

CITY OF GARFIELD
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2024

CITY OF GARFIELD

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2024

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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 financial statements of the City of Garfield which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2024 and 2023, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year ended December 31, 2024, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, the accompanying 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, 2024 and 2023, 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, 2024 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 accompanying 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, 2024 and 2023, 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 17 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, 2024 and 2023. The LOSAP Trust Fund financial activities are included in the City’s Trust Funds, and represent 31 percent and 27 percent of the assets and liabilities of the City’s Trust Funds as of December 31, 2024 and 2023, respectively.

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 as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial 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 is the responsibility of management and was derived from and relate 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 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.

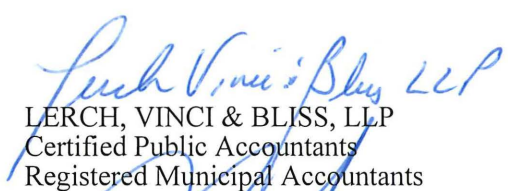
Other Information

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 July 3, 2025 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 CR000398

Fair Lawn, New Jersey
July 3, 2025

CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS -CURRENT FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash	A-4	\$ 10,562,946	\$ 11,609,206
Cash - Change Fund	A-5	100	100
Grants Receivable	A-7	<u>3,159,846</u>	<u>2,760,306</u>
		<u>13,722,892</u>	<u>14,369,612</u>
Receivables with Full Reserves			
Delinquent Property Taxes Receivable	A-8	1,073,249	953,981
Tax Title Liens Receivable	A-9	498,872	555,272
Property Acquired for Taxes	A-10	436,870	436,870
Revenue Accounts Receivable	A-11	249,683	222,993
Interfunds Receivable:			
Animal Control Fund	B-8	<u>-</u>	<u>6,867</u>
		<u>2,258,674</u>	<u>2,175,983</u>
Deferred Charges			
Special Emergency Authorization (40A:4-55)	A-22	<u>250,000</u>	<u>375,000</u>
		<u>250,000</u>	<u>375,000</u>
Total Assets		<u>\$ 16,231,566</u>	<u>\$ 16,920,595</u>

CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS -CURRENT FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3,A-12	\$ 1,494,459	\$ 686,435
Encumbrances Payable	A-13	1,781,946	3,105,289
Due County for Added and Omitted Taxes	A-16	12,453	-
Prepaid Taxes	A-14	570,971	640,036
Interfunds Payable:			
Due to General Capital Fund	A-23	272,686	
Due to Water Utility Operating Fund	D-28	-	199,006
Due to State of New Jersey:			
Senior Citizens' and Veterans' Deductions	A-6	20,918	21,820
Construction Code Fees Payable	A-17	25,583	
Marriage Licenses Payable	A-18	2,022	1,675
Reserve for Tax Appeals Pending	A-19	535,379	509,484
Miscellaneous Reserves	A-20	234,372	173,382
Reserve for Municipal Relief Fund Aid	A-20	125,866	279,642
Appropriated Grant Reserves	A-21	<u>2,693,886</u>	<u>1,540,018</u>
		7,770,541	7,156,787
Reserve for Receivables	A	2,258,674	2,175,983
Fund Balance	A-1	<u>6,202,351</u>	<u>7,587,825</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 16,231,566</u>	 <u>\$ 16,920,595</u>

CITY OF GARFIELD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 4,260,000	\$ 4,949,006
Miscellaneous Revenue Anticipated	A-2	14,342,847	15,074,071
Receipts from Delinquent Taxes	A-2	934,054	1,241,484
Receipts from Current Taxes	A-2	71,185,071	70,084,276
Non-Budget Revenues	A-2	624,940	517,603
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-12	813,155	617,450
Statutory Excess - Animal Control Trust Fund	A-1		6,867
Interfunds Liquidated	A	6,867	336,094
Cancelled Prior Year Payables	A-1	-	18,802
Grant Reimbursements - P/Y	A-23	-	411,263
		<hr/>	<hr/>
Total Income		92,166,934	93,256,916
Expenditures			
Budget Appropriations			
Salaries and Wages	A-3	14,320,429	13,682,729
Other Expenses	A-3	21,451,607	23,763,300
Deferred Charges and Statutory Expenditures	A-3	4,749,999	4,484,376
Capital Improvements	A-3	890,000	535,000
Municipal Debt Service	A-3	4,451,579	4,288,433
Local District School Tax	A-15	34,935,991	34,171,982
County Taxes	A-16	8,302,398	7,889,920
Amount Due County for Added and Omitted Taxes	A-16	12,453	15,349
Interfunds Advanced	A		6,867
Senior Citizens and Veterans Deductions Disallowed - Prior Year	A-8	750	2,173
PY Grant Adjustment	A-21	177,202	-
		<hr/>	<hr/>
Total Expenditures		89,292,408	88,840,129
Excess in Revenue Over Expenditures		2,874,526	4,416,787
Fund Balance, January 1	A	<hr/> 7,587,825	<hr/> 8,120,044
		10,462,351	12,536,831
Decreased by Utilization as Anticipated Revenue	A-1	<hr/> 4,260,000	<hr/> 4,949,006
Fund Balance, December 31	A	<hr/> <u>\$ 6,202,351</u>	<hr/> <u>\$ 7,587,825</u>

CITY OF GARFIELD
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Reference</u>	<u>Budget</u>	<u>Added by NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 4,260,000	\$ -	\$ 4,260,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-11	53,000		66,105	\$ 13,105
Other	A-2, A-11	17,500		30,073	12,573
Fees and Permits	A-2, A-11	479,800		491,281	11,481
Fines and Costs - Municipal Court	A-11	1,140,000		1,156,732	16,732
Interest and Costs on Taxes	A-11	225,000		226,943	1,943
Interest on Investments	A-11	490,000		663,191	173,191
Municipal Relief State Aid	A-21	153,776		153,776	-
Energy Receipts Tax	A-11	2,712,952		2,712,952	-
Uniform Construction Code Fees	A-11	508,000		686,005	178,005
Parking Enforcement Fees	A-11	430,000		312,909	(117,091)
Housing Inspections	A-11	5,000		21,880	16,880
Shared Service Agreement					-
Township of Saddle Brook - Tax Collection Services	A-11	15,000		3,750	(11,250)
Township of Wood Ridge - Tax Collection Services	A-11	87,250		91,500	4,250
Bergen County - Snow Services	A-11			4,140	4,140
Garfield Board of Education - Gas	A-11	55,000		17,470	(37,530)
Public and Private Programs					
Spotted Lantern Fly	A-7	13,186	2,700	15,886	-
BC History	A-7	2,000		2,000	-
BCOS Spring St. Park	A-7	197,153		197,153	-
BMED Wellness	A-7	10,000		10,000	-
Drive Sober or Get Pulled Over	A-7	7,000		7,000	-
Recycling Tonnage	A-7		43,602	43,602	-
Body Armor	A-7		4,930	4,930	-
Pedestrian Safety Grant	A-7		20,000	20,000	-
Pedestrian Decoy Traffic Enf Grant	A-7		20,000	20,000	-
National Opioids Settlement	A-7		104,300	104,300	-
Summer Food	A-7		138,933	138,933	-
Click It or Ticket	A-7		8,680	8,680	-
Alcohol Education/Rehabilitation	A-7		4,290	4,290	-
Clean Communities	A-7		63,539	63,539	-
Municipal Alliance	A-7		1,027	1,027	-
Community Energy Plan	A-7		221,700	221,700	-
ARP Firefighter	A-7		75,000	75,000	-
COPS Hiring Grant	A-7		500,000	500,000	-
NJ Diesel Modernization Program	A-7		193,948	193,948	-
Primex Plastics	A-7		500	500	-

CITY OF GARFIELD
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Reference</u>	<u>Budget</u>	<u>Added by NJS 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Other Special Items					-
Uniform Fire Safety Act Fees	A-11	60,000		115,249	55,249
Fire Prevention Fees	A-11	180,000		224,408	44,408
Sale of Assets	A-21	3,118		3,118	-
Cannabis Revenue	A-11	100,000		153,219	53,219
Sewer Charges	A-11	1,365,000		1,732,789	367,789
Host Community Fees (BCUA)	A-11	460,000		489,790	29,790
Anticipated Surplus - General Capital Surplus	A-11	777,000		689,501	(87,499)
Anticipated Surplus - Water Utility	A-11	1,170,000		1,170,000	-
PILOTs	A-11	185,000		335,739	150,739
Police Off Duty Vehicle Fees	A-11	220,000		268,044	48,044
Police Off Duty Admin Fees	A-11	251,894	-	652,419	400,525
Reserve for Payment of Debt	A-11	422,563	-	237,376	(185,187)
Total Miscellaneous Revenues	A-2	<u>11,796,192</u>	<u>1,403,149</u>	<u>14,342,847</u>	<u>1,143,506</u>
Receipts from Delinquent Taxes	A-2	<u>915,000</u>	<u>-</u>	<u>934,054</u>	<u>19,054</u>
Amount to be Raised by Taxes for Support of Municipal Budget:					
Local Tax for Municipal Purposes		27,921,000		28,353,901	432,901
Minimum Library Tax		<u>1,180,328</u>	<u>-</u>	<u>1,180,328</u>	<u>-</u>
Total Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>29,101,328</u>	<u>-</u>	<u>29,534,229</u>	<u>432,901</u>
Budget Totals		<u>\$ 46,072,520</u>	<u>\$ 1,403,149</u>	<u>\$ 49,071,130</u>	<u>\$ 1,595,461</u>
Non-Budget Revenues	A-2			<u>624,940</u>	
				<u>\$ 49,696,070</u>	

CITY OF GARFIELD
STATEMENT OF REVENUES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Reference</u>	
Analysis of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 71,185,071
Less		
Allocated to School and County Taxes	A-15, A-16	<u>43,250,842</u>
		27,934,229
Add Appropriation "Reserve for Uncollected Taxes	A-3	<u>1,600,000</u>
Balance for Support of Municipal Budget Appropriations	A-2	<u>\$ 29,534,229</u>
 Fees and Permits		
Board of Health	A-11	\$ 81,099
City Clerk	A-11	12,291
Tax Collector	A-11	2,661
Recreation	A-11	303,653
Public Works	A-11	43,950
Police	A-11	41,174
Planning Board	A-11	1,093
Zoning Board of Adjustment	A-11	<u>5,360</u>
	A-2	<u>\$ 491,281</u>
 Non-Budget Revenue		
JIF Reimbursements		41,859
County Forfeiture		3,950
HARP Reimbursement		7,145
DMV Inspection Fines		1,300
LOSAP Cash Surrender		8,948
NSF Fees		540
Workers Compensation Reimbursement		2,041
Auto Damage Reimbursement		3,985
Stale Checks		12,996
FEMA - Ida Reimbursement		247,207
Miscellaneous		<u>294,969</u>
	A-2,A-4	<u>\$ 624,940</u>

CITY OF GARFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<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	\$ 180,000	\$ 181,000	\$ 172,957	\$ 8,043	
Other Expenses	98,000	98,000	82,010	15,990	
Mayor and Council					
Salaries & Wages	50,000	50,000	48,072	1,928	
Municipal Clerk's Office					
Salaries & Wages	320,000	333,000	321,197	11,803	
Other Expenses	40,000	32,000	26,263	5,737	
Elections					
Other Expenses	26,000	26,500	20,711	5,789	
Financial Administration					
Salaries & Wages	285,000	290,000	265,228	24,772	
Other Expenses	36,000	36,000	32,448	3,552	
Annual Audit	70,000	70,000	60,000	10,000	
ADP Services	57,000	47,000	40,040	6,960	
Tax Assessment Administration					
Salaries & Wages	135,000	135,000	129,025	5,975	
Other Expenses	55,000	55,000	44,412	10,588	
Master Plan	45,000	45,000	45,000	-	
Revenue Administration					
Salaries & Wages	171,000	171,000	166,267	4,733	
Other Expenses	81,000	86,000	78,564	7,436	
Legal Services					
Other Expenses	190,000	110,000	89,453	20,547	
Tax Court Appeal Counsel	25,000	17,063		17,063	
Engineering Services					
Other Expenses	75,000	60,000	48,079	11,921	
Public Buildings & Grounds					
Other Expenses	160,000	175,000	162,042	12,958	
Municipal Land Use Law (NJS 40:55-1)					
Planning Board					
Salaries & Wages	14,000	14,000	13,029	971	
Other Expenses	13,000	6,000	4,129	1,871	
Zoning Board					
Salaries & Wages	13,000	13,000	12,061	939	
Other Expenses	10,000	8,000	6,482	1,518	

CITY OF GARFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<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	\$ 475,000	\$ 475,000	\$ 410,019	\$ 64,981	
Emergency Management					
Salaries & Wages	7,600	7,600	7,574	26	
Other Expenses	32,000	32,000	31,193	807	
Police					
Salaries & Wages	9,460,000	9,500,000	9,059,150	440,850	
Other Expenses	350,000	550,000	492,402	57,598	
Pension Pursuant to R.S. 43:12	3,000	3,000		3,000	
Purchase of Vehicles	251,893	81,893	40,165	41,728	
Traffic Division	30,000	40,000	34,561	5,439	
Uniform Fire Safety Fire Inspection Act					
Salaries & Wages	260,000	340,000	336,834	3,166	
Other Expenses	17,000	20,000	18,146	1,854	
Streets & Roads					
Road Repairs & Maintenance (Public Works)					
Salaries & Wages	1,705,000	1,705,000	1,614,302	90,698	
Other Expenses	290,000	335,000	301,425	33,575	
Snow Removal	41,335	91,335	91,335	-	
Recycling Program					
Other Expenses	70,000	70,000	70,000	-	
Health & Welfare					
Board of Health					
Salaries & Wages	172,000	172,000	167,572	4,428	
Other Expenses	31,000	38,000	26,877	11,123	
Recreation & Education					
Parks & Playgrounds					
Salaries & Wages	555,000	515,000	434,143	80,857	
Other Expenses	240,000	250,000	244,834	5,166	
Historical Society					
Other Expenses	1,000	1,000	2	998	
Celebration of Public Events	22,000	22,000	22,000	-	
Tax Map	128,000	128,000	128,000	-	
Accumulated Absence	197,000	247,000	247,000	-	
Housing Inspection					
Salaries & Wages	165,000	180,000	174,057	5,943	
Other Expenses	27,000	21,000	17,325	3,675	

CITY OF GARFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<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	\$ 1,565,000	\$ 1,325,000	\$ 1,321,262	\$ 3,738	
Disability	10,000	10,000	10,000	-	
Employee Group	6,410,000	6,360,000	6,261,280	98,720	
Health Benefit Waiver	160,000	150,000	148,571	1,429	
Garbage & Trash Removal (Waste Collection)					
Other Expenses	3,300,000	3,250,000	3,222,092	27,908	
Dispatch - Shared Service					
Other expenses	300,000	300,000	300,000	-	
Animal Control - Shared Service					
Other Expenses	60,000	60,000	38,605	21,395	
Health Officer - Shared Service					
Other Expenses	70,000	70,000	60,188	9,812	
Municipal Court					
Salaries and Wages	380,000	380,000	366,304	13,696	
Other Expenses	42,000	38,000	31,726	6,274	
Public Defender					
Salaries and Wages	829	829		829	
Prosecutor					
Salaries & Wages	63,000	53,000	45,265	7,735	
IT Services					
Other Expenses	150,000	150,000	115,999	34,001	
Utilities					
Electricity	300,000	424,000	370,178	53,822	
Street Lighting	360,000	370,000	364,041	5,959	
Communications	405,000	560,000	536,253	23,747	
Gasoline	280,000	190,000	169,147	20,853	
Uniform Construction Code -					
Appropriations Offset by Dedicated					
Revenues (N.J.A.C. 5:23-4.17)					
State Uniform Construction Code					
Building Inspections					
Salaries & Wages	280,000	280,000	262,012	17,988	
Other Expenses	110,000	90,000	73,236	16,764	-
Total Operations Within "CAPS"	30,925,657	30,944,220	29,532,544	1,411,676	-
Total Operations Including Contingent -					
Within "CAPS"	30,925,657	30,944,220	29,532,544	1,411,676	-
Detail:					
Salaries & Wages	14,376,429	14,320,429	13,595,049	726,280	-
Other Expenses (Including Contingent)	16,549,228	16,623,791	15,937,495	685,396	-

CITY OF GARFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<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>
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
Statutory Expenditures					
Contribution to:					
Social Security System (O.A.S.I.)	\$ 555,000	\$ 545,000	\$ 503,772	\$ 41,228	
State Unemployment Insurance Fund	5,000	25,000	25,000	-	
Pension Adjustment Fund				-	
DCRP	25,000	15,000	1,067	13,933	
Police and Fireman's Retirement System	2,775,077	2,775,077	2,775,077	-	
Public Employees Retirement System	747,325	728,762	715,780	12,982	-
Total Deferred Charges and Statutory expenditures -					
Municipal Within "CAPS"	4,107,402	4,088,839	4,020,696	68,143	-
Total General Appropriations within "CAPS"	35,033,059	35,033,059	33,553,240	1,479,819	-
OPERATIONS - EXCLUDED FROM "CAPS"					
Other Operations					
Passaic Valley Sewer Commission	1,950,000	1,950,000	1,950,000	-	
Maintenance of Free Public Library	1,180,328	1,180,328	1,180,328	-	
LOSAP	65,000	65,000	50,360	14,640	-
Total Other Operations-Excluded from CAPS	3,195,328	3,195,328	3,180,688	14,640	-
Additional Appropriations Offset by					
Revenues (N.J.S. 40A:4-45.3h)					
Spotted Lantern Fly	13,186	15,886	15,886	-	
BC History	2,000	2,000	2,000	-	
BCOS Spring St. Park	197,153	197,153	197,153	-	
BMED Wellness	10,000	10,000	10,000	-	
Drive Sober or Get Pulled Over	7,000	7,000	7,000	-	
Recycling Tonnage		43,602	43,602	-	
Body Armor		4,930	4,930	-	
Pedestrian Safety Grant		20,000	20,000	-	
Pedestrian Decoy Traffic Enf Grant		20,000	20,000	-	
National Opioids Settlement		104,300	104,300	-	
Summer Food		138,933	138,933	-	
Click It or Ticket		8,680	8,680	-	
Alcohol Education/Rehabilitation		4,290	4,290	-	
Clean Communities		63,539	63,539	-	
Municipal Alliance		1,027	1,027	-	
Community Energy Plan		221,700	221,700	-	
ARP Firefighter		75,000	75,000	-	
COPS Hiring Grant		500,000	500,000	-	
NJ Diesel Modernization Program		193,948	193,948	-	
Primex Plastics	-	500	500	-	-
Total Appropriations Offset by Revenues					
(N.J.S. 40A:4-45.3h)	229,339	1,632,488	1,632,488	-	-
Total Operations - Excluded from "CAPS"	3,424,667	4,827,816	4,813,176	14,640	-
Detail:					
Salaries & Wages	-	-	-	-	-
Other Expenses	3,424,667	4,827,816	4,813,176	14,640	-

CITY OF GARFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<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	\$ 210,000	\$ 210,000	\$ 210,000	-	-
Reserve Tax Appeal	20,000	20,000	20,000	-	-
Reserve for City Hall	45,000	45,000	45,000	-	-
Reserve for Firehouses	15,000	15,000	15,000	-	-
Reserve for Recreation Building	120,000	120,000	120,000	-	-
Reserve for Police Building	25,000	25,000	25,000	-	-
Reserve for Parks, Fields, Courts	125,000	125,000	125,000	-	-
Reserve for Engineering Fees	60,000	60,000	60,000	-	-
Reserve for Sewer	200,000	200,000	200,000	-	-
Reserve for DPW building	70,000	70,000	70,000	-	-
Total Capital Improvements	890,000	890,000	890,000	-	-
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	2,745,000	2,745,000	2,745,000		\$ -
Payment of BANs and Capital Notes	335,000	335,000	335,000		-
Interest on Bonds	1,040,000	1,040,000	1,037,251		2,749
Interest on Notes	290,000	290,000	280,696		9,304
Green Trust Loan Program:					
Loan Repayments for Principal and Interest	53,634	53,634	53,632	-	2
Total Municipal Debt Service - Excluded from "CAPS"	4,463,634	4,463,634	4,451,579	-	12,055
DEFERRED CHARGES EXCLUDED FROM "CAPS"					
Emergency Appropriation - Covid	125,000	125,000	125,000		
Deferred Charges Unfunded - General Capital	536,160	536,160	536,160	-	-
Deferred Charges-Excluded from "CAPS"	661,160	661,160	661,160	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	9,439,461	10,842,610	10,815,915	\$ 14,640	12,055
Subtotal General Appropriations	44,472,520	45,875,669	44,369,155	1,494,459	12,055
Reserve for Uncollected Taxes	1,600,000	1,600,000	1,600,000	-	-
Total General Appropriations	\$ 46,072,520	\$ 47,475,669	\$ 45,969,155	\$ 1,494,459	\$ 12,055
 <u>Reference</u> A-2 A					
Adopted Budget	A-2	\$ 46,072,520			
Added by N.J.S. 40A:4-87	A-2	1,403,149			
		<u>\$ 47,475,669</u>			

