deductions Per Duplicate	750	
		12,750
		12,848
Decreased by:		
Senior Cit./Veteran Deductions Disallowed	500	
Cash Received	12,000	
Taxation Audit	250	
		12,750
Balance, December 31, 2025		$ 98

EXHIBIT A-9

STATEMENT OF TAX TITLE LIENS

Balance, January 1, 2025	$ 1,278
Increased by:	
Transfer from Taxes Receivable	41
Balance, December 31, 2025	$ 1,319

EXHIBIT A-10

STATEMENT OF PROPERTY ACQUIRED FOR TAXES
(AT ASSESSED VALUATION)

Balance, December 31, 2025 and 2024	$ 39,528

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, 2025	Accrued in 2025	Collected	Balance, December 31, 2025
Miscellaneous Revenues:				
Licenses				
Alcoholic Beverages		$ 20,000	$ 20,000	
Fees and Permits				
Other		44,294	44,294	
Municipal Court - Fines and Costs	$ 1,853	28,644	27,410	$ 3,087
Interest and Costs on Taxes		87,594	87,594	
Interest on Investments		479,085	479,085	
Sewer Use Fees Commercial		165,796	165,796	
Cellular Tower Fees		326,466	326,466	
Cable Television Franchise Fees		12,834	12,834	
Elevator Fees		50,477	50,477	
Energy Receipts		699,720	699,720	
Uniform Construction Code Fees		832,646	832,646	
Sewer Connection Fees		285,887	285,887	
Police Outside Duty Administrative Fees	-	196,562	196,562	-
	$ 1,853	$ 3,230,005	$ 3,228,771	$ 3,087
		Cash Receipts	$ 3,228,771	

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF GRANTS RECEIVABLE

	Balance, January 1, 2025	Accrued	Received	Balance, December 31, 2025
Body Armor Replacement Grant				
Body-Worn Cameras	$ 52,988		$ 49,737	$ 3,251
Bulletproof Vest Fund	7,986			7,986
Clean Communities Grant - 2025		$ 16,589	16,589	
Community Development Block Grant	6,459			6,459
Community Development Block Grant - 2022	43,800		43,779	21
Community Development Block Grant - Bathrooms	91,351		38,162	53,189
Municipal Alliance on Alcoholism and Drug Abuse	7,699			7,699
New Jersey Transportation Grant	200,000			200,000
Recycling Tonnage Grant		7,850	7,850	
Bergen County 200 Club Fire Grant		3,534	3,534	
Police Body Armor Grant 2024	-	2,178	2,178	-
	$ 410,283	$ 30,151	$ 161,829	$ 278,605

Cash Receipts	$ 159,651
Transferred from State and Federal Grants Unappropriated	2,178
	$ 161,829

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF 2024 APPROPRIATION RESERVES

	Balance, January 1, 2025	Encumbrances and Accounts Payable Restored	Transfers	Modified Balance	Expended	Balance Lapsed	Over-Expenditures
Salaries and Wages							
Administrative and Executive	$ 104			$ 104		$ 104	
Mayor and Council	2,500		$ (2,500)	-		-	
Financial Administration	24			24		24	
Collection of Taxes	2			2		2	
Tax Assessment Administration	331			331		331	
Fire Department	3,240			3,240		3,240	
Streets and Roads Maintenance	12,483		(12,000)	483		483	
Municipal Court - Prosecutor and Public Defebder	15,000		(7,500)	7,500		7,500	
Municipal Court	7,648		(7,500)	148		148	
Construction Code Official	9,167		(9,000)	167		167	
Other Expenses							
Administrative and Executive	-	$ 1,484	1,000	2,484	$ 549	1,935	
Financial Administration	3,944	1,520	(2,500)	2,964	4,219		$ 1,255
Information Technology	484	42,987	4,900	48,371	48,106	265	
Collection of Taxes	1,256	1,577	(1,000)	1,833		1,833	
Tax Assessment Administration	2,601		7,600	10,201	10,107	94	
Planning Board	-			-	30,333		30,333
Legal Services and Costs	7,183	17,838	26,200	51,221	51,122	99	
Engineering Services and Costs	325	3	11,000	11,328	5,569	5,759	
Employee Group Health	20,170		14,000	34,170	18,536	15,634	
Police Department	25,137	67,590		92,727	69,645	23,082	
Office of Emergency Management	1,000		(1,000)	-		-	
Fire Department - Fire Hydrant Expenses	38	1		39		39	
Uniform Fire Safety	8,166	7,550	11,600	27,316	20,011	7,305	
Fire Prevention	1,556	2,400	(1,500)	2,456		2,456	
Streets and Roads Maintenance	742	9,157	(18,000)	(8,101)	(16,434)	8,333	
Streets and Roads Maintenance - Gasoline	8,744	1	(8,500)	245		245	
Garbage and Trash Removal	70,849	3	7,300	78,152	78,142	10	
Buildings and Grounds	2,321	7	1,100	3,428	3,417	11	
Sewer System	2,455	1	(2,450)	6		6	
Shade Tree	1,649	1	15,400	17,050	17,000	50	
Board of Health	4,848	100	(4,700)	248		248	
Environmental Commission	1,223			1,223		1,223	
Municipal Court	611	476		1,087	300	787	
Senior Citizens Committee	6,345		(6,300)	45		45	
Parks and Playgrounds	-	1,325	9,900	11,225	7,862	3,363	
Celebration of Public Events	8,000		(8,000)	-		-	
Construction Code Official	361	1		362		362	
Electricity	879	2		881		881	
Street Lighting	-	1		1		1	
Telephone and Fax	14,508	519	(14,500)	527	514	13	
Water	476	1,655		2,131	1,654	477	
Bergen County Utilities Authority:							
Sewer Charges - Borough of Tenafly	15,300			15,300	15,300	-	
Sewer Charges - City of Englewood	3,551		(3,050)	501	494	7	
Length of Service Award Program	9	-	-	9	-	9	-
	$ 265,230	$ 156,199	$ -	$ 421,429	$ 366,446	$ 86,571	$ 31,588

Encumbrances Payable	$ 146,883		
Accounts Payable	9,316		
	$ 156,199	Cash Disbursements	$ 366,446

EXHIBIT A-14

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, January 1, 2025	$	146,883
Increased by:		
Charges to 2025 Budget Appropriations		78,478
		225,361
Decreased by:		
Restored to 2024 Appropriation Reserves		146,883
Balance, December 31, 2025	$	78,478

EXHIBIT A-15

STATEMENT OF ACCOUNTS PAYABLE

Balance, January 1, 2025	$	9,316
Decreased by:		
Restored to 2024 Appropriation Reserves		9,316
Balance, December 31, 2025	$	-

EXHIBIT A-16

STATEMENT OF PREPAID TAXES

Balance, January 1, 2025	$	368,698
Increased by:		
Collection - 2026 Taxes		733,142
		1,101,840
Decreased by:		
Application to 2025 Taxes Receivable		368,698
Balance, December 31, 2025	$	733,142

