

**BOROUGH OF ENGLEWOOD CLIFFS**

**Financial Statements With  
Supplementary Information**

**December 31, 2022**

**(With Independent Auditor's Report Thereon)**

**BOROUGH OF ENGLEWOOD CLIFFS  
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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

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

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

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

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

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



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Members of the Borough Council  
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As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Englewood Cliffs on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

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

***Basis for Qualified Opinion on Regulatory Basis Accounting Principles***

As described in Note 15 of the financial statement, the Borough participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$1,314,639 and \$1,638,391 for 2022 and 2021, respectively, were not audited and, therefore, we express no opinion on the LOSAP program. As described in Finding 2022-01 some legal responses concerning litigation, claims and assessments, in accordance with Section 337, have not been received creating a scope limitation.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2022, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures and changes in fund balance for the year ended December 31, 2022 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

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



*Auditor's Responsibilities for the Audit of the Financial Statements*

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

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

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

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



***Other Matters***

***Other Information***

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

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

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

***Prior Period Financial Statements***

The financial statements Borough of Englewood Cliffs as of December 31, 2021 were audited by other auditors whose report dated April 27, 2022, expressed an adverse opinion on the financial statements as to the conformity of the financial statements with accounting principles generally accepted in the United States of America and an adverse opinion on those financial statements in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.


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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023 on our consideration of the Borough of Englewood Cliffs' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over




Honorable Mayor and  
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financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Englewood Cliffs' internal control over financial reporting and compliance.



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



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

December 14, 2023



**BOROUGH OF ENGLEWOOD CLIFFS**

**Comparative Balance Sheet - Regulatory Basis**

**Current Fund**

**December 31, 2022 and 2021**

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b>Current Fund:</b>			
Cash	A-4	\$ 10,265,748	6,611,926
Change Fund	A-5	300	300
Petty Cash Fund	A-6	300	300
		<u>10,266,348</u>	<u>6,612,526</u>
<b>Receivables with Full Reserves:</b>			
Delinquent Property Taxes Receivable	A-8	267,773	290,901
Property Acquired for Taxes - Assessed Valuation	A-9	39,528	39,528
Tax Title Liens Receivable	A-10	952	793
Revenue Accounts Receivable	A-11	1,878	1,955
Interfunds	A-12	29,530	22,908
		<u>339,661</u>	<u>356,085</u>
<b>Deferred Charges:</b>			
Over-Expenditure Appropriations	A-13		10,948
Special Emergency Authorization	A-14	1,023,654	1,406,239
		<u>1,023,654</u>	<u>1,417,187</u>
<b>Total Current Fund</b>		<u>11,629,663</u>	<u>8,385,798</u>
<b>Federal and State Grant Fund:</b>			
Federal and State Grants Receivable	A-24	410,283	169,734
Due From Current Fund	A-25	609,864	503,215
<b>Total Federal and State Grant Fund</b>		<u>1,020,147</u>	<u>672,949</u>
		<u>\$ 12,649,810</u>	<u>9,058,747</u>

## BOROUGH OF ENGLEWOOD CLIFFS

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2022 and 2021

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Liabilities:			
Appropriation reserves	A-3, A-15	2,312,254	1,475,359
Encumbrances	A-16	481,420	965,687
Accounts Payable	A-17	636,097	
Due to State of New Jersey - Senior Citizens' and Veterans' deductions	A-7	402	152
Prepaid Taxes	A-18	291,068	440,589
Tax Overpayments	A-19	9,974	7,815
County Taxes Payable	A-20	24,866	30,866
Local District School Taxes Payable	A-21	117,018	
Interfunds	A-12	1,994,934	766,741
Reserve for Miscellaneous Reserves	A-22	308,302	293,108
Special Emergency Notes Payable	A-23	1,023,415	1,406,000
		<u>7,199,750</u>	<u>5,386,317</u>
Reserve for Receivables		339,661	356,085
Fund balance	A-1	<u>4,090,252</u>	<u>2,643,396</u>
Total Current Fund		<u>11,629,663</u>	<u>8,385,798</u>
Federal and State Grant Fund:			
Appropriated Reserves	A-26	997,648	378,716
Unappropriated Reserves	A-27	22,499	294,233
Total Federal and State Grant Fund		<u>1,020,147</u>	<u>672,949</u>
		<u>\$ 12,649,810</u>	<u>9,058,747</u>

See accompanying notes to financial statements.

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

**Current Fund**

**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Revenue and Other Income:		
Fund Balance Utilized	\$ 1,200,000	1,467,950
Miscellaneous Revenues Anticipated	3,510,345	2,610,724
Receipts from Delinquent Taxes	290,643	454,586
Receipts from Current Taxes	39,529,484	39,323,357
Non-budget Revenue	227,304	110,632
Other Credits to Income:		
Prior Year's Interfunds Returned	6,483	
Animal License Fund Excess		2,589
Cancel TTL Reserve Trust Fund		1,642
Cancel Outside TTL Redemptions		10,233
Unexpended Balance of Appropriations		4,556
Unexpended Balance of Appropriation Reserves	<u>1,378,667</u>	<u>344,158</u>
Total Revenue and Other Income	<u>46,142,926</u>	<u>44,330,427</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	6,410,925	6,131,722
Other Expenses	9,389,661	8,869,723
Municipal Debt Service	2,426,573	2,727,463
Deferred Charges and Statutory Expenditures	1,936,205	2,303,442
Capital Improvement Fund	537,605	302,000
Local District School Taxes	14,284,258	14,259,670
County Taxes	8,440,016	9,095,050
Due County for Added Taxes	24,866	30,866
Interfund Advanced	8,443	3,448
Bad Checks - Not Redeposited		1,878
Prior Year Refunds	37,518	
Senior & Veterans - Prior Year		250
Total Expenditures	<u>43,496,070</u>	<u>43,725,512</u>
Excess/(Deficit) in Revenue	2,646,856	604,915
Adjustments to Income Before Fund Balance:		
Expenditures Included Above Which are		
by Statute Deferred Charges to Budgets		
of Succeeding Years		<u>639,324</u>
Statutory Excess to Surplus	2,646,856	1,244,239
Fund Balance, January 1	<u>2,643,396</u>	<u>2,867,107</u>
Decreased by utilization as anticipated revenue	<u>1,200,000</u>	<u>1,467,950</u>
Fund balance, December 31	<u>\$ 4,090,252</u>	<u>2,643,396</u>

See accompanying notes to financial statements.

## BOROUGH OF ENGLEWOOD CLIFFS

## Comparative Statement of Revenues - Regulatory Basis

## Current Fund

Year ended December 31, 2022

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 1,200,000	1,200,000	
Miscellaneous Revenues:			
Licenses - Alcoholic Beverages	19,200	19,200	
Fees and Permits:			
Construction Code Official	381,480	484,758	103,278
Other	39,100	54,198	15,098
Municipal Court - Fines and Costs	37,220	23,757	(13,463)
Interest and Costs on Taxes	104,160	86,925	(17,235)
Interest on Investments	35,050	136,860	101,810
Commercial Sewer User Fees	361,990	431,752	69,762
Cable TV - Annual Fees	16,310	37,863	21,553
Cell Tower - Annual Leases	403,260	343,484	(59,776)
Burglar Alarm Fees			
Elevator Fees	49,340	54,769	5,429
Consolidated Municipal Property Tax Relief Aid	691,474	691,474	
Public and Private Revenues Offset with Appropriations:			
American Rescue Plan:			
Fire Department Vehicles	350,000	350,000	
Admin. - HVAC and Computer Upgrades	65,000	65,000	
DPW Vehicles	45,395	45,395	
Police Vehicles	100,000	100,000	
CDBG - Senior Center	43,800	43,800	
Alcohol Education Rehabilitation Fund	1,136	1,136	
Clean Communities Grant	12,899	12,899	
NJDOT Grant	200,000	200,000	
General Capital Fund Balance	67,500	67,500	
Sewer Hook Up Fees	116,000	62,000	(54,000)
Police - Outside Duty	112,620	197,575	84,955
Total Miscellaneous Revenues	<u>3,252,934</u>	<u>3,510,345</u>	<u>257,411</u>
Receipts from Delinquent Taxes	<u>291,200</u>	<u>290,643</u>	<u>(557)</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes	<u>16,836,880</u>	<u>17,458,916</u>	<u>622,036</u>
Budget Totals	<u>\$ 21,581,014</u>	22,459,904	<u>878,890</u>
Nonbudget Revenue		<u>227,304</u>	
		<u>\$ 22,687,208</u>	

**BOROUGH OF ENGLEWOOD CLIFFS**

**Comparative Statement of Revenues - Regulatory Basis**

**Current Fund**

**Year ended December 31, 2022**

Analysis of Realized Revenue

Allocation of Current Tax Collections:	
Revenue from Collections	\$ 39,529,484
Less: Allocated to School and County Taxes	<u>22,890,568</u>
Balance for Support of Municipal Budget	16,638,916
Add Reserve for Uncollected Taxes	<u>820,000</u>
Amount for Support of Municipal Budget	<u><u>\$ 17,458,916</u></u>
Receipts from:	
Delinquent Tax Collections	<u>290,643</u>
	<u><u>\$ 290,643</u></u>
<u>Analysis of Non-Budget Revenue:</u>	
Miscellaneous	54,448
On-Line Fees	11,172
LEA Rebates	15,050
PSE&G Lease	66,000
Refund	11,900
Penalties	4,075
Insurance Reimbursement	<u>64,659</u>
	<u><u>\$ 227,304</u></u>

See accompanying notes to financial statements.

Borough of Englewood Cliffs

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	Budget	Total for 2022 as Modified by all Transfers	Paid or Charged	Reserved	Cancelled
Operations-within "CAPS"					
General Government:					
Administrative and Executive:					
Salaries and Wages	\$ 287,320	245,934	180,957	64,977	
Other Expenses	113,900	155,286	155,257	29	
Governing Body					
Salaries and Wages	18,000	18,000	16,847	1,153	
Financial administration:					
Salaries and Wages	117,940	117,940	87,244	30,696	
Other Expenses	279,000	179,000	153,059	25,941	
Information Technology:					
Other Expenses	130,000	130,000	82,823	47,177	
Collection of Taxes:					
Salaries and Wages	83,030	103,030	94,310	8,720	
Other Expenses	51,550	51,550	11,543	40,007	
Assessment of Taxes:					
Salaries and Wages	19,380	19,380	19,380		
Other Expenses	7,300	7,300	455	6,845	
Legal services and costs:					
Other Expenses	2,098,000	1,619,898	1,321,249	298,649	
Appraisal Fees	30,000	5,000	2,835	2,165	

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

**Current Fund**

**Year Ended December 31, 2022**

	<u>Budget</u>	Total for 2022 as Modified by all Transfers	<u>Paid or Charged</u>	<u>Expended 2022</u>	<u>Reserved</u>	<u>Cancelled</u>
Engineering services and costs						
Other Expenses	42,000	42,398	42,396	42,396	2	
Municipal Land Use Law (NJSA40:55D-1)						
Planning Board						
Salaries and Wages	11,500	11,500	11,500	11,500		
Other Expenses	164,500	164,500	28,050	28,050	136,450	
Insurance						
Other Insurance Premiums	798,000	898,000	713,479	713,479	184,521	
Group Insurance Plan for Employees	1,700,000	1,871,175	1,445,474	1,445,474	425,701	
Public Safety:						
Police:						
Salaries and Wages	4,310,000	4,324,779	4,062,088	4,062,088	262,691	
Other Expenses	286,500	271,721	244,004	244,004	27,717	
Terminal Leave		148,606	123,838	123,838	24,768	
Office of Emergency Management:						
Salaries and Wages	10,000	7,500	7,500	7,500		
Other Expenses	9,500	3,500	3,321	3,321	179	
Fire Official:						
Salaries and Wages	77,000	106,310	88,910	88,910	17,400	
Fire Hydrant Services	106,000	116,257	103,380	103,380	12,877	
Other Expenses	93,073	106,073	106,048	106,048	25	
Clothing Expenses	25,000	5,000	5,000	5,000		

**Borough of Englewood Cliffs**  
**Statement of Expenditures - Regulatory Basis**  
**Current Fund**  
**Year Ended December 31, 2022**

	<u>Budget</u>	<u>Total for 2022 as Modified by all Transfers</u>	<u>Expended 2022 Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Municipal Court:					
Salaries and Wages- Prosc/Pub Defender	14,000	14,000	13,500	500	
Public Works Function:					
Road Repairs and Maintenance:					
Salaries and Wages	952,480	952,480	879,422	73,058	
Other Expenses	142,000	156,500	146,799	9,701	
Gasoline	80,000	97,244	81,564	15,680	
Garbage and Trash Removal:					
Other Expenses	568,000	603,900	506,248	97,652	
Public Buildings and Grounds:					
Other Expenses	84,500	64,500	49,797	14,703	
Sewer System:					
Other Expenses	13,500	13,500	9,344	4,156	
Shade Tree:					
Other Expenses	60,000	62,000	58,463	3,537	
Health and Welfare:					
Board of Health:					
Salaries and Wages	10,000	10,120	10,000	120	
Other Expenses	46,000	51,500	51,246	254	
Environmental Commission:					
Other Expenses	1,250	1,250	688	562	

