

**CITY OF ENGLEWOOD
BERGEN COUNTY, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2010**

CITY OF ENGLEWOOD

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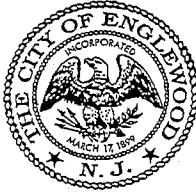
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INTRODUCTORY SECTION



Englewood

P.O. Box 228 • Englewood, NJ 07631

July 7, 2011

To: The Englewood City Council and Mayor Huttle
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, 2010. 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.

The 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 basis 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, as amended, and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments", and the State Treasury OMB Circular Letter 04-04, "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 traditional 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 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 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 of 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 financial assistance, 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.

As part of the City's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including the portion related to federal and state financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations.

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 appropriated 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. 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, 2010.

4. Account System and Reports

The City of Englewood's accounting records reflect the reporting requirements of the State of New Jersey Division of Local 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

Howard Feinstein
Chief Financial Officer

THE CITY OF ENGLEWOOD
ROSTER OF OFFICIALS
YEAR ENDED DECEMBER 31, 2010

<u>Name</u>	<u>Title</u>	<u>Term Expired</u> <u>(12/31)</u>
ELECTED OFFICIALS:		
Frank Huttle	Mayor	2012
Jake Drakeford	Councilperson	2010
Lynn Algrant	Councilperson	2012
Scott Reddin	Councilperson	2011
Kenneth Rosenzweig	Councilperson	2011
Charlotte Bennett Schoen	Councilperson	2010

OTHER OFFICIALS:

Daniel W. Fitzpatrick	City Manager
Donald Jacobsen	Library Director
William Bailey	City Solicitor
Diana Patino	City Treasurer
Lauren Vande Vaarst	City Clerk
James Dow	Municipal Magistrate
Tamara A. Beamer	Tax Collector
Claire Psota	Tax Assessor
Debbian Parr	Municipal Court Administrator
Robert Gorman	Director of Human Resources
Ken Albert	City Engineer/City Planner
Merle Simons	Director of Recreation
Arthur O'Keefe	Police Chief
Robert Moran	Chief of Fire Department
Piero Abballe	Construction Official
Clyde Sweat	Director of Public Works
Sue Amin	Property Maintenance Superintendent
Donald Porrino	Zoning Officer
Howard Feinstein	Chief Financial Officer

FINANCIAL SECTION

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
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GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Englewood as of December 31, 2010 and the related statement of operations and changes in fund balance - regulatory basis, statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year then ended. 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 audit. The financial statements of the City of Englewood as of and for the year ended December 31, 2009, were audited by other auditors whose report dated June 7, 2010 expressed an unqualified opinion on those financial statements prepared using regulatory accounting practices which differ from 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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 of Englewood's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 more fully in Note 1, the City has prepared these financial statements using accounting practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INDEPENDENT AUDITOR'S REPORT (Continued)

In our opinion, because of the effects of the City preparing its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to previously 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, as of December 31, 2010, or the changes in its financial position for the year then ended. Further, the City has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements - regulatory basis referred to previously present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the City of Englewood as of December 31, 2010 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the revenues - regulatory basis and the expenditures - regulatory basis of the various funds for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 7, 2011 on our consideration of the City of Englewood's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 over 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 conducted for the purpose of forming an opinion on the financial statements of the City of Englewood. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the City of Englewood. Additionally, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and is also not a required part of the financial statements of the City of Englewood. Such information has been subjected to the auditing procedures applied in the audit of the financial statements 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.

