

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

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CITY OF GARFIELD

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2021



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
City of Garfield
Garfield, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Garfield, as of December 31, 2021 and 2020, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the financial statements - regulatory basis referred to above present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the City of Garfield as of December 31, 2021 and 2020, and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the respective revenues - regulatory basis and expenditures - regulatory basis of the various funds for the year ended December 31, 2021 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Basis for Opinions

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

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 16 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the City's financial statements as of and for the years ended December 31, 2021 and 2020. The LOSAP Trust Fund financial activities are included in the City's Trust Funds, and represent 23 percent and 20 percent of the assets and liabilities of the City's Trust Funds as of December 31, 2021 and 2020, respectively.

The notes to the City of Garfield's financial statements do not disclose the net other post employment benefit liability ("net OPEB liability) and other required information related to post-retirement medical benefits provided to the City's eligible retirees and their dependents as required by Government Accounting Standards Board Statement No.75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our opinion, disclosure of that information is required to conform with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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

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

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Garfield's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Garfield's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the City of Garfield as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by NJ OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Garfield. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

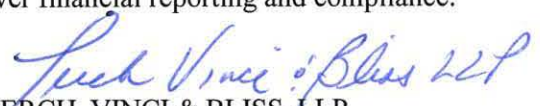
Other Information

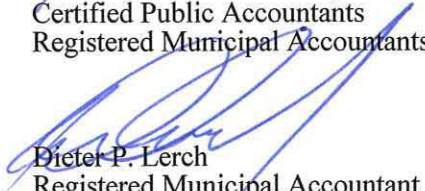
Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 24, 2022 on our consideration of the City of Garfield's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Garfield's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City of Garfield's internal control over financial reporting and compliance.


 LERCH, VINCI & BLISS, LLP
 Certified Public Accountants
 Registered Municipal Accountants


 Dieter P. Lerch
 Registered Municipal Accountant
 RMA Number CR00398

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CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS -CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	A-4	\$ 13,750,577	\$ 12,157,718
Cash - Change Fund	A-5	100	100
Grants Receivable	A-7	<u>283,916</u>	<u>168,984</u>
		<u>14,034,593</u>	<u>12,326,802</u>
Receivables with Full Reserves			
Delinquent Property Taxes Receivable	A-8	1,114,246	1,029,684
Tax Title Liens Receivable	A-9	598,323	534,886
Property Acquired for Taxes	A-10	436,870	436,870
Revenue Accounts Receivable	A-11	219,457	187,954
Interfunds Receivable:			
Other Trust Fund	B-7	463,070	-
Animal Control Fund	B-8	22,975	26,452
General Capital Fund	C-4	20,665	216,945
Water Utility Operating Fund	D-28	<u>506,271</u>	<u>-</u>
		<u>3,381,877</u>	<u>2,432,791</u>
Deferred Charges			
Emergency Authorization	A-24	1,500,000	
Special Emergency Authorization (40A:4-55)	A-24	<u>625,000</u>	<u>625,000</u>
		<u>2,125,000</u>	<u>625,000</u>
Total Assets		<u>\$ 19,541,470</u>	<u>\$ 15,384,593</u>

CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS -CURRENT FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3,A-12	\$ 2,146,595	\$ 1,459,548
Encumbrances Payable	A-13	1,928,385	1,397,976
Accounts Payable	A-14	156,138	156,138
Due County for Added and Omitted Taxes	A-17		20,118
Prepaid Taxes	A-15	669,242	476,811
Emergency Note Payable	A-25	1,500,000	
Interfunds Payable:			
Due to Other Trust Fund	B-7		4,680
Due to Water Utility Operating Fund	D-28		336,029
Due to Water Utility Capital Fund	D-26	51,046	45,000
Due to State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-6	32,905	41,828
Construction Code Fees Payable	A-18		1,902
Marriage Licenses Payable	A-19		1,378
Reserve for Tax Appeals Pending	A-20	474,484	574,484
Miscellaneous Reserves	A-21	14,715	14,715
Unappropriated Grant Reserves	A-22	5,832	2,406
Appropriated Grant Reserves	A-23	<u>2,109,746</u>	<u>435,371</u>
		9,089,088	4,968,384
Reserve for Receivables	A	3,381,877	2,432,791
Fund Balance	A-1	<u>7,070,505</u>	<u>7,983,418</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 19,541,470</u>	 <u>\$ 15,384,593</u>

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

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 3,964,000	\$ 3,964,000
Miscellaneous Revenue Anticipated	A-2	9,888,692	8,695,492
Receipts from Delinquent Taxes	A-2	869,609	1,059,498
Receipts from Current Taxes	A-2	64,213,669	62,465,467
Non-Budget Revenues	A-2	947,974	1,303,518
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-12	1,599,301	574,531
Statutory Excess - Animal Control Trust Fund	A-1	-	24,059
Interfunds Liquidated	A	199,757	12,504
Cancelled Prior Year Payables	A-1	3,280	7,299
Special Emergency - COVID	A-1	<u>-</u>	<u>625,000</u>
 Total Income		 <u>81,686,282</u>	 <u>78,731,368</u>
Expenditures			
Budget Appropriations			
Salaries and Wages	A-3	13,432,137	13,464,893
Other Expenses	A-3	19,180,529	18,032,501
Deferred Charges and Statutory Expenditures	A-3	5,180,334	3,546,887
Capital Improvements	A-3	200,000	380,000
Municipal Debt Service	A-3	2,921,575	3,065,984
Local District School Tax	A-16	31,165,367	30,470,954
County Taxes	A-17	7,053,809	6,678,239
Amount Due County for Added and Omitted Taxes	A-17	20,688	20,118
Interfunds Advanced	A	969,341	243,397
Senior Citizens and Veterans Deductions Disallowed - Prior Year	A-1	-	1,250
Refund of Prior Year Revenues and Taxes	A-4	<u>11,415</u>	<u>48,168</u>
 Total Expenditures		 <u>80,135,195</u>	 <u>75,952,391</u>
 Excess in Revenue Over Expenditures		 1,551,087	 2,778,977
Adjustments to Income before Fund Balance:			
Expenditures Included Above which by Statute are			
Required to be Raised in Succeeding Year's Budget	A-24	<u>1,500,000</u>	<u>180,000</u>
 Statutory Excess to Fund Balance		 3,051,087	 2,958,977
 Fund Balance, January 1	A	 <u>7,983,418</u>	 <u>8,988,441</u>
		11,034,505	11,947,418
 Decreased by Utilization as Anticipated Revenue	A-1	 <u>3,964,000</u>	 <u>3,964,000</u>
 Fund Balance, December 31	A	 <u>\$ 7,070,505</u>	 <u>\$ 7,983,418</u>

Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>Reference</u>	<u>Budget</u>	Added by <u>NJS 40A:4-87</u>	<u>Realized</u>	Excess or (<u>Deficit</u>)
Surplus Anticipated	A-1	\$ 3,964,000	\$ -	\$ 3,964,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-11	38,000		38,539	\$ 539
Other	A-2	39,000		44,120	5,120
Fees and Permits	A-2	262,000		238,150	(23,850)
Fines and Costs - Municipal Court	A-11	1,100,000		1,018,804	(81,196)
Interest and Costs on Taxes	A-11	261,000		225,458	(35,542)
Anticipated Surplus - Water Utility	A-11	500,000		500,000	-
Consolidated Municipal Property Tax Aid	A-11	221,380		221,380	-
Energy Receipts Tax	A-11	2,459,603		2,459,603	-
Uniform Construction Code Fees	A-11	384,000		314,270	(69,730)
Parking Enforcement Fees	A-11	220,000		220,000	-
Public and Private Programs					
ROID Grant - Children with Disabilities	A-7	-	20,000	20,000	-
Recycling Tonnage	A-7	-	40,973	40,973	-
Reserve for Body Armor	A-22	1,786	4,306	6,092	-
Municipal Alliance	A-7	-	2,045	2,045	-
FEMA - SAFER Firefighter Stipend Grant	A-7	-	88,000	88,000	-
Russell Berrie Grant	A-7	-	10,000	10,000	-
American Rescue Program Grant	A-7	-	1,664,335	1,664,335	-
COPS in Schools Reserve	A-7	620	-	620	-
Bergen County NJHC SP 2021 Re-Grant	A-7	-	975	975	-
Drive Sober or Get Pulled Over	A-7	-	12,000	12,000	-
Distracted Driving Grant	A-7	-	9,000	9,000	-
COVID-19 Health Grant	A-7	-	4,000	4,000	-
Neighborhood Preservation Grant	A-7	-	46,211	46,211	-
Clean Communities	A-7	-	48,336	48,336	-
Click It or Ticket	A-7	-	7,500	7,500	-
Other Special Items					
Uniform Fire Safety Act Fees	A-11	50,000		85,789	35,789
Sewer Charges	A-11	1,265,000		1,301,786	36,786
Host Community Fees (BCUA)	A-11	65,000		148,766	83,766
Housing Authority - PILOT	A-11	175,000		362,665	187,665
Reserve for Payment of Debt	A-11	350,000		350,000	-
Reserve for Tax Appeals	A-20	100,000		100,000	-
Reserve for Police Off Duty Admin Fees	A-11	200,000		299,275	99,275
Reserve for FEMA Reimbursement	A-21	-	-	-	-
Total Miscellaneous Revenues	A-2	7,692,389	1,957,681	9,888,692	238,622
Receipts from Delinquent Taxes	A-2	1,025,000	-	869,609	(155,391)
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		25,922,412		27,051,566	1,129,154
Minimum Library Tax		922,239	-	922,239	-
Total Amount to be Raised by Taxes for Support of Municipal Budget	A-2	26,844,651	-	27,973,805	1,129,154
Budget Totals		\$ 39,526,040	\$ 1,957,681	\$ 42,696,106	\$ 1,212,385
Non-Budget Revenues	A-2	-		947,974	
				\$ 43,644,080	

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

	<u>Reference</u>	
Analysis of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 64,213,669
Less		
Allocated to School and County Taxes	A-16, A-17	<u>38,239,864</u>
		25,973,805
Add Appropriation "Reserve for Uncollected Taxes	A-3	<u>2,000,000</u>
Balance for Support of Municipal Budget Appropriations	A-2	<u>\$ 27,973,805</u>
Licenses - Other		
City Clerk	A-11	\$ 1,520
Board of Health	A-11	<u>42,600</u>
	A-2	<u>\$ 44,120</u>
Fees and Permits		
Board of Health	A-11	\$ 10,519
City Clerk	A-11	11,349
Tax Collector	A-11	14,732
Recreation	A-11	169,286
Public Works	A-11	13,250
Police	A-11	7,848
Zoning Board of Adjustment	A-11	<u>11,166</u>
	A-2	<u>\$ 238,150</u>
Non-Budget Revenue		
Interest on Investments and Deposits		\$ 115,253
Rentals		203,665
Fire Prevention Fees		161,952
Police Outside Duty		159,893
State of NJ Fire Inspection		5,872
Miscellaneous		<u>301,339</u>
	A-2	<u>\$ 947,974</u>
Cash Receipts	A-4	\$ 938,183
Due from General Capital Fund	C-4	3,339
Due from Animal Control Trust Fund	B-8	18
Due from Other Trust Fund	B-7	<u>6,434</u>
		<u>\$ 947,974</u>

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

	<u>Appropriation</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balances</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
General Government					
General Administration					
Salaries & Wages	\$ 383,111	\$ 391,111	\$ 377,385	\$ 13,726	
Other Expenses	100,000	125,000	123,906	1,094	
Mayor and Council					
Salaries & Wages	37,655	40,655	40,394	261	
Municipal Clerk's Office					
Salaries & Wages	289,574	61,453	55,072	6,381	
Other Expenses	50,000	50,000	42,882	7,118	
Elections					
Other Expenses	14,000	20,000	19,450	550	
Financial Administration					
Salaries & Wages	255,592	280,592	273,539	7,053	
Other Expenses	42,000	42,000	32,588	9,412	
Annual Audit	65,000	70,000	64,288	5,712	
ADP Services	55,000	55,000	51,000	4,000	
Tax Assessment Administration					
Salaries & Wages	110,206	120,206	119,234	972	
Other Expenses	40,000	56,500	56,203	297	
Revenue Administration					
Salaries & Wages	198,133	263,133	215,422	47,711	
Other Expenses	65,000	67,000	66,732	268	
Legal Services					
Salaries & Wages	171,000	171,000	169,627	1,373	
Other Expenses	20,000	24,000	23,229	771	
Tax Court Appeal Counsel	20,000	20,000	2,301	17,699	
Engineering Services					
Salaries & Wages	45,000	45,000	-	45,000	
Other Expenses	50,000	50,000	43,750	6,250	
Public Buildings & Grounds					
Salaries & Wages			-	-	
Other Expenses	150,000	152,500	141,986	10,514	
Municipal Land Use Law (NJS 40:55-1)					
Planning Board					
Salaries & Wages	12,637	12,669	12,668	1	
Other Expenses	11,500	36,500	30,842	5,658	
Zoning Board					
Salaries & Wages	12,888	13,976	13,962	14	
Other Expenses	9,000	9,000	7,353	1,647	

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

	<u>Appropriation</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balances</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
Public Safety					
Fire					
Other Expenses	\$ 550,000	\$ 550,000	\$ 419,842	\$ 130,158	
Aid to Ambulance Corps					
Other Expenses	100,000	102,000	101,000	1,000	
Parking Enforcement Program					
Salaries & Wages					
Emergency Management					
Salaries & Wages	3,657	3,657	2,288	1,369	
Other Expenses	50,000	50,000	21,597	28,403	
Police					
Salaries & Wages	8,594,634	8,594,634	8,475,684	118,950	
Other Expenses	355,000	420,000	358,698	61,302	
Pension Pursuant to R.S. 43:12	4,000	4,000	303	3,697	
Purchase of Vehicles	63,000	208,000	204,368	3,632	
Traffic Division	37,000	37,000	19,736	17,264	
Uniform Fire Safety Fire Inspection Act					
Salaries & Wages	250,600	258,600	250,842	7,758	
Other Expenses	17,000	17,000	13,578	3,422	
Streets & Roads					
Road Repairs & Maintenance (Public Works)					
Salaries & Wages	1,342,414	1,322,414	1,283,374	39,040	
Other Expenses	320,000	350,000	336,129	13,871	
Snow Removal	100,000	60,000	31,602	28,398	
Recycling Program					
Other Expenses	3,000	3,000	2,102	898	
Health & Welfare					
Board of Health					
Salaries & Wages	312,891	387,891	282,997	104,894	
Other Expenses	54,400	49,070	35,570	13,500	
Health Officer					
Other Expenses	41,820	41,820	41,217	603	
Recreation & Education					
Parks & Playgrounds					
Salaries & Wages	837,064	609,064	589,855	19,209	
Other Expenses	191,000	221,000	211,568	9,432	
Historical Society					
Other Expenses	1,000	1,000	343	657	
Celebration of Public Events					
Anniversary & Holiday					
Other Expenses	50,000	52,000	50,984	1,016	
Housing Inspection					
Salaries & Wages	111,339	211,339	207,623	3,716	
Other Expenses	35,000	35,000	31,511	3,489	

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

	<u>Appropriation</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balances</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
Insurance					
Other Insurance	\$ 1,634,163	\$ 1,426,488	\$ 1,355,605	70,883	
Employee Group	6,034,182	5,834,182	5,730,173	104,009	
Health Benefit Waiver	110,000	110,000	90,000	20,000	
Garbage & Trash Removal (Waste Collection)					
Other Expenses	2,447,800	2,527,800	2,520,070	7,730	
Animal Control					
Other Expenses	50,000	50,000	50,000	-	
Contribution to Redevelopment Agency	45,000	45,000	45,000	-	
Municipal Court					
Salaries and Wages	345,216	345,216	341,448	3,768	
Other Expenses	34,000	35,000	33,656	1,344	
Public Defender					
Salaries and Wages	5,603	6,603	3,465	3,138	
Prosecutor					
Salaries & Wages	56,244	56,249	56,246	3	
Utilities					
Electricity	300,000	300,000	262,927	37,073	
Telephone	23,000	23,000	21,344	1,656	
Street Lighting	300,000	335,000	332,244	2,756	
Communications	530,000	565,000	557,907	7,093	
Gasoline	131,000	168,000	161,408	6,592	
Uniform Construction Code -					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code					
Building Inspections					
Salaries & Wages	206,018	231,018	226,918	4,100	
Other Expenses	46,000	46,000	40,360	5,640	-
Total Operations Within "CAPS"	27,930,341	27,870,340	26,785,395	1,084,945	-
Total Operations Including Contingent -					
Within "CAPS"	27,930,341	27,870,340	26,785,395	1,084,945	-
Detail:					
Salaries & Wages	13,731,476	13,426,480	12,998,043	434,094	-
Other Expenses (Including Contingent)	14,198,865	14,443,860	13,787,352	650,851	-

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

	<u>Appropriation</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balances Cancelled</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)	\$ 500,000	\$ 560,000	\$ 528,333	\$ 31,667	
State Unemployment Insurance Fund	25,000	25,000	25,000	-	
Pension Adjustment Fund	2,000	2,000	-	2,000	
Police and Fireman's Retirement System	2,313,334	2,313,334	2,313,334	-	
Deferred Charge - Emergency Appropriation	-	1,500,000	491,185	1,008,815	
Public Employees Retirement System	780,000	780,000	771,909	8,091	-
Total Deferred Charges and Statutory expenditures -					
Municipal Within "CAPS"	3,620,334	5,180,334	4,129,761	1,050,573	-
Total General Appropriations within "CAPS"	31,550,675	33,050,674	30,915,156	2,135,518	-
OPERATIONS - EXCLUDED FROM "CAPS"					
Other Operations					
Passaic Valley Sewer Commission	1,800,000	1,800,000	1,799,429	571	
Maintenance of Free Public Library	922,239	922,239	922,239	-	
LOSAP	60,000	60,000	49,494	10,506	-
Total Other Operations-Excluded from CAPS	2,782,239	2,782,239	2,771,162	11,077	-
Additional Appropriations Offset by					
Revenues (N.J.S. 40A:4-45.3h)					
Body Armor	1,786	6,092	6,092		
Alcohol Education and Rehabilitation Fund		2,045	2,045		
NJ DEP Forestry Grant					
Click It or Ticket		7,500	7,500		
Clean Communities		48,336	48,336		
Municipal Alliance					
Recycling Tonnage Grant		40,973	40,973		
The Russell Berrie Foundation Grant		10,000	10,000		
Rec Youth Soccer Grant					
ROID Grant - Children with Disabilities		20,000	20,000		
Labor Day DWI Grant					
Body Worm Cameras					
Drive sober or get pulled over		6,000	6,000		
Distracted Driving Grant		9,000	9,000		
Mid Bergen Regional Health COVID 19 Grant		4,000	4,000		
American Rescue Plan		1,664,335	1,664,335		
NJHC History Re-Grant		975	975		
FEMA firefighter stipend Grant		88,000	88,000		
Fire Prevention - FM Global					
Year end drunk driving Grant		6,000	6,000		
Neighborhood Preservation Grant		46,211	46,211		
BCUA Recycling Grant					
STOP Act Grant					
2020 Census Grant - Bergen County					
Cops in school reserve	620	620	620	-	
2020 COVID First Responders Grant					
CARES Act	-	-	-	-	-
Total Appropriations Offset by Revenues (N.J.S. 40A:4-45.3h)	2,406	1,960,087	1,960,087	-	-
Total Operations - Excluded from "CAPS"	2,784,645	4,742,326	4,731,249	11,077	-
Detail:					
Salaries & Wages	-	-	-	-	-
Other Expenses	2,784,645	4,742,326	4,731,249	11,077	-

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

	<u>Appropriation</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After</u>	<u>Paid or</u>	<u>Reserved</u>	<u>Balances</u>
		<u>Modification</u>	<u>Charged</u>		<u>Cancelled</u>
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 200,000	\$ 200,000	\$ 200,000	-	-
Total Capital Improvements	200,000	200,000	200,000	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,130,000	2,130,000	2,130,000		\$ -
Interest on Bonds	665,000	665,000	596,231		68,769
Interest on Notes	135,174	135,174	134,799		375
Principal & Interest - DCA Loan	9,400	9,401	9,400		1
Principal & Interest - GSPT - Passaic River Park		26,272	26,272		-
Green Trust Loan Program:					-
Loan Repayments for Principal and Interest	51,146	24,874	24,873	-	1
Total Municipal Debt Service - Excluded from "CAPS"	2,990,720	2,990,721	2,921,575	-	69,146
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	5,975,365	7,933,047	7,852,824	11,077	69,146
Subtotal General Appropriations	37,526,040	40,983,721	38,767,980	2,146,595	69,146
Reserve for Uncollected Taxes	2,000,000	2,000,000	2,000,000	-	-
Total General Appropriations	\$ 39,526,040	\$ 42,983,721	\$ 40,767,980	\$ 2,146,595	\$ 69,146
	<u>Reference</u>	A-2		A	
Adopted Budget	A-2	\$ 39,526,040			
Emergency Authorization	A-24	1,500,000			
Added by N.J.S. 40A:4-87	A-2	1,957,681			
		<u>\$ 42,983,721</u>			