CITY OF GARFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS - CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Reference</u>	<u>Paid or Charged</u>
Cash Disbursements	A-4	\$ 40,750,964
Encumbrances Payable	A-13	1,176,543
Appropriated Grant Reserves	A-23	1,632,488
Deferred Charge - Emergency Authorization	A-24	125,000
Due to General Capital Fund	A-2	536,160
Reserve for Tax Maps	A-21	128,000
Reserve for Tax Appeals	A-20	20,000
Reserve for Uncollected Taxes	A-2	<u>1,600,000</u>
		<u>\$ 45,969,155</u>

CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - TRUST FUNDS
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Animal Control Fund			
Cash	B-1	\$ 3,531	\$ 19,878
		<u>3,531</u>	<u>19,878</u>
Other Trust Fund			
Cash	B-1	<u>3,232,903</u>	<u>3,323,509</u>
		<u>3,232,903</u>	<u>3,323,509</u>
Length of Service Award Program Fund (UNAUDITED)			
Investments	B	1,384,642	1,197,222
Contribution Receivable	B	<u>43,362</u>	<u>38,440</u>
		<u>1,428,004</u>	<u>1,235,662</u>
Total Assets		<u>\$ 4,664,438</u>	<u>\$ 4,579,049</u>
LIABILITIES AND RESERVES			
Animal Control Fund			
Reserve for Animal Control Expenditures	B-3	\$ 3,484	\$ 13,000
Due to State of New Jersey	B-2	47	11
Due to Current Fund	B-8	<u>-</u>	<u>6,867</u>
		<u>3,531</u>	<u>19,878</u>
Other Trust Fund			
N.J. Unemployment Compensation Insurance	B-4	116,217	162,373
Escrow Deposits	B-5	327,722	307,705
Miscellaneous Reserves	B-6	2,411,544	2,737,480
Payroll Deductions & Reserves	B-9	<u>377,420</u>	<u>115,951</u>
		<u>3,232,903</u>	<u>3,323,509</u>
Length of Service Award Program Fund (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>1,428,004</u>	<u>1,235,662</u>
Total Liabilities and Reserves		<u>\$ 4,664,438</u>	<u>\$ 4,579,049</u>

CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash	C-2,C-3	\$ 1,931,824	\$ 3,963,999
Due from Current Fund	C-4	272,686	
Grants Receivable	C-5	8,985,045	8,482,252
Deferred Charges to Future Taxation			
Funded	C-6	31,432,689	34,222,531
Unfunded	C-7	<u>12,675,035</u>	<u>12,892,022</u>
 Total Assets		 <u>\$ 55,297,279</u>	 <u>\$ 59,560,804</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Serial Bonds Payable	C-9	\$ 31,027,000	\$ 33,772,000
Green Acres Loan Payable	C-10	405,689	450,531
Bond Anticipation Notes Payable	C-11	12,804,150	6,237,700
Improvement Authorizations:			
Funded	C-8	785,666	1,033,532
Unfunded	C-8	2,332,316	821,757
Contracts Payable	C-12	2,641,468	11,571,274
Capital Improvement Fund	C-13	670,612	602,312
Reserve for Grants Receivable	C-5	3,884,793	3,905,446
Reserve for Payment of Debt	C-14	-	237,376
Reserve for Future Improvements	C-15	745,585	280,108
Fund Balance	C-1	<u>-</u>	<u>648,768</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 55,297,279</u>	 <u>\$ 59,560,804</u>

Bonds and Notes Authorized But Not Issued at December 31, 2024 and 2023 were \$1,472,951 and \$7,743,277, respectively, (Exhibit C-16).

CITY OF GARFIELD
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE
REGULATORY BASIS - GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
Balance, January 1	C	\$ 648,768	\$ 819,081
Increased by:			
Cancelled Improvement Authorizations	C-1	-	279,726
Premium on Sale of Bonds and Notes	C-2	<u>40,733</u>	<u>49,961</u>
		689,501	1,148,768
Decreased by:			
Current Fund Budgeted Revenue Realized	C-1	<u>689,501</u>	<u>500,000</u>
Balance, December 31	C	<u>\$ -</u>	<u>\$ 648,768</u>

CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - WATER UTILITY FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Operating Fund			
Cash	D-5	\$ 2,632,312	\$ 3,920,010
Cash - Change Fund	D-5	100	100
Due from Current Fund	D-23	<u>-</u>	<u>199,006</u>
		<u>2,632,412</u>	<u>4,119,116</u>
Receivables and Other Assets With Full Reserves			
Consumer Accounts Receivable	D-16	<u>780,036</u>	<u>659,442</u>
		<u>780,036</u>	<u>659,442</u>
Deferred Charges			
Overexpenditure of Appropriations	D-26	<u>27,775</u>	<u>-</u>
Total Operating Fund		<u>3,440,223</u>	<u>4,778,558</u>
Capital Fund			
Cash	D-5, D-6	3,247,295	898,217
Grants Receivable	D-25	2,450,661	-
Fixed Capital	D-7	27,476,527	25,321,719
Fixed Capital Authorized and Uncompleted	D-8	<u>8,135,000</u>	<u>6,090,000</u>
Total Capital Fund		<u>41,309,483</u>	<u>32,309,936</u>
Total Assets		<u>\$ 44,749,706</u>	<u>\$ 37,088,494</u>

CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS - WATER UTILITY FUND
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Operating Fund			
Appropriation Reserves	D-4, D-19	\$ 59,819	\$ 36,606
Encumbrances Payable	D-20	4,740	273,759
Accrued Interest on Bonds, Notes and Loans	D-15	122,340	82,159
Accounts Payable	D-22	<u>1,960</u>	<u>1,960</u>
		188,859	394,484
Reserve for Receivables	D	780,036	659,442
Fund Balance	D-1	<u>2,471,328</u>	<u>3,724,632</u>
Total Operating Fund		<u>3,440,223</u>	<u>4,778,558</u>
Capital Fund			
Serial Bonds Payable	D-12	1,678,000	2,043,000
Intergovernmental Loan Payable	D-14	-	374,798
Bond Anticipation Notes Payable	D-13	6,228,955	3,331,300
Improvement Authorizations			
Funded	D-11	2,609,217	195,924
Unfunded	D-11	1,808,076	606,870
Contracts Payable	D-21	708,658	1,960,666
Capital Improvement Fund	D-17	68,400	33,400
Reserve for:			
Amortization	D-9	20,613,573	18,822,925
Deferred Amortization	D-10	7,040,338	4,628,547
Receivables	D-25	50,661	
Water Improvements	D-18	23,230	
Preliminary Engineering Expenses	D-18	35,000	
Infrastructure and Rate Stabilization	D-18	15,000	30,000
Lead Line Replacement	D-18	220,000	220,000
Fund Balance	D-2	<u>210,375</u>	<u>62,506</u>
Total Capital Fund		<u>41,309,483</u>	<u>32,309,936</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 44,749,706</u>	<u>\$ 37,088,494</u>

Bonds and notes authorized but not issued at December 31, 2024 and 2023 were \$50,661 and \$2,211,149, respectively. (Exhibit D-25)

CITY OF GARFIELD
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE
REGULATORY BASIS - WATER UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
Revenue and Other Income Realized			
Surplus Anticipated	D-3	\$ 1,499,850	\$ 1,758,313
Rents	D-3	3,786,317	4,752,355
Interest on Investments	D-3	54,924	
Rate Stabilization	D-3	15,000	
Capital Fund Balance	D-3	25,000	
Other Credits to Income			
Non-Budget Revenue	D-1	-	8,309
Unexpended Balance of Appropriation Reserves	D-22	<u>35,305</u>	<u>368,317</u>
		<u>5,416,396</u>	<u>6,887,294</u>
Expenditures			
Operating	D-4	1,720,000	1,326,705
Capital Improvements	D-4	230,000	
Debt Service	D-4	2,053,625	2,010,963
Deferred Charges and Statutory Expenditures	D-4	24,000	751,319
Surplus (General Budget)	D-4	<u>1,170,000</u>	<u>-</u>
		<u>5,197,625</u>	<u>4,088,987</u>
Excess (Deficit) of Revenues Over Expenditures		218,771	2,798,307
Adjustments to Income before Fund Balance:			
Realized from General Budget for Anticipated Deficit	D-1		199,006
Expenditures Included Above which by Statute are			
Required to be Raised in Succeeding Year's Budget	D-26	<u>27,775</u>	<u>-</u>
Statutory Excess to Fund Balance		246,546	2,997,313
Fund Balance, January 1	D	<u>3,724,632</u>	<u>2,485,632</u>
		3,971,178	5,482,945
Decreased by Utilization as Anticipated Revenue	D-3	<u>1,499,850</u>	<u>1,758,313</u>
Fund Balance, December 31	D	<u>\$ 2,471,328</u>	<u>\$ 3,724,632</u>

CITY OF GARFIELD
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE
REGULATORY BASIS - WATER UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
Balance, January 1	D	\$ 62,506	\$ 41,442
Increased by:			
Cancelled Contracts	D-21	12,060	
Cancelled Improvement Authorization Balance	D-14	140,192	
Premium on Sale of Bonds and Notes	D-5	<u>20,617</u>	<u>21,064</u>
		235,375	62,506
Decreased by:			
Anticipated Revenue	D-3	<u>25,000</u>	<u>-</u>
Balance, December 31	D	<u>\$ 210,375</u>	<u>\$ 62,506</u>

STATEMENT OF REVENUES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Reference</u>	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Surplus Anticipated	D-1	\$ 1,499,850	\$ 1,499,850	
Rents	D-1,D-16	3,550,000	3,786,317	\$ 236,317
Interest on Investments		80,000	54,924	(25,076)
Rate Stabilization		15,000	15,000	-
Capital Fund Balance		<u>25,000</u>	<u>25,000</u>	<u>-</u>
		<u>\$ 5,169,850</u>	<u>\$ 5,381,091</u>	<u>\$ 211,241</u>

CITY OF GARFIELD
STATEMENT OF EXPENDITURES - REGULATORY BASIS
WATER UTILITY OPERATING FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

	<u>Appropriation</u>		<u>Expended</u>		
		Budget			
		After	Paid or	Reserved	Overexpended
	<u>Budget</u>	<u>Modification</u>	<u>Charged</u>		
Operating					
Salaries and Wages	\$ 280,000	\$ 265,000	\$ 252,365	\$ 12,635	
Other Expenses	1,340,000	1,455,000	1,412,940	42,060	
Employee Group Insurance	100,000			-	
Capital Improvements					
Capital Improvements Fund	35,000	35,000	35,000	-	
Reserve for Water Lines	85,000	85,000	85,000	-	
Reserve for Wells	20,000	20,000	20,000	-	
Reserve for Improvements	55,000	55,000	55,000	-	
Reserve for Engineering	35,000	35,000	35,000	-	
Debt Service					
Bond Principal	365,000	365,000	365,000		
Payment of Bond Anticipation Notes	1,050,850	1,050,850	1,050,850		
Interest on Bonds	65,000	65,000	65,000		
Interest on Notes	150,000	150,000	177,775		\$ (27,775)
2004 EIT Loan	395,000	395,000	395,000		-
Statutory Expenditures					
Social Security System (O.A.S.I.)	24,000	24,000	18,876	5,124	
Surplus (General Budget)	<u>1,170,000</u>	<u>1,170,000</u>	<u>1,170,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,169,850</u>	<u>\$ 5,169,850</u>	<u>\$ 5,137,806</u>	<u>\$ 59,819</u>	<u>\$ (27,775)</u>
<u>Reference</u>					
Adopted Budget	D-2	<u>\$ 5,169,850</u>			
Cash Disbursed	D-5		\$ 3,505,089		
Encumbrances Payable	D-21		4,740		
Due to Water Utility Capital Fund	D-5		195,000		
Due to Current Fund	D-5		1,170,000		
Accrued Interest on Bonds, Notes and Loans	D-16		<u>262,977</u>		
			<u>\$ 5,137,806</u>		

CITY OF GARFIELD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2024 AND 2023

	<u>Reference</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Land		\$ 21,342,189	\$ 20,973,979
Buildings and Building Improvements		20,557,276	20,142,074
Machinery and Equipment		<u>18,359,829</u>	<u>18,230,043</u>
Total Assets	E	<u>\$ 60,259,294</u>	<u>\$ 59,346,096</u>
LIABILITIES AND RESERVES			
Investment in General Fixed Assets	E	<u>\$ 60,259,294</u>	<u>\$ 59,346,096</u>

NOTES TO FINANCIAL STATEMENTS

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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. However under the regulatory basis of accounting municipalities are required to follow GASB pronouncements with regard to disclosure requirements for notes to the financial statements.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the 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, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

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, 2024 AND 2023

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, 2024 AND 2023

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 proprietary funds and 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.

Operating Deficits – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of operating deficits at year end.

Reserve for Uncollected Taxes – Reserve for Uncollected Taxes is a non-spending budget appropriation account required to provide assurance that cash collected for property taxes levied in the current year will provide sufficient cash flow to meet expected budgetary obligations. The minimum amount required to be budgeted in Reserve for Uncollected Taxes is determined utilizing the actual percentage of property taxes collected in the immediate preceding budget year, unless allowable alternative methods are utilized with the approval of the Division. A Reserve for Uncollected Taxes is not established or required under GAAP.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Pensions – The City appropriates in its annual budget the amount required to be paid for pension contributions as determined by the State administered pension systems. Under the regulatory basis of accounting the City is only required to disclose in the Notes to the Financial Statements its share of the actuarially determined net pension liabilities, deferred outflow of resources, deferred inflow of resources and pension expense (benefit) related to the State administered pension system. GAAP requires these actuarially determined amounts to be reported in the proprietary funds and government-wide financial statements.

Other Post-Employment Benefits (OPEB) – The City funds its employer paid post-retirement medical benefits on a pay-as-you-go basis. Under the regulatory basis of accounting the City is only required to disclose in the Notes to the Financial Statements its actuarially determined net OPEB liability, deferred outflow of resources, deferred inflow of resources and OPEB expense (benefit). GAAP requires these actuarially determined amounts to be reported in the government-wide financial statements.

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.

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 acquired under capital financing agreements are capitalized at their acquisition cost. Intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs) 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, including intangible right-to-use leased assets and intangible right-to-use IT software (SBITAs), 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 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, 2024 AND 2023

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 City must prepare its budget in compliance with applicable laws limiting or capping the amounts by which both the budget appropriations and the municipal tax levy can increase in the annual budget.

1977 Appropriation "CAP": The 1977 Appropriation Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.1 through 4-45.43a. The law was originally adopted in 1976 and was most recently amended in 2003. Under this law, the City is permitted to increase its overall Current Fund appropriations (with certain exceptions) by 2.5% or the "cost of living adjustment" (COLA), whichever is less. The COLA is calculated based on the Implicit Price Deflator for Local Governments computed by the U.S. Department of Commerce. The City can, when the COLA is less than or equal to 2.5%, increase its allowable inside-the-cap appropriations to 3.5%, upon adoption of a COLA Rate Ordinance by the governing body and beyond 3.5% upon voter passage of a referendum. Additionally, municipalities can bank the unused appropriation increases for use in any of the next two (2) succeeding budget years.

2010 Levy "CAP": The 2010 Levy Cap is calculated using the formulas and provisions of N.J.S.A. 40A:4-45.44 through 45.47. It established limits on the increase in the total amount to be raised by taxation for municipal purposes (municipal tax levy). The core of the levy cap formula is a 2% increase to the previous year's amount to be raised by taxation for municipal purposes, exclusive of certain appropriations and allowable adjustments and extraordinary costs related to a declared emergency. Voter approval may be requested to increase the municipal tax levy by more than the allowable adjusted tax levy. Additionally, municipalities can bank the unused tax levy for use in any of the next three (3) succeeding budget years.

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 2024 and 2023 the City Council increased the original current fund budget by \$1,403,149 and \$3,736,340. The increase for 2024 and 2023 was funded by additional aid allotted to the City. In addition, the governing body approved several budget transfers during 2024 and 2023.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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 deposits in excess the FDIC or NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, bail funds, withholdings from an employee's salary or funds which may pass to the local government upon the happening of a future condition.

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, 2024 and 2023, the book value of the City's deposits were \$21,611,011 and \$23,735,020 and bank and brokerage firm balances of the City's deposits amounted to \$22,177,633 and \$24,372,604, 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>2024</u>	<u>2023</u>
Insured	\$ 18,835,159	\$ 20,874,265
Uninsured and Collateralized	<u>3,342,474</u>	<u>3,498,339</u>
	<u>\$ 22,177,633</u>	<u>\$ 24,372,604</u>

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, 2024 and 2023, the City's bank balances of \$3,342,474 and \$3,498,339 were exposed to custodial credit risk.

<u>Depository Account</u>	<u>2024</u>	<u>2023</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the Borough's name	<u>\$ 3,342,474</u>	<u>\$ 3,498,339</u>

CITY OF GARFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

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 Local Government Services in the Department of Community Affairs 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, 2024 and 2023 the City had the following investments:

	Valuation Basis	2024	2023
Investment:			
Lincoln Financial LOSAP Retirement Fund (Unaudited)	Fair Value	\$ 1,384,642	\$ 1,197,222

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 credit risk. As of December 31, 2024 and 2023, \$1,384,642 and \$1,197,222 of the City’s investments were exposed to custodial credit risk as follows:

	Fair Value (LOSAP)	2024	2023
Uninsured and Collateralized:			
Collateral held by pledging financial institution's trust department but not in the City's name (Unaudited)		\$ 1,384,642	\$ 1,197,222

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, 2024 and 2023, the City’s investment in Lincoln Financial Group was rated A2 by Moody’s Investor Services.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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, 2024 and 2023 are categorized as Level 2.

NOTE 4 TAXES AND UTILITY CHARGES AND FEES RECEIVABLE

Receivables at December 31, 2024 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2024</u>			
Property Taxes	\$ 1,073,249		\$ 1,073,249
Tax Title Liens	498,872		498,872
Utility Rents	<u>-</u>	\$ 780,036	<u>780,036</u>
	<u>\$ 1,572,121</u>	<u>\$ 780,036</u>	<u>\$ 2,352,157</u>

In 2024, the City collected \$934,054 and \$659,442 from delinquent taxes and utility charges and fees, which represented 62% and 100% of the delinquent tax and water charges receivable at December 31, 2023.