Lerch, Vinci & Higgins, LLP
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Dick P. Lerch
Dick P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
July 7, 2011

CITY OF ENGLEWOOD
COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE-ALL FUND TYPES AND ACCOUNT GROUPS - REGULATORY BASIS
AS OF DECEMBER 31, 2010
(With Comparative Totals for December 31, 2009)

ASSETS	General Fund	Trust Funds	Capital Fund	General Fixed Assets Account Group	Free Public Library	Totals	
						2009	(Memorandum Only)
Cash and Cash Equivalents	\$ 9,724,587	\$ 2,236,812	\$ 12,545,594		\$ 187,548	\$ 24,694,541	\$ 24,578,614
Receivables and Other Assets with Full Reserves						3,195,508	3,691,016
Delinquent Property Taxes Receivable	3,195,508					176,100	70,553
Tax Title Liens Receivable	176,100					70,979	70,979
Property Acquired for Taxes - Assessed Valuation	70,979					103,709	
Special Improvement District Taxes and Liens Receivable						1,605,731	1,186,882
Other Accounts Receivable	103,709					96,750	5,624
Interfunds Receivable	257,542	596,672	751,517			10,035,000	10,035,000
Prospective Assessment Funded	77,991	2,000	16,759			37,500	37,500
Due from County of Bergen - Morris Park		10,035,000					
Due from State - Board of Education Academies at Englewood							
Fixed Assets							
Deferred Charges to Future Taxation							
Funded							
Unfunded							
Guarantee of Debt - Volunteer Ambulance Corp.						20,476,276	17,877,186
Deferred Charges						33,474,421	33,828,450
Special Emergency Authorizations						35,000	40,000
Federal and State Grant Fund	275,200						275,200
Interfund Receivable							
Federal and State Grants Receivable							
Total Assets	\$ 14,631,446	\$ 12,974,193	\$ 67,337,067	\$ 21,905,191	\$ 187,548	\$ 117,035,445	\$ 114,753,668

**COMBINED STATEMENT OF ASSETS, LIABILITIES, RESERVES AND FUND BALANCE-ALL
CITY OF ENGLEWOOD
AS OF DECEMBER 31, 2011**

(With Comparative Totals for December 31, 2009)

CITY OF ENGLEWOOD
COMBINED STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE - REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
REVENUES		
Fund Balance Anticipated	\$ 2,600,000	\$ 4,800,000
Miscellaneous Revenues	5,947,354	4,344,478
State Aid	2,763,296	3,409,372
State and Federal Grants	633,857	654,727
Receipts From Delinquent Taxes	2,702,389	2,094,265
Amount to be Raised by Taxes for Support of Municipal Budget		
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	<u>47,290,978</u>	<u>46,222,122</u>
Total Budget Revenues	61,937,874	61,524,964
Non-Budget Revenues	2,482,122	1,957,174
Taxes Allocated to School and County	<u>59,236,138</u>	<u>57,959,448</u>
Total Revenues	<u>123,656,134</u>	<u>121,441,586</u>
EXPENDITURES		
Current Fund Within CAPS		
General Government	9,586,645	9,830,165
Municipal Land Use	60,350	76,350
Public Safety	20,139,418	20,938,991
Public Works	4,798,867	5,262,668
Community Service Act	201,784	173,394
Health and Welfare	928,230	997,053
Recreation and Education	855,100	939,429
Other Operating Functions	4,558,406	4,347,198
Deferred Charges and Statutory Expenditures	4,910,224	1,709,382
Contingent	8,000	8,000
Current Fund Excluded from "CAPS"		
General Government	6,470,261	5,713,821
State and Federal Grants	648,797	663,838
Capital Improvements	350,000	310,000
Municipal Debt Service	3,235,827	3,206,842
Deferred Charges and Statutory Expenditures	774,062	3,242,398
Type I School District Debt Service		334,153
Reserve For Uncollected Taxes	<u>3,300,755</u>	<u>2,900,000</u>
Total Budget Expenditures	60,826,726	60,653,682
Other Expenses	<u>59,437,389</u>	<u>58,106,332</u>
Total Expenditures	<u>120,264,115</u>	<u>118,760,014</u>
Excess of Revenues Over Expenditures (Carried forward) See Accompanying Notes to Financial Statements	3,392,019	2,681,572