Borough of Englewood Cliffs

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	Budget	Total for 2022 as Modified by all Transfers	Expended 2022 Paid or Charged	Reserved	Cancelled
Senior Citizens Committee:					
Other Expenses	15,600	15,600	13,000	2,600	
Parks and Playgrounds:					
Salaries and Wages	67,000	77,000	71,810	5,190	
Other Expenses	111,500	111,500	102,688	8,812	
Celebration of Public Event, Anniversary or Holiday					
Other Expenses	8,000	8,000	1,926	6,074	
Municipal Court					
Salaries and Wages	56,000	56,000	38,687	17,313	
Other Expenses	10,450	10,450	1,672	8,778	
Appropriations Offset by Dedicated Revenues					
Construction Official					
Salaries and Wages	120,460	131,059	126,460	4,599	
Other Expenses	44,350	59,505	48,888	10,617	
Plumbing Inspector					
Salaries and Wages	9,870	9,870	9,862	8	
Fire Sub-Code Official:					
Salaries and Wages	10,001	10,001	10,000	1	
Sewer Inspection					
Salaries and Wages	6,000	6,000	6,000		

Borough of Englewood Cliffs

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	Total for 2022 as Modified by all Transfers	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Fire Prevention					
Salaries and Wages	17,000	17,000	17,000		
Other Expenses	4,100	2,685	1,597	1,088	
Electrical Inspections					
Salaries and Wages	23,001	24,416	23,000	1,416	
Unclassified:					
Utilities:					
Electricity and Heating Oil	145,000	165,840	116,867	48,973	
Telephone and Fax	107,000	127,973	127,863	110	
Street Lighting	146,500	152,525	142,322	10,203	
Water	35,000	35,000	26,501	8,499	
Total Operations within "CAPS"	<u>13,777,055</u>	<u>13,777,055</u>	<u>11,804,161</u>	<u>1,972,894</u>	
Detail:					
Salaries and Wages	6,219,982	6,410,925	5,898,315	512,610	
Other Expenses (Including Contingent)	7,557,073	7,366,130	5,905,846	1,460,284	

(E) Deferred Charges and Statutory Expenditures-  
Municipal within "CAPS"  
(1) DEFERRED CHARGES  
Overexpenditure of Appropriations  
Overexpenditure of Recycling Trust Reserve

Borough of Englewood Cliffs

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	<u>Budget</u>	Total for 2022 as Modified by all Transfers	<u>Paid or Charged</u>	<u>Expended 2022</u>	<u>Reserved</u>	<u>Cancelled</u>
(2) STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System	197,593	197,593	197,593			
Public Employees' Retirement System - Retro	9,700	9,700		9,700		
Social Security System (O.A.S.I.)	225,000	225,000	215,797		9,203	
Police and Firemen's Retirement System of NJ	1,103,322	1,103,322	1,103,322			
DCRP	5,500	5,500	4,584		916	
Total Deferred Charged and Statutory Expenditures-						
Municipal within "CAPS"	<u>1,553,620</u>	<u>1,553,620</u>	<u>1,533,801</u>		<u>19,819</u>	
Total General Appropriations for Municipal Purposes						
within "CAPS"	<u>15,330,675</u>	<u>15,330,675</u>	<u>13,337,962</u>		<u>1,992,713</u>	
Operations - Excluded from "CAPS"						
Bergen County Utilities Authority						
Sewer Charges - Contractual	975,000	975,000	971,483		3,517	
Sewer Charges - Borough of Tenafly	15,300	15,300	15,300			
Sewer Charges - City of Englewood	40,000	40,000	40,000			
LOSAP	25,000	25,000	23,582		1,418	
Reserve for Tax Appeals	1	1				1

Borough of Englewood Cliffs

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	Budget	Total for 2022 as Modified by all Transfers	Paid or Charged	Expended 2022	Reserved	Cancelled
Library Services						
Maintenance of Free Public Library	150,000	150,000	150,000			
Public and Private Programs Offset by Revenues:						
ARP - Fire Department Vehicles	350,000	350,000	350,000			
ARP - Admin. - HVAC and Computer Upgrades	65,000	65,000	65,000			
ARP - DPW Vehicles	45,395	45,395	45,395			
ARP - Police Vehicles	100,000	100,000	100,000			
CDBG - Senior Center	43,800	43,800	43,800			
Alcohol Education Rehabilitation Fund	1,136	1,136	1,136			
Clean Communities Grant	12,899	12,899	12,899			
NJDOT Grant	200,000	200,000	200,000			
Total Operations-Excluded from "CAPS"	<u>2,023,531</u>	<u>2,023,531</u>	<u>2,018,595</u>	<u>4,936</u>		
Detail:						
Other Expenses	2,023,531	2,023,531	2,018,595	4,936		
Capital Improvements - Excluded from "CAPS"						
Capital Improvement Fund	167,000	167,000	167,000			
DPW Garbage Trucks & Vehicles	184,605	184,605		184,605		
Road Resurfacing	130,000	130,000		130,000		
Parks & Recreation Improvements	56,000	56,000	56,000			
Total Capital Improvements Excluded from "CAPS"	<u>537,605</u>	<u>537,605</u>	<u>223,000</u>	<u>314,605</u>		

Borough of Englewood Cliffs

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2022

	Budget	Total for 2022 as Modified by all Transfers	Paid or Charged	Expended 2022	Reserved	Cancelled
Municipal Debt Service-Excluded from "CAPS"						
Payment of Bond Principal	1,330,000	1,330,000	1,330,000			
Payment of Bond Anticipation Notes and Capital Notes	769,678	769,678	710,730			58,948
Interest on Bonds	177,540	177,540	177,481			59
Interest on Notes	97,400	97,400	96,901			499
Bergen County Improvement Authority						
Principal on Capital Leases	106,000	106,000	106,000			
Interest on Capital Leases	6,000	6,000	5,461			539
<b>Total Municipal Debt Service-Excluded from "CAPS"</b>	<b>2,486,618</b>	<b>2,486,618</b>	<b>2,426,573</b>			<b>60,045</b>
Deferred Charges:						
Special Emergency Authorizations- 5 years (N.J.S. 40A:4-55)	382,585	382,585	382,585			
<b>Total Deferred Charges - Municipal - Excluded from "CAPS"</b>	<b>382,585</b>	<b>382,585</b>	<b>382,585</b>			
<b>Total General Appropriations for Municipal Purposes Excluded from "CAPS"</b>	<b>5,430,339</b>	<b>5,430,339</b>	<b>5,050,753</b>	<b>319,541</b>		<b>60,045</b>
<b>Total General Appropriations-Excluded from "CAPS"</b>	<b>5,430,339</b>	<b>5,430,339</b>	<b>5,050,753</b>	<b>319,541</b>		<b>60,045</b>
Subtotal General Appropriations	20,761,014	20,761,014	18,388,715	2,312,254		60,045

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

**Current Fund**

**Year Ended December 31, 2022**

	Total for 2022 as Modified by all Transfers	Expended 2022 Paid or Charged	Reserved	Cancelled
Reserve for Uncollected Taxes	820,000	820,000		
Total General Appropriations	<u>\$ 21,581,014</u>	<u>19,208,715</u>	<u>2,312,254</u>	<u>60,045</u>
Adopted Budget \$	<u>21,581,014</u>			
\$	<u><u>21,581,014</u></u>			
Encumbrances \$		481,420		
Capital Improvement Fund		167,000		
Down Payment on Improvements - Park & Recreation Imp.		56,000		
Interfunds		1,557		
Federal and State Grant Fund		818,230		
Deferred Charges		393,533		
Reserve for Uncollected Taxes		820,000		
Cash		<u>16,470,975</u>		
				<u>\$ 19,208,715</u>

See accompanying notes to financial statements.

## BOROUGH OF ENGLEWOOD CLIFFS

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Dog License Trust Fund:			
Cash	B-1	11,042	9,460
		<u>11,042</u>	<u>9,460</u>
Other Trust Fund:			
Cash	B-1	1,527,848	1,547,110
Tax Sale Receivable	B-2	50	50
Interfunds	B-3	3,913	
		<u>1,531,811</u>	<u>1,547,160</u>
Recycling Trust Fund:			
Cash	B-1	4,433	2,158
Deferred Charges - Overexpenditure	B-8	7,725	1,557
Intrafunds	B-3	620	620
		<u>12,778</u>	<u>4,335</u>
Shade Tree Trust Fund:			
Cash	B-1	10,525	10,420
Council for Affordable Housing (COAH) Development Trust Fund:			
Cash	B-1	2,781,873	2,492,999
DEA Forfeiture Trust Fund:			
Cash	B-1	70,888	71,588
Interfunds	B-3	63,653	
		<u>134,541</u>	<u>71,588</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	1,285,314	1,614,809
Contributions Receivable	B-12	29,325	23,582
		<u>1,314,639</u>	<u>1,638,391</u>
Total Assets		<u>\$ 5,797,209</u>	<u>5,774,353</u>

**BOROUGH OF ENGLEWOOD CLIFFS**  
**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31, 2022 and 2021**

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<b>Dog License Fund:</b>			
Interfunds	B-3	6,091	5,227
Reserve for Dog Fund Expenditures	B-5	4,951	4,233
		<u>11,042</u>	<u>9,460</u>
<b>Other Trust Fund:</b>			
Interfunds	B-3	2,135	2,513
Intrafunds	B-3	468	468
Due to State of New Jersey	B-6	12,723	3,377
Reserve For:			
Other Trust Deposits	B-7	1,516,485	1,540,802
		<u>1,531,811</u>	<u>1,547,160</u>
<b>Recycling Trust Fund:</b>			
Interfunds	B-3	12,778	4,335
		<u>12,778</u>	<u>4,335</u>
<b>Shade Tree Trust Fund:</b>			
Intrafunds	B-3	152	152
Reserve for Shade Tree Expenditures	B-9	10,373	10,268
		<u>10,525</u>	<u>10,420</u>
<b>Council for Affordable Housing (COAH)</b>			
Development Trust Fund:			
Reserve for COAH Development Expenditures	B-10	2,781,873	2,492,999
		<u>2,781,873</u>	<u>2,492,999</u>
<b>DEA Forfeiture Trust Fund:</b>			
Reserve for DEA Forfeiture Expenditures	B-11	134,541	71,588
		<u>134,541</u>	<u>71,588</u>
<b>Emergency Services Volunteer Length of Service Award Program (unaudited):</b>			
Net Assets available for Benefits	B-13	1,314,639	1,638,391
		<u>1,314,639</u>	<u>1,638,391</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<b>\$ <u>5,797,209</u></b>	<b><u>5,774,353</u></b>

See accompanying notes to financial statements.

## BOROUGH OF ENGLEWOOD CLIFFS

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2022 and 2021

<u>Assets</u>	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Cash	C-2,C-3	\$ 330,533	1,288,859
Grants Receivable			
New Jersey Department of Transportation	C-4	842,760	842,760
Bergen County Grants	C-5	302,652	46,000
Due from Ambulance Corp.	C-6	100,000	100,000
Due from Current Fund	C-7	1,317,504	263,526
Deferred Charges to Future Taxation:			
Funded	C-8	5,692,000	7,128,000
Unfunded	C-9	14,171,516	10,121,246
		<u>\$ 22,756,965</u>	<u>19,790,391</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-10	7,610,049	8,320,779
General Serial Bonds	C-11	5,575,000	6,905,000
Capital Leases Payable	C-12	117,000	223,000
Improvement Authorizations:			
Funded	C-13	902,372	701,217
Unfunded	C-13	7,780,877	3,119,701
Encumbrances Payable	C-14	232,455	224,258
Capital Improvement Fund	C-15	23,839	39,839
Reserve for Cost of Issuance	C-17	4,086	4,086
Reserve for Boswell Settlement	C-18	185,000	185,000
Reserve for Grants Receivable	C-19	256,652	
Fund Balance	C-1	69,635	67,511
		<u>\$ 22,756,965</u>	<u>19,790,391</u>

There were \$6,561,467 and \$1,800,467 of Bonds and Notes Authorized But Not Issued on December 31, 2022 and 2021 respectively (Exhibit C-20).

See accompanying notes to financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS**

**Comparative Statement of Fund Balance - Regulatory Basis**

**General Capital Fund**

**Year ended December 31, 2022**

	<u>2022</u>	<u>2021</u>
Balance - December 31,	\$ 67,511	66,248
Increased by:		
Premium Received on Note Sale	<u>69,624</u>	<u>67,510</u>
	137,135	133,758
Decreased by:		
Current Fund Budget Revenue	<u>67,500</u>	<u>66,247</u>
Balance - December 31,	<u>\$ 69,635</u>	<u>67,511</u>

See accompanying notes to financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS**

**Comparative Statement of General Fixed Assets - Regulatory Basis**

**General Fixed Assets Account Group**

**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
General Fixed Assets:		
Land	\$ 73,839,615	73,839,615
Buildings	9,360,673	9,360,673
Vehicles and Equipment	<u>7,932,139</u>	<u>7,909,742</u>
	<u>91,132,427</u>	<u>91,110,030</u>
Investment in General Fixed Assets	<u>\$ 91,132,427</u>	<u>91,110,030</u>

See accompanying notes to financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS, N.J.**

**Comparative Balance Sheet-Regulatory Basis**

**Payroll Account**

**December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<u>Assets</u>		
Cash	\$ <u>8,526</u>	<u>10,833</u>
	<u>\$ 8,526</u>	<u>10,833</u>
<u>Liabilities</u>		
Due to Current Fund	\$ <u>8,526</u>	<u>10,833</u>
	<u>\$ 8,526</u>	<u>10,833</u>

See accompanying notes to financial statements.