Receivables at December 31, 2023 consisted of the following:

	<u>Current</u>	<u>Water Utility</u>	<u>Total</u>
<u>2023</u>			
Property Taxes	\$ 953,981		\$ 953,981
Tax Title Liens	555,272		555,272
Utility Rents	<u>-</u>	\$ 659,442	<u>659,442</u>
	<u>\$ 1,509,253</u>	<u>\$ 659,442</u>	<u>\$ 2,168,695</u>

In 2023, the City collected \$1,241,484 and \$1,123,826 from delinquent taxes and utility charges and fees, which represented 73% and 100% of the delinquent tax and water charges receivable at December 31, 2022.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

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>2024</u>		<u>2023</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		\$ 272,686	\$ 6,867	\$ 199,006
Trust Funds:				
Animal Control				6,867
General Capital Fund	\$ 272,686			
Water Utility Fund:				
Operating	<u>-</u>	<u>-</u>	<u>199,006</u>	<u>-</u>
Total	<u>\$ 272,686</u>	<u>\$ 272,686</u>	<u>\$ 205,873</u>	<u>\$ 205,873</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 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2024</u>			
Current Fund			
Special Emergency Authorization	<u>\$ 250,000</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>
Water Utility Operating Fund			
Overexpenditure of Appropriations	<u>\$ 27,775</u>	<u>\$ 27,775</u>	<u>\$ -</u>
<u>2023</u>			
Current Fund			
Special Emergency Authorization	<u>\$ 375,000</u>	<u>\$ 125,000</u>	<u>\$ 250,000</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 7 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:

	2024		2023	
	Fund Balance December 31,	Utilized in Subsequent Year's Budget	Fund Balance December 31,	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 2,792,505	\$ 4,000,000	\$ 4,452,519	\$ 4,260,000
Non-Cash Surplus	3,409,846	-	3,135,306	-
	<u>\$ 6,202,351</u>	<u>\$ 4,000,000</u>	<u>\$ 7,587,825</u>	<u>\$ 4,260,000</u>
Water Utility Operating Fund				
Cash Surplus	\$ 2,443,553	\$ 900,000	\$ 3,724,632	\$ 1,499,850
Non-Cash Surplus	27,775	-	-	-
	<u>\$ 2,471,328</u>	<u>\$ 900,000</u>	<u>\$ 3,724,632</u>	<u>\$ 1,499,850</u>

NOTE 8 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, 2024 and 2023.

	Balance, December 31, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
<u>2024</u>				
Land	\$ 20,973,979	\$ 368,210		\$ 21,342,189
Buildings and Building Improvements	20,142,074	415,202		20,557,276
Machinery and Equipment	18,230,043	129,786	\$ -	18,359,829
	<u>\$ 59,346,096</u>	<u>\$ 913,198</u>	<u>\$ -</u>	<u>\$ 60,259,294</u>
	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
<u>2023</u>				
Land	\$ 20,973,979			\$ 20,973,979
Buildings and Building Improvements	20,142,074			20,142,074
Machinery and Equipment	17,384,794	\$ 845,249	\$ -	18,230,043
	<u>\$ 58,500,847</u>	<u>\$ 845,249</u>	<u>\$ -</u>	<u>\$ 59,346,096</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 8 FIXED ASSETS (Continued)

B. Water Utility Fund Fixed Assets (Continued)

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2024 and 2023.

	Balance, December 31, <u>2023</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
Water Utility Fund				
<u>2024</u>				
Fixed Capital				
System and System Improvements	\$ 18,126,172	\$ 1,404,808		\$ 19,530,980
Building and Building Improvements	240,648			240,648
Vehicles and Equipment	224,899	750,000		974,899
Replacement of Pumping Station and Water Storage Tanks	<u>6,730,000</u>	<u>-</u>	<u>-</u>	<u>6,730,000</u>
	<u>\$ 25,321,719</u>	<u>\$ 2,154,808</u>	<u>\$ -</u>	<u>\$ 27,476,527</u>
	Balance, December 31, <u>2022</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2023</u>
Water Utility Fund				
<u>2023</u>				
Fixed Capital				
System and System Improvements	\$ 15,093,135	\$ 3,033,037		\$ 18,126,172
Building and Building Improvements	240,648			240,648
Vehicles and Equipment	224,899			224,899
Replacement of Pumping Station and Water Storage Tanks	<u>6,730,000</u>	<u>-</u>	<u>-</u>	<u>6,730,000</u>
	<u>\$ 22,288,682</u>	<u>\$ 3,033,037</u>	<u>\$ -</u>	<u>\$ 25,321,719</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 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>2024</u>	<u>2023</u>
Issued		
General		
Bonds, Notes and Loans	\$ 44,236,839	\$ 40,460,231
Water Utility		
Bonds, Notes and Loans	<u>7,906,955</u>	<u>5,749,098</u>
	52,143,794	46,209,329
Less Funds Temporarily Held to Pay Bonds and Notes	<u>1,602,066</u>	<u>1,326,331</u>
Net Debt Issued	50,541,728	44,882,998
Authorized But Not Issued		
General		
Bonds and Notes	1,472,951	7,743,277
Water Utility		
Bonds and Notes	<u>50,662</u>	<u>2,211,149</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 52,065,341</u>	<u>\$ 54,837,424</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is in the format of the City's Annual Debt Statement and indicates a statutory net debt of 1.215% and 1.321% at December 31, 2024 and 2023, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2024</u>			
General Debt	\$ 44,709,790	\$ 1,602,066	\$ 43,107,724
Utility Debt	<u>7,957,617</u>	<u>7,957,617</u>	<u>-</u>
Total	<u>\$ 52,667,407</u>	<u>\$ 9,559,683</u>	<u>\$ 43,107,724</u>
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2023</u>			
General Debt	\$ 48,203,508	\$ 1,326,331	\$ 46,877,177
Utility Debt	<u>7,960,247</u>	<u>7,960,247</u>	<u>-</u>
Total	<u>\$ 56,163,755</u>	<u>\$ 9,286,578</u>	<u>\$ 46,877,177</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>2024</u>	<u>2023</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 124,143,710	\$ 113,318,984
Net Debt	<u>43,107,724</u>	<u>46,877,177</u>
Remaining Borrowing Power	<u>\$ 81,035,986</u>	<u>\$ 66,441,807</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 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>2024</u>	<u>2023</u>
\$7,287,000, 2013 Bonds, due in annual installments of \$535,000 to \$540,000 through October 15, 2028, interest at 3.00% to 3.50%	\$ 2,147,000	\$ 2,677,000
\$6,830,000, 2016 Bonds, due in annual installments of \$360,000 through August 15, 2036, interest at 2.00% to 2.75%	4,320,000	4,680,000
\$5,415,000, 2017 Refunding Bonds, due in annual installments of \$905,000 through March 1, 2024, interest at 4.00%	-	905,000
\$9,250,000 2018 Bonds, due in annual installments of \$405,000 to \$630,000 through August 15, 2038, interest at 3.25%.	7,095,000	7,485,000
\$9,860,000 2021 Bonds, due in annual installments of \$725,000 to \$730,000 through October 15, 2036, interest at 1.00% to 2.00%.	8,745,000	9,120,000
\$8,905,000 2023 Bonds, due in annual installments of \$280,000 to \$370,000 through May 15, 2048, interest at 4.00% to 6.00%.	<u>8,720,000</u>	<u>8,905,000</u>
	<u>\$ 31,027,000</u>	<u>\$ 33,772,000</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 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>2024</u>	<u>2023</u>
\$422,500, 2007 Loan due in Semi-annual installments of \$12,375 to \$13,006 through October 4, 2027, interest at 2.0%	\$ 76,130	\$ 100,513
\$400,000 2018 Loan due in semi-annual installments of \$9,507 to \$12,314 through February 10, 2038, interest at 2%	293,003	311,734
\$39,978 2022 Loan due in semi-annual installments of \$877 to \$1,231 through February 4, 2042, interest at 2%	36,556	38,284
	<u>\$ 405,689</u>	<u>\$ 450,531</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>2024</u>	<u>2023</u>
\$3,003,000, 2013 Bonds, due in annual installments of \$250,000 to \$260,000 through October 15, 2028, interest at 3.00% to 3.50%	\$ 1,018,000	\$ 1,248,000
\$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%	130,000	195,000
\$975,000 2017 Refunding Bonds, due in annual installments of \$120,000 to \$410,000 through March 1, 2028, interest at 3.00% to 4.00%	530,000	600,000
	<u>\$ 1,678,000</u>	<u>\$ 2,043,000</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 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>2024</u>	<u>2023</u>
\$3,075,000, 2004 Environmental Infrastructure Trust Loan due in annual installments of \$213,594 through September, 2024, interest at 3.0% to 5.0%	\$ -	\$ 213,594
\$3,050,000, 2004 Environmental Infrastructure Fund Loan due in semi-annual installments of \$161,204 through September, 2024, interest free.	-	161,204
	<u>\$ -</u>	<u>\$ 374,798</u>

The City's principal and interest for long-term debt issued and outstanding as of December 31, 2024 is as follows:

Calendar Year	<u>General Bonds</u>		<u>General Loans</u>		<u>Water Utility Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2025	\$ 2,305,000	\$ 963,802	\$ 45,745	\$ 7,886	\$ 435,000	\$ 52,099	\$ 3,809,532
2026	2,335,000	898,446	46,665	6,967	435,000	38,462	3,760,540
2027	2,425,000	829,396	47,603	6,029	405,000	24,655	3,737,683
2028	2,442,000	756,245	22,156	5,203	403,000	11,204	3,639,808
2029	1,920,000	682,638	22,601	4,758	-	-	2,629,997
2030-2036	13,920,000	3,139,939	171,454	20,061			17,251,454
2037-2049	<u>5,680,000</u>	<u>1,204,770</u>	<u>49,465</u>	<u>1,520</u>	<u>-</u>	<u>-</u>	<u>6,935,755</u>
	<u>\$ 31,027,000</u>	<u>\$ 8,475,236</u>	<u>\$ 405,689</u>	<u>\$ 52,424</u>	<u>\$ 1,678,000</u>	<u>\$ 126,420</u>	<u>\$ 41,764,769</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 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, 2024 and 2023 were as follows:

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<u>2024</u>					
General Capital Fund					
Bonds Payable	\$ 33,772,000	\$ -	\$ 2,745,000	\$ 31,027,000	\$ 2,305,000
Intergovernmental Loans	<u>450,531</u>	<u>-</u>	<u>44,842</u>	<u>405,689</u>	<u>45,745</u>
General Capital Fund Long-Term Liabilities	<u>\$ 34,222,531</u>	<u>\$ -</u>	<u>\$ 2,789,842</u>	<u>\$ 31,432,689</u>	<u>\$ 2,350,745</u>
Water Utility Capital Fund					
Bonds Payable	\$ 2,043,000		\$ 365,000	\$ 1,678,000	\$ 435,000
Intergovernmental Loans	<u>374,798</u>	<u>-</u>	<u>374,798</u>	<u>-</u>	<u>-</u>
Water Utility Capital Fund Long Term Liabilities	<u>\$ 2,417,798</u>	<u>-</u>	<u>\$ 739,798</u>	<u>\$ 1,678,000</u>	<u>\$ 435,000</u>
	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
General Capital Fund					
Bonds Payable	\$ 27,412,000	\$ 8,905,000	\$ 2,545,000	\$ 33,772,000	\$ 2,745,000
Intergovernmental Loans	<u>503,359</u>	<u>-</u>	<u>52,828</u>	<u>450,531</u>	<u>44,842</u>
General Capital Fund Long-Term Liabilities	<u>\$ 27,915,359</u>	<u>\$ 8,905,000</u>	<u>\$ 2,597,828</u>	<u>\$ 34,222,531</u>	<u>\$ 2,789,842</u>
Water Utility Capital Fund					
Bonds Payable	\$ 2,403,000		\$ 360,000	\$ 2,043,000	\$ 365,000
Intergovernmental Loans	<u>748,712</u>	<u>-</u>	<u>373,914</u>	<u>374,798</u>	<u>374,798</u>
Water Utility Capital Fund Long Term Liabilities	<u>\$ 3,151,712</u>	<u>-</u>	<u>\$ 733,914</u>	<u>\$ 2,417,798</u>	<u>\$ 739,798</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt

The City's short-term debt activity for the years ended December 31, 2024 and 2023 was as follows:

Bond Anticipation Notes

	Rate (%)	Maturity Date	Balance, December 31, 2023	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2024
<u>2024</u>						
<u>General Capital Fund</u>						
Neighborhood Revitalization Project (Phase I)	4.50%	5/28/2025		\$ 454,036		\$ 454,036
Suppl. - Elevator at Library	4.50%	5/28/2025		216,646		216,646
	4.50%	5/31/2024	\$ 216,646		\$ 216,646	-
Construction of Passaic River Park & Bikeway Project	4.50%	5/28/2025		1,989,196		1,989,196
	4.50%	5/31/2024	1,273,807		1,273,807	-
Various Improvements to Grand Street	4.50%	5/31/2024	355,262		355,262	-
Monroe Street Improvements and Midland Avenue Curb and Side Wal	4.50%	5/28/2025		225,920		225,920
	4.50%	5/31/2024	532,024		532,024	-
Rehabilitation of Jewell Street Playground	4.50%	5/28/2025		358,397		358,397
	4.50%	5/31/2024	570,740		570,740	-
Improvements to the Library	4.50%	5/28/2025		147,420		147,420
	4.50%	5/31/2024	157,420		157,420	-
Acquisition of the Rights to Rail Line on Monroe Street	4.50%	5/28/2025		100,000		100,000
	4.50%	5/31/2024	100,000		100,000	-
2021 Road Improvement Program	4.50%	5/28/2025		1,428,000		1,428,000
	4.50%	5/31/2024	1,280,000		1,280,000	-
Basketball Court Improvements at Fire House #3	4.50%	5/28/2025		57,000		57,000
	4.50%	5/31/2024	57,000		57,000	-
Improvements to Columbus Park	4.50%	5/28/2025		1,620,625		1,620,625
Stormwater Drainage Improvements	3.78%	5/28/2025		189,400		189,400
Neighborhood Preservation Program (Phase II)	3.78%	5/28/2025		36,900		36,900
Various Improvements to Semel Avenue	4.50%	5/28/2025		510,825		510,825
	4.50%	5/31/2024	760,000		760,000	-
2022 Road Improvement Program	4.50%	5/28/2025		934,801		934,801
	4.50%	5/31/2024	934,801		934,801	-
Acquisition of New Equipment and Various Public Improvements	4.50%	5/28/2025		951,684		951,684
New Pumper Fire Engine	3.78%	5/28/2025		1,280,000		1,280,000
Neighborhood Preservation Program (Phase III)	3.78%	5/28/2025		45,000		45,000
Improvements to Parks	4.50%	5/28/2025		1,180,000		1,180,000
Improvements to Columbus Park - 2024	3.78%	5/28/2025		523,800		523,800
Roof Improvements to Fire House No. 2	3.78%	5/28/2025		509,500		509,500
Neighborhood Preservation Program (Phase IV)	3.78%	5/28/2025	-	45,000	-	45,000
Total General Capital Fund			\$ 6,237,700	\$ 12,804,150	\$ 6,237,700	\$ 12,804,150

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

Water Utility Capital Fund

Various Well Improvement	4.50%	5/31/2024	\$ 604,300		\$ 604,300	
Various Public Improv., New Equip and Vehicle	4.50%	5/28/2025		\$ 344,450		\$ 344,450
	4.50%	5/31/2024	675,000		675,000	-
Various Public Improvements	4.50%	5/28/2025		454,000		454,000
	4.50%	5/31/2024	522,000		522,000	-
Water Infrastructure Improvements	4.50%	5/28/2025		327,000		327,000
	4.50%	5/31/2024	375,000		375,000	-
Installation of Water Treatment Facilities	4.50%	5/28/2025		160,000		160,000
	4.50%	5/31/2024	160,000		160,000	-
Installation of Water Treatment Facilities - Elmwood Park	4.50%	5/28/2025		995,000	-	995,000
	4.50%	5/31/2024	995,000	-	995,000	-
Replacement of Water Meters	4.50%	5/28/2025		1,660,000		1,660,000
Replacement of Water Mains	3.78%	5/28/2025		551,149		551,149
Replacement of Lead Water Service Lines	3.78%	5/28/2025		600,000		600,000
Prospect Street Wate Main Replacement	3.78%	5/28/2025	-	1,137,356	-	1,137,356
Total Water Utility Capital Fund			\$ 3,331,300	\$ 6,228,955	\$ 3,331,300	\$ 6,228,955

	Rate (%)	Maturity Date	Balance, December 31, 2022	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, 2023
<u>2023</u>						
<u>General Capital Fund</u>						
Suppl. - Elevator at Library	4.50%	5/31/2024		\$ 216,646		\$ 216,646
	3.75%	8/4/2023	\$ 216,646		\$ 216,646	-
Construction of Passaic River Park & Bikeway Project	4.50%	5/31/2024		1,273,807		1,273,807
	3.75%	8/4/2023	1,893,871		1,893,871	-
Various Improvements to Grand Street	4.50%	5/31/2024		355,262		355,262
	3.75%	8/4/2023	402,631		402,631	-
Replacement of the Synthetic Turf Athletic Field at Lafaso Field	3.75%	8/4/2023	192,361		192,361	-
Monroe Street Improvements and Midland Avenue Curb and Sic	4.50%	5/31/2024		532,024		532,024
	3.75%	8/4/2023	592,024		592,024	-
Rehabilitation of Jewell Street Playground	4.50%	5/31/2024		570,740		570,740
	3.75%	8/4/2023	458,620		458,620	-
Improvements to the Library	4.50%	5/31/2024		157,420		157,420
	3.75%	8/4/2023	163,607		163,607	-
Installation of a Special Needs Playground	3.75%	8/4/2023	11,090		11,090	-
Acquisition of the Rights to Rail Line on Monroe Street	4.50%	5/31/2024		100,000		100,000
	3.75%	8/4/2023	100,000		100,000	-
2021 Road Improvement Program	4.50%	5/31/2024		1,280,000		1,280,000
	3.75%	8/4/2023	1,280,000		1,280,000	-
Basketball Court Improvements at Fire House #3	4.50%	5/31/2024		57,000		57,000
	3.75%	8/4/2023	57,000		57,000	-
Various Improvements to Semel Avenue	4.50%	5/31/2024		760,000		760,000
	3.75%	8/4/2023	500,000		500,000	-
2022 Road Improvement Program	4.50%	5/31/2024		934,801		934,801
	3.75%	8/4/2023	400,000	-	400,000	-
Total General Capital Fund			\$ 6,267,850	\$ 6,237,700	\$ 6,267,850	\$ 6,237,700

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 9 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

Water Utility Capital Fund

Improvements to Wells 1, 1A and 2	3.75%	8/4/2023	\$ 154,304		\$ 154,304	
Various Improvements to Reactivate Well No.8C	3.75%	8/4/2023	229,050		229,050	
Installation and Activation of Well No.2R	3.75%	8/4/2023	238,796		238,796	
Various Well Improvement	4.50%	5/31/2024		\$ 604,300		\$ 604,300
	3.75%	8/4/2023	900,000		900,000	-
Various Public Improv., New Equip and Vehicle	4.50%	5/31/2024		675,000		675,000
	3.75%	8/4/2023	750,000		750,000	-
Various Public Improvements	4.50%	5/31/2024		522,000		522,000
	3.75%	8/4/2023	580,000		580,000	-
Water Infrastructure Improvements	4.50%	5/31/2024		375,000		375,000
	3.75%	8/4/2023	375,000	-	375,000	-
Installation of Water Treatment Facilities	4.50%	5/31/2024		160,000		160,000
Installation of Water Treatment Facilities - Elmwood Park	4.50%	5/31/2024	-	995,000	-	995,000
Total Water Utility Capital Fund			\$ 3,227,150	\$ 3,331,300	\$ 3,227,150	\$ 3,331,300

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. The amounts issued for the water utility activities are accounting for in the Water Utility 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.

NOTE 10 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>2024</u>		
Recreation Building Rehab	\$106,431	2025
Prospect Street Improvements	971,172	2025
<u>2023</u>		
HVAC Upgrades	\$411,160	2024
Midland Ave. Sidewalks	348,868	2024
Columbus Park Improvements	5,137,783	2024

CITY OF GARFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 11 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 \$1,873,536 and \$3,438,619 at December 31, 2024 and 2023, 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, 2024 and 2023, the City has reserved in the Other Trust Fund \$300,375 and \$400,982 to fund compensated absences in accordance with NJSA 40A:4-39.