EXHIBIT A-17

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF TAX OVERPAYMENTS

Balance, January 1, 2025		$ 27,185
Decreased by:		
Overpayments Refunded		27,185
Balance, December 31, 2025		$ -

EXHIBIT A-18

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2025		$ 58,759
Increased by:		
2025 Tax Levy - General	$ 8,937,707	
2025 Tax Levy - Open Space	419,282	
Added Taxes (54:4-63.1)	94,995	
		9,451,984
		9,510,743
Decreased by:		
Payments		9,414,748
Balance, December 31, 2025		$ 95,995

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Balance, January 1, 2025		
School Tax Deferred	$ 7,683,273	
		$ 7,683,273
Increased by:		
Levy School Year July 1, 2025 to June 30, 2026		16,009,588
		23,692,861
Decreased by:		
Payments		17,189,025
Balance, December 31, 2025		
School Tax Deferred	8,004,795	
Prepaid School Taxes	(1,500,959)	
		$ 6,503,836
2025 Liability for Local District School Taxes Payable		
Tax Paid		$ 17,189,025
Add: Taxes Payable December 31, 2025		-
		17,189,025
Less: Prepaid School Taxes	1,500,959	
Taxes Payable January 1, 2025	-	
		1,500,959
Amount Charged to 2025 Operations		$ 15,688,066

EXHIBIT A-20

BOROUGH OF ENGLEWOOD CLIFFS
SCHEDULE OF MISCELLANEOUS RESERVES

Reserve for	Balance January 1, 2025	Increased by	Decreased by	Balance December 31, 2025
State Library Aid	$ 5,518			$ 5,518
Tax Appeal Reserve	1,041,518	$ 200,000	$ 8,908	1,232,610
Master Plan	1,675			1,675
BCUA Recycling Grant	11,445			11,445
Municipal Relief Fund	72,125		72,125	-
Police Outside Duty-Due to Officers	27,420	-	-	27,420
	$ 1,159,701	$ 200,000	$ 81,033	$ 1,278,668
	2025 Budget	$ 200,000	$ 72,125	
	Cash Disbursements	-	8,908	
		$ 200,000	$ 81,033	

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF RESERVE FOR APPROPRIATED GRANTS

Grant	Balance, January 1, 2025	Transferred from 2025 Budget	Paid or Charged	Balance, December 31, 2025
Alcohol Education and Rehabilitation Grant - 2014	$ 326			$ 326
Alcohol Education and Rehabilitation Grant - 2015	1,179			1,179
Alcohol Education and Rehabilitation Grant - 2016	665			665
Alcohol Education and Rehabilitation Grant - 2017	193			193
Alcohol Education and Rehabilitation Grant - 2018	879			879
Alcohol Education and Rehabilitation Grant - 2022	1,136			1,136
Alcohol Education and Rehabilitation Grant - 2023	316			316
Alcohol Education and Rehabilitation Grant - 2024	130			130
ARP - Fire Department Vehicles	130,545			130,545
ARP - DPW Vehicles	3,827			3,827
ARP - Police Vehicles & Armor/Cameras	18,745			18,745
Body Armor Grant - 2018	2,684		$ 2,684	-
Body Armor Grant - 2021	4,504		2,754	1,750
Body Armor Grant - 2023	2,164			2,164
Body Armor Grant - 2024		$ 2,178		2,178
Body-Worn Cameras Grant	1,312			1,312
BCUA Recycling Grant	10,483		10,483	-
BCUA Recycling Grant	10,211		10,211	-
BCUA Recycling Grant	3,508		3,508	-
BCUA Recycling Grant	2,549		2,258	291
Community Development Block Grant	12,331			12,331
Community Development Block Grant - 2021	91,351			91,351
Community Development Block Grant - 2022	21			21
Clean Communities - 2021	7,556		586	6,970
Clean Communities - 2022	13,130		13,130	-
Clean Communities - 2023	14,726		14,726	-
Clean Communities - 2024	16,726		1,221	15,505
Clean Communities - 2025		16,589		16,589
Domestic Violence	1,000			1,000
Drunk Driving Enforcement Fund - 2003	162			162
Drunk Driving Enforcement Fund - 2004	1,141			1,141
Drunk Driving Enforcement Fund - 2005	279			279
Drunk Driving Enforcement Fund - 2009	378			378
Drunk Driving Enforcement Fund - 2014	3,400			3,400
Drunk Driving Enforcement Fund - 2015	1,989			1,989
Emergency Management Assistance Grant	5,000			5,000
Fireman's Fund Grant	1,567			1,567
Hazard Mitigation 2015 - Matching Grant	1,716			1,716
Hepatitis B	735			735
Monsanto Settlement	17,414			17,414
Municipal Alliance - 2017	156			156
New Jersey Transportation Grant	200,000			200,000
Recycling Tonnage Grant - 2020	599		599	-
Recycling Tonnage Grant - 2021	1,408		1,408	-
Recycling Tonnage Grant - 2022	8,823		8,823	-
Recycling Tonnage Grant - 2023	9,053		9,053	-
Recycling Tonnage Grant - 2024	9,861		9,861	-
Recycling Tonnage Grant - 2025		7,850		7,850
Bergen County 200 Club Fire Grant		3,534		3,534
Stormwater Assistance Grant	15,000	-	-	15,000
	$ 630,878	$ 30,151	$ 91,305	$ 569,724

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF RESERVE FOR UNAPPROPRIATED GRANTS

Grant	Balance, January 1, 2025	Cash Receipts	Utilized as Revenue 2025 Budget	Balance, December 31, 2025
Body Armor Grant 2024	$ 2,178		$ 2,178	
Body Worn Camera Grant - Bureau Justice Assistance		$ 1,938		$ 1,938
Stormwater Grant		10,000		10,000
NJ Plant Industry Crop Grant	-	5,580	-	5,580
	$ 2,178	$ 17,518	$ 2,178	$ 17,518

EXHIBIT A-23

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF DEFERRED CHARGES

Purpose	Balance January 1, 2025	Added In 2025	Raised in 2025 Budget	Balance December 31, 2025
Emergency Appropriations	$ 300,000		$ 300,000	
Expenditures Without Appropriation		$ 48,133		$ 48,133
Overexpenditure of:				
Budget Appropriations	159,174		159,098	76
Appropriation Reserves	155,433	31,588	129,379	57,642
Total Overexpenditures	$ 614,607	$ 79,721	$ 588,477	$ 105,851

EXHIBIT A-24

STATEMENT OF DUE TO THE STATE OF N.J. - MARRIAGE LICENSE FEES

Balance, January 1, 2025	$ -
Increased by:	
Cash Receipts	361
Balance, December 31, 2025	$ 361

EXHIBIT A-25

STATEMENT OF DUE TO FEDERAL AND STATE GRANT FUND

Balance, January 1, 2025		$ 222,773
Increased by:		
Unappropriated Reserves Received by Current Fund	$ 17,518	
Grants Receivable Received by Current Fund	159,651	
		177,169
		399,942
Decreased by:		
Appropriated Reserves Paid by Current Fund		91,305
Balance, December 31, 2025		$ 308,637