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

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

A. Reporting Entity

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

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

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

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

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

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

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

Basis of Accounting

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

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month in the fiscal year when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

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

Basis of Accounting, (continued)

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

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

General Capital Fund  
Trust Funds

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. During the years ended December 31, 2022 and 2021, the Governing Body did not approve additional revenues and appropriation with N.J.S.A. 40A:4-87. The Governing Body approved special emergency appropriations in the Current Fund of \$639,324 for Terminal Leave in 2021. In addition, several budget transfers were approved by the governing body in 2022 and 2021.

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

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

Basis of Accounting, (continued)

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

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

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

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

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

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

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

Basis of Accounting, (continued)

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

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

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

No depreciation has been provided for in the financial statements.

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

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

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

Use of Estimates

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

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

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

Basis of Accounting, (continued)

Recent Accounting Pronouncements

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

GASB Statement No. 87, Leases, which improves the accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the fundamental principle that leases are financings of the right to use an underlying asset. There exists no impact on the financial statements of the Borough.

C. Basic Financial Statements

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

**NOTE 2. PENSION PLANS**

Description of Systems:

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

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

*Public Employees' Retirement System (PERS)*

Plan Description

The State of New Jersey Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the "Division"). For additional information about the PERS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

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

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

*Police and Firemens' Retirement System (PFRS)*

Plan Description

The State of New Jersey Police and Firemen's Retirement System (PFRS), is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey Division of Pensions and Benefits (the "Division"). For additional information about the PFRS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

Benefits Provided

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

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

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

Defined Contribution Retirement Program

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

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

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

Significant Legislation

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

The Borough of Englewood Cliffs opted for this deferral in the amount of \$436,241. The amount outstanding at December 31, 2022 was \$80,174.

Contribution Requirements

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

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

Contribution Requirements, (continued)

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

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

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2022	\$197,593	\$1,103,322	\$4,584
2021	198,433	1,147,780	5,099
2020	181,591	1,193,927	3,389

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

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

**Public Employees Retirement System (PERS)**

At December 31, 2022, the Borough had a liability of \$2,662,826 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the Borough's proportion was .01764469 percent, which was an increase/(decrease) of 0.00149574 percent from its proportion measured as of June 30, 2021.

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

For the year ended December 31, 2022, the Borough recognized pension expense of \$197,593. At December 31, 2022, deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$19,219	\$16,948
Changes of assumptions	8,250	398,731
Net difference between projected and actual earnings on pension plan investments	110,212	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>312,066</u>	<u>345,147</u>
Total	<u>\$449,747</u>	<u>\$760,826</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2022) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(228,415)
2024	(116,370)
2025	(56,751)
2026	123,810
2027	(272)

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.04, 5.13, 5.16, 5.21, 5.63, and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,091,376,611	11,972,782,878
Borough's Proportion	0.0176446889%	0.0161489521%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

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

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

**Mortality Rates**

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Public Employees Retirement System (PERS), (continued)**

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Borough's proportionate share of the pension liability	\$3,427,373	\$2,662,826	\$2,012,167

**Pension Plan Fiduciary Net Position**

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

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

At December 31, 2022, the Borough had a liability of \$11,356,441 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2022, the Borough's proportion was 0.0992144630 percent, which was an increase/(decrease) of 0.00975861 percent from its proportion measured as of June 30, 2021.

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

For the year ended December 31, 2022, the Borough recognized pension expense of \$1,103,322. At December 31, 2022, deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference in actual and expected experience	\$514,023	\$695,736
Changes of assumptions	31,124	1,429,552
Net difference between projected and actual earnings on pension plan investments	1,039,916	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>1,304,918</u>	<u>2,048,146</u>
Total	<u>\$2,889,981</u>	<u>\$4,173,434</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2022) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(568,003)
2024	(362,989)
2025	(345,788)
2026	722,297
2027	6,961
Thereafter	7,297

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Changes in Proportion**

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 6.22, 6.17, 5.90, 5.92, 5.73 and 5.59 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Additional Information**

Local Group Collective balances net of nonemployer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$2,163,793,955	\$817,271,932
Collective deferred inflows of resources	2,805,919,493	6,875,738,520
Collective net pension liability	11,446,356,176	9,364,849,587
Borough's Proportion	0.0992144630%	0.0894558493%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all Future Years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

**Mortality Rates**

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

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

**Long-Term Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

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

The following presents the collective net pension liability of the participating employers as of June 30, 2022 calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 - percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2022		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Borough's proportionate share of the pension liability	\$16,334,335	\$11,356,441	\$7,212,318

**Special Funding Situation - PFRS**

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

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 2. PENSION PLANS, (continued)**

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

**Police and Firemen's Retirement System, (continued)**

At December 31, 2022 and 2021, the State proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,021,114 and \$1,838,942, respectively. For the years ended December 31, 2020 and 2019, 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 \$233,183 and \$204,804, respectively, which is more than the actual contributions the State made on behalf of the Borough of \$251,619 and \$159,748, respectively. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

**Pension Plan Fiduciary Net Position**

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

**NOTE 3. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

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

**General Information about the OPEB Plan**

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

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

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

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

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

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

**Total OPEB Liability**

The following Other Post Employment Benefit information is as of June 30, 2021 which is the latest information available as of the date of this report. This information is eighteen months prior to December 31, 2022. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of County Affairs, State of New Jersey is permitting the regulator basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current Other Post Employment Benefit information is available.

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

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

At December 31, 2021, the Borough had a liability of \$14,495,584 for its proportionate share of the non-special funding net OPEB liability. The net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Borough's proportion of the net OPEB liability was based on a projection of the Borough's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers in the plan. At June 30, 2021 the Borough's proportion was 0.080532 percent.

For the year ended December 31, 2021, the Borough recognized OPEB expense of \$4,212. At December 31, 2021, deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$325,264	\$3,032,690
Changes of assumptions	2,085,233	2,562,265
Net difference between projected and actual earnings on OPEB plan investments	6,931	
Changes in proportion and differences between the Borough's contributions and proportionate share of contributions	<u>4,414,357</u>	<u>4,166,007</u>
Total	<u>\$6,831,785</u>	<u>\$9,760,962</u>

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

Year ended June 30:	
2023	\$(865,520)
2024	(866,659)
2025	(867,699)
2026	(619,627)
2027	(104,164)
Thereafter	146,142

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

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

**Changes in Proportion**

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

**Actual Assumptions and Other Inputs**

The total OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement

Inflation rate	2.50%
Salary increases*:	
Public Employees' Retirement System (PERS)	
Initial fiscal year applied	
Rate through 2026	2.00% to 6.00%
Rate thereafter	3.00% to 7.00%
Police and Firemen's Retirement System (PFRS)	
Rate for all future years	3.25% to 15.25%
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.

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

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

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

**Discount Rate**

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

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

	June 30, 2021		
	1% Decrease	At Current Discount Rate	1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Borough's proportionate share of Net OPEB liability	\$17,058,522	\$14,495,584	\$12,464,400

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

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

	June 30, 2021		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Borough's proportionate share of Net OPEB liability	\$12,094,199	\$14,495,584	\$17,629,094

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 4. MUNICIPAL DEBT**

Long-term debt as of December 31, 2022 and 2021 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$6,905,000	\$ _____	\$1,330,000	\$5,575,000	\$675,000
Total Bonds Payable	<u>6,905,000</u>	<u>                    </u>	<u>1,330,000</u>	<u>5,575,000</u>	<u>675,000</u>
Other Liabilities:					
Pension Deferral	128,838		48,664	80,174	50,781
General Capital:					
BCIA Leases Payable	223,000		106,000	117,000	117,000
Compensated Absences Payable	<u>1,897,614</u>	<u>                    </u>	<u>270,790</u>	<u>1,626,824</u>	<u>                    </u>
Total Other Liabilities	<u>2,249,452</u>	<u>                    0</u>	<u>425,454</u>	<u>1,823,998</u>	<u>167,781</u>
	<u>\$9,154,452</u>	<u>\$0</u>	<u>\$1,755,454</u>	<u>\$7,398,998</u>	<u>\$842,781</u>
	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	\$8,210,000	\$ _____	\$1,305,000	\$6,905,000	\$1,330,000
Total Bonds Payable	<u>8,210,000</u>	<u>                    </u>	<u>1,305,000</u>	<u>6,905,000</u>	<u>1,330,000</u>
Other Liabilities:					
Pension Deferral	173,351		44,513	128,838	48,664
General Capital:					
BCIA Leases Payable	320,000		97,000	223,000	106,000
Compensated Absences Payable	<u>2,267,966</u>	<u>                    </u>	<u>370,352</u>	<u>1,897,614</u>	<u>                    </u>
Total Other Liabilities	<u>2,761,317</u>	<u>                    0</u>	<u>511,865</u>	<u>2,249,452</u>	<u>154,664</u>
	<u>\$10,971,317</u>	<u>\$0</u>	<u>\$1,816,865</u>	<u>\$9,154,452</u>	<u>\$1,484,664</u>

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 4. MUNICIPAL DEBT, (continued)**

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

The Borough's debt is summarized as follows:

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
Issued:			
General - Bonds, Notes and Loans	\$13,185,049	\$15,225,779	\$17,481,518
Authorized But Not Issued - General Bonds and Notes	<u>6,561,467</u>	<u>1,800,467</u>	<u>1,607,467</u>
	<u>19,746,516</u>	<u>17,026,246</u>	<u>19,088,985</u>
 Total Bonds, Notes and Loans Issued and Authorized Not Issued	 19,746,516	 17,026,246	 19,088,985
 Less: Deductions		<u>2,181,667</u>	
Net Debt	<u>\$19,746,516</u>	<u>\$14,844,579</u>	<u>\$19,088,985</u>

Summary of Statutory Debt Condition - Annual Debt Statement

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

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

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

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 4. MUNICIPAL DEBT, (continued)**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .416% for 2021.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
General Debt	<u>\$17,026,246</u>	<u>\$2,181,667</u>	<u>\$14,844,579</u>
	<u>\$17,026,246</u>	<u>\$2,181,667</u>	<u>\$14,844,579</u>

Net debt of \$14,844,579 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$3,570,088,919 equals .416%.

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

	<u>2022</u>	<u>2021</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$126,402,151	\$124,953,112
Net Debt	<u>19,746,516</u>	<u>14,844,579</u>
Remaining Borrowing Power	<u>\$106,655,635</u>	<u>\$110,108,533</u>

The Borough's long-term debt consisted of the following at December 31, 2022:

**Paid by Current Fund:**

	<u>2022</u>	<u>2021</u>
\$9,885,000 General Improvement Bonds - with an interest rate of 2.00% to 3.00% issued March 15, 2014, due through March 15, 2030	\$5,575,000	\$6,225,000
\$3,205,000 General Improvement Refunding Bonds - with an interest rate of 1.550% issued March 3, 2016, due through July 15, 2022	_____	<u>680,000</u>
Total General Serial Bonds	<u>\$5,575,000</u>	<u>\$6,905,000</u>

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 4. MUNICIPAL DEBT, (continued)**

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$675,000	\$153,750	\$828,750
2024	700,000	136,500	836,500
2025	700,000	115,000	815,000
2026	700,000	94,500	794,500
2027	700,000	42,000	742,000
2028-2030	<u>2,100,000</u>	<u>126,000</u>	<u>2,226,000</u>
	<u>\$5,575,000</u>	<u>\$667,750</u>	<u>\$6,242,750</u>

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

At December 31, 2022, the Borough had authorized but not issued debt of \$6,561,467.

**NOTE 5. CAPITAL LEASES PAYABLE**

The Borough entered into an \$870,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. Principal and interest payments are due semi-annually through 2023. During 2012, the Borough entered into a new lease agreement to refinance the original unfunded pension liability. Principal and interest payments are due semi-annually through 2023. The following is a schedule of the future minimum lease payments under the agreements, and the present value of the net minimum lease payments at December 31, 2022:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2023	\$118,907	\$117,000	\$1,907
	<u>\$118,907</u>	<u>\$117,000</u>	<u>\$1,907</u>

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 6. BOND ANTICIPATION NOTES**

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

On December 31, 2022 and 2021, the Borough had \$7,610,049 and \$8,320,779, respectively, in outstanding General Capital bond anticipation notes.

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2022 and 2021:

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<u>General Capital Notes Payable:</u>				
TD Securities LLC	\$7,370,779	\$	\$7,370,779	\$0
Bank of NY Mellon		5,945,049		5,945,049
Piper Sandler & Co.	950,000	1,665,000	950,000	1,665,000
	<u>\$8,320,779</u>	<u>\$7,610,049</u>	<u>\$8,320,779</u>	<u>\$7,610,049</u>
	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
<u>General Capital Notes Payable:</u>				
Bank of NY Mellon	\$6,766,518	\$	\$6,766,518	\$0
TD Securities LLC	2,505,000	7,370,779	2,505,000	7,370,779
Piper Sandler & Co.		950,000		950,000
	<u>\$9,271,518</u>	<u>\$8,320,779</u>	<u>\$9,271,518</u>	<u>\$8,320,779</u>

**NOTE 7. 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, 2022 and 2021, the Borough had \$1,023,415 and \$1,406,000, respectively, in outstanding Current Fund Special Emergency notes.