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, 2023 and 2022 were as follows:

	Balance, December 31, <u>2023</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2024</u>	Due Within <u>One Year</u>
<u>2024</u>					
Compensated Absences	\$ 3,438,619		\$ 1,565,083	\$ 1,873,536	
Net Pension Liability - PERS (1)	8,098,990		-	8,098,990	
Net Pension Liability - PFRS (1)	<u>22,142,599</u>	<u>-</u>	<u>-</u>	<u>22,142,599</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 33,680,208</u>	<u>\$ -</u>	<u>\$ 1,565,083</u>	<u>\$ 32,115,125</u>	<u>\$ -</u>

(1) GASB Statement Numbers 68 Pension 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, 2024 AND 2023

NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)

Changes in Other Long-Term Liabilities (Continued)

	Balance, December 31, <u>2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2023</u>	Due Within <u>One Year</u>
<u>2023</u>					
Compensated Absences	\$ 2,296,010	\$ 1,142,609		\$ 3,438,619	
Deferred Pension Obligation	269,794		\$ 269,794	-	
Net Pension Liability - PERS	9,912,168		1,813,178	8,098,990	
Net Pension Liability - PFRS	<u>23,370,037</u>	<u>-</u>	<u>1,227,438</u>	<u>22,142,599</u>	<u>-</u>
Other Long-Term Liabilities	<u>\$ 35,848,009</u>	<u>\$ 1,142,609</u>	<u>\$ 3,310,410</u>	<u>\$ 33,680,208</u>	<u>\$ -</u>

NOTE 12 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) Annual Comprehensive Financial Report (ACFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. 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

CITY OF GARFIELD
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

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

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service.

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

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

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

**CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS on or after November 2, 2008 and do not earn the minimum salary required for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

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

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

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

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. Empower (formerly 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.us/treasury/doinvest.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2024 was not available and for June 30, 2023 is \$14.6 billion, and the plan fiduciary net position as a percentage of the total pension liability is 65.22% at June 30, 2023. The collective net pension liability of the participating employers for local PFRS at June 30, 2024 was not available and for June 30, 2023 is \$13.1 billion and the plan fiduciary net position as a percentage of total pension liability is 70.16% at June 30, 2023.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2022 which were rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 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.

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 2024 and 2023 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, 2024 and 2023 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 2024, 2023 and 2022 were equal to the required contributions.

During the years ended December 31, 2024, 2023 and 2022, 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>	<u>DCRP</u>
2024	\$ 2,775,077	\$ 715,780	\$ 1,067
2023	2,782,780	794,941	17,012
2022	2,436,737	875,214	14,000

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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 No. 68 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2023 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 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 No. 68 financial information for the year ended December 31, 2024 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 to the total contributions to the plan during the fiscal years ended June 30, 2023 and 2022. Employer allocation percentages have been rounded for presentation purposes.

Public Employees Retirement System (PERS)

At December 31, 2023, the City reported a liability of \$8,098,990 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023, the City's proportionate share was .05592 percent, which was a decrease of .00976 percent from its proportionate share measured as of June 30, 2022 of .06568 percent.

For the year ended December 31, 2023, the pension system has determined the City's pension benefit to be \$385,229 for PERS based on the actuarial valuations which is less than the actual contributions reported in the City's financial statements of \$794,941. At December 31, 2023, 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:

	2023	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 77,437	\$ 33,106
Changes of Assumptions	17,792	490,833
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	37,297	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	<u>236,075</u>	<u>1,738,010</u>
Total	<u>\$ 368,601</u>	<u>\$ 2,261,949</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

At December 31, 2023 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:

Year Ending <u>December 31,</u>	<u>Total</u>
2023	\$ (1,199,793)
2024	(846,861)
2025	(71,930)
2026	(478,852)
2027	704,088
Thereafter	<u>-</u>
	<u>\$ (1,893,348)</u>

Actuarial Assumptions

The City's total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Rate for All Future Years	2.75%-6.55%
	Based on Years of Service
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Mortality Rates

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

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>2023</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%

Discount Rate

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

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees Retirement System (PERS) (Continued)

Sensitivity of Net Pension Liability

The following presents the City’s proportionate share of the PERS net pension liability as of December 31, 2023 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<u>2023</u>			
City's Proportionate Share of the PERS Net Pension Liability	\$ 10,543,162	\$ 8,098,990	\$ 6,018,677

The sensitivity analysis was based on the proportionate share of the City’s net pension liability at December 31, 2023. A sensitivity analysis specific to the City’s net pension liability was not provided by the pension system.

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, 2023, the City reported a liability of \$22,142,599, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. 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, 2023, the City’s proportionate share was 0.20041 percent, which was a decrease of 0.00376 percent from its proportionate share measured as of June 30, 2022 of 0.20417 percent.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

For the year ended December 31, 2023, the pension system has determined the City pension expense to be \$1,008,618 for PFRS based on the actuarial valuations which is less than the actual contributions reported in the City’s financial statements of \$2,782,780. At December 31, 2023, 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:

	2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 948,102	\$ 1,056,006
Changes of Assumptions	47,792	1,495,156
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,127,681	
Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions	598,525	849,213
Total	\$ 2,722,100	\$ 3,400,375

At December 31, 2023 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
2023	\$ (2,047,520)
2024	(1,731,500)
2025	750,518
2026	(457,891)
2027	(89,276)
Thereafter	2,897,394
	<u>\$ (678,275)</u>

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Actuarial Assumptions

The City’s total pension liability reported for the year ended December 31, 2023 was based on the June 30, 2023 measurement date as determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

	<u>2023</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Rate for All Future Years	3.25%-16.25%
	Based on Years of Service
Investment Rate of Return	7.00%

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Mortality Rates

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2023, as reported for the year ended December 31, 2023, are summarized in the following table:

<u>Asset Class</u>	2023	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	6.21%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Investment Grade Credit	7.00%	5.19%
US Equity	28.00%	8.98%
Non-US Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
High Yield	4.50%	6.97%
Real Assets	3.00%	8.40%
Private Credit	8.00%	9.20%
Real Estate	8.00%	8.58%
Private Equity	13.00%	12.50%

Discount Rate

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

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Sensitivity of Net Pension Liability

The following presents the City's proportionate share of the PFRS net pension liability as of December 31, 2023 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<u>2023</u>			
City's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 30,851,834</u>	<u>\$ 22,142,599</u>	<u>\$ 14,889,887</u>

The sensitivity analysis was based on the proportionate share of the City's net pension liability at December 31, 2023. A sensitivity analysis specific to the City's net pension liability was not provided by the pension system.

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, 2023, the State's proportionate share of the net pension liability attributable to the City for the PFRS special funding situation is \$4,080,031. For the year ended December 31, 2023, 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 \$479,860, which is less than the actual contributions the State made on behalf of the City of \$466,598. At December 31, 2023 (measurement date June 30, 2023) the State's share of the PFRS net pension liability attributable to the City was 0.20041 percent, which was a decrease of 0.00376 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of 0.20417 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 in 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.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 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) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

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

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

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Plan Membership and Contributing Employers

Membership and contributing employers/nonemployers of the defined benefit OPEB plan consisted of the following at June 30, 2023:

Active Plan Members	65,613
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>34,771</u>
Total	<u>100,384</u>
Contributing Employers	574
Contributing Nonemployers	1

Measurement Focus and Basis of Accounting

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

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

Collective Net OPEB Liability

The collective net OPEB liability of the participating employers and the State, as the non-employer contributing entity, of the Plan at June 30, 2024 was not available and for June 30, 2023 is \$15.0 billion, and the plan fiduciary net (deficit) as a percentage of the total OPEB liability is (0.79)% at June 30, 2023.

The total OPEB liabilities were determined based on actuarial valuations as of July 1, 2022 which was rolled forward to June 30, 2023.

Actuarial Methods and Assumptions

In the July 1, 2022 OPEB actuarial valuation, the actuarial assumptions and methods used in this valuation were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contribution

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

The employers participating in the OPEB plan made contributions of \$431.4 million and the State of New Jersey, as the non-employer contributing entity, contributed \$55.6 million for fiscal year 2023.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

State Administered Post-Retirement Health Benefits Program (Continued)

Post-Retirement Medical Benefits Contribution (Continued)

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The City is not required to make contributions to the State Plan under the special funding situation. The State as a non-employer contributing entity makes contributions to the Plan on-behalf of the City under a special funding situation.

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

The regulatory basis of accounting requires participating employers in the State Health Benefit Program Fund – Local Government Retired Plan to disclose in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pension (GASB No. 75)* their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions.

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 No. 75 financial information from the State's Division of Pensions and Benefits to be reported for the year ended December 31, 2022 for the measurement date of June 30, 2024 was not available as of the date of audit. Accordingly, N.J.A.C. 5:30-6.1(c)2 authorizes and permits New Jersey municipalities to present the most recent available audited GASB No. 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 No. 75 financial information for the year ended December 31, 2024 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.

The non-employer special funding allocation percentages presented as the State's proportion share was based on eligible plan members subject to the special fund situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Special Funding Situation (Continued)

At December 31, 2023, the State's proportionate share of the net OPEB liability attributable to the City for the OPEB special funding situation is \$11,164,819. For the year ended December 31, 2023 the plan has determined the State's proportionate share of the OPEB expense attributable to the City for the OPEB special funding situation is \$2,024,400. At December 31, 2023, (measurement date June 30, 2023), the State's share of the OPEB liability attributable to the City was 0.32000 percent, which was a decrease of 0.00847 percent from its proportionate share measured as of December 31, 2022 (measurement date June 30, 2022) of 0.32847 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. These on-behalf contributions have not been reported in the City's financial statements.

OPEB Plan Fiduciary Net Position

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

NOTE 14 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.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 14 RISK MANAGEMENT (Continued)

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>
2024		\$ 25,000	\$ 71,156	\$ 116,217
2023	\$ 6,514	55,000	21,022	162,373
2022	-	35,000	-	121,881

NOTE 15 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.

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2024 and 2023. 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, 2024 and 2023, the City reserved \$535,379 and \$509,484, 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, 2024 and 2023, 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 16 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, 2024 and 2023, the City has not estimated its estimated arbitrage earnings due to the IRS, if any.

CITY OF GARFIELD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 17 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.

The City of Garfield has contributed \$1,240 and \$1,150 for 2024 and 2023, respectively, for each eligible volunteer fire department member into the Plan. The total City contributions were \$43,362 and \$38,440 for 2024 and 2023 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.

CURRENT FUND

CITY OF GARFIELD
STATEMENT OF CASH - COLLECTOR/TREASURER

Balance, December 31, 2023		\$ 11,609,206
Increased by Receipts:		
Taxes Receivable	\$ 71,421,937	
Miscellaneous Revenue Not Anticipated	624,940	
Due from State of NJ - Senior Citizens' and Veterans' Deductions	55,500	
Grants Receivable	1,232,948	
Prepaid Taxes	570,971	
Revenue Accounts Receivable	9,536,125	
Receipts from Animal Control Trust Fund	6,867	
Receipts from Other Trust Fund	920,463	
Receipts from Water Utility Operating	1,170,000	
Receipts from General Capital	663,403	
Miscellaneous Reserves	16,501	
Tax Appeals	5,895	
Due to State of New Jersey - Uniform Construction Code Fees	46,404	
Marriage License Fees	5,722	
		<u>86,277,676</u>
		97,886,882
Decreased by Disbursements:		
2024 Budget Appropriations	40,750,964	
2023 Appropriation Reserves	1,049,897	
Encumbrances Payable	1,323,269	
Appropriated Reserves for Federal and State Grants	655,822	
County Taxes	8,302,398	
Local School Taxes	34,935,991	
Due to State of New Jersey - Uniform Construction Code Fees	20,821	
Marriage License Fees	5,375	
Payments to Water Operating	199,006	
Miscellaneous Reserves	80,393	
		<u>87,323,936</u>
Balance, December 31, 2024		<u>\$ 10,562,946</u>

**CITY OF GARFIELD
STATEMENT OF CHANGE FUNDS**

Balance, December 31, 2023	\$ <u>100</u>
Balance, December 31, 2024	\$ <u><u>100</u></u>

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

Balance, December 31, 2023	\$ 21,820	
Increased by:		
Cash Receipts from State of New Jersey	\$ 55,500	
Senior Citizen's and Veteran's Deductions		
Disallowed by Tax Collector		
Current Year	98	
Prior Year	<u>750</u>	
		<u>56,348</u>
		78,168
Decreased by:		
Senior Citizen's and Veteran's Deductions per Tax Duplicate		<u>57,250</u>
Balance, December 31, 2024		\$ <u><u>20,918</u></u>

**CITY OF GARFIELD
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2023</u>	Revenue <u>Realized</u>	Cash <u>Receipts</u>	Balance, December 31, <u>2024</u>
Municipal Alliance on Alcoholism and Drug Abuse		\$ 1,027	\$ 1,027	
Click It or Ticket		8,680	8,680	
Recycling Tonnage		43,602	43,602	
Clean Communities		63,539	63,539	
Drive Sober or Get Pulled Over		7,000	7,000	
COPS in School	\$ 41,390		41,390	
Alcohol Education and Rehabilitation	-	4,290	4,290	
BC History Grant	-	2,000	1,500	\$ 500
BMED Wellness	-	10,000		10,000
Community Energy Plan Grant	-	221,700		221,700
ROID Grant	16,000			16,000
Summer Food	-	138,933	138,933	-
Body Armor	-	4,930	4,930	-
Pedestrian Safety Grant	-	20,000		20,000
Pedestrian Decoy Traffic Enf Grant	-	20,000	18,830	1,170
LRIG Splash Park	71,000			71,000
National Opioids Settlement	-	104,300	104,300	-
NJDOT Midland Ave Sidewalks	252,441		189,331	63,110
NJDOT Harrison Ave	675,000			675,000
CDBG Rec Bld Façade	198,500		198,500	-
CDBG HVAC Rec	475,000		281,660	193,340
CDBG HVAC Firehouse	220,000		109,050	110,950
ARP Firefighter Grant	-	75,000		75,000
NJ Diesel Modernization Program	-	193,948		193,948
Primex Plastics	-	500	500	-
COPS Hiring	-	500,000		500,000
BCOS - River Dr	810,975			810,975
BCOS - Spring Street Park	-	197,153		197,153
Spotted Lantern Fly	-	15,886	15,886	-
	<u>\$ 2,760,306</u>	<u>\$ 1,632,488</u>	<u>\$ 1,232,948</u>	<u>\$ 3,159,846</u>

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

Year	Balance, December 31, 2023	2024 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	Collected In		Senior Citizens' and Veterans' Deductions Allowed	Transfer to Tax Title Liens	Cancelled	Balance, December 31, 2024
					2023	2024				
2019	\$ 2,744									\$ 2,744
2020	3,703									3,703
2021	3,207									3,207
2022	3,341									3,341
2023	940,986	\$ -	\$ -	\$ 750	\$ -	\$ 934,054	\$ -	-	\$ -	7,682
	953,981	-	-	750	-	934,054	-	-	-	20,677
2024	-	\$ 72,345,209	\$ 108,311	98	\$ 640,036	70,487,883	57,250	\$ -	215,877	1,052,572
	\$ 953,981	\$ 72,345,209	\$ 108,311	\$ 848	\$ 640,036	\$ 71,421,937	\$ 57,250	\$ -	\$ 215,877	\$ 1,073,249

Analysis of 2023 Tax Levy

Tax Yield	
General Purpose Tax	\$ 72,345,209
Added Taxes (54:4-63.1 et seq.)	108,311
	<u>\$ 72,453,520</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 34,935,991
County Tax	\$ 7,945,077
County Open Space Tax	357,321
County Share of Added Taxes	12,453
	<u>8,314,851</u>
Local Tax for Municipal Purposes	27,921,000
Minimum Library Tax	1,180,328
Add: Additional Tax Levied	101,350
	<u>29,202,678</u>
	<u>\$ 72,453,520</u>

CITY OF GARFIELD
STATEMENT OF TAX TITLE LIENS

Balance, December 31, 2023	\$ 555,272
Decreased By:	
Tax Title Liens Cancelled	<u>56,400</u>
Balance, December 31, 2024	<u>\$ 498,872</u>

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, December 31, 2023	<u>\$ 436,870</u>
Balance, December 31, 2024	<u>\$ 436,870</u>

CITY OF GARFIELD
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, December 31, <u>2023</u>	Accrued <u>2024</u>	<u>Collected</u>	Balance, December 31, <u>2024</u>
City Clerk				
Licenses				
Alcoholic Beverage		\$ 66,105	\$ 66,105	
Other		30,073	30,073	
Fees and Permits		12,291	12,291	
Board of Health				
Fees and Permits		81,099	81,099	
Tax Collector				
Fees and Permits		2,661	2,661	
Recreation				
Fees and Permits		303,653	303,653	
Police				
Fees and Permits		41,174	41,174	
Zoning Board of Adjustment				
Fees and Permits		5,360	5,360	
Planning Board				
Fees and Permits		1,093	1,093	
Public Works				
Fees and Permits		43,950	43,950	
Municipal Court - Fines and Costs	\$ 76,757	1,228,539	1,156,732	\$ 148,564
Uniform Construction Code Fees		686,005	686,005	
Parking Enforcement Fees		312,909	312,909	
Housing Inspections		21,880	21,880	
Interest and Costs on Taxes		226,943	226,943	
Interest on Investments		663,191	663,191	
Energy Receipts Tax		2,712,952	2,712,952	
Sewer Charges	146,236	1,687,672	1,732,789	101,119
Host Community Fees - Transfer Station		489,790	489,790	
Uniform Fire Safety Fees		115,249	115,249	
Fire Prevention Fees		224,408	224,408	
Cannabis Revenue		153,219	153,219	
Township of Saddle Brook - Tax Collection		3,750	3,750	
Township of Wood Ridge - Tax Collection		91,500	91,500	
Bergen County - Snow Services		4,140	4,140	
Garfield Board of Education - Gas		17,470	17,470	
Housing Authority - PILOT	-	335,739	335,739	-
Reserve for Payment of Debt		237,376	237,376	
Reserve for Police Off Duty Vehicle Fees		268,044	268,044	
Reserve for Police Off Duty Admin Fees		652,419	652,419	
Anticipated Surplus - Water Utility		1,170,000	1,170,000	
Anticipated Surplus - General Capital	-	689,501	689,501	-
	<u>\$ 222,993</u>	<u>\$ 12,580,155</u>	<u>\$ 12,553,465</u>	<u>\$ 249,683</u>
		Cash Receipts	\$ 9,536,125	
		Due from Water Utility	1,170,000	
		Due from General Capital	926,877	
		Due from Trust	920,463	
			<u>\$ 12,553,465</u>	

CITY OF GARFIELD
STATEMENT OF 2023 APPROPRIATION RESERVES

	Reserved from PY Audit A-3					
	Balance, December 31, <u>2023</u>	Encumbrances <u>Restored</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>	
General Government						
General Administration						
Salaries & Wages	\$ 5,512	\$ -	\$ 5,512	\$ -	\$ 5,512	
Other Expenses	66,757	6,482	73,239	9,275	63,964	
Mayor and Council						
Salaries & Wages	928	-	928	-	928	
Municipal Clerk's Office						
Salaries & Wages	6,781	-	6,781	-	6,781	
Other Expenses	2,121	920	3,041	1,818	1,223	
Elections						
Other Expenses	8,648	-	8,648	-	8,648	
Financial Administration						
Salaries & Wages	522	-	522	-	522	
Other Expenses	5,413	81	5,494	704	4,790	
Annual Audit	5,000	5,957	10,957	-	10,957	
ADP Services	14,845	5,071	14,916	8,156	6,760	
Tax Assessment Administration						
Salaries & Wages	732	-	732	-	732	
Other Expenses	2,327	10,117	12,444	5	12,439	
Revenue Administration						
Salaries & Wages	2,619		2,619		2,619	
Other Expenses	5,366	434	5,800	342	5,458	
Legal Services & Costs						
Other Expenses	27,875	29,357	47,232	23,699	23,533	
Tax Court Appeal Counsel	-	10,827	10,827	2,362	8,465	
Engineering Services & Costs						
Other Expenses	16,326	29,185	45,511	40,338	5,173	
Public Buildings & Grounds						
Salaries & Wages	-		-	-	-	
Other Expenses	15,019	44,007	59,026	23,358	35,668	
Municipal Land Use Law (NJSA 40:55D-1)						
Planning Board						
Salaries & Wages	971		971	-	971	
Other Expenses	3,880	819	4,699	1,480	3,219	
Zoning Board						
Salaries & Wages	1,939		1,939	-	1,939	
Other Expenses	1,563	892	2,455	586	1,869	