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF DEFERRED CHARGES - N.J.S.A. 40A:4-53
SPECIAL EMERGENCY NOTES PAYABLE

Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance January 1, 2025	Notes Paid	Balance December 31, 2025
Special Emergency - Terminal Leave 2020	Nov. 12, 2020	Oct. 17, 2024	Oct. 16, 2025	4.00%	$ 130,620	$ 130,620	
Special Emergency - Terminal Leave 2021	Nov. 12, 2021	Oct. 17, 2024	Oct. 16, 2025	4.00%	127,625	127,625	$ -
					$ 258,245	$ 258,245	$ -

STATEMENT OF DEFERRED CHARGES - N.J.S.A. 40A:4-46
SPECIAL EMERGENCY AUTHORIZATIONS

Date Authorized	Purpose	Net Amount Authorized	1/5 of Net Amount Authorized	Balance January 1, 2025	Raised in 2025 Budget	Balance December 31, 2025
November 23, 2020	Special Emergency - Terminal Leave	$ 653,100	$ 130,620	$ 130,620	$ 130,620	
November 20, 2021	Special Emergency - Terminal Leave	639,324	127,865	127,864	127,864	$ -
				$ 258,484	$ 258,484	$ -

TRUST FUND

EXHIBIT B-1

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF TRUST FUND CASH - TREASURER

	Animal Control Trust Fund				Other Trust Fund			
Balance, January 1, 2025			$	14,339			$	2,877,380
Increased by Receipts:								
Dog License Fees	$	1,952						
Dog License State Fees		227						
Other Trust Reserves					$	711,126		
Payroll Deposits						10,273,393		
Recycling						1,373		
COAH Development Fees/Interest						659,456		
DEA Forfeiture Deposits						3,540		
Shade Tree		-				3,400		
				2,179				11,652,288
				16,518				14,529,668
Decreased by Disbursements:								
Dog License Fund Expenditures		641						
Dog License State Fees		227						
Other Trust Reserves						800,890		
Recycling						675		
DEA Forfeiture Deposits						25,184		
Payroll Deposits						10,245,621		
Payments to Current Fund		8,129				66,127		
COAH Development Expenditures		-				52,841		
				8,997				11,191,338
Balance, December 31, 2025			$	7,521			$	3,338,330

EXHIBIT B-2

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF TAX SALE RECEIVABLE
OTHER TRUST FUND

Balance - December 31, 2025 and 2024	$	50

EXHIBIT B-3

STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL TRUST FUND

Balance - January 1, 2025	$	8,129
Decreased By:		
Payments Made to Current Fund		8,129
Balance - December 31, 2025	$	-

EXHIBIT B-4

STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND

Balance - January 1, 2025			$	76,992
Decreased By:				
Payments to Current Fund	$	66,127		
Recycling Trust Deficit Raised in 2025 Budget		6,038		
				72,165
Balance - December 31, 2025			$	4,827

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF INTRAFUNDS
OTHER TRUST FUND

	Due from/(to) Balance January 1, 2025	Due from/(to) Balance December 31, 2025
Intrafunds:		
Due to Recycling Trust - Other Trust	$ (468)	$ (468)
Due to Recycling Trust - Shade Tree Trust	(152)	(152)
Due from Other Trust - Recycling Trust	468	468
Due from Shade Tree Trust - Recycling Trust	152	152
	$ -	$ -

STATEMENT OF DUE FROM/(TO)
STATE DEPARTMENT OF HEALTH
ANIMAL CONTROL TRUST FUND

Increased by:	
State Fees Collected	$ 227
Decreased by:	
Paid to State of New Jersey	$ 227

EXHIBIT B-7

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF RESERVE FOR ANIMAL LICENSE TRUST FUND EXPENDITURES
ANIMAL CONTROL TRUST FUND

Balance - January 1, 2025		$ 6,210
Increased by:		
Dog License Fees	$ 1,355	
Other Miscellaneous Fees	597	
		1,952
		8,162
Decreased by:		
Expenditures Under R.S. 4:19-15:11		641
Balance December 31, 2025		$ 7,521

License Fees Collected

Year	Amount
2023	$ 8,239
2024	1,440
	$ 9,679

Note: R.S. 4:19-15.11
"…there shall be transferred from such special account to the general funds of the municipality any amount then in such special account in excess of the total amount paid into such special account during the last two fiscal years next preceding"

EXHIBIT B-8

STATEMENT OF DUE TO STATE OF NEW JERSEY
OTHER TRUST FUND

Increased by:		
Marriage License Fees	$ 275	
DCA Fees	37,680	
		$ 37,955
Decreased by:		
Interfund		$ 37,955

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF VARIOUS RESERVES
OTHER TRUST FUND

	Balance January 1, 2025	Increased by Cash Receipts	Decreased by Cash Disbursements	Balance December 31, 2025
Reserve for:				
Escrow Deposits	$ 1,423,001	$ 649,593	$ 762,142	$ 1,310,452
TTL and Premiums	63,800	39,200	22,385	80,615
Accumulated Absences	131,000			131,000
Other Trust Deposits:				
Street Opening Fees	100	200		300
P.O.A.A.	1,021	198		1,219
Law Enforcement Trust	1,171			1,171
Public Defender	300			300
5K Run	52,988	5,885	13,416	45,457
Donations:				
Police	35,072	5,950	2,947	38,075
Police in Car/Body Camera	25			25
Recreation	1,761	200		1,961
Fire Department	100			100
General Donations	3,606	9,500		13,106
Benches	1,115			1,115
Sign	1,085			1,085
Downstream Improvements	79,123			79,123
Shade Tree Fees	1,398	400		1,798
Sewer Maintenance	7,100			7,100
Recreation - Summer Camp	9,273			9,273
Recreation - Fee Based Programs	4,671			4,671
Parks and Recreation	1,934			1,934
Snow Removal	550			550
Miscellaneous	83,498	-	-	83,498
	$ 1,903,692	$ 711,126	$ 800,890	$ 1,813,928

EXHIBIT B-10

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF RESERVE FOR RECYCLING EXPENDITURES
OTHER TRUST FUND

Balance, January 1, 2025	$	483
Increased by:		
Cash Receipts		1,373
		1,856
Decreased by:		
Cash Disbursements		675
Balance, December 31, 2025	$	1,181

EXHIBIT B-11

STATEMENT OF DEFERRED CHARGES - RESERVE FOR RECYCLING EXPENDITURES
OTHER TRUST FUND

Balance, January 1, 2025	$	6,038
Decreased By		
Raised in the 2025 Budget		6,038
Balance, December 31, 2025	$	-

EXHIBIT B-12

STATEMENT OF RESERVE FOR SHADE TREE EXPENDITURES
OTHER TRUST FUND

Balance, January 1, 2025	$	10,373
Increased by:		
Shade Tree Receipts		3,400
Balance, December 31, 2025	$	13,773