**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
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(CONTINUED)**

**NOTE 9. FUND BALANCE APPROPRIATED**

The fund balance at December 31, 2022 and December 31, 2021 which has been appropriated as revenue in the 2023 and 2022 budgets is as follows:

	<u>2023</u>	<u>2022</u>
Current Fund	<u>\$2,301,000</u>	<u>\$1,200,000</u>

**NOTE 10. ACCRUED SICK AND VACATION BENEFITS**

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

The estimated accumulated unpaid compensation as of December 31, 2022 and 2021 was \$1,026,824 and \$1,897,614, respectively.

**NOTE 11. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2022 and 2021, \$8,335 of the Borough's bank balance of \$15,864,037 and \$12,497,370, respectively, were exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 11. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Credit Risk**

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

**Concentration of Credit Risk**

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

**Unaudited Investments**

As more fully described in Note 16, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by AIG, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2022 and 2021 amounted to \$1,285,314 and \$1,614,809, respectively.

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**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 11. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

The following investments represent the total invested with AIG on December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Asset Allocation Fund	\$45,958	\$54,486
Blue Chip Growth Fund		127,297
Core Bond Fund	4,545	5,321
Dividend Value	54,381	58,201
Emerging Economies	1,934	2,504
Fixed Account Plus	96,532	91,174
Global Strategy	7,189	8,725
Government Money Market I		50,390
Government Securities Fund	873	993
Growth Fund	5,683	8,975
Government Money Market Fund Inst.	54,318	
High Yield Bond Fund	2,367	2,676
International Equities Fund	9,316	10,567
International Opportunities	2,074	2,773
Mid Cap Index Fund	115,316	130,488
Mid Cap Strategic Growth	1,287	1,698
Mid Cap Value Fund	300,350	325,449
Moderate Growth Lifestyle	5,311	6,284
NASDAQ-100R Index Fund	6,828	10,263
Science & Technology Fund	272,960	447,424
Small Cap Index Fund	12,656	15,505
Small Cap Value Fund	3,672	4,306
Stock Index Fund	195,133	239,760
Strategic Core Fund		8,305
Systematic Core Fund	6,891	
Systematic Growth Fund	78,720	
Systematic Value	1,020	1,245
	<u>\$1,285,314</u>	<u>\$1,614,809</u>

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 12. LOCAL DISTRICT SCHOOL TAXES**

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

The Borough has elected to defer school taxes as of December 31, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Balance of tax	\$7,329,861	\$7,071,415
Deferred	<u>7,212,843</u>	<u>7,071,415</u>
Tax payable	<u>\$117,018</u>	<u>\$0</u>

**NOTE 13. FIXED ASSETS**

The following is a summary of General Fixed Assets Account Group as of December 31, 2022 and 2021:

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

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

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 14. INTERFUND BALANCES AND ACTIVITY**

Balances due to/from other funds at December 31, 2022 consist of the following:

\$609,864	Due to the Federal and State Grant Fund from the Current Fund for grant awards received less cash disbursements made.
1,317,504	Due to the Capital Fund from the Current Fund for reimbursement of expenses paid.
6,091	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
2,135	Due to the Current Fund from the Escrow Trust Fund for interest earnings not turned over.
3,913	Due to the Other Trust Fund from the Current Fund for reimbursement of expenses paid less interest earnings not turned over.
8,526	Due to the Current Fund from the Payroll Fund for excess funds.
63,653	Due to the DEA Forfeiture Trust Fund from the Current Fund for deposits in error.
12,778	Due to the Current Fund from the Recycling Trust Fund for reimbursement of expenses paid.
152	Due to the Recycling Trust Fund from the Shade Tree Trust Fund for deposits in error.
<u>468</u>	Due to the Recycling Trust Fund from the Other Trust Fund for deposits in error.
<u>\$2,025,084</u>	

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

**NOTE 15. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

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

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 15. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)**

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

We have reviewed the plan for the year ended December 31, 2022 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 16. RISK MANAGEMENT**

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

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

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

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 16. RISK MANAGEMENT, (continued)**

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

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

**NOTE 17. TAXES COLLECTED IN ADVANCE**

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

	Balance <u>Dec 31, 2022</u>	Balance <u>Dec 31, 2021</u>
Prepaid Taxes	<u>\$291,068</u>	<u>\$440,589</u>
Cash Liability for Taxes Collected in Advance	<u>\$291,068</u>	<u>\$440,589</u>

**NOTE 18. COMMITMENTS AND CONTINGENT LIABILITIES**

The Borough is in litigation in various lawsuits, unusual for a municipality of its size and scope of operation. The Borough's attorneys at balance sheet date and the date of this report have not provided a description and an evaluation of any litigation, impending litigation, claims, contingent liabilities, unasserted claims or assessments (Statement of Financial Accounting Standards No. 5) or statutory violations, which involve the Borough, and which might materially affect the December 31, 2022 financial position or results of operations or subsequent events.

Various tax appeal cases were pending in the tax court at December 31, 2022 and 2021. The Borough is vigorously defending its assessments in each case. Under the accounting principals prescribed by the Division, the Borough does not recognize a liability, if any, until these cases have been adjudicated and may be material. Funding of any ultimate liability would be provided for in succeeding years' budget, fund balance or property tax refunding bond ordinances.

**BOROUGH OF ENGLEWOOD CLIFFS  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 19: OTHER MATTERS**

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

**NOTE 20: SUBSEQUENT EVENTS**

The Borough has evaluated subsequent events through December 14, 2023, the date which the financial statements were available to be issued. No items were noted.

**SUPPLEMENTARY DATA**

**BOROUGH OF ENGLEWOOD CLIFFS**

**Supplementary data**

Comparative Schedule of Tax Rate Information

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Tax rate	1.123	1.124	1.151
Apportionment of tax rate:			
Municipal	0.476	0.464	0.479
School	0.407	0.401	0.415
County	0.240	0.259	0.257

Assessed Value

2022	\$ 3,534,427,800
2021	3,522,873,275
2020	3,403,273,632

Comparison of Tax Levies and Collections Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collection</u>
2022	\$ 39,825,740	39,529,484	99.26%
2021	39,731,048	39,323,357	98.97%
2020	40,208,628	39,714,767	98.77%

Delinquent Taxes and Tax Title Liens

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

<u>Dec. 31</u>	<u>Amount of delinquent taxes</u>	<u>Tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2022	\$ 267,773	952	268,725	0.67%
2021	290,901	793	291,694	0.73%
2020	454,353	485	454,838	1.13%

**BOROUGH OF ENGLEWOOD CLIFFS**

**Supplementary data**

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2022 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>		<u>Amount</u>
2022	\$	39,528
2021		39,528
2020		39,528

Comparative Schedule of Fund Balance

	<u>Year</u>		<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund	2022	\$	4,090,252	2,301,000
	2021		2,643,396	1,200,000
	2020		2,867,273	1,146,950
	2019		1,118,819	121,200
	2018		1,387,950	1,217,114

**BOROUGH OF ENGLEWOOD CLIFFS**

**Supplementary Data**

Officials in Office and Surety Bonds

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

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>	<u>Type of bond</u>
Mario M. Kranjac	Mayor		
Tim Koutroubas	Council President		
Glenn A. Luciano	Councilperson		
Ramon Ferro	Councilperson (1/1/2022-4/4/2022)		
Mitch Kapsaskis	Councilperson (5/19/2022-12/31/2022)		
Mark Park	Councilperson		
Rivka Biegacz	Councilperson (5/11/2022-12/31/2022)		
David DiGregorio	Councilperson		
Laura Borchers	Borough Clerk		
Jewel Thompson-Chin	Interim Borough Administrator (01/01/2022-03/31/2022)		
Christopher Rathis	Interim Borough Administrator (04/27/2022-12/31/2022)		
Elizabeth Kasica	CFO (01/12/2022-03/09/2022)		
Gordon L. Stelter	CFO (03/10/2022-09/14/2022)		
Shuaib Firozvi	CFO (09/14/2022-12/31/2022)		
Vincent Buono	Tax Collector	\$ 1,000,000	(A)
Paul Duffy	Deputy Tax Collector		
King, Moench, Hirniak & Mehta LLP	Borough Attorney		
Colliers Engineering & Design	Borough Engineer		
Gino Tessaro	Construction Code Official		
Carolina Calderon, Esq.	Municipal Judge	\$ 1,000,000	(A)
Marc D. Ramundo, Esq.	Prosecutor		
Aileen Perez-Gjikova Esq.	Public Defender		
Sarah Holbig	Tax Assessor		
William Henkelman	Police Chief		

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**Schedule of Expenditures of Federal Financial Assistance**

Year ended December 31, 2022

Programs	Assistance Listing Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Cash Received	Expended	MEMO Cumulative Total Expenditures
<u>Federal and State Grant Fund:</u>								
Department of Housing and Urban Development								
Community Development Block Grant	14.219	H20UC340100		2000	\$ 20,000	\$ 3,251		7,669
Community Development Block Grant	14.219	H21UC340100		2021	91,351			*
Community Development Block Grant	14.219	H22UC340100		2022	43,800	3,251		7,669
Division of Highway Traffic Safety								
Click-it-or-Ticket	20.616	AL-18-45-04-MH-90	066-1160-100-155	2021	6,000			*
Department of Justice								
Body-Worn Cameras	16.835			2021	52,988		51,676	51,676
Department of Law and Public Safety								
Bulleproof Vest Partnership Program	16.607		2017-BU-BX-17089799		7,986			7,986
Department of Transportation								
Transportation Grant				2022	200,000			*
Department of Treasury								
Passed through the State of New Jersey								
Department of Community Affairs								
ARP Fiscal Recovery Funds	21.027			2021	560,395	560,395	92,640	92,640
<i>Total Federal and State Grant Fund</i>						563,646	144,316	159,971
<u>General Capital Fund:</u>								
Department of Transportation								
Federal Highway Planning and								
(passed through State Department of Transportation)								
Summit Street	20.205		Ord. 2013-09	2013	150,000			150,000
Pershing Road	20.205		Ord. 2018-02	2018	212,000			212,000
5th Street	20.205		Ord. 2021-07	2021	425,000			*
Summit Street	20.205		Ord. 2021-07	2021	202,000			172,983
<i>Total General Capital Fund</i>								534,983
<u>Trust Funds:</u>								
U.S. Department of Justice								
DEA/Equitable Sharing Program	16.922	19-DEA-631603	NJ0023200		134,241	63,653	1,000	1,000
<i>Total Trust Funds</i>						63,653	1,000	1,000
<i>Total Federal Assistance</i>					\$	627,299	145,316	695,954

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

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Expenditures of State and Local Financial Assistance**

Year ended December 31, 2022

	Grant Number	Grant Year	Grant Award	Cash Received	Expended	MEMO Cumulative Total Expenditures
<u>Federal and State Grant Fund:</u>						
<u>Division of Criminal Justice</u>						
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2014	1,403		617	1,077
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2015	1,179			
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2016	665			
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2017	193			
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2018	878			
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2021	1,136			
Alcohol Education and Rehabilitation	9735-760-098-Y900-001-X100-6020	2022	316	316		
Body Armor Replacement Fund	1020-718-066-1020-001	2019	2,684			
Body Armor Replacement Fund	1020-718-066-1020-001	2020	2,347			
Body Armor Replacement Fund	1020-718-006-1020-001	2021	2,157			
Emergency Management Assistance Fund		2016	5,000	316	617	1,077
<u>Division of Motor Vehicles</u>						
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2003	509			346
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2004	1,141			
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2005	279			
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2009	378			
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2014	3,400			289
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	2015	2,278			346
<u>Department of Health</u>						
Hepatitis B	4230-100-046-4781-241-1002-3890	2002	756			21
Domestic Violence Grant		2006	1,000			21

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Expenditures of State and Local Financial Assistance**

Year ended December 31, 2022

	Grant Number	Grant Year	Grant Award	Cash Received	Expended	MEMO Cumulative Total Expenditures
Department of Environmental Protection						
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2013	11,375		2,844	11,375
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2014	10,669		2,380	2,380
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2015	12,963			
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2016	14,824			573
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2017	12,594			5,424
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2018	12,047			
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2019	13,447			
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2020	12,124		10,403	10,403
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2021	12,899		1,018	1,018
Clean Communities Act	4900-765-042-4900-004-V42Y-6020	2020	13,130	13,130		
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2010	20,865		3,451	20,865
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2011	7,326		7,326	7,326
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2013	6,920		6,920	6,920
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2014	9,675		9,675	9,675
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2016	6,793		1,487	1,487
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2017	10,012			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2018	9,982			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2019	9,152			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2020	7,631			
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2021	10,269		8,861	8,861
Recycling Tonnage Grant	4900-752-042-4900-001-V42Y-6020	2022	9,053	9,053		
				<u>22,183</u>	<u>54,365</u>	<u>86,307</u>
Total State Financial Assistance			\$	<u>22,499</u>	<u>54,982</u>	<u>87,751</u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Expenditures of State and Local Financial Assistance**

