

**CITY OF ENGLEWOOD
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2007**

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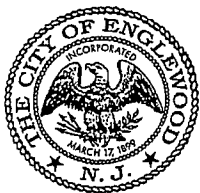
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Englewood

P.O. Box 228 • Englewood, NJ 07631

June 30, 2008

To: The Englewood City Council and Mayor Wildes

From: Howard Feinstein, CFO

RE: Annual Financial Report and Audit

On behalf of the entire administration, I am pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the City of Englewood for the year ended December 31, 2007. The City of Englewood management is responsible for both the accuracy of the data and completeness and fairness of the presentation of this report, including all disclosures. As such, we internally prepare the underlying financial records and encourage a rigorous external and independent audit beyond what is legally required. The information presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups within each fund. All disclosures necessary to enable the reader to gain an understanding of the City's financial position have been included.

This financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter and a list of principle officials. The financial section includes the general purpose financial statements and schedules, as well as the Independent Auditor's Report. The statistical section includes financial and demographic information, presented on a multi-year basis. The City is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act of 1984 and the US Office of Management and Budget Circular A-128, "Audits of State and Local Governments", and the State Treasury Circular Letter 93-05 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments". Information related to the single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. Reporting Entity and City Services

The City of Englewood is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement 3. All funds and account groups of the City are included in this report. The City provides a full range of municipal services including law enforcement services, a paid full-time fire department, municipal sanitation collection, road maintenance, parks and recreation, health services, and a state of the art public library. Each year a business plan outlining service initiatives, redevelopment opportunities, and capital projects is prepared and presented to the City Council as a guideline for service and policy initiatives.

2. Internal Accounting Control

City of Englewood management is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the City are protected from loss, theft, or misuse, and to ensure that adequate accounting information is compiled to allow for the preparation of annual financial statements in conformance with the comprehensive basis of accounting promulgated by the State of New Jersey Division of Local Government Services. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. City departments regularly review the internal control structure. The principle elements the City's internal control plan are cash receipts and cash verification, purchasing procedures, budget monitoring, fixed asset monitoring, and payroll control.

As a recipient of federal and state grants, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs.

3. Budgetary Controls

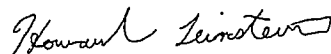
In addition to internal accounting controls, the City maintains centralized budgetary controls. The objective of these budgetary controls is to ensure compliance with the legal spending provisions authorized in the annual budget. Annual budgets are adopted for the current fund. Project length budgets are approved for capital improvements and accounted for in the general capital fund. The final budget amount, as amended, for the fiscal year is reflected in the financial section of this report.

An encumbrance system is used to record outstanding purchase commitments on a line item basis. Encumbrances record charges against appropriations at the time the charges are authorized so that the funds allocated for such purpose are reserved and cannot be used for other charges. Open encumbrances at year end are either cancelled or are included as a reserve in the subsequent year. Those amounts to be reserved are reported at December 31, 2007.

4. Account System and Reports

The City of Englewood's accounting records reflect the reporting requirements of the State of New Jersey Division of Government Services. The accounting system of the City is organized on the basis of funds and account groups within each fund. These funds and account groups are explained in "Notes to the Financial Statements", Note 1. Management internally prepares the City's Annual Financial Statements, which are then independently audited.

Sincerely,



Howard Feinstein
Chief Financial Officer

THE CITY OF ENGLEWOOD

Roster of Officials Year Ended December 31, 2007

<u>Name</u>	<u>Title</u>	<u>Term Expired (12/31)</u>
ELECTED OFFICIALS:		
Michael Wildes	Mayor	2009
Kenneth Rosenzweig	Councilperson	2008
Scott Reddin	Councilperson	2008
Gordon Johnson	Councilperson	2009
Charlotte Bennett Schoen	Councilperson	2010
Jack Drakeford	Councilperson	2010

OTHER OFFICIALS:

Cheryl Fuller	City Manager/Chief Financial Officer	1/1/07 – 4/26/07
Robert Casey (NJ Professional Management)	Interim City Manager	4/27/07 – 12/31/07
Robert Gorman	Assistant City Manager/Director of Human Resources	
Donald Jacobsen	Library Director	
William Baily	City Solicitor	
Diana Patino	City Treasurer	
Lenore Schiavelli	City Clerk	
James Dow	Municipal Magistrate	
Tamara A. Beamer	Tax Collector	
Claire Psota	Tax Assessor	
Debbian Barr	Acting Court Administrator	
Ken Albert	City Engineer/City Planner	
Merle Simons	Director of Recreation	
Arthur O'Keefe	Acting Chief of Police	
Robert Moran	Chief of Fire Department	
Piero Abbale	Construction Official	
Charles J. Ferraioli, Jr.	City Auditor	
Clyde Sweatt	Director of Public Works	
Sue Amin	Property Maintenance Superintendent	
Donald Porrino	Zoning Officer	
Howard Feinstein	Chief Financial Officer	4/27/07 – 12/31/07

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
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Pompton Lakes, New Jersey 07442
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INDEPENDENT AUDITORS REPORT

The Honorable Mayor and
Members of the City Council
City of Englewood
Englewood, NJ 07631

We have audited the accompanying financial statements-regulatory basis of the various funds of the City of Englewood in the County of Bergen, as of and for the year ended December 31, 2007, as listed in the foregoing table of contents. These financial statements are the responsibility of the City of Englewood's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed below, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared in conformity with the accounting practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrate compliance with the modified accrual basis, with certain exceptions, and the budget laws of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The affect on the financial statements of the variances between the prescribed basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

FWCC

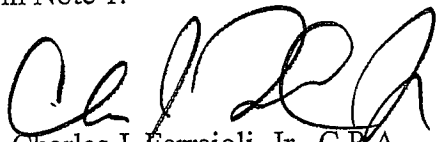
Honorable Mayor and
Members of the City Council
Page 2.

In our opinion, because of the City of Englewood's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Englewood, New Jersey as of December 31, 2007 or the results of its operations for the year then ended.

However, in our opinion, the financial statements referred to above present fairly, in all material respects, the financial position-regulatory basis of the various funds of the City of Englewood, New Jersey at December 31, 2007, and the results of its operations and the changes in fund balance-regulatory basis of such funds for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 30, 2008 on our consideration of the City of Englewood, New Jersey internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information and schedules of expenditure of State and Federal Awards listed in the table of contents are not required parts of the financial statements, but are presented as additional analytical data, as required by the Division of Local Government Services, and by OMB Circular A-133, Audits of States, Local Governments, and Non Profit Organizations and New Jersey OMB Circular 04-04. This information has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the Financial Statements taken as a whole, on the basis of accounting described in Note 1.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

June 30, 2008



CITY OF ENGLEWOOD
Combined Statement of Assets, Liabilities, Reserves and Fund Balances-All Fund Types and Account Groups-Regulatory Basis
December 31, 2007
(With comparative totals for 2006)

	<u>Governmental Funds</u>				<u>General Fixed Asset Account Group</u>	<u>Free Public Library</u>	<u>Totals</u>	
	<u>General Fund</u>	<u>Capital Fund</u>	<u>Debt Service Fund</u>	<u>Trust Funds (1)</u>			<u>Memorandum Only 2007</u>	<u>2006</u>
ASSETS AND OTHER DEBITS								
Cash and Cash Equivalents	11,114,281	16,143,991	58,425	3,386,561		138,020	30,841,278	32,280,580
Investments						69,931	69,931	66,484
Receivables and Other Assets:								
Delinquent Property Taxes	3,029,869						3,029,869	2,191,163
Bankruptcy Receivable	6,856						6,856	3,674
Tax Title Liens Receivable	54,600						54,600	49,016
Property Acquired for Taxes-Assessed Valuation	70,979						70,979	70,979
Other Accounts Receivable	47,550	2,000,000		210,614			2,258,164	2,218,351
Interfunds Receivable	64,939	90,747					155,686	35,623
Due from State of NJ - R.E.A.P.								2,869
Due from State - Senior Citizen and Veterans Deductions								2,173
Due From County of Bergen		342,504					342,504	380,004
Due From County of Morris		37,500					37,500	
Due from State - Bd of Education Academies @ Englewood	367,339						367,339	367,339
Land					1,184,895		1,184,895	1,184,895
Building and Building Improvements					9,005,807		9,005,807	9,005,807
Machinery and Equipment					9,788,271		9,788,271	10,230,758
Deferred Charges to Future Taxation:								
Unfunded		35,549,139					35,549,139	33,113,552
Funded		21,360,016					21,360,016	23,240,016
Deferred Charges:								
Overexpenditure of Appropriation								37,150
Emergency Authorization	520,800						520,800	686,000
Federal and State Grant Fund:								
Interfund Receivable	203,893						203,893	473,580
Federal and State Grants Receivable	725,579						725,579	600,558
TOTAL ASSETS AND OTHER DEBITS	<u>16,206,685</u>	<u>75,523,897</u>	<u>58,425</u>	<u>3,597,175</u>	<u>19,978,973</u>	<u>207,951</u>	<u>115,573,106</u>	<u>116,240,371</u>

CITY OF ENGLEWOOD
Combined Statement of Assets, Liabilities, Reserves and Fund Balances-All Fund Types and Account Groups-Regulatory Basis
December 31, 2007
(With comparative totals for 2006)

	Governmental Funds			Trust Funds (1)	General Fixed Asset Account Group	Free Public Library	Totals	
	General Fund	Capital Fund	Debt Service Fund				Memorandum Only 2007	2006
LIABILITIES, RESERVES AND FUND BALANCE:								
Appropriation Reserves	3,594,697						3,594,697	4,248,170
Improvement Authorizations:								
Funded		3,451,316					3,451,316	5,646,203
Unfunded		17,004,881					17,004,881	19,127,244
Capital Improvement Fund		137,349					137,349	124,889
Bonds and Interest Payable			58,425				58,425	58,425
Due to State - Board of Health								16
Other Liabilities and Reserves	2,145,865	994,924		3,506,415			6,647,204	5,421,570
Payroll Deductions Payable								364,003
Investment in General Fixed Assets					19,978,973		19,978,973	20,421,460
Interfund Payables	203,893	64,926		90,760			359,579	509,203
Serial Bonds		6,044,000					6,044,000	7,924,000
Bond Anticipation Notes		32,026,139					32,026,139	27,749,564
Capital Lease Payable		15,316,016					15,316,016	15,316,016
Reserve for Receivables and Other Assets	3,274,793						3,274,793	2,404,525
Fund Balance	6,057,965	484,346				207,951	6,750,262	5,851,145
Federal and State Grant Fund:								
Appropriated Reserves	856,356						856,356	993,862
Unappropriated Reserves	73,116						73,116	80,076
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	16,206,685	75,523,897	58,425	3,597,175	19,978,973	207,951	115,573,106	116,240,371

The accompanying Notes To Financial Statements are an integral part of this statement.

(1) Includes Public Assistance, Animal Control

CITY OF ENGLEWOOD
Combined Statement of Revenues, Expenses and Changes in Fund Balance-Regulatory Basis
Current Fund
For the Year Ended December 31, 2007

Revenues:	
Fund Balance Anticipated	\$ 4,800,000
Miscellaneous Revenues	5,002,982
State Aid	4,068,703
State and Federal Grants	510,297
Other Special Items	
Receipts from Delinquent Taxes	1,583,313
Amount to be Raised by Taxes for Support of Municipal Budget:	
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>40,110,077</u>
Total Budget Revenues	56,075,372
Non-Budget Revenues	2,654,706
Taxes Allocated to School and County	<u>52,568,810</u>
Total Revenues	<u>111,298,888</u>
Expenditures:	
Current Fund Within CAPS:	
General Government	9,555,363
Municipal Land Use	61,350
Public Safety	18,336,613
Public Works	4,342,295
Community Service Act	163,000
Health and Welfare	978,641
Recreation and Education	1,095,563
Unclassified	4,172,178
Deferred Charges and Statutory Expenditures	1,119,735
Contingent	8,000
Current Fund Excluded from CAPS:	
General Government	6,686,169
State and Federal Grants	510,297
Capital Improvements	300,000
Municipal Debt Service	3,387,716
Deferred Charges	124,200
Judgments	48,188
Type I School District Debt Service	371,028
Reserve for Uncollected Taxes	<u>2,003,643</u>
Total Budget Expenditures	53,263,979
Other Expenses	<u>52,637,112</u>
Total Expenditures	105,901,091
Excess in Revenues	5,397,797

CITY OF ENGLEWOOD
 Combined Statement of Revenues, Expenses and Changes in Fund Balance-Regulatory Basis
 Current Fund
 For the Year Ended December 31, 2007

Excess in Revenues over Expenditures (Carried Forward)	5,397,797
Adjustment to Income Before Fund Balance:	
Expenditures included above which are by Statute	
Deferred Charges to Budget of Succeeding Years	<u> </u>
Statutory Excess to Fund Balance	5,397,797
Fund Balance January 1,	<u>5,460,168</u>
	10,857,965
Decreased by:	
Utilized in Budget	<u>4,800,000</u>
Fund Balance December 31,	<u><u>6,057,965</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ENGLEWOOD
Combined Statement of Revenues, Expenses and Changes in Fund Balance-Regulatory Basis
Budget and Actual-Current Fund
For the Year Ended December 31, 2007

	Budget <u>as Modified</u>	2007 <u>Actual</u>	<u>Variance</u>
Revenues:			
Fund Balance Anticipated	\$ 4,800,000	\$ 4,800,000	\$
Miscellaneous Revenues	3,644,400	5,002,982	1,358,582
State Aid	4,068,703	4,068,703	
State, Federal and County Grants	510,297	510,297	
Receipts from Delinquent Taxes	1,350,000	1,583,313	233,313
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	38,947,178	40,110,077	1,162,899
Total Budget Revenues	53,320,578	56,075,372	2,754,794
Other Credits to Income		2,654,704	2,654,704
Taxes Allocated to School and County		52,568,812	52,568,812
Total Revenues	53,320,578	111,298,888	57,978,310
Expenditures:			
Current Fund Within CAPS:			
General Government	9,555,363	9,555,363	
Municipal Land Use	61,350	61,350	
Public Safety	18,336,613	18,336,613	
Public Works	4,342,295	4,342,295	
Community Services Act	163,000	163,000	
Health and Welfare	978,641	978,641	
Recreation and Education	1,095,563	1,095,563	
Other Operating Functions	4,172,178	4,172,178	
Deferred Charges and Statutory Expenditures	1,119,735	1,119,735	
Contingent	8,000	8,000	
Current Fund Excluded from CAPS:			
General Government	6,686,169	6,686,169	
State and Federal Grants	510,297	510,297	
Capital Improvements	300,000	300,000	
Municipal Debt Service	3,402,503	3,387,716	14,787
Deferred Charges	165,200	124,200	41,000
Judgments	49,000	48,188	812
Type I School District Debt Service	371,028	371,028	
Reserve for Uncollected Taxes	2,003,643	2,003,643	
Total Budget Expenditures	53,320,578	53,263,979	56,599
Other Expenses and Charges to Income		52,637,112	(52,637,112)
Total Expenditures	53,320,578	105,901,091	(52,580,513)
Excess in Revenues		5,397,797	

CITY OF ENGLEWOOD
 Combined Statement of Revenues, Expenses and Changes in Fund Balance-Regulatory Basis
 Budget and Actual-Current Fund
 For the Year Ended December 31, 2007

	<u>Budget</u> <u>as Modified</u>	<u>2007</u> <u>Actual</u>	<u>Variance</u>
			(Continued)
Excess in Revenues over Expenditures (Carried Forward)		5,397,797	
Adjustment to Income Before Fund Balance:			
Expenditures included above which are by Statute			
Deferred Charges to Budget of Succeeding Years		<u> </u>	
Statutory Excess to Fund Balance		5,397,797	
Fund Balance January 1, 2007		<u>5,460,168</u>	
		10,857,965	
Decreased by:			
Utilized in Budget		<u>4,800,000</u>	
Fund Balance December 31, 2007		<u>\$ 6,057,965</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The City of Englewood is located in Bergen County, New Jersey, only minutes from the George Washington Bridge and New York City. The population according to the 2000 census is 26,203.