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

	<u>Reference</u>	<u>Paid or Charged</u>
Cash Disbursements	A-4	\$ 34,879,508
Encumbrances Payable	A-13	1,928,385
Appropriated Grant Reserves	A-23	1,960,087
Reserve for Uncollected Taxes	A-2	<u>2,000,000</u>
		<u>\$ 40,767,980</u>

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

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Animal Control Fund			
Cash	B-1	\$ 30,549	\$ 45,678
		<u>30,549</u>	<u>45,678</u>
Other Trust Fund			
Cash	B-1	4,247,279	4,426,063
Due from Current Fund	B-7	<u>-</u>	<u>4,680</u>
		<u>4,247,279</u>	<u>4,430,743</u>
Length of Service Award Program Fund (UNAUDITED)			
Investments	B	1,240,573	1,052,711
Contribution Receivable	B	<u>55,200</u>	<u>54,050</u>
		<u>1,295,773</u>	<u>1,106,761</u>
Total Assets		<u>\$ 5,573,601</u>	<u>\$ 5,583,182</u>
LIABILITIES AND RESERVES			
Animal Control Fund			
Reserve for Animal Control Expenditures	B-3	\$ 7,574	\$ 19,205
Due to State of New Jersey	B-2	-	21
Due to Current Fund	B-8	<u>22,975</u>	<u>26,452</u>
		<u>30,549</u>	<u>45,678</u>
Other Trust Fund			
N.J. Unemployment Compensation Insurance (Deficit)	B-4	29,068	(16,193)
Escrow Deposits	B-5	199,456	158,936
Miscellaneous Reserves	B-6	3,302,261	3,761,838
Payroll Deductions & Reserves	B-9	143,411	373,947
Due to Current Fund	B-7	463,070	-
Due to State of New Jersey	B-10	<u>110,013</u>	<u>152,215</u>
		<u>4,247,279</u>	<u>4,430,743</u>
Length of Service Award Program Fund (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>1,295,773</u>	<u>1,106,761</u>
Total Liabilities and Reserves		<u>\$ 5,573,601</u>	<u>\$ 5,583,182</u>

Accompanying Notes are an Integral Part of these Financial Statements

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

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Cash	C-2,C-3	\$ 3,889,173	\$ 6,138,891
Grants Receivable	C-5	6,884,603	6,626,546
Deferred Charges to Future Taxation			
Funded	C-6	30,445,683	22,765,168
Unfunded	C-7	<u>11,085,407</u>	<u>17,975,167</u>
 Total Assets		 <u>\$ 52,304,866</u>	 <u>\$ 53,505,772</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-9	\$ 29,932,000	\$ 22,202,000
Green Acres Loan Payable	C-10	495,947	536,564
Department of Community Affairs Loan Payable	C-11	17,736	26,604
Bond Anticipation Notes Payable	C-12	3,925,000	10,813,954
Improvement Authorizations:			
Funded	C-8	1,888,630	934,979
Unfunded	C-8	5,125,440	6,352,556
Contracts Payable	C-13	2,331,994	4,139,718
Due to Current Fund	C-4	20,665	216,945
Capital Improvement Fund	C-14	390,355	299,755
Reserve for Grants Receivable	C-5	6,754,199	6,611,546
Reserve for Payment of Debt	C-15	413,805	421,660
Reserve for Future Improvements	C-16	202,618	234,118
Fund Balance	C-1	<u>806,477</u>	<u>715,373</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 52,304,866</u>	 <u>\$ 53,505,772</u>

Bonds and Notes Authorized But Not Issued at December 31, 2021 and 2020 were \$7,160,407 and \$7,161,213, respectively, (Exhibit C-17).

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

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	C	\$ 715,373	\$ 612,794
Increased by:			
Premium on Sale of Bonds	C-2	<u>91,104</u>	<u>102,579</u>
Balance, December 31	C	<u>\$ 806,477</u>	<u>\$ 715,373</u>

CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - WATER UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Operating Fund			
Cash	D-5	\$ 5,185,496	\$ 3,909,143
Cash - Change Fund	D-5	100	100
Due from Water Utility Capital Fund	D-7	241	30,816
Due from Current Fund	D-28	-	336,029
		<u>5,185,837</u>	<u>4,276,088</u>
Receivables and Other Assets With Full Reserves			
Consumer Accounts Receivable	D-16	<u>546,700</u>	<u>541,085</u>
		<u>546,700</u>	<u>541,085</u>
Deferred Charges			
Emergency Authorization	D-4	<u>125,000</u>	<u>-</u>
Total Operating Fund		<u>5,857,537</u>	<u>4,817,173</u>
Capital Fund			
Cash	D-5, D-6	3,841,647	3,898,402
Loan Receivable - NJ Environmental Infrastructure	D-8	27,397	27,397
Fixed Capital	D-9	21,708,682	21,708,682
Fixed Capital Authorized and Uncompleted	D-10	5,470,000	3,795,000
Due from Current Fund	D-26	<u>51,046</u>	<u>45,000</u>
Total Capital Fund		<u>31,098,772</u>	<u>29,474,481</u>
Total Assets		<u>\$ 36,956,309</u>	<u>\$ 34,291,654</u>

CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - WATER UTILITY FUND
AS OF DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund			
Appropriation Reserves	D-4, D-22	\$ 33,056	\$ 554,496
Encumbrances Payable	D-23	383,731	326,447
Accrued Interest on Bonds, Notes and Loans	D-15	49,147	52,623
Accounts Payable	D-27	15,000	15,000
Emergency Note Payable	D-31	500,000	
Due to Current Fund	D-28	<u>506,271</u>	<u>-</u>
		1,487,205	948,566
Reserve for Receivables	D	546,700	541,085
Fund Balance	D-1	<u>3,823,632</u>	<u>3,327,522</u>
Total Operating Fund		<u>5,857,537</u>	<u>4,817,173</u>
Capital Fund			
Serial Bonds Payable	D-19	2,753,000	3,098,000
Intergovernmental Loan Payable	D-20	1,087,572	1,418,330
Bond Anticipation Notes Payable	D-21	4,278,000	3,374,046
Improvement Authorizations			
Funded	D-14	399,565	1,506,794
Unfunded	D-14	1,447,569	928,962
Contracts Payable	D-24	1,705,565	417,077
Capital Improvement Fund	D-17	8,400	8,400
Due to Water Utility Operating Fund	D-7	241	30,816
Reserve for:			
Amortization	D-11	15,298,451	14,011,647
Deferred Amortization	D-12	3,601,659	3,601,659
Payment of Debt	D-13	167,655	167,655
Preliminary Engineering Expenses	D-18	10,000	10,000
Infrastructure and Rate Stabilization	D-25	30,000	590,000
Lead Line Replacement	D-29	220,000	220,000
Fund Balance	D-2	<u>91,095</u>	<u>91,095</u>
Total Capital Fund		<u>31,098,772</u>	<u>29,474,481</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 36,956,309</u>	<u>\$ 34,291,654</u>

Bonds and notes authorized but not issued at December 31, 2021 and 2020 were \$160,000 and \$-0-, respectively. (Exhibit D-30)

CITY OF GARFIELD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized			
Surplus Anticipated	D-3	\$ 200,000	\$ 475,000
Rents	D-3	3,237,001	3,220,588
Other Credits to Income			
Non-Budget Revenue	D-3	44,930	33,224
Cancelled Prior Year Accounts Payable	D-1	-	16,860
Unexpended Balance of Appropriation Reserves	D-22	<u>608,837</u>	<u>517,949</u>
		<u>4,090,768</u>	<u>4,263,621</u>
Expenditures			
Operating	D-4	2,092,297	2,453,000
Debt Service	D-4	900,158	904,362
Deferred Charges and Statutory Expenditures	D-4	27,203	35,000
Surplus (General Budget)	D-4	<u>500,000</u>	<u>300,000</u>
		<u>3,519,658</u>	<u>3,692,362</u>
Excess of Revenues Over Expenditures		571,110	571,259
Adjustments to Income before Fund Balance:			
Expenditures Included Above which by Statute are			
Required to be Raised in Succeeding Year's Budget		<u>125,000</u>	<u>-</u>
Statutory Excess to Fund Balance		696,110	571,259
Fund Balance, January 1	D	<u>3,327,522</u>	<u>3,231,263</u>
		4,023,632	3,802,522
Decreased by Utilization as Anticipated Revenue	D-3	<u>200,000</u>	<u>475,000</u>
Fund Balance, December 31	D	<u>\$ 3,823,632</u>	<u>\$ 3,327,522</u>

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

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	D	\$ 91,095	\$ 91,095
Increased by:			
Premium on Sale of Bonds and Notes	D-5	<u>-</u>	<u>-</u>
Balance, December 31	D	<u>\$ 91,095</u>	<u>\$ 91,095</u>

STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Surplus Anticipated	D-1	\$ 200,000	\$ 200,000	
Rents	D-1,D-16	<u>3,200,000</u>	<u>3,237,001</u>	<u>\$ 37,001</u>
		<u>\$ 3,400,000</u>	<u>\$ 3,437,001</u>	<u>\$ 37,001</u>
Non-Budget	D-1		<u>44,930</u>	
			<u>\$ 3,481,931</u>	
Analysis of Non-Budget Revenue				
Cash Receipts	D-5		\$ 44,689	
Due from Water Utility Capital Fund	D-7		<u>241</u>	
	D-3		<u>\$ 44,930</u>	

CITY OF GARFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	<u>Appropriation</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
Operating					
Salaries and Wages	\$ 270,000	\$ 270,000	\$ 261,377	\$ 8,623	
Other Expenses	1,480,000	1,597,297	1,572,864	24,433	
Employee Group Insurance	225,000	225,000	225,000		
Debt Service					
Bond Principal	345,000	345,000	345,000		
Payment of Bond Anticipation Notes	52,000	52,000	51,076		\$ 924
Interest on Bonds	95,000	95,818	93,605		2,213
Interest on Notes	43,000	45,000	44,612		388
2004 EIT Loan	365,000	367,682	365,865		1,817
Deferred Charges					
Deferred Charges Unfunded - Water Utility Capital Fund					
Statutory Expenditures					
Social Security System (O.A.S.I.)	25,000	27,203	27,203	-	
Surplus (General Budget)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,400,000</u>	<u>\$ 3,525,000</u>	<u>\$ 3,486,602</u>	<u>\$ 33,056</u>	<u>\$ 5,342</u>
<u>Reference</u>					
Adopted Budget	D-2	\$ 3,400,000			
Emergency Authorizations	D	<u>125,000</u>			
		<u>\$ 3,525,000</u>			
Cash Disbursed	D-5		\$ 2,929,547		
Encumbrances Payable	D-23		383,731		
Accrued Interest on Bonds, Notes and Loans	D-15		<u>173,324</u>		
			<u>\$ 3,486,602</u>		

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

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
ASSETS			
Land		\$ 20,827,354	\$ 20,827,354
Buildings and Building Improvements		20,068,416	20,029,543
Machinery and Equipment		<u>16,604,109</u>	<u>15,802,833</u>
 Total Assets	 E	 <u>\$ 57,499,879</u>	 <u>\$ 56,659,730</u>
 LIABILITIES AND RESERVES			
 Investment in General Fixed Assets	 E	 <u>\$ 57,499,879</u>	 <u>\$ 56,659,730</u>

NOTES TO FINANCIAL STATEMENTS

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Garfield (the "City") was incorporated in 1917 and operates under a council-manager form of government. The City is governed by a five-member council, who are elected at-large in nonpartisan elections to serve four year terms on a concurrent basis. Upon each election, the Council selects one of its members to serve as Mayor and another to serve as Deputy Mayor. A City Manager is appointed by the Mayor and Council and is responsible for the implementation of the policies of the governing body, for the administration of all City affairs and for the day to day operations of the City. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

B. Description of Regulatory Basis of Accounting

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

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

The City has the following funds and account group:

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

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

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

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

Length of Service Award Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the City.

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

Water Utility Fund - This fund is used to account for the revenues and expenditures for the operation of the City's water utility and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the water utility is accounted for in the capital section of the fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the City, other than those accounted for in the water utility fund. The City's infrastructure is not reported in the account group.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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

Financial Statements – Regulatory Basis

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

D. Measurement Focus and Basis of Accounting

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

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

Utility Revenues/Receivables - Utility charges are levied quarterly based upon a flat service charge and if applicable, an excess consumption or usage charge. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's Water Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

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

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

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

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

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

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the City of Garfield has developed a fixed assets accounting and reporting system. Fixed assets are defined by the City as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets (Continued)

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

General Fixed Assets purchased after December 31, 2008 are stated as cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 2008 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the water utility fund are recorded in the capital account at cost and are adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

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

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

Trust Funds
General Capital Fund
Water Utility Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2021 and 2020 the City Council increased the original current fund budget by \$3,457,681 and \$1,604,077. The increase for 2021 was the result of an emergency appropriation for the Hurricane Ida damages along with additional aid allotted to the City. The increase for 2020 was funded by additional aid allotted to the City. Also during 2021, the City increased the original water utility budget by \$125,000. The increase was the result of an emergency appropriation for water purchases. In addition, the governing body approved several budget transfers during 2021 and 2020.

NOTE 3 CASH DEPOSITS AND INVESTMENTS

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

A. Cash Deposits

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

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

A. Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2021 and 2020, the book value of the City's deposits were \$30,944,921 and \$30,576,095 and bank and brokerage firm balances of the City's deposits amounted to \$31,466,402 and \$31,388,141, respectively. The City's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2021</u>	<u>2020</u>
Insured	\$ 31,466,402	\$ 31,388,141

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk. As of December 31, 2021 and 2020, the City's bank balances were not exposed to custodial credit risk.

B. Investments

The City is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the City or bonds or other obligations of the school districts which are a part of the City or school districts located within the City, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the City is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2021 and 2020, the City had the following investments:

	<u>Fair Value</u>	
	<u>2021</u>	<u>2020</u>
Investment:		
Length of Service Award Program Fund (LOSAP) unaudited	\$ 1,240,573	\$ 1,052,711

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

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are held by an outside party. The City does not have a policy for custodial risk. As of December 31, 2021 and 2020, \$1,240,573 and \$1,052,711 of the City's investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP)	
	<u>2021</u>	<u>2020</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the City's name (Unaudited)	<u>\$ 1,240,573</u>	<u>\$ 1,052,711</u>

Interest Rate Risk – Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and N.J.A.C. 5:30-14.19). The City does not have an investment policy that would further limit its investment choices. As of December 31, 2021 and 2020, the City's investment in Lincoln Financial Group was rated Baa1 by Moody's Investor Services.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City places no limit in the amount the City may invest in any one issuer. More than five (5) percent of the City's investments are in Lincoln Financial Group. These investments are 100% of the City's total investments.

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

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

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the City at December 31, 2021 and 2020 are categorized as Level 2.

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

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2021 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2021</u>			
Property Taxes	\$ 1,114,246		\$ 1,114,246
Tax Title Liens	598,323		598,323
Utility Rents	<u>-</u>	<u>\$ 546,700</u>	<u>546,700</u>
	<u>\$ 1,712,569</u>	<u>\$ 546,700</u>	<u>\$ 2,259,269</u>

In 2021, the City collected \$869,609 and \$303,905 from delinquent taxes and utility charges and fees, which represented 56% and 56% of the delinquent tax and water charges receivable at December 31, 2020.

Receivables at December 31, 2020 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2020</u>			
Property Taxes	\$ 1,029,684		\$ 1,029,684
Tax Title Liens	534,886		534,886
Utility Rents	<u>-</u>	<u>\$ 541,085</u>	<u>541,085</u>
	<u>\$ 1,564,570</u>	<u>\$ 541,085</u>	<u>\$ 2,105,655</u>

In 2020, the City collected \$1,059,498 and \$1,122,447 from delinquent taxes and utility charges and fees, which represented 68% and 72% of the delinquent tax and water charges receivable at December 31, 2019.

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

NOTE 5 DUE TO/FROM OTHER FUNDS

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

	<u>2021</u>		<u>2020</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 1,012,981	\$ 51,046	\$ 243,397	\$ 385,709
Trust Funds:				
Animal Control		22,975		26,452
Other Trust		463,070	4,680	
General Capital Fund		20,665		216,945
Water Utility Fund:				
Operating	241	506,271	366,845	
Capital	<u>51,046</u>	<u>241</u>	<u>45,000</u>	<u>30,816</u>
Total	<u>\$ 1,064,268</u>	<u>\$ 1,064,268</u>	<u>\$ 659,922</u>	<u>\$ 659,922</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

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

NOTE 6 FUND BALANCES APPROPRIATED

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

	<u>2021</u>		<u>2020</u>	
	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance <u>December 31,</u>	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 6,161,589	\$ 3,964,000	\$ 7,189,434	\$ 3,964,000
Non-Cash Surplus	<u>908,916</u>	<u>-</u>	<u>793,984</u>	<u>-</u>
	<u>\$ 7,070,505</u>	<u>\$ 3,964,000</u>	<u>\$ 7,983,418</u>	<u>\$ 3,964,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 3,823,632	\$ 1,338,000	\$ 3,327,522	\$ 200,000
Non-Cash Surplus	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,823,632</u>	<u>\$ 1,338,000</u>	<u>\$ 3,327,522</u>	<u>\$ 200,000</u>

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

NOTE 7 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2021 and 2020.

	Balance, December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<u>2021</u>				
Land	\$ 20,827,354	\$ -		\$ 20,827,354
Buildings and Building Improvements	20,029,543	38,873		20,068,416
Machinery and Equipment	15,802,833	801,276	\$ -	16,604,109
	<u>\$ 56,659,730</u>	<u>\$ 840,149</u>	<u>\$ -</u>	<u>\$ 57,499,879</u>
	Balance, December 31, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Land	\$ 20,589,129	\$ 238,225		\$ 20,827,354
Buildings and Building Improvements	19,668,078	361,465		20,029,543
Machinery and Equipment	13,416,687	2,794,876	408,730	15,802,833
	<u>\$ 53,673,894</u>	<u>\$ 3,394,566</u>	<u>\$ 408,730</u>	<u>\$ 56,659,730</u>

B. Water Utility Fund Fixed Assets

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2021 and 2020.