CITY OF GARFIELD
STATEMENT OF 2023 APPROPRIATION RESERVES

	Balance, December 31, <u>2023</u>	Encumbrances <u>Restored</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
General Government (Continued)					
Insurance					
General Liability	\$ 36,595	\$ 361,370	\$ 402,965	\$ 365,199	\$ 37,766
Employee Group	27,878	917	28,795	3,688	25,107
Heath Benefit Waiver	4,808	-	4,808	-	4,808
Public Safety					
Fire - Other Expenses	6,799	59,437	91,236	81,998	9,238
Aid to Ambulance Corps	10,000		-		-
Parking Enforcement Program					
Salaries & Wages	28,093		28,093		28,093
Police					
Salaries & Wages	(9,804)	-	(9,804)	2,761	(12,565)
Other Expenses	15,444	86,677	127,121	107,341	19,780
Pension Pursuant to R.S. 43:12	4,000		4,000		4,000
Purchase of Vehicles	-	-	-		-
Traffic Division	2,429	8,694	11,123	299	10,824
Uniform Fire Inspection					
Salaries & Wages	1,535	-	1,535	-	1,535
Other Expenses	42	1,751	1,793	1,440	353
Streets & Roads					
Road Repairs and Maintenance					
Salaries & Wages	60,782	189	75,971	50,416	25,555
Other Expenses	18,697	50,400	69,097	18,511	50,586
Snow Removal	-	5,000	5,000	-	5,000
Recycling	-		15,000	15,000	-
Emergency Management Services					
Salaries & Wages	147	-	147	-	147
Other Expenses	2,702	3,472	6,174	84	6,090
Health & Welfare					
Board of Health					
Salaries & Wages	6,484		6,484	-	6,484
Other Expenses	2,443	21,831	24,274	646	23,628
Health Officer					
Other Expenses	1,476	-	1,476	-	1,476
Recreation Department					
Salaries & Wages	28,219		8,219	4,758	3,461
Other Expenses	10,035	31,128	41,163	11,405	29,758
Historical Society					
Other Expenses	500		500		500
Celebration of Public Events					
Anniversary & Holiday					
Other Expenses	7,825	-	7,825	-	7,825
Accumulated Absence			15,000	15,000	-
Housing Inspection					
Salaries & Wages	6,997		6,997	-	6,997
Other Expenses	5,670	1,509	7,179	1,177	6,002

**CITY OF GARFIELD
STATEMENT OF 2023 APPROPRIATION RESERVES**

	Balance, December 31, <u>2023</u>	Encumbrances <u>Restored</u>	Balance After <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Garbage & Trash Removal					
Other Expenses	\$ 4,133	\$ 254,606	\$ 223,739	\$ 166,043	\$ 57,696
Animal Control					
Other Expenses	25,555	-	25,555	-	25,555
Contribution of Redevelopment Agency	91		91		91
Utilities					
Electricity	27,067	61,316	88,383	50,190	38,193
Telephone	3,709	1,239	4,948	1,239	3,709
Street Lighting	6,422	34,503	40,925	31,907	9,018
Communications	39,887	6,501	46,388	4,699	41,689
Gasoline	26,488	49,656	56,144	16,469	39,675
Passaic Valley Sewer Commission	971		971		971
Maintenance of Free Public Library	-		-		-
LOSAP	20,200	-	20,200	-	20,200
State Uniform Construction Code					
Building Inspections					
Salaries & Wages	12,196	-	12,196	-	12,196
Other Expenses	10,588	5,867	16,455	561	15,894
Capital Improvement - Special Needs Playground			-		-
Social Security System (O.A.S.I.)	11,313		11,313		11,313
Pension Adjustment Fund	1,000		1,000		1,000
Police and Fireman's Retirement System	3,321		3,321		3,321
DCRP	2,988		2,988		2,988
Public Employees Retirement System	3,328		3,328	3,328	-
Deferred Charges - Emergency Approp			-		-
Municipal Court					
Salaries & Wages	6,412	-	6,412	-	6,412
Other Expenses	879	385	1,264	595	669
Public Defender					
Salaries & Wages	829	-	829	-	829
Prosecutor					
Salaries & Wages	4,118	3,000	7,118	-	7,118
Total General Appropriations	<u>\$ 686,435</u>	<u>\$ 1,193,597</u>	<u>\$ 1,880,032</u>	<u>\$ 1,066,877</u>	<u>\$ 813,155</u>
		Cash Disbursements		\$ 1,049,897	
		Encumbrances Payable		16,980	
				<u>\$ 1,066,877</u>	

CITY OF GARFIELD
STATEMENT OF ENCUMBRANCES PAYABLE

Balance, December 31, 2023		\$ 3,105,289
Increased by:		
Charged to 2023 Budget Reserves	\$ 16,980	
Charged to 2024 Budget Appropriations	<u>1,176,543</u>	
		<u>1,193,523</u>
		4,298,812
Decreased by:		
Cash Disbursements	1,323,269	
Restored to Appropriation Reserves	<u>1,193,597</u>	
		<u>2,516,866</u>
Balance, December 31, 2024		<u>\$ 1,781,946</u>

STATEMENT OF PREPAID TAXES

Balance, December 31, 2023		\$ 640,036
Increased by:		
Collection of 2025 Taxes		<u>570,971</u>
		1,211,007
Decreased by:		
Applied to 2024 Taxes Receivable		<u>640,036</u>
Balance, December 31, 2024		<u>\$ 570,971</u>

CITY OF GARFIELD
STATEMENT OF LOCAL SCHOOL TAXES PAYABLE

Increased by:	
2024 Levy	\$ <u>34,935,991</u>
Decreased by:	
Cash Disbursements	\$ <u>34,935,991</u>
Balance, December 31, 2024	\$ <u><u>-</u></u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, December 31, 2023	\$ -
Increased by:	
2024 Levy	
General County	\$ 7,945,077
County Open Space	357,321
Added and Omitted County Taxes	<u>12,453</u>
	<u>8,314,851</u>
	8,314,851
Decreased by:	
Cash Disbursements	<u>8,302,398</u>
Balance, December 31, 2024	\$ <u><u>12,453</u></u>

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

Balance, December 31, 2023	\$ -
Increased by:	
Cash Receipts	<u>46,404</u>
	46,404
Decreased by:	
Cash Disbursements	<u>20,821</u>
Balance, December 31, 2024	<u>\$ 25,583</u>

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

Balance, December 31, 2023	\$ 1,675
Increased by:	
Cash Receipts	<u>5,722</u>
	7,397
Decreased by:	
Cash Disbursements	<u>5,375</u>
Balance, December 31, 2024	<u>\$ 2,022</u>

CITY OF GARFIELD
STATEMENT OF RESERVE FOR TAX APPEALS PENDING

Balance, December 31, 2023		\$ 509,484
Increase by:		
Cash Receipt	\$ 5,895	
Budget Appropriation	<u>20,000</u>	
		<u>25,895</u>
Balance, December 31, 2024		<u>\$ 535,379</u>

STATEMENT OF MISCELLANEOUS RESERVES

	Balance, December 31, <u>2023</u>	<u>Increase</u>	Cash <u>Disbursements</u>	Realized as Budgeted <u>Revenue</u>	Balance, December 31, <u>2024</u>
Revaluation	\$ 14,715				\$ 14,715
LOSAP	26,854				26,854
Municipal Relief State Aid	279,642			\$ 153,776	125,866
Sale of Assets	3,813	\$ 16,501		3,118	17,196
Tax Maps	<u>128,000</u>	<u>128,000</u>	<u>\$ 80,393</u>	<u>-</u>	<u>175,607</u>
	<u>\$ 453,024</u>	<u>\$ 144,501</u>	<u>\$ 80,393</u>	<u>\$ 156,894</u>	<u>\$ 360,238</u>
Cash Receipts	\$ 16,501				
Budget		<u>128,000</u>			
		<u>\$ 144,501</u>			

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

	Balance, December 31, <u>2023</u>	Transfer from Budget <u>Appropriations</u>	Cash <u>Disbursements</u>	<u>Adjustments</u>	Balance, December 31, <u>2024</u>
Alcohol Education and Rehabilitation	\$ 59,069	\$ 4,290			\$ 63,359
Clean Communities	45,079	63,539	\$ 52,166		56,452
Spotted Lanternfly Grant	-	15,886	15,886		-
Body Armor Replacement Fund	114	4,930	114		4,930
Recycling Tonnage Grant	-	43,602			43,602
Click It or Ticket	-	8,680			8,680
BC History Grant	-	2,000	2,000		-
Drive Sober or Get Pulled Over	-	7,000	7,000		-
DDEF	39,003		320	\$ 1,500	40,183
COPS Hiring Grant	-	500,000			500,000
Public Health Priority Funding				7,792	7,792
Pedestrian Safety Grant	-	20,000			20,000
Pedestrian Decoy Traffic Enf Grant	-	20,000	18,830		1,170
BMED Wellness	-	10,000	2,677		7,323
BCOS - Spring Street Park	-	197,153			197,153
Community Energy Plan	-	221,700			221,700
Municipal Alliance	-	1,027	1,027		-
ROID Grant	2,982		2,982		-
CDBG Rec Bld Façade	198,500		198,500		-
CDBG HVAC (Rec and Firehouse)	283,840		185,130	167,780	266,490
DOT Harrison	584,747		1,475	(2,147)	581,125
Stormwater Management DEP	15,000		8,980		6,020
Summer Food	199,137	138,933	144,449		193,621
National Opioid Settlement	41,047	104,300	11,335	(1,544)	132,468
LRIG - Splash Park	71,000		1,775		69,225
Primex Plastics	500	500	1,000		-
Russell Barrie Grant				3,645	3,645
Business Stimulus Grant			176	176	-
NJ Diesel Modernization Program	-	193,948			193,948
ARP - Firefighter	-	75,000	-	-	75,000
	<u>\$ 1,540,018</u>	<u>\$ 1,632,488</u>	<u>\$ 655,822</u>	<u>\$ 177,202</u>	<u>\$ 2,693,886</u>

**CITY OF GARFIELD
STATEMENT OF DEFERRED CHARGES**

<u>Description</u>	Balance, December 31, <u>2023</u>	<u>Decreases</u>	Balance, December 31, <u>2024</u>
Special Emergency Authorization - COVID Revenue Shortfalls	\$ <u>375,000</u>	\$ <u>125,000</u>	\$ <u>250,000</u>
	<u>375,000</u>	<u>125,000</u>	<u>250,000</u>
Budget Appropriation		\$ <u>125,000</u>	

DUE TO GENERAL CAPITAL FUND

Increased by:			
Budget - Deferred Charge		\$ 536,160	
Receipts from General Capital		<u>663,403</u>	
			\$ 1,199,563
Decreased by:			
Anticipated Revenues			
Fund Balances		689,501	
Reserve for Payment Debt		<u>237,376</u>	
			<u>926,877</u>
Balance, December 31, 2024			\$ <u>272,686</u>

TRUST FUND

CITY OF GARFIELD
STATEMENT OF CASH - COLLECTOR/TREASURER

	<u>Animal Control Fund</u>	<u>Other Trust Fund</u>
Balance, December 31, 2023	\$ 19,878	\$ 3,323,509
Increased by Receipts:		
Escrow Deposits		\$ 100,312
Current Fund Budget Appropriation - Unemployment		25,000
Animal License Fees	\$ 4,450	
State Fees - Animal Licenses	784	
Payroll Deductions		31,200,068
Miscellaneous Reserves	<u>-</u>	<u>3,315,847</u>
	<u>5,234</u>	<u>34,641,227</u>
	25,112	37,964,736
Decreased by:		
Escrow Deposits		80,295
Employee Benefits Paid - Unemployment Claims		71,156
Due to State of New Jersey	748	
Animal Control Fund Expenditures	13,966	
Payroll Deductions Payable		30,938,599
Payments to Current Fund	6,867	920,463
Miscellaneous Reserves	<u>-</u>	<u>2,721,320</u>
	<u>21,581</u>	<u>34,731,833</u>
Balance, December 31, 2024	<u>\$ 3,531</u>	<u>\$ 3,232,903</u>

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

Balance, December 31, 2023	\$ 11
Increased by:	
State Fees Collected	<u>784</u>
	795
Decreased by:	
Payments Made to State of New Jersey	<u>748</u>
Balance, December 31, 2024	<u>\$ 47</u>

EXHIBIT B-3

STATEMENT OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES

Balance, December 31, 2023	\$ 13,000
Increased by:	
Animal License Fees Collected	<u>4,450</u>
	17,450
Decreased by:	
Cash Disbursements	<u>13,966</u>
Balance, December 31, 2024	<u>\$ 3,484</u>

Licenses Collected

2023	\$ 8,190
2022	<u>6,520</u>
	<u>\$ 14,710</u>

CITY OF GARFIELD
STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE

Balance (Deficit), December 31, 2023	\$ 162,373
Increased by:	
Current Fund Budget Appropriation	<u>25,000</u>
	187,373
Decreased by:	
Unemployment Claims Due to State of New Jersey	<u>71,156</u>
Balance, December 31, 2024	<u>\$ 116,217</u>

STATEMENT OF RESERVE FOR ESCROW DEPOSITS
OTHER TRUST FUND

Balance, December 31, 2023	\$ 307,705
Increased by:	
Cash Receipts	<u>100,312</u>
	408,017
Decreased by:	
Cash Disbursements	<u>80,295</u>
Balance, December 31, 2024	<u>\$ 327,722</u>

CITY OF GARFIELD
STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND

	Balance, December 31, 2023	Cash Receipts	Cash Disbursements	Balance, December 31, 2024
Performance Bonds	\$ 107,500			\$ 107,500
Lead Hazard Inspection	-	\$ 153,148	\$ 38,976	114,172
Fire Prevention Fees	26,361	26,488	5,061	47,788
Summer Food Program	20,423	51,961	43,804	28,580
Uncollected Redemptions	-	402,169	402,169	-
Park Benches	-	200	-	200
Police Outside Vehicles	264,300	1,545,438	1,809,738	-
Municipal Court POAA	97,006	13,922	21,587	89,341
Public Defender	34,079	4,339	6,545	31,873
Building Department	37,592	27,875	-	65,467
Affordable Housing	140,646	1,360	8,860	133,146
Community Policing	13,841	8,936	6,535	16,242
OEM	31,228	1,792	10,464	22,556
Dedicated Penalty Trust	41,930	21,333	21,372	41,891
Multiple Housing Inspections	92,980	446	16,328	77,098
Relocation Housing Fee	30,273	-	-	30,273
Tax Sale Premium	399,800	131,200	267,800	263,200
Recycling	1,571	44,839	-	46,410
Animal Rescue	1,311	2,000	-	3,311
Street Bond	25,000	35,000	20,000	40,000
Street Opening Fee	-	20,000		20,000
Police Ice Trust	100,861		43,060	57,801
Civic Event Donations	2,450	8,414	378	10,486
Insurance	355,104	95,911	162,739	288,276
JIF Reimbursements	7,816	3,690	-	11,506
Storm Recovery	381,477	60,431	2,590	439,318
Wall of Mayors	2,771	-	-	2,771
ICE Funds	118,748	-	-	118,748
Parking Enforcement Fund	1,430	375,033	373,613	2,850
Veterans Banner Donations		12,400	12,035	365
Terminal Leave	400,982	267,522	368,129	300,375
	<u>\$ 2,737,480</u>	<u>\$ 3,315,847</u>	<u>\$ 3,641,783</u>	<u>\$ 2,411,544</u>
Cash Receipts		<u>\$ 3,315,847</u>		
Cash Disbursements			\$ 2,721,320	
Due to Current Fund			<u>920,463</u>	
			<u>\$ 3,641,783</u>	

**CITY OF GARFIELD
STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND**

Increased by:	
Trust Fees due to Current Fund	\$ 920,463
Decreased by:	
Payments to Current	<u>920,463</u>
Balance, December 31, 2024	<u><u>\$ -</u></u>

**STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL TRUST FUND**

Balance, December 31, 2023	\$ 6,867
Decreased by:	
Payments to Current Fund	<u>6,867</u>
Balance, December 31, 2024	<u><u>\$ -</u></u>

EXHIBIT B-9

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

Balance, December 31, 2023	\$ 115,951
Increased by:	
Cash Receipts	<u>31,200,068</u>
	31,316,019
Decreased by:	
Cash Disbursements	<u>30,938,599</u>
Balance, December 31, 2024	<u><u>\$ 377,420</u></u>
Analysis of Balance:	
Payroll Deductions Payable	\$ 387,855
Accrued Salaries and Wages	<u>(10,435)</u>
	<u><u>\$ 377,420</u></u>

EXHIBIT B-10

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

Increased by:	
Unemployment Claims Due to State of New Jersey	<u>\$ 71,156</u>
	71,156
Decreased by:	
Payments to State of New Jersey	<u>71,156</u>
Balance, December 31, 2024	<u><u>\$ -</u></u>

GENERAL CAPITAL FUND

CITY OF GARFIELD
STATEMENT OF GENERAL CAPITAL CASH - TREASURER

Balance, December 31, 2023		\$ 3,963,999
Increased by Receipts:		
Bond Anticipation Notes	\$ 7,947,954	
Premium on Bonds	40,733	
Grant Proceeds	1,485,681	
Reserve for Future Capital Improvements	660,000	
Current Fund Budget Appropriation:		
Capital Improvement Fund	<u>210,000</u>	
		<u>10,344,368</u>
		14,308,367
Decreased by Disbursements:		
Improvement Authorizations	1,463,892	
Contracts Payable	9,192,227	
Bond Anticipation Notes	1,046,504	
Payment to Current Fund	663,403	
Current Fund Anticipated Revenue		
Reserve for Future Capital Improvements	<u>10,517</u>	
		<u>12,376,543</u>
Balance, December 31, 2024		<u><u>\$ 1,931,824</u></u>

**CITY OF GARFIELD
ANALYSIS OF CAPITAL CASH**

		Balance, December 31, <u>2024</u>
Due from Current Fund		\$ (272,686)
Grants Receivable		(5,100,252)
Contracts Payable		2,641,468
Capital Improvement Fund		670,612
Reserve for Future Improvements		745,585
Excess Note Proceeds		1,602,066
<u>Improvement Authorizations</u>		
<u>Ord. No.</u>		
2463	Tax Appeal Funding	39,694
2740	School Pedestrian Safety Improvements at Various Locations (Phase II)	(2,623)
2762	Acquisition Phases of the River Drive Roadway and Park Imp Project	952
2814	Various Improvements to Grand Street	(125,212)
2824	Various Public Improvements and the Acquisition of New Auto Vehicles	54,502
2835	2020 Road Improvement Program	146,766
2846	Installation of a Special Needs Playground Area at 20th Century Field	(11,090)
2889	Acquisition of the Rights to Rail Line on Monroe Street	5,603
2908	2021 Road Improvement Program	51,663
2916	Stormwater Drainage Improvements	1,452
2917	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase II)	(12,500)
2926	Acquisition of New Equipment and Various Public Improvements	233,636
2968	Upgrading of Communications Systems and Equipment	480,717
2974	Semel Ave Drainage Project (Phase I)	63,035
2977	New Pumper Fire Engine	304
3024	Sewer Improvements to Banta Ave	(1,911)
3041	Improvements to Columbus Park - 2024	61,513
3042	Roof Improvements to Fire House No. 2	534,067
3043	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase IV)	<u>124,463</u>
		<u>\$ 1,931,824</u>

CITY OF GARFIELD
STATEMENT OF DUE FROM CURRENT FUND

Balance, December 31, 2023 - Due From		\$	-
Increased By:			
Budget - Deferred Charge	\$	536,160	
Payments to Current - Fund		<u>663,403</u>	
			<u>1,199,563</u>
			1,199,563
Decreased by:			
Anticipated Revenue Current Fund			
Capital Fund Balance	\$	689,501	
Reserve for Payment of Debt		<u>237,376</u>	
			<u>926,877</u>
Balance, December 31, 2024 - Due From		\$	<u><u>272,686</u></u>