The City of Englewood was incorporated in 1899 and operates under a Council-Manager form of government. There are five council seats with four council members elected by ward for staggered three-year terms. The fifth council member is elected at large for a three-year term. The Mayor is elected for a three-year term.

Component Units - The financial statements of the component units of the City of Englewood are not presented in accordance with Government Accounting Standards Board Statement No. 14. If the provisions of GASB No. 14 had been complied with, the financial statements of the following component units would have been either blended or discretely presented with the financial statements of the City, the primary government: The Englewood Economic Development Corporation.

Basis of Presentation, Fund Accounting - The financial statements of the City of Englewood contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. 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 of Englewood accounts for its financial transactions through the following separate funds which differs from the funds required by generally accepted accounting principles (GAAP).

Current Fund - The Current Fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds - The various Trust Funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created. The Trust Fund includes the Public Assistance Fund which accounts for receipt and disbursement of funds that provide assistance to certain residents of the City pursuant to Title 44 of New Jersey statutes.

General Capital Fund - The General Capital Fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

Free Public Library Trust Funds - Receipts, Custodianship and disbursement of monies, which can be used for specific Library purposes and other purposes at the discretion of the Library's Board of Trustees. The operating expenditures of the Library are accounted for in the Current Fund, and fixed assets are accounted for in the General Fixed Asset Account Group.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

General Fixed Assets Account Group - Historical cost of fixed assets acquired by the City.

Debt Service Fund - Receipts and disbursements of funds for payment of interest and principal on outstanding debt.

Basis of Accounting - A modified accrual basis of accounting is followed with minor exceptions. Accounting principles prescribed for New Jersey municipalities by the Department of Community Affairs, Division of Local Government Services differ in certain respects from generally accepted accounting principles applicable to local government units. The more significant differences are explained in the following paragraphs.

Budgets and Budgetary Accounting - The City of Englewood must adopt an annual budget in accordance with the N.J.S.A. 40A:4 et al. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the City's financial statements.

Cash and Investments - New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of securities which may be purchased by New Jersey municipal units.

The cash management plan adopted by the City of Englewood requires it to deposit funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-42 requires government units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Cash and Investments, (continued)

Public funds are defined as the funds of any government unit. Public depositories include banks (both State and national banks), savings and loan institutions and savings banks, the deposits of which are federally insured. All public depositories pledge collateral, having a market value of five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories in the collateral pool, are available to pay the full amount of their deposits to the governmental units.

The City considers petty cash, cash in banks and certificates of deposit with a maturity of three months or less from the original purchase date as cash.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies - 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.

General Fixed Assets - Property and equipment purchased by the Current and the General Capital Funds are recorded as expenditures at the time of purchase and are not capitalized.

Accounting for Governmental Fixed Assets, as promulgated by Technical Accounting Directive No. 2 as issued by the Division of Local Government Services, differs in certain respects from generally accepted accounting principles. The following is a brief description of the provisions of the Directive.

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

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value.

No depreciation on general fixed assets is recorded in the financial statements.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be capitalized in the General Fixed Assets Account Group. GAAP requires property to be recorded in the General Fixed Assets account group at the market value at the time of acquisition.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et al. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriation reserves are not established under GAAP.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balances included in the current fund represent amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from Federal and State grants are realized as when anticipated as such in the City's budget. Other amounts that are due the City which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received. GAAP generally requires that grant revenues be recognized when the actual expenditures financed by the grant is made.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

School Taxes - The municipality is responsible for levying, collecting and remitting school taxes for the City of Englewood School District. Operations is charged for the full amount required to be raised from taxation to operate the local school district for the period from January 1 to December 31.

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

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

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 the encumbrance accounting system. Outstanding encumbrances at December 31, are recorded as a cash liability. Appropriations for principal payments on outstanding general capital bonds and notes is provided on the cash basis; interest on general capital indebtedness is on the cash basis. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on long term debt which is recognized when due.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Compensated Absences and Post-employment Benefits Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for post-employment benefits, if any, which are also funded on a pay-as-you-go basis. Amounts estimated to be paid to employees in future years are included as gross debt, any funded reserve is shown as a reduction of gross debt. GAAP requires that the amount that would normally be liquidated with expendable financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as long term obligations.

Total Columns on Combined Statements - Total columns are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Recent Accounting Pronouncements

In July 2004, the Governmental Accounting Standards Board (GASB) adopted statement number 45, "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions." This statement will become effective for entities on a phased in basis beginning with fiscal years beginning after December 15, 2006. The effective date for this entity is the fiscal year beginning January 1, 2008. This statement will require governmental entities to report the future costs of other post employment benefits (OPEB) on a present value basis instead of the present "pay as you go" method. The City does not expect the adoption of the GASB statement to have a material effect on the City's financial position or results of operations.

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2007, \$-0- of the City's bank balance of \$31,101,747 was exposed to custodial credit risk.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

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. However, New Jersey Statutes 40A:5-15.1(a) limit the length of time for most investments to 397 days.

Credit Risk

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

New Jersey Cash Management Fund - All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment's existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the "Other-than-State" participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of December 31, 2007, the City had \$18,252 on deposit with the New Jersey Cash Management Fund.

Concentration of Credit Risk

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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 3: PROPERTY TAXES

The following is a comparison of certain statistical information relative to property taxes and property tax collections for the current and previous years.

Comparative Schedule of Tax Rates

	<u>2007⁽¹⁾</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Tax Rate	1.84	4.160	4.020	3.810
Apportionment of Tax Rate:				
Municipal	.777	1.629	1.612	1.499
County*	.173	.373	.362	.342
Local School	.886	2.044	1.970	1.858
B.C.U.A. Sewer Tax	.004	.114	.076	.111

* Includes County Open Space

⁽¹⁾ Revaluation Year

Assessed Valuation:

2007 ⁽¹⁾	4,992,356,340
2006	2,063,655,113
2005	2,044,264,194
2004	2,032,445,033

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2007	93,191,140	90,880,539	97.52
2006	86,175,435	83,775,765	97.22
2005	82,704,212	80,397,254	97.21
2004	77,905,199	75,773,166	97.26
2003	70,444,237	68,664,931	97.47

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2007	54,600	3,029,869	3,084,469	3.31
2006	49,016	2,191,163	2,240,179	2.60
2005	45,513	2,696,459	2,741,972	3.32
2004	41,490	2,672,230	2,713,720	3.48
2003	192,703	2,473,346	2,666,049	3.78

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2007	70,979
2006	70,979
2005	70,979
2004	70,979
2003	327,029

NOTE 5: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of each year and the amounts utilized in the subsequent year's budget.

Current Fund

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2007	6,057,965	5,000,000	82.54
2006	5,460,168	4,800,000	87.91
2005	4,847,043	4,479,000	92.41
2004	5,333,807	4,800,000	89.99
2003	7,326,969	4,800,000	65.51

NOTE 6: PENSION PLANS

Substantially all of the City's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

The 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 for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 6: PENSION PLANS, (continued)

Description of Systems, Contribution Information and Funding Policies:

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the System is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. The System's Board of Trustees is primarily responsible for the administration of the System.

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:15A and 43:3B. The System provides retirement, death and disability benefits, as well as medical benefits for certain qualified members. All benefits vest after eight to ten years of service, except for medical benefits, which vest after 25 years of service. Retirement benefits for age and service are available at age 60 and, under recently enacted legislation referred to below, are generally determined to be 1/55 of final average salary for each year of service credit (as defined). Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit, as defined, or they may elect deferred retirement after achieving eight to ten years of service credit, in which case benefits would begin the first day of the month after the member attains normal retirement age.

The System provides specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for earnings on their contributions at 2% per annum. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in a dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 6: PENSION PLANS, (continued)

Two pieces of legislation passed during 2001 have a significant impact on the System's benefit provisions: Chapter 133, Public Law of 2001, increases retirement benefits for service, deferred and early retirement by changing the formula from 1/60 to 1/55 of final compensation for each year of service. This legislation also increases the retirement benefit for veteran members with 35 or more years of service and reduces the age qualification from 60 to 55. The legislation further provides that existing retirees and beneficiaries would also receive a comparable percentage increase in their retirement allowance. The benefit enhancements are effective with the November 1, 2001 benefit checks. Chapter 120, Public Law of 2001, establishes an additional retirement option for plan members. Under the new option, a retiree's actuarially reduced allowance (to provide a benefit to the retiree's beneficiary upon the retiree's death) would "pop-up" to the maximum retirement allowance if the beneficiary predeceases the retiree.

Contributions - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Members contribute at a uniform rate. From January 1, 1998 to December 31, 1999, the contribution rate was 4.5% of base salary. In accordance with Chapter 415, P.L. 1999, the member rate was lowered to 3.0% effective January 1, 2000. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. The State of New Jersey's contribution also includes funding for the cost of medical premiums after retirement for qualified retirees. In accordance with Chapter 62, P.L. 1994, post-retirement medical benefits are funded on a pay-as-you-go basis plus an additional contribution that will ensure an increase in the Post-Retirement Medical Reserve Fund equal to ½ of 1% of the salary of active state employees.

Chapter 133, P.L. 2001, provides for increased benefits for certain types of retirement. Under this legislation, the cost of the increased benefits will be funded using excess assets. To fund the initial accrued liability, the actuarial value of assets for the valuation period ending June 30, 1999, will be the full market value of the assets as of that date. The required normal contributions on behalf of active members will also be funded using available excess assets. A benefit enhancement fund will be established and maintained from which required normal contributions for the benefit enhancements will be charged. The legislation requires that the assets of the benefit enhancement fund shall not exceed the present value of the expected additional normal contribution over the expected working lives of the active members for the valuation period. If excess assets are not available when contributions are required, the legislation further provides that the state shall be responsible for the cost of the increased benefits for both State and local members. The amount of excess assets that can be utilized is also limited to the employee contributions for the year in which a payment is required. If the required funding in any year exceeds the employee contributions, the State shall also be responsible for funding the excess amount.

Legislation passed in 1997 (Chapter 115, P.L. 1997) provided for the use of excess actuarial valuation assets to offset the required normal contributions of the State of New Jersey and the local participating employers.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 6: PENSION PLANS, (continued)

Through FY 2002, excess assets may be used to the extent possible to offset normal contributions. Thereafter, a certain percentage of available excess assets may be used as specified in the legislation.

As a result of Chapter 115, for the years ended June 30, 2004, 2003 and 2002, contributions by the State of New Jersey were limited to funding for post-retirement medical benefits while local employer contributions were limited to funding for early retirement incentive benefits. Employer contributions for basic pension benefits, noncontributory death benefits and cost-of-living adjustments were funded by excess assets for both the State and local employers.

The City's contribution to the public employee's retirement system, equal to the required contributions for each year, were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2007	256,358
2006	409,274
2005	304,581

Police and Firemens' Retirement System (PFRS)

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

Vesting and Benefit Provisions - The vesting and benefit provisions are set by N.J.S.A. 43:16A and 43:3B. The System provides retirement as well as death and disability benefits. All benefits vest after ten years of service except disability benefits which vest after four years of service. Retirement benefits for age and service are available at age 55 and are generally determined to be 2% of final average 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. Final average compensation equals the average compensation for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek special retirement after achieving 20 or 25 years of creditable service or they may elect deferred retirement after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final average compensation for each year of service.

Widow/widowers of members retired since December 18, 1967 receive 50% of the retiree's final compensation. The minimum annual widow/widower's benefits of an accidental disability retiree prior to December 18, 1967 and of all retirees since December 18, 1967 is \$4,500.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 6: PENSION PLANS, (continued)

Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions providing no survivor death benefits are payable.

Eligible retirees receiving monthly benefits are entitled to cost-of-living increases equal to 60% of the change in the average consumer price index for the calendar year in which the pensioner retired as compared to the average consumer price index for a 12-month period ending with each August 31st immediately preceding the year in which the adjustment becomes payable. The regular retirement allowance is multiplied by the 60% factor as developed and results in the dollar amount of the adjustment payable. Retired members become eligible for pension adjustment benefits after 24 months of retirement. The cost-of-living increases are funded by the retirement system and are included in the annual actuarial calculations of the required state and state-related employer contributions.

Legislation passed during the year (Chapter 4, P.L. 2001) provides increased benefits to certain members who retired prior to December 29, 1989 with at least 25 years of creditable service. The maximum amount of the increase is 5% of the retiree's final compensation. For those with 30 or more years of service, the total pension would increase from 65% to 70% of final compensation.

Contributions - The contribution policy is set by N.J.S.A. 43:16A and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Employers are required to contribute at an actuarially determined rate. The annual employer contribution includes funding for basic retirement allowances, cost-of-living adjustments and noncontributory death benefits. Members contribute at a uniform rate of 8.5% of base salary.

As a result of legislation passed in 2001 (Chapter 44, P.L. 2001), local employer contributions payable in FY 2001 were reduced by \$150 million to approximately \$75 million. This legislation requires that the savings realized by counties and municipalities as a result of this reduction be used for property tax relief.

The contribution policy was modified in FY 2000 by legislation (Chapter 8, P.L. 2000) which required that the System's excess valuation assets be used to fund certain benefit enhancements provided under Chapter 428, P.L. 2000. This legislation also required that the calculation of the actuarial value of assets for the June 30, 1998 valuation be based on 100% for the State and up to 57% for local employers of the difference between the expected value of assets in the system and the full-market value of the assets. In addition, this legislation required the State to fund the additional employer contributions attributable to Chapter 428 should excess assets be insufficient to cover this pension liability. Finally, due to the recognition of the surplus market assets, this legislation eliminated the unfunded accrued liability for local employers, which reduces their required contributions by \$45 million in FY 2000.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 6: PENSION PLANS, (continued)

Required state contributions were offset by \$99.6 million and \$29.7 million in FY 2001 and 2000, respectively, under Chapter 115, PL 1997, which provides for the use of excess valuation assets to fund required normal pension contributions. Through fiscal year 2002, excess assets may be used to the extent possible to offset normal contributions. Thereafter, a certain percentage of available excess assets may be used as specified in the legislation.

The City's contribution to the police and firemen's retirement system plans, equal to the required contributions for each year, were as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2007	1,944,974
2006	1,231,258
2005	599,113

NOTE 7: COMPENSATED ABSENCES

City employees are entitled to varying amounts of paid sick leave each year, depending upon the length of service. Unused sick leave may be accumulated and upon retirement is paid at the rate at the time of retirement. Unused vacation leave may be accumulated and carried forward and upon retirement or termination of service is paid at the current pay rate. It is estimated that the cost of such unpaid compensation would be \$4,426,593 as of December 31, 2007.

NOTE 8: LONG TERM DEBT

Long-term debt as of December 31, 2007 consisted of the following:

	<u>Balance</u> <u>Dec. 31, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable:					
General Obligation Debt	6,955,000	-	1,555,000	\$5,400,000	700,000
School Debt	<u>969,000</u>	<u> </u>	<u>325,000</u>	<u>644,000</u>	<u>325,000</u>
	<u>7,924,000</u>	<u>\$ -</u>	<u>1,880,000</u>	<u>6,044,000</u>	<u>1,025,000</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 8: LONG TERM DEBT, (continued)

Summary of Debt

	<u>Year 2007</u>	<u>Year 2006</u>	<u>Year 2005</u>
<u>Issued</u>			
General:			
Serial Bonds	5,400,000	6,955,000	8,425,000
Notes	32,026,139	27,749,564	18,715,000
School Purposes:			
Bonds	<u>644,000</u>	<u>969,000</u>	<u>1,294,000</u>
Total Issued	38,070,139	35,673,564	28,434,000

Authorized But Not Issued

General:			
Bonds and Notes	<u>3,523,000</u>	<u>5,363,988</u>	<u>9,414,435</u>
	<u>41,593,139</u>	<u>41,037,552</u>	<u>37,848,435</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicated a statutory net debt of .89%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	26,082,132	26,082,132	0
General	<u>41,593,139</u>	<u>644,000</u>	<u>40,949,139</u>
	<u>67,675,271</u>	<u>26,726,132</u>	<u>40,949,139</u>

Net Debt \$40,949,139 Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$4,623,288,971 = .89%.