Year ended December 31, 2022

	Grant Number	Grant Year	Grant Award	Cash Received	Expended	MEMO Cumulative Total Expenditures
<u>Other Financial Assistance</u>						
The Heritage Program (Firemen's Fund Insurance Company)						
Fireman's Fund Grant	N/A	2011	12,774			11,207
						11,207
County of Bergen						
Municipal Recycling Assistance Program		PY	11,163			680
Municipal Recycling Assistance Program		PY	10,211			
Municipal Recycling Assistance Program		2005	4,008			500
Municipal Recycling Assistance Program		2007	2,549			1,180
Passed through -						
County of Bergen						
Municipal Alliance on Alcoholism and Drug Abuse	2000-100-082-C001-044	2017	9,876			9,720
Total Other Financial Assistance						22,107
<i>Total Federal and State Grant Fund</i>				22,499	54,982	109,858
General Capital Fund:						
County of Bergen Open Space		2014	46,000			
ADA Cooperative Curb Ramp Construction Grant	Ord. 2014-10	2022	256,652			
Witte Field Improvement Project	Ord. 2022-13					
<i>Total General Capital Fund</i>						
Total State and Other Financial Assistance			\$ 22,499	54,982		109,858

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

## BOROUGH OF ENGLEWOOD CLIFFS

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year ended December 31, 2022

Balance - December 31, 2021		\$	6,611,926
Increased by:			
Veterans' and Senior Citizens' Deductions	\$	16,250	
Taxes Receivable		39,276,526	
Prepaid Taxes		291,068	
Special Emergency Notes		1,023,415	
Tax Overpayments		110,340	
Interfunds		969,527	
Revenue Accounts Receivable		2,624,615	
Miscellaneous Revenue Not Anticipated		227,304	
Miscellaneous Reserves		36,070	
Grants Receivable		283,448	
Unappropriated Reserves		<u>22,499</u>	
			<u>44,881,062</u>
			51,492,988
Decreased by:			
Budget Appropriations		16,470,975	
Appropriation Reserves		423,282	
County Taxes Payable		8,470,882	
School Taxes Payable		14,167,240	
Tax Overpayments		21,169	
Interfunds		10,000	
Miscellaneous Reserves		20,876	
Special Emergency Notes		1,406,000	
Prior Year Refunds		37,518	
Appropriated Grant Reserves		<u>199,298</u>	
			<u>41,227,240</u>
Balance - December 31, 2022		\$	<u><u>10,265,748</u></u>

**Exhibit A-5**

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Change Funds**

**Current Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021 \$ 300

Balance - December 31, 2022 \$ 300

**Exhibit A-6**

**Schedule of Petty Cash**

**Current Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021 \$ 300

Balance - December 31, 2022 \$ 300

**BOROUGH OF ENGLEWOOD CLIFFS**

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

**Current Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021		\$	(152)
Increased by:			
Veterans' Deductions per Duplicate	\$	16,500	
Senior Citizens' Deductions per Duplicate		<u>250</u>	
			<u>16,750</u>
			16,598
Decreased by:			
Senior Citizens' Deductions Disallowed		750	
Cash Received		<u>16,250</u>	
			<u>17,000</u>
Balance - December 31, 2022		\$	<u><u>(402)</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

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

**Current Fund**

Year Ended December 31, 2022

Year	Balance, Dec. 31, 2021	2022 Tax Levy	2021 Collections	2022 Collections	Veterans and Senior Citizens	Transferred to Tax Title Liens	Remitted, Abated or Cancelled	Balance, Dec. 31, 2022
2021	290,901			290,643				258
2022		39,825,740	440,589	39,072,895	16,000	159	28,582	267,515
	\$ 290,901	39,825,740	440,589	39,363,538	16,000	159	28,582	267,773

Overpayments Applied	87,012
Cash Receipts	39,276,526
	\$ 39,363,538

**Analysis of 2022 Property Tax Levy**

Tax yield:	
General Property Tax	\$ 39,711,227
Omitted Tax (R.S. 54:4-63.12 et seq.)	23,495
Added Tax (R.S. 54:4-63.1 et seq.)	91,018
	\$ 39,825,740

Tax levy:	
Local District School Tax	\$ 14,425,686
County Tax	8,104,758
County Open Space Preservation	335,258
County Added and Omitted Taxes	24,866
	22,890,568

Local Tax for Municipal Purposes	\$ 16,836,880
Add: Additional Taxes Levied	98,292
	16,935,172
Local Tax for Municipal Purposes	\$ 39,825,740

**BOROUGH OF ENGLEWOOD CLIFFS**

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

**Current Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021 \$ 39,528

Balance - December 31, 2022 \$ 39,528

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Tax Title Liens Receivable**

**Current Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$	793
Increased by:		
Transfers from Taxes Receivable		<u>159</u>
Balance - December 31, 2022	\$	<u><u>952</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Revenue Accounts Receivable**

**Current Fund**

**Year ended December 31, 2022**

	Balance, Dec. 31, <u>2021</u>	Accrued in <u>2022</u>	<u>Collected</u>	Balance, Dec. 31, <u>2022</u>
Miscellaneous Revenues:				
Licenses - Alcoholic Beverages	\$	19,200	19,200	
Fees and Permits:				
Construction Code Official		484,758	484,758	
Other		54,198	54,198	
Municipal Court - Fines and Costs	1,955	23,680	23,757	1,878
Interest and Costs on Taxes		86,925	86,925	
Interest on Investments		136,860	136,860	
Commercial Sewer User Fees		431,752	431,752	
Cable TV - Annual Fees		37,863	37,863	
Cell Tower - Annual Leases		343,484	343,484	
Elevator Fees		54,769	54,769	
Consolidated Municipal Property Tax Relief Aid		691,474	691,474	
General Capital Fund Balance		67,500	67,500	
Sewer Connection Fees		62,000	62,000	
Police - Outside Duty		197,575	197,575	
	<u>\$ 1,955</u>	<u>2,692,038</u>	<u>2,692,115</u>	<u>1,878</u>
		Interfunds \$ 67,500		
		Cash <u>2,624,615</u>		
		<u>\$ 2,692,115</u>		

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Interfunds**

**Current Fund**

**Year ended December 31, 2022**

	Due from/(to) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>
Federal and State Grant Fund	\$ (503,215)	199,298	305,947	(609,864)
General Capital Fund	(263,526)	68,093	1,122,071	(1,317,504)
Dog License Trust Fund	5,227	864		6,091
Payroll Account	10,833		2,307	8,526
Recycling Trust Fund	4,335	10,000	1,557	12,778
DEA Forfeiture Trust Fund			63,653	(63,653)
Assessment/Other Trust Fund				
Other Trust Fund	378	205	4,496	(3,913)
Escrow Trust Fund	2,135			2,135
	<u>(743,833)</u>	<u>278,460</u>	<u>1,500,031</u>	<u>(1,965,404)</u>
Interfunds due from	22,908	11,069	4,447	29,530
Interfunds (due to)	<u>(766,741)</u>	<u>267,391</u>	<u>1,495,584</u>	<u>(1,994,934)</u>
	<u>\$ (743,833)</u>	<u>278,460</u>	<u>1,500,031</u>	<u>(1,965,404)</u>
			Cash Receipts \$ 969,527	
		Cash Disbursements 10,000		
		Anticipated Revenue 67,500		
		Interest on Investments 773		
		Statutory Excess 864		
		Deposit Errors 25		
			Budget Appropriations 1,557	
			Capital Improvement Fund 167,000	
			Down Payment on Improvements 56,000	
			Grants Receivable 283,448	
		Appropriated Grant Reserves 199,298		
			Unappropriated Grant Reserves 22,499	
		<u>\$ 278,460</u>	<u>1,500,031</u>	

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Deferred Charges**

**Current Fund**

**Year ended December 31, 2022**

<u>Purpose</u>	Balance, Dec. 31, <u>2021</u>	Decreased by: Budget <u>Appropriation</u>
Overexpenditure of:		
Current Budget Appropriations	\$ <u>10,948</u>	<u>10,948</u>
	\$ <u><u>10,948</u></u>	<u><u>10,948</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

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

**Current Fund**

**Year ended December 31, 2022**

<u>Date</u>	<u>Purpose</u>	<u>Net Amount</u>	<u>1/5 of net</u>	<u>Balance</u>	<u>Reduced by:</u>	<u>Balance</u>
<u>Authorized</u>		<u>Authorized</u>	<u>Amount</u>	<u>Dec. 31,</u>	<u>2022 Budget</u>	<u>Dec. 31,</u>
			<u>Authorized</u>	<u>2021</u>	<u>Appropriation</u>	<u>2022</u>
November 17, 2019	Special Emergency - Terminal Leave	620,500	124,100	372,300	124,100	248,200
November 23, 2020	Special Emergency - Terminal Leave	653,100	130,620	522,480	130,620	391,860
November 20, 2021	Special Emergency - Terminal Leave	639,324	127,865	511,459	127,865	383,594
				<u>\$ 1,406,239</u>	<u>382,585</u>	<u>1,023,654</u>

## BOROUGH OF ENGLEWOOD CLIFFS

## Schedule of Appropriation Reserves

## Current Fund

Year ended December 31, 2022

	Balance, Dec.31, <u>2021</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages:</b>				
Administrative and Executive	40,009	40,009		40,009
Mayor & Council	1,083	1,083		1,083
Collection of Taxes	892	892	665	227
Police	261,734	261,734	19,316	242,418
Police - Terminal Leave	3,000	3,000		
Office of Emergency Management	3,750	3,750	3,750	
Fire Official	21,492	21,492		21,492
Road Repairs and Maintenance	139,152	139,152	1,462	137,690
Parks and Playgrounds	30,000	30,000		30,000
Construction Official	4,345	4,345	2,266	2,079
Plumbing Inspector	8	8		8
Municipal Court	14,058	14,058	930	13,128
<b>Other Expenses:</b>				
Administrative and Executive	3,338	9,256	9,256	
Financial Administration	58,698	105,366	53,272	52,094
Information Technology	651	13,159	12,929	230
Collection of Taxes	3,345	38,519	31,812	6,707
Assessment of Taxes	7,961	8,172	443	7,729
Legal Services and Costs				
Other Expenses	669	176,544	168,374	8,170
Appraisal Fees		24,599	24,599	
Engineering Services and Costs	7,258	7,277	1,356	5,921
Insurance (N.J.S.A. 40A:4-45.3(00))				
Other Insurance Premiums	52,370	53,375	1,004	52,371
Group Insurance Plan for Employee	155,804	155,804	4,980	150,824
Planning Board	24,015	65,634	53,629	12,005
Police				
Other Expenses	50,421	90,306	17,838	72,468
Fire				
Other Expenses	13,333	21,099	16,479	4,620
Clothing Expenses	2,200	2,200		2,200
Road Repairs and Maintenance				
Other Expenses	14,018	38,334	30,884	7,450
Gasoline	4,750	7,789	7,789	
Garbage and Trash Removal	17,524	109,250	62,778	46,472
Public Buildings and Grounds	21,687	28,681	8,575	20,106
Sewer System	2,787	4,060	1,494	2,566
Shade Tree	22,975	31,403	5,100	26,303
Board of Health	485	762	394	368
Environmental Commission	639	1,154	515	639

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Appropriation Reserves**

**Current Fund**

**Year ended December 31, 2022**

	Balance, Dec.31, <u>2021</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid</u>	Balance <u>Lapsed</u>
Senior Citizens Committee	2,600	2,600		2,600
Parks and playgrounds	48,513	49,013	14,986	34,027
Celebration of Public Events	7,412	7,412		7,412
Construction Official	4,770	5,542	972	4,570
Fire Prevention	2,710	2,710		2,710
Municipal Court	6,012	6,028	5,633	395
COAH - Legal Fees	193,272	559,853	314,453	245,400
Electricity and Heating Oil	2,851	2,851		2,851
Telephone and Fax	1,365	6,540	1,216	5,324
Street Lighting	1,405	13,083	12,162	921
Water	12,323	13,296	974	12,322
Social Security System (O.A.S.I.)	8,451	8,451		8,451
Sewer - Contractual - BCUA Service Charges	67	67		67
Sewer Charges - Borough of Tenafly		15,252	15,252	
Sewer Charges - City of Englewood	3,075	40,000	36,925	3,075
LOSAP	7,820	7,820		7,820
Declared State of Emergency Costs for COVID-19	30,000	30,000		30,000
Capital Improvement Fund - Computers	40,000	40,000	40,000	
Capital Improvement Fund - 911/Borough Phone System	117,000	117,000	74,917	42,083
Capital Improvement Fund - Fire Department Oxygen Tank	1,262	1,262		1,262
	<u>\$ 1,475,359</u>	<u>2,441,046</u>	<u>1,059,379</u>	<u>1,378,667</u>
Appropriation Reserves	\$ 1,475,359			
Encumbrances		<u>965,687</u>		
		<u>\$ 2,441,046</u>		
		Cash	423,282	
		Transferred to Accounts Payable	<u>636,097</u>	
			<u>1,059,379</u>	