EXHIBIT B-13

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF RESERVE FOR COAH DEVELOPMENT EXPENDITURES
OTHER TRUST FUND

Balance, January 1, 2025		$ 757,343
Increased by:		
Development Fees	$ 630,507	
Interest on Deposits	28,949	
		659,456
		1,416,799
Decreased by:		
Development Expenditures		52,841
Balance, December 31, 2025		$ 1,363,958

EXHIBIT B-14

STATEMENT OF RESERVE FOR DEA FORFEITURE EXPENDITURES
OTHER TRUST FUND

Balance, January 1, 2025	$ 141,039
Increased by:	
Interest on Deposits	3,540
	144,579
Decreased by:	
Cash Expenditures	25,184
Balance, December 31, 2025	$ 119,395

EXHIBIT B-15

STATEMENT OF RESERVE FOR ACCRUED PAYROLL
OTHER TRUST FUND

Balance, January 1, 2025 (Deficit)	$ (6,454)
Increased by:	
Payroll Contributions	10,273,393
	10,266,939
Decreased by:	
Payroll Contributions	10,245,621
Balance, December 31, 2025	$ 21,318

GENERAL CAPITAL FUND

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF GENERAL CAPITAL CASH

Balance, January 1, 2025		$ 1,072,012
Increased by Receipts:		
Premium On Note Sale	$ 29,635	
Capital Improvement Fund	100,000	
Bond Anticipation Notes Issued	14,924,000	
		15,053,635
		16,125,647
Decreased by Disbursements:		
Payments to Current Fund	183,473	
Encumbrances Payable	864,390	
Improvement Authorizations	1,005,970	
Bond Anticipation Notes Redeemed	13,925,000	
		15,978,833
Balance, December 31, 2025		$ 146,814

BOROUGH OF ENGLEWOOD CLIFFS
ANALYSIS OF GENERAL CAPITAL CASH

		Balance December 31, 2025
Grants Receivable:		
State of New Jersey Department of Transportation		$ (1,187,669)
Bergen County Grants		(302,652)
Due from Ambulance Corp.		(100,000)
Encumbrances Payable		2,507,630
Capital Improvement Fund		234,086
Reserve for Payment of Debt		353,700
Reserve for Cost of Issuance		4,086
Reserve for Boswell Settlement		185,000
Reserve for Grants Receivable		256,652
Fund Balance		59,460
Improvement Authorizations:		
Ordinance Number	Improvement Description	
2017-06	Various Acquisition and Improvements	378,364
2018-01	5th Street Improvements (Special Assessment)	(22,709)
2018-02	Various Improvements and Acquisition	363,919
2019-10	Refunding Bond Ordinance - Tax Appeals	13,789
2020-10	Contribution for the Construction of Affordable Housing	53,114
2021-07	Multi-Purpose - NJ DOT Road Projects	38,051
2021-23	Various Equipment	25,357
2022-13/2024-01	Various Recreation Improvements	(1,032,942)
2024-02	Riverside Co-Op Road Improvement Program	745
2024-09	Road Resurfacing Project	63,135
2024-11	Reconstruction of Floyd Street	243,033
2024-12	Various Capital Improvements	22,558
2024-18	Litigation Fees	100,000
2024-19	Tax Appeal Refunds	89,090
2024-22	Purchase of fire Engine for Fire Department	(2,067,955)
2025-04	Road Improvement Program	(281,028)
2025-09	Sewer Improvements Phase 1	50,000
2025-10	Various Capital Improvements	100,000
		$ 146,814

EXHIBIT C-4

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF GRANTS RECEIVABLE
NEW JERSEY DEPARTMENT OF TRANSPORTATION

Balance, December 31, 2025 and 2024	$ 1,187,669
Analysis of Balance	
Reconstruction of Summit Street - Ordinance 2013-09	$ 3,760
Various Acquisitions and Improvements - Ordinance 2018-02	212,000
Various Road Improvements - Ordinance 2021-07	627,000
Reconstruction of Floyd Street - Ordinance 2024-11	344,909
	$ 1,187,669

EXHIBIT C-5

STATEMENT OF GRANTS RECEIVABLE - BERGEN COUNTY

Balance, December 31, 2025 and 2024	$ 302,652
Analysis of Balance	
Various Acquisitions and Improvements - Ordinance 2014-10	$ 46,000
Various Recreation Improvements - Ordinance 2022-13	256,652
	$ 302,652

EXHIBIT C-6

STATEMENT OF DUE FROM AMBULANCE CORP.

Balance, December 31, 2025 and 2024	$ 100,000

EXHIBIT C-7

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF DUE TO CURRENT FUND

Balance, January 1, 2025	$	183,473
Decreased by:		
Payments to Current Fund		183,473
Balance, December 31, 2025	$	-

EXHIBIT C-8

STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, January 1, 2025	$	9,165,000
Decreased by:		
2025 Budget Appropriation:		
Serial Bonds		1,055,000
Balance, December 31, 2025	$	8,110,000

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. No.	Improvement Description	Balance, January 1, 2025	2025 Authorizations	Decreased by Notes Paid by Budget Appropriation	Balance, December 31, 2025	Analysis of Balance: Bond Anticipation Note	Analysis of Balance: Expenditures	Analysis of Balance: Unexpended Improvement Authorization
2018-01	5th Street Improvements (Special Assessment)	$ 133,300			$ 133,300		$ 22,709	$ 110,591
2019-10	Refunding Bond Ordinance - Tax Appeals	890,000		$ 430,000	460,000	$ 385,000		75,000
2020-10	Contribution for the Construction of Affordable Housing	1,377,500			1,377,500			1,377,500
2021.07	Multi-Purpose - NJ DOT Road Projects	193,000			193,000			193,000
2022-13/2024-01	Various Recreation Improvements	6,114,000			6,114,000	4,693,750	1,032,942	387,308
2024-02	Riverside Co-Op Road Improvement Program	665,000			665,000	665,000		
2024-09	Road Resurfacing Project	641,250			641,250	641,250		
2024-11	Reconstruction of Floyd Street	1,155,091			1,155,091			1,155,091
2024-12	Various Capital Improvements	999,997			999,997	999,000		997
2024-18	Settlement - 800 Sylvan Avenue II, LLC	7,200,000		720,000	6,480,000	6,380,000		100,000
2024-19	Tax Appeal Refund	1,450,000		290,000	1,160,000	1,160,000		
2024-22	Purchase of Fire Truck for fire Department	2,185,000			2,185,000		2,067,955	117,045
2025-04	Road Improvement Program		$ 733,000		733,000		281,028	451,972
2025-09	Sewer Improvements Phase 1		900,000		900,000			900,000
2025-10	Various Capital Improvements	-	1,900,000	-	1,900,000	-	-	1,900,000
		$ 23,004,138	$ 3,533,000	$ 1,440,000	$ 25,097,138	$ 14,924,000	$ 3,404,634	$ 6,768,504