**CITY OF GARFIELD
STATEMENT OF GRANTS RECEIVABLE**

	Balance, December 31, <u>2023</u>	Increased by: 2024 Grant Awards	Decreased by: Cash Receipts	Balance, December 31, <u>2024</u>
<u>Community Development Block Grants</u>				
Ord. 2845 - Monroe St. Improvements	\$ 378,811			\$ 378,811
Ord. 3024 - Banta Ave Improvements	-	\$ 187,543	-	187,543
Sub-Total - Community Development Block Grants	378,811	187,543	-	566,354
<u>Department of Transportation</u>				
Ord. 2740 - School Pedestrian Safety Improvements (Phase II)	327,622			327,622
Ord. 2845 - Midland Ave Curbs & Sidewalks	246,104		\$ 246,104	-
Ord. 2958 - River Drive Improvement Project	128,881		-	128,881
Ord. 3024 - Banta Ave Improvements	-	275,931	-	275,931
Sub-Total - Department of Transportation	702,607	275,931	246,104	732,434
<u>County of Bergen</u>				
Ord. 2809 - Passaic River Park and Bikeway	570,000		425,000	145,000
Ord. 2958 - River Drive Improvement Project	1,296,050	-	-	1,296,050
Sub-Total - County of Bergen	1,866,050	-	425,000	1,441,050
<u>County of Bergen - Open Space</u>				
Ord. 2915 - Improvements to Columbus Park	679,375	-	-	679,375
Sub-Total - County of Bergen - Open Space	679,375	-	-	679,375
<u>Department of Environmental Protection</u>				
Ord. 2809 - Passaic River Park and Bikeway	1,730,000	-	749,549	980,451
Sub-Total - Department of Environmental Protection	1,730,000	-	749,549	980,451
<u>Green Acres</u>				
Ord. 2809 - Passaic River Park and Bikeway	652,909	-	-	652,909
Ord. 2915 - Improvements to Columbus Park	1,200,000			1,200,000
Ord. 3019 - Columbus Park Improvements	1,260,000	-	-	1,260,000
Ord. 3014 - Columbus Park Improvements	-	1,400,000	-	1,400,000
Sub-Total - Green Acres	3,112,909	1,400,000	-	4,512,909
<u>Department of Community Affairs</u>				
Ord. 2989 - Neighborhood Preservation Program	12,500	-	12,500	-
Ord. 3043 - Neighborhood Preservation Program	-	125,000	52,528	72,472
Sub-Total - Department of Community Affairs	12,500	125,000	65,028	72,472
	<u>\$ 8,482,252</u>	<u>\$ 1,988,474</u>	<u>\$ 1,485,681</u>	<u>\$ 8,985,045</u>
<u>Analysis of Balance</u>				
Pledged to Reserve	\$ 3,905,446	\$ 1,400,000	\$ 1,420,653	\$ 3,884,793
Pledged to Ordinance	4,576,806	588,474	65,028	5,100,252
	<u>\$ 8,482,252</u>	<u>\$ 1,988,474</u>	<u>\$ 1,485,681</u>	<u>\$ 8,985,045</u>
Cash Receipts			<u>\$ 1,485,681</u>	

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

Balance, December 31, 2023		\$ 34,222,531
Decreased by:		
Current Fund Budget Appropriation		
Serial Bond Principal	\$ 2,745,000	
Green Acres Loan Principal	<u>44,842</u>	
		<u>2,789,842</u>
Balance, December 31, 2024		<u>\$ 31,432,689</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2023	2024 Authori- zations	Notes Paid by Budget Appropriation	Budget Appropriation	Grant Proceeds	Analysis of Balance			Unexpended Balance of Improvement Authorizations
							Balance, December 31, 2024	Bond Anticipation Notes	Expenditures	
2664	Kipp Ave Sewer Pump Station	\$ 183,522			\$ 183,522					
2712/2717	2015 Road Improvement Program	231,225			231,225					
2730	Passaic River De-Snagging Project	52,095			52,095					
2738/2850/2885	Neighborhood Revitalization Streetscape and Pedestrian Safety Project (Phase I)	454,037					\$ 454,037	\$ 454,036	\$ 1	
2740	School Pedestrian Safety Improvements at Various Locations (Phase II)	327,622					327,622	-	2,622	\$ 325,000
2754	Construction of Hobart Place Dog Park	4,671			4,671		-	-	-	-
2778/2799	Authorize the Installation of an Elevator at the Garfield Library	251,646			35,000		216,646	216,646	-	-
2809	Continuation of Passaic River Park and Bikeway Project	2,237,816		\$ 248,620		\$ 1,174,549	814,647	814,647	-	-
2814	Various Improvements to Grand Street	125,212					125,212	-	125,212	-
2845	Monroe Street Improvements and Midland Avenue Curb and Side Walk Improvements	532,024		60,000		246,104	225,920	225,920	-	-
2846	Installation of a Special Needs Playground Area at 20th Century Field	20,022			8,932		11,090	-	11,090	-
2866/2922	Rehabilitation of Jewell Street Playground	344,152		16,380			327,772	327,772	-	-
2869	Improvements to the Library	75,956		10,000			65,956	65,956	-	-
2889	Acquisition of the Rights to Rail Line on Monroe Street	100,000					100,000	100,000	-	-
2908	2021 Road Improvement Program	1,428,000					1,428,000	1,428,000	-	-
2909	Basketball Court Improvements at Fire House #3	57,000			1,250		55,750	55,750	-	-
2915	Improvements to Columbus Park	1,620,625					1,620,625	1,620,625	-	-
2916	Stormwater Drainage Improvements	177,900			1,000		176,900	176,900	-	-
2917	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase II)	49,400					49,400	36,900	12,500	-
2921	Various Improvements to Semel Avenue	209,147					209,147	209,147	-	-
2925	2022 Road Improvement Program	952,000			17,199		934,801	934,801	-	-
2926	Acquisition of New Equipment and Various Public Improvements	952,000			316		951,684	951,684	-	-
2958	River Drive Improvement Project	950			950		-	-	-	-
2977	New Pumper Fire Engine	1,280,000					1,280,000	1,280,000	-	-
2989	Neighborhood Preservation Program Improvements	45,000					45,000	45,000	-	-
3019	Improvements to Parks	1,180,000					1,180,000	1,180,000	-	-
3024	Sewer Improvements to Banta Ave		\$ 996,526				996,526	-	1,911	994,615
3041	Improvements to Columbus Park - 2024		523,800				523,800	523,800	-	-
3042	Roof Improvements to Fire House No. 2		509,500				509,500	509,500	-	-
3043	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase IV)		45,000				45,000	45,000	-	-
		<u>\$ 12,892,022</u>	<u>\$ 2,074,826</u>	<u>\$ 335,000</u>	<u>\$ 536,160</u>	<u>\$ 1,420,653</u>	<u>\$ 12,675,035</u>	<u>\$ 11,202,084</u>	<u>\$ 153,336</u>	<u>\$ 1,319,615</u>

Excess Note Proceeds:

Ord. 2809	\$ 1,174,549
Ord. 2866/2922	30,625
Ord. 2869	81,464
Ord. 2909	1,250
Ord. 2916	12,500
Ord. 2921	301,678
	<u>\$ 1,602,066</u>

Total Notes \$ 12,804,150Improvement Authorizations Unfunded \$ 2,332,316
Less: Unexpended Note Proceeds

Ord. 2889	\$ 5,603
Ord. 2908	51,663
Ord. 2916	1,452
Ord. 2926	233,636
Ord. 2977	304
Ord. 2042	24,567
Ord. 2043	79,463
Ord. 3041	61,513
Ord. 3042	509,500
Ord. 3043	45,000

1,012,701\$ 1,319,615

CITY OF GARFIELD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ord. No.	Improvement Description	Ordinance		Balance, December 31, 2023		2024 Authorizations			Paid/ Charged	Cancelled Contracts	Balance, December 31, 2024	
		Date	Amount	Funded	Unfunded	Capital Improvement Fund	Grants Receivable	Deferred Charges Unfunded			Funded	Unfunded
2463	Tax Appeal Funding	2006	\$ 435,000	\$ 39,694							\$ 39,694	
2718	Various Improvements to 20th Century Field	2015	1,400,000	-							-	
2730	Passaic River De-Snagging Project	2016	430,000									
2738/2850/2885	Neighborhood Revitalization Streetscape and Pedestrian Safety Project (Phase I)	2016	1,450,000									
2739/2766/2801/2851	Demolition of Existing Police Station and Construction of New Police Station	2016	7,225,000	-							-	
2740	School Pedestrian Safety Improvements at Various Locations (Phase II)	2016	575,000	5,523	327,622				\$ 8,145		-	\$ 325,000
2749	Outwater Lane Curb and Sidewalk Replacement Project	2016	610,000	-							-	
2762	Acquisition Phases of the River Drive Roadway and Park Imp Project	2017	1,200,000	1,720					768		952	
2763	2017 Road Improvement Program	2017	1,000,000	-							-	
2777	Authorize the Installation of Playground Equipment at 20th Century	2018	130,000	-							-	
2785	Authorize the Tree Planting Program	2018	270,000	-							-	
2787/2798	Authorize the 2018 Comprehensive Infrastructure Improvement Prog	2018	1,490,000	-							-	-
2809	Authorize Continuation of Passaic River Park and Bikeway Project	2019	3,500,000		21,025				21,025		-	-
2813/2852	Road Improvement Program and Barrier Free Improvements to City Hall	2019	765,000	-	-						-	-
2814	Various Improvements to Grand Street	2019	900,000	-							-	
2818	Acquisition of New Fire Engine	2019	925,000	-							-	
2824	Various Public Improvements and the Acquisition of New Auto Vehicles	2019	180,000	147,048					92,546		54,502	
2835	2020 Road Improvement Program	2020	1,200,000	201,827					55,061		146,766	
2844	Various Improvements to Public Buildings and Facilities	2020	1,000,000	77,243					77,243		-	
2847	Neighborhood Preservation Program Along the Passaic Street Corridor	2020	160,000	-							-	
2866/2922	Rehabilitation of Jewell Street Playground	2021	635,000	-								-
2869	Improvements to the Library	2021	300,000	-							-	
2889	Acquisition of the Rights to Rail Line on Monroe Street	2021	130,000		5,753				150			5,603
2908	2021 Road Improvement Program	2021	1,500,000	-						\$ 51,663		51,663
2909	Basketball Court Improvements at Fire House #3	2021	130,000	-								-
2915	Improvements to Columbus Park	2022	3,500,000	-								-
2916	Stormwater Drainage Improvements	2022	200,000		58,992				57,540			1,452
2917	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase II)	2022	170,000		9,525				9,525			-
2921	Various Improvements to Semel Avenue	2022	760,000	-								-
2926	Acquisition of New Equipment and Various Public Improvements	2022	1,000,000		312,950				79,314			233,636
2958	River Drive Improvement Project	2022	8,900,000	-								-
2968	Upgrading of Communications Systems and Equipment	2022	1,550,000	497,442	-				16,725		480,717	-
2974	Semel Ave Drainage Project (Phase I)	2023	1,820,000	63,035	-						63,035	-
2977	New Pumper Fire Engine	2023	1,345,000		15,364				15,060			304
2989	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase III)	2023	170,000		70,526				70,526			-
3019	Improvements to Parks - Columbus Park	2023	2,500,000	-	-						-	-
3024	Sewer Improvements to Banta Ave	2024	1,550,000			\$ 90,000	\$ 463,474	\$ 996,526	555,385			994,615
3041	Improvements to Columbus Park - 2024	2024	550,000			26,200		523,800	488,487			61,513
3042	Roof Improvements to Fire House No. 2	2024	535,000			25,500		509,500	933			534,067
3043	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase IV)	2024	170,000	-	-	-	125,000	45,000	45,537	-	-	124,463
				\$ 1,033,532	\$ 821,757	\$ 141,700	\$ 588,474	\$ 2,074,826	\$ 1,593,970	\$ 51,663	\$ 785,666	\$ 2,332,316
									Cash Disbursements	\$ 1,463,892		
									Contracts Payable	130,078		
										\$ 1,593,970		

**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, 2024</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2023</u>	<u>Decreased</u>	<u>Balance, December 31, 2024</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds	10/15/2013	7,287,000	2025	\$ 535,000	3.13%	\$ 2,677,000	\$ 530,000	\$ 2,147,000
			2026	535,000	3.25%			
			2027	540,000	3.50%			
			2028	537,000	3.50%			
General Improvement Bonds	8/15/2016	6,830,000	8/15/2025	360,000	2.00%	4,680,000	360,000	4,320,000
			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%			

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2024		Interest Rate	Balance, December 31, 2023	Decreased	Balance, December 31, 2024
			Date	Amount				
General Obligation Refunding Bonds	3/1/2017	\$ 5,415,000			4.00%	\$ 905,000	\$ 905,000	\$ -
General Improvement Bonds	8/15/2018	9,250,000	8/15/2025	405,000	3.25%			
			8/15/2026	415,000	3.25%			
			8/15/2027	430,000	3.25%			
			8/15/2028	445,000	3.25%			
			8/15/2029	460,000	3.25%			
			8/15/2030	475,000	3.25%			
			8/15/2031	490,000	3.25%			
			8/15/2032	510,000	3.25%			
			8/15/2033	525,000	3.25%			
			8/15/2034	545,000	3.25%			
			8/15/2035	565,000	3.25%			
			8/15/2036	590,000	3.25%			
			8/15/2037	610,000	3.25%			
			8/15/2038	630,000	3.25%	7,485,000	390,000	7,095,000
General Improvement Bonds	10/15/2021	9,860,000	10/15/2025-2027	725,000	1.50%			
			10/15/2028-2036	730,000	1.50-2.00%	9,120,000	375,000	8,745,000
General Improvement Bonds	11/8/2023	9,135,000	5/15/2025	280,000	6.00%			
			5/15/2026	300,000	6.00%			
			5/15/2027-2048	370,000	4.00-6.00%	8,905,000	185,000	8,720,000
						\$ 33,772,000	\$ 2,745,000	\$ 31,027,000
Paid by Budget Appropriation							\$ 2,745,000	

**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, 2023</u>	<u>Decreased</u>	<u>Balance, December 31, 2024</u>
			<u>Date</u>	<u>Amount</u>				
Passaic River Historic Park	12/31/2007	\$ 422,500	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%	\$ 100,513	\$ 24,383	\$ 76,130
20th Century Field	5/10/2018	\$ 400,000	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%	311,734	18,731	293,003

**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,</u>	<u>Decreased</u>	<u>Balance,</u>
			<u>Date</u>	<u>Amount</u>		<u>December 31, 2023</u>		<u>December 31, 2024</u>
20th Century Field	5/16/2022	\$ 39,978	2/4/2025	\$ 877				
			8/4/2025	886				
			2/4/2026	895				
			8/4/2026	904				
			2/4/2027	913				
			8/4/2027	922				
			2/4/2028	931				
			8/4/2028	941				
			2/4/2029	950				
			8/4/2029	960				
			2/4/2030	969				
			8/4/2030	979				
			2/4/2031	989				
			8/4/2031	999				
			2/4/2032	1,009				
			8/4/2032	1,019				
			2/4/2033	1,029				
			8/4/2033	1,039				
			2/4/2034	1,050				
			8/4/2034	1,060				
			2/4/2035	1,071				
			8/4/2035	1,081				
			2/4/2036	1,092				
			8/4/2036	1,103				
			2/4/2037	1,114				
			8/4/2037	1,125				
			2/4/2038	1,136				
			8/4/2038	1,148				
			2/4/2039	1,159				
			8/4/2039	1,171				
			2/4/2040	1,183				
			8/4/2040	1,194				
			2/4/2041	1,206				
			8/4/2041	1,218				
			2/4/2042	1,231	2.0%	<u>38,284</u>	<u>1,728</u>	<u>36,556</u>
						<u>\$ 450,531</u>	<u>\$ 44,842</u>	<u>\$ 405,689</u>
Paid by Budget Appropriation						<u>\$ 44,842</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, 2023	Increased	Decreased	Balance, December 31, 2024
2738/2850/ 2885	Neighborhood Revitalization Streetscape and Pedestrian Safety Project (Phase I)	5/29/2024	5/29/2024	5/28/2025	4.50%		\$ 454,036		\$ 454,036
2778/2799	Authorize the Installation of an Elevator at the Garfield Library	8/5/2022	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	\$ 216,646	216,646	\$ 216,646	216,646
2809	Construction of Passaic River Park & Bikeway Project	8/7/2019	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	1,273,807	1,989,196	1,273,807	1,989,196
2814	Various Improvements to Grand Street	8/7/2019	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	355,262		355,262	-
2845	Monroe Street Improvements and Midland Avenue Curb and Side Walk Improvements	8/6/2021	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	532,024	225,920	532,024	225,920
2866/2922	Rehabilitation of Jewell Street Playground	8/6/2021	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	570,740	358,397	570,740	358,397
2869	Improvements to the Library	8/6/2021	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	157,420	147,420	157,420	147,420
2889	Acquisition of the Rights to Rail Line on Monroe Street	8/5/2022	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	100,000	100,000	100,000	100,000
2908	2021 Road Improvement Program	8/5/2022	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	1,280,000	1,428,000	1,280,000	1,428,000
2909	Basketball Court Improvements at Fire House #3	8/5/2022	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	57,000	57,000	57,000	57,000
2915	Improvements to Columbus Park	5/29/2024	5/29/2024	5/28/2025	4.50%		1,620,625		1,620,625
2916	Stormwater Drainage Improvements	12/18/2024	12/18/2024	5/28/2025	3.78%		189,400		189,400
2917	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase II)	12/18/2024	12/18/2024	5/28/2025	3.78%		36,900		36,900
2921	Various Improvements to Semel Avenue	8/5/2022	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	760,000	510,825	760,000	510,825
2925	2022 Road Improvement Program	8/5/2022	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	934,801	934,801	934,801	934,801
2926	Acquisition of New Equipment and Various Public Improvements	5/29/2024	5/29/2024	5/28/2025	4.50%		951,684		951,684
2977	New Pumper Fire Engine	12/18/2024	12/18/2024	5/28/2025	3.78%		1,280,000		1,280,000
2989	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase III)	12/18/2024	12/18/2024	5/28/2025	3.78%		45,000		45,000
3019	Improvements to Parks - Columbus Park	5/29/2024	5/29/2024	5/28/2025	4.50%		1,180,000		1,180,000
3041	Improvements to Columbus Park - 2024	12/18/2024	12/18/2024	5/28/2025	3.78%		523,800		523,800
3042	Roof Improvements to Fire House No. 2	12/18/2024	12/18/2024	5/28/2025	3.78%		509,500		509,500
3043	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase IV)	12/18/2024	12/18/2024	5/28/2025	3.78%	-	45,000	-	45,000
						<u>\$ 6,237,700</u>	<u>\$ 12,804,150</u>	<u>\$ 6,237,700</u>	<u>\$ 12,804,150</u>
							\$ 4,856,196	\$ 4,856,196	
								1,046,504	
								335,000	
							7,947,954	-	
							<u>\$ 12,804,150</u>	<u>\$ 6,237,700</u>	

Renewal
Excess Note Proceeds
Paid by Budget Appropriation
Issued for Cash

**CITY OF GARFIELD
STATEMENT OF CONTRACTS PAYABLE**

Balance, December 31, 2023		\$ 11,571,274
Increased by:		
Charges to Improvement Authorizations	130,078	
Charges to Reserve for Future Improvements	<u>184,006</u>	
		<u>314,084</u>
		11,885,358
Decreased by:		
Cash Disbursements	\$ 9,192,227	
Cancelled to Improvement Authorizations	<u>51,663</u>	
		<u>9,243,890</u>
Balance, December 31, 2024		<u>\$ 2,641,468</u>

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, December 31, 2023		\$ 602,312
Increased by:		
2024 Budget Appropriation		<u>210,000</u>
		812,312
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>141,700</u>
Balance, December 31, 2024		<u>\$ 670,612</u>

CITY OF GARFIELD
STATEMENT OF RESERVE FOR PAYMENT OF DEBT

Balance, December 31, 2023	\$ 237,376
Decreased by:	
Realized as Current Fund Anticipated Revenue	<u>237,376</u>
Balance, December 31, 2024	<u>\$ -</u>