Borrowing Power Under N.J.S.A. 40A:2-6 As Amended

3 ½% of Equalized Valuation Basis (Municipal)	161,815,114
Net Debt	<u>40,949,139</u>
Remaining Borrowing Power	<u>120,865,975</u>

The gross debt shown above is not in agreement with the annual debt statement. An amended annual debt statement should be filed.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 8: LONG TERM DEBT, (continued)

Schedule of Annual Debt Service for Principal and Interest for Bonded Debt Issued and Outstanding

	<u>General</u>		<u>School</u>		
<u>Calendar</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>Year</u>					
2008	700,000	203,875	325,000	30,590	1,259,465
2009	750,000	178,125	319,000	15,153	1,262,278
2010	700,000	150,625			850,625
2011	750,000	126,125			876,125
2012	800,000	98,000			898,000
2013	850,000	68,000			918,000
2014	850,000	34,000			884,000
	<u>5,400,000</u>	<u>858,750</u>	<u>644,000</u>	<u>45,743</u>	<u>6,948,493</u>

The City's long term debt consisted of the following at December 31, 2007:

Outstanding bonds whose principal and interest are paid from the current fund budget of the City.

	<u>Amount</u> <u>Outstanding</u>
\$1,000,000.00 General Improvement Bonds dated July 15, 1999 payable in annual installments through July 15, 2009. Interest is paid semiannually at a rate of 4.75% per annum.	200,000
\$6,700,000 General Improvement Bonds dated June 10, 2004 payable in annual installments through July 1, 2014. Interest is paid semiannually at rates of 3.00% to 4.00%.	5,200,000
\$3,244,000.00 School Purpose Bonds dated July 15, 1999 payable in annual installments through July 15, 2009. Interest is paid semiannually at a rate of 4.75% per annum.	<u>644,000</u>
	<u>6,044,000</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 9: CAPITAL LEASE PAYABLE

On September 20, 2005, the City entered into an agreement with the Bergen County Improvement Authority whereby the Bergen County Improvement Authority issued \$15,316,016 of Capital Appreciation Bonds (Series 2005B). Simultaneously with the issuance of these bonds, the Authority entered into a Borrower Purchase Agreement with the City of Englewood whereby the Authority purchased a Borrower Bond from the City in the principal amount of the bonds issued. Under the Borrower Bond, the City is required to make the loan repayments to the Bergen County Improvement Authority in the amount of principal and interest, if any, on the Bonds. The payments commence September 1, 2008 and continue through September 1, 2021.

<u>Date</u>	<u>Initial Payment</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Accretion</u>	<u>Final Maturity Amount</u>
03/01/08	-	0.000%	0.000%	-	-	-
09/01/08	702,032.10	0.000%	3.160%	91.173	67,967.90	770,000.00
03/01/09	-	0.000%	0.000%	-	-	-
09/01/09	686,797.80	0.000%	3.250%	88.051	93,202.20	780,000.00
03/01/10	-	0.000%	0.000%	-	-	-
09/01/10	1,065,909.60	0.000%	3.410%	84.596	194,090.40	1,260,000.00
03/01/11	-	0.000%	0.000%	-	-	-
09/01/11	1,023,863.40	0.000%	3.520%	81.259	236,136.60	1,260,000.00
03/01/12	-	0.000%	0.000%	-	-	-
09/01/12	980,015.40	0.000%	3.650%	77.779	279,984.60	1,260,000.00
03/01/13	-	0.000%	0.000%	-	-	-
09/01/13	936,394.20	0.000%	3.770%	74.317	323,605.80	1,260,000.00
03/01/14	-	0.000%	0.000%	-	-	-
09/01/14	894,965.40	0.000%	3.860%	71.029	365,034.60	1,260,000.00
03/01/15	-	0.000%	0.000%	-	-	-
09/01/15	1,496,192.10	0.000%	3.960%	67.701	713,807.90	2,210,000.00
03/01/16	-	0.000%	0.000%	-	-	-
09/01/16	1,420,256.50	0.000%	4.080%	64.265	789,743.50	2,210,000.00
03/01/17	-	0.000%	0.000%	-	-	-
09/01/17	1,349,735.40	0.000%	4.170%	61.074	860,264.60	2,210,000.00
03/01/18	-	0.000%	0.000%	-	-	-
09/01/18	1,285,336.00	0.000%	4.230%	58.160	924,664.00	2,210,000.00
03/01/19	-	0.000%	0.000%	-	-	-
09/01/19	1,219,257.00	0.000%	4.310%	55.170	990,743.00	2,210,000.00
03/01/20	-	0.000%	0.000%	-	-	-
09/01/20	1,156,448.80	0.000%	4.380%	52.328	1,053,551.20	2,210,000.00
03/01/21	-	0.000%	0.000%	-	-	-
09/01/21	<u>1,098,812.00</u>	0.000%	4.430%	49.720	<u>1,111,188.00</u>	<u>2,210,000.00</u>
	<u>15,316,015.70</u>				<u>8,003,984.30</u>	<u>23,320,000.00</u>

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 10: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2007, the following deferred charges are shown on the balance sheets of the various funds of the city:

	Balance December 31, <u>2006</u>	Amount Resulting from 2007 <u></u>	2007 Budget Appropriation <u></u>	Balance to Succeeding Years <u></u>
Current Fund:				
Special Emergency Authorizations	686,000	-	165,200	520,800
Overexpenditure of Appropriation	<u>37,150</u>	<u>-</u>	<u>37,150</u>	<u>-</u>
	<u>723,150</u>	<u>-</u>	<u>202,350</u>	<u>520,800</u>

The City has included the required \$165,200 appropriation in its 2008 budget.

NOTE 11: SCHOOL DEBT

During the year 2000 a referendum was passed changing the Board of Education to a Type II School District. Members of the Board of Education will be elected by the voters. Board of Education budgets and capital expenditures financed by bonds must be approved by the voters. The bonds will be reported on the balance sheet of the Board of Education. Prior to this the Englewood Board of Education was a Type I School District. As such, the members of the Board of Education are appointed by the Mayor and school appropriations are set by a Board of School Estimate and City Council. Bonds and notes authorized by the City Council to finance capital expenditures are general obligations of the City and are reported on the balance sheet of the City's General Capital Fund. Debt service on the school debt is included in the City's budget and is levied as part of the school levy in accordance with State law.

NOTE 12: BOND ANTICIPATION NOTES

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

On December 31, 2007, the City had \$32,026,139 in outstanding general capital bond anticipation notes maturing on July 1, 2008 at an interest rate of 4.25%.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 12: BOND ANTICIPATION NOTES, (continued)

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2007.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Notes Payable	<u>27,749,564</u>	<u>32,026,139</u>	<u>27,749,564</u>	<u>32,026,139</u>

NOTE 13: TAX APPEALS

There are appeals pending before the State Board of Taxation, requesting a reduction of assessed valuation for years 2001 through 2006. Any reduction in assessed valuation will result in a refund of prior years' taxes in the year of settlement, which may be funded from the City's tax levy or through the issuance of refunding bonds per N.J.S. 40A:2-51. In accordance with GASB Statement No. 4, "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences," the City charges to Current Fund operations all state board judgments rendered during the year which will be paid from expendable available financial resources.

NOTE 14: DELAYED HEALTH INSURANCE PREMIUMS

The City of Englewood has elected to delay its premiums for two months under the New Jersey State Health Benefits Program. If the City should elect to terminate its participation in the State Health Benefits Program or if the Program ceases to exist, these delayed premiums will become due and payable immediately and will be based on the current rates payable at the time of termination.

The City has not set up a liability for the two month delay on its financial statement.

NOTE 15: OTHER MATTERS

There is \$367,339 due from the State of New Jersey for the equity and excellence plan of the Englewood Public School District (Academies at Englewood Program). This balance should be collected or cancelled.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 16: DUE TO/FROM OTHER FUNDS

The City has the following interfund receivables and payables at December 31, 2007:

14.19	Due to Current Fund from Community Development Trust Fund for interest earned on deposits and to reimburse expenditures paid by Current Fund.
64,925.89	Due to Current from General Capital Fund to reimburse expenditures paid by Current Fund.
203,893.31	Due Federal and State Grant Fund from Current Fund for grants received in Current Fund.
<u>90,746.72</u>	Due from Other Trust Fund to General Capital Fund for monies collected in Trust and expenditures paid by General Capital Fund.
<u>359,580.11</u>	

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

NOTE 17: PUBLIC ASSISTANCE

The City of Englewood administered the Public Assistance Trust Funds in accordance with Title 44 of New Jersey statutes through May 31, 2000. Subsequent to May 31, 2000 the administration of the Public Assistance Trust Fund was assumed by the County of Bergen.

NOTE 18: CONTINGENT LIABILITIES

We are advised by City Counsel that the City is involved in litigation that is normal for a governmental unit and is covered by the insurance carrier or that would not materially affect the financial position of the City.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2007 AND 2006
(CONTINUED)

NOTE 19. TAXES COLLECTED IN ADVANCE

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

	<u>Balance</u> <u>Dec 31, 2007</u>	<u>Balance</u> <u>Dec 31, 2006</u>
Prepaid Taxes	<u>\$672,780</u>	<u>\$694,871</u>
Cash Liability for Taxes Collected in Advance	<u>\$672,780</u>	<u>\$694,871</u>

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
REGULATORY BASIS
AS OF DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ASSETS:		
Cash and Cash Equivalents	\$ 11,114,281	\$ 11,344,888
Due from State of New Jersey-Senior Citizens and Veterans Deductions		2,173
Due from State of New Jersey-REAP Aid		2,869
Due from State - Board of Education - Academies at Englewood	<u>367,339</u>	<u>367,339</u>
	<u>367,339</u>	<u>372,381</u>
Receivables and Other Assets with Full Reserves:		
Taxes Receivable:		
Delinquent Taxes Receivable	3,029,869	2,191,163
Taxes Receivable in Bankruptcy	6,856	3,674
Tax Title Liens Receivable	54,600	49,016
Property Acquired for Taxes-Assessed Valuation	<u>70,979</u>	<u>70,979</u>
Total Taxes Receivable	<u>3,162,304</u>	<u>2,314,832</u>
Other Accounts Receivable:		
Sewer User Charges Receivable	<u>47,550</u>	<u>88,956</u>
Total Other Accounts Receivable	<u>47,550</u>	<u>88,956</u>
Interfund Accounts Receivable	<u>64,939</u>	<u>737</u>
Total Receivables and Other Assets with Full Reserves	<u>3,274,793</u>	<u>2,404,525</u>
Deferred Charges:		
Overexpenditure of Appropriations		37,150
Emergency Authorization	<u>520,800</u>	<u>686,000</u>
	<u>520,800</u>	<u>723,150</u>
Federal and State Grant Funds:		
Interfund Accounts Receivable	203,893	473,580
Federal and State Grants Receivable	<u>725,579</u>	<u>600,358</u>
Total Federal and State Grant Funds	<u>929,472</u>	<u>1,073,938</u>
Total Assets	<u>\$ 16,206,685</u>	<u>\$ 15,918,882</u>

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
REGULATORY BASIS
AS OF DECEMBER 31, 2007 AND 2006

LIABILITIES, RESERVES AND FUND BALANCE

	<u>2007</u>	<u>2006</u>
Appropriation Reserves	\$ <u>3,594,697</u>	\$ <u>4,248,170</u>
Other Liabilities and Reserves:		
Reserve for Encumbrances	664,122	311,443
Prepaid Taxes	672,780	694,871
Tax Overpayments		256,977
Due to State of N.J. - Vets and S.C.	522	
County Taxes Payable	130,655	30,678
Emergency Note Payable	660,800	826,000
Other Reserves	<u>16,986</u>	<u>103,646</u>
	<u>2,145,865</u>	<u>2,223,615</u>
Interfund Accounts Payable	<u>203,893</u>	<u>508,466</u>
Reserve for Receivables and Other Assets	<u>3,274,793</u>	<u>2,404,525</u>
Fund Balance	<u>6,057,965</u>	<u>5,460,168</u>
Federal and State Grant Funds:		
Appropriated Reserves	856,356	993,862
Unappropriated Reserves	<u>73,116</u>	<u>80,076</u>
	<u>929,472</u>	<u>1,073,938</u>
Total Liabilities, Reserves and Fund Balances	\$ <u><u>16,206,685</u></u>	\$ <u><u>15,918,882</u></u>

CITY OF ENGLEWOOD
Combined Statement of Revenues, Expenses and Changes in Fund Balance-Regulatory Basis
Current Fund
For the Year Ended December 31, 2007 and 2006

	2007	2006
Revenues:		
Fund Balance Anticipated	\$ 4,800,000	\$ 4,479,000
Miscellaneous Revenues	5,002,982	4,120,915
State Aid	4,068,703	4,098,447
State and Federal Grants	510,297	445,993
Other Special Items		721,000
Receipts from Delinquent Taxes	1,583,313	1,847,634
Amount to be Raised by Taxes for Support of Municipal Budget:		
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	40,110,077	36,375,002
Total Budget Revenues	56,075,372	52,087,991
Non-Budget Revenues	2,654,706	3,501,770
Taxes Allocated to School and County	52,568,810	49,751,822
Total Revenues	111,298,888	105,341,583
Expenditures:		
Current Fund Within CAPS:		
General Government	9,555,363	3,114,772
Municipal Land Use	61,350	
Public Safety	18,336,613	17,315,518
Public Works	4,342,295	4,263,436
Community Service Act	163,000	
Health and Welfare	978,641	1,251,145
Recreation and Education	1,095,563	1,226,617
Unclassified	4,172,178	4,206,271
Deferred Charges and Statutory Expenditures	1,119,735	1,241,556
Contingent	8,000	8,000
Current Fund Excluded from CAPS:		
General Government	6,686,169	11,711,833
State and Federal Grants	510,297	450,368
Capital Improvements	300,000	379,000
Municipal Debt Service	3,387,716	2,565,009
Deferred Charges	124,200	140,000
Judgments	48,188	49,000
Type I School District Debt Service	371,028	386,465
Reserve for Uncollected Taxes	2,003,643	2,351,059
Total Budget Expenditures	53,263,979	50,660,049
Other Expenses	52,637,112	49,752,559
Total Expenditures	105,901,091	100,412,608
Excess in Revenues	5,397,797	4,928,975

CITY OF ENGLEWOOD
Combined Statement of Revenues, Expenses and Changes in Fund Balance-Regulatory Basis
Current Fund
For the Year Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Excess in Revenues over Expenditures (Carried Forward)	5,397,797	4,928,975
Adjustment to Income Before Fund Balance:		
Expenditures included above which are by Statute		
Deferred Charges to Budget of Succeeding Years		<u>163,150</u>
Statutory Excess to Fund Balance	5,397,797	5,092,125
Fund Balance January 1,	<u>5,460,168</u>	<u>4,847,043</u>
	10,857,965	9,939,168
Decreased by:		
Utilized in Budget	<u>4,800,000</u>	<u>4,479,000</u>
Fund Balance December 31,	\$ <u><u>6,057,965</u></u>	\$ <u><u>5,460,168</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	Budget <u>As Modified</u>	2007 <u>Realized</u>	Excess/ <u>(Deficit)</u>
Surplus Anticipated	\$ 4,800,000	4,800,000	\$ _____
Miscellaneous Revenues:			
Licenses:			
Alcoholic Beverage	54,000	56,205	2,205
Other	170,000	221,211	51,211
Fees and Permits			
Construction Code Official	638,000	698,005	60,005
Other	50,000	54,958	4,958
Fines and Costs:			
Municipal Court	460,000	551,986	91,986
Interest and Costs on Taxes	300,000	336,660	36,660
Interest on Investments and Deposits	550,000	1,287,635	737,635
Parking Meters	310,000	416,821	106,821
Recreation Advisory Committee	185,000	176,588	(8,412)
Fire Prevention Fees	130,000	202,815	72,815
Burglar Alarms	2,900	2,859	(41)
Payments in Lieu of Taxes	377,500	398,642	21,142
Exempt Sewer Charges	288,000	404,314	116,314
Parking Garage Fees	129,000	194,283	65,283
Total Miscellaneous Revenues	<u>3,644,400</u>	<u>5,002,982</u>	<u>1,358,582</u>
STATE AID WITHOUT OFFSETTING			
APPROPRIATIONS			
Energy Receipts Tax	2,383,677	2,383,677	
Supplemental Energy Receipts Tax	112,671	112,671	
Legislative Initiative Municipal Block Grant	108,735	108,735	
Extraordinary Aid	300,000	300,000	
Homeland Security Assistance	90,000	90,000	
Municipal Property Tax Assistance	70,256	70,256	
Consolidated Municipal Property Tax Relief Aid	1,003,364	1,003,364	
	<u>4,068,703</u>	<u>4,068,703</u>	