Improvement Authorizations - Unfunded		$ 7,057,821
Less: Unexpended Proceeds of Bond Anticipation Notes Issued		
Ord. No. 2019-10	$ 13,789	
Ord. No. 2024-02	745	
Ord. No. 2024-09	63,135	
Ord. No. 2024-12	22,558	
Ord. No. 2024-18	100,000	
Ord. No. 2024-19	89,090	
		289,317
		$ 6,768,504

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Original Note	Date of Issue	Maturity	Interest Rate	Balance, January 1, 2025	Increased	Decreased	Balance, December 31, 2025
2019-10	Refunding Bond Ordinance - Tax Appeals	11/14/2019	10/17/2024	10/16/2025	4.00%	$ 815,000		$ 815,000	
			10/14/2025	10/14/2026	3.25%		$ 385,000		$ 385,000
2022-13/2024-01	Various Park Improvements	10/17/2024	10/17/2024	10/16/2025	4.00%	4,693,750		4,693,750	
			10/14/2025	10/14/2026	3.25%		4,693,750		4,693,750
2024-02	Riverside Co-Op Road Improvement Program	10/17/2024	10/17/2024	10/16/2025	4.00%	665,000		665,000	
			10/14/2025	10/14/2026	3.25%		665,000		665,000
2024-09	Road Resurfacing Project	10/17/2024	10/17/2024	10/16/2025	4.00%	641,250		641,250	
			10/14/2025	10/14/2026	3.25%		641,250		641,250
2024-12	Various Capital Improvements	10/14/2025	10/14/2025	10/14/2026	3.25%		999,000		999,000
2024-18	Settlement - 800 Sylvan Avenue II, LLC	12/19/2024	12/19/2024	5/28/2025	3.50%	7,100,000		7,100,000	
			5/22/2025	5/21/2026	4.00%		6,380,000		6,380,000
2024-19	Tax Appeal Refunds	12/19/2024	12/19/2024	5/28/2025	4.70%	1,450,000		1,450,000	
			5/27/2025	5/26/2026	4.24%	-	1,160,000	-	1,160,000
						$ 15,365,000	$ 14,924,000	$ 15,365,000	$ 14,924,000

	Increased	Decreased
Issued for Cash	$ 999,000	
Budget Appropriation		$ 1,440,000
Renewals	13,925,000	13,925,000
	$ 14,924,000	$ 15,365,000

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF GENERAL SERIAL BONDS

Issue	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2025 Date	Maturities of Bonds Outstanding December 31, 2025 Amount	Interest Rate	Balance, January 1, 2025	Decreased	Balance, December 31, 2025
General Improvement Bonds of 2014	3/15/2014	$ 9,885,000	3/15/2026	$ 700,000	3.000%	$ 4,200,000	$ 700,000	$ 3,500,000
			3/15/2027	700,000	3.000%			
			3/15/2028	700,000	3.000%			
			3/15/2029	700,000	3.000%			
			3/15/2030	700,000	3.000%			
General Improvement Bonds of 2023	8/1/2023	5,305,000	8/1/2026	500,000	4.000%	4,965,000	355,000	4,610,000
			8/1/2027	520,000	4.000%			
			8/1/2028	540,000	4.000%			
			8/1/2029	565,000	4.000%			
			8/1/2030	585,000	4.000%			
			8/1/2031	610,000	4.000%			
			8/1/2032	635,000	4.000%			
			8/1/2033	655,000	3.125%	-	-	-
						$ 9,165,000	$ 1,055,000	$ 8,110,000
					Paid by Budget Appropriation		$ 1,055,000	

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance January 1, 2025 Funded	Balance January 1, 2025 Unfunded	2025 Authorizations	Authorizations Expended	Balance December 31, 2025 Funded	Balance December 31, 2025 Unfunded
2017-06	Various Acquisitions and Improvements	6/14/2017	$ 984,560	$ 378,364				$ 378,364	
2018-01	5th Street Improvements (Special Assessment)	3/20/2018	140,000		$ 108,656		$ (1,935)		$ 110,591
2018-02	Various Acquisitions and Improvements	6/26/2018	1,110,000	363,919				363,919	
2019-10	Refunding Bond Ordinance - Tax Appeals	9/11/2019	3,000,000		88,789				88,789
2020-10	Contribution for the Construction of Affordable Housing	11/23/2020	1,450,000	53,114	1,377,500			53,114	1,377,500
2021-07	Multi-purpose - NJ DOT Road Projects	5/12/2021	820,000	38,051	193,000			38,051	193,000
2021-23	Various Equipment	12/8/2021	125,000	101,603			76,246	25,357	
2022-13/2024-01	Various Recreation Improvements	9/14/2022	5,000,000		959,163		571,855		387,308
2024-02	Riverside Co-Op Road Improvement Program	3/27/2024	700,000		745				745
2024-09	Road Resurfacing Project	7/10/2024	675,000		67,235		4,100		63,135
2024-11	Reconstruction of Floyd Street	9/11/2024	1,500,000	267,984	1,155,091		24,951	243,033	1,155,091
2024-12	Various Capital Improvements	9/11/2024	1,050,000		360,955		337,400		23,555
2024-18	Settlement - 800 Sylvan Avenue II, LLC	11/13/2024	7,200,000		200,000				200,000
2024-19	Tax Appeal Refunds	11/13/2024	1,450,000		89,090				89,090
2024-22	Purchase of Fire Engine for Fire Department	11/13/2024	2,300,000	115,000	2,185,000		2,182,955		117,045
2025-04	Road Improvement Program	8/13/2025	770,000			$ 770,000	318,028		451,972
2025-09	Sewer Improvements Phase 1	12/8/2025	950,000			950,000		50,000	900,000
2025-10	Various Capital Improvements	12/8/2025	2,000,000	-	-	2,000,000	-	100,000	1,900,000
				$ 1,318,035	$ 6,785,224	$ 3,720,000	$ 3,513,600	$ 1,251,838	$ 7,057,821

Deferred Charges Unfunded	$ 3,533,000
Capital Improvement Fund	187,000
	$ 3,720,000

Cash Disbursements	$ 1,005,970
Encumbrances Payable	2,507,630
	$ 3,513,600

EXHIBIT C-13

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, January 1, 2025	$ 864,390
Increased by:	
Transfer from Improvement Authorizations	2,507,630
	3,372,020
Decreased by:	
Cash Disbursements	864,390
Balance, December 31, 2025	$ 2,507,630

EXHIBIT C-14

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, January 1, 2025	$ 321,086
Increased by:	
Budget Appropriations	100,000
	421,086
Decreased by:	
Appropriated to Finance Improvement Authorizations	187,000
Balance, December 31, 2025	$ 234,086

EXHIBIT C-15

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2025 and 2024	$ 353,700

EXHIBIT C-16

STATEMENT OF RESERVE FOR COST OF ISSUANCE

Balance, December 31, 2025 and 2024	$ 4,086

EXHIBIT C-17

STATEMENT OF RESERVE FOR BOSWELL SETTLEMENT

Balance, December 31, 2025 and 2024	$ 185,000

EXHIBIT C-18

STATEMENT OF RESERVE FOR GRANTS RECEIVABLE

Balance, December 31, 2025 and 2024	$ 256,652
Analysis of Balance:	
BC Open Space - Ord. 2022-13 Witte Field Improvements	$ 256,652