CITY OF ENGLEWOOD
COMBINED STATEMENTS OF REVENUES, EXPENSES
CHANGES IN FUND BALANCE - REGULATORY BASIS
CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Excess of Revenues Over Expenditures (Brought forward)	\$ 3,392,019	\$ 2,681,572
Adjustment To Income Before Fund Balance:		
Expenditures Above Which Are By Statute		
Deferred Charges To Succeeding Years Budget	<u>250,000</u>	-
Statutory Excess to Fund Balance	3,642,019	2,681,572
Fund Balance, January 1	<u>3,486,627</u>	<u>5,605,055</u>
Decreased by		
Utilized in Budget	<u>7,128,646</u>	<u>8,286,627</u>
Fund Balance, December 31	<u><u>\$ 4,528,646</u></u>	<u><u>\$ 3,486,627</u></u>

CITY OF ENGLEWOOD
COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
BUDGET AND ACTUAL - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			2009		
	Budget As Modified	Actual	Variance	Budget As Modified	Actual	Variance
REVENUES						
Fund Balance Anticipated	\$ 2,600,000	\$ 2,600,000		\$ 4,800,000	\$ 4,800,000	
Miscellaneous Revenues	5,576,000	5,947,354	\$ 371,354	4,374,000	4,344,478	\$ (29,522)
State Aid	2,763,296	2,763,296		3,409,372	3,409,372	
State and Federal Grants	633,857	633,857		654,727	654,727	
Receipts From Delinquent Taxes	1,800,000	2,702,389	902,389	1,350,000	2,094,265	744,265
Amount to be Raised by Taxes for Support of Municipal Budget						
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	47,214,620	47,290,978	76,358	46,065,583	46,222,122	156,539
Total Budget Revenues	60,587,773	61,937,874	1,350,101	60,653,682	61,524,964	871,282
Other Credits to Income						
Taxes Allocated to School and County		2,482,122	2,482,122		1,957,174	1,957,174
Total Revenues	60,587,773	123,656,134	63,068,361	60,653,682	121,441,586	60,787,904
Expenditures:						
Current Fund Within CAPS:						
General Government	9,586,645	9,586,645		9,830,166	9,830,166	
Municipal Land Use	60,350	60,350		76,350	76,350	
Public Safety	20,139,418	20,139,418		20,938,991	20,938,991	
Public Works	4,798,867	4,798,867		5,262,666	5,262,666	
Community Services Act	201,784	201,784		173,394	173,394	
Health and Welfare	928,230	928,230		997,054	997,054	
Recreation and Education	855,100	855,100		939,430	939,430	
Other Operating Functions	4,558,406	4,558,406		4,347,197	4,347,197	
Deferred Charges and Statutory Expenditures	4,910,224	4,910,224		1,709,382	1,709,382	
Contingent	8,000	8,000		8,000	8,000	

See Accompanying Notes to Financial Statements

CITY OF ENGLEWOOD
COMBINED STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
BUDGET AND ACTUAL - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010			2009		
	<u>Budget As Modified</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget As Modified</u>	<u>Actual</u>	<u>Variance</u>
Expenditures: (Continued)						
Current Fund Excluded from CAPS:						
General Government	\$ 6,470,261	\$ 6,470,261		\$ 5,713,821	\$ 5,713,821	
State and Federal Grants	648,797	648,797		663,838	663,838	
Capital Improvements	350,000	350,000		310,000	310,000	
Municipal Debt Service	3,246,874	3,235,827	\$ 11,047	3,206,842	3,206,842	
Deferred Charges	774,062	774,062		3,242,398	3,242,398	
Type I School District Debt Service				334,153	334,153	
Reserve for Uncollected Taxes	<u>3,300,755</u>	<u>3,300,755</u>		<u>2,900,000</u>	<u>2,900,000</u>	
Total Budget Expenditures	60,837,773	60,826,726	11,047	60,653,682	60,653,682	
Other Expenses and Charges to Income		<u>59,437,389</u>	<u>(59,437,389)</u>		<u>58,106,332</u>	<u>\$ (58,106,332)</u>
Total Expenditures	<u>60,837,773</u>	<u>120,264,115</u>	<u>(59,426,342)</u>	<u>60,653,682</u>	<u>118,760,014</u>	<u>(58,106,332)</u>
Excess (Deficiency) in Revenues Over Expenditures	<u>\$ (250,000)</u>	<u>3,392,019</u>	<u>\$ 3,642,019</u>	<u>\$ -</u>	<u>2,681,572</u>	<u>\$ 2,681,572</u>
Adjustment to Income Before Fund Balance						
Expenditures Above Which Are By Statute						
Deferred Charges to Succeeding Years Budget			<u>250,000</u>			
Statutory Excess to Fund Balance						
Fund Balance, January 1	3,642,019				2,681,572	
	<u>3,486,627</u>				<u>5,605,055</u>	
Decreased by:						
Utilized in Budget						
Fund Balance, December 31	<u>\$ 4,528,646</u>				<u>8,286,627</u>	
					<u>4,800,000</u>	
						<u>\$ 3,486,627</u>
See Accompanying Notes to Financial Statements						