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Budget</u> <u>As Modified</u>	<u>2007</u> <u>Realized</u>	<u>Excess/</u> <u>(Deficit)</u>
SPECIAL ITEMS OF REVENUE OFFSET WITH APPROPRIATIONS			
State and Federal Grants:			
State of N.J.- Dept. of Health - Adolescent Health	\$		\$
Public Health Priority Funding	9,076	9,076	
Clean Communities Program	22,220	22,220	
Recycling Tonnage Grant	33,211	33,211	
Drunk Driving Enforcement Fund	1,726	1,726	
Municipal Alliance on Alcoholism and Drug Abuse	13,844	13,844	
Domestic Violence Training Program	7,500	7,500	
Obey the Signs or Pay the Fines	4,000	4,000	
NJ/NY Port Authority Grant	5,000	5,000	
Reach and Teach	24,000	24,000	
Municipal Alliance	17,500	17,500	
Hepatitis B	10,000	10,000	
Pandemic Flu Preparedness Grant	9,095	9,095	
Open Space Park Improvement Program	353,125	353,125	
	<u>510,297</u>	<u>510,297</u>	
Receipts from Delinquent Taxes	<u>1,350,000</u>	<u>1,583,313</u>	<u>233,313</u>
Amount to be Raised by Taxation:			
For Support of Municipal Budget	38,576,150	39,739,049	1,162,899
Addition to Local District School Tax	<u>371,028</u>	<u>371,028</u>	
Total Amount to be Raised	<u>38,947,178</u>	<u>40,110,077</u>	<u>1,162,899</u>
Total Budget Revenues	<u>53,320,578</u>	<u>56,075,372</u>	<u>2,754,794</u>
Other Credits to Income:			
Non-Budget Revenues		587,456	587,456
Prior Year Interfunds Returned		737	737
Cancellation of Public Assistance Reserve		30,588	30,588
Unexpended Balance of Appropriation Reserves		<u>2,035,925</u>	<u>2,035,925</u>
		<u>2,654,706</u>	<u>2,654,706</u>
Taxes Allocated to School and County		<u>52,568,810</u>	<u>52,568,810</u>
Total Other Credits to Income		<u>55,223,516</u>	<u>55,223,516</u>
Total Revenues and Credits to Income	\$ <u>53,320,578</u>	<u>111,298,888</u>	\$ <u>57,978,310</u>

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	APPROPRIATED 2007 Budget	Budget After Modification	Paid or Charged	Extended Reserved	Unexpended Balance Cancelled	Over- Expended
(A) Operations-within "CAPS"						
GENERAL GOVERNMENT:						
Administrative and Executive						
Mayor and Council:						
Salaries and wages	\$ 30,000	30,000	30,000	3,360		
Other expenses	8,900	8,900	5,540			
City Manager's Office:						
Salaries and wages	272,400	132,400	131,622	778		
Other expenses	134,000	204,000	144,262	59,738		
City Clerk's Office:						
Salaries and wages	118,428	125,428	125,355	73		
Other expenses	65,000	65,000	56,167	12,833		
Human Resources:						
Salaries and wages	187,748	213,748	207,760	5,988		
Other expenses	13,700	13,700	10,653	3,047		
Purchasing Department:						
Other Expenses	2,725	3,225	2,168	1,057		
Finance Department:						
Salaries and wages	340,592	303,092	279,096	23,996		
Other expenses	79,900	94,900	77,104	17,796		
Data Processing:						
Salaries and wages	95,138	50,138	50,138	8,503		
Other expenses	30,100	30,100	21,597			
Assessment of Taxes:						
Salaries and wages	126,023	131,523	131,453	70		
Other expenses	31,000	31,000	24,889	6,111		
Collection of Taxes:						
Salaries and wages	150,236	154,436	153,523	913		
Other expenses	39,275	43,275	42,599	676		
Legal Services and Costs:						
Salaries and wages (Prosecutor)	40,138	41,573	41,572	1		
Other expenses	342,000	437,000	372,457	64,543		
Engineering Services and Costs:						
Other expenses	109,800	109,800	101,861	7,939		
Community Development Office:						
Salaries and Wages	45,000	105,000	63,867	41,133		
Other expenses	609,300	395,665	360,665	35,000		
Municipal Court:						
Salaries and Wages	392,046	392,046	366,573	25,473		
Other expenses	144,000	124,000	77,763	46,237		
Public Defender(Contractual)	10,000	10,000	4,827	5,173		
Insurance:						
Medical and Surgical	4,710,000	4,522,684	4,373,853	148,831		
Other Insurance Premiums	800,000	800,000	599,222	200,778		
Workers Compensation	825,000	885,000	786,140	98,860		
Unemployment Compensation	75,000	75,000	54,414	20,586		
Property Maintenance Code Violation						
Abatement Program:						
Other expenses	18,730	18,730		18,730		
Subtotal General Government	9,850,179	9,555,363	8,697,140	858,223		

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	APPROPRIATED 2007 Budget	Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Cancelled	Over- Expended
MUNICIPAL LAND USE							
Planning Board:							
Other expenses	61,350	61,350	23,520	37,830			
PUBLIC SAFETY:							
Fire Division:							
Salaries and wages	5,825,466	6,024,366	5,999,293	25,073			
Other expenses	263,600	263,600	260,623	2,975			
Fire Prevention Division:							
Salaries and wages	242,484	242,484	242,484				
Other expenses	5,000	5,000					
Total Fire Department	6,336,550	6,535,450	6,507,402	28,048			
Police Department:							
Salaries and wages	10,653,763	11,128,763	10,363,669	765,094			
Other expenses	559,150	559,150	457,742	101,408			
Aid to Volunteer Ambulance	105,000	105,000	105,000				
Emergency Management Services:							
Other expenses	8,250	8,250					
Total Police Department	11,326,163	11,801,163	10,926,411	874,752			
Subtotal Public Safety	17,662,713	18,336,613	17,433,813	902,800			
PUBLIC WORKS							
Public Works Administration:							
Salaries and wages	200,018	204,018	203,739	279			
Other expenses	84,550	84,550	23,920	60,630			
Public Buildings and Grounds							
Other expenses	151,750	151,750	107,155	44,595			
Shade Tree Department							
Salaries and wages	104,389	59,389	59,174	215			
Other expenses	31,600	31,600	5,054	26,546			
Road Repairs and Maintenance:							
Salaries and wages	940,501	960,501	959,916	585			
Other expenses	190,000	150,000	76,432	73,568			
Central Maintenance Garage:							
Salaries and wages	236,080	252,680	252,606	74			
Other expenses	281,650	281,650	250,474	31,176			
Construction and Facilities Maintenance							
Salaries and wages	210,454	204,441	204,441	13			
Other expenses	84,500	74,500	34,406	40,094			
Sanitation Collection Costs:							
Salaries and wages	1,499,485	1,599,485	1,505,915	93,570			
Other expenses	43,650	43,650	15,680	27,970			
Sewer Department:							
Salaries and wages	170,143	138,143	128,374	9,769			
Other expenses	120,925	105,925	46,398	59,527			
Subtotal Public Works	4,349,695	4,342,295	3,873,684	468,611			

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	APPROPRIATED 2007 Budget	Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Cancelled	Over- Extended
COMMUNITY SERVICES ACT							
Condominium Community Costs	163,000	163,000	139,640	23,360			
HEALTH AND HUMAN SERVICES							
Board of Health:							
Salaries and wages	791,477	716,477	613,771	102,706			
Other expenses	120,300	120,300	89,905	30,395			
City Physician (Contractual)	24,501	24,501	24,500	1			
Dog Regulation:							
Salaries and wages	1,500	1,500		1,500			
Other expenses	27,450	27,450		27,450			
Mental Health Advisory Committee (N.J.S.A. 44:5-2)	17,500	17,500	16,500	1,000			
Child Development Center (N.J.S.A. 40:5-2.9)	58,413	58,413	58,413				
Administration of Public Assistance:							
Salaries and wages							
Other expenses							
Relocation Assistance:							
Other expenses	12,500	12,500		12,500			
Subtotal Health and Human Services	1,053,641	978,641	803,089	175,552			
RECREATION							
Recreation Department:							
Salaries and wages	618,988	603,988	602,774	1,214			
Other expenses	526,575	491,575	430,826	60,749			
Subtotal Recreation	1,145,563	1,095,563	1,033,600	61,963			
OTHER OPERATING FUNCTIONS							
Terminal Leave Program							
Salaries and Wages	650,000	400,000	240,715	159,285			
Construction Code official							
Salaries and wages	670,228	670,228	623,322	46,906			
Other expenses	106,950	106,950	86,727	20,223			
Utilities							
Electricity	260,000	315,000	238,930	76,070			
Telephone and Communications	240,000	240,000	174,619	65,381			
Heating Oil	20,000	20,000		20,000			
Street Lighting	740,000	740,000	601,316	138,684			
Water	35,000	35,000	10,677	24,323			
Fire Hydrant Fees (Hackensack Water Company)	270,000	270,000	168,487	101,513			
Landfill Dumping Fees (BCUA)	1,350,000	1,200,000	915,578	284,422			
Leaf Disposal Site	175,000	175,000	74,804	100,196			
Subtotal Other Operating Functions	4,517,178	4,172,178	3,135,175	1,037,003			
Total Operations within "CAPS"	38,803,319	38,705,003	35,139,661	3,565,342			
CONTINGENT:							
8,000	8,000			8,000			
Total Operations Including Contingent Within "CAPS"	38,811,319	38,713,003	35,139,661	3,573,342			
Details:							
Salaries and wages	24,612,725	24,885,860	23,581,153	1,304,707			
Other expenses (including Contingent)	14,198,594	13,827,143	11,558,508	2,268,635			

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	APPROPRIATED 2007 Budget	Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Cancelled	Over- Expended
DEFERRED CHARGES & STATUTORY EXPENDITURES:							
Overexpenditure of Appropriations							
Prior Years Bills	37,150	37,150	37,150			41,000	
Contributions to:							
Public Employees' Retirement System							
Social Security System (O.A.S.I.)	1,000,000	1,005,000	1,002,334	2,666			
Consolidated Police and Firemen's Pension Fund	36,385	36,585	33,584	3,001			
Total Deferred Charges and Statutory Expenditures-							
Municipal Purposes Within "CAPS"	1,073,735	1,119,735	1,073,068	5,667		41,000	
Total General Appropriations for Municipal							
Purposes Within "CAPS"	39,885,054	39,832,738	36,212,729	3,579,009		41,000	
OPERATIONS EXCLUDED FROM "CAPS"							
GENERAL GOVERNMENT:							
Bergen County Utilities Authority's Share of Cost	2,386,978	2,386,978	2,386,977		1		
Maintenance of Free Public Library (C.64, P.L. 1985):	1,682,647	1,682,647	1,671,959	10,688			
Insurance:							
Medical and Surgical		152,316	152,316				
Other Insurance Premiums							
Workers Compensation							
Police and Fire Retirement System	1,946,975	1,946,975	1,944,974	2,001			
Public Employees' Retirement System	259,358	259,358	256,358	3,000			
Stormwater and Water Pollution:							
Salaries and Wages	232,895	232,895	232,895				
Other Expenses	25,000	25,000	25,000				
Subtotal General Government Outside "CAPS"	6,533,853	6,686,169	6,670,479	15,690			
STATE AND FEDERAL PROGRAMS OFFSET							
BY REVENUES							
Recycling Tonnage Grant	33,211	33,211	33,211				
Public Health Priority	9,076	9,076	9,076				
Clean Communities Program	22,220	22,220	22,220				
Drunk Driving Enforcement Fund	1,726	1,726	1,726				
Municipal Alliance on Alcoholism and Drug Abuse	13,844	13,844	13,844				
Domestic Violence Training Program	7,500	7,500	7,500				
Municipal Alliance	17,500	17,500	17,500				
Hepatitis B Inoculation Fund	5,000	5,000	5,000				
NJ/NY Part Authority Grant	5,000	5,000	5,000				
Obey the Signs or Pay the Fines	4,000	4,000	4,000				
Reach and Teach	24,000	24,000	24,000				
Pandemic Flu Preparedness Grant		9,095	9,095				
Open Space Park Improvement Program		353,125	353,125				
Subtotal State and Federal Programs Outside of "CAPS"	143,077	510,297	510,297				
Total Operations Excluded From "CAPS"	6,676,930	7,196,466	7,180,776	15,690			
Details:							
Salaries and Wages	232,895	232,895	232,895				
Other expenses	6,444,035	6,963,571	6,947,881		15,690		

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

	APPROPRIATED 2007 Budget	Budget After Modification	Paid or Charged	Expended	Reserved	Unexpended Balance Cancelled	Over- Expended
Capital Improvements Excluded From "CAPS"							
Capital Improvement Fund	400,000	300,000	300,000				
Total Capital Improvements Excluded From "CAPS"	400,000	300,000	300,000				
Debt Service Excluded From "CAPS":							
Payment of Bond Principal	1,555,000	1,555,000	1,555,000				
Payment of Bond Anticipation Notes and Capital Notes	314,273	314,273	314,273				
Interest on Bonds	255,913	255,913	241,206			14,707	
Interest on Notes	1,245,263	1,245,263	1,245,262			1	
Interest on Emergency Notes	32,054	32,054	31,975			79	
Total Municipal Debt Service Excluded From "CAPS"	3,402,503	3,402,503	3,387,716			14,787	
Deferred Charges-Municipal Excluded From "CAPS":							
Special Emergency Authorizations-5 years	165,200	165,200	165,200				
Total Deferred Charges-Municipal Excluded From "CAPS"	165,200	165,200	165,200				
Judgments	49,000	49,000	48,188			812	
Total General Appropriations For Municipal Purposes Excluded from "CAPS"	10,693,633	11,113,169	11,081,880		15,690	15,599	
Type I District School Debt Service:							
Payment of Bond Principal	325,000	325,000	325,000				
Interest on Bonds	46,028	46,028	46,028				
Total Type I School District Debt Service - Excluded from "CAPS"	371,028	371,028	371,028				
Total General Appropriations - Excluded From "CAPS"	11,064,661	11,484,197	11,452,908		15,690	15,599	
Subtotal General Appropriations	50,949,715	51,316,935	47,665,637		3,594,699	56,599	
Reserve for Uncollected Taxes	2,003,643	2,003,643	2,003,643				
Total General Appropriations	\$ 52,953,358	\$ 53,320,578	\$ 49,669,280		\$ 3,594,699	\$ 56,599	\$
Adopted Budget		\$ 52,953,358					
Emergency Appropriation		367,220					
		\$ 53,320,578					
Other Expenses and Charges to Income:							
County Taxes							\$ 8,726,940
Prior Year Appropriation cancelled							560
Prior Year Senior Citizens Disallowed							2,801
Local School Taxes							43,841,871
Interfunds Advanced							64,940
							\$ 52,637,112

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY

Year	Balance, Dec. 31, 2006	Added Taxes In 2007	Collected		State Veterans' and Senior Citizens' Deductions	State of N.J. REAP	Transferred	Remitted and Canceled	Balance, Dec. 31, 2007
			Levy	2007					
2007	2,191,163	351,153		1,579,639				4,326	958,351
		1,331,783		89,330,959	126,500	728,209	12,440	226,643	2,071,518
	2,191,163	1,682,936		90,910,598	126,500	728,209	12,440	230,969	3,029,869
Analysis of 2007 Property Tax Levy									
Tax Title Liens									
Bankruptcy									
5,584									
6,856									

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THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF TAX TITLE LIENS