EXHIBIT C-19

BOROUGH OF ENGLEWOOD CLIFFS
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance, January 1, 2025	2025 Authorizations	Bond Anticipation Notes Issued	Balance, December 31, 2025
2018-01	5th Street Improvements (Special Assessment)	$ 133,300			$ 133,300
2019-10	Refunding Bond Ordinance - Tax Appeals	75,000			75,000
2020-10	Contribution for the Construction of Affordable Housing	1,377,500			1,377,500
2021.07	Multi-Purpose - NJ DOT Road Projects	193,000			193,000
2022-13/2024-01	Various Recreation Improvements	1,420,250			1,420,250
2024-11	Reconstruction of Floyd Street	1,155,091			1,155,091
2024-12	Various Capital Improvements	999,997		$ 999,000	997
2024-18	Settlement - 800 Sylvan Avenue II, LLC	100,000			100,000
2024-22	Purchase of Fire Truck for fire Department	2,185,000			2,185,000
2025-04	Road Improvement Program		$ 733,000		733,000
2025-09	Sewer Improvements Phase 1		900,000		900,000
2025-10	Various Capital Improvements	-	1,900,000	-	1,900,000
		$ 7,639,138	$ 3,533,000	$ 999,000	$ 10,173,138

BOROUGH OF ENGLEWOOD CLIFFS

BERGEN COUNTY

PART III

SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2025

BOROUGH OF ENGLEWOOD CLIFFS
SUPPLEMENTARY DATA

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE - CURRENT FUND

Revenues and Other Income Realized	Year 2025 Amount	Year 2025 %	Year 2024 Amount	Year 2024 %
Fund Balance Utilized	$ 3,900,000	7.81	$ 2,450,000	4.91
Miscellaneous - From Other Than Local Property Tax Levies	3,647,966	7.30	4,875,577	9.77
Collection of Delinquent Taxes and Tax Title Liens	279,741	0.56	307,939	0.62
Collection of Current Tax Levy	41,764,105	83.62	40,882,297	81.97
Other Credits	350,338	0.70	1,362,613	2.73
Total Revenues and Other Income	49,942,150	100.00	49,878,426	100.01
Expenditures				
Budget Expenditures:				
Municipal Purposes	21,840,967	44.93	21,090,924	46.04
County Taxes	9,483,572	19.51	9,437,006	20.60
Local District School Taxes	16,009,588	32.93	15,040,372	32.84
Other Charges	1,279,105	2.63	239,036	0.52
Total Expenditures	48,613,232	100.00	45,807,338	100.01
Excess in Revenues	1,328,918		4,071,088	
Adjustments to Income Before Fund Balance:				
Expenditures Included Above Which are by Statute Deferred Charges to Budgets of Succeeding Years	79,721		445,037	
Statutory Excess to Fund Balance	1,408,639		4,516,125	
Fund Balance January 1	7,843,205		5,777,080	
	9,251,844		10,293,205	
Less:				
Utilization as Anticipated Revenue	3,900,000		2,450,000	
Fund Balance December 31	$ 5,351,844		$ 7,843,205	

BOROUGH OF ENGLEWOOD CLIFFS
SUPPLEMENTARY DATA

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	2025	2024	2023
Tax Rate:	$1.165	$1.155	$1.141
Apportionment of Tax Rate:			
Municipal tax	0.456	0.459	0.461
County Tax	0.262	0.265	0.265
School District Tax	0.447	0.431	0.415
Assessed Valuation:			
2025	$ 3,580,784,004		
2024		$ 3,558,758,661	
2023			$ 3,541,358,300

*Per Abstract of Ratables, Bergen County, NJ

Note: Under the provisions of Chapter 73, L.1976, the County Board of Taxation estimated the amount of approved Veterans and Senior Citizens Tax Deductions for 2025 to be $12,000.

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.

		CURRENTLY	
Year	Tax Levy	Cash Collections	Percentage of Collection
2025	$ 42,150,342	$ 41,764,105	99.08%
2024	41,359,708	40,882,297	98.85%
2023	40,787,265	40,464,711	99.21%

BOROUGH OF ENGLEWOOD CLIFFS
SUPPLEMENTARY DATA

DELINQUENT TAXES AND TAX TITLE LIENS

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

Year	Amount of Tax Title Liens	Amount of Delinquent Taxes	Total Delinquent	Percentage of Tax Levy
2025	$ 1,319	$ 386,196	$ 387,515	0.92%
2024	1,278	267,612	268,890	0.65%
2023	1,114	305,302	306,416	0.75%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

No Properties have been acquired in 2025, 2024, and 2023 by foreclosure or deed,as a result of liquidation of tax title liens.

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

Year	Amount
2025	$ 39,528
2024	39,528
2023	39,528

COMPARATIVE SCHEDULE OF FUND BALANCE

	Year Ended	Balance December 31,	Utilized in Budget of Succeeding Year
Current Fund	2025	$ 5,351,844	$ 3,000,000 *
	2024	7,843,205	3,900,000
	2023	5,777,080	2,450,000
	2022	4,090,252	2,301,000
	2021	2,643,396	1,200,000

* The 2026 budget has been adopted as of the date of audit.

BOROUGH OF ENGLEWOOD CLIFFS
SUPPLEMENTARY DATA

OFFICIALS IN OFFICE AND SURETY BONDS

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

NAME	TITLE	Amount of Bond
Mark M. Park	Mayor	
Glenn A. Luciano	Council President	
Philip Zhi Liang	Councilperson	
Rivka Biegacz	Councilperson	
Kris Kim	Councilperson	
Melanie Simon	Councilperson	
David DiGregorio	Councilperson	
Beauty Nadim	Borough Clerk (7/1/2025 to 12/31/2025)	
Laura Borchers	Borough Clerk (1/1/2025 to 6/30/2025)	
Intashan Chowhury	Borough Administrator (4/1/2025 to 12/31/2025)	
Jerome Barberio	Borough Administrator (1/1/2025 to 3/31/2025)	
Shuaib Firzvi	Chief Financial Officer/Treasurer	(A)
Richard Busa	Assistant Chief Financial Officer	
Vincent Buono	Tax Collector	(A)
Paul Duffy	Deputy Tax Collector	
Sarah Holbig	Tax Assessor	
Robert Ferraro	Borough Attorney (4/1/2025 to 12/31/2025)	
Matthew Moench	Borough Attorney (1/1/2025 to 3/31/2025)	
Gilmore & Associates	Borough Engineer (4/1/2025 to 12/31/2025)	
Neglia Engineering	Borough Engineer (1/1/2025 to 3/31/2025)	
William Henkelman	Chief of Police	
Rose Weber	Registrar of Vital Statistics	
Gino Tessaro	Construction Code Official	
Arthur Sopelsa	Building Sub-Code Official	
William McGuire	Fire Sub-Code Official	
Johng P. Lee	Zoning Official	
Michael Quercia	Plumbing Sub-Code Official	
Richard Hess	Electrical Sub-Code Official	
Carolina Calderon, Esq.	Municipal Court Judge	(A)
Dawn Curatola	Municipal Court Administrator	(A)
Diane Frohlich	Violations Clerk	(A)

(A) All officials handling cash were insured for public dishonesty and faithful performance issued by the Municipal Excess Joint Insurance Fund in the amount of $1,000,000.