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Encumbrances Payable**

**Current Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$	965,687
Increased by:		
Charges to 2022 Budget Appropriations		<u>481,420</u>
		1,447,107
Decreased by :		
Transferred to 2021 Appropriation Reserves		<u>965,687</u>
Balance - December 31, 2022	\$	<u><u>481,420</u></u>

**Schedule of Accounts Payable**

**Current Fund**

**Year ended December 31, 2022**

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

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$	440,589
Increased by:		
Cash Receipts		<u>291,068</u>
		731,657
Decreased by :		
Applied to Taxes		<u>440,589</u>
Balance - December 31, 2022	\$	<u><u>291,068</u></u>

**Schedule of Tax Overpayments**

**Current Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$	7,815
Increased by:		
Cash Receipts		<u>110,340</u>
		118,155
Decreased by:		
Cash Disbursements	\$	21,169
Overpayments Applied		<u>87,012</u>
		<u>108,181</u>
Balance - December 31, 2022	\$	<u><u>9,974</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of County Taxes Payable**

**Current Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021		\$	30,866
Increased by:			
County Share of 2022 Levy	\$	8,104,758	
County Open Space Preservation of 2022 Levy		335,258	
County Share of 2022 Levy - Added Taxes		<u>24,866</u>	
			<u>8,464,882</u>
			8,495,748
Decreased by:			
Cash Disbursements			<u>8,470,882</u>
Balance - December 31, 2022		\$	<u><u>24,866</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**  
**Schedule of Local District School Taxes Payable**

**Current Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021		
School Taxes Deferred	\$	<u>7,071,415</u>
Increased by:		
Local School Share of Fiscal Year 2022 Levy		<u>14,425,686</u>
		21,497,101
Decreased by:		
Cash Disbursement		<u>14,167,240</u>
Balance - December 31, 2022	\$	<u><u>7,329,861</u></u>
School Taxes Payable		117,018
School Taxes Deferred		<u>7,212,843</u>
	\$	<u><u>7,329,861</u></u>
<u>2022 Liability for Local School District Taxes:</u>		
Tax Liability	\$	14,425,686
Add: Balance Deferred - December 31, 2021		<u>7,071,415</u>
		21,497,101
Less: Balance Deferred - December 31, 2022		<u>7,212,843</u>
Amount Charged to 2022 Operations	\$	<u><u>14,284,258</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Miscellaneous Reserves**

**Current Fund**

**Year Ended December 31, 2022**

<u>Reserve for</u>	Balance, Dec. 31, 2021	<u>Increased by:</u>	<u>Decreased by:</u>	Balance, Dec. 31, 2022
State Library Aid	\$ 5,518			5,518
Tax Appeal Reserve	247,050		20,876	226,174
Master Plan	1,675			1,675
BCUA Recycling Grant	11,445			11,445
Municipal Relief Fund		36,070		36,070
Police Outside Duty-Due to Officers	27,420			27,420
	<u>\$ 293,108</u>	<u>36,070</u>	<u>20,876</u>	<u>308,302</u>
		Cash Receipt \$ 36,070		
		Cash Disbursement	<u>20,876</u>	
		<u>\$ 36,070</u>	<u>20,876</u>	

**BOROUGH OF ENGLEWOOD CLIFFS**

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

**Current Fund**

**Year ended December 31, 2022**

<u>Improvement Description</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2022</u>
Special Emergency - Terminal Leave 2019	Dec. 30, 2019	Nov. 09, 2022	Aug. 09, 2023	4.500% \$	372,300	248,200	372,300	248,200
Special Emergency - Terminal Leave 2020	Nov. 12, 2020	Nov. 09, 2022	Aug. 09, 2023	4.500%	522,480	391,860	522,480	391,860
Special Emergency - Terminal Leave 2021	Nov. 12, 2021	Nov. 09, 2022	Aug. 09, 2023	4.500%	511,220	383,355	511,220	383,355
					<u>\$ 1,406,000</u>	<u>1,023,415</u>	<u>1,406,000</u>	<u>1,023,415</u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Grants Receivable**

**Federal and State Grant Fund**

**Year ended December 31, 2022**

	Balance, Dec. 31, <u>2021</u>	2022 <u>Revenue</u>	Decreased By:	Balance, Dec. 31, <u>2022</u>
Bulletproof Vest Fund	\$ 7,986			7,986
Community Development Block Grant	9,710		3,251	6,459
Community Development Block Grant - 2022		43,800		43,800
Municipal Alliance on Alcoholism and Drug Abuse	7,699			7,699
Body-Worn Cameras	52,988			52,988
Community Development Block Grant - Bathrooms	91,351			91,351
Clean Communities - 2022		12,899	12,899	
Alcohol Education Rehabilitation - 2022		1,136	1,136	
New Jersey Transportation Grant		200,000		200,000
ARP - Fire Department Vehicles		350,000	350,000	
ARP - Admin. HVAC and Computer Upgrades		65,000	65,000	
ARP - DPW Vehicles		45,395	45,395	
ARP - Police Vehicles		100,000	100,000	
	<u>\$ 169,734</u>	<u>818,230</u>	<u>577,681</u>	<u>410,283</u>
			Cash Receipt \$ 283,448	
			Transfer from Unappropriated Grants <u>294,233</u>	
			<u>\$ 577,681</u>	

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Interfunds**

**Federal and State Grant Funds**

**Year ended December 31, 2022**

	Due from/(to) Balance <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2022</u>
Current Fund	\$ <u>503,215</u>	<u>305,947</u>	<u>199,298</u>	<u>609,864</u>
	\$ <u><u>503,215</u></u>	<u><u>305,947</u></u>	<u><u>199,298</u></u>	<u><u>609,864</u></u>
		Grants Receivable \$ 283,448		
		Appropriated Grant Reserves	199,298	
		Unappropriated Grant Reserves	<u>22,499</u>	
		\$ <u><u>305,947</u></u>	<u><u>199,298</u></u>	

## BOROUGH OF ENGLEWOOD CLIFFS

## Schedule of Appropriated Grant Reserves

## Federal and State Grant Funds

Year ended December 31, 2022

<u>Grant</u>	Balance Dec. 31, <u>2021</u>	Transfer from 2022 Budget <u>Appropriations</u>	Decreased by:	Balance Dec. 31, <u>2022</u>
Community Development Block Grant	\$ 12,331			12,331
Community Development Block Grant - 2021	91,351			91,351
Community Development Block Grant - 2022		43,800		43,800
BCUA Recycling Grant	10,483			10,483
BCUA Recycling Grant	10,211			10,211
BCUA Recycling Grant	3,508			3,508
BCUA Recycling Grant	2,549			2,549
Clean Communities - 2013	2,844		2,844	
Clean Communities - 2014	10,668		2,380	8,288
Clean Communities - 2015	12,963			12,963
Clean Communities - 2016	14,251			14,251
Clean Communities - 2017	7,170			7,170
Clean Communities - 2018	12,047			12,047
Clean Communities - 2019	13,447			13,447
Clean Communities - 2021	12,124		10,403	1,721
Clean Communities - 2022		12,899	1,018	11,881
Recycling Tonnage Grant - 2010	3,451		3,451	
Recycling Tonnage Grant - 2011	7,326		7,326	
Recycling Tonnage Grant - 2013	6,920		6,920	
Recycling Tonnage Grant - 2014	9,675		9,675	
Recycling Tonnage Grant - 2016	6,793		1,487	5,306
Recycling Tonnage Grant - 2017	10,012			10,012
Recycling Tonnage Grant - 2018	9,982			9,982
Recycling Tonnage Grant - 2019	9,152			9,152
Recycling Tonnage Grant - 2020	7,631			7,631
Recycling Tonnage Grant - 2021	10,269		8,861	1,408
Alcohol Education Rehabilitation - 2014	943		617	326
Alcohol Education Rehabilitation - 2015	1,179			1,179
Alcohol Education Rehabilitation - 2016	665			665
Alcohol Education Rehabilitation - 2017	193			193
Alcohol Education Rehabilitation - 2018	879			879
Alcohol Education Rehabilitation - 2022		1,136		1,136
Municipal Alliance - 2017	156			156
Drunk Driving Enforcement Fund - 2003	162			162
Drunk Driving Enforcement Fund - 2004	1,141			1,141
Drunk Driving Enforcement Fund - 2005	279			279
Drunk Driving Enforcement Fund - 2009	378			378
Drunk Driving Enforcement Fund - 2014	3,400			3,400
Drunk Driving Enforcement Fund - 2015	1,989			1,989
New Jersey Transportation Grant		200,000		200,000
Body Armor Grant - 2018	2,684			2,684
Body Armor Grant - 2021	4,504			4,504

## BOROUGH OF ENGLEWOOD CLIFFS

## Schedule of Appropriated Grant Reserves

## Federal and State Grant Funds

Year ended December 31, 2022

<u>Grant</u>	Balance Dec. 31, <u>2021</u>	Transfer from 2022 Budget <u>Appropriations</u>	Decreased <u>by:</u>	Balance Dec. 31, <u>2022</u>
Body-Worn Cameras Grant	52,988		51,676	1,312
ARP - Fire Department Vehicles		350,000		350,000
ARP - Admin. - HVAC & Computer Upgrades		65,000	65,000	
ARP - DPW Vehicles		45,395	27,640	17,755
ARP - Police Vehicles & Armor/Cameras		100,000		100,000
Hepatitis B	735			735
Emergency Management Assistance Grant	5,000			5,000
Domestic Violence	1,000			1,000
Fireman's Fund Grant	1,567			1,567
Hazard Mitigation 2015 - Matching Grant	1,716			1,716
	<u>\$ 378,716</u>	<u>818,230</u>	<u>199,298</u>	<u>997,648</u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Unappropriated Reserves**

**Federal and State Grant Fund**

**Year Ended December 31, 2022**

<u>Grant</u>	Balance, Dec. 31, 2021	Realized as 2022 Budget Revenue	Cash Received	Balance, Dec. 31, 2022
Clean Communities	\$ 12,899	12,899	13,130	13,130
Alcohol Education & Rehabilitation Grant	1,136	1,136	316	316
American Rescue Plan - ARP Grant	280,198	280,198		
Recycling Tonnage Grant			9,053	9,053
	<u>294,233</u>	<u>294,233</u>	<u>22,499</u>	<u>22,499</u>

BOROUGH OF ENGLEWOOD CLIFFS

Schedule of Cash

Trust Funds

Year ended December 31, 2022

	Dog License	Other Trust	Recycling Trust	Shade Tree Trust	COAH Development	DEA Forfeiture Trust	Emergency Services Trust
Balance - December 31, 2021	\$ 9,460	1,547,110	2,158	10,420	2,492,999	71,588	1,614,809
Increased by:							
Dog License Fees	1,889						
Dog License State Fees	286						
State Fees		38,596					
Other Trust Reserves		538,205					
Recycling			1,991				
Shade Tree				100			
COAH Development Fees					283,363		
Interfunds		205	10,000				
Investment Earnings/Interest	5		2	5	13,674	300	2,347
Borough Contributions	2,180	577,006	11,993	105	297,037	300	23,582
	11,640	2,124,116	14,151	10,525	2,790,036	71,888	1,640,738
Decreased by:							
Dog License Fund Expenditures	312						
Dog License State Fees	286						
Other Trust Reserves		562,522					
State fees		33,746					
Recycling			9,718				
COAH Development Expenditures					8,163	1,000	
DEA Forfeiture Expenditures							355,424
Distributions/Losses	598	596,268	9,718		8,163	1,000	355,424
Balance - December 31, 2022	\$ 11,042	1,527,848	4,433	10,525	2,781,873	70,888	1,285,314

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Tax Sale Receivable**

**Other Trust Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ <u>50</u>
Balance - December 31, 2022	\$ <u><u>50</u></u>

## BOROUGH OF ENGLEWOOD CLIFFS

## Schedule of Interfunds/Intrafunds

Year ended December 31, 2022

	Due from/(to) Balance Dec. 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance Dec. 31, <u>2022</u>
<u>INTERFUNDS:</u>				
Dog License Trust Fund:				
Current Fund	\$ (5,227)		864	(6,091)
Other Trust Fund:				
Current Fund - Other Trust	(378)	4,496	205	3,913
Current Fund - Escrow Trust	(2,135)			(2,135)
Recycling Trust Fund:				
Current Fund	(4,335)	1,557	10,000	(12,778)
DEA Forfeiture Trust Fund:				
Current Fund		63,653		63,653
<u>INTRAFUNDS:</u>				
Due to Recycling Trust - Other Trust	(468)			(468)
Due to Recycling Trust - Shade Tree Trust	(152)			(152)
Due from Other Trust - Recycling Trust	468			468
Due from Shade Tree Trust - Recycling Trust	152			152
	<u>(12,075)</u>	<u>69,706</u>	<u>11,069</u>	<u>46,562</u>
Interfunds due from		67,566		67,566
Interfunds (due to)	<u>(12,075)</u>	<u>2,140</u>	<u>11,069</u>	<u>(21,004)</u>
	<u>\$ (12,075)</u>	<u>69,706</u>	<u>11,069</u>	<u>46,562</u>
			10,000	
Cash Receipts				
Budget Appropriation - Recycling Trust Deferred Charge		1,557		
Interest on Investments			205	
Reserve for DEA Forfeiture Expenditures		63,653		
Due to State of New Jersey		4,496		
Statutory Excess			864	
		<u>\$ 69,706</u>	<u>11,069</u>	