	Balance, December 31, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
Water Utility Fund				
<u>2021</u>				
Fixed Capital				
System and System Improvements	\$ 14,513,135			\$ 14,513,135
Building and Building Improvements	240,648			240,648
Vehicles and Equipment	224,899			224,899
Replacement of Pumping Station and Water Storage Tanks	6,730,000	-	-	6,730,000
	<u>\$ 21,708,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,708,682</u>

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

NOTE 7 FIXED ASSETS (Continued)

B. Water Utility Fund Fixed Assets (Continued)

	Balance, December 31, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
Water Utility Fund				
<u>2020</u>				
Fixed Capital				
System and System Improvements	\$ 14,513,135			\$ 14,513,135
Building and Building Improvements	240,648			240,648
Vehicles and Equipment	224,899			224,899
Replacement of Pumping Station and Water Storage Tanks	6,730,000	-	-	6,730,000
	<u>\$ 21,708,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,708,682</u>

NOTE 8 MUNICIPAL DEBT

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

The City's debt is summarized as follows:

	<u>2021</u>	<u>2020</u>
Issued		
General		
Bonds, Notes and Loans	\$ 34,370,683	\$ 33,579,122
Water Utility		
Bonds, Notes and Loans	<u>8,118,572</u>	<u>7,890,376</u>
	42,489,255	41,469,498
Less Funds Temporarily Held to Pay Bonds and Notes	<u>581,460</u>	<u>589,315</u>
Net Debt Issued	41,907,795	40,880,183
Authorized But Not Issued		
General		
Bonds and Notes	7,160,407	7,503,358
Water Utility		
Bonds and Notes	<u>160,000</u>	<u>-</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 49,228,202</u>	<u>\$ 48,383,541</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the City's Annual Debt Statement and indicates a statutory net debt of 1.488% and 1.538% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2021</u>			
General Debt	\$ 41,531,090	\$ 413,805	\$ 41,117,285
Utility Debt	<u>8,278,572</u>	<u>8,278,572</u>	<u>-</u>
Total	<u>\$ 49,809,662</u>	<u>\$ 8,692,377</u>	<u>\$ 41,117,285</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2020</u>			
General Debt	\$ 41,082,480	\$ 421,660	\$ 40,660,820
Utility Debt	<u>7,890,376</u>	<u>7,890,376</u>	<u>-</u>
Total	<u>\$ 48,972,856</u>	<u>\$ 8,312,036</u>	<u>\$ 40,660,820</u>

Statutory Borrowing Power

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

	<u>2021</u>	<u>2020</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 96,984,058	\$ 92,492,957
Net Debt	<u>41,117,285</u>	<u>40,660,820</u>
Remaining Borrowing Power	<u>\$ 55,866,773</u>	<u>\$ 51,832,137</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

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

General Obligation Bonds

The City levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
\$7,287,000, 2013 Bonds, due in annual installments of \$525,000 to \$540,000 through October 15, 2028, interest at 3.00% to 3.50%	\$ 3,732,000	\$ 4,257,000
\$6,830,000, 2016 Bonds, due in annual installments of \$360,000 through August 15, 2036, interest at 2.00% to 2.75%	5,400,000	5,750,000
\$5,415,000, 2017 Refunding Bonds, due in annual installments of \$900,000 to \$905,000 through March 1, 2024, interest at 4.00%	2,705,000	3,605,000
\$9,250,000 2018 Bonds, due in annual installments of \$370,000 to \$630,000 through August 15, 2038, interest at 3.25%.	8,235,000	8,590,000
\$9,860,000 2021 Bonds, due in annual installments of \$365,000 to \$730,000 through October 15, 2036, interest at 1.00% to 2.00%.	9,860,000	-
	<u>\$ 29,932,000</u>	<u>\$ 22,202,000</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

General Intergovernmental Loans Payable

The City has entered into a loan agreements with the State of New Jersey for the financing relating to the 20th Century Field, Passaic River Historic Parks and Emergency Generator Projects. The City levies ad valorem taxes to pay debt service on general intergovernmental loans issued. General intergovernmental loans outstanding at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
\$422,500, 2007 Loan due in Semi-annual installments of \$11,658 to \$13,006 through October 4, 2027, interest at 2.0%	\$ 147,849	\$ 170,820
\$400,000 2018 Loan due in semi-annual installments of \$8,956 to \$12,314 through February 10, 2038, interest at 2%	348,098	365,744
\$88,680 2013 Loan due in annual installments of \$8,868 through January 18, 2023, interest at 2%	<u>17,736</u>	<u>26,604</u>
	<u>\$ 513,683</u>	<u>\$ 563,168</u>

Utility Bonds

The City pledges revenue from operations to pay debt service on utility bonds issued. The water utility bonds outstanding at December 31 are as follows:

Water Utility

	<u>2021</u>	<u>2020</u>
\$3,003,000, 2013 Bonds, due in annual installments of \$210,000 to \$260,000 through October 15, 2028, interest at 3.00% to 3.50%	\$ 1,678,000	\$ 1,878,000
\$820,000 2015 Refunding Bonds, due in annual installments of \$65,000 to \$70,000 through July 15, 2026, interest at 2.00% to 3.00%	335,000	405,000
\$975,000 2017 Refunding Bonds, due in annual installments of \$70,000 to \$410,000 through March 1, 2028, interest at 3.00% to 4.00%	<u>740,000</u>	<u>815,000</u>
	<u>\$ 2,753,000</u>	<u>\$ 3,098,000</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Water Utility Intergovernmental Loans Payable

The City has entered into loan agreements with the State of New Jersey for the financing relating to the rehabilitation of the City's water supply system. The City pledges revenue from operations to pay debt service on utility intergovernmental loans issued. Utility intergovernmental loans outstanding of the water utility at December 31 are as follows:

Water Utility

	<u>2021</u>	<u>2020</u>
\$3,075,000, 2004 Environmental Infrastructure Trust Loan due in annual installments of \$177,312 to \$213,594 through September, 2024, interest at 3.0% to 5.0%	\$ 600,478	\$ 769,524
\$3,050,000, 2004 Environmental Infrastructure Fund Loan due in semi-annual installments of \$3,379 to \$157,825 through September, 2024, interest free.	<u>487,094</u>	<u>648,806</u>
	<u>\$ 1,087,572</u>	<u>\$ 1,418,330</u>

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

Calendar Year	<u>General Bonds</u>		<u>General Loans</u>		<u>Water Utility Bonds</u>		<u>Water Utility Loans</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2022	2,520,000	768,039	50,301	10,066	350,000	85,818	338,860	25,792	4,148,876
2023	2,545,000	693,413	51,134	9,058	360,000	75,318	373,913	16,927	4,124,763
2024	2,560,000	618,113	43,115	8,030	365,000	64,343	374,799	8,544	4,041,944
2025	2,025,000	558,615	43,982	7,164	435,000	52,099			3,121,860
2026	2,035,000	510,658	44,866	6,280	435,000	38,462			3,070,266
2027-2030	7,242,000	1,554,415	107,849	17,915	808,000	35,859			9,766,038
2031-2035	8,085,000	1,032,750	112,075	12,292					9,242,117
2036-2038	2,920,000	144,753	60,361	1,823	-	-	-	-	3,126,937
	<u>\$ 29,932,000</u>	<u>\$ 5,880,756</u>	<u>\$ 513,683</u>	<u>\$ 72,628</u>	<u>\$ 2,753,000</u>	<u>\$ 351,899</u>	<u>\$ 1,087,572</u>	<u>\$ 51,263</u>	<u>\$ 40,642,801</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

A. Long-Term Debt (Continued)

Changes in Long-Term Municipal Debt

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

	Balance, December 31, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<u>2021</u>					
General Capital Fund					
Bonds Payable	\$ 22,202,000	\$ 9,860,000	\$ 2,130,000	\$ 29,932,000	\$ 2,520,000
Intergovernmental Loans	<u>563,168</u>	<u>-</u>	<u>49,485</u>	<u>513,683</u>	<u>50,301</u>
General Capital Fund Long-Term Liabilities	<u>\$ 22,765,168</u>	<u>\$ 9,860,000</u>	<u>\$ 2,179,485</u>	<u>\$ 30,445,683</u>	<u>\$ 2,570,301</u>
Water Utility Capital Fund					
Bonds Payable	\$ 3,098,000		\$ 345,000	\$ 2,753,000	\$ 350,000
Intergovernmental Loans	<u>1,418,330</u>	<u>-</u>	<u>330,758</u>	<u>1,087,572</u>	<u>338,860</u>
Water Utility Capital Fund Long Term Liabilities	<u>\$ 4,516,330</u>	<u>-</u>	<u>\$ 675,758</u>	<u>\$ 3,840,572</u>	<u>\$ 688,860</u>
	Balance, December 31, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
General Capital Fund					
Bonds Payable	\$ 24,302,000		\$ 2,100,000	\$ 22,202,000	\$ 2,130,000
Intergovernmental Loans	<u>611,851</u>	<u>-</u>	<u>48,683</u>	<u>563,168</u>	<u>49,485</u>
General Capital Fund Long-Term Liabilities	<u>\$ 24,913,851</u>	<u>\$ -</u>	<u>\$ 2,148,683</u>	<u>\$ 22,765,168</u>	<u>\$ 2,179,485</u>
Water Utility Capital Fund					
Bonds Payable	\$ 3,433,000		\$ 335,000	\$ 3,098,000	\$ 345,000
Intergovernmental Loans	<u>1,740,817</u>	<u>-</u>	<u>322,487</u>	<u>1,418,330</u>	<u>330,758</u>
Water Utility Capital Fund Long Term Liabilities	<u>\$ 5,173,817</u>	<u>-</u>	<u>\$ 657,487</u>	<u>\$ 4,516,330</u>	<u>\$ 675,758</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

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

Bond Anticipation Notes

	Rate (%)	Maturity Date	Balance, December 31, 2020	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2021
<u>2021</u>						
<u>General Capital Fund</u>						
Demolition and Removal of Old Firehouse No. 4	0.19%	10/19/2021	\$ 63,800	\$ 63,800	\$ 127,600	\$ -
Acquisition of Parking Permit Enforcement Equipment	0.19%	10/19/2021	60,000	60,000	120,000	-
Acquisition and Installation of Playground Equipment	0.19%	10/19/2021	23,800	23,800	47,600	-
Installation of an Elevator in the Public Library	0.19%	10/19/2021	88,054	88,054	176,108	-
Tree Planting Program	0.19%	10/19/2021	120,000	120,000	240,000	-
2018 Comprehensive Infrastructure Improvement Program	0.19%	10/19/2021	1,095,000	1,095,000	2,190,000	-
Acquisition of a Passenger Bus	0.19%	10/19/2021	57,000	57,000	114,000	-
Acquisition of a Sewer Jet Vac	0.19%	10/19/2021	407,600	407,600	815,200	-
Improvement to Fire House No. 2	0.19%	10/19/2021	238,000	238,000	476,000	-
Suppl. - Comprehensive Infrastructure Imprvt Program	0.19%	10/19/2021	323,000	323,000	646,000	-
Suppl. - Elevator at Library	0.19%	10/19/2021	300,000	265,000	565,000	-
Suppl/ - New Police HQ	0.19%	10/19/2021	923,000	923,000	1,846,000	-
Various Improvement to Fleishers Brook	0.19%	10/19/2021	32,800	32,800	65,600	-
Construction of Passaic River Park & Bikeway Project	1.00%	8/5/2022	1,988,900	1,988,900	1,988,900	1,988,900
2019 Road Program & Barrier Free Impvts to City Hall	0.19%	10/19/2021	210,000	212,834	422,834	-
Various Improvements to Grand Street	0.19%	10/19/2021	900,000	450,000	1,350,000	-
	1.00%	8/5/2022		450,000		450,000
Acquisition of New Fire Engine	0.19%	10/19/2021	880,000	880,000	1,760,000	-
Various Public Improvements and the Acquisition of Ne	0.19%	10/19/2021	1,178,000	1,178,000	2,356,000	-
Design, Permit and Property Acquisition Phases of Rive	0.19%	10/19/2021	300,000	300,000	600,000	-
2020 Road Improvement Program	0.19%	10/19/2021	1,140,000	1,140,000	2,280,000	-
Replacement of the Synthetic Turf Athletic Field at Lafa	0.19%	10/19/2021	485,000	267,112		-
	1.00%	8/5/2022		217,888	752,112	217,888
Monroe Street Improvements and Midland Avenue Curt	1.00%	8/5/2022	-	624,915		624,915
Rehabilitation of Jewell Street Playground	1.00%	8/5/2022	-	475,000		475,000
Improvements to the Library	1.00%	8/5/2022	-	168,297	-	168,297
Total General Capital Fund			<u>\$ 10,813,954</u>	<u>\$ 12,050,000</u>	<u>\$ 18,938,954</u>	<u>\$ 3,925,000</u>
<u>Water Utility Capital Fund</u>						
Water Utility Improvements	1.00%	8/5/2022	\$ 885,918	\$ 861,974	\$ 885,918	\$ 861,974
Improvements to Wells 1, 1A and 2	1.00%	8/5/2022	233,924	230,886	233,924	230,886
Repair and Replace Water Meters and Acquisition of Fire Hydrants	1.00%	8/5/2022	124,204	106,217	124,204	106,217
Various Improvements to Reactivate Well No.8C	1.00%	8/5/2022	235,000	232,025	235,000	232,025
Installation and Activation of Well No.2R	1.00%	8/5/2022	245,000	241,898	245,000	241,898
Various Well Improvement	1.00%	8/5/2022	900,000	900,000	900,000	900,000
Various Public Improv., New Equip and Vehicle	1.00%	8/5/2022	750,000	750,000	750,000	750,000
Various Public Improvements	1.00%	8/5/2022	-	580,000		580,000
Water Infrastructure Improvements	1.00%	8/5/2022	-	375,000	-	375,000
Total Water Utility Capital Fund			<u>\$ 3,374,046</u>	<u>\$ 4,278,000</u>	<u>\$ 3,374,046</u>	<u>\$ 4,278,000</u>

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

NOTE 8 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

	Rate	Maturity	Balance,			Balance,
	(%)	Date	December 31,	Renewed/	Retired/	December 31,
			2019	Issued	Redeemed	2020
<u>2020</u>						
<u>General Capital Fund</u>						
Demolition and Removal of Old Firehouse No. 4	1.25%	8/6/2021	\$ 63,800	\$ 63,800	\$ 63,800	\$ 63,800
Acquisition of Parking Permit Enforcement Equipment	1.25%	8/6/2021	60,000	60,000	60,000	60,000
Acquisition and Installation of Playground Equipment	1.25%	8/6/2021	23,800	23,800	23,800	23,800
Installation of an Elevator in the Public Library	1.25%	8/6/2021	88,054	88,054	88,054	88,054
Tree Planting Program	1.25%	8/6/2021	120,000	120,000	120,000	120,000
2018 Comprehensive Infrastructure Improvement Program	1.25%	8/6/2021	1,095,000	1,095,000	1,095,000	1,095,000
Acquisition of a Passenger Bus	1.25%	8/6/2021	57,000	57,000	57,000	57,000
Acquisition of a Sewer Jet Vac	1.25%	8/6/2021	407,600	407,600	407,600	407,600
Improvement to Fire House No. 2	1.25%	8/6/2021	238,000	238,000	238,000	238,000
Suppl. - Comprehensive Infrastructure Improvement Program	1.25%	8/6/2021	323,000	323,000	323,000	323,000
Suppl. - Elevator at Library	1.25%	8/6/2021	300,000	300,000	300,000	300,000
Suppl/ - New Police HQ	1.25%	8/6/2021	923,000	923,000	923,000	923,000
Various Improvement to Fleishers Brook	1.25%	8/6/2021	32,800	32,800	32,800	32,800
Construction of Passaic River Park & Bikeway Project	1.25%	8/6/2021	1,988,900	1,988,900	1,988,900	1,988,900
2019 Road Program & Barrier Free Improvements to City Hall	1.25%	8/6/2021	210,000	210,000	210,000	210,000
Various Improvements to Grand Street	1.25%	8/6/2021	900,000	900,000	900,000	900,000
Acquisition of New Fire Engine	1.25%	8/6/2021		880,000		880,000
Various Public Improvements and the Acquisition of New	1.25%	8/6/2021		1,178,000		1,178,000
Design, Permit and Property Acquisition Phases of River	1.25%	8/6/2021		300,000		300,000
2020 Road Improvement Program	1.25%	8/6/2021		1,140,000		1,140,000
Replacement of the Synthetic Turf Athletic Field at Lafarge	1.25%	8/6/2021	-	485,000	-	485,000
Total General Capital Fund			<u>\$ 6,830,954</u>	<u>\$ 10,813,954</u>	<u>\$ 6,830,954</u>	<u>\$ 10,813,954</u>
<u>Water Utility Capital Fund</u>						
Water Utility Improvements	1.25%	8/6/2021	\$ 909,862	\$ 885,918	\$ 909,862	\$ 885,918
Improvements to Wells 1, 1A and 2	1.25%	8/6/2021	236,962	233,924	236,962	233,924
Repair and Replace Water Meters and Acquisition						
of Fire Hydrants	1.25%	8/6/2021	142,222	124,204	142,222	124,204
Various Improvements to Reactivate Well No.8C	1.25%	8/6/2021	235,000	235,000	235,000	235,000
Installation and Activation of Well No.2R	1.25%	8/6/2021	245,000	245,000	245,000	245,000
Various Well Improvement	1.25%	8/6/2021		900,000		900,000
Various Public Improvements, New Equipment and Vehicle	1.25%	8/6/2021	-	750,000	-	750,000
Total Water Utility Capital Fund			<u>\$ 1,769,046</u>	<u>\$ 3,374,046</u>	<u>\$ 1,769,046</u>	<u>\$ 3,374,046</u>

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

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

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

NOTE 9 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the City had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2021</u>		
Library Interior	\$99,900	2022
2021 Road Program	1,114,623	2022
Granular Activated Carbon Treatment	1,365,885	2022
<u>2020</u>		
Neighborhood Revitalization – Streetscape and Pedestrian Safety Improvements	158,849	2021
2020 Road Improvement Program	226,401	2021

NOTE 10 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$2,854,769 and \$3,292,310 at December 31, 2021 and 2020, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2021 and 2020, the City has reserved in the Other Trust Fund \$565,672 and \$1,064,334 to fund compensated absences in accordance with NJSA 40A:4-39.

B. Deferred Pension Obligation

During the year ended December 31, 2009 the City elected to contribute 50% of its normal and accrued liability components of the PFRS and PERS obligations and deferred the remaining 50% in accordance with P.L. 2009, c.19. The deferred amount totaled \$868,088 and will be paid back with interest over 15 years beginning in the 2012 year. The City is permitted to payoff the deferred PFRS and PERS pension obligations at any time. It is estimated that the total deferred liability including accrued interest (7.00% effective July 1, 2017) at December 31, 2021 and 2020 is \$420,259 and \$555,760, respectively.

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

NOTE 10 OTHER LONG-TERM LIABILITIES (Continued)

B. Deferred Pension Obligation (Continued)

During the years ended December 31, 2021, 2020 and 2019 the City was required to contribute for the deferred pension obligation the following amounts which equaled the required contribution for each year.

<u>Years Ended</u> <u>December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2020	\$ 27,611	\$ 107,890
2019	27,315	107,243
2018	27,163	106,764

Changes in Other Long-Term Liabilities

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

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

	<u>Balance,</u> <u>December 31,</u> <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2021</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>2021</u>					
Compensated Absences	\$ 3,292,310		\$ 437,541	\$ 2,854,769	
Deferred Pension Obligation	555,760		135,501	420,259	\$ 138,071
Net Pension Liability - PERS (1)	11,095,153			11,095,153	
Net Pension Liability - PFRS (1)	<u>25,508,404</u>	<u>-</u>	<u>-</u>	<u>25,508,404</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 40,451,627</u>	<u>\$ -</u>	<u>\$ 573,042</u>	<u>\$ 39,878,585</u>	<u>\$ 138,071</u>
	<u>Balance,</u> <u>December 31,</u> <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>December 31,</u> <u>2020</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
<u>2020</u>					
Compensated Absences	\$ 3,266,295	\$ 26,015		\$ 3,292,310	
Deferred Pension Obligation	651,950	39,131	(135,321)	555,760	\$ 135,501
Net Pension Liability - PERS	12,411,344		(1,316,191)	11,095,153	
Net Pension Liability - PFRS	<u>25,236,950</u>	<u>271,454</u>	<u>-</u>	<u>25,508,404</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 41,566,539</u>	<u>\$ 336,600</u>	<u>\$ (1,451,512)</u>	<u>\$ 40,451,627</u>	<u>\$ 135,501</u>

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS

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

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

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

The following represents the membership tiers for PFRS:

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

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

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

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

The following represents the membership tiers for PERS:

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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

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

Other Pension Funds

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

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

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

Collective Net Pension Liability

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

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

Actuarial Methods and Assumptions

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

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

For the years ended December 31, 2021 and 2020 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the City for 2021, 2020 and 2019 were equal to the required contributions.

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

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2021	\$ 2,205,444	\$ 744,298
2020	2,083,060	670,014
2019	2,024,032	669,062

In addition for the years ended December 31, 2021, 2020 and 2019 the City contributed for long-term disability insurance premiums (LTDI) \$0-, \$1,492 and \$1,273, respectively for PERS.

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

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

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2021-10 which authorized and permits New Jersey municipalities to present the most recent available audited GASB 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB 68 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS)

At December 31, 2020, the City reported a liability of \$11,095,153 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the ratio of the City's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. As of the measurement date of June 30, 2020, the City's proportionate share was .06804 percent, which was a decrease of .00084 percent from its proportionate share measured as of June 30, 2019 of .06888 percent.

For the year ended December 31, 2020, the pension system has determined the City's pension expense to be \$518,535 for PERS based on the actuarial valuations which is less than the actual contributions reported in the City's financial statements of \$670,014. At December 31, 2020, the City's deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the City's financial statements are from the following sources:

	2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 202,025	\$ 39,237
Changes of Assumptions	359,939	4,645,646
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	379,241	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>619,536</u>	<u>158,845</u>
Total	<u>\$ 1,560,741</u>	<u>\$ 4,843,728</u>

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

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ (1,197,465)
2022	(1,078,971)
2023	(618,320)
2024	(319,090)
2025	(69,141)
Thereafter	<u>-</u>
	<u>\$ (3,282,987)</u>

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

<u>PERS</u>	<u>2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020, as reported for the years ended December 31, 2020, are summarized in the following table:

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

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.28%

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

	<u>2020</u>
Period of Projected Benefit Payments for which the Following Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

Sensitivity of Net Pension Liability

The following presents the City's proportionate share of the PERS net pension liability as of December 31, 2020 and 2019 calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
<u>2020</u>			
City's Proportionate Share of the PERS Net Pension Liability	<u>\$ 13,966,947</u>	<u>\$ 11,095,153</u>	<u>\$ 8,658,358</u>

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2020, the City reported a liability of \$25,508,404, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The City's proportionate share of the net pension liability was based on the ratio of the City's contributions to the pension plan relative to the total contributions of all participating governmental entities during the measurement period. . As of the measurement date of June 30, 2020, the City's proportionate share was .19741 percent, which was a decrease of .00881 percent from its proportionate share measured as of June 30, 2019 of .20622 percent.