BOROUGH OF ENGLEWOOD CLIFFS

BERGEN COUNTY, NEW JERSEY

PART IV

GOVERNMENT AUDITING STANDARDS

YEAR ENDED DECEMBER 31, 2025

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 AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), the financial statements – regulatory basis of the Borough of Englewood Cliffs ("Borough"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2026. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the Division as described in Note 1.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough of Englewood Cliffs' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the 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 a 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 by those charged with governance.

PKF O'CONNOR DAVIES, LLP
300 Tice Boulevard, Suite 315, Woodcliff Lake, NJ 07677 I Tel: 201.712.9800 I Fax: 201.712.0988 I www.pkfod.com

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002 and 2025-003 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Division which are described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002 and 2025-003.

Borough of Englewood Cliffs' Response to Findings

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

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* in considering the Borough's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Woodcliff Lake, New Jersey
June 24, 2026

Gary W. Higgins

Gary W. Higgins, CPA
Registered Municipal Accountant No. CR00405

BOROUGH OF ENGLEWOOD CLIFFS
COUNTY OF BERGEN, NEW JERSEY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED DECEMBER 31, 2025

Part I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on financial statements	Unmodified for Regulatory Basis			
Internal control over financial reporting:				
1) Material weakness(es) identified	X	Yes		No
2) Significant deficiency(ies) that are not considered to be material weakness(es)?		Yes	X	None Reported
Noncompliance material to the financial statements noted?	X	Yes		No

Federal Awards Section

Not Applicable

State Financial Assistance Section

Not Applicable

BOROUGH OF ENGLEWOOD CLIFFS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Part II – Schedule of Financial Statement Findings

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

FINDING 2025-001 - Material Weakness in Internal Control and Compliance Finding

Statement of Condition:

The Borough did not properly maintain the general ledgers, nor the subsidiary ledgers, on a monthly basis.

Criteria:

N.J.A.C 5:30-5.7 requires local units to have and maintain a general ledger accounting system and books of original entry for the current fund and all other funds.

Condition:

The Borough failed to record numerous transactions during the course of the year, including revenues and expenditures. Additionally, certain ledgers did not include the opening balances that agree to the prior year audit balances.

Questioned Costs:

Unable to be determined.

Context:

The Borough was unable to provide an updated and accurate general ledger for the various funds at the time of audit.

Effect:

Activity and ending balances in the general ledgers presented for audit could not be verified. The lack of maintaining a general ledger for the various funds limits the understanding of financial transactions on a monthly basis and could result in the misclassification of financial transactions.

Cause:

The Borough did not accurately maintain the accounting software for general ledgers and subsidiary ledgers on a monthly basis.

Part II – Schedule of Financial Statement Findings
(Continued)

FINDING 2025-001 - Material Weakness in Internal Control and Compliance Finding (Continued)

Recommendation:

Management should maintain a general ledger for Borough funds, which incorporates the original books of entry and subsidiary ledgers to constitute a complete accounting system. The records should be accurate and be maintained on a monthly basis.

Response:

The Borough will address the finding and the response will be documented and approved in the Borough's Corrective Action Plan.

FINDING 2025-002 - Material Weakness in Internal Control and Compliance Finding

Statement of Condition:

The Borough did not properly reconcile bank reconciliations to the general ledger on a monthly basis. Additionally, bank reconciliations included various reconciling items from the prior year and/or without proper detail.

Criteria or Specific Requirement:

Bank reconciliations must be performed on a monthly basis to ensure all cash transactions and reconciling items have been recorded and verified in the accounting software.

Condition:

See above.

Questioned Costs:

Unable to be determined.

Context:

Bank reconciliations are necessary to ensure all transactions are properly recorded in the accounting system.

Effect:

Numerous transactions were not recorded in the accounting system which could result in the misclassification of receipts and disbursements and the incorrect valuation of cash. Timely preparation of bank reconciliations would identify transactions that were not recorded.

Part II – Schedule of Financial Statement Findings
(Continued)

FINDING 2025-002 - Material Weakness in Internal Control and Compliance Finding (continued)

Cause:

The Borough did not verify monthly bank reconciliations to the general ledger on a monthly basis.

Recommendation:

Bank reconciliations should be verified on a monthly basis to the respective general ledger to ensure all transactions have been accounted for and all reconciling items be reviewed and adjusted timely.

Management's Response:

The Borough will address the finding and the response will be documented and approved in the Borough's Corrective Action Plan.

BOROUGH OF ENGLEWOOD CLIFFS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2025

Part II – Schedule of Financial Statement Findings
(Continued)

Finding 2025-003 - Material Weakness in Internal Control and Compliance Finding

Our audit disclosed instances of overexpenditures of budget appropriation reserves and expenditures without appropriation.

Criteria or specific requirement:

New Jersey Statute Title 40A:4-57 – Expenditures void without appropriations.

Condition:

See Finding 2025-003.

Questioned Costs:

None.

Context:

The following instances were noted of overexpended budgeted appropriations and expenditures without appropriations:

- There were two (2) line items overexpended in the Current Fund appropriation reserves budget totaling $31,588.
- There were various charges for on-line processing fees throughout the year totaling $48,133 that were not charged to the 2025 budget.

Cause:

Unknown

Effect:

The overexpenditures of budgeted appropriations and expenditures without appropriations are deferred charges which are required to be raised in the Borough's subsequent year's budget.

Recommendation:

Greater care be taken to ensure sufficient funds are available prior to expenditure being processed.

Management's Response:

Management has reviewed this finding and has indicated that corrective action will be taken.

BOROUGH OF ENGLEWOOD CLIFFS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2025

This section identifies the status of prior-year findings related to the financial statements which are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards.*

STATUS OF PRIOR YEAR FINDINGS

Finding 2024-001:

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

Current Status

This matter has been resolved.

Finding 2024-002:

The Borough did not maintain the general ledgers, nor the subsidiary ledgers, during the course of the fiscal year.

Current Status

Unchanged – See Finding 2025-001

Finding 2024-003:

The Borough did not properly prepare bank reconciliations on a monthly basis, resulting in old outstanding items that are being carried into the subsequent year with no remedy.

Current Status

Unchanged – See Finding 2025-002

BOROUGH OF ENGLEWOOD CLIFFS

BERGEN COUNTY

PART V

GENERAL COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2025

BOROUGH OF ENGLEWOOD CLIFFS
GENERAL COMMENTS AND RECOMMENDATIONS

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

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate $53,000 (effective July 1, 2025), except by contract or agreement. The bid threshold prior to July 1, 2025 was $44,000.