**BOROUGH OF ENGLEWOOD CLIFFS**

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

**Animal License Trust Fund**

**Year ended December 31, 2022**

Increased by:

State Fees Collected

\$ 286

Decreased by:

Paid to State of New Jersey

\$ 286

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Reserve for Animal License Trust Fund Expenditures**

**Dog License Trust Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021		\$	4,233
Increased by:			
Dog license fees	\$	1,639	
Late Fees		250	
Interest		<u>5</u>	
			<u>1,894</u>
			6,127
Decreased by:			
Statutory Excess due Current Fund		864	
Expenditures under R.S. 4:19-15:11		<u>312</u>	
			<u>1,176</u>
Balance - December 31, 2022		\$	<u><u>4,951</u></u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2020	\$ 2,108
2021	<u>2,843</u>
	\$ <u><u>4,951</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Due to State of New Jersey**

**Other Trust Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$	3,377
Increased by:		
Marriage License Fees	\$	75
Interfunds		4,496
DCA Fees		<u>38,521</u>
		<u>43,092</u>
		46,469
Decreased by:		
Disbursements		<u>33,746</u>
Balance - December 31, 2022	\$	<u><u>12,723</u></u>

Analysis of Balance

Due to State of New Jersey:		
DCA Fees	\$	<u><u>12,723</u></u>

## BOROUGH OF ENGLEWOOD CLIFFS

## Schedule of Various Reserves - Other Trust Funds

## Other Trust Fund

Year ended December 31, 2022

	Balance Dec. 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2022</u>
Reserve for:				
Escrow Deposits	1,232,262	465,605	500,244	1,197,623
TTL & Premiums		52,000	52,000	
Accumulated Absences	131,000			131,000
Other Trust Deposits:				
Street Opening Fees	25	50		75
P.O.A.A.	719	136		855
Law Enforcement Trust	1,171			1,171
Public Defender	300			300
5K Run	34,759	15,406		50,165
Donations:				
Police	22,328	4,050	722	25,656
Police in Car/Body Camera	25			25
Community Night	518		518	
Recreation	7,505	650	6,994	1,161
Fire Department	100			100
General Donations	5,650		2,044	3,606
Benches	1,115			1,115
Sign	1,085			1,085
Downstream Improvements	79,123			79,123
Shade Tree Fees	1,140	258		1,398
Sewer Maintenance	7,100			7,100
Recreation - Summer Camp	9,273			9,273
Parks and Recreation	1,921			1,921
Snow Removal	550			550
Miscellaneous	3,133	50		3,183
	<u>\$ 1,540,802</u>	<u>538,205</u>	<u>562,522</u>	<u>1,516,485</u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Reserve for Recycling Expenditures**

**Other Trust Funds**

**Year ended December 31, 2022**

Balance - December 31, 2021		\$	(1,557)
Increased by:			
Recycling Receipts	\$	1,991	
Interest		2	
Current Fund Budget Appropriations		<u>1,557</u>	
			<u>3,550</u>
			1,993
Decreased by:			
Recycling Expenditures			<u>9,718</u>
Balance - December 31, 2022		\$	<u><u>(7,725)</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Reserve for Shade Tree Expenditures**

**Other Trust Funds**

**Year ended December 31, 2022**

Balance - December 31, 2021		\$	10,268
Increased by:			
Shade Tree Receipts	\$	100	
Interest		<u>5</u>	
			<u>105</u>
Balance - December 31, 2022		\$	<u><u>10,373</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Reserve for COAH Development Expenditures**

**Other Trust Funds**

**Year ended December 31, 2022**

Balance - December 31, 2021		\$	2,492,999
Increased by:			
Development Fees	\$	283,363	
Interest		<u>13,674</u>	
			<u>297,037</u>
			2,790,036
Decreased by:			
Development Expenditures			<u>8,163</u>
Balance - December 31, 2022		\$	<u><u>2,781,873</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Reserve for DEA Forfeiture Expenditures**

**Other Trust Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021		\$	71,588
Increased by:			
Interfund - Department of Justice Forfeitures	\$	63,653	
Interest		<u>300</u>	
			<u>63,953</u>
			135,541
Decreased by:			
Other Expenditures			<u>1,000</u>
Balance - December 31, 2022		\$	<u><u>134,541</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Statement of Service Award Contributions Receivable**

**Emergency Services Volunteer Length of Service Award Program**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$	23,582
Increased by:		
2022 Service Award Contribution		<u>29,325</u>
		52,907
Decreased by:		
Contributions Paid		<u>23,582</u>
Balance - December 31, 2022	\$	<u><u>29,325</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Statement of Net Assets Available for Benefits**

**Emergency Services Volunteer Length of Service Award Program**

**Year ended December 31, 2022**

Balance - December 31, 2021		\$	1,638,391
Increased by:			
Borough Contributions	\$	29,325	
Interest		<u>2,347</u>	
			<u>31,672</u>
			1,670,063
Decreased by:			
Depreciation in Fair Value of Investments		<u>355,424</u>	
Balance - December 31, 2022		\$	<u><u>1,314,639</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Cash**

**General Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021		\$	1,288,859
Increased by:			
Fund Balance	\$	69,624	
Interest Earnings		568	
Interfunds		<u>25</u>	
			<u>70,217</u>
			1,359,076
Decreased by:			
Interfunds		899,071	
Paydown of Bond Anticipation Notes		37,765	
Improvement Authorizations		<u>91,707</u>	
			<u>1,028,543</u>
Balance - December 31, 2022		\$	<u><u>330,533</u></u>

## BOROUGH OF ENGLEWOOD CLIFFS

## Schedule of Analysis of Cash

## General Capital Fund

Year ended December 31, 2022

Grants Receivable -	
State of New Jersey Department of Transportation	\$ (842,760)
Bergen County Grants	(302,652)
Due to/(from) Ambulance Corp.	(100,000)
Due to/(from) Current Fund	(1,317,504)
Encumbrances Payable	232,455
Capital Improvement Fund	23,839
Reserve for Cost of Issuance	4,086
Reserve for Boswell Settlement	185,000
Reserve for Grants Receivable	256,652
Fund Balance	69,635

## Improvement Authorizations:

## Ordinance

NumberImprovement Description

2013-9	Road and Parking Lot Reconstruction and Improvements to the Firehouse	551
2013-11	Acquisition of Generators, Garbage Truck and related expenses	277,856
2013-15	Tax Appeal Refunds	9,361
2014-10	Various Acquisitions and Improvements	103,321
2015-09	Various Acquisitions and Improvements	94,014
2015-12	Tax Appeal Refunds	21,078
2015-13	Various Acquisitions and Improvements	68,879
2016-07	Various Acquisitions and Improvements	57,112
2017-06	Various Acquisitions and Improvements	377,405
2018-01	5th Street Improvements (Special Assessment)	(3,964)
2018-02	Various Acquisitions and Improvements	296,999
2019-10	Refunding Bond Ordinance - Tax Appeals	13,789
2019-11	Road Imps., Acquisition of Equipment & Vehicles	2,878
2020-10	Contribution for the Construction of Affordable Housing	53,114
2021-07	Multi-Purpose - NJ DOT Road Projects	411,538
2021-23	Various Equipment	98,851
2022-13	Various Recreation Improvements	239,000
		<u>\$ 330,533</u>

**BOROUGH OF ENGLEWOOD CLIFFS**

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

**General Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ <u>842,760</u>
-----------------------------	-------------------

Balance - December 31, 2022	\$ <u><u>842,760</u></u>
-----------------------------	--------------------------

Analysis of Balance

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

**Exhibit C-5**

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Due from Bergen County**

**General Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ <u>46,000</u>
Increased by:	
Grant Awards	<u>256,652</u>
Balance - December 31, 2022	\$ <u><u>302,652</u></u>

Analysis of Balance

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

**Exhibit C-6**

**Schedule of Due from Ambulance Corp.  
Ordinance 2011-11/2012-15**

**General Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ <u>100,000</u>
Balance - December 31, 2022	\$ <u><u>100,000</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Interfunds**

**General Capital Fund**

**Year ended December 31, 2022**

	Balance Dec. 31, <u>2021</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2022</u>
Current Fund	\$ <u>263,526</u>	<u>1,122,071</u>	<u>68,093</u>	<u>1,317,504</u>
	<u>263,526</u>	<u>1,122,071</u>	<u>68,093</u>	<u>1,317,504</u>
Due to General Capital Fund	<u>263,526</u>	<u>1,122,071</u>	<u>68,093</u>	<u>1,317,504</u>
	\$ <u>263,526</u>	<u>1,122,071</u>	<u>68,093</u>	<u>1,317,504</u>

Receipts	\$	25
Disbursements		899,071
Capital Improvement Fund		167,000
Down Payment on Improvements		56,000
Current Fund Anticipated Revenue		67,500
Interest Earnings		568
	\$	<u>1,122,071</u>
		<u>68,093</u>

**BOROUGH OF ENGLEWOOD CLIFFS**

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

**General Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021		\$	7,128,000
Decreased by:			
2022 Budget Appropriation:			
Serial Bonds	\$	1,330,000	
Capital Lease		<u>106,000</u>	
			<u>1,436,000</u>
Balance - December 31, 2022		\$	<u><u>5,692,000</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**  
**Schedule of Deferred Charges to Future Taxation - Unfunded**  
**General Capital Fund**

Year ended December 31, 2022

Ordinance Number	Improvement Description	Balance, Dec. 31, 2021	Authorizations 2022	Decreased By	Balance, Dec. 31, 2022	Financed by Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
2013-11	Acquisition of Generators, Garbage Truck and related expenses	\$ 380,425		23,665	356,760	356,760		
2013-15	Tax Appeal Refunds	21,667			21,667			21,667
2014-10	Various Acquisitions and Improvements	1,465,752		80,537	1,385,215	1,385,215		
2015-09	Various Acquisitions and Improvements	819,622		46,151	773,471	773,471		
2016-07	Various Acquisitions and Improvements	876,732		51,634	825,098	825,098		
2017-06	Various Acquisitions and Improvements	888,248		48,752	839,496	839,496		
2018-01	5th Street Improvements (Special Assessment)	133,300			133,300		3,964	129,336
2018-02	Various Acquisitions and Improvements	855,000		39,991	815,009	815,009		
2019-10	Refunding Bond Ordinance - Tax Appeals	2,160,000		420,000	1,740,000	1,665,000		75,000
2019-11	Road Imps. Acquisition of Equipment & Vehicles	950,000			950,000	950,000		
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	Various Recreation Improvements		4,761,000		4,761,000			4,761,000
		\$ 10,121,246	4,761,000	710,730	14,171,516	7,610,049	3,964	6,557,503
		Budget Appropriations \$	710,730	Improvement Authorizations Unfunded \$				7,780,877

Less: Unexpended Proceeds of Bond Anticipation Notes

Ord. 2013-11	\$ 277,856
Ord. 2014-10	103,321
Ord. 2015-09	94,014
Ord. 2016-07	57,112
Ord. 2017-06	377,405
Ord. 2018-02	296,999
Ord. 2019-10	13,789
Ord. 2019-11	2,878
	<u>1,223,374</u>

\$ 6,557,503

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Bond Anticipation Notes**

**General Capital Fund**

Year ended December 31, 2022

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2021	Increased	Decreased	Balance, Dec. 31, 2022
2013-11	Acquisition of Generators, Garbage Truck and Related Expenses	Feb. 28, 2014	Feb. 17, 2022	Feb. 16, 2023	0.959%	380,425	356,760	380,425	356,760
2014-10	Various Acquisitions and Improvements	Feb. 27, 2015	Feb. 17, 2022	Feb. 16, 2023	0.959%	1,465,752	1,385,215	1,465,752	1,385,215
2015-09	Various Acquisitions and Improvements	Feb. 26, 2016	Feb. 17, 2022	Feb. 16, 2023	0.959%	819,622	773,471	819,622	773,471
2016-07	Various Acquisitions and Improvements	Feb. 23, 2017	Feb. 17, 2022	Feb. 16, 2023	0.959%	876,732	825,098	876,732	825,098
2017-06	Various Acquisitions and Improvements	Feb. 22, 2018	Feb. 17, 2022	Feb. 16, 2023	0.959%	888,248	839,496	888,248	839,496
2018-12	Various Acquisitions and Improvements	Feb. 22, 2018	Feb. 17, 2022	Feb. 16, 2023	0.959%	855,000	815,009	855,000	815,009
2019-11	Road Impr., Acquisition of Equipment & Vehicles	Feb. 20, 2020	Feb. 17, 2022	Feb. 16, 2023	0.959%	950,000	950,000	950,000	950,000
2019-10	Refunding Bond Ordinance - Tax Appeals	Nov. 14, 2019	Nov. 09, 2022	Aug. 09, 2023	4.500%	2,085,000	1,665,000	2,085,000	1,665,000
						\$ 8,320,779	7,610,049	8,320,779	7,610,049