For the year ended December 31, 2020, the pension system has determined the City pension expense to be \$1,155,196 for PFRS based on the actuarial valuations which is less than the actual contributions reported in the City's financial statements of \$2,083,060. At December 31, 2020, the City's deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the City's financial statements are from the following sources:

	2020	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 257,168	\$ 91,547
Changes of Assumptions	64,192	6,838,650
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,495,677	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>209,086</u>	<u>1,762,816</u>
Total	<u>\$ 2,026,123</u>	<u>\$ 8,693,013</u>

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

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

Year Ending December 31,	Total
2021	\$ (2,826,636)
2022	(2,101,965)
2023	(899,344)
2024	(460,035)
2025	(378,910)
Thereafter	-
	<u>\$ (6,666,890)</u>

Actuarial Assumptions

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

<u>PFRS</u>	<u>2020</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

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

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020, as reported for the year ended December 31, 2020, are summarized in the following table:

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

Discount Rate

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

<u>Calendar</u>		
<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.85%

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Discount Rate (Continued)

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

	<u>2020</u>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

Sensitivity of Net Pension Liability

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

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
<u>2020</u>			
City's Proportionate Share of the PFRS Net Pension Liability	\$ 33,920,927	\$ 25,508,404	\$ 18,521,161

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

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

NOTE 11 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

Special Funding Situation – PFRS

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

At December 31, 2020, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$3,958,788. For the year ended December 31, 2020, the pension system has determined the State's proportionate share of the pension expense attributable to the City for the PFRS special funding situation is \$448,649, which is more than the actual contributions the State made on behalf of the City of \$304,627. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the City was .19741 percent, which was a decrease of .00881 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .20622 percent. The State's proportionate share attributable to the City was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the City's financial statements.

Pension Plan Fiduciary Net Position

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

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS

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

Plan Description and Benefits Provided

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

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

NOTE 12 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Under GASB Statement No. 75 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer's prior fiscal year. The GASB 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2020 for the measurement date of June 30, 2020 was not available as of the date of audit. Accordingly, the State's Division of Local Government Services issued Local Finance Notice 2021-10 which authorizes and permits New Jersey municipalities to present the most recent available audited GASB 75 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB 75 financial information for the year ended December 31, 2020 is not presented in the notes to the financial statements.

Special Funding Situation

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

At December 31, 2020, the State's proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$224,828. For the year ended December 31, 2020 the plan has determined the State's proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is \$(11,192). At December 31, 2020, (measurement date June 30, 2020), the State's share of the OPEB liability attributable to the City was 0.00411 percent, which was a decrease of .19044 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .19455 percent. The State's proportionate share attributable to the City was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

OPEB Plan Fiduciary Net Position

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

The City provides a post employment healthcare plan for its eligible retirees and their dependents.

Plan Description

The plan is a single-employer defined benefit healthcare plan administered by the City. In accordance with City ordinances, contracts and/or policies, the City provides health and prescription benefits to retirees who meet the eligibility requirements of their respective contracts.

GASB 75 – Other Post-Employment Benefits

The City of Garfield has elected to omit the required disclosure regarding the unfunded liability related to other Post-Employment Medical Benefits. The City has not completed an actuarial calculation to determine its OPEB Liability at December 31, 2020 and 2019 in accordance with GASB Statement No. 75.

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

NOTE 13 RISK MANAGEMENT

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

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

The relationship between the City 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 City is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

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

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

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

<u>Year Ended</u> <u>December 31</u>	<u>Employee</u> <u>Contributions</u>	<u>City</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2021	\$ 20,219	\$ 25,000	\$ -	\$ 29,068
2020		10,000	177,368	(16,193)
2019		10,000	53,943	150,606

NOTE 14 CONTINGENT LIABILITIES

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

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

NOTE 14 CONTINGENT LIABILITIES (Continued)

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2021 and 2020. Amounts claimed have not yet been determined. The City is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the City does not recognize a liability, if any, until these cases have been adjudicated. The City expects such amounts, if any, could be material. As of December 31, 2021 and 2020, the City reserved \$474,484 and \$574,484, respectively, in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

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

NOTE 15 FEDERAL ARBITRAGE REGULATIONS

The City is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2021 and 2020, the City has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

The City of Garfield Length of Service Award Program (the Plan) was created by a City ordinance adopted in 2002 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the City of Garfield approved the adoption of the Plan at the general election held on November 5, 2002.

The first year of eligibility for entrance into the Plan was calendar year 2003. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department, come from contributions made solely by the City on behalf of those volunteers who meet the criteria of a plan created by the governing body.

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

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

NOTE 16 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

The City of Garfield has contributed \$1,150 for both 2021 and 2020, respectively, for each eligible volunteer fire department member into the Plan. The total City contributions were \$55,200 and \$54,050 for 2021 and 2020, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the City has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln National Financial Group is the administrator of the plan. The City's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the City perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the City's Trust Fund.

NOTE 17 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

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

NOTE 17 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)

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

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

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

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

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

The City will receive \$3,328,670 from the Plan in two equal payments. On May 24, 2021, the City received its first installment of funds under the Plan in the amount of \$1,664,335. The City has not yet determined how it will spend the funds. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

CURRENT FUND

CITY OF GARFIELD
STATEMENT OF CASH - COLLECTOR/TREASURER

Balance, December 31, 2020		\$ 12,157,718
Increased by Receipts:		
Taxes Receivable	\$ 64,512,654	
Miscellaneous Revenue Not Anticipated	938,183	
Due from State of NJ - Senior Citizens' and Veterans' Deductions	84,890	
Grants Receivable	1,842,749	
Prepaid Taxes	669,242	
Revenue Accounts Receivable	7,828,605	
Unappropriated Grant Reserves	5,832	
Receipts from Animal Control Trust Fund	3,495	
Receipts from Other Trust Fund	38,684	
Receipts from Open Space - Due to Capital	48,791	
Receipts from Water Utility Capital Fund	51,046	
Receipts from General Capital	150,828	
Emergency Note Proceeds	1,500,000	
Due to State of New Jersey - Uniform Construction Code Fees	15,348	
Marriage License Fees	5,400	
		<u>77,695,747</u>
		89,853,465
Decreased by Disbursements:		
2021 Budget Appropriations	34,879,508	
2020 Appropriation Reserves	1,258,223	
Encumbrances Payable	-	
Accounts Payable	-	
Appropriated Reserves for Federal and State Grants	285,712	
County Taxes	7,094,615	
Local School Taxes	31,165,367	
Due to State of New Jersey		
Uniform Construction Code Fees	15,348	
Marriage License Fees	5,400	
Payments to Other Trust Fund	500,000	
Payments to Water Operating	842,300	
Payments to Water Capital	45,000	
Refund of Prior Year Revenue	11,415	
		<u>76,102,888</u>
Balance, December 31, 2021		<u>\$ 13,750,577</u>

CITY OF GARFIELD
STATEMENT OF CHANGE FUNDS

Balance, December 31, 2020	\$ <u>100</u>
Balance, December 31, 2021	\$ <u><u>100</u></u>

STATEMENT OF AMOUNT DUE TO STATE OF NEW JERSEY -
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS

Balance, December 31, 2020	\$ 41,828
Increased by:	
Cash Receipts from State of New Jersey	\$ 84,890
Senior Citizen's and Veteran's Deductions	
Disallowed by Tax Collector	
Current Year	174
Prior Year	<u>-</u>
	<u>85,064</u>
	126,892
Decreased by:	
Senior Citizen's and Veteran's Deductions per Tax Billings	<u>93,987</u>
Balance, December 31, 2021	\$ <u><u>32,905</u></u>

**CITY OF GARFIELD
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2020</u>	Revenue <u>Realized</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2021</u>
Municipal Alliance on Alcoholism and Drug Abuse	\$ 4,435			\$ 4,435
Robert Wood Johnson Foundation	524			524
Click It or Ticket	5,500	7,500	13,000	-
Recycling Tonnage				-
Historical Society	5,000	975	975	5,000
Clean Communities		48,336	30,904	17,432
Drive Sober or Get Pulled Over		12,000	6,000	6,000
2020 Census	9,000			9,000
Distracted Driving		9,000		9,000
COPS in School		620	620	-
Body Worn Cameras	66,780			66,780
FEMA - Firefighter Grant		88,000		88,000
Alcohol Education and Rehabilitation		2,045	2,045	-
COVID - American Rescue Plan		1,664,335	1,664,335	-
AARP Health Grant		4,000	4,000	-
ROID Grant - River Drive		20,000	20,000	-
Neighborhood Preservation Grant	51,245	46,211	46,211	51,245
Berri Grant		10,000	10,000	-
Body Armor		6,092	6,092	-
Recycling Tonnage Grant		40,973	40,973	-
Target - Recreation Youth Soccer Grant	1,000			1,000
Green Communities	20,000			20,000
Walmart - Community Policing	1,000			1,000
Walmart - Police Department	1,000			1,000
Fire Prevention - State Farm	1,500			1,500
Fire Prevention - FM Global	2,000	-	-	2,000
	<u>\$ 168,984</u>	<u>\$ 1,960,087</u>	<u>\$ 1,845,155</u>	<u>\$ 283,916</u>

Cash Receipts	1,842,749
Unappropriated Reserves	2,406
	<u>\$ 1,845,155</u>

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

Year	Balance, December 31, 2020	2021 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	<u>Collected In</u>		Senior Citizens' and Veterans' Deductions Allowed	Transfer to Tax Title Liens	Cancelled	Balance, December 31, 2021
1982	\$ 92,193									\$ 92,193
2019	2,744									2,744
2020	<u>934,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 869,609</u>	<u>-</u>	<u>-</u>	<u>61,435</u>	<u>3,703</u>
	1,029,684	-	-	-	-	869,609	-	-	61,435	98,640
2021	<u>-</u>	<u>\$ 65,082,536</u>	<u>\$ 237,486</u>	<u>174</u>	<u>\$ 476,811</u>	<u>63,643,045</u>	<u>93,987</u>	<u>63,437</u>	<u>27,310</u>	<u>1,015,606</u>
	<u>\$ 1,029,684</u>	<u>\$ 65,082,536</u>	<u>\$ 237,486</u>	<u>\$ 174</u>	<u>\$ 476,811</u>	<u>\$ 64,512,654</u>	<u>\$ 93,987</u>	<u>\$ 63,437</u>	<u>\$ 88,745</u>	<u>\$ 1,114,246</u>

Analysis of 2021 Tax Levy

Tax Yield		
General Purpose Tax		\$ 65,082,536
Added Taxes (54:4-63.1 et seq.)		<u>237,486</u>
		<u>\$ 65,320,022</u>
Tax Levy		
Local District School Tax (Abstract)		\$ 31,165,367
County Tax	\$ 6,773,210	
County Open Space Tax	280,599	
County Share of Added Taxes	<u>20,688</u>	
		7,074,497
Local Tax for Municipal Purposes	25,922,412	
Minimum Library Tax	922,239	
Add: Additional Tax Levied	<u>235,507</u>	
		<u>27,080,158</u>
		<u>\$ 65,320,022</u>

**CITY OF GARFIELD
STATEMENT OF TAX TITLE LIENS**

Balance, December 31, 2020	\$ 534,886
Increased by:	
Transferred from Taxes Receivable	<u>63,437</u>
Balance, December 31, 2021	<u><u>\$ 598,323</u></u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2020	<u>\$ 436,870</u>
Balance, December 31, 2021	<u><u>\$ 436,870</u></u>

CITY OF GARFIELD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2020</u>	Accrued <u>2021</u>	<u>Collected</u>	Balance, December 31, <u>2021</u>
City Clerk				
Licenses				
Alcoholic Beverage		\$ 38,539	\$ 38,539	
Other		1,520	1,520	
Fees and Permits		11,349	11,349	
Board of Health				
Licenses		42,600	42,600	
Fees and Permits		10,519	10,519	
Tax Collector				
Fees and Permits		14,732	14,732	
Recreation				
Fees and Permits		169,286	169,286	
Police				
Fees and Permits		7,848	7,848	
Zoning Board of Adjustment				
Fees and Permits		11,166	11,166	
Public Works				
Fees and Permits		13,250	13,250	
Municipal Court - Fines and Costs	\$ 62,643	1,031,078	1,018,804	\$ 74,917
Uniform Construction Code Fees		314,270	314,270	
Parking Enforcement Fees		220,000	220,000	
Interest and Costs on Taxes		225,458	225,458	
Consolidated Municipal Property				
Tax Relief Act		221,380	221,380	
Energy Receipts Tax		2,459,603	2,459,603	
Sewer Charges	125,311	1,321,015	1,301,786	144,540
Host Community Fees - Transfer Station		148,766	148,766	
Uniform Fire Safety Fees		85,789	85,789	
Housing Authority - PILOT	-	362,665	362,665	-
Reserve for Payment of Debt		350,000	350,000	
Reserve for Police Off Duty Admin Fees		299,275	299,275	
Anticipated Surplus - Water Utility	-	500,000	500,000	-
	<u>\$ 187,954</u>	<u>\$ 7,860,108</u>	<u>\$ 7,828,605</u>	<u>\$ 219,457</u>

CITY OF GARFIELD
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, <u>2020</u>	Encumbrances <u>Restored</u>	<u>Transfers</u>	Balance After <u>Modifications</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
General Government						
General Administration						
Salaries & Wages	\$ 1,981		\$ -	\$ 1,981	\$ -	\$ 1,981
Other Expenses	16,376	\$ 4,854	-	21,230	21,230	-
Mayor and Council						
Salaries & Wages	-			-		-
Municipal Clerk's Office						
Salaries & Wages	1,388		34,000	35,388	35,188	200
Other Expenses	735	8,470	5,000	14,205	7,211	6,994
Elections						
Other Expenses	1,369			1,369		1,369
Financial Administration						
Salaries & Wages	443		10,000	10,443	10,443	-
Other Expenses	1,557	3,445	1,300	6,302	6,098	204
Annual Audit	690		20,000	20,690	1,558	19,132
ADP Services	4,000	10,800		14,800	4,770	10,030
Tax Assessment Administration						
Salaries & Wages				-	-	-
Other Expenses	5,925	1,097	(5,000)	2,022	6	2,016
Revenue Administration						
Salaries & Wages	294		23,000	23,294	23,137	157
Other Expenses	1,571	7	1,500	3,078	3,078	-
Legal Services & Costs						
Salaries & Wages	699	11,833		12,532	11,833	699
Other Expenses	6,409	8,000		14,409	4,000	10,409
Tax Court Appeal Counsel	11,700			11,700	376	11,324
Engineering Services & Costs						
Other Expenses	4,000	27,801		31,801	27,801	4,000
Public Buildings & Grounds						
Salaries & Wages	9			9		9
Other Expenses	122,830	10,983	(23,500)	110,313	15,331	94,982
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Other Expenses	700	1,375		2,075	1,011	1,064
Zoning Board						
Salaries & Wages	1,053			1,053		1,053
Other Expenses	3,150	4,500		7,650	350	7,300

CITY OF GARFIELD
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, 2020	Encumbrances Restored	Transfers	Balance After Modifications	Paid or Charged	Balance Lapsed
General Government (Continued)						
Insurance						
General Liability	\$ 18,590	\$ 302,170		\$ 320,760	\$ 302,842	\$ 17,918
Employee Group	963	863	\$ 4,000	5,826	3,044	2,782
Heath Benefit Waiver	880			880		880
Public Safety						
Fire - Other Expenses	37,358	76,042		113,400	\$ 57,843	55,557
Aid to Ambulance Corps	3,000	72,250		75,250	72,250	3,000
Police						
Salaries & Wages	458,886		(73,300)	385,586		385,586
Other Expenses	102,308	91,408	-	193,716	115,734	77,982
Pension Pursuant to R.S. 43:12	2,800			2,800		2,800
Purchase of Vehicles	1,800		-	1,800	-	1,800
Traffic Division	6,707	1,769		8,476	159	8,317
Uniform Fire Inspection						
Salaries & Wages	6,254			6,254		6,254
Other Expenses	10,875	7,766		18,641	-	18,641
Streets & Roads						
Road Repairs and Maintenance						
Salaries & Wages	155,255			155,255		155,255
Other Expenses	18,247	61,667		79,914	26,093	53,821
Snow Removal	18,433	75,719		94,152	8,250	85,902
Recycling	647			647		647
Emergency Management Services						
Salaries & Wages	120			120		120
Other Expenses	5,777	131		5,908	2,787	3,121
Health & Welfare						
Board of Health						
Salaries & Wages	484			484		484
Other Expenses	19,932	28,504		48,436	17,193	31,243
Health Officer						
Other Expenses	1,667	2,959		4,626	3,216	1,410
Recreation Department						
Salaries & Wages	30,805			30,805		30,805
Other Expenses	12,521	23,163		35,684	6,962	28,722
Historical Society						
Other Expenses	1,000			1,000	-	1,000
Celebration of Public Events						
Anniversary & Holiday						
Other Expenses	3,126			3,126	332	2,794
Housing Inspection						
Salaries & Wages	571			571		571
Other Expenses	2,900			2,900		2,900

CITY OF GARFIELD
STATEMENT OF 2021 APPROPRIATION RESERVES

	Balance, December 31, <u>2020</u>	Encumbrances <u>Restored</u>	<u>Transfers</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Garbage & Trash Removal						
Other Expenses	\$ 9,005	\$ 148,296		\$ 157,301	\$ 138,224	\$ 19,077
Utilities						
Electricity	34,084	74,793		108,877	48,299	60,578
Telephone	7,155	1,538		8,693	1,538	7,155
Street Lighting	36,802	84,267		121,069	81,003	40,066
Communications	10,239	47,814		58,053	18,083	39,970
Gasoline	23,256	15,854		39,110	9,519	29,591
Passaic Valley Sewer Commission	40,704		-	40,704	-	40,704
Maintenance of Free Public Library	206			206	206	-
LOSAP	24,350			24,350		24,350
State Uniform Construction Code						
Building Inspections						
Salaries & Wages	6,414			6,414	-	6,414
Other Expenses	25,650	18,064		43,714	3,235	40,479
Capital Improvement - Special Needs Playground	20,000	160,000		180,000	159,910	20,090
Social Security System (O.A.S.I.)	103,889			103,889	4,299	99,590
Pension Adjustment Fund	2,000			2,000		2,000
Public Employees Retirement System	240			240		240
Municipal Court						
Salaries & Wages	2,969			2,969		2,969
Other Expenses		9,774	3,000	12,774	3,781	8,993
Public Defender						
Salaries & Wages	1,800			1,800		1,800
Prosecutor						
Salaries & Wages	2,000	-	-	2,000	-	2,000
Total General Appropriations	<u>\$ 1,459,548</u>	<u>\$ 1,397,976</u>	<u>\$ -</u>	<u>\$ 2,857,524</u>	<u>\$ 1,258,223</u>	<u>\$ 1,599,301</u>
					Cash Disbursements	\$ 1,258,223
					Accounts Payable	-
						<u>\$ 1,258,223</u>

**CITY OF GARFIELD
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, December 31, 2020	\$ 1,397,976
Increased by:	
Charged to 2021 Budget Appropriations	<u>1,928,385</u>
	3,326,361
Decreased by:	
Cash Disbursements	\$ -
Restored to Appropriation Reserves	<u>1,397,976</u>
	<u>1,397,976</u>
Balance, December 31, 2021	<u><u>\$ 1,928,385</u></u>

STATEMENT OF ACCOUNTS PAYABLE

Balance, December 31, 2020	<u>\$ 156,138</u>
Balance, December 31, 2021	<u><u>\$ 156,138</u></u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2020	\$ 476,811
Increased by:	
Collection of 2022 Taxes	<u>669,242</u>
	1,146,053
Decreased by:	
Applied to 2021 Taxes Receivable	<u>476,811</u>
Balance, December 31, 2021	<u><u>\$ 669,242</u></u>

**CITY OF GARFIELD
STATEMENT OF LOCAL SCHOOL TAXES PAYABLE**

Increased by:	
2021 Levy	\$ <u>31,165,367</u>
Decreased by:	
Cash Disbursements	\$ <u><u>31,165,367</u></u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2020	\$ 20,118
Increased by:	
2021 Levy	
General County	\$ 6,773,210
County Open Space	280,599
Added and Omitted County Taxes	<u>20,688</u>
	<u>7,074,497</u>
	7,094,615
Decreased by:	
Cash Disbursements	<u>7,094,615</u>
Balance, December 31, 2021	<u><u>\$ -</u></u>