CITY OF GARFIELD
STATEMENT OF RESERVE FOR FUTURE IMPROVEMENTS

	<u>DPW</u>	<u>Recreation Building</u>	<u>Firehouse Improvements</u>	<u>City Hall</u>	<u>Police</u>	<u>Parks, Fields & Courts</u>	<u>Engineering</u>	<u>Sewer</u>	<u>Library</u>	<u>Total</u>
Balance, December 31, 2023	\$ 98,083	\$ 50,797	\$ 69,221	\$ 16,275	\$ -	\$ -	\$ -	\$ 20,000	\$ 25,732	\$ 280,108
Increased by:										
2024 Budget	<u>70,000</u>	<u>120,000</u>	<u>15,000</u>	<u>45,000</u>	<u>25,000</u>	<u>125,000</u>	<u>60,000</u>	<u>200,000</u>	<u>-</u>	<u>660,000</u>
	<u>168,083</u>	<u>170,797</u>	<u>84,221</u>	<u>61,275</u>	<u>25,000</u>	<u>125,000</u>	<u>60,000</u>	<u>220,000</u>	<u>25,732</u>	<u>940,108</u>
Decreased by:										
Cash Disbursements	1,001	219	-	1,230	-	-	507	7,085	475	-
Contracts Payable	<u>-</u>	<u>66,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,006</u>
	<u>1,001</u>	<u>66,766</u>	<u>-</u>	<u>1,230</u>	<u>-</u>	<u>117,459</u>	<u>507</u>	<u>7,085</u>	<u>475</u>	<u>194,523</u>
Balance, December 31, 2024	<u>\$ 167,082</u>	<u>\$ 104,031</u>	<u>\$ 84,221</u>	<u>\$ 60,045</u>	<u>\$ 25,000</u>	<u>\$ 7,541</u>	<u>\$ 59,493</u>	<u>\$ 212,915</u>	<u>\$ 25,257</u>	<u>\$ 745,585</u>

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

Ord. No.	Improvement Description	Balance, December 31, 2023	2024 Authorizations	Bond Anticipation Notes Issues	Budget Appropriation	Adjustments	Balance, December 31, 2024
2664	Kipp Ave Sewer Pump Station	\$ 183,522			\$ 183,522		\$ -
2712/2717	2015 Road Improvement Program	231,225			231,225		-
2730	Passaic River De-Snagging Project	52,095			52,095		-
2738/2850/2885	Neighborhood Revitalization Streetscape and Pedestrian Safety Project (Phase I)	454,037		\$ 454,036			1
2740	School Pedestrian Safety Improvements at Various Locations (Phase II)	327,622					327,622
2754	Construction of Hobart Place Dog Park	4,671			4,671		-
2762	Acquisition Phases of the River Drive Roadway and Park Improvement Project	-					-
2778/2799	Authorize the Installation of an Elevator at the Garfield Library	35,000			35,000		-
2809	Continuation of Passaic River Park and Bikeway Project	964,009		964,009			-
2814	Various Improvements to Grand Street					\$ 125,212	125,212
2846	Installation of a Special Needs Playground Area at 20th Century Field	20,022			8,932		11,090
2866/2922	Rehabilitation of Jewell Street Playground	-					-
2889	Acquisition of the Rights to Rail Line on Monroe Street	-					-
2908	2021 Road Improvement Program	148,000		148,000			-
2909	Basketball Court Improvements at Fire House #3	-			1,250	1,250	-
2915	Improvements to Columbus Park	1,620,625		1,620,625			-
2916	Stormwater Drainage Improvements	190,400		189,400	1,000		-
2917	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase II)	36,900		36,900		12,500	12,500
2921	Various Improvements to Semel Avenue	-					-
2925	2022 Road Improvement Program	17,199			17,199		-
2926	Acquisition of New Equipment and Various Public Improvements	952,000		951,684	316		-
2958	River Drive Improvement Project	950			950		-
2968	Upgrading of Communications Systems and Equipment	-					-
2974	Semel Ave Drainage Project (Phase I)	-					-
2977	New Pumper Fire Engine	1,280,000		1,280,000			-
2989	Neighborhood Preservation Program Improvements	45,000		45,000			-
3019	Improvements to Parks	1,180,000		1,180,000			-
3024	Sewer Improvements to Banta Ave		\$ 996,526				996,526
3041	Improvements to Columbus Park - 2024		523,800	523,800			-
3042	Roof Improvements to Fire House No. 2		509,500	509,500			-
3043	Neighborhood Preservation Program Along the Passaic Street Corridor (Phase IV)	-	45,000	45,000	-	-	-
		<u>\$ 7,743,277</u>	<u>\$ 2,074,826</u>	<u>\$ 7,947,954</u>	<u>\$ 536,160</u>	<u>\$ 138,962</u>	<u>\$ 1,472,951</u>

WATER UTILITY FUND

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

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2023	\$ 3,920,110	\$ 898,217
Increased by Receipts:		
Water Revenue Rents	\$ 3,786,317	
Interest on Investments	54,924	
Receipts from Water Utility Operating Fund		\$ 195,000
Receipts from Water Utility Capital Fund	40,000	
Receipts from Current Fund	199,006	
Grant Receipts		151,983
Capital Improvement Fund		35,000
Premium on Bond Anticipation Notes		20,617
Bond Anticipation Notes	-	3,948,505
	<u>4,080,247</u>	<u>4,351,105</u>
	8,000,357	5,249,322
Decreased by:		
2024 Budget Appropriations	3,505,089	
2023 Appropriation Reserves	275,060	
Improvement Authorizations		536,892
Contracts Payable		1,288,365
Accrued Interest on Bonds, Notes and Loans	222,796	
Payments to Current Fund - Anticipated Revenue	1,170,000	
Miscellaneous Cash Reserves		136,770
Payments to Water Utility Capital Fund	195,000	
Payments to Water Utility Operating Fund	-	40,000
	<u>5,367,945</u>	<u>2,002,027</u>
Balance, December 31, 2024	<u>\$ 2,632,412</u>	<u>\$ 3,247,295</u>
Cash	\$ 2,632,312	
Change Fund	<u>100</u>	
	<u>\$ 2,632,412</u>	

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

	Balance, December 31, <u>2024</u>
Fund Balance	\$ 210,375
Capital Improvement Fund	68,400
Contracts Payable	708,658
Reserve for Preliminary Engineering Expenses	35,000
Reserve for Infrastructure and Rate Stabilization	15,000
Reserve for Water Improvements	23,230
Reserve for Improvements - Lead Line Replacement	220,000
Grants Receivable	(2,400,000)
 Improvement Authorizations	
 Ord. <u>No.</u>	
2821/2888/2907 Replacement of Water Meters (Phase 1)	8,439
2868 Water Infrastructure Improvements	51,561
2946 Installation of Water Treatment Facilities	2,155
2947 Replacement of Water Meters	17,004
3044 Replacement of Lead Water Service Lines	2,999,500
3045 Prospect Street Water Main Replacement	<u>1,287,973</u>
	 <u><u>\$ 3,247,295</u></u>

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

<u>Account</u>	Balance, December 31, <u>2023</u>	Increased by Transfer from Fixed Capital Authorizations <u>Uncompleted</u>	Balance, December 31, <u>2024</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	\$ 1,145,000	3,633,770
Pumping Stations	663,741		663,741
Electric and Steam Power Equipment	88,917	750,000	838,917
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	2,813,707	259,808	3,073,515
Improvement to Water Supply System	7,180,345		7,180,345
Replacement of Pumping Station and Water Storage Tanks	6,700,000		6,700,000
Repair and Replace Water Meters	883,037	-	883,037
	<u>\$ 25,321,719</u>	<u>\$ 2,154,808</u>	<u>\$ 27,476,527</u>

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

Ord. No.	Improvement Description	Ordinance Date	Amount	Balance, December 31, 2023	Increased by: Current Year Authorizations	Decreased by: Transfer to Fixed Capital	Cancelled	Balance, December 31, 2024
2563	Improvements of Palisade Ave. Water Line	8/18/2009	\$ 400,000	\$ 400,000		\$ 259,808	\$ 140,192	
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	1,760,000				\$ 1,760,000
2868	Water Infrastructure Improvements	4/27/2021	375,000	375,000				375,000
2911	Installation of Water Treatment Facilities	12/21/2021	160,000	-		-		-
2946	Installation of Water Treatment Facilities	7/19/2022	1,850,000	-		-		-
2947	Replacement of Water Meters	7/19/2022	1,660,000	1,660,000				1,660,000
3044	Replacement of Lead Water Service Lines	9/24/2024	3,000,000		\$ 3,000,000			3,000,000
3045	Prospect Street Water Main Replacement	9/24/2024	1,340,000	-	1,340,000	-	-	1,340,000
				<u>\$ 6,090,000</u>	<u>\$ 4,340,000</u>	<u>\$ 2,154,808</u>	<u>\$ 140,192</u>	<u>\$ 8,135,000</u>
					Debt Authorized: \$ 1,940,000			
					Reserve for Deferred Amortization: 2,400,000			
					<u>\$ 4,340,000</u>			

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

Balance, December 31, 2023		\$ 18,822,925
Increased by:		
Principal Paid by Budget Appropriation		
Serial Bonds	\$ 365,000	
Bond Anticipation Notes	1,050,850	
Environmental Infrastructure Trust Loan	<u>374,798</u>	
		<u>1,790,648</u>
Balance, December 31, 2024		<u>\$ 20,613,573</u>

STATEMENT OF RESERVE FOR DEFERRED AMORTIZATION
WATER UTILITY CAPITAL FUND

Balance, December 31, 2023		\$ 4,628,547
Increased by:		
Fixed Capital Authorized	\$2,400,000	
Grant Receipts	<u>151,983</u>	
		<u>2,551,983</u>
		7,180,530
Decreased by:		
Authorization Cancelled by Resolution		<u>140,192</u>
Balance, December 31, 2024		<u>\$ 7,040,338</u>

CITY OF GARFIELD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS
WATER UTILITY CAPITAL FUND

Ordinance Number	Improvement Description	Date	Amount	Balance, December 31, 2023		2024 Authorizations	Paid or Charged	Cancelled Authorization	Cancelled Contracts	Balance, December 31, 2024	
				Funded	Unfunded					Funded	Unfunded
2563	Improvements to Palisade Avenue Water Line	8/18/2009	400,000	140,192				\$ 140,192			
2768	Decommissioning of Well No.2	9/26/2017	245,000		\$ 97,116		97,116				
2795	Various Well Improvement	11/19/2018	900,000		59,863		59,863		-		
2815	Various Public Improv., New Equip and Vehicle	8/14/2019	925,000		354,340		354,340				
2821/2888/2907	Replacement of Water Meters (Phase 1)	9/11/2019	1,200,000	55,732	-		47,293			\$ 8,439	
2868	Water Infrastructure Improvements	4/27/2021	375,000		78,547		26,986			\$ 51,561	
2946	Installation of Water Treatment Facilities - Elmwood Park Well Field	7/19/2022	1,850,000						\$ 2,155		2,155
2947	Replacement of Water Meters	7/19/2022	1,660,000		17,004						17,004
3044	Replacement of Lead Water Service Lines	9/24/2024	3,000,000			\$ 3,000,000	500			2,399,500	600,000
3045	Prospect Street Water Main Replacement	9/24/2024	1,340,000	-	-	1,340,000	1,366	-	-	201,278	1,137,356
				<u>\$ 195,924</u>	<u>\$ 606,870</u>	<u>\$ 4,340,000</u>	<u>\$ 587,464</u>	<u>\$ 140,192</u>	<u>\$ 2,155</u>	<u>\$ 2,609,217</u>	<u>\$ 1,808,076</u>
Cash Disbursements							\$ 536,892				
Contracts Payable							50,572				
							<u>\$ 587,464</u>				
Federal and State Grants:							\$ 2,400,000				
Deferred Charges - Unfunded:							1,940,000				
							<u>\$ 4,340,000</u>				

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

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding December 31, 2024		Interest Rate	Balance, December 31, 2023	Decreases	Balance, December 31, 2024
			Date	Amount				
Water Utility Bonds	10/15/2013	3,003,000	2025	\$ 250,000	3.125%			
			2026	250,000	3.250%			
			2027	260,000	3.500%			
			2028	258,000	3.500%	\$ 1,248,000	\$ 230,000	\$ 1,018,000
Water Utility Refunding Bonds	2/25/2015	820,000	2025	65,000	2.500%			
			2026	65,000	2.625%	195,000	65,000	130,000
Water Utility Refunding Bonds	3/1/2017	975,000	2025	120,000	4.000%			
			2028	410,000	3.000%	600,000	70,000	530,000
						\$ 2,043,000	\$ 365,000	\$ 1,678,000
Paid by Budget Appropriation							\$ 365,000	

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, 2023</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2024</u>
2795	Various Well Improvement	8/7/2020	5/17/2023	5/31/2024	4.50%	\$ 604,300		\$ 604,300	
2815	Various Public Improv., New Equip and Vehicle	8/7/2020	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	675,000	\$ 344,450	675,000	\$ 344,450
2865	Various Public Improvements	8/6/2021	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	522,000	454,000	522,000	454,000
2868	Water Infrastructure Improvements	8/6/2021	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	375,000	327,000	375,000	327,000
2911	Installation of Water Treatment Facilities	5/17/2023	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	160,000	160,000	160,000	160,000
2946	Installation of Water Treatment Facilities - Elmwood Park Well Field	5/17/2023	5/29/2024 5/17/2023	5/28/2025 5/31/2024	4.50% 4.50%	995,000	995,000	995,000	995,000
2947	Replacement of Water Meters	5/29/2024	5/29/2024	5/28/2025	4.50%		1,660,000		1,660,000
3000	Replacement of Water Mains	12/18/2024	12/18/2024	5/28/2025	3.78%		551,149		551,149
3044	Replacement of Lead Water Service Lines	12/18/2024	12/18/2024	5/28/2025	3.78%		600,000		600,000
3045	Prospect Street Water Main Replacement	12/18/2024	12/18/2024	5/28/2025	3.78%	-	1,137,356	-	1,137,356
						<u>\$ 3,331,300</u>	<u>\$ 6,228,955</u>	<u>\$ 3,331,300</u>	<u>\$ 6,228,955</u>
						Renewals	\$ 2,280,450	\$ 2,280,450	
						Issued for Cash	3,948,505	-	
						Paid by Budget Appropriation	-	1,050,850	
							<u>\$ 6,228,955</u>	<u>\$ 3,331,300</u>	

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

Balance, December 31, 2023	\$ 374,798
Decreased by:	
Principal Paid by Budget Appropriation	<u>374,798</u>
Balance, December 31, 2024	<u>\$ -</u>

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

Balance, December 31, 2023	\$ 82,159
Increased by:	
Budget Appropriation	<u>262,977</u>
	345,136
Decreased by:	
Cash Disbursements	<u>222,796</u>
Balance, December 31, 2024	<u>\$ 122,340</u>

EXHIBIT D-16

STATEMENT OF CONSUMER ACCOUNTS RECEIVABLE
WATER UTILITY OPERATING FUND

Balance, December 31, 2023	\$ 659,442
Increased by:	
Water Rents Levied	<u>3,906,911</u>
	4,566,353
Decreased by:	
Cash Receipts	<u>3,786,317</u>
Balance, December 31, 2024	<u>\$ 780,036</u>

EXHIBIT D-17

STATEMENT OF CAPITAL IMPROVEMENT FUND
WATER UTILITY CAPITAL FUND

Balance, December 31, 2023	\$ 33,400
Increased by:	
2024 Budget Appropriation	<u>35,000</u>
Balance, December 31, 2024	<u>\$ 68,400</u>

CITY OF GARFIELD
STATEMENT OF RESERVE FOR FUTURE IMPROVEMENTS
WATER UTILITY CAPITAL FUND

	<u>Preliminary Engineering Fees</u>	<u>Infrastructure/ Rate Stabilization</u>	<u>Water Improvements</u>	<u>Lead Line Replacement</u>	<u>Water Lines</u>	<u>Wells</u>	<u>Total</u>
Balance, December 31, 2023		\$ 30,000		\$ 220,000			\$ 250,000
Increased by:							
2024 Budget	\$ 35,000	-	\$ 55,000	-	\$ 85,000	\$ 20,000	195,000
	<u>35,000</u>	<u>30,000</u>	<u>55,000</u>	<u>220,000</u>	<u>85,000</u>	<u>20,000</u>	<u>445,000</u>
Decreased by:							
Cash Disbursements	-		31,770		85,000	20,000	136,770
Realized as Anticipated Revenue in Operating Fund	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
	<u>-</u>	<u>15,000</u>	<u>31,770</u>	<u>-</u>	<u>85,000</u>	<u>20,000</u>	<u>151,770</u>
Balance, December 31, 2024	<u>\$ 35,000</u>	<u>\$ 15,000</u>	<u>\$ 23,230</u>	<u>\$ 220,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 293,230</u>

CITY OF GARFIELD
STATEMENT OF 2023 APPROPRIATION RESERVES
WATER UTILITY OPERATING FUND

	Balance, December 31, <u>2023</u>	Balance After <u>Modification</u>	<u>Expended</u>	Balance <u>Lapsed</u>
Operating				
Salaries and Wages	\$ 8,612	\$ 8,612	\$ 2,443	\$ 6,169
Other Expenses	21,730	295,489	272,617	22,872
Employee Group Insurance	3,014	3,014		3,014
Statutory Expenditures				
Social Security	<u>3,250</u>	<u>3,250</u>	<u>-</u>	<u>3,250</u>
	<u>\$ 36,606</u>	<u>\$ 310,365</u>	<u>\$ 275,060</u>	<u>\$ 35,305</u>
Appropriation Reserves		\$ 36,606		
Encumbrances Restored		<u>273,759</u>		
		<u>\$ 310,365</u>		
Cash Disbursements			<u>\$ 275,060</u>	

EXHIBIT D-20

STATEMENT OF ENCUMBRANCES PAYABLE
WATER UTILITY OPERATING FUND

Balance, December 31, 2023	\$ 273,759
Increased by:	
Charged to 2024 Budget Appropriations	<u>4,740</u>
	278,499
Decreased by:	
Restored to 2023 Appropriation Reserves	<u>273,759</u>
Balance, December 31, 2024	<u>\$ 4,740</u>

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

Balance, December 31, 2023		\$ 1,960,666
Increased by:		
Charged to Improvement Authorizations		<u>50,572</u>
		2,011,238
Decreased by:		
Cancelled to Fund Balance	\$ 12,060	
Cancelled to Improvement Authorizations - Ord #2946	2,155	
Cash Disbursements	<u>1,288,365</u>	
		<u>1,302,580</u>
Balance, December 31, 2024		<u><u>\$ 708,658</u></u>

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

Balance, December 31, 2023	<u>\$ 1,960</u>
Balance, December 31, 2024	<u><u>\$ 1,960</u></u>

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

Balance, December 31, 2023	\$ 199,006
Decreased by :	
Payments From Current Fund	<u>199,006</u>
Balance, December 31, 2024	<u><u>\$ -</u></u>

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

Ordinance Number	Improvement Description	Balance, December 31, 2023	Increased by: 2024 Authorizations	Decreased by: Notes Issued	Decreased by: Grant Proceeds	Balance, December 31, 2024
2947	Replacement of Water Meters	\$ 1,660,000		\$ 1,660,000		\$ -
3000	Replacement of Water Mains	551,149		551,149		-
3044	Replacement of Lead Water Service Lines		\$ 600,000	600,000		-
3045	Prospect Street Water Main Replacement	<u>-</u>	<u>1,340,000</u>	<u>1,137,356</u>	<u>151,983</u>	<u>50,661</u>
		<u>\$ 2,211,149</u>	<u>\$ 1,940,000</u>	<u>\$ 3,948,505</u>	<u>\$ 151,983</u>	<u>\$ 50,661</u>

CITY OF GARFIELD
STATEMENT OF GRANTS RECEIVABLE
WATER UTILITY CAPITAL FUND

	Balance, December 31, 2023	Grant Award	Cash Receipts	Balance, December 31, 2024
US EPA Grant - Ord 3044		\$ 2,400,000		\$ 2,400,000
NJ DOT Grant - Ord. 3045	<u>\$ -</u>	<u>202,644</u>	<u>\$ 151,983</u>	<u>50,661</u>
	<u>\$ -</u>	<u>\$ 2,602,644</u>	<u>\$ 151,983</u>	<u>\$ 2,450,661</u>

<u>Analysis of Balance</u>	
Pledged to Ordinance:	\$ 2,400,000
Pledged to Reserve:	<u>50,661</u>
	<u>\$ 2,450,661</u>

**CITY OF GARFIELD
STATEMENT OF DEFERRED CHARGES
WATER UTILITY OPERATING FUND**

<u>Description</u>	Balance, December 31, <u>2023</u>	Amount Resulting from 2024	Balance, December 31, <u>2024</u>
Overexpenditure of Appropriations	\$ <u>-</u>	\$ <u>27,775</u>	\$ <u>27,775</u>
	<u>-</u>	<u>27,775</u>	<u>27,775</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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JOHN CUIFFO, CPA, PSA

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, which comprise the balance sheets – regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance – regulatory basis, statements of revenues – regulatory basis and statements of expenditures – regulatory basis of the various funds for the year then ended and the related notes to the financial statements, and have issued our report thereon dated July 3, 2025. 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.