Balance December 31, 2006	\$ 49,016
Increased by:	
Transfer from taxes receivable	<u>5,584</u>
	54,600
Decreased by:	
Collections	<u> </u>
Balance December 31, 2007	<u><u>\$ 54,600</u></u>

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THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF TAXES RECEIVABLE IN BANKRUPTCY

Balance December 31, 2006	\$ 3,674
Increased by:	
2007 Taxes	<u>6,856</u>
	10,530
Decreased by:	
Collections or Cancellations	<u>3,674</u>
Balance December 31, 2007	\$ <u><u>6,856</u></u>

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF SEWER USER CHARGE RECEIVABLE

Balance December 31, 2006		\$	88,956
Increased by			
Billings	355,744		
Other Charges	<u>28,680</u>		
			<u>384,424</u>
			473,380
Decreased by:			
Cancelled	21,516		
Collections and Other Credits	<u>404,314</u>		
			<u>425,830</u>
Balance December 31, 2007		\$	<u><u>47,550</u></u>

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THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF DUE FROM STATE OF N.J. ACADEMIES AT ENGLEWOOD

Balance December 31, 2006	\$ <u>367,339</u>
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Balance December 31, 2007	\$ <u>367,339</u>
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THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF 2006 APPROPRIATION RESERVES

	Balance, Dec. 31, <u>2006</u>	Balance after <u>Modifications</u>	<u>Paid or</u> <u>Charged</u>	<u>Balance</u> <u>Lapsed</u>
GENERAL GOVERNMENT:				
Administrative and Executive:				
Mayor and Council:				
Other Expenses	3,361	3,361	(1,031)	4,392
City Manager:				
Salaries and Wages	3,899	3,899		3,899
Other Expenses	101,167	81,561	21,270	60,291
City Clerk's Office:				
Salaries and Wages	678	678		678
Other Expenses	42,561	47,668	23,609	24,059
Purchasing:				
Other Expenses	733	1,120	407	713
Finance Department:				
Salaries and Wages	88,222	51,222		51,222
Other Expenses	32,576	12,874	11,951	923
Data Processing:				
Salaries and Wages				
Other Expenses	10,418	10,632	715	9,917
Assessment of Taxes:				
Salaries and Wages	24,940	12,940		12,940
Other Expenses	3,423	3,803	380	3,423
Collection of Taxes:				
Salaries and Wages	3,350	3,350		3,350
Other Expenses	327	1,536	957	579
Legal Services and Costs:				
Salaries and Wages	1	1		1
Other Expenses	121,872	90,473	77,434	13,039
Engineering Services and Costs:				
Other Expenses	21,454	21,454	15,800	5,654
Community Development Office				
Salaries and Wages	58,000	10,000		10,000
Other Expenses	44,845	63,345	62,603	742
Municipal Court				
Salaries and Wages	55,552	55,552		55,552
Other Expenses	28,671	30,944	8,974	21,970
Public Defender (Contractual)	10,000	10,000		10,000
Insurance:				
Unemployment	154	154		154
Property Maintenance Code Violation Abatement				
Other Expenses	18,730	18,730		18,730
Municipal Land Use				
Planning Board:				
Other Expenses	34,642	35,356	7,774	27,582
PUBLIC SAFETY:				
Fire:				
Salaries and Wages	242,461	492,461	449,639	42,822
Other Expenses	18,757	68,603	65,034	3,569
Police:				
Salaries and Wages	389,799	189,799	189,799	
Other Expenses	230,164	186,001	157,602	28,399

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF 2006 APPROPRIATION RESERVES

	Balance, Dec. 31, <u>2006</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
PUBLIC SAFETY (Continued):				
Emergency Management Services				
Other Expenses	4,581	4,581		4,581
PUBLIC WORKS				
Public Works Administration:				
Salaries and Wages	59,254	19,254		19,254
Other Expenses	36,472	49,738	19,974	29,764
Building and Grounds				
Other Expenses	11,492	29,520	26,338	3,182
Shade Tree Commission:				
Salaries and Wages	15,350	15,350		15,350
Other Expenses	5,030	5,030	1,288	3,742
Road Repairs and Maintenance:				
Salaries and Wages	101,369	221,369	100,939	120,430
Other Expenses	139,217	65,249	22,512	42,737
Central Maintenance Garage:				
Salaries and Wages	25,960	37,960	17,429	20,531
Other Expenses	27,981	52,871	36,984	15,887
Construction and Facilities Maintenance				
Salaries and Wages	4,412	36,412	14,423	21,989
Other Expenses	76,323	42,407	2,919	39,488
Sanitation Collection Costs:				
Salaries and Wages	78,848	378,848	147,904	230,944
Other Expenses	28,641	29,184	740	28,444
Sewer Department:				
Salaries and Wages	35,744	55,744	11,566	44,178
Other Expenses	60,201	30,668	30,608	60
COMMUNITY SERVICES ACT:				
Condominium Community Costs	63,950	63,950	55,000	8,950
HEALTH AND WELFARE:				
Board of Health:				
Salaries and Wages	98,687	98,687		98,687
Other Expenses	36,266	37,464	1,682	35,782
City Physician	1,292	1,292		1,292
Dog Regulation:				
Salaries and Wages	1,500	1,500		1,500
Other Expenses	8,715	8,715		8,715
Mental Health Advisory Committee	8,500	8,500		8,500
Aid to Vincent K. Tibbs Child Development Ct.	68,273	68,273	40,913	27,360
Administration of Public Assistance:				
Salaries and Wages	80	80		80
Other Expenses	10,425	10,425		10,425
Relocation Assistance				
Other Expenses	12,500	12,500		12,500

THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF 2006 APPROPRIATION RESERVES

	Balance, Dec. 31, <u>2006</u>	Balance after <u>Modifications</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
RECREATION AND EDUCATION:				
Recreation Department:				
Salaries and Wages	854	854		854
Other Expenses	172,878	138,690	22,951	115,739
OTHER OPERATING FUNCTIONS				
Terminal Leave Compensation, Salary Adjustments:				
Salaries and Wages	291,169	291,169	173,070	118,099
Construction Code Official				
Salaries and Wages	150,626	50,626		50,626
Other Expenses	31,985	31,985	26,554	5,431
Utilities:				
Electricity	20,253	20,253	20,077	176
Telephone and Communications	58,990	58,990	5,453	53,537
Heating Oil	22,000	22,000	1,670	20,330
Fire Hydrants	64,315	84,678	36,961	47,717
Street Lighting	123,739	182,006	179,085	2,921
Water	16,601	16,601	1,297	15,304
Landfill Dumping Fees (BCUA)	269,156	244,889	244,721	168
Leaf Disposal Site	3,161	113,162	111,563	1,599
CONTINGENT:	8,000	8,000		8,000
STATUTORY EXPENDITURES:				
Contributions to:				
Social Security (O.A.S.I.)	30,081	30,081		30,081
Consolidated Police and Firemen's Retirement System	15,911	15,911		15,911
Public Employees' Retirement System	47	47		47
OTHER OPERATIONS:				
Aid to Volunteer Ambulance				
Other Expenses			(898)	898
Other Expenses	5,000	5,000	4,991	9
Insurance:				
Medical and Surgical	71,754	71,754	520	71,234
Other Insurance Premiums	104,295	104,295		104,295
Workmen's Compensation	175,208	175,208	71,538	103,670
Police Employees' Retirement System	327	327		327
	<u>4,248,170</u>	<u>4,559,614</u>	<u>2,523,689</u>	<u>2,035,925</u>
Budget Reserve		4,248,170		
Reserve for Encumbrances		311,444		
		<u>4,559,614</u>		

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THE CITY OF ENGLEWOOD
CURRENT FUND
STATEMENT OF OTHER RESERVES

	Balance, Dec. 31, <u>2006</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2007</u>
Revaluation of Real Property	71,000		71,000	
Reserve for Codification		15,776		15,776
Self-Insurance	1,186			1,186
South Dean Street Parking Garage	<u>31,460</u>	<u> </u>	<u>31,436</u>	<u>24</u>
	<u>103,646</u>	<u>15,776</u>	<u>102,436</u>	<u>16,986</u>

THE CITY OF ENGLEWOOD
FEDERAL AND STATE GRANT FUND
STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE

<u>Grant</u>	<u>Balance, Dec. 31, 2006</u>	<u>2007 Revenue</u>	<u>Receipts</u>	<u>Cancelled</u>	<u>Balance, Dec. 31, 2007</u>
State of New Jersey:					
Green Community Forestry	2,000		2,000		
Domestic Violence Training Program	9,000	7,500	7,500	9,000	
Livable Community Library Grant	25,000		3,794		21,206
Bio-Terrorism Sub-Grant	1,500			1,500	
Municipal Alliance 2005/2006	35,000	13,844	20,290	28,554	0
Municipal Alliance 2007		17,500			17,500
Statewide Livable Community Grant	60,000				60,000
Safe Streets to Schools	100,000		100,000		
N.J. Transportation Muni. Aid Program	140,000		80,000		60,000
N.J. Dept. of Transportation-Jones Rd.	150,000				150,000
State of New Jersey Clean Communities Program		22,220	22,220		
State of New Jersey Recycling Tonnage Grant		33,211	33,211		(0)
State of New Jersey Drunk Driving Enforcement Fund		1,726	1,726		
State of New Jersey - Public Health Priority Funds		9,076	9,076		
NJ/NY Port Authority Hazmat Grant		5,000	5,000		
Smart Future Award Grant	55,000				55,000
Reach and Teach Grant		24,000	24,000		
Pandemic Flu Preparedness	6,358	9,095	11,705		3,748
NAACHO - HIV/STD	16,500		7,100	9,400	
Bergen County - Open Space		353,125			353,125
Hepatitis B Grant		10,000	5,000		5,000
Obeys the Signs or Pay the Fines		4,000	3,950	50	
	<u>600,358</u>	<u>510,297</u>	<u>336,572</u>	<u>48,504</u>	<u>725,579</u>
Cash Receipts			256,496		
Transfer from Unapprop. Reserves			80,076		
			<u>336,572</u>		

THE CITY OF ENGLEWOOD
FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVE FOR FEDERAL AND STATE GRANTS -
APPROPRIATED

<u>Grant</u>	<u>Balance</u> <u>December 31,</u> <u>2006</u>	<u>Appropriated</u> <u>2007</u>	<u>Expended</u> <u>or</u> <u>Cancelled</u>	<u>Balance</u> <u>December 31,</u> <u>2007</u>
State of New Jersey Recycling Tonnage Grant	64,529	33,211	64,400	33,340
New Jersey Alcohol Education and Rehabilitation Fund	2,572			2,572
State of N.J. Adolescent Health	177,838		4,132	173,706
State of New Jersey Clean Communities Program	44,250	22,220	22,000	44,470
State of New Jersey - Public Health Priority Funds	10,695	9,076	10,779	8,992
Drunk Driving Enforcement Funds	61,091	1,726	11,809	51,008
County of Bergen - Municipal Alliance Program	45,534	13,844	28,554	30,824
Green Community Forestry Grant:				
State	2,000		2,000	-
Local	1,000		1,000	-
Domestic Violence Training Program	8,440	7,500	15,940	-
Livable Community Library Grant	22,600		22,600	-
Bio-Terrorism Sub-Grant	5,681		2,183	3,498
Municipal Alliance :				-
State	1,708		1,708	-
Statewide Livable Community Grant	60,000			60,000
N.J. Transportation Muni. Aid Program	140,000		140,000	-
Safe Streets to Schools	100,000		100,000	-
Smart Future Award Grant	55,000			55,000
National Night Out	423		423	-
Reach and Teach Grant		24,000	22,000	2,000
N.J. Dept. of Transp. - Jones Road	150,000		150,000	-
NAACHO - HIV/STD	16,500		16,500	-
Pandemic Flu Preparedness	1	9,095	5,347	3,749
NJ/NY Port Authority Hazmat Grant		5,000	5,000	-
Obey the Signs or Pay the Fines		4,000	4,000	-
Hepatitis B Grant		10,000	5,000	5,000
Municipal Alliance -State of NJ - 2007		17,500	12,428	5,072
Bergen County - Open Space		353,125		353,125
Enhanced 9-1-1 Grant	24,000			24,000
	<u>993,862</u>	<u>510,297</u>	<u>647,803</u>	<u>856,356</u>

THE CITY OF ENGLEWOOD
FEDERAL AND STATE GRANT FUND
STATEMENT OF RESERVE FOR FEDERAL AND STATE GRANTS-UNAPPROPRIATED

<u>Grant</u>	Balance December 31, <u>2006</u>	Received <u>2007</u>	Appropriated <u>2007</u>	Balance December 31, <u>2007</u>
Recycling Tonnage Grant	33,211	25,905	33,211	25,905
County of Bergen - Municipal Alliance Program	13,844		13,844	
State of New Jersey - Public Health Priority Funds	9,076	10,704	9,076	10,704
State of New Jersey Clean Communities Program	22,220	27,016	22,220	27,016
Drunk Driving Enforcement Fund	1,726	9,153	1,726	9,153
State of N.J. Adolescent Health		338		338
	<u>80,077</u>	<u>73,116</u>	<u>80,077</u>	<u>73,116</u>

THE CITY OF ENGLEWOOD
TRUST FUNDS
STATEMENT OF ASSETS, LIABILITIES AND RESERVES-REGULATORY BASIS
AS OF DECEMBER 31, 2007 AND 2006

	<u>Animal Control</u>	<u>Other</u>	<u>Unemployment Compensation</u>	<u>Public Assistance</u>	<u>Totals</u>
	<u>2007</u>	<u>2007</u>	<u>2007</u>	<u>2007</u>	<u>2007</u>
	<u>2006</u>	<u>2006</u>	<u>2006</u>	<u>2006</u>	<u>2006</u>
ASSETS:					
Cash and Cash Equivalents	52,999	3,203,184	130,378		3,386,561
Investments					
Other Accounts Receivable:					
Grant Receivable-NPP		210,614			210,614
Grant Receivable-CDBG		210,614			210,614
Interfund Receivable				30,586	34,886
	52,999	3,413,798	130,378	30,586	3,597,175
	46,196	2,480,350	100,007		2,657,139

THE CITY OF ENGLEWOOD
TRUST FUNDS
STATEMENT OF ASSETS, LIABILITIES AND RESERVES-REGULATORY BASIS
AS OF DECEMBER 31, 2007 AND 2006

	<u>Animal Control</u>		<u>Other</u>		<u>Unemployment Compensation</u>		<u>Public Assistance</u>		<u>Totals</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
LIABILITIES, RESERVES AND FUND BALANCE:										
Other Liabilities and Reserves:										
Due to the State of New Jersey	16	16							16	16
Payroll Deductions Payable			529,301	364,003					529,301	364,003
Reserve for Unemployment Insurance Trust					130,378	100,007			130,378	100,007
Program Authorizations			210,614	332,736					210,614	332,736
Other Reserves			2,583,123	1,782,883					2,583,123	1,782,883
Reserve for:										
Animal Control Expenditures	52,983	46,171							52,983	46,171
Public Assistance							30,586	30,586		30,586
	<u>52,999</u>	<u>46,187</u>	<u>3,323,038</u>	<u>2,479,622</u>	<u>130,378</u>	<u>100,007</u>	<u>3,506,415</u>	<u>2,656,402</u>	<u>3,506,415</u>	<u>2,656,402</u>
Interfund Accounts Payable		9	90,760	728					90,760	737
	<u>52,999</u>	<u>46,196</u>	<u>3,413,798</u>	<u>2,480,350</u>	<u>130,378</u>	<u>100,007</u>	<u>3,597,175</u>	<u>2,657,139</u>	<u>3,597,175</u>	<u>2,657,139</u>

THE CITY OF ENGLEWOOD
TRUST FUND
STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

BALANCE, DECEMBER 31, 2006		46,171
Increased by:		
Dog License Fees Collected	6,609	
Cat License Fees Collected	1,412	
Late Fees	2,870	
Duplicate Tag Fee	6	
Interest on Investment	1,304	
		<u>12,201</u>
		58,372
Decreased by:		
Expended		<u>5,389</u>
BALANCE, DECEMBER 31, 2007		<u><u>52,983</u></u>