**CITY OF GARFIELD
STATEMENT OF DUE TO STATE OF NEW JERSEY -
CONSTRUCTION CODE FEES PAYABLE**

Balance, December 31, 2020	\$ 1,902
Increased by:	
Cash Receipts	<u>15,348</u>
	17,250
Decreased by:	
Cash Disbursements	15,348
Cancelled to Operations	<u>1,902</u>
Balance, December 31, 2021	<u><u>\$ -</u></u>

STATEMENT OF DUE TO STATE OF NEW JERSEY - MARRIAGE LICENSES PAYABLE

Balance, December 31, 2020	\$ 1,378
Increased by:	
Cash Receipts	<u>5,400</u>
	6,778
Decreased by:	
Cash Disbursements	5,400
Cancelled to Operations	<u>1,378</u>
Balance, December 31, 2021	<u><u>\$ -</u></u>

**CITY OF GARFIELD
STATEMENT OF RESERVE FOR TAX APPEALS PENDING**

Balance, December 31, 2020	\$ 574,484
Decrease by:	
Realized as Budgeted Revenue	<u>100,000</u>
Balance, December 31, 2021	<u>\$ 474,484</u>

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, 2020	Cash <u>Receipts</u>	Realized as Budgeted <u>Revenue</u>	Balance, December 31, 2021
Revaluation	\$ 14,715	-	-	\$ 14,715
	<u>\$ 14,715</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,715</u>

**STATEMENT OF UNAPPROPRIATED RESERVES
FOR FEDERAL AND STATE GRANTS/AID**

	Balance, December 31, 2020	Cash <u>Receipts</u>	Realized as Budgeted <u>Revenue</u>	Balance, December 31, 2021
COPS in Schools	\$ 620		\$ 620	
Body Armor Replacement Program	1,786		1,786	
Recycling Grant		\$ 5,332	-	\$ 5,332
Click It or Ticket	-	500	-	500
	<u>\$ 2,406</u>	<u>\$ 5,832</u>	<u>\$ 2,406</u>	<u>\$ 5,832</u>

CITY OF GARFIELD
STATEMENT OF APPROPRIATED RESERVES
FOR FEDERAL AND STATE GRANTS

	Balance, December 31, <u>2020</u>	Transfer from Budget <u>Appropriations</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2021</u>
Alcohol Education and Rehabilitation	\$ 48,546	\$ 2,045		\$ 50,591
Clean Communities	14,915	48,336	43,679	19,572
Historical Society	5,000			5,000
Robert Wood Johnson Foundation	121			121
Edward Byrne Memorial Justice Assistance ARRA	199			199
Body Armor Replacement Fund	5,788	6,092	6,273	5,607
BCUA Recycling Grant	44,593			44,593
Recycling Tonnage Grant	75,112	40,973	38,620	77,465
Click It or Ticket	5,000	7,500	7,500	5,000
Hepatitis B Inoculation Fund	1,083			1,083
Public Health Priority Funding	17,029			17,029
DDEF	81,981			81,981
Business Stimulus	176			176
COPS in School		620		620
Amerigroup Health Promotions	1,757			1,757
Sustainable Jersey	601			601
NJIC History Grant		975	975	
FEMA - Firefighters Grant		88,000	88,000	
Distracted Driving		9,000	9,000	-
Municipal Alliance	2,344			2,344
Year End Drunk Driving Grant	5,000	12,000	12,000	5,000
ROID Grant		20,000	20,000	-
Neighborhood Preservation	58,343	46,211	53,310	51,244
Board of Education Beautification Grant	997			997
AARP Health Grant	6	4,000		4,006
Body Worn Cameras	66,780			66,780
Berrie Grant		10,000	6,355	3,645
COVID - American Rescue Plan	-	1,664,335	-	1,664,335
	<u>\$ 435,371</u>	<u>\$ 1,960,087</u>	<u>\$ 285,712</u>	<u>\$ 2,109,746</u>

**CITY OF GARFIELD
STATEMENT OF DEFERRED CHARGES**

<u>Description</u>	Balance, December 31, <u>2020</u>	Amount Resulting from 2021	<u>Decreases</u>	<u>Cancelled</u>	Balance, December 31, <u>2021</u>
Emergency Appropriation - Hurricane Ida		\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
Special Emergency Authorization - COVID Revenue Shortfalls	<u>625,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>625,000</u>
	<u>625,000</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>2,125,000</u>
Due from General Capital Fund			<u>\$ -</u>		

EMERGENCY NOTE PAYABLE

<u>Description</u>	Balance, December 31, <u>2020</u>	Issued in 2021	Balance, December 31, <u>2021</u>
Special Emergency Authorization - COVID Revenue Shortfalls	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>
	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>

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TRUST FUND

CITY OF GARFIELD
STATEMENT OF CASH - COLLECTOR/TREASURER

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2020	\$ 45,678	\$ 4,426,063
Increased by Receipts:		
Escrow Deposits		\$ 83,481
Current Fund Budget Appropriation -		
Animal Control	\$ 50,000	
Unemployment		25,000
Animal License Fees	6,508	
State Fees - Animal Licenses	1,171	
Receipts from Current Fund		500,000
Payroll Deductions		29,790,373
Interest Earned	18	6,434
Employee Contributions - Unemployment		20,219
Unemployment Interest Earned		42
Miscellaneous Reserves	-	1,825,107
	<u>57,697</u>	<u>32,250,656</u>
	103,375	36,676,719
Decreased by:		
Escrow Deposits		42,961
Employee Benefits Paid - Unemployment Claims		42,202
Due to State of New Jersey	1,192	
Animal Control Fund Expenditures	68,139	
Payroll Deductions Payable		30,020,909
Payments to Current Fund	3,495	38,684
Miscellaneous Reserves	-	2,284,684
	<u>72,826</u>	<u>32,429,440</u>
Balance, December 31, 2021	<u>\$ 30,549</u>	<u>\$ 4,247,279</u>

**CITY OF GARFIELD
STATEMENT OF DUE TO STATE OF NEW JERSEY
ANIMAL CONTROL FUND**

Balance, December 31, 2020	\$ 21
Increased by:	
State Fees Collected	<u>1,171</u>
	1,192
Decreased by:	
Payments Made to State of New Jersey	<u>1,192</u>
Balance, December 31, 2021	<u><u>\$ -</u></u>

EXHIBIT B-3

STATEMENT OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Balance, December 31, 2020	\$ 19,205
Increased by:	
Animal License Fees Collected	\$ 6,508
Current Fund Budget Appropriation	<u>50,000</u>
	<u>56,508</u>
	75,713
Decreased by:	
Cash Disbursements	68,139
Statutory Excess	<u>-</u>
	<u>68,139</u>
Balance, December 31, 2021	<u><u>\$ 7,574</u></u>

Licenses Collected

2020	\$ 9,520
2019	<u>9,541</u>
	<u><u>\$ 19,061</u></u>

CITY OF GARFIELD
STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE

Balance (Deficit), December 31, 2020		\$ (16,193)
Increased by:		
Interest Earned on Investments	\$ 42	
Employee Contributions	20,219	
Current Fund Budget Appropriation	<u>25,000</u>	
		<u>45,261</u>
		29,068
Decreased by:		
Unemployment Claims Due to State of New Jersey		<u>-</u>
Balance, December 31, 2021		<u><u>\$ 29,068</u></u>

STATEMENT OF RESERVE FOR ESCROW DEPOSITS
OTHER TRUST FUND

Balance, December 31, 2020		\$ 158,936
Increased by:		
Cash Receipts		<u>83,481</u>
		242,417
Decreased by:		
Cash Disbursements		<u>42,961</u>
Balance, December 31, 2021		<u><u>\$ 199,456</u></u>

CITY OF GARFIELD
STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND

	Balance, December 31, <u>2020</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	<u>Cancelled</u>	Balance, December 31, <u>2021</u>
Performance Bonds	\$ 107,500				\$ 107,500
Police Car Trust - DDEF	21,038	\$ 9	\$ 9		21,038
Tax Sale Certificates		594,925	594,925		-
Fire Prevention Fees	10,695	2,623	710		12,608
Police Overtime	28,913	8,100	21,504		15,509
Summer Food Program	160,104	148,665	139,622		169,147
Municipal Court POAA	99,508	3,220	7,917		94,811
Public Defender	42,829	3,226	3,107		42,948
Building Department	21,882	8,210			30,092
Escrow - Sidewalk Opening	66,500	10,000	17,500		59,000
Escrow - Other		3,660			3,660
Affordable Housing	144,503	13,062	1,875		155,690
Community Policing	3,034	606	1,155		2,485
OEM	45,099				45,099
Dedicated Penalty Trust	20,663	6,200	2,623		24,240
Multiple Housing Inspections	111,192	46	9		111,229
Relocation Housing Fee	29,273	1,000			30,273
Tax Sale Premium	775,700	478,100	547,500		706,300
Street Bond	52,310				52,310
Animal Rescue Foundation	3,546	1,502	4,473		575
Police Ice Trust	288,729	114	133,573		155,270
Insurance	265,104				265,104
Snow Removal	100,000				100,000
Donation of Park Benches		1,000			1,000
ICE Funds		126,690			126,690
Parking Enforcement Fund	299,382	414,149	309,520		404,011
Terminal Leave	1,064,334	-	498,662	-	565,672
	<u>\$ 3,761,838</u>	<u>\$ 1,825,107</u>	<u>\$ 2,284,684</u>	<u>\$ -</u>	<u>\$ 3,302,261</u>

CITY OF GARFIELD
STATEMENT OF DUE FROM/TO CURRENT FUND
OTHER TRUST FUND

Balance, December 31, 2020 - Due From/(To)		\$ 4,680
Increased by:		
Other Trust Fund Receipts Deposited in Current Fund	\$ -	
Payments to Current Fund	<u>38,684</u>	<u>38,684</u>
		43,364
Decreased by:		
Interest Earned	6,434	
Receipts from Current Fund	500,000	
Cancelled Miscellaneous Reserves	<u>-</u>	<u>506,434</u>
Balance, December 31, 2021 - Due From/(To)		<u>\$ (463,070)</u>

STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL TRUST FUND

Balance, December 31, 2020		\$ 26,452
Increased by:		
Interest Earned	\$ 18	
Statutory Excess	<u>-</u>	<u>18</u>
		26,470
Decreased by:		
Payments to Current Fund		<u>3,495</u>
Balance, December 31, 2021		<u>\$ 22,975</u>

**CITY OF GARFIELD
STATEMENT OF PAYROLL DEDUCTIONS AND RESERVES
OTHER TRUST FUND**

Balance, December 31, 2020	\$ 373,947
Increased by:	
Cash Receipts	<u>29,790,373</u>
	30,164,320
Decreased by:	
Cash Disbursements	<u>30,020,909</u>
Balance, December 31, 2021	<u>\$ 143,411</u>

Analysis of Balance:

Payroll Deductions Payable	\$ (22,848)
Accrued Salaries and Wages	117,205
Reserve for Disability	<u>49,054</u>
	<u>\$ 143,411</u>

EXHIBIT B-10

**STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT COMPENSATION FUND**

Balance, December 31, 2020	\$ 152,215
Increased by:	
Unemployment Claims Due to State of New Jersey	<u>-</u>
	152,215
Decreased by:	
Payments to State of New Jersey	<u>42,202</u>
Balance, December 31, 2021	<u>\$ 110,013</u>

GENERAL CAPITAL FUND

CITY OF GARFIELD
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2020		\$ 6,138,891
Increased by Receipts:		
Interest Earned on Investments	\$ 3,339	
Bond Anticipation Notes	1,236,046	
Premium on Bonds	91,104	
Grant Proceeds	68,310	
Serial Bonds	9,860,000	
Current Fund Budget Appropriation:		
Capital Improvement Fund	<u>200,000</u>	
		<u>11,458,799</u>
		17,597,690
Decreased by Disbursements:		
Improvement Authorizations	1,110,288	
Contracts Payable	3,940,901	
Bond Anticipation Notes	8,125,000	
Payment to Current Fund	150,828	
Current Fund Anticipated Revenue		
Reserve for Payment of Debt	350,000	
Reserve for Future Capital Improvements	<u>31,500</u>	
		<u>13,708,517</u>
Balance, December 31, 2021		<u>\$ 3,889,173</u>

**CITY OF GARFIELD
ANALYSIS OF CAPITAL CASH**

		Balance, December 31, <u>2021</u>
Due to Current Fund		\$ 20,665
Grants Receivable		(130,404)
Contracts Payable		2,331,994
Capital Improvement Fund		390,355
Reserve for Payment of Debt		413,805
Reserve for Future Improvements		202,618
Fund Balance		806,477
<u>Improvement Authorizations</u>		
<u>Ord. No.</u>		
2463	Tax Appeal Funding	61,060
2598/2626/2634	Construction of Passaic River Park & Bikeway Proj.	45,582
2634	Const. of Passaic River Park & Bikeway Proj.	39,120
2659/2822	Emergency Generators Various	9,746
2663	Farnham Ave Roadway Improvement	66,204
2664	Kipp Ave Sewer Pump Station	(181,443)
2674	20th Century Field Improvements	1,859
2680	Acquisition of a New Skid-Steer Loader and a New Asphalt Hot Box	7,986
2681	Various Improvements to City Hall and Fire Houses	14
2688	Various Improvements to Pierre Avenue	6,217
2696	Acquisition of a New Dump Truck with Spreader and Reversible Plow	9,729
2712/2717	2015 Road Improvement Program	(231,225)
2718	Various Improvements to 20th Century Field	119,262
2730	Passaic River De-Snagging Project	(17,377)
2738/2850	Neighborhood Revitalization Streetscape and Pedestrian Safety Project (Phase I)	(1,326,159)
2739/2766/2801/285	Demolition of Existing Police Station and Construction of New Police Station	18,397
2740	School Pedestrian Safety Improvements at Various Locations (Phase II)	14,695
2742	Various Improvements to Lincoln Place	68,207
2749	Outwater Lane Curb and Sidewalk Replacement Project	183,946
2752	Acquisition of a Front End Loader and Two Dump Trucks for DPW	30,294
2754	Construction of Hobart Place Dog Park	4,654
2762	Acquisition Phases of the River Drive Roadway and Park Imp Project	(1,179,434)
2763	2017 Road Improvement Program	24,421
2769	Demolition and Removal of Old Firehouse #4	272
2777	Authorize the Installation of Playground Equipment at 20th Century	89,713
2785	Authorize the Tree Planting Program	19,220
2778/2799	Authorize the Installation of an Elevator at the Garfield Library	(251,646)
2787/2798	Authorize the 2018 Comprehensive Infrastructure Improvement Prog	13,212
2794	Authorize the Acquisition of a Sewer Jet Vacuum Machine	6,929
2809	Authorize Continuation of Passaic River Park and Bikeway Project	1,161,511
2813/2852	Authorize Road Improvement Program and Barrier Free Improvements to City Hall	11,167
2814	Various Improvements to Grand Street	40,268
2818	Authorize Acquisition of New Fire Engine	13,549
2824	Various Public Improvements and the Acquisition of New Auto Vehicles	371,547
2835	2020 Road Improvement Program	4,842
2836	Replacement of the Synthetic Turf Athletic Field at Lafaso Field	57,213
2844	Various Improvements to Public Buildings and Facilities	515,632
2845	Monroe Street Improvements and Midland Avenue Curb and Side Walk Improvemen	24,629
2846	Installation of a Special Needs Playground Area at 20th Century Field	(60,000)
2847	Neighborhood Preservation Program Along the Passaic Street Corridor	9,044
2866	Rehabilitation of Jewell Street Playground	85,376
2869	Improvements to the Library	175,867
2889	Acquisition of the Rights to Rail Line on Monroe Street	(94,247)
2908	2021 Road Improvement Program	(91,445)
2909	Basketball Court Improvements at Fire House #3	(24,745)
		<u>\$ 3,889,173</u>

CITY OF GARFIELD
STATEMENT OF DUE TO CURRENT FUND

Balance, December 31, 2020		\$ 216,945
Increased By:		
Interest on Investments	\$ 3,339	
Receipt from Current	-	
General Capital Fund Expenditures Paid by Current Fund	<u>-</u>	
		<u>3,339</u>
		220,284
Decreased by:		
Grants Due From Current	\$ 48,791	
Payments to Current Fund	<u>150,828</u>	
		<u>199,619</u>
Balance, December 31, 2021		<u>\$ 20,665</u>

**CITY OF GARFIELD
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, 2020	Increased by: 2021 Grant Awards	Decreased by: Cash Receipts	Balance, December 31, 2021
<u>Community Development Block Grants</u>				
Ord. 2777 - Playground Equipment at 20th Century	\$ 28,352			\$ 28,352
Ord. 2845 - Monroe St. Improvements	378,811	\$ -	-	378,811
Sub-Total - Community Development Block Grants	407,163	-	-	407,163
<u>Department of Transportation</u>				
Ord. 2738/2850 - Streetscape and Pedestrian Safety Project (Phas	1,150,000	-		1,150,000
Ord. 2740 - School Pedestrian Safety Improvements (Phase II)	327,622			327,622
Ord. 2814 - Various Improvements to Grand Street	450,000			450,000
Ord. 2845 - Midland Ave Curbs & Sidewalks	246,104	-	-	246,104
Sub-Total - Department of Transportation	2,173,726	-	-	2,173,726
<u>County of Bergen</u>				
Ord. 2664 - Kipp Avenue Sewer Pump Station (General)	200,000			200,000
Ord. 2374 - 20th Century Field Improvements (Open Space)	50			50
Ord. 2712/2717 - 2015 Road Improvements	191,000			191,000
Ord. 2809 - Passaic River Park and Bikeway	770,000			770,000
Ord. 2836 - Replacement of Turf Field - Lafaso Field	217,888	-	-	217,888
Sub-Total - County of Bergen	1,378,938	-	-	1,378,938
<u>County of Bergen - Open Space</u>				
Ord. 2866 - Rehab Jewell Street Playground	-	195,963	-	195,963
Sub-Total - County of Bergen - Open Space	-	195,963	-	195,963
<u>Department of Environmental Protection</u>				
Ord. 2730 - Passaic River De-Snagging Project	215,500			215,500
Ord. 2785 - Authorize the Tree Planting Program	15,000		15,000	-
Ord. 2809 - Passaic River Park and Bikeway	1,730,000	-	-	1,730,000
Sub-Total - Department of Environmental Protection	1,960,500	-	15,000	1,945,500
<u>Green Acres</u>				
Ord. 2809 - Passaic River Park and Bikeway	652,909	-	-	652,909
Sub-Total - Green Acres	652,909	-	-	652,909
<u>Department of Community Affairs</u>				
Ord. 2847 - Neighborhood Preservation Program	53,310	-	53,310	-
Ord. 2869 - Barrier Free Improvements	-	130,404	-	130,404
Sub-Total - Department of Community Affairs	53,310	130,404	53,310	130,404
	<u>\$ 6,626,546</u>	<u>\$ 326,367</u>	<u>\$ 68,310</u>	<u>\$ 6,884,603</u>
<u>Analysis of Balance</u>				
Pledged to Reserve	\$ 6,611,546	\$ 195,963	\$ 53,310	\$ 6,754,199
Pledged to Ordinance	15,000	130,404	15,000	130,404
	<u>\$ 6,626,546</u>	<u>\$ 326,367</u>	<u>\$ 68,310</u>	<u>\$ 6,884,603</u>