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 opinions 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

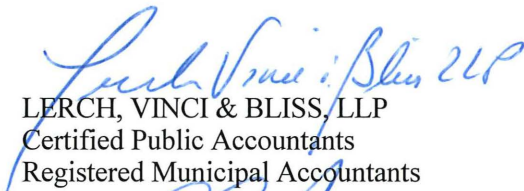
Report on Compliance and Other Matters

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 no instances of noncompliance or other matters that are 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.

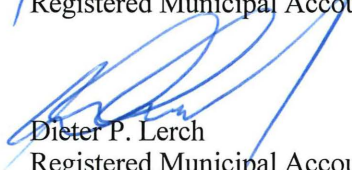
However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the City of Garfield in Part III of this report of audit entitled, "Letter of Comments and Recommendations".

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 CR000398

Fair Lawn, New Jersey
July 3, 2025



LERCH, VINCI & BLISS, LLP

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. UNIFORM GUIDANCE AND 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 Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the City of Garfield's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) Compliance Supplement and 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 federal and state programs for the year ended December 31, 2024. The City of Garfield's major federal and 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal and 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and 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, U.S. Uniform Guidance 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 federal and 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 federal and 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, U.S. Uniform Guidance and 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 federal and 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, U.S. Uniform Guidance, 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 the U.S. Uniform Guidance and 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 federal or 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 federal or 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 federal or 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.

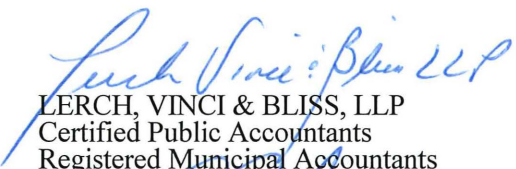
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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.

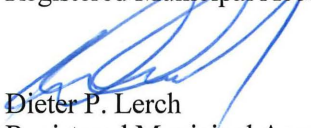
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable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

Report on Schedule of Expenditures of Federal Awards Required by U.S. Uniform Guidance and 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, which comprise the balance sheets - regulatory basis of the various funds and account group as of December 31, 2024, and the related statements of operations and changes in fund balance - regulatory basis, statements of revenues - regulatory basis and statements of expenditures - regulatory basis of the various funds for the year then ended and the related notes to the financial statements and have issued our report thereon dated July 3, 2025, which contained an unmodified opinion on those financial statements prepared in accordance with the regulatory basis of accounting 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 federal awards as required by U.S. Uniform Guidance and 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 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.



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



Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
July 3, 2025

CITY OF GARFIELD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2024

<u>Federal Grantor</u>	<u>Program</u>	<u>AL Number</u>	<u>Grant Year</u>	<u>Original Grant Award</u>	<u>2024 Receipts</u>	<u>Balance, December 31, 2023</u>	<u>2024 Award</u>	<u>2024 Grant Expenditures</u>	<u>Adjustments</u>	<u>Balance, December 31, 2024</u>	<u>(Memo) Cumulative Expended</u>
Department of Housing and Urban	Department of Housing and Urban Development Community Development Block Grant (Passed through County of Bergen)	14.218									
	Rec Building Façade		2023	\$ 198,500		\$ 198,500		\$ 198,500			\$ 198,500
	HVAC (Firehouse and Rec Center)		2023	695,000		283,840		185,130	\$ 167,780	\$ 266,490	185,130
	Banta Ave Improvements - Ord. 3024		2024	187,543			187,543			187,543	-
Department of Agriculture	Department of Agriculture (Passed through State of New Jersey Department of Agriculture)										
	Summer Food Service Program for Children	10.559	2022	109,380		56,355		56,355		-	109,380
			2023	142,782		142,782		88,094		54,688	88,094
			2024	138,933	\$ 138,933		138,933			138,933	-
Department of Environmental Protection	Department of Environmental Protection (Passed through State of New Jersey Department of Environmental Protection)					-				-	-
	Water Improvements		2024	2,400,000			2,400,000			2,400,000	-
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	2024	8,680	8,680	-	8,680			8,680	-
Department of Health and Human Services	American Rescue Plan (Passed through County of Bergen)										
	ARP - Firefighter		2024	75,000			75,000			75,000	
Department of Homeland Security	Department of Homeland Security Federal Emergency Management Agency (FEMA) (Passed Through New Jersey State Department of Public Safety)										
	Disaster Grant - Public Assistance	97.036	2024	247,207	247,207	-	247,207	247,207	-	-	247,207
						<u>\$ 681,477</u>	<u>\$ 3,057,363</u>	<u>\$ 775,286</u>	<u>\$ 167,780</u>	<u>\$ 3,131,334</u>	

See Accompanying Notes to Schedule of Expenditures of Federal Awards

CITY OF GARFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

<u>State Grantor</u>	<u>Program</u>	<u>Grant Number</u>	<u>2024 Receipts</u>	<u>Balance, December 31, 2023</u>	<u>2024 Grant Award</u>	<u>2024 Grant Expenditures</u>	<u>Adjustments</u>	<u>Balance, December 31, 2024</u>	<u>(Memo) Cumulative Expended</u>
Dept. of Environmental Protection									
	Solid Waste Administration								
	Clean Communities - 2023	4900-765-178910		\$ 45,079		\$ 45,079			\$ 45,079
	Clean Communities - 2024	4900-765-178910	\$ 63,539		\$ 63,539	7,087		\$ 56,452	7,087
	Recycling Tonnage Grant - 2024	4900-752-178810	43,602	-	43,602			43,602	-
	Passaic River Park and Bikeway - Ord. 2809	4800-533-852000		1,557,284		1,174,549		382,735	1,174,549
	Imp to Columbus Park - Ord 2915	*		1,200,000				1,200,000	-
	Various Park Improvements - Ord. 3019	*		1,260,000				1,260,000	
	Columbus Park Improvements	*			1,400,000			1,400,000	
	Bergen County Open Space - Spring Street Grant	*		-	197,153			197,153	-
	Nj Diesel Modernization Program	*		-	193,948			193,948	-
Department of Transportation									
	School Pedestrian Safety Improvements - Ord. 2740	6310-480-601395		162,317				162,317	163,555
	Midland Ave Curbs and Sidewalks - Ord. 2845	*	189,331	3,945		3,945		-	3,945
	River Drive Improvement Project - Ord. 2958	*		128,881				128,881	-
	Harrison Drive	*		584,747		1,475	(2,147)	581,125	1,475
	Banta Ave Improvements - Ord. 3024	*			275,931			275,931	-
	Water Improvements - Ord 3045	*	151,953		202,644	151,983		50,661	151,983
	Pedestrian Safety Grant	*			20,000			20,000	-
	Pedestrian Decoy Traffic Enforcement Grant	*	18,830		20,000	18,830		1,170	18,830
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	-
	Alcohol Education and Rehabilitation - 2022	9735-700-060000		6,791				6,791	-
	Alcohol Education and Rehabilitation - 2023	9735-700-060000		1,687				1,687	-
	Alcohol Education and Rehabilitation - 2024	9735-700-060000	4,290		4,290			4,290	-

See Accompanying Notes to Schedule of Expenditures of Federal Financial Assistance

CITY OF GARFIELD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

<u>State Grantor</u>	<u>Program</u>	<u>Grant Number</u>	<u>2024 Receipts</u>	<u>Balance, December 31, 2023</u>	<u>2024 Grant Award</u>	<u>2024 Grant Expenditures</u>	<u>Adjustments</u>	<u>Balance, December 31, 2024</u>	<u>(Memo) Cumulative Expended</u>
Dept.of Law and Public Safety (Continued)									
	Body Armor Protection Program - 2023	2020-066-1020-718-001		\$ 114		\$ 114		-	\$ 8,712
	Body Armor Protection Program - 2024	2020-066-1020-718-001	\$ 4,930		\$ 4,930			\$ 4,930	-
	Municipal Alliance on Alcoholism and Drug Abuse - 2024	*	1,027	-	1,027	1,027		-	1,027
	Drunk Driving Enforcement Fund	*		39,003		320	\$ 1,500	40,183	320
	Drive Sober or Get Pulled Over	*	7,000	-	7,000	7,000		-	7,000
	COPS Hiring Grant	*		-	500,000	-		500,000	-
Department of Community Affairs									
	Neighborhood Preservation	NPP-2024	52,258		125,000				
	Neighborhood Preservation Program	NPP-2023	12,500	12,500				12,500	
	ROID Grant	*		2,982		2,982		-	2,982
	Local Recreation Improvement Grant (LRIG) - Splash Park	*		71,000		1,775		69,225	1,775
	Bergen County History Grant	*	1,500	-	2,000	2,000		-	2,000
	Community Energy Plan	*		-	221,700			221,700	-
Department of Health and Human Services									
	Child Care Grant	*		17,000		17,000		-	17,000
	Public Health Priority Funding	4230-100-031030		9,237		1,445		7,792	1,445
	National Opioid Settlement - 2023	*		41,047		11,335	\$ (1,544)	28,168	11,335
	National Opioid Settlement - 2024	*	104,300		104,300			104,300	-
	Hepatitis B Inoculation	4230-100-034740		-				-	
	Spotted Lantern Fly	*	15,886	-	15,886	15,886		-	15,886
	National Fitness Campaign	*		-				-	-
	BMED Wellness	*		-	10,000	2,677		7,323	2,677
	Stormwater Management	*		15,000	-	8,980	-	6,020	8,980
				<u>\$ 5,209,205</u>	<u>\$ 3,412,950</u>	<u>\$ 1,475,489</u>	<u>\$ (2,191)</u>	<u>\$ 7,019,475</u>	

* = Not Available

See Accompanying Notes to Schedule of Expenditures of State Financial Assistance

**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, 2024

NOTE 1 REPORTING ENTITY

The City of Garfield (the “City”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The City is the reporting entity for these programs. The City is defined in Note 1 (A) to the City’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the City. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principals, and audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City conform to the accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the “Division”) which is a 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 federal awards and state financial assistances through separate funds and accounts which differ from those required by accounting principles generally accepted in the United States of America. The City’s summary of significant accounting policies are described in Note 1 to the City’s Financial Statements.

NOTE 4 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	\$ 469,820	\$ 1,409,375	\$ 1,879,195
General Capital Fund	187,543	1,800,931	1,988,474
Water Utility Capital Fund	<u>2,400,000</u>	<u>202,644</u>	<u>2,602,644</u>
	<u>\$ 3,057,363</u>	<u>\$ 3,412,950</u>	<u>\$ 6,470,313</u>

CITY OF GARFIELD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2024

NOTE 5 STATE LOANS OUTSTANDING

The City’s state loans outstanding at December 31, 2024, 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	<u>\$ 405,689</u>

**CITY OF GARFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

Part I – Summary of Auditor's Results

Financial Statement Section

Type of auditors' report issued: Modified (Unaudited LOSAP Fund)

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Were significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards Section

Dollar threshold used to determine Type A programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

Type of auditors' report on compliance for major programs: Unmodified

Internal Control over compliance:

1) Material weakness(es) identified? yes X no

2) Were significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with U.S. Uniform Guidance (section.510(a)) yes X no

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>14.218</u>	<u>Community Development Block Grant</u>

CITY OF GARFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2024

Part I – Summary of Auditor’s Results

State Awards Section

Dollar threshold used to determine Type A programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Type of auditors' report on compliance for major programs: Unmodified

Internal Control over compliance:

1) Material weakness(es) identified? yes X no

2) Were significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08? yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
<u>4800-533-852000</u>	<u>Green Acres Grant</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**CITY OF GARFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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*.

There are none.

CITY OF GARFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024

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

There are none.

**CITY OF GARFIELD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

There were none.

CITY OF GARFIELD

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2024

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

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

	<u>Year 2024</u>		<u>Year 2023</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 4,260,000	4.62%	\$ 4,949,006	5.31%
Miscellaneous - From Other Than Local				
Property Tax Levies	14,967,787	16.24%	15,591,674	16.72%
Collection of Delinquent Taxes and Tax Title Liens	934,054	1.01%	1,241,484	1.33%
Collection of Current Tax Levy	71,185,071	77.24%	70,084,276	75.15%
Other Credits to Income	<u>820,022</u>	<u>0.89%</u>	<u>1,390,476</u>	<u>1.49%</u>
Total Income	<u>92,166,934</u>	<u>100.00%</u>	<u>93,256,916</u>	<u>100.00%</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	45,863,614	51.36%	46,753,838	52.62%
County Taxes	8,314,851	9.31%	7,905,269	8.89%
Local School Taxes	34,935,991	39.13%	34,171,982	38.48%
Other Expenditures	<u>177,952</u>	<u>0.20%</u>	<u>9,040</u>	<u>0.01%</u>
Total Expenditures	<u>89,292,408</u>	<u>100.00%</u>	<u>88,840,129</u>	<u>100.00%</u>
Statutory Excess to Fund Balance	2,874,526		4,416,787	
Fund Balance, January 1	<u>7,587,825</u>		<u>8,120,044</u>	
	10,462,351		12,536,831	
Less Utilization as Anticipated Revenue	<u>4,260,000</u>		<u>4,949,006</u>	
Fund Balance, December 31	<u>\$ 6,202,351</u>		<u>\$ 7,587,825</u>	

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

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

	<u>Year 2024</u>		<u>Year 2023</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,499,850	27.69%	\$ 1,758,313	25.53%
Collection of Water Rents	3,786,317	69.91%	4,752,355	69.00%
Miscellaneous - From Other Than Water Rents	<u>130,229</u>	<u>2.40%</u>	<u>376,626</u>	<u>5.47%</u>
Total Income	<u>5,416,396</u>	<u>100.00%</u>	<u>6,887,294</u>	<u>100.00%</u>
EXPENDITURES				
Budget Expenditures				
Operating	1,720,000	33.09%	1,326,705	32.45%
Capital Improvements	230,000	4.43%		
Debt Service	2,053,625	39.51%	2,010,963	49.18%
Deferred Charges and Statutory Expenditures	24,000	0.46%	751,319	18.37%
Surplus (General Budget)	<u>1,170,000</u>	<u>22.51%</u>	<u>-</u>	<u>0.00%</u>
Total Expenditures	<u>5,197,625</u>	<u>100.00%</u>	<u>4,088,987</u>	<u>100.00%</u>
Excess (Deficit) in Revenue	218,771		2,798,307	
Realized from General Budget - Anticipated Deficit	-		199,006	
Expenditures Above Which by Statute are Required to be Raised in Subsequent Budget	<u>27,775</u>		<u>-</u>	
Statutory Excess to Fund Balance	246,546		2,997,313	
Fund Balance, January 1	<u>3,724,632</u>		<u>2,485,632</u>	
	3,971,178		5,482,945	
Less Utilization as Anticipated Revenue	<u>1,499,850</u>		<u>1,758,313</u>	
Fund Balance, December 31	<u>\$ 2,471,328</u>		<u>\$ 3,724,632</u>	

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Tax Rate</u>	<u>\$3.337</u>	<u>\$3.281</u>	<u>\$3.119</u>

Apportionment of Tax Rate

Municipal	1.287	1.287	1.233
Library	.054	.050	.045
County	.367	.350	.315
County Open Space	.017	.016	.013
Local School	1.612	1.578	1.513

Assessed Valuation

2024	<u>\$2,167,971,400</u>	
2023	<u>\$2,165,309,900</u>	
2022		<u>\$2,160,174,500</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>
2024	\$ 72,453,520	\$ 71,185,071	98.25%
2023	71,174,745	70,084,276	98.46%
2022	67,533,841	66,436,384	98.37%

**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>
2024	\$ 498,872	\$ 1,073,249	\$ 1,572,121	2.17%
2023	555,272	953,981	1,509,253	2.23%
2022	663,666	1,029,195	1,692,861	2.51%

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>
2024	\$436,870
2023	436,870
2022	436,870

Comparison of Water Utility Levies

<u>Year</u>	<u>Levy</u>	<u>Cash Collections*</u>	<u>Percentage of Collection</u>
2024	\$3,906,911	\$3,786,317	96.91%
2023	4,036,802	4,752,355	111.50%
2022	2,558,303	1,981,177	77.44%

* 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>	2024	\$6,202,351	\$4,000,000
	2023	7,587,825	4,260,000
	2022	8,120,044	4,949,006
	2021	7,070,505	3,964,000
	2020	7,983,418	3,964,000
 <u>Water Utility Operating Fund</u>	2024	 \$2,471,328	 \$900,000
	2023	3,724,632	1,499,850
	2022	2,485,632	1,758,313
	2021	3,823,632	1,338,000
	2020	3,327,522	200,000

**CITY OF GARFIELD
SUPPLEMENTARY DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Everett E. Garnto, Jr	Mayor	
Joseph Delaney	Councilman	
Kevin Kane	Councilman	
Tara Raymond	Councilwoman	
Richard Rigoglioso	Councilman	
Erin Delaney	City Manager	
	City Clerk	
Dan Lagana, Esq.	City Attorney	
Nicholan Prochilo	Chief Financial Officer	
Giuseppe C. Randazzo	Magistrate	\$1,000,000
Krystyna Moskal	Municipal Court Administrator	
Kevin Boswell	City Engineer	
Barbara Smilowsky	Tax and Water Collector and Treasurer	1,000,000
James Tighe	Tax Assessor	
Richard Uram	Chief of Police	
Robert Schultz	Construction Code Official	
Anthony Swistak	Fire Chief	
Halina Dombrowski	Health Inspector	
Willard Bierwas	Water and Sewer Facility Manager	
Sam Garofalo	Superintendent of Public Works/Recycling Coordinator	
Jason Tani	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

Current Year Findings

Our audit of contracts revealed that the City entered into two contracts for the purchase of a fire truck and a bucket truck utilizing National Cooperative Contracts. There was no board resolution approving the contracts. It is recommended that a formal resolution be adopted authorizing purchases under a "National Cooperative Agreement."

Our audit of encumbrances revealed that the City did not encumber the remaining balance on a capital project with Marini Bros Construction for Midland Ave Sidewalk upgrades and did not encumber the entire balance of a capital project with Conquest Construction Inc for Prospect Street Improvements. It is recommended that capital projects be encumbered at the time of award.

Our audit of expenditures revealed that the City is not obtaining the receipt of goods signature on Purchase Orders prior to payment approval. It is recommended that in all instances, receipt of good signatures be obtained prior to authorizing payment.

Per the audit of 1099s, it appears the City awarded a contract to Willard Bierwas to be a Water Utility Consultant in 2024. Mr. Bierwas was paid more than \$600 during the year for his work, however was not issued a 1099 at year end. It is recommended that IRS form 1099 be issued to all independent contractors' paid in excess of \$600.

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:

Recreation Building Façade
Banta Ave. Sewer
Master Plan
Prospect Street Improvements

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 not 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.

Delinquent Taxes and Tax Title Liens

A tax sale was held on October 3, 2024 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>
2024	4
2023	5
2022	9

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. A formal resolution be adopted authorizing purchases under a "National Cooperative Agreement."
2. Capital projects be encumbered at the time of award.
3. In all instances, receipt of good signatures be obtained prior to authorizing payment.
4. IRS form 1099 be issued to all independent contractors' paid in excess of \$600.

Status of Prior Year's Audit Findings/Recommendations

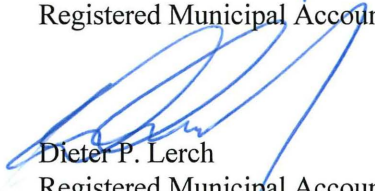
A review was performed on all prior year's recommendations. Corrective action was taken on prior year recommendations.

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
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RMA Number CR000398