License Fees Collected:

2006	7,260
2007	<u>8,021</u>
	<u><u>15,281</u></u>

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THE CITY OF ENGLEWOOD
TRUST-OTHER FUNDS
STATEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE

BALANCE, DECEMBER 31, 2006	33,974
Increased by:	
Grant Award	<u>210,614</u>
	244,588
Decreased by:	
Receipts	<u>33,974</u>
BALANCE, DECEMBER 31, 2007	<u><u>210,614</u></u>

THE CITY OF ENGLEWOOD
TRUST-OTHER FUNDS
STATEMENT OF RESERVES AND SPECIAL DEPOSITS

	Balance December 31, 2006	Increased	Decreased	Balance December 31, 2007
Reserve For:				
Tax Sale Redemption	97,896	331,920	359,321	70,495
Environmental Commission	645	4		649
BEEDC Corporation	55,493	332,922	222,211	166,204
Lease Escrow - Metro One	5,497	14		5,511
Lease Escrow - NYNEX Rental	6,016	15		6,031
Lease Escrow - BEEDC	18,606	47		18,653
Neighborhood Preservation Program	86,794	80,370	167,163	1
Other Trust	248,391	588,598	84,379	752,610
Tax Sale Premiums	390,066	724,800	508,300	606,566
Developer's Trust	868,828	705,884	623,240	951,472
National Night Out		5,850	5,848	2
Depot Square	1,651			1,651
Fourth of July Fireworks	3,000	27,851	27,573	3,278
	<u>1,782,883</u>	<u>2,798,275</u>	<u>1,998,035</u>	<u>2,583,123</u>

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THE CITY OF ENGLEWOOD
TRUST-OTHER FUNDS
STATEMENT OF RESERVE FOR NEW JERSEY UNEMPLOYMENT
COMPENSATION INSURANCE

BALANCE, DECEMBER 31, 2006		100,007
Increased by:		
Payroll Deductions	39,750	
Interest Earned on Investments and Deposits	<u>4,478</u>	
		<u>44,228</u>
		144,235
Decreased by:		
Unemployment Compensation Claims Paid		<u>13,857</u>
BALANCE, DECEMBER 31, 2007		<u><u>130,378</u></u>

THE CITY OF ENGLEWOOD
GENERAL CAPITAL FUND
BALANCE SHEETS

DECEMBER 31, 2007 AND 2006

ASSETS

	<u>Ref.</u>	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents	C-1	16,143,991	18,249,747
Accounts Receivable	C-1	2,000,000	2,000,000
Interfund Receivable		90,747	
Due From County of Bergen	C-1	342,504	380,004
Due From County of Morris		37,500	
Deferred Charges to Future Taxation:			
Funded		21,360,016	23,240,016
Unfunded	C-2	35,549,139	33,113,552
		<u>75,523,897</u>	<u>76,983,319</u>

LIABILITIES, RESERVES AND FUND BALANCE

General Serial Bonds	C-3	5,400,000	6,955,000
School Serial Bonds	C-3	644,000	969,000
Bond Anticipation Notes	C-4	32,026,139	27,749,564
Capital Lease Payable - Bergen County Imp. Authority	C-6	15,316,016	15,316,016
Interfund Payables	C-1	64,926	
Improvement Authorizations:			
Funded	C-5	3,451,316	5,646,203
Unfunded	C-5	17,004,881	19,127,244
Capital Improvement Fund	C-1	137,349	124,889
Reserve for Capital Improvements	C-1	994,924	905,572
Fund Balance	C-1	<u>484,346</u>	<u>189,831</u>
		<u>75,523,897</u>	<u>76,983,319</u>

The City of Englewood had bonds and notes authorized but not issued in the amount of

\$3,523,000 as per exhibit C-7

See accompanying notes to financial statements.

THE CITY OF ENGLEWOOD
GENERAL CAPITAL FUND
ANALYSIS OF GENERAL CAPITAL CASH

	<u>Ordinance</u>	<u>2007</u>	<u>2006</u>
	<u>Adoption</u>		
Interfund Receivable		(90,748)	
Interfund Payables		64,926	
Due From County of Bergen		(342,504)	(380,004)
Due From County of Morris		(37,500)	
Accounts Receivable		(2,000,000)	(2,000,000)
Capital Improvement Fund		137,349	124,889
Reserve - Other		994,924	905,572
Fund Balance		484,346	189,831
Improvement Authorizations:			
No. 80-13		1,247	21,697
No. 85-22	05/07/85	(35,600)	(35,600)
No. 98-10	05/19/98	-	6,304
No. 98-11	05/19/98	-	48,594
No. 98-13	06/16/98	-	(10,819)
No. 98-24	12/15/98	-	61,423
No. 00-11	05/02/00	3,241	10,894
No. 01-10	05/01/01	35,660	35,660
No. 01-11	05/01/01	-	4,649
No. 01-12	05/01/01	454,075	474,788
No. 01-20	12/18/01	-	61,917
No. 02-07	05/07/02	163,487	324,853
No. 02-08	05/07/02	78,600	78,600
No. 02-21	09/03/02	-	711,004
No. 02-22	09/03/02	1,202	1,202
No. 03-04	07/01/03	1,896,764	1,897,777
No. 03-08	07/01/03	822,979	922,939
No. 03-09	07/01/03	367,371	69,556
No. 03-11	09/12/03	4,870,293	4,870,293
No. 03-15	12/16/03	1,117,392	1,121,197
No. 03-18	12/16/03	130,166	822,068
No. 04-06	04/20/04	35,807	35,807
No. 04-11	06/29/04	241,976	242,176
No. 04-12	06/29/04	399,248	399,383
No. 04-25	10/05/04	43,539	140,515
No. 04-30	12/07/04	148,826	2,998,826
No. 05-04	02/08/05	115,186	115,186
No. 05-11	06/14/05	710,324	900,793
No. 05-18	12/28/05	1,038,222	3,191,000
No. 06-08	06/20/06	3,174,557	(113,223)
No. 07-01		1,074,076	
No. 07-02		119,940	
No. 07-15		6,137	
No. 07-20		(81,517)	
		<u>16,143,991</u>	<u>18,249,747</u>

THE CITY OF ENGLEWOOD
GENERAL CAPITAL FUND
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ordinance Number	Improvements	Balance December 31, 2006	Cancelled or Notes Paid by Budget Appropriation	Balance December 31, 2007	Financed by Bond Anticipation Notes	Analysis of Balance	
						Expenditures	Unexpended Improvement Authorizations
85-22	Transfer Station	35,600		35,600		35,600	
98-13	Construction Parking Lot Elmore Ave	238,000	238,000				
03-04	Acquisition of Lincoln & Liberty School	6,163,729	106,271	6,057,458	6,057,458		
03-11	Acquisition of Lincoln & Liberty School	4,655,000	78,899	4,576,101	4,576,101		
03-18	Roadway Construction Route 4	5,035,000	129,103	4,905,897	4,905,897		
04-11	Various Capital Improvements	1,092,500		1,092,500	1,092,500		
04-12	Various Capital Improvements	997,500		997,500	997,500		
04-25	Various Capital Improvements	285,000		285,000	285,000		
04-30	Renovations to Lincoln School	2,850,000		2,850,000			2,850,000
05-04	Recon. Of Winthrop Place	380,000		380,000	380,000		
05-11	Various Capital Improvements	4,390,835		4,390,835	4,390,835		
05-18	Access Area Route 4	1,900,000		1,900,000	1,900,000		
06-08	Various Capital Improvements	5,090,388		5,090,388	5,090,388		
07-01	Various Capital Improvements		2,036,175	2,036,175	2,036,175		
07-02	Improvement to Mackay Park		314,285	314,285	314,285		
07-20	Various Equipment for Fire Dept.		637,400	637,400		81,517	555,883
		33,113,552	2,987,860	35,549,139	32,026,139	117,117	3,405,883

Analysis of Balance, December 31, 2007

\$ 17,004,881

Improvement Authorizations - Unfunded

Less: Unexpended Proceeds of Bond Anticipation

Notes Issued:

Ordinance No:	
03-04	1,896,764
03-11	4,655,000
03-18	130,166
04-11	241,976
04-12	399,248
04-25	43,539
05-04	115,186
05-11	710,324
05-18	1,038,222
06-08	3,174,557
07-01	1,074,076
07-02	119,940
	<u>\$ 13,598,998</u>

3,405,883

THE CITY OF ENGLEWOOD
GENERAL CAPITAL FUND
STATEMENT OF SERIAL BONDS

General Purposes	Original Issue		Maturity of Bonds Outstanding December 31, 2007		Interest Rate	Balance December 31, 2006	Increased by Bonds Issued	Decreased by Payments	Balance December 31, 2007
	Date	Amount	Date	Amount					
General Improvements	7/15/1999	1,000,000	7/15/08-09	100,000	4.750%	300,000		100,000	200,000
Pension Refunding Bonds, Series 2003	4/1/2003	3,420,000	4/1/2007	905,000	3.250%	905,000		905,000	
General Improvements	6/10/2004	6,700,000	7/1/08 7/1/09 7/1/10 7/1/11 7/1/12 7/1/13 7/1/14	600,000 650,000 700,000 750,000 800,000 850,000 850,000	3.500% 3.500% 3.500% 3.750% 3.750% 4.000% 4.000%	5,750,000		550,000	5,200,000
Subtotal General Serial Bonds						6,955,000		1,555,000	5,400,000
School Purposes	7/15/1999	3,244,000	07/15/08 7/15/09	325,000 319,000	4.750%	969,000		325,000	644,000
Subtotal School Serial Bonds						969,000		325,000	644,000
GRAND TOTAL						7,924,000		1,880,000	6,044,000

THE CITY OF ENGLEWOOD
GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES

Ordinance Number	General Improvements	Date of Issue	Date of Maturity	Balance December 31, 2006	Increased	Decreased	Balance December 31, 2007
03-04	Acquisition - Liberty/Lincoln Schools	10/20/2003	7/6/2007	6,163,729	6,057,458	6,163,729	6,057,458
03-11	Acquisition - Liberty/Lincoln Schools	7/9/2004	7/6/2007	4,655,000	4,576,101	4,655,000	4,576,101
03-18	Route 4 Access Area	7/9/2004	7/6/2007	5,035,000	4,905,897	5,035,000	4,905,897
04-11	Various Equipment	7/8/2005	7/6/2007	1,092,500	1,092,500	1,092,500	1,092,500
04-12	Various Improvements	7/9/2005	7/6/2007	997,500	997,500	997,500	997,500
04-25	Various Capital Improvements	7/10/2005	7/6/2007	285,000	285,000	285,000	285,000
04-30	Renovations to Lincoln School	7/7/2006	7/6/2007	2,850,000	380,000	2,850,000	380,000
05-04	Recon. Of Windthrop Place	7/11/2005	7/6/2007	380,000	4,390,835	380,000	4,390,835
05-11	Various Capital Improvements	7/7/2006	7/6/2007	4,390,835	1,900,000	4,390,835	1,900,000
05-18	Route 4 Access	7/7/2006	7/6/2007	1,900,000	5,090,388	1,900,000	5,090,388
06-08	Various Capital Improvements	7/6/2007	7/6/2007	2,036,175	314,285	2,036,175	2,036,175
07-01	Various Capital Improvements	7/6/2007	7/6/2007				
07-02	MacKay Park Improvements	7/6/2007	7/6/2007				
				\$ 27,749,564	\$ 32,026,139	\$ 27,749,564	\$ 32,026,139
Issued for Cash					7,440,848		
Renewals					24,585,291		
Cancelled						2,850,000	
Paid by Budget Appropriation						314,273	
				\$ 32,026,139		\$ 27,749,564	

THE CITY OF ENGLEWOOD
GENERAL CAPITAL FUND
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

Ordinance Number	Description	Date	Original Amount	Balance December 31, 2006		2007 Authorizations		Capital Improvement Fund	Expended (Refunded) or Cancelled	Balance December 31, 2007	
				Funded	Unfunded	Deferred Charges To Future Taxation Unfunded	To Future Taxation Unfunded			Funded	Unfunded
80-13	Meltzer Brook Construction	5/19/1998	32,940	21,697					20,450	1,247	
98-10	Road Reconstruction	5/19/1998	485,000	6,304					6,304		
98-11	Construction Residential Housing	5/19/1998	250,000	48,594					48,594		
98-13	Construction Parking Lot Elmore	6/16/1998	250,000		227,181				227,181		
98-24	Acquisition Property 12 Williams St.	12/15/1998	550,000	61,423					61,423		
00-11	Various Improvements	5/2/2000	500,000	10,894					7,653	3,241	
01-10	Construction W. Palisade Median	5/1/2001	1,713,000	35,660					4,649	35,660	
01-11	Fire, DPW, Ambulance Equipment	5/1/2001	820,000	4,649					20,713	454,075	
01-12	Various Impr: City Hall, Fire, Parks	5/1/2001	1,400,000	474,788					61,917		
01-20	Central Ave Sanitary Sewer	12/18/2001	200,000	61,917					161,366	163,487	
02-07	Various Improvements and DPW Equipment	5/7/2002	1,150,000	324,853						78,600	
02-08	Jones Rd. and Flat Rock Brook	5/7/2002	500,000	78,600							
02-21	Overpeck Channel Creek	9/3/2002	900,000	711,004					711,004	1,202	1,896,764
02-22	Various Road Improvements	9/3/2002	750,000	1,202	1,897,777				1,013	822,979	
03-04	Acquisition: Lincoln/Liberty School	7/1/2003	6,600,000	922,939					99,960	367,371	
03-08	Various Capital Improvements	7/1/2003	1,890,000	69,556					(297,815)	215,293	4,655,000
03-09	Various Road Improvements	7/1/2003	2,900,000		4,655,000				3,805	1,117,392	
03-11	Acquisition: Lincoln/Liberty School	9/2/2003	4,900,000	215,293					691,902	35,807	130,166
03-15	Various Capital Improvements	12/16/2003	1,185,000	1,121,197							
03-18	Roadway Construction Route 4	12/16/2003	5,300,000		822,068						
04-06	Construction of Parking Garage	4/20/2004	1,750,000	35,807					200		241,976
04-11	Various Capital Improvements	6/29/2004	1,150,000		242,176				135		399,248
04-12	Various Capital Improvements	6/29/2004	1,050,000		399,383				96,976		43,539
04-25	Various Capital Improvements	10/5/2004	300,000		140,515						2,850,000
04-30	Renovations to Lincoln School	12/7/2004	3,000,000	148,826						148,826	
05-04	Reconstruction Windthrop Place	3/1/2005	400,000		115,186				190,469		115,186
05-11	Various Capital Improvements	6/14/2005	4,610,000		900,793				2,152,778		710,324
05-18	Access Area Route 4	12/28/2005	3,200,000		1,900,000				1,802,608		1,038,222
06-08	Various Capital Improvements	6/20/2006	5,345,000		4,977,165				1,063,924		3,174,557
07-01	Various Capital Improvements		2,138,000			2,036,175	101,825				1,074,076
07-02	Improvement to Mackay Park	2/13/2007	330,000			314,285	15,715		210,060		119,940
07-15	Purchase of Ambulance		81,100				81,100		74,963	6,137	
07-20	Various Equipment for Fire Dept.	8/14/2007	669,300			637,400	31,900		113,417		555,883
				5,646,203	19,127,244	2,987,860	230,540		7,535,649	3,451,317	17,004,881