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

Balance, December 31, 2020		\$ 22,765,168
Increased by:		
Serial Bonds Issued	\$ 9,860,000	
Loans Issued	<u>-</u>	<u>9,860,000</u>
		\$ 32,625,168
Decreased by:		
Current Fund Budget Appropriation		
Serial Bond Principal	\$ 2,130,000	
Green Acres Loan Principal	40,617	
DCA Loan Payable	<u>8,868</u>	<u>2,179,485</u>
Balance, December 31, 2021		<u>\$ 30,445,683</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2020	2021 Authori- zations	Grant / Loan Proceeds	Transfer to Deferred Taxation Funded	Reserve for Payment of Debt	Balance, December 31, 2021	Bond Anticipation Notes	Analysis of Balance	
									Expenditures	Unexpended Balance of Improvement Authorizations
2664	Kipp Ave Sewer Pump Station	\$ 194,000					\$ 194,000		\$ 181,443	\$ 12,557
2688	Various Improvements to Pierre Ave.	9,732					9,732			9,732
2712/2717	2015 Road Improvement Program	231,225					231,225		231,225	
2730	Passaic River De-Snagging Project	350,000					350,000		17,377	332,623
2738/2850/2885	Neighborhood Revitalization Streetscape and Pedestrian Safety Project (Phase I)	1,250,000	\$ 410,000				1,660,000		1,326,159	333,841
2739/2766/2801/2851	Demolition of Existing Police Station and Construction of New Police Station	1,137,000			\$ 1,137,000		-		-	
2740	School Pedestrian Safety Improvements at Various Locations (Phase II)	327,622					327,622		-	327,622
2754	Construction of Hobart Place Dog Park	53,462		\$ 48,791			4,671		-	4,671
2762	Acquisition Phases of the River Drive Roadway and Park Improvement Project	1,200,000					1,200,000		1,179,434	20,566
2769	Demolition and Removal of Old Firehouse #4	63,800			63,800		-		-	
2776	Acquisition of Parking Permit Enforcement Equipment	60,000			60,000		-		-	
2777	Authorize the Installation of Playground Equipment at 20th Century	52,152			23,800		28,352		-	28,352
2778/2799	Authorize the Installation of an Elevator at the Garfield Library	604,700			353,054		251,646		251,646	
2785	Authorize the Tree Planting Program	120,000			120,000		-		-	
2787/2798	Authorize the 2018 Comprehensive Infrastructure Improvement Prog	1,418,000			1,418,000		-		-	
2788	Acquisition of a Passenger Bus	57,000			57,000		-		-	
2794	Authorize the Acquisition of a Sewer Jet Vacuum Machine	407,600			407,600		-		-	
2797	Improvement of Fire House No. 2	238,000			238,000		-		-	
2804	Various Improvements to Fleischers Brooks	32,800			32,800		-		-	
2809	Continuation of Passaic River Park and Bikeway Project	3,152,909					3,152,909	\$ 1,988,900	-	1,164,009
2813/2852	2019 Road Improvement Program and Barrier Free (ADA) Improvements to City Hall	271,000			268,749		2,251		-	2,251
2814	Various Improvements to Grand Street	900,000			450,000		450,000	450,000	-	
2818	Acquisition of a New Pumper Fire Engine	880,000			880,000		-		-	
2824	Various Public Improvements and the Acquisition of New Automotive Vehicles	1,178,000			1,178,000		-		-	
2825	Design, Permitting and Property Acquisition Phases of the River Dr. Roadway & Park Improv (Phase II)	300,000			300,000		-		-	
2835	2020 Road Improvement Program	1,140,000			1,140,000		-		-	
2836	Replacement of the Synthetic Turf Athletic Field at Lafaso Field	485,000			267,112		217,888	217,888	-	
2844	Various Improvements to Public Buildings and Facilities	609,855			952,000	\$ (342,145)	-		-	
2845	Monroe Street Improvements and Midland Avenue Curb and Side Walk Improvements	1,000,000			375,085		624,915	624,915	-	
2846	Installation of a Special Needs Playground Area at 20th Century Field	171,000			111,000		60,000		60,000	
2847	Neighborhood Preservation Program Along the Passaic Street Corridor	80,310		53,310	27,000		-		-	
2866	Rehabilitation of Jewell Street Playground		475,000				475,000	475,000	-	-
2869	Improvements to the Library		169,596				169,596	168,297		1,299
2889	Acquisition of the Rights to Rail Line on Monroe Street		123,800				123,800		94,247	29,553
2908	2021 Road Improvement Program		1,428,000				1,428,000		91,445	1,336,555
2909	Basketball Court Improvements at Fire House #3	-	123,800	-	-	-	123,800	-	24,745	99,055
		<u>\$ 17,975,167</u>	<u>\$ 2,730,196</u>	<u>\$ 102,101</u>	<u>\$ 9,860,000</u>	<u>\$ (342,145)</u>	<u>\$ 11,085,407</u>	<u>\$ 3,925,000</u>	<u>\$ 3,457,721</u>	<u>\$ 3,702,686</u>
Improvement Authorizations Unfunded										\$ 5,125,440
Less: Unexpended Note Proceeds										
Ord. 2809									1,161,511	
Ord. 2866									85,376	
Ord. 2869									175,867	
										<u>1,422,754</u>
										<u>\$ 3,702,686</u>

CITY OF GARFIELD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance, December 31, 2020		2021 Authorizations			Balance, December 31, 2021			
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Grants Receivable	Deferred Charges Unfunded	Paid/Charged	Funded	Unfunded	
2463	Tax Appeal Funding	2006	\$ 435,000	\$ 61,060						\$ 61,060		
2598/2626/2634	Const. of Passaic River Park & Bikeway Proj.	2010	8,500,000	73,818					\$ 28,236	45,582		
2602	Photovoltaic Solar Power System	2011	100,000	25,463					25,463	-		
2621	DPW Salt Shed and Pistol Range	2011	100,000	5,978					5,978	-		
2633	Joint City of Garfield & BOE Road & Sch. Infrust. Improv.	2012	1,150,000	36,952					36,952	-		
2634	Const. of Passaic River Park & Bikeway Proj.	2012	1,000,000	39,120					-	39,120		
2640	Improvements to Pistol Range	2012	175,000	8,272					8,272	-		
2659/2822	Emergency Generators Various	2013	262,500	9,746					-	9,746		
2663	Farnham Ave Roadway Improvement	2013	275,000	66,204						66,204		
2664	Kipp Ave Sewer Pump Station	2013	220,000		\$ 12,557						\$ 12,557	
2674	20th Century Field Improvements	2013	1,455,000	1,859						1,859		
2680	Acquisition of a New Skid-Steer Loader and a New Asphalt Hot Box	2014	90,000	7,986						7,986		
2681	Various Improvements to City Hall and Fire Houses	2014	170,000	14						14		
2688	Various Improvements to Pierre Avenue	2014	1,150,000	6,217	9,732					6,217	9,732	
2696	Acquisition of New Dump Truck with Spreader and Reversible Plow	2014	112,500	9,729						9,729		
2718	Various Improvements to 20th Century Field	2015	1,400,000	173,883					54,621	119,262		
2730	Passaic River De-Smugging Project	2016	430,000		332,623						332,623	
2738/2850/2885	Neighborhood Revitalization Streetscape and Pedestrian Safety Project (Phase I)	2016	1,450,000		80,613			\$ 410,000	156,772		333,841	
2739/2766/2801/2851	Demolition of Existing Police Station and Construction of New Police Station	2016	7,225,000		172,343				153,946	18,397	-	
2740	School Pedestrian Safety Improvements at Various Locations (Phase II)	2016	575,000	16,445	327,622				1,750	14,695	327,622	
2742	Various Improvements to Lincoln Place	2016	400,000	68,207						68,207		
2745	Sanitary Sewer Rehabilitations	2016	288,000	-						-		
2749	Outwater Lane Curb and Sidewalk Replacement Project	2016	610,000	183,946						183,946		
2752	Acquisition of a Front End Loader and Two Dump Trucks for DPW	2016	515,000	30,294						30,294		
2754	Construction of Hobart Place Dog Park	2016	120,000		9,325					4,654	4,671	
2762	Acquisition Phases of the River Drive Roadway and Park Imp Project	2017	1,200,000		82,166				61,600		20,566	
2763	2017 Road Improvement Program	2017	1,000,000	26,816					2,395	24,421		
2769	Demolition and Removal of Old Firehouse #4	2017	67,000		11,734				11,462	272	-	
2777	Authorize the Installation of Playground Equipment at 20th Century	2018	130,000	75,913	52,152				10,000	89,713	28,352	
2778/2799	Authorize the Installation of an Elevator at the Garfield Library	2018	635,000		-						-	
2785	Authorize the Tree Planting Program	2018	270,000		19,451				231	19,220	-	
2787/2798	Authorize the 2018 Comprehensive Infrastructure Improvement Prog	2018	1,490,000		13,528				316	13,212	-	
2788	Acquisition of a Passenger Bus	2018	60,000		146				146		-	
2794	Authorize the Acquisition of a Sewer Jet Vacuum Machine	2018	428,000		8,314				1,385	6,929	-	
2797	Improvement of Fire House No. 2	2018	250,000									
2804	Authorize Undertaking of Various Improves to Fleichers Brook	2019	250,000									
2809	Authorize Continuation of Passaic River Park and Bikeway Project	2019	3,500,000		3,498,236				1,172,716		2,325,520	
2813/2852	Road Improvement Program and Barrier Free Improvements to City Hall	2019	765,000		13,649				231	11,167	2,251	
2814	Various Improvements to Grand Street	2019	900,000		42,306				2,038	40,268	-	
2818	Acquisition of New Fire Engine	2019	925,000		13,780				231	13,549	-	
2824	Various Public Improvements and the Acquisition of New Auto Vehicles	2019	180,000		489,838				118,291	371,547	-	
2825	Design, Permit and Property Acquisition Phases of River Drive and Park Improv(P2)	2019	300,000									
2835	2020 Road Improvement Program	2020	1,200,000		5,523				681	4,842	-	
2836	Replacement of the Synthetic Turf Athletic Field at Lafaso Field	2020	510,000		192,921				135,708	57,213	-	
2844	Various Improvements to Public Buildings and Facilities	2020	1,000,000	7,057	609,855				101,280	515,632	-	
2845	Monroe Street Improvements and Midland Avenue Curb and Side Walk Improvem	2020	1,050,000		266,788				242,159	24,629	-	
2846	Installation of a Special Needs Playground Area at 20th Century Field	2020	180,000						-	-	-	
2847	Neighborhood Preservation Program Along the Passaic Street Corridor	2020	160,000	-	87,354				78,310	9,044	-	
2866	Rehabilitation of Jewell Street Playground	2021	500,000			\$ 25,000		475,000	414,624		85,376	
2869	Improvements to the Library	2021	300,000				\$ 130,404	169,596	122,834		177,166	
2889	Acquisition of the Rights to Rail Line on Monroe Street	2021	130,000			6,200		123,800	100,447		29,553	
2908	2021 Road Improvement Program	2021	1,500,000			72,000		1,428,000	163,445		1,336,555	
2909	Basketball Court Improvements at Fire House #3	2021	130,000		-	-	6,200	123,800	30,945		99,055	
					\$ 934,979	\$ 6,352,556	\$ 109,400	\$ 130,404	\$ 2,730,196	\$ 3,243,465	\$ 1,888,630	\$ 5,125,440
										Cash Disbursements	\$ 1,110,288	
										Contracts Payable	2,133,177	
											\$ 3,243,465	

**CITY OF GARFIELD
STATEMENT OF GENERAL SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
General Improvement Bonds	10/15/2013	7,287,000	2022	\$ 525,000	3.00%				
			2023-2024	530,000	3.00%				
			2025	535,000	3.125%				
			2026	535,000	3.25%				
			2027	540,000	3.50%				
			2028	537,000	3.50%	\$ 4,257,000		\$ 525,000	\$ 3,732,000
General Improvement Bonds	8/15/2016	6,830,000	8/15/2022	360,000	2.00%				
			8/15/2023	360,000	2.00%				
			8/15/2024	360,000	2.00%				
			8/15/2025	360,000	2.00%				
			8/15/2026	360,000	2.00%				
			8/15/2027	360,000	2.00%				
			8/15/2028	360,000	2.00%				
			8/15/2029	360,000	2.00%				
			8/15/2030	360,000	2.00%				
			8/15/2031	360,000	2.25%				
			8/15/2032	360,000	2.25%				
			8/15/2033	360,000	2.375%				
			8/15/2034	360,000	2.50%				
			8/15/2035	360,000	2.50%				
			8/15/2036	360,000	2.75%	5,750,000		350,000	5,400,000

CITY OF GARFIELD
STATEMENT OF GREEN ACRES LOAN PAYABLE

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loan Outstanding</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
Passaic River Historic Park	12/31/2007	422,500	4/4/2022	\$ 11,658					
			10/4/2022	11,775					
			4/4/2023	11,892					
			10/4/2023	12,011					
			4/4/2024	12,131					
			10/4/2024	12,252					
			4/4/2025	12,375					
			10/4/2025	12,499					
			4/4/2026	12,624					
			10/4/2026	12,749					
			4/4/2027	12,877					
			10/4/2027	13,006	2.0%	170,820		22,971	\$ 147,849

**CITY OF GARFIELD
STATEMENT OF GREEN ACRES LOAN PAYABLE**

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loan Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>					
20th Century Field	5/10/2018	\$ 400,000	2/10/2021	\$ 8,779					
			8/10/2021	8,867					
			2/10/2022	8,956					
			8/10/2022	9,045					
			2/10/2023	9,136					
			8/10/2023	9,227					
			2/10/2024	9,319					
			8/10/2024	9,412					
			2/10/2025	9,507					
			8/10/2025	9,602					
			2/10/2026	9,698					
			8/10/2026	9,795					
			2/10/2027	9,893					
			8/10/2027	9,992					
			2/10/2028	10,091					
			8/10/2028	10,192					
			2/10/2029	10,294					
			8/10/2029	10,397					
			2/10/2030	10,501					
			8/10/2030	10,606					
			2/10/2031	10,712					
			8/10/2031	10,819					
			2/10/2032	10,928					
			8/10/2032	11,037					
			2/10/2033	11,147					
			8/10/2033	11,259					
			2/10/2034	11,371					
			8/10/2034	11,485					
			2/10/2035	11,600					
			8/10/2035	11,716					
			2/10/2036	11,833					
			8/10/2036	11,951					
			2/10/2037	12,071					
			8/10/2037	12,192					
			2/10/2038	12,314	2.0%	\$ 365,744	-	17,646	\$ 348,098
						\$ 536,564	-	\$ 40,617	\$ 495,947
Paid by Budget Appropriation								\$ 40,617	

CITY OF GARFIELD
STATEMENT OF DEPARTMENT OF COMMUNITY AFFAIRS LOAN PAYABLE

<u>Improvement Description</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loan Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Fire Company #2 - Emergency Generators	2013	\$ 44,340	1/18/2022	\$ 4,434	2.0%	\$ 13,302	\$ 4,434	\$ 8,868
			1/18/2023	4,434				
Fire Company #4 - Emergency Generators	2013	44,340	1/18/2022	4,434	2.0%	<u>13,302</u>	<u>4,434</u>	<u>8,868</u>
			1/18/2023	4,434				
						<u>\$ 26,604</u>	<u>\$ 8,868</u>	<u>\$ 17,736</u>
Paid by Budget Appropriation							<u>\$ 8,868</u>	

CITY OF GARFIELD
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Issue of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance, December 31, 2020	Increased	Decreased	Balance, December 31, 2021
2769	Demolition and Removal of Old Firehouse No. 4	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	\$ 63,800	\$ 63,800	\$ 63,800	\$ -
2776	Acquisition of Parking Permit Enforcement Equipment	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	60,000	60,000	60,000	-
2777	Acquisition and Installation of Playground Equipment	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	23,800	23,800	23,800	-
2778	Installation of an Elevator in the Public Library	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	88,054	88,054	88,054	-
2785	Tree Planting Program	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	120,000	120,000	120,000	-
2787	2018 Comprehensive Infrastructure Improvement Program	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	1,095,000	1,095,000	1,095,000	-
2788	Acquisition of a Passenger Bus	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	57,000	57,000	57,000	-
2794	Acquisition of a Sewer Jet Vac	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	407,600	407,600	407,600	-
2797	Improvement to Fire House No. 2	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	238,000	238,000	238,000	-
2798	Suppl. - Comprehensive Infrastructure Imprvt Program	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	323,000	323,000	323,000	-
2799	Suppl. - Elevator at Library	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	300,000	265,000	265,000	-
2801	Suppl. - New Police HQ	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	923,000	923,000	923,000	-
2804	Various Improvement to Fleishers Brook	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	32,800	32,800	32,800	-
2809	Construction of Passaic River Park & Bikeway Project	8/7/2019	8/6/2021 8/7/2020	8/5/2022 8/6/2021	1.00% 1.25%	1,988,900	1,988,900	1,988,900	-
2813/2852	2019 Road Program & Barrier Free Impvts to City Hall	8/7/2019	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	210,000	212,834	212,834	-
2814	Various Improvements to Grand Street	8/7/2019	8/6/2021 8/6/2021 8/7/2020	8/5/2022 10/19/2021 8/6/2021	1.00% 0.19% 1.25%	900,000	450,000 450,000	450,000 900,000	450,000 -
2818	Acquisition of New Fire Engine	8/7/2020	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	880,000	880,000	880,000	-
2824	Various Public Improvements and the Acquisition of New Auto Vehicles	8/7/2020	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	1,178,000	1,178,000	1,178,000	-
2825	Design, Permit and Property Acquisition Phases of River Drive and Park Imp	8/7/2020	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	300,000	300,000	300,000	-
2835	2020 Road Improvement Program	8/7/2020	8/6/2021 8/7/2020	10/19/2021 8/6/2021	0.19% 1.25%	1,140,000	1,140,000	1,140,000	-
2836	Replacement of the Synthetic Turf Athletic Field at Lafaso Field	8/7/2020	8/6/2021 8/6/2021 8/7/2020	8/5/2022 10/19/2021 8/6/2021	1.00% 0.19% 1.25%	485,000	217,888 267,112	217,888 267,112	217,888 -
2845	Monroe Street Improvements and Midland Avenue Curb and Side Walk Imp	8/6/2021	8/6/2021	8/5/2022	1.00%		624,915		624,915
2866	Rehabilitation of Jewell Street Playground	8/6/2021	8/6/2021	8/5/2022	1.00%		475,000		475,000
2869	Improvements to the Library	8/6/2021	8/6/2021	8/5/2022	1.00%	-	168,297	-	168,297
						<u>\$ 10,813,954</u>	<u>\$ 12,050,000</u>	<u>\$ 18,938,954</u>	<u>\$ 3,925,000</u>
							\$ 10,813,954	\$ 10,813,954	
							1,236,046	-	
							<u>\$ 12,050,000</u>	<u>\$ 18,938,954</u>	

Renewal
Bonds Issued
Issued for Cash

**CITY OF GARFIELD
STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2020		\$ 4,139,718
Increased by:		
Charges to Improvement Authorizations	2,133,177	
Charges to Reserve for Future Improvements	<u>-</u>	
		<u>2,133,177</u>
		6,272,895
Decreased by:		
Cash Disbursements		<u>3,940,901</u>
Balance, December 31, 2021		<u>\$ 2,331,994</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2020		\$ 299,755
Increased by:		
2021 Budget Appropriation		<u>200,000</u>
		499,755
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>109,400</u>
Balance, December 31, 2021		<u>\$ 390,355</u>

CITY OF GARFIELD
STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2020	\$ 421,660
Increased by:	
Excess Proceeds Ord. 2844	<u>342,145</u>
	763,805
Decreased by:	
Realized as Current Fund Anticipated Revenue	<u>350,000</u>
Balance, December 31, 2021	<u>\$ 413,805</u>

CITY OF GARFIELD
STATEMENT OF RESERVE FOR FUTURE IMPROVEMENTS

	<u>DPW</u>	<u>Recreation Building</u>	<u>Firehouse Improvements</u>	<u>Library</u>	<u>Total</u>
Balance, December 31, 2020	\$ 48,083	\$ 70,547	\$ 89,756	\$ 25,732	\$ 234,118
Decreased by:					
Cash Disbursements		-	31,500	-	31,500
Contracts Payable	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance, December 31, 2021	<u>\$ 48,083</u>	<u>\$ 70,547</u>	<u>\$ 58,256</u>	<u>\$ 25,732</u>	<u>\$ 202,618</u>

CITY OF GARFIELD
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

Ord. No.	Improvement Description	Balance, December 31, 2020	2021 Authorizations	Grants Receivable	Bond Anticipation Notes Issues	Bonds Issued	Grant/Loan Proceeds	Balance, December 31, 2021
2664	Kipp Ave Sewer Pump Station	\$ 194,000						\$ 194,000
2688	Various Improvements to Pierre Ave.	9,732						9,732
2712/2717	2015 Road Improvement Program	231,225						231,225
2730	Passaic River De-Snagging Project	350,000						350,000
2738/2850/2885	Neighborhood Revitalization Streetscape and Pedestrian Safety Project (Phase I)	1,250,000	\$ 410,000					1,660,000
2740	School Pedestrian Safety Improvements at Various Locations (Phase II)	327,622						327,622
2754	Construction of Hobart Place Dog Park	53,462					48,791	4,671
2762	Acquisition Phases of the River Drive Roadway and Park Improvement Project	1,200,000						1,200,000
2766/2801/2851	Demolition of Existing Police Station and Construction of New Police Station	214,000				214,000		-
2777	Authorize the Installation of Playground Equipment at 20th Century	28,352						28,352
2778/2799	Authorize the Installation of an Elevator at the Garfield Library	216,646		35,000				251,646
2809	Continuation of Passaic River Park and Bikeway Project	1,164,009						1,164,009
2813/2852	2019 Road Improvement Program and Barrier Free (ADA) Improvements to City Hall	61,000			2,834	55,915		2,251
2844	Various Improvements to Public Buildings and Facilities	609,855				609,855		-
2845	Monroe Street Improvements and Midland Avenue Curb and Side Walk Improvements	1,000,000			624,915	375,085		-
2846	Installation of a Special Needs Playground Area at 20th Century Field	171,000				111,000		60,000
2847	Neighborhood Preservation Program Along the Passaic Street Corridor	80,310				27,000	53,310	-
2866	Rehabilitation of Jewell Street Playground		475,000		475,000			-
2869	Improvements to the Library		169,596		168,297			1,299
2889	Acquisition of the Rights to Rail Line on Monroe Street		123,800					123,800
2908	2021 Road Improvement Program		1,428,000					1,428,000
2909	Basketball Court Improvements at Fire House #3	-	123,800	-	-	-	-	123,800
		<u>\$ 7,161,213</u>	<u>\$ 2,730,196</u>	<u>\$ 35,000</u>	<u>\$ 1,271,046</u>	<u>\$ 1,392,855</u>	<u>\$ 102,101</u>	<u>\$ 7,160,407</u>

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WATER UTILITY FUND

**CITY OF GARFIELD
WATER UTILITY CASH
STATEMENT OF CASH - COLLECTOR/TREASURER**

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2020	\$ 3,909,243	\$ 3,898,402
Increased by Receipts:		
Water Revenue Rents	\$ 3,237,001	
Miscellaneous Revenue Not Anticipated	44,689	
Interest Earned on Investments		\$ 241
Receipts from Water Utility Capital Fund	30,816	-
Receipts from Current Fund	842,300	45,000
Bond Anticipation Notes		955,000
Emergency Note Payable	<u>500,000</u>	<u>-</u>
	<u>4,654,806</u>	<u>1,000,241</u>
	8,564,049	4,898,643
Decreased by:		
2021 Budget Appropriations	2,929,547	
2020 Appropriation Reserves	272,106	
Improvement Authorizations		702,271
Encumbrances Payable	-	
Contracts Payable		272,863
Accrued Interest on Bonds, Notes and Loans	176,800	
Payments to Current Fund	-	51,046
Payments to General Capital Fund		-
Payments to Water Utility Operating Fund	<u>-</u>	<u>30,816</u>
	<u>3,378,453</u>	<u>1,056,996</u>
Balance, December 31, 2021	<u>\$ 5,185,596</u>	<u>\$ 3,841,647</u>
Cash	\$ 5,185,496	
Change Fund	<u>100</u>	
	<u>\$ 5,185,596</u>	

**CITY OF GARFIELD
WATER UTILITY CAPITAL FUND
ANALYSIS OF CASH**

	Balance, December 31, <u>2021</u>
Fund Balance	\$ 91,095
Capital Improvement Fund	8,400
Contracts Payable	1,705,565
Reserve for Preliminary Engineering Expenses	10,000
Reserve for Infrastructure and Rate Stabilization	30,000
Reserve for Payment of Debt	167,655
Reserve for Improvements - Lead Line Replacement	220,000
Loan Receivable	(27,397)
Due from Current Fund	(51,046)
Due to Water Utility Operating Fund	241

Improvement Authorizations

Ord.