Budget Appropriation \$

Renewals

\$ 7,610,049

\$ 7,610,049

\$ 8,320,779

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of General Serial Bonds**

**General Capital Fund**

Year ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2022		Interest Rate	Balance, Dec. 31, 2021	Decreased	Balance, Dec. 31, 2022
			Date	Amount				
General Improvement Bonds of 2014	March 15, 2014	9,885,000	March 15, 2023	675,000	2.00	\$ 6,225,000	650,000	5,575,000
			March 15, 2024	700,000	3.00			
			March 15, 2025	700,000	3.00			
			March 15, 2026	700,000	3.00			
			March 15, 2027	700,000	3.00			
			March 15, 2028	700,000	3.00			
General Improvement Refunding Bonds of 2016	April 1, 2016	3,205,000	March 15, 2029	700,000	3.00			
			March 15, 2030	700,000	3.00			
						<u>680,000</u>	<u>680,000</u>	
						\$ <u>6,905,000</u>	<u>1,330,000</u>	<u>5,575,000</u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Capital Leases Payable**

**General Capital Fund**

Year ended December 31, 2022

Purpose	Date of Issue	Original Issue	Maturities Outstanding at December 31, 2022	Interest Rate	Balance, Dec. 31, 2021	Decreased	Balance, Dec. 31, 2022
			Date				
Refund of Unfunded Pension Obligation	May 17, 2012	804,000	Mar. 15, 2023	3.259	\$ 223,000	106,000	117,000
					\$ 223,000	106,000	117,000

**BOROUGH OF ENGLEWOOD CLIFFS**

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2021		2022 Authorizations	Authorizations Expended		Balance, December 31, 2022	
				Funded	Unfunded		Expended	Funded	Unfunded	
2013-9	Road and Parking Lot Reconstruction and Improvements to the Firehouse	Aug. 14, 2013	1,555,000	551				551		
2013-11	Acquisition of Generators, Garbage Truck and related expenses	Sept. 11, 2013	525,000		277,856				277,856	
2013-15	Tax Appeal Refunds	Dec. 11, 2013	590,000	9,361	21,667			9,361	21,667	
2014-10	Various Acquisitions and Improvements	July 22, 2014	1,928,000		103,321				103,321	
2015-09	Various Acquisitions and Improvements	June 10, 2015	1,008,500		94,635		621			94,014
2015-12	Tax Appeal Refunds	Nov. 9, 2015	1,460,000	21,078				21,078		
2015-13	Various Acquisitions and Improvements	Nov. 9, 2015	682,500	80,575			11,696	68,879		
2016-07	Various Acquisitions and Improvements	July 13, 2016	1,030,000		58,429		1,317			57,112
2017-06	Various Acquisitions and Improvements	June 14, 2017	984,560		377,405				377,405	
2018-01	5th Street Improvements (Special Assessment)	March 20, 2018	140,000		129,336				129,336	
2018-02	Various Acquisitions and Improvements	June 26, 2018	1,110,000		305,159		8,160			296,999
2019-10	Refunding Bond Ordinance - Tax Appeals	Sept. 11, 2019	3,000,000		88,789				88,789	
2019-11	Road Imps., Acquisition of Equipment & Vehicles	Oct. 19, 2019	1,000,000		92,604		89,726			2,878
2020-10	Contribution for the Construction of Affordable Housing	Nov. 23, 2020	1,450,000	53,114	1,377,500			53,114	1,377,500	
2021-07	Multi-purpose - NJ DOT Road Projects	May 12, 2021	820,000	411,538	193,000			411,538		193,000
2021-23	Various Equipment	Dec. 8, 2021	125,000	125,000			26,149	98,851		
2022-13	Various Recreation Improvements		5,000,000			5,000,000		239,000		4,761,000
				\$ 701,217	\$ 3,119,701	\$ 5,000,000	\$ 137,669	\$ 902,372	\$ 7,780,877	

Deferred Charges Unfunded \$ 4,761,000  
 Capital Improvement Fund 183,000  
 Down Payment on Capital Improvement 56,000

\$ 5,000,000

Cash \$ 91,707  
 Encumbrances Payable 45,962  
 \$ 137,669

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Encumbrances Payable**

**General Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ 224,258
Increased by:	
Transfer from Improvement Authorizations	<u>45,962</u>
	270,220
Decreased by:	
Cash Disbursements	<u>37,765</u>
Balance - December 31, 2022	<u><u>\$ 232,455</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Capital Improvement Fund**

**General Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$	39,839
Increased by:		
Budget Appropriation		<u>167,000</u>
		206,839
Decreased by:		
Appropriated to Finance		
Improvement Authorizations		<u>183,000</u>
Balance - December 31, 2022	\$	<u><u>23,839</u></u>

**Schedule of Down Payment on Improvements**

**General Capital Fund**

**Year ended December 31, 2022**

Increased by:		
Budget Appropriation	\$	<u>56,000</u>
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	\$	<u><u>56,000</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Reserve for Cost of Issuance**

**General Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ <u>4,086</u>
Balance - December 31, 2022	\$ <u><u>4,086</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Reserve for Boswell Settlement**

**General Capital Fund**

**Year ended December 31, 2022**

Balance - December 31, 2021	\$ <u>185,000</u>
Balance - December 31, 2022	\$ <u><u>185,000</u></u>

**Schedule of Reserve for Grants Receivable**

**General Capital Fund**

**Year ended December 31, 2022**

Increased by:	
Grants Award - Ordinance 2022-13 Witte Field Imp.	\$ <u>256,652</u>
Balance - December 31, 2022	\$ <u><u>256,652</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS**

**Schedule of Bonds and Notes Authorized But Not Issued**

**General Capital Fund**

**Year ended December 31, 2022**

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

**BOROUGH OF ENGLEWOOD CLIFFS**

**PART II**

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2022**



**WIELKOTZ & COMPANY** LLC  
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Englewood Cliffs in the County of Bergen as of and for the year ended December 31, 2022 and the related notes to the financial statements, and have issued our report thereon dated December 14, 2023, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. Our opinion on the regulatory basis of accounting was adverse due to a scope limitation.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Englewood Cliffs's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Englewood Cliffs's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Englewood Cliffs's internal control.

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



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

We did identify certain immaterial deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

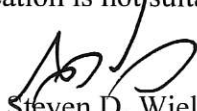
### **Compliance and Other Matters**

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Englewood Cliffs'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 of Englewood Cliffs's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

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

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

December 14, 2023



**BOROUGH OF ENGLEWOOD CLIFFS**

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

***Section II - Financial Statement Findings***

**FINDING 2022-001**

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

**Criteria:**

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

**Condition:**

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

**Questioned Costs:**

None

**Context:**

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

**Effect:**

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

**Cause**

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

**BOROUGH OF ENGLEWOOD CLIFFS**

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

*Section II - Financial Statement Findings  
(Continued)*

**FINDING 2022-001 (Continued)**

**Recommendation**

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

**Response**

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

**BOROUGH OF ENGLEWOOD CLIFFS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(continued)**

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2021-001**

**Condition:**

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

**Current Status:**

Corrective action has not been takes, see Finding 2022-001.

**Finding 2021-002**

**Condition:**

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

**Current Status:**

Corrective action was taken for the current year.

**Finding 2021-003**

**Condition:**

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

**Current Status:**

Prior year deficits were raised in the current fund budget.

**BOROUGH OF ENGLEWOOD CLIFFS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(continued)**

**STATUS OF PRIOR YEAR FINDINGS (continued)**

**Finding 2021-004**

**Condition:**

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

**Current Status:**

Corrective action has been taken.

## **BOROUGH OF ENGLEWOOD CLIFFS**

### **GENERAL COMMENTS**

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

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

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

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

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

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

- Pruning & Tree Removal
- Leaf Removal Services
- Improvements to Police Lockers and Lobby Bathrooms
- Pickup, Transportation and Disposal of Leaves
- Witte Field Park Project
- Veterans and Fallen Heroes Park Improvements

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

**BOROUGH OF ENGLEWOOD CLIFFS**

**GENERAL COMMENTS, (continued)**

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

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

**Collection of Interest on Delinquent Taxes and Assessments**

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

The governing body on January 5, 2022 adopted the following resolution authorizing interest to be charged on delinquent taxes:

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

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

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

**Delinquent Taxes and Tax Title Liens**

A tax sale was held on December 8, 2022.

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

<u>Year</u>	<u>Number of liens</u>
2022	1
2021	1
2020	1

**BOROUGH OF ENGLEWOOD CLIFFS  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2022**

**COMMENTS:**

**FINANCE:**

1. There is a deficit in the Recycling Trust Fund Reserve of \$7,725 as a result of bills paid in excess of the reserve balance.
2. Prior year interfunds were not liquidated during the year under review.
3. There are long outstanding grant contributions/receivables in the Federal and State Grant Fund and the General Capital Fund.
4. \*There are significant amounts of appropriated grant reserves available for expenditure.
5. There were instances in which budget appropriation transfers approved by Mayor & Council were not properly reflected in the Current Fund subsidiary ledgers.
6. There are stale dated outstanding checks being carried as reconciling items on the following bank reconciliations:
  - a. Current Fund
  - b. Payroll Account
  - c. Escrow Account
7. A detailed analysis of the liability for accrued sick and vacation was not available for review at the time of audit.
8. There were instances in which goods and/or services were ordered prior to the execution of a purchase order in violation of Technical Accounting Directive #1.
9. \*The Borough's accounting policy for the outside employment of police officers within the police salary and wage line item is not authorized and is contrary to State law and regulations as stated in Local Finance Notice 2000-14 "Managing for Outside Employment of Police".
10. Subsidiary ledgers for the Federal and State Grant Fund and General Capital Fund do not agree to audited balances.
11. There were instances in which informal quotes were not provided for purchases which exceeded 15% of the bid threshold as required by N.J.S.A. 40A:11-6.1.

**BOROUGH CLERK:**

1. There were instances in which Request for Qualifications for professional service contracts were not available for review at the time of audit.
2. There were instances in which resolutions awarding professional service contracts did not include all of the requirements in accordance with the New Jersey Local Unit Pay-To-Play law (N.J.S.A. 19:44A-20.4)

**BOROUGH OF ENGLEWOOD CLIFFS  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2022  
(continued)**

**COMMENTS (continued):**

**PAYROLL:**

1. There were several instances in which overtime sheets did not contain an approving signature.

**MUNICIPAL COURT:**

1. \*There were multiple instances in which cash collections were not remitted to the proper agency before the 15<sup>th</sup> of the month, as per Rule 7:14-4(a).
2. A review of the ATS/ACS Monthly Management Report for the month of December 2022 indicated some backlog in ticket processing:
  - a. There were 42 tickets eligible for FTA over 14 days.
  - b. There were 4 tickets that have been held for over 120 days.
  - c. There were 20 tickets assigned over 180 days but not issued.
  - d. There are 12 tickets issued monthly but not assigned.
  - e. There were 10 cases on overpayment status.

**RECOMMENDATIONS:**

**FINANCE:**

1. \*Greater oversight and monitoring be utilized to ensure reserve balances are adequate to fund expenditures.
2. All prior year interfunds be liquidated in a timely manner.
3. All grants receivable should be reviewed and assessed for collectability and cancelled if necessary.
4. \*That all appropriated grant reserves be reviewed and expended appropriately.
5. That all budget transfers authorized by Mayor and Council should be properly recorded in the subsidiary ledgers.
6. That outstanding checks be investigated and either liquidated and/or cancelled via resolution.
7. That a detailed analysis of the accrued liability for sick and vacation be maintained and made available for review at the time of audit.
8. The Borough should be recording encumbrances in accordance with N.J.A.C. 5:30-5.2 to ensure that funds allocated for specific purposes are reserved and cannot be used for other charges within that line item.

**BOROUGH OF ENGLEWOOD CLIFFS  
COMMENTS AND RECOMMENDATIONS  
DECEMBER 31, 2022  
(continued)**

**RECOMMENDATIONS (continued):**

**FINANCE (continued)**

9. The subsidiary ledgers for the Federal and State Grant Fund and General Capital Fund should be reviewed and adjusted accordingly to reflect audited balances.
10. That all purchases in excess of 15% of the bid threshold have informal quotes obtained and be made available for review as required by Local Public Contracts Law.

**BOROUGH CLERK:**

1. That all Request for Qualifications documentation be maintained and made available for review.
2. That all resolutions awarding professional service contracts include all requirements in accordance with N.J.S.A. 19:44-20.4.

**PAYROLL:**

1. All overtime timesheets should have an approving signature.

**MUNICIPAL COURT:**

1. \*More care be taken to ensure that all receipts due to other agencies are properly remitted in the subsequent month in accordance with Rule 7:14-4(1a).
2. That the following backlog in ticket processing be rectified:
  - a. The Eligible for FTA Report should be reviewed, and FTA's should be promptly generated.
  - b. The Case Status Report should be reviewed for list of cases that will require court action to insure processing is continued.
  - c. The Tickets Assigned Not Issued Report should be reviewed, and all tickets assigned over six months not issued should be recalled.
  - d. The Tickets Issued Not Assigned Report should be reviewed, there should not be any tickets issued and not assigned.
  - e. Overpayments should be cleared timely.

**BOROUGH OF ENGLEWOOD CLIFFS**

**STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATION**

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

**SUGGESTIONS TO MANAGEMENT:**

1. More care should be taken to ensure payments are remitted to agencies in a timely manner.

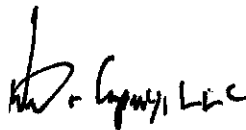
**ACKNOWLEDGMENT**

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

Respectfully submitted,



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



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

December 14, 2023