THE CITY OF ENGLEWOOD
GENERAL CAPITAL FUND
STATEMENT OF CAPITAL LEASE OBLIGATIONS PAYABLE

Purpose	Original Issue		Maturity of Bonds Outstanding December 31, 2007		Yield	Price	Accretion	Final Maturity Amount	
	Date	Amount	Date	Amount					
County Guaranteed Governmental Loan Revenue Bonds Series 2005B	9/20/2005	15,316,016	09/01/08	702,032	3.160%	91.173	67,968	770,000	
			09/01/09	686,798	3.250%	88.051	93,202	780,000	
			09/01/10	1,065,910	3.410%	84.596	194,090	1,260,000	
			09/01/11	1,023,864	3.520%	81.259	236,136	1,260,000	
			09/01/12	980,015	3.650%	77.779	279,985	1,260,000	
			09/01/13	936,394	3.770%	74.317	323,606	1,260,000	
			09/01/14	894,965	3.860%	71.029	365,035	1,260,000	
			09/01/15	1,496,192	3.960%	67.701	713,808	2,210,000	
			09/01/16	1,420,257	4.080%	64.265	789,743	2,210,000	
			09/01/17	1,349,735	4.170%	61.074	860,265	2,210,000	
			09/01/18	1,285,336	4.230%	58.160	924,664	2,210,000	
			09/01/19	1,219,257	4.310%	55.170	990,743	2,210,000	
			09/01/20	1,156,449	4.380%	52.328	1,053,551	2,210,000	
09/01/21	1,098,812	4.430%	49.720	1,111,188	2,210,000				
								8,003,984	23,320,000

**THE CITY OF ENGLEWOOD
GENERAL CAPITAL FUND
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

<u>Ordinance Number</u>	<u>Improvements</u>	<u>Balance December 31, 2006</u>	<u>Authorizations</u>	<u>Bond Anticipation Notes</u>	<u>Cancelled</u>	<u>Balance December 31, 2007</u>
85-22	Various Improvements	\$ 35,600	\$	\$	\$	35,600
98-13	Elmore Ave. Parking Lot Const.	238,000			238,000	
04-30	Renovations to Lincoln School		2,850,000			2,850,000
05-11	Various Capital Improvements					
05-18	Route 4 Access					
06-08	Various Capital Improvements	5,090,388		5,090,388		
07-01	Various Capital Improvements		2,036,175	2,036,175		
07-02	Improvement to Mackay Park		314,285	314,285		
07-20	Various Equipment for Fire Dept.		637,400			637,400
		<u>\$ 5,363,988</u>	<u>\$ 5,837,860</u>	<u>\$ 7,440,848</u>	<u>\$ 238,000</u>	<u>\$ 3,523,000</u>
2007 Authorizations		\$	2,987,860			
Prior Year Authorization			<u>2,850,000</u>			
Total			<u>\$ 5,837,860</u>			

D

THE CITY OF ENGLEWOOD
FREE PUBLIC LIBRARY
BALANCE SHEET
DECEMBER 31, 2007 AND 2006

ASSETS	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents	138,020	134,662
Investments	<u>69,931</u>	<u>66,484</u>
	<u>207,951</u>	<u>201,146</u>
 FUND BALANCES		
General Fund		
Restricted:		
Library Restricted	3,735	1,000
Unrestricted:		
Undesignated	95,925	91,665
Custodian Fund	<u>69,931</u>	<u>66,484</u>
State Aid Fund	<u>38,360</u>	<u>41,997</u>
	<u>207,951</u>	<u>201,146</u>

THE CITY OF ENGLEWOOD
FREE PUBLIC LIBRARY
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - GENERAL FUND

FUND BALANCE, DECEMBER 31, 2006		92,665
Increased by:		
Coin Copiers and Readers	8,571	
Lost and Paid Books	6,280	
Fines	22,520	
Miscellaneous - Other	1,541	
Gifts / Grants	33,022	
Interest on Investments	4,825	
Video Cassettes	11,089	
Englewood Cliffs	220,997	
Bergen County Library	12,355	
Crane Family Children's Media Fund	1,000	
City Operating Funds	143,707	
		<u>465,907</u>
		558,572
Decreased by:		
Office Supplies	19,891	
Office Equipment/Service/Maintenance	6,137	
Postage	5,298	
Books and Periodicals	114,555	
Binding	526	
Utilities	92,030	
Art Records and Cassettes	34,291	
Janitorial Supplies	3,724	
Printing And Publications	10,728	
Staff Development	5,403	
Programs	13,256	
Other Contracted Services	85,553	
Automation	45,214	
Other Miscellaneous	22,306	
		<u>458,912</u>
FUND BALANCE, DECEMBER 31, 2007		<u><u>99,660</u></u>
ANALYSIS OF BALANCE:		
Petty Cash	370	
Cash	99,290	
		<u><u>99,660</u></u>

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THE CITY OF ENGLEWOOD
FREE PUBLIC LIBRARY
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CUSTODIAN FUND

FUND BALANCE, DECEMBER 31, 2006	66,484
Increased by:	
Interest on Investments	<u>3,447</u>
FUND BALANCE, DECEMBER 31, 2007	<u><u>69,931</u></u>
ANALYSIS OF BALANCE:	
Investments	<u><u>69,931</u></u>

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THE CITY OF ENGLEWOOD
FREE PUBLIC LIBRARY
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - STATE AID FUND

FUND BALANCE, DECEMBER 31, 2006		41,997
Increased by:		
Interest on Investments	194	
State Aid	33,737	
Miscellaneous	<u>25</u>	
		<u>33,956</u>
		75,953
Decreased by:		
Miscellaneous	20	
Microfilm	4,583	
Books and Periodicals	<u>32,990</u>	
		<u>37,593</u>
FUND BALANCE, DECEMBER 31, 2007		<u><u>38,360</u></u>
ANALYSIS OF BALANCE:		
Cash		<u><u>38,360</u></u>

THE CITY OF ENGLEWOOD
FREE PUBLIC LIBRARY
SCHEDULE OF INVESTMENTS, AT COST
DECEMBER 31, 2007

	<u>Account Number</u>	<u>Book Value</u>
CUSTODIAN FUND:		
State of New Jersey Cash Management Fund	#171-000126306	\$ 33,757
State of New Jersey Cash Management Fund	#171-000125091	30,330
State of New Jersey Cash Management Fund	#171-000125105	<u>5,844</u>
		\$ <u><u>69,931</u></u>

E

THE CITY OF ENGLEWOOD
GENERAL FIXED ASSETS ACCOUNT GROUP
BALANCE SHEET
DECEMBER 31, 2007 AND 2006

ASSETS	<u>2007</u>	<u>2006</u>
GENERAL FIXED ASSETS:		
Land	1,184,895	1,184,895
Building and Building Improvements	9,005,807	9,005,807
Machinery and Equipment	<u>9,788,271</u>	<u>10,230,758</u>
	<u>19,978,973</u>	<u>20,421,460</u>
 INVESTMENT IN GENERAL FIXED ASSETS	 <u>19,978,973</u>	 <u>20,421,460</u>

F

**THE CITY OF ENGLEWOOD
DEBT SERVICE FUND
BALANCE SHEETS
DECEMBER 31, 2007 AND 2006**

ASSETS	<u>2007</u>	<u>2006</u>
Cash and Cash Equivalents	<u>58,425</u>	<u>58,425</u>
LIABILITIES		
Bonds Payable	47,000	47,000
Interest Payable	<u>11,425</u>	<u>11,425</u>
	<u>58,425</u>	<u>58,425</u>

Table 1

THE CITY OF ENGLEWOOD
CURRENT FUND EXPENDITURES BY FUNCTION (1)
LAST TEN FISCAL YEARS
UNAUDITED

Year	General Government	Public Safety	Streets and Roads	Health and Welfare	Recreation and Education	Deferred Charges and Statutory Expenditures	State and Federal Grants	Capital Improvements	Debt Service	Reserve for Uncollected Taxes	Total
2007	20,694,248	18,336,613	4,342,295	978,641	1,095,563	1,243,935	510,297	300,000	3,758,744	2,003,643	53,263,979
2006	19,089,876	17,315,518	4,263,436	1,251,145	1,226,617	1,381,556	450,368	379,000	2,951,474	2,351,059	50,660,049
2005	18,460,638	16,950,896	4,325,141	1,122,043	1,203,910	1,064,000	540,657	320,000	3,450,852	2,260,778	49,698,915
2004	15,408,687	15,942,979	4,280,331	1,117,381	1,132,872	2,945,842	191,588	350,000	2,789,961	2,265,683	46,425,324
2003	14,045,790	15,437,727	4,013,318	1,036,692	1,037,350	1,056,348	78,677	1,280,202	2,762,197	4,516,417	45,264,718
2002	13,388,722	13,921,312	3,938,644	969,921	856,873	1,180,678	184,793	425,000	2,793,241	4,413,555	42,072,739
2001	13,382,367	13,122,897	3,608,372	994,827	742,812	1,431,883	145,484	275,000	2,845,918	4,411,847	40,961,407
2000	13,309,184	12,237,689	3,634,689	1,040,415	737,360	2,041,000	148,550	255,000	2,880,840	4,350,909	40,635,636
1999	12,187,085	12,184,395	3,677,933	1,036,750	675,460	2,382,000	92,484	514,000	2,791,325	4,273,493	39,814,925
1998	12,106,580	11,829,950	3,073,313	1,172,867	750,320	2,350,000	172,652	519,000	3,285,844	4,210,974	39,471,480

(1) Appropriations divided between inside "CAPS" and outside "CAPS" have been combined.

Table 2

THE CITY OF ENGLEWOOD
CURRENT FUND REVENUES BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Taxes (1)</u>	<u>Delinquent Taxes</u>	<u>Fees, Permits Fines and Licenses</u>	<u>State Aid</u>	<u>State and Federal Grants</u>	<u>Surplus From Other Funds</u>	<u>Surplus Anticipated</u>	<u>Non Budget Revenues and Other Items</u>	<u>Total</u>
2007	40,110,077	1,583,313	5,002,982	4,068,703	510,297		4,800,000	2,654,706	58,730,078
2006	36,375,002	1,847,634	4,120,915	4,098,447	445,993	400,000	4,479,000	3,822,770	55,589,761
2005	35,180,234	1,342,076	4,091,479	4,098,447	535,282	700,000	4,800,000	2,720,045	53,467,563
2004	34,106,105	1,800,264	3,208,138	3,798,447	191,588	-0-	4,800,000	1,412,894	49,317,436
2003	34,407,561	1,497,167	2,810,180	3,527,434	78,677	-0-	4,600,000	1,541,870	48,462,889
2002	32,471,816	2,679,134	2,841,793	3,506,575	184,793	-0-	4,600,000	1,187,079	47,471,190
2001	30,826,211	1,961,829	2,946,010	3,506,578	145,481	-0-	4,700,000	1,194,864	45,280,973
2000	30,497,827	1,913,017	3,218,211	3,671,566	148,550	-0-	4,380,000	1,085,861	44,915,032
1999	30,901,100	1,961,491	3,127,838	3,406,067	92,484	-0-	4,200,000	1,482,251	45,171,231
1998	29,579,145	1,950,296	2,971,394	3,378,795	172,653	-0-	4,200,000	1,467,231	43,719,514

(1) Excludes taxes allocated to county and school.

Table 3

THE CITY OF ENGLEWOOD
ASSESSED VALUE AND ESTIMATE OF TOTAL VALUE
UNAUDITED

<u>Year</u>	Net Assessed Valuation <u>Taxable</u>	Estimated Full Cash <u>Valuations</u>	Percentage of Net Assessed to Estimated <u>Full Cash Valuations</u>
2007	4,992,356,340	4,749,003,469	105.12%
2006	2,063,655,113	4,600,985,028	44.85%
2005	2,044,264,194	4,187,316,968	48.82%
2004	2,032,445,033	3,734,017,512	54.43%
2003	2,026,213,856	2,992,144,064	67.72%
2002	2,020,638,645	2,817,761,758	71.71%
2001	2,000,454,538	2,620,206,996	76.35%
2000	2,074,213,192	2,369,716,887	87.53%
1999	1,972,971,895	2,254,052,205	87.53%
1998	1,907,858,299	2,088,130,498	91.37%

Source: State of N.J. Dept. of the Treasury Division of Taxation
Certification of the Table of Equalized Valuations

Table 4

THE CITY OF ENGLEWOOD
SCHEDULE OF TEN LARGEST TAXPAYERS
UNAUDITED

<u>Taxpayer</u>	Assessed Valuation <u>2007</u>	Percentage of Net Assessed <u>Valuation</u>
S Van Brunt Invest LLC	\$ 20,616,400	1.00%
Rockwood Property Holding, LLC	19,693,300	0.95%
Englewood Terrace LLC	19,212,000	0.93%
Englewood Village LLC	18,983,400	0.92%
Lackland Partners Storage Assets	15,413,900	0.75%
John Sexton & Co	15,240,000	0.74%
Englewood Redevelopment Assoc.	15,152,000	0.73%
Realty Assoc. Fund VI, L.P.	12,514,700	0.61%
Nordhoff Realty Associates, L.P.	11,651,800	0.56%
ESS Prisa, LLC	<u>11,285,100</u>	<u>0.55%</u>
	\$ <u><u>159,762,600</u></u>	<u><u>7.74%</u></u>

Source: City Tax Department

Table 5

THE CITY OF ENGLEWOOD
COMPUTATION OF LEGAL DEBT MARGIN AND OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2007
UNAUDITED

Average Equalized Valuation	\$ <u>4,623,288,971</u>
Borrowing Power 3 1/2% of Average Equalized Valuation	\$ 161,815,114
Net Debt	<u>40,849,139</u>
Remaining Borrowing Power	\$ <u>120,965,975</u>

	Gross Debt	Deductions	Net Debt
Municipal Debt:			
City of Englewood	\$ <u>41,493,139</u>	\$ <u>644,000</u>	\$ <u>40,849,139</u>

Overlapping Debt Apportioned to the Municipality:	
County of Bergen (1);(A)	16,187,140
County of Bergen Utilities Authority (B)	<u>12,156,739</u>
	\$ <u>28,343,879</u>

(1) County of Bergen 2007 Annual Debt Statement

(A) The debt for this entity was apportioned to the City of Englewood by dividing the municipality's 2007 equalized value by the total 2007 equalized value for Bergen County which results in an apportionment of 2.75%.

(B) The apportionment of debt for the City of Englewood for Sewer which was obtained from the B.C.U.A. is 5.05%.

THE CITY OF ENGLEWOOD
RATIO OF BONDED DEBT, BOND ANTICIPATION NOTES AND
LOANS TO EQUALIZED VALUE
AND DEBT PER CAPITA
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Population (1)</u>	<u>Average Equalized Valuation (2)</u>	<u>Gross Debt</u>	<u>Gross Debt per Capita</u>	<u>Ratio of Gross Bonded Debt To Equalized Valuation</u>	<u>Net Debt</u>	<u>Ratio of Net Bonded Debt To Equalized Valuation</u>	<u>Net Bonded Debt per Capita</u>
2007	26,203	4,623,288,971	41,593,139	1,587	0.90%	40,949,139	0.89%	1,563
2006	26,203	4,174,106,503	41,037,522	1,566	0.98%	39,163,522	0.94%	1,495
2005	26,203	3,755,680,491	37,848,435	1,444	1.01%	34,779,435	0.93%	1,327
2004	26,203	3,354,428,696	48,177,850	1,839	1.44%	43,948,850	1.31%	1,677
2003	26,203	2,983,158,524	41,078,361	1,568	1.38%	37,658,361	1.26%	1,437
2002	26,203	2,681,323,127	24,434,881	933	0.91%	21,135,881	0.79%	807
2001	26,203	2,433,651,984	17,322,651	661	0.71%	13,183,651	0.54%	503
2000	26,203	2,251,742,552	14,598,730	557	0.65%	9,619,730	0.43%	367
1999	24,850	2,114,293,802	14,527,600	585	0.69%	8,708,600	0.41%	350
1998	24,850	2,035,866,349	15,039,100	605	0.74%	8,489,100	0.42%	342

(1) U.S. Bureau of the Census, Population Division (2000 Census)

(2) Per the State of New Jersey, Department of the Treasury, Division of Taxation
Certification of the Table of Equalized Valuations.