No.

2518	Supplemental - Water Infrastructure	33,953
2544/2591	Improvement of Elmwood Park Well Field	12,059
2563	Improvements to Palisade Avenue Water Line	272,341
2615	Replacement of Well No. 8R and Other Improv.	180
2627	Rehabilitation of Water lines at Various Locations	16,300
2768	Installation and Activation of Well No.2R	150,773
2795	Various Well Improvement	169,751
2815	Various Public Improv., New Equip and Vehicle	574,949
2821	Replacement of Water Meters (Phase 1)	64,732
2865	Various Public Improvements	102,418
2868	Water Infrastructure Improvements	289,678

\$ 3,841,647

CITY OF GARFIELD
STATEMENT OF DUE FROM WATER UTILITY CAPITAL FUND
WATER UTILITY OPERATING FUND

Balance, December 31, 2020	\$ 30,816
Increased by:	
Interest Earned on Investments	<u>241</u>
	31,057
Decreased by:	
Payments to Water Operating	<u>30,816</u>
Balance, December 31, 2021	<u>\$ 241</u>

STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN RECEIVABLE
WATER UTILITY CAPITAL FUND

Balance, December 31, 2020	<u>\$ 27,397</u>
Balance, December 31, 2021	<u>\$ 27,397</u>

**CITY OF GARFIELD
STATEMENT OF FIXED CAPITAL
WATER UTILITY CAPITAL FUND**

<u>Account</u>	Balance, December 31, <u>2020</u>	Balance, December 31, <u>2021</u>
Fixed Capital Installed as part of the		
Original Plant	\$ 124,080	\$ 124,080
Land	116,568	116,568
Springs and Wells	2,488,770	2,488,770
Pumping Stations	663,741	663,741
Electric and Steam Power Equipment	88,917	88,917
Gas and Power Pumping Equipment	256	256
Reservoirs, Tanks and Standpipes	3,005	3,005
Meters, Meter Boxes and Vaults	363,530	363,530
Distribution Mains and Accessories	959,811	959,811
Hydrants and Cisterns	19,126	19,126
Fountain Troughs and Other Equipment	310	310
Chlorinator	1,000	1,000
Engineering and Supervision of Construction	17,859	17,859
Legal	987	987
Miscellaneous Construction Expenses	3,119	3,119
General Structures	13,138	13,138
Franchise	160	160
General Equipment	73,794	73,794
Water Supply and Distribution System	2,544,527	2,544,527
Automotive and Other Equipment	55,018	55,018
Accounting Machine	6,914	6,914
Water Storage Tank	200,000	200,000
Improvement to Water Lines	2,513,707	2,513,707
Improvement to Water Supply System	4,590,345	4,590,345
Replacement of Pumping Station and Water Storage Tanks	6,700,000	6,700,000
Repair and Replace Water Meters	160,000	160,000
	<u>\$ 21,708,682</u>	<u>\$ 21,708,682</u>

CITY OF GARFIELD
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
WATER UTILITY CAPITAL FUND

Ord. No.	Improvement Description	<u>Ordinance</u> Date	Amount	Balance, December 31, 2020	Increased by: Current Year Authorizations	Balance, December 31, 2021
2563	Improvements of Palisade Ave. Water Line	8/18/2009	\$ 400,000	\$ 400,000		\$ 400,000
2627	Rehabilitation of Water lines at Various Locations	3/20/2012	300,000	300,000		300,000
2768	Decommissioning of Well No.2	2017	245,000	245,000		245,000
2795	Various Well Improvement	2018	900,000	900,000		900,000
2815	Various Public Improv., New Equip and Vehicle	6/26/2019	750,000	750,000		750,000
2821/2888/2907	Replacement of Water Meters	9/11/2019	1,200,000	1,200,000	\$ 560,000	1,760,000
2865	Various Public Improvements	3/23/2021	580,000		580,000	580,000
2868	Water Infrastructure Improvements		375,000		375,000	375,000
	Installation of Water Treatment Facilities	12/21/2021	160,000	-	160,000	160,000
				<u>\$ 3,795,000</u>	<u>\$ 1,675,000</u>	<u>\$ 5,470,000</u>

**CITY OF GARFIELD
STATEMENT OF RESERVE FOR AMORTIZATION
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020		\$ 14,011,647
Increased by:		
Principal Paid by Budget Appropriation		
Serial Bonds	\$ 345,000	
Bond Anticipation Notes	51,046	
Environmental Infrastructure Trust Loan	330,758	
Fully Funded Ord #2907	<u>560,000</u>	
		<u>1,286,804</u>
Balance, December 31, 2021		<u>\$ 15,298,451</u>

**STATEMENT OF RESERVE FOR DEFERRED AMORTIZATION
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020	<u>\$ 3,601,659</u>
Balance, December 31, 2021	<u>\$ 3,601,659</u>

**STATEMENT OF RESERVE FOR PAYMENT OF DEBT
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020	<u>\$ 167,655</u>
Balance, December 31, 2021	<u>\$ 167,655</u>

CITY OF GARFIELD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
WATER UTILITY CAPITAL FUND

Ordinance Number	Improvement Description	Date	Amount	Balance, December 31, 2020		2021 Authorizations	Paid or Charged	Balance, December 31, 2021	
				Funded	Unfunded			Funded	Unfunded
2518	Supplemental Water Infrastructure	12/11/2007	\$ 400,000	\$ 35,078			\$ 1,125	\$ 33,953	
2544	Improvement of Elmwood Park Well Field	2/10/2009	500,000	12,059				12,059	
2563	Improvements to Palisade Avenue Water Line	8/18/2009	400,000	272,607			266	272,341	
2615	Replacement of Well No. 8R and Other Improv.	7/11/2011	240,000	180				180	
2627	Rehabilitation of Water lines at Various Locations	3/20/2012	300,000	111,967			95,667	16,300	
2768	Decommissioning of Well No.2	9/26/2017	245,000		\$ 151,054		281		\$ 150,773
2795	Various Well Improvement	11/19/2018	900,000		202,678		32,927		169,751
2815	Various Public Improv., New Equip and Vehicle	8/14/2019	925,000		575,230		281		574,949
2821/2888/2907	Replacement of Water Meters (Phase 1)	9/11/2019	1,200,000	1,074,903	-	560,000	1,570,171	64,732	-
2865	Various Public Improvements	3/23/2021	580,000			580,000	477,582		102,418
2868	Water Infrastructure Improvements		375,000			375,000	85,322		289,678
2911	Installation of Water Treatment Facilities	12/21/2021	160,000	-	-	160,000	-	-	160,000
				<u>\$ 1,506,794</u>	<u>\$ 928,962</u>	<u>\$ 1,675,000</u>	<u>\$ 2,263,622</u>	<u>\$ 399,565</u>	<u>\$ 1,447,569</u>
							Cash Disbursements	\$ 702,271	
							Contracts Payable	<u>1,561,351</u>	
								<u>\$ 2,263,622</u>	

CITY OF GARFIELD
STATEMENT OF ACCRUED INTEREST ON BONDS, NOTES AND LOANS
WATER UTILITY OPERATING FUND

Balance, December 31, 2020	\$ 52,623
Increased by:	
Budget Appropriation	<u>173,324</u>
	225,947
Decreased by:	
Cash Disbursements	<u>176,800</u>
Balance, December 31, 2021	<u>\$ 49,147</u>

STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE
WATER UTILITY OPERATING FUND

Balance, December 31, 2020	\$ 541,085
Increased by:	
Water Rents Levied	<u>3,242,616</u>
	3,783,701
Decreased by:	
Cash Receipts	<u>3,237,001</u>
Balance, December 31, 2021	<u>\$ 546,700</u>

**CITY OF GARFIELD
STATEMENT OF CAPITAL IMPROVEMENT FUND
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020	<u>\$ 8,400</u>
Balance, December 31, 2021	<u>\$ 8,400</u>

**STATEMENT OF RESERVE FOR PRELIMINARY ENGINEERING FEES
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020	<u>\$ 10,000</u>
Balance, December 31, 2021	<u>\$ 10,000</u>

**CITY OF GARFIELD
STATEMENT OF SERIAL BONDS PAYABLE
WATER UTILITY CAPITAL FUND**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Decreases</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Water Utility Bonds	10/15/2013	3,003,000	2022	\$ 210,000	3.000%			
			2023	220,000	3.000%			
			2024	230,000	3.000%			
			2025	250,000	3.125%			
			2026	250,000	3.250%			
			2027	260,000	3.500%			
			2028	258,000	3.500%	\$ 1,878,000	\$ 200,000	\$ 1,678,000
Water Utility Refunding Bonds	2/25/2015	820,000	2022	70,000	2.000%			
			2023	70,000	2.250%			
			2024	65,000	2.375%			
			2025	65,000	2.500%			
			2026	65,000	2.625%	405,000	70,000	335,000
Water Utility Refunding Bonds	3/1/2017	975,000	2022-2024	70,000	4.000%			
			2025	120,000	4.000%			
			2028	410,000	3.000%	<u>815,000</u>	<u>75,000</u>	<u>740,000</u>
						<u>\$ 3,098,000</u>	<u>\$ 345,000</u>	<u>\$ 2,753,000</u>
Paid by Budget Appropriation						<u>\$ 345,000</u>		

CITY OF GARFIELD
STATEMENT OF ENVIRONMENTAL INFRASTRUCTURE TRUST LOAN PAYABLE
WATER UTILITY CAPITAL FUND

Balance, December 31, 2020	\$ 1,418,330
Decreased by:	
Principal Paid by Budget Appropriation	<u>330,758</u>
Balance, December 31, 2021	<u>\$ 1,087,572</u>

CITY OF GARFIELD
STATEMENT OF BOND ANTICIPATION NOTES
WATER UTILITY CAPITAL FUND

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Date of Issue of Original Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
2240/2257	Water Utility Improvements	8/26/2016	8/6/2021 8/7/2020	8/5/2022 8/6/2021	1.00% 1.25%	\$ 885,918	\$ 861,974	\$ 885,918	\$ 861,974
2655	Improvements to Wells 1, 1A and 2	8/26/2016	8/6/2021 8/7/2020	8/5/2022 8/6/2021	1.00% 1.25%	233,924	230,886	233,924	230,886
2719	Repair and Replace Water Meters and Acquisition of Fire Hydrants	8/26/2016	8/6/2021 8/7/2020	8/5/2022 8/6/2021	1.00% 1.25%	124,204	106,217	124,204	106,217
2767	Various Improvements to Reactivate Well No.8C	8/7/2018	8/6/2021 8/7/2020	8/5/2022 8/6/2021	1.00% 1.25%	235,000	232,025	235,000	232,025
2768	Installation and Activation of Well No.2R	8/7/2018	8/6/2021 8/7/2020	8/5/2022 8/6/2021	1.00% 1.25%	245,000	241,898	245,000	241,898
2795	Various Well Improvement	8/7/2020	8/6/2021 8/7/2020	8/5/2022 8/6/2021	1.00% 1.25%	900,000	900,000	900,000	900,000
2815	Various Public Improv., New Equip and Vehicle	8/7/2020	8/6/2021 8/7/2020	8/5/2022 8/6/2021	1.00% 1.25%	750,000	750,000	750,000	750,000
2865	Various Public Improvements	8/6/2021	8/6/2021	8/5/2022	1.00%		580,000		580,000
2868	Water Infrastructure Improvements	8/6/2021	8/6/2021	8/5/2022	1.00%	-	375,000	-	375,000
						<u>\$ 3,374,046</u>	<u>\$ 4,278,000</u>	<u>\$ 3,374,046</u>	<u>\$ 4,278,000</u>
							\$ 3,323,000	\$ 3,323,000	
							Issued for Cash 955,000	-	
							Paid by Budget Appropriation -	51,046	
							<u>\$ 4,278,000</u>	<u>\$ 3,374,046</u>	

CITY OF GARFIELD
STATEMENT OF 2020 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND

	Balance, December 31, 2020	Balance After Modification	Expended	Balance Lapsed
Operating				
Salaries and Wages	\$ 214,543	\$ 214,543	\$ -	\$ 214,543
Other Expenses	324,315	650,762	272,106	378,656
Statutory Expenditures				
Social Security	<u>15,638</u>	<u>15,638</u>	<u>-</u>	<u>15,638</u>
	<u>\$ 554,496</u>	<u>\$ 880,943</u>	<u>\$ 272,106</u>	<u>\$ 608,837</u>
Appropriation Reserves	\$ 554,496			
Cancelled Encumbrances		<u>326,447</u>		
		<u>\$ 880,943</u>		
Cash Disbursements	\$ 272,106			
Accounts Payable	<u>-</u>			
			<u>\$ 272,106</u>	

STATEMENT OF ENCUMBRANCES PAYABLE
WATER UTILITY OPERATING FUND

Balance, December 31, 2020	\$ 326,447
Increased by:	
Charged to 2021 Budget Appropriations	<u>383,731</u>
	710,178
Decreased by:	
Cash Disbursements	\$ -
Cancellations	<u>326,447</u>
	<u>326,447</u>
Balance, December 31, 2021	<u>\$ 383,731</u>

EXHIBIT D-24

**CITY OF GARFIELD
STATEMENT OF CONTRACTS PAYABLE
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020	\$ 417,077
Increased by:	
Charged to Improvement Authorizations	<u>1,561,351</u>
	1,978,428
Decreased by:	
Cash Disbursements	<u>272,863</u>
Balance, December 31, 2021	<u>\$ 1,705,565</u>

EXHIBIT D-25

**STATEMENT OF RESERVE FOR INFRASTRUCTURE AND RATE STABILIZATION
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020	\$ 590,000
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>560,000</u>
Balance, December 31, 2021	<u>\$ 30,000</u>

EXHIBIT D-26

**STATEMENT OF DUE FROM CURRENT FUND
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020	\$ 45,000
Increased by:	
Payments to Current Fund	<u>51,046</u>
	96,046
Decreased by:	
Receipts from Current	<u>\$ 45,000</u>
Balance, December 31, 2021	<u>\$ 51,046</u>

EXHIBIT D-27

**CITY OF GARFIELD
STATEMENT OF ACCOUNTS PAYABLE
WATER UTILITY OPERATING FUND**

Balance, December 31, 2020	\$ <u>15,000</u>
Balance, December 31, 2021	\$ <u>15,000</u>

EXHIBIT D-28

**STATEMENT OF DUE FROM CURRENT FUND
WATER UTILITY OPERATING FUND**

Balance, December 31, 2020 - Due From		\$ 336,029
Decreased by :		
Receipts from Current Fund	\$ 336,029	
Disbursements paid in Current	6,271	
Deferred Charge Cancelled	<u>500,000</u>	
		<u>842,300</u>
Balance, December 31, 2021 - Due to		\$ <u>(506,271)</u>

EXHIBIT D-29

**STATEMENT OF RESERVE FOR IMPROVEMENTS - LEAD LINE REPLACEMENT
WATER UTILITY CAPITAL FUND**

Balance, December 31, 2020	\$ <u>220,000</u>
Balance, December 31, 2021	\$ <u>220,000</u>

CITY OF GARFIELD
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
WATER UTILITY CAPITAL FUND

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2020</u>	<u>Increased by: 2021 Authorizations</u>	<u>Decreased by: Notes Issued</u>	<u>Balance, December 31, 2021</u>
2865	Various Public Improvements	\$ -	\$ 580,000	\$ 580,000	\$ -
2868	Water Infrastructure Improvements		375,000	375,000	-
	Installation of Water Treatment Facilities	<u>-</u>	<u>160,000</u>	<u>-</u>	<u>160,000</u>
		<u>\$ -</u>	<u>\$ 1,115,000</u>	<u>\$ 955,000</u>	<u>\$ 160,000</u>

STATEMENT OF EMERGENCY NOTE PAYABLE

Increased by	
Cash Receipt - COVID Emergency	<u>\$ 500,000</u>
Balance, December 31, 2021	<u>\$ 500,000</u>

CITY OF GARFIELD
PART II
GOVERNMENT AUDITING STANDARDS
AND
SINGLE AUDIT



LERCH, VINCI & BLISS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Garfield
Garfield, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the City of Garfield, as of and for the year ended December 31, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2022. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements. Also, the City's notes to the financial statements do not disclose the other post-employment benefit obligations related to post-retirement medical benefits provided to its eligible retirees and their dependents as required by Government Accounting Standards Board Statement 75 Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions and the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Garfield's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and questioned costs as item 2021-001.

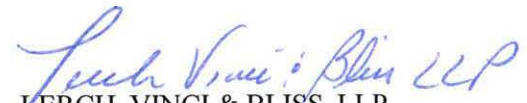
We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the City of Garfield in Part III of this report of audit entitled; "Letter of Comments and Recommendations".

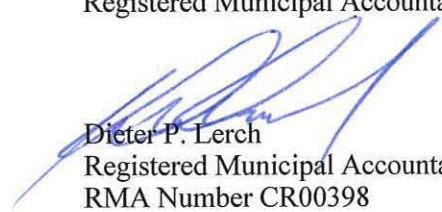
City of Garfield's Responses to Findings

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

Purpose of this Report

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


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants


Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
June 24, 2022



LERCH, VINCI & BLISS, LLP

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**REPORT ON COMPLIANCE FOR EACH STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; SCHEDULE OF
EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Garfield
Garfield, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of Garfield's compliance with the types of compliance requirements described in the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the City of Garfield's major state programs for the year ended December 31, 2021. The City of Garfield's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Garfield complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2021.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards and New Jersey OMB Circular are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Garfield and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major state program. Our audit does not provide a legal determination of the City of Garfield's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the City of Garfield's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Garfield's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Garfield's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Garfield's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Garfield's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the City of Garfield's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements - regulatory basis of the City of Garfield as of and for the year ended December 31, 2021, and the related notes to the financial statements and have issued our report thereon dated June 24, 2022, which contained a modified opinion on those financial statements prepared in accordance with the regulatory basis of accounting because the financial statements of the Length of Service Award Program (LOSAP) Trust Fund have not been audited and because the notes to the financial statements do not disclose the other post employment benefit obligations related to post retirement benefits and also contained a modified opinion on those financial statements because they were not prepared in accordance with accounting principles generally accepted in the United States of America. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.



LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants



Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
June 24, 2022

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CITY OF GARFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

<u>Federal Grantor</u>	<u>Program</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Original Grant Award</u>	<u>2021 Receipts</u>	<u>Balance, December 31, 2020</u>	<u>2021 Award</u>	<u>2021 Grant Expenditures</u>	<u>Adjustments</u>	<u>Balance, December 31, 2021</u>	<u>(Memo) Cumulative Expended</u>
Department of Housing and Urban	Department of Housing and Urban Development										
	Community Development Block Grant	14.218									
	(Passed through County of Bergen)										
	Various Improvements to Pierre Avenue (Ord. 2688)		2014	\$ 782,778		\$ 15,949				\$ 15,949	\$ 766,829
Department of Agriculture	Playground Equipment 20th Century (Ord. 2777)		2018	100,000		100,000		\$ 10,000		90,000	
	Department of Agriculture										
	(Passed through State of New Jersey										
	Department of Agriculture)										
	Summer Food Service Program for Children	10.559	2012	93,753		12,679				12,679	81,074
			2013	100,976		13,757				13,757	87,219
			2014	107,438		16,364				16,364	91,074
			2018	106,962		49,939				49,939	57,023
			2019	108,727		27,332				27,332	81,395
			2020	40,033		40,033				40,033	
			2021	145,540	\$ 145,540	-	\$ 145,540			145,540	
Department of Transportation	Department of Transportation -										
	Division of Highway Traffic Safety										
	(Passed through State of New Jersey Department										
	of Law and Public Safety)										
	Click It or Ticket	20.616	2020	5,500	5,500	5,000		5,000		-	5,500
	Click It or Ticket	20.616	2021	7,500	7,500	-	7,500	2,500		5,000	2,500
	Distracted Driving		2021	9,000		-	9,000	9,000		-	9,000
	Year End Drunk Driving	20.616	2018	5,000		5,000		5,000		-	5,000
	Year End Drunk Driving	20.616	2021	12,000	6,000		12,000	7,000		5,000	7,000
	Division of Federal Highway Administration										
	(Passed through State of New Jersey Department										
	of Transportation)										
Department of Health and Human Services	Ord. 2663 - Farnham Ave Roadway Improvements	20.205	2013	167,500		66,204				66,204	101,296
	American Rescue Plan										
	(Passed through County of Bergen)		2021	1,664,335		-	1,664,335	-	-	1,664,335	
	FEMA										
	Firefighters Grant		2021			-	88,000	88,000	-	-	88,000
						<u>\$ 352,257</u>	<u>\$ 1,926,375</u>	<u>\$ 126,500</u>	<u>\$ -</u>	<u>\$ 2,152,132</u>	

CITY OF GARFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2021

<u>State Grantor</u>	<u>Program</u>	<u>Grant Number</u>	<u>2021 Receipts</u>	<u>Balance, December 31, 2020</u>	<u>2021 Grant Award</u>	<u>2021 Grant Expenditures</u>	<u>Adjustments</u>	<u>Balance, December 31, 2021</u>	<u>(Memo) Cumulative Expended</u>
Dept. of Environmental Protection									
	Solid Waste Administration								
	Clean Communities - 2020	4900-765-178910		\$ 14,915		\$ 14,915			\$ 45,396
	Clean Communities - 2021	4900-765-178910	\$ 30,904		\$ 48,336	28,764		\$ 19,572	28,764
	Recycling Tonnage Grant - 2019	4900-752-178810		22,770		22,770		-	42,444
	Recycling Tonnage Grant - 2020	4900-752-178810		52,342		15,850		36,492	15,850
	Recycling Tonnage Grant - 2021	4900-752-178810	40,973	-	40,973			40,973	
	Passaic River Park and Bikeway - Ord. 2809	*		1,730,000		172,716		1,557,284	172,716
	Green Acres Grant Program								
	Passaic River De-Snagging Project - Ord. 2730	*		14,937				14,937	200,563
	Passaic River Park and Bikeway - Ord. 2809	*		1,000,000		1,000,000		-	1,000,000
Department of Transportation									
	Streetscape and Pedestrian Safety Project - Ord. 2738	6310-480-601395		697,404		76,159		621,245	178,755
	School Pedestrian Safety Improvements - Ord. 2740	6310-480-601395		164,067		1,750		162,317	165,305
	Midland Ave Curbs and Sidewalks - Ord. 2845			246,104		242,159		3,945	242,159
Dept. of Law and Public Safety									
	Alcohol Education and Rehabilitation - Prior	9735-700-060000		19,744				19,744	6,331
	Alcohol Education and Rehabilitation - 2016	9735-700-060000		6,285				6,285	
	Alcohol Education and Rehabilitation - 2017	9735-700-060000		3,989				3,989	
	Alcohol Education and Rehabilitation - 2018	9735-700-060000		7,543				7,543	
	Alcohol Education and Rehabilitation - 2019	9735-700-060000		7,234				7,234	
	Alcohol Education and Rehabilitation - 2020	9735-700-060000		3,751				3,751	
	Alcohol Education and Rehabilitation - 2021	9735-700-060000	2,045	-	2,045			2,045	
	Body Armor Protection Program - 2020	2019-066-1020-718-001		5,788		5,788		-	7,429
	Body Armor Protection Program - 2021	2019-066-1020-718-001	6,092	-	6,092	485		5,607	485
	Drunk Driving Enforcement Fund			81,981				81,981	
	Body Worn Cameras			66,780				66,780	
	COPS in School		620	-	620			620	
Department of Community Affairs									
	Neighborhood Preservation Program	NPP-2019		58,343		53,310		5,033	125,000
	Neighborhood Preservation Program	NPP-2021	46,211	-	46,211			46,211	-
	Barrier Free Improvements - Ord. 2869				130,404	122,834		7,570	122,834
	ROID Grant		20,000	-	20,000	20,000		-	20,000
Department of Health									
	Public Health Priority Funding	4230-100-031030		17,029				17,029	
	AARP Health Grant		4,000	-	4,000			4,000	
	Hepatitis B Inoculation	4230-100-034740		1,083	-	-	-	1,083	
				<u>\$ 4,222,089</u>	<u>\$ 298,681</u>	<u>\$ 1,777,500</u>	<u>\$ -</u>	<u>\$ 2,743,270</u>	

* = Not Available

Note: This schedule is not subject to Single Audit in accordance with New Jersey OMB 15-08.

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

CITY OF GARFIELD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2021

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements. Financial assistance revenues are reported in the City's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 1,780,835	\$ 168,277	\$ 1,949,112
Other Trust Fund	145,540	-	145,540
General Capital Fund	<u>-</u>	<u>130,404</u>	<u>130,404</u>
	<u>\$ 1,926,375</u>	<u>\$ 298,681</u>	<u>\$ 2,225,056</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the City's fiscal year and grant program year.

CITY OF GARFIELD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2021

NOTE 5 STATE LOANS OUTSTANDING

The City's state loans outstanding at December 31, 2021, which are not required to be reported on the schedules of expenditures of state financial assistance, are as follows:

<u>Loan Program</u>	<u>State</u>
Green Acres Loan Program	\$ 495,947
DCA Loan Program	17,736
Environmental Infrastructure Trust Loan	<u>1,087,572</u>
	<u>\$ 1,601,255</u>

CITY OF GARFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued:	<u>Modified (Unaudited LOSAP Fund and Omitted OPEB Disclosure)</u>	
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	<u>X</u> no
2) Were significant deficiencies identified that are not considered to be material weaknesses?	<u>X</u> yes	_____ none reported
Noncompliance material to financial statements noted?	_____ yes	<u>X</u> no

Federal Awards Section - Not Applicable

Dollar threshold used to determine Type A programs:	_____
Auditee qualified as low-risk auditee?	_____ yes _____ no
Type of auditors' report on compliance for major programs:	<u>Unmodified</u>
Internal Control over compliance:	
1) Material weakness(es) identified?	_____ yes _____ no
2) Were significant deficiencies identified that are not considered to be material weaknesses?	_____ yes _____ none reported
Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance (section.510(a))	_____ yes _____ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____	_____

Part I—Summary of Auditor's Results

**CITY OF GARFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2021-001

Our audit of City expenditures indicated that the following projects awarded through the bidding process, did not have bid packets available at the time of audit:

- Neighborhood Revitalization Project with Zuccaro Inc.
- Improvements to the Water System with Fred Devens Construction
- Street Sweeping Services with TSS Facility Services

Criteria or Specific Requirement

Local Public Contracts Law

Condition

Bid packets submitted by the vendors were not made available for audit. We were unable to verify supporting documentation required including bid amount, 10% ownership business registration certificate.

Context

The minutes state that the City awarded contracts to Zuccaro, Fred Devens and TSS Facility using the bidding process. Bid packets were requested for review, but were not able to be located.

Effect

The City was not in compliance with the Local Public Contracts Law.

Cause

Unknown.

Recommendation

The City retain all bid packets and make such documentation available for audit.

View of Responsible Official and Planned Corrective Action

Management has reviewed the recommendation and corrective action will be taken.

**CITY OF GARFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

CURRENT YEAR STATE AWARDS

Not Applicable.

**CITY OF GARFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2020-001

Expenditures were made for various goods and services, the cost of which exceeded the bid threshold, without adhering to requirements of the Local Public Contracts Law.

Current Status

Corrective action was taken.

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CITY OF GARFIELD

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 3,964,000	4.85%	\$ 3,964,000	5.03%
Miscellaneous - From Other Than Local				
Property Tax Levies	10,836,666	13.27%	9,999,010	12.70%
Collection of Delinquent Taxes and Tax Title Liens	869,609	1.06%	1,059,498	1.35%
Collection of Current Tax Levy	64,213,669	78.61%	62,465,467	79.34%
Other Credits to Income	<u>1,802,338</u>	<u>2.21%</u>	<u>1,243,393</u>	<u>1.58%</u>
Total Income	<u>81,686,282</u>	<u>100.00%</u>	<u>78,731,368</u>	<u>100.00%</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	40,914,575	51.06%	38,490,265	50.68%
County Taxes	7,074,497	8.83%	6,698,357	8.82%
Local School Taxes	31,165,367	38.89%	30,470,954	40.12%
Other Expenditures	<u>980,756</u>	<u>1.22%</u>	<u>292,815</u>	<u>0.39%</u>
Total Expenditures	<u>80,135,195</u>	<u>100.00%</u>	<u>75,952,391</u>	<u>100.00%</u>
Less: Expenditures Included Above which by Statute are Required to be Raised in Subsequent Year's Budgets	<u>1,500,000</u>		<u>180,000</u>	
Total Adjusted Expenditures	<u>78,635,195</u>		<u>75,772,391</u>	
Statutory Excess to Fund Balance	3,051,087		2,958,977	
Fund Balance, January 1	<u>7,983,418</u>		<u>8,988,441</u>	
	11,034,505		11,947,418	
Less Utilization as Anticipated Revenue	<u>3,964,000</u>		<u>3,964,000</u>	
Fund Balance, December 31	<u>\$ 7,070,505</u>		<u>\$ 7,983,418</u>	

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGE IN FUND BALANCE -
WATER UTILITY OPERATING FUND**

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 200,000	4.89%	\$ 475,000	11.14%
Collection of Water Rents	3,237,001	79.13%	3,220,588	75.54%
Miscellaneous - From Other Than Water Rents	<u>653,767</u>	<u>15.98%</u>	<u>568,033</u>	<u>13.32%</u>
Total Income	<u>4,090,768</u>	<u>100.00%</u>	<u>4,263,621</u>	<u>100.00%</u>
EXPENDITURES				
Budget Expenditures				
Operating	2,092,297	59.45%	2,453,000	66.43%
Debt Service	900,158	25.58%	904,362	24.49%
Deferred Charges and Statutory Expenditures	27,203	0.77%	35,000	0.95%
Surplus (General Budget)	<u>500,000</u>	<u>14.21%</u>	<u>300,000</u>	<u>8.12%</u>
Total Expenditures	<u>3,519,658</u>	<u>100.00%</u>	<u>3,692,362</u>	<u>100.00%</u>
Excess in Revenue	571,110		571,259	
Expenditures Above Which by Statute are Required to be Raised in Subsequent Budget	<u>125,000</u>		<u>-</u>	
Statutory Excess to Fund Balance	696,110		571,259	
Fund Balance, January 1	<u>3,327,522</u>		<u>3,231,263</u>	
	4,023,632		3,802,522	
Less Utilization as Anticipated Revenue	<u>200,000</u>		<u>475,000</u>	
Fund Balance, December 31	<u>\$ 3,823,632</u>		<u>\$ 3,327,522</u>	

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	<u>\$3.028</u>	<u>\$2.962</u>	<u>\$2.906</u>
<u>Apportionment of Tax Rate</u>			
Municipal	1..206	1.184	1.186
Library	.043	.041	.040
County	.316	.300	.279
County Open Space	.013	.012	.011
Local School	1.450	1.425	1.390

Assessed Valuation

2021	<u>\$2,149,357,200</u>	
2020	<u>\$2,139,503,400</u>	
2019		<u>\$2,123,520,600</u>

Comparison of Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 65,273,422	\$ 64,213,669	98.37%
2020	63,563,189	62,465,467	98.27%
2019	62,117,504	60,935,958	98.10%

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31 Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2021	\$ 598,323	\$ 1,114,246	1,712,569	2.62%
2020	534,886	1,029,684	1,564,570	2.40%
2019	434,454	1,166,309	1,600,763	2.52%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2021	\$436,870
2020	436,870
2019	436,870

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>	<u>Percentage of Collection</u>
2021	\$3,242,616	\$3,237,001	99.82%
2020	3,214,771	3,220,588	100.18%
2019	3,261,579	3,237,364	99.26%

* Includes delinquent collections

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>
<u>Current Fund</u>	2021	\$7,070,505	\$3,964,000
	2020	7,983,418	3,964,000
	2019	8,988,441	3,964,000
	2018	8,833,624	3,590,000
	2017	8,556,361	3,550,000
 <u>Water Utility Operating Fund</u>	2021	\$3,823,632	\$1,338,000
	2020	3,327,522	200,000
	2019	3,231,263	475,000
	2018	3,763,475	752,000
	2017	4,246,193	750,000

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Richard Rigoglioso	Mayor	
Romi Herrera	Councilman	
Pawel Maslag	Councilman	
Joseph Delaney	Councilman	
Alejandina Banch	Councilwoman (7/13/21-12/31/21)	
Erin Delaney	Councilwoman (1/1/21-7/13/21)	
	City Manager (7/13/21-12/31/21)	
	City Clerk (9/14/21-12/31/21)	
Thomas Duch	City Manager (1/1/21-7/13/21)	
Andrew Pavlica	City Clerk/Deputy City Manager (1/1/21-9/14/21)	
Robert Ferraro, Esq.	City Attorney	
Roy Riggiano	Interim Chief Financial Officer	
Giuseppe C. Randazzo	Magistrate	\$1,000,000
Krystyna Moskal	Municipal Court Administrator	
Colliers Engineering	City Engineer	
Rosemarie Cokinos	Tax and Water Collector and Treasurer	1,000,000
James Tighe	Tax Assessor	
Raymond Kovach	Chief of Police	
Gerald P. Walis	Acting Construction Code Official	
Kyle Kovacs	Fire Chief	
Halina Dombrowski	Health Inspector	
Willard Bierwas	Water and Sewer Facility Manager	
Sam Garofalo	Superintendent of Public Works/Recycling Coordinator	
Michael Marsh	Emergency Management Coordinator	
Dan Golabek	Recreation Director	

(A) All municipal court employees, including magistrate and administrator are covered by blanket bond.

All bonds were examined and were properly executed.

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

GENERAL COMMENTS

Prior Year Findings

1. Our audit indicated that prior year checks remain outstanding on the bank statement reconciliations of various City bank accounts. It is recommended that prior year outstanding checks be cleared of record.

Current Year Findings

1. Our audit indicated that interfund balances remained uncleared from the prior year. It is recommended that interfund balances be cleared of record.
2. Our audit indicated that excess funds remain in the Net Payroll and Payroll Agency accounts. It is recommended that transfers to the Net Payroll and Payroll Agency accounts be made in exact amounts.
3. Our audit indicated certain contracts that were awarded during the year, but were not encumbered at year end. It is recommended that all contract awards be encumbered in the financial records of the City.
4. Our audit indicated certain purchases made which exceeded the quote threshold, and no quotes were obtained. It is recommended that quotes be obtained for all purchases exceeding the quote threshold.
5. Our audit indicated approval support for overtime was not available for an individual. It is recommended that in all instances, employee overtime be approved by a supervisor.
6. Our audit indicated an employee was not removed timely from the health benefit bill upon termination. It is recommended that in all instances terminated employees be removed from health benefits on a timely manner.
7. Our audit indicated improvement authorization subsidiary ledger did not agree to the audit balances. It is recommended that improvement authorization ledger be reconciled to the audit balances, including cancellation of invalid purchase orders.

Contracts and Agreements Required to be Advertised for NJS 40A:11-4

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

If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (c.40A:11-9), the City may establish that the bid threshold may be up to \$44,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section. The Governing Body has designated the City Clerk as the qualified purchasing agent for the City.

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

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

Jewell Street Park Improvements
Fire House Basketball Courts
2021 Road Program
Interior Library Renovations
Acquisition of Various Water Parts

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

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

GENERAL COMMENTS (Continued)

Contracts and Agreements Required to be Advertised for NJS 40A:11-4 (Continued)

Our examination of expenditures did reveal any instances where individual payments exceeded \$44,000 “for the performance of any work, or the furnishing or hiring of any materials or supplies”, where bids had not been previously sought by public advertisement or where a resolution had not been previously adopted under the provisions of NJS 40A:11-6.

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 materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed to determine whether any clear-cut violations existed.

Collection of Interest of Delinquent Taxes and Assessments

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

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

RESOLVED by the City Council of the City of Garfield that the Tax Collector is authorized to carry out the following directives:

1. Charge 8% interest per annum on the first \$1,500 of delinquency and 18% per annum on any amount in excess of \$1,500.
2. Charge 18% interest on tax title liens as per R.S. 54:4-67.
3. Allow a grace period of ten days before charging interest, as provided by R.S. 54:4-67, except that if the office of the Tax Collector is closed on the tenth day following the due date for a tax payment, then the grace period shall be extended to include the first business day thereafter.
4. Allow no discount for pre-payment of taxes.
5. Charge an additional end of year penalty of 6% as provided by R.S. 54:4-67 on all delinquencies of unpaid taxes, interest, and other municipal charges, when the total exceeds \$10,000.

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

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

GENERAL COMMENTS (Continued)

Delinquent Taxes and Tax Title Liens

A taxes receivable balance from 1982, which was to be collected from the Garfield Housing Authority, remains uncollected as of December 31, 2021. As a dispute exists pertaining to this balance, \$92,193 remains on the City's records as a delinquent tax receivable.

A tax sale was held in 2021 and was complete.

Inspection of tax sale certification on file revealed that all tax sale certifications were available for audit.

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>
2021	9
2020	15
2019	15

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

CITY OF GARFIELD

RECOMMENDATIONS

It is recommended that:

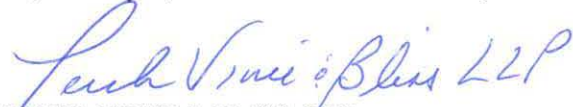
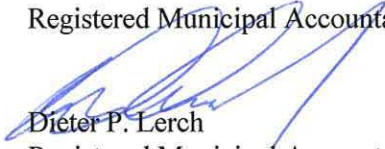
1. *Prior year outstanding checks be cleared of record.
2. Interfund balances be cleared of record.
3. Transfers to the Net Payroll and Payroll Agency accounts be made in exact amounts,
4. The City retain all bid packets and make such documentation available for audit.
5. All contract awards be encumbered in the financial records of the city.
6. Quotes be obtained for all purchases exceeding the quote threshold.
7. In all instances, employee overtime be approved by a supervisor.
8. Terminated employees be removed from health benefits on a timely manner.
9. General Capital Improvement Authorization ledger be reconciled to the audit balances, including cancellation of invalid purchase orders.

Status of Prior Year's Audit Findings/Recommendations

A review was performed on all prior year's recommendations. Corrective action was taken on prior year recommendations with the exception of the recommendation denoted with an asterisk (*).

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

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.


LERCH, VINCI & BLISS, LLP
Certified Public Accountants
Registered Municipal Accountants

Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398