If the Borough's purchasing agent is qualified pursuant to subsection 3b. of Section 9 of P.L. 1971, c.198 (C.40A:11-9), the Township may establish the bid threshold up to a maximum of $53,000. The Borough's Administrator is qualified and the Township, by resolution, has increased the bid threshold to $53,000.

The governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the 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. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishings or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear violations existed.

Our examination of expenditures did reveal individual payments, contracts or agreements in excess of the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

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

The Governing Body on January 5, 2025, adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED, by the Mayor and Council of the Borough of Englewood Cliffs, County of Bergen, State of New Jersey, that the penalty upon delinquent taxes and assessments be fixed at the rate of eight (8) per centum per annum on the first $1,500.00 of the delinquency and eighteen (18%) per cent per annum on any amount in excess of $1,500 will be added from payable date to date of payment received; and that no penalty be imposed if payment upon taxes or assessments become due and payable and the Collector is hereby authorized and empowered to waive any penalty for interest provided said taxes and assessments are paid before the expiration of ten (10) days after each quarterly payment of taxes and assessments become due. A penalty of up to 6% may be charged on any delinquency in excess of $10,000 if not paid by the end of the fiscal year.

BE IT FURTHER RESOLVED, that this resolution shall be effective immediately and that the penalty rate herein fixed for assessments shall not apply where there is a specific ordinance fixing a penalty rate for a specific assessment.

BOROUGH OF ENGLEWOOD CLIFFS
GENERAL COMMENTS AND RECOMMENDATIONS

Delinquent Taxes and Tax Title Liens

There was a tax sale held on December 5, 2025.

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

Year	Number of Liens
2025	1
2024	1
2023	1

SUGGESTIONS TO MANAGEMENT

- All intrafunds in the Other Trust Fund be cleared of record.
- The General Capital Fund improvement authorization that is more than five years old and in a deficit position be funded.
- No transfers be made between outside the "CAP" appropriations in the Current Fund.

GENERAL COMMENTS

Current Year

There are none.

Prior Year Unresolved

The audit disclosed there exist prior year outstanding grants and contributions receivable in the Federal and State Grant Fund and the General Capital Fund. It is recommended that all grant and contributions receivable be reviewed and assessed for collectability and cancelled if necessary.

The audit indicated there exists certain prior year unexpended appropriated grant reserves. It is recommended that greater efforts be made to charge appropriated grant reserves for allowable expenditures.

The audit revealed certain Current Fund deferred charges were not raised in the subsequent year's budget. It is recommended that all deferred charges be raised in the subsequent year's budget.

The Borough's accounting policy for outside employment of police officers within the police salary and wage budget line item is not authorized and is contrary to State laws and regulations as stated in Local Finance Notice 2000-14 "Managing for Outside Employment of the Police". It is recommended that the Borough receive estimated payments for private-duty prior to the performance of police work, in accordance with N.J.A.C. 5:30-8.6 (h).

The audit indicated that the General Capital Fund improvement authorization ledger was not in agreement with audit balances. It is recommended that the General Capital Fund improvement authorization ledger be adjusted to reflect audit balances.

Prior Year Unresolved (Continued)

The audit revealed certain goods and services are being ordered prior to the execution of a purchase order. It is recommended that all goods and services be encumbered prior to being ordered.

The audit indicated certain State contracts and/or purchases exceeding the bid threshold were not approved in the official minutes. It is recommended that all purchases in excess of the bid threshold be awarded by resolution as required by N.J.S.A. 40A:11-6.1.

A review of various professional service contracts and award procedures revealed that the Borough is not in compliance with the State's "Pay to Play" statute (P.L. 2005, c.51) with regard to no including a "not to exceed" cost language as required by N.J.A.C. 5:30-5.5(b)(l). It is recommended that Borough officials develop and implement policies and procedures concerning the award of professional service contracts to ensure compliance with all Pay-to-Play Compliance Regulations when awarding professional service contracts.

The audit of bids and quotes indicated the following were not available for audit:

a. Completed bid packages awarded to vendors
b. Additional quotes for purchases exceeding the quote threshold
c. Proposal documents for professional services awarded through the fair and open process.

It is recommended that all documents related to bids and quotes for goods and services be made available for audit.

The audit disclosed that certain tax court judgment where a tax court judgments were not refunded in a timely manner.
It is recommended that all tax court judgments be refunded in a timely manner.

The Audit of the Municipal Court indicated there were 119 tickets assigned but not issued exceeding 181 days. It is recommended that court personnel takes steps to ensure that all tickets that are assigned but not issued over 181 days be recalled and either destroyed or reassigned to other officers.

BOROUGH OF ENGLEWOOD CLIFFS
GENERAL COMMENTS AND RECOMMENDATIONS

RECOMMENDATIONS:

It is recommended that:

1. *All grant and contribution receivables be reviewed and assessed for collectability and cancelled if necessary.
2. *Greater efforts be made to charge appropriated grant reserves for allowable expenditures.
3. *All deferred charges be raised in the subsequent year's budget.
4. *The Borough receive estimated payments for private-duty prior to the performance of police work, in accordance with N.J.A.C. 5:30-8.6(h).
5. *Greater care be taken to ensure that sufficient funds are available prior to expenditures being processed.
6. *The General Capital Fund improvement authorizations ledger be adjusted to reflect audit balances.
7. *Management should maintain a general ledger for Borough funds, which incorporates the original books of entry and subsidiary ledgers to constitute a complete accounting system. The record should be accurate and be maintained on a monthly basis.
8. *Bank reconciliations should be verified on a monthly basis to the respective general ledger to ensure all transactions have been accounted for and all reconciling items be reviewed and adjusted timely.
9. *All goods/services be encumbered prior to being ordered.
10. *All purchases in excess of the bid threshold should be awarded by resolution as required by N.J.S.A. 40A: 11-6.1.
11. *Borough officials develop and implement policies and procedures concerning the award of professional service contracts to ensure compliance with all Pay-to-Play Compliance Regulations when awarding professional service contracts.
12. *Documents related to bids and quotes for goods and services be made available for review at time of audit.
13. *Tax Court judgments be refunded in a timely manner.
14. *Court personnel take steps to ensure that all tickets that are assigned but not issued over 181 days be recalled and either destroyed or reassigned to other officers.

BOROUGH OF ENGLEWOOD CLIFFS
GENERAL COMMENTS AND RECOMMENDATIONS

Status of Prior Year's Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all except those denoted above with an asterisk.

APPRECIATION

We desire to express our appreciation to the Business Administrator, Chief Financial Officer and other Borough staff who assisted us during the course of our audit.

Should any questions arise as to any of our comments please do not hesitate to contact us.

PKF O'Connor Davies, LLP

Woodcliff Lake, New Jersey
June 24, 2026

Gary W. Higgins

Gary W. Higgins, CPA
Registered Municipal Accountant
RMA Number 405