Table 7

THE CITY OF ENGLEWOOD
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES-CURRENT FUND
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Current Fund Governmental Expenditures</u>	<u>Ratio of Debt Service to Current Fund Expenditures</u>
2007	2,194,273	1,564,471	3,758,744	53,263,979	7.06%
2006	1,901,271	1,050,203	2,951,474	50,660,049	5.83%
2005	1,986,850	1,464,001	3,450,851	49,698,915	6.94%
2004	2,234,511	555,450	2,789,961	46,425,324	6.01%
2003	2,253,770	508,427	2,762,197	45,264,718	6.10%
2002	2,253,770	539,471	2,793,241	42,072,739	6.64%
2001	2,282,529	563,389	2,845,918	40,961,407	6.95%
2000	2,312,770	568,070	2,880,840	40,635,636	7.09%
1999	2,685,000	625,320	3,310,320	39,814,925	8.31%
1998	2,708,000	577,844	3,285,844	39,471,480	8.32%
1997	2,362,000	692,473	3,054,473	38,562,994	7.92%

Table 8

THE CITY OF ENGLEWOOD
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

December 31,	Unemployment Rate (1)	Total Per Capita Income(2)	<u>Population(2)</u>
2007	4.00%	N/A	26,203
2006	4.50%	N/A	26,203
2005	4.70%	N/A	26,203
2004	4.50%	N/A	26,203
2003	7.80%	N/A	26,203
2002	7.70%	N/A	26,203
2001	5.80%	N/A	26,203
2000	4.90%	N/A	26,203
1999	4.50%	N/A	24,850
1998	4.40%	N/A	24,850

SOURCE

- 1) NEW JERSEY DEPARTMENT OF LABOR AVERAGE ANNUAL LABOR FORCE
- 2) UNITED STATES BUREAU OF CENSUS

Table 9

THE CITY OF ENGLEWOOD
MISCELLANEOUS STATISTICS
UNAUDITED

Date of Incorporation	March 17, 1899
Form of Government	Council-Manager
Area in Square Miles	4.95
Miles of streets	71

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

Honorable Mayor and
Members of the City Council
City of Englewood
County of Bergen, New Jersey

We have audited the financial statements-regulatory basis of the City of Englewood in the County of Bergen as of and for the year ended December 31, 2007, and have issued our report thereon dated June 30, 2008. Our report disclosed that, as described in note 1 to the financial statements-regulatory basis, the City of Englewood prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, that demonstrates compliance with a modified accrual basis of accounting and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Englewood's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the City of Englewood's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Englewood's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.



A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

As noted in the accompanying Schedule of Findings and Questioned Costs, we consider the following to be a significant deficiency:

- The Chief Financial Officer had previously developed and currently has access to the source code of the City's accounting software.

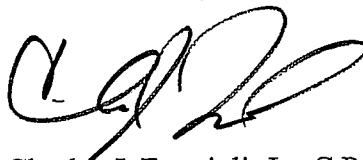
We did not consider the significant deficiency noted above to be a material weakness.

Compliance and Other Matters

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

We noted certain immaterial instances of noncompliance that we have reported to the management of the City of Englewood in the accompanying comments and recommendations section of this report.

This report is intended solely for the information of management, The Division of Local Government Services, Department of Community Affairs, State of New Jersey, Federal Awarding Agencies and Pass Through Entities and is not intended to be and should not be used by anyone other than these specified parties.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

June 30, 2008



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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR STATE PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable Mayor and
Members of the City Council
City of Englewood
County of Bergen, New Jersey

Compliance

We have audited the compliance of the City of Englewood in the County of Bergen with the types of compliance requirements described in the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that are applicable to each of its major state programs for the year ended December 31, 2007. City of Englewood's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the City of Englewood's management. Our responsibility is to express an opinion on the City of Englewood's compliance based on our audit.

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; the audit requirements as prescribed by the Division of Local Government Services; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations"; and the provisions the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the City of Englewood's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Englewood's compliance with those requirements.

In our opinion, the City of Englewood complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2007.



Internal Control Over Compliance

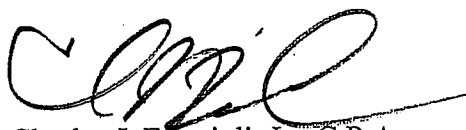
The management of the City of Englewood is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the City of Englewood's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Englewood's internal control over compliance.

A *control deficiency* is an entity's internal control over compliance that 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 noncompliance with a type of compliance requirement of a state program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. The City of Englewood's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Englewood's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of the management of the City of Englewood, the Division of Local Government Services, Department of Community Affairs, State of New Jersey and other state and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.



Charles J. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

June 30, 2008



CITY OF ENGLEWOOD, NEW JERSEY

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2007

Name of Federal Agency Or Department	Federal Program	C.F.D.A / Account No.	Program Amount	Balance Jan. 1, 2007	Receipts/ Revenues	Expended	Balance Dec. 31, 2007	Cumulative Expenditures
U.S. Department of Housing and Urban Development	Community Development Block Grants:	14.218						
	West Englewood Avenue Area Improvement	210-155-733-36-19	\$331,789	331,789		331,789	-	331,789
	Barrier Free Improvements		\$210,614		210,614		210,614	
U.S. Department of Justice	Edward Byrne Memorial Justice Assistance Grant	16.58	\$5,000	423			423	4,577
	National Night Out	2005-DJ-BX-1734						
Total Federal Awards				332,212	210,614	331,789	211,037	336,366

CITY OF ENGLEWOOD, NEW JERSEY
Schedule of Expenditures of State/County Financial Assistance
For the Year Ended December 31, 2007

State Agency Or Department	State Program	State Program/ Account No.	Program Amount	Balance Jan. 1, 2007	Receipts/ Revenues	Expended	Balance Dec. 31, 2007	Cumulative Expenditures
Department of Environmental Protection and Energy	Clean Communities Program	4900-765-042-4900-004-YCMC-6020	\$20,562	1,730		1,730	-	20,562
		4900-765-042-4900-004-YCMC-6020	\$21,326	21,326		20,269	1,057	20,269
		4900-765-042-4900-004-YCMC-6020	\$21,193	21,193			21,193	
		4900-765-042-4900-004-YCMC-6020	\$22,220		22,220		22,220	22,000
Department of Community Affairs	Recycling Tonnage Grant	4900-752-042-4900-001-VREV-6020	\$16,862	16,862		16,862	-	16,862
		4900-752-042-4900-001-VREV-6020	\$25,749	25,749		25,749	-	25,749
		4900-752-042-4900-001-VREV-6020	\$21,918	21,918		21,789	129	21,789
		4900-752-042-4900-001-VREV-6020	\$33,211		33,211		33,211	
Department of Community Affairs	Adolescent Health Grant	4220-100-046-4535-129-1002-6140	\$112,922	39,970		4,132	35,838	77,084
		4220-100-046-4535-129-1002-6140	\$85,268	89,268			89,268	
		4220-100-046-4535-129-1002-6140	\$48,600	48,600			48,600	
Department of Community Affairs	Public Health Priority Funding	4220-100-046-4535-109-1002-6020	\$8,326	923		923	-	8,326
		4220-100-046-4535-109-1002-6020	\$9,772	9,772		9,772	-	9,772
		4220-100-046-4535-109-1002-6020	\$9,076		9,076	84	8,992	84
Statewide Livable Communities Local Library Grant	Domestic Violence Training	100-022-8030-654-FTEF-6120	\$25,000	(2,400)	3,794	22,600	(21,206)	22,600
		n/a	\$4,500	(560)	560		-	
		n/a	\$4,500				-	
		n/a	\$7,500		7,500	7,500	-	7,500

CITY OF ENGLEWOOD, NEW JERSEY
Schedule of Expenditures of State/County Financial Assistance
For the Year Ended December 31, 2007

State Agency Or Department	State Program	State Program/ Account No.	Program Amount	Balance Jan. 1, 2007	Receipts/ Revenues	Expended	Balance Dec. 31, 2007	Cumulative Expenditures
Department of Community Affairs (cont.)	Smart Future 2006 Hepatitis B Grant Municipal Alliance Obey the Signs or Pay the Fines NJ/NY Port Authority Hazmat	2006-100-072-8020-090-FSMR-6120	\$55,000	-	5,000	5,000	-	5,000
						12,428	(12,428)	12,428
					3,950	3,950	-	3,950
					5,000	5,000	-	5,000
Division of Motor Vehicles	Drunk Driving Enforcement Fund	6400-100-078-6400-XXXX 6400-100-078-6400-XXXX 6400-100-078-6400-XXXX 6400-100-078-6400-XXXX	\$5,383 \$15,213 \$16,117 \$28,635	1,125 15,213 16,117 28,635		1,125 10,682	- 4,531 16,117 28,635	5,383 10,682
			\$1,725		1,725		1,725	
Department of Transportation	Alcohol Education and Rehabilitation Grant	9735-760-098-Y900-001-X100-6020 9735-760-098-Y900-001-X100-6020 9735-760-098-Y900-001-X100-6020 9735-760-098-Y900-001-X100-6020	\$902 \$51 \$937 \$682	902 51 937 682			902 51 937 682	
	Municipal Aid Program Safe Streets to Schools Jones Road		\$140,000 \$100,000 \$150,000		80,000 100,000	140,000 100,000 150,000	(60,000) -	140,000 100,000 150,000
	Green Community and Forestry				2,000	2,000		2,000
Department of Health and Senior Services	Pandemic Flu Planning	06-1337-BT-L-O	\$6,358	(6,358)	11,705	5,347	-	6,358
Office of Information Technology	Enhanced 911 General Assistance	05-G-02-536	\$24,000	24,000			24,000	
Total State Financial Assistance				375,655	285,741	566,942	94,454	693,398

CITY OF ENGLEWOOD, NEW JERSEY
Schedule of Expenditures of State/County and Other Financial Assistance
For the Year Ended December 31, 2007

State Agency Or Department	State Program	State Program/ Account No.	Program Amount	Balance Jan. 1, 2007	Receipts/ Revenues	Expended	Balance Dec. 31, 2007	Cumulative Expenditures
County of Bergen:								
	Municipal Alliance Program	n/a	\$22,495	518			518	21,977
			\$10,016	10,016			10,016	
			\$13,844		13,844		13,844	
			\$13,844		6,446		6,446	
	Improvement and Signization of the Palisades Ave. and Woodland Ave. Intersection	n/a	\$693,504	269,835		7,650	262,185	81,318
	Bio-Terrorism Subgrant	n/a	\$3,000	2,681		683	1,998	1,002
			\$3,000	1,500			1,500	
	County of Bergen: Open Space Grant	n/a	\$353,125					104,297
Subtotal County Awards				284,550	20,290	8,333	296,507	208,594
Other Awards:								
National Night Out				423		423	-	423
City and County Health Officials		n/a	\$16,500		7,100	7,100	-	7,100
National Association of Englewood Hospital		n/a	\$24,000		24,000	22,000	2,000	24,000
				423	31,100	29,523	2,000	31,523
Total County and Other Awards				660,628	337,131	604,798	392,961	933,515

CITY OF ENGLEWOOD

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

NOTE 1: GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State and County Financial Assistance is not prepared on the accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources. Encumbrances are used during the year for budgetary control purposes and lapse at year end.

NOTE 2: REPORTING ENTITY

The City of Englewood, New Jersey for purpose of the Schedule of Expenditures of Federal Awards and State and County Financial Assistance includes all of the funds as defined by the Division of Local Government Services as described in Note 1 to the financial statements, The Financial Reporting Entity. It does not include the City of Englewood Board of Education in as much as their activities are administered by separate boards. This component unit also receives financial assistance, but separately satisfies the audit requirements of OMB Circular A-133.

NOTE 3: RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>County/Other</u>	<u>Total</u>
Current Grant Fund		566,942	37,856	604,798
Other Trust Fund	<u>331,789</u>			<u>331,789</u>
	<u>331,789</u>	<u>566,942</u>	<u>37,856</u>	<u>936,587</u>

CITY OF ENGLEWOOD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINDING 2007-1:

STATE OF CONDITION

The City's Chief Financial Officer, formerly the IT Manager, had previously developed and currently has access to the source code of the City's accounting software.

EFFECT

There is no back-up to the Chief Financial Officer with access of knowledge to the source code.

CAUSE

The Chief Financial Officer was formally the IT Manager.

RECOMMENDATION

That someone be trained in the source codes of the software and exception reports be run on a regular basis and examined by an independent party and there is no segregation of duties between the programmer and user of the software.

GENERAL COMMENTS AND RECOMMENDATIONS

Contracts and Agreements

N.J.S.A. 40A:11-4 states "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act or specifically by any other law."

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500. On July 1, 2005, the bid threshold was increased to \$21,000. If the purchasing agent is a qualified purchasing agent the governing body may establish a bid threshold up to \$29,000.

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

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500 or \$21,000 after July 1, 2005, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations." If the purchasing agent is qualified pursuant to subsection b of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. 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."

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

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed \$17,500 or \$21,000 after July 1, 2005 within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the City Counsel's opinion should be sought before a commitment is made.

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

Communication Equipment Repair	Palisade Ave. Island Improvements
Aerial Tree Trimming Truck	Parking Garage Security Fence
Artificial Turf Installation/Mackay Park	Palisade Ave./Woodland Ave. Intersection
Curb & Sidewalk Reconstruction	Mackay Park Lighting Foundations
Road Rehabilitation Program	Jones Road Improvements
East Palisade Traffic Signal	Recreation Bus Services
Municipal Elevator Inspections	Lincoln Street Reconstruction
Public Safety Complex - HVAC	Transfer Station Repairs
Liberty Road Reconstruction	DPW - Street Sweeper
Library ADA Improvements	Brayton Street Sewer
Recreation Special Events	Booth Ave. Culvert
Police Cars	Soccer Field Construction
Chain Link Fencing	Leaf Disposal Services
DPW Uniforms	Fire Pump Truck
Plumbing Services	Route 4 Demolition

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

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

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

BONDED OFFICIALS

The following officials were bonded during the year ended December 31, 2007.

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Howard Feinstein	Chief Financial Officer	\$250,000
Tamara Beamer	Tax Collector	250,000
Diana M. Patino	Treasurer	150,000
Virginia Jefferies	Municipal Court	40,000
Katharine Hayes Glen	Treasurer of the Free Library	100,000

All employees not covered by specific bonds listed above are covered by a Public Official's Liability Policy in the sum of \$1,000,000.

COLLECTION OF INTEREST ON DELINQUENT TAXES

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

The audit of the Collector's records on a test basis indicated no differences between the amount of interest payable on delinquent tax payments, based on our calculations, and the actual amount of interest charged.

CONFIRMATION OF DELINQUENT TAXES AND OTHER CHARGES

A test confirmation of delinquent charges and current payment was made in accordance with the regulations of the Division of Local Government Services.

The results of the test confirmations, which were made as of December 31, 2007 are not yet known, but a separate report will be rendered if any irregularities develop. In addition, analytical review procedures were utilized.

COMMENTS AND RECOMMENDATIONS

BOROUGH CLERK

- 1.* Deposits are not always being made within 48 hours as required by statute.

FINANCE OFFICE

1. The old outstanding checks that are listed on the bank reconciliations should be reviewed for cancellation.
2. Miscellaneous revenues not anticipated should be billed from a centralized location.

POLICE DEPARTMENT

- 1.* Police Department cash receipts journal is not being reconciled to the tax collector's receipts on a monthly basis.
- 2.* Pre-numbered receipts should be used for all cash received.
- 3.* Several receipts tested were not turned over to the tax collector within 48 hours as required by statute.

TAX COLLECTOR

1. Delinquent taxes receivable should be reviewed for cancellation.

PUBLIC CONTRACTS LAW

- 1.* Supporting documentation should be maintained for compliance with the Local Public Contracts Law for all contracts over the current bid threshold.

RECEIVABLES

- 1.* The receivable due from the State of New Jersey for the Board of Education Academics at Englewood should be reviewed for collection or otherwise cancelled.

STATUS OF PRIOR YEAR FINDINGS

A review was performed on prior year recommendations and corrective action was taken on all items except for the items marked with an "*".

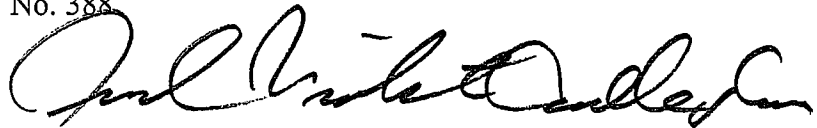
ACKNOWLEDGMENT

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

Very truly yours,



Charles F. Ferraioli, Jr., C.P.A.
Registered Municipal Accountant
No. 388



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Certified Public Accountants