NOTES TO FINANCIAL STATEMENTS

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The City of Englewood (the "City") was incorporated in 1899 and operates under an elected Council-Manager form of government. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The City has the following funds and account group:

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

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

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

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

Community Development Block Grant Fund – This fund is used to account for grant proceeds and related expenditures for block grant entitlements.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Assessment Trust Fund - This fund is used to account for special benefit assessments levied against properties for specific purposes.

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

Free Public Library – This fund is used to account for the receipt and disbursement of funds used and related to financial transactions of the City's Free Public Library.

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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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

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

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

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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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

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

General Capital Fund
Other Trust Funds (with exception of Assessment Trust)

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2010 and 2009 the City Council increased the original budget by \$404,662 and \$146,407. The 2010 increase was funded by additional aid (\$154,662) allotted to the City and a special emergency resolution for the reassessment of real property (\$250,000). The 2009 increase was funded by additional aid allotted to the City. In addition, the governing body approved several budget transfers during 2010 and 2009.

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

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

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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

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

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

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

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

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

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

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

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

General Fixed Assets (Continued)

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

Fixed Assets are stated as follows:

Land and Buildings	Estimated Market Value
Machinery and Equipment	Historical Cost or Estimated Historical Cost

Donated fixed assets are recorded at estimated fair market value at the date of donation.

No depreciation has been provided for in the financial statements.

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

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

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

Reclassifications - Certain reclassifications have been made to the December 31, 2009 balances to conform to the December 31, 2010 presentation.

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

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements

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

NOTE 2 DEPOSITS AND INVESTMENTS

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

Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2010 and 2009, the book value of the City's deposits were \$24,694,541 and \$24,578,614 and bank and brokerage firm balances of the City's deposits amounted to \$25,350,671 and \$24,722,167, respectively. The City's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2010</u>	<u>2009</u>
Insured	\$ 24,231,947	\$ 23,590,910
Uninsured and Collateralized	<u>1,118,724</u>	<u>1,131,257</u>
	<u>\$ 25,350,671</u>	<u>\$ 24,722,167</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk. As of December 31, 2010 and 2009, the City's bank balances of \$1,118,724 and \$1,131,257 were exposed to custodial credit risk as follows:

	<u>Fair Value</u>	
	<u>2010</u>	<u>2009</u>
Uninsured and Collateralized:		
Collateral held by pledging financial institution's trust department but not in the City's name	\$ 1,118,724	\$ 1,131,257

As of December 31, 2010 and 2009 the City had no outstanding investments.

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

NOTE 3 TAXES RECEIVABLE

Receivables at December 31, 2010 and 2009 consisted of the following:

	<u>2010</u>	<u>2009</u>
<u>Current</u>		
Property Taxes	\$3,195,508	\$3,691,016
Tax Title Liens	176,100	70,553
	<u>\$3,371,608</u>	<u>\$3,761,569</u>

In 2010 and 2009, the City collected \$2,702,389 and \$2,094,265 from delinquent taxes, which represented 72% and 68% of the prior year delinquent taxes receivable balance.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT

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

The City's debt is summarized as follows:

	<u>2010</u>	<u>2009</u>
Issued		
General		
Bonds, Notes and Loans	\$ 33,830,921	\$ 31,228,850
Assessment		
Bonds and Notes	<u>8,775,000</u>	<u>8,775,000</u>
	42,605,921	40,003,850
Less Funds Temporarily Held to Pay Bonds and Notes	<u>504,076</u>	-
Net Debt Issued	42,101,845	40,003,850
Authorized But Not Issued		
General		
Bonds and Notes	<u>7,293,500</u>	<u>6,589,600</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 49,395,345</u>	<u>\$ 46,593,450</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows indicates a statutory net debt of .91% and .87% at December 31, 2010 and 2009, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2010</u>			
General Debt	\$ 49,899,421	\$ 504,076	\$ 49,395,345
School Debt	<u>21,678,000</u>	<u>21,678,000</u>	<u>-</u>
Total	<u>\$ 71,577,421</u>	<u>\$ 22,182,076</u>	<u>\$ 49,395,345</u>
<u>2009</u>			
General Debt	\$ 46,593,450		\$ 46,593,450
School Debt	<u>22,962,941</u>	<u>22,962,941</u>	<u>-</u>
Total	<u>\$ 69,556,391</u>	<u>\$ 22,962,941</u>	<u>\$ 46,593,450</u>

Statutory Borrowing Power

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

	<u>2010</u>	<u>2009</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 190,912,415	\$ 187,467,116
Net Debt	<u>49,395,345</u>	<u>46,593,450</u>
Remaining Borrowing Power	<u>\$ 141,517,070</u>	<u>\$ 140,873,666</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt

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

General Obligation Bonds

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

	<u>2010</u>	<u>2009</u>
\$6,700,000, 2004 Bonds, due in annual installments of \$750,000 to \$850,000 through July 1, 2014, interest at 3.0% to 4.0%	\$ 3,250,000	\$ 3,950,000
\$4,365,000, 2010 Bonds, due in annual installments of \$155,000 to \$310,000 through August 15, 2030, interest at 2.0% to 4.0%	<u>4,365,000</u>	-
	<u>\$ 7,615,000</u>	<u>\$ 3,950,000</u>

Assessment Bonds

The City pledges revenue from special benefit assessments to pay debt service on assessment bonds issued. The assessment bonds outstanding at December 31 are as follows:

	<u>2010</u>	<u>2009</u>
\$8,775,000, 2009 Bonds, due in annual installments of \$585,000 to \$630,000 through January 1, 2024, interest at 3.250% to 5.00%	<u>\$ 8,775,000</u>	<u>\$ 8,775,000</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Long-Term Debt (Continued)

The City's principal and interest for long-term debt issued and outstanding as of December 31, 2010 is as follows:

<u>Calendar Year</u>	<u>General Obligation Bonds</u>		<u>Assessment Bonds</u>			<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>		
2011	\$ 905,000	\$ 308,834	\$ 630,000	\$ 358,425	\$ 2,202,259	
2012	955,000	251,881	630,000	337,950	2,174,831	
2013	1,010,000	218,781	630,000	317,475	2,176,256	
2014	1,015,000	181,581	630,000	296,213	2,122,794	
2015	170,000	142,631	630,000	273,769	1,216,400	
2016-2020	955,000	627,444	3,150,000	987,300	5,719,744	
2021-2025	1,175,000	431,000	2,475,000	244,125	4,325,125	
2026-2030	<u>1,430,000</u>	<u>176,000</u>	<u>-</u>	<u>-</u>	<u>1,606,000</u>	
	<u>\$ 7,615,000</u>	<u>\$ 2,338,152</u>	<u>\$ 8,775,000</u>	<u>\$ 2,815,257</u>	<u>\$ 21,543,409</u>	

Changes in Long-Term Municipal Debt

The City's long-term capital debt activity for the years 2010 and 2009 were as follows:

	Balance, December 31,		Balance, December 31,		Due Within One Year
	<u>2009</u>	<u>Additions</u>	<u>Reductions</u>	<u>2010</u>	
<u>2010</u>					
General Capital Fund Bonds Payable	\$ 3,950,000	\$ 4,365,000	\$ 700,000	\$ 7,615,000	\$ 905,000
Trust Assessment Fund Bonds Payable	\$ 8,775,000	\$ -	\$ -	\$ 8,775,000	\$ 630,000
		December 31,	December 31,		Within One Year
		<u>2008</u>	<u>Additions</u>	<u>Reductions</u>	<u>2009</u>
<u>2009</u>					
General Capital Fund Bonds Payable	\$ 4,700,000	\$ -	\$ 750,000	\$ 3,950,000	\$ 700,000
Trust Assessment Fund Bonds Payable	\$ 8,775,000	\$ -	\$ -	\$ 8,775,000	\$ -

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 4 MUNICIPAL DEBT (Continued)

Short-Term Debt

The City's short-term capital debt activity for the years 2010 and 2009 was as follows:

	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ 27,238,850</u>	<u>\$ 34,545,921</u>	<u>\$ 35,603,850</u>	<u>\$ 26,180,921</u>
 <u>2009</u>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ 35,119,369</u>	<u>\$ 27,238,850</u>	<u>\$ 35,119,369</u>	<u>\$ 27,238,850</u>

In addition to the debt shown in the above schedule, municipalities may issue debt to finance emergency or special emergency appropriations. This debt which is not included in the City's statutory debt limit calculation is reported in the Current Fund for the years 2010 and 2009 as follows:

	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>
<u>2010</u>				
Special Emergency Notes	<u>\$ 330,400</u>	<u>\$ -</u>	<u>\$ 330,400</u>	<u>\$ -</u>
 <u>2009</u>				
Special Emergency Notes	<u>\$ 495,600</u>	<u>\$ 330,400</u>	<u>\$ 495,600</u>	<u>\$ 330,400</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years 2010 and 2009.

	Balance			Balance, December 31, <u>2010</u>	
	December 31,				
	<u>2009</u>	<u>Additions</u>	<u>Retirements</u>		
<u>2010</u>					
Land	\$ 1,184,895			\$ 1,184,895	
Buildings and Building Impvts.	9,005,807			9,005,807	
Machinery and Equipment	<u>11,605,724</u>	<u>\$ 414,709</u>	<u>\$ 305,944</u>	<u>11,714,489</u>	
	<u>\$ 21,796,426</u>	<u>\$ 414,709</u>	<u>\$ 305,944</u>	<u>\$ 21,905,191</u>	
 <u>2009</u>					
Land	\$ 1,184,895			\$ 1,184,895	
Buildings and Building Impvts.	9,005,807			9,005,807	
Machinery and Equipment	<u>11,372,287</u>	<u>\$ 233,437</u>	<u>\$ -</u>	<u>11,605,724</u>	
	<u>\$ 21,562,989</u>	<u>\$ 233,437</u>	<u>\$ -</u>	<u>\$ 21,796,426</u>	

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 6 DUE TO/FROM OTHER FUNDS

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

	<u>2010</u>		<u>2009</u>	
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Current Fund				
Regular	\$ 77,991	\$ 274,478	\$ 3,012	\$ 789,007
Grant		272,478		786,395
Trust Fund				
Animal Control Fund		53,491		70
Other Trust Fund	2,000	16,851	2,542	
General Capital Fund	16,759	24,408	-	3,012
Total	\$ 369,228	\$ 369,228	\$ 792,019	\$ 792,019

The above balances are the result of expenditures being paid by one fund on behalf of another and/or receipts being received by one fund on behalf of another.

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

NOTE 7 FUND BALANCES APPROPRIATED

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

	<u>Fund Balance December 31, 2010</u>	<u>Utilized in Subsequent Year's Budget</u>	<u>Fund Balance December 31, 2009</u>	<u>Utilized in Subsequent Year's Budget</u>
Current Fund				
Cash Surplus	\$ 4,253,446	\$ 3,100,000	\$ 3,364,182	\$ 2,600,000
Non-Cash Surplus	275,200	-	122,445	-
	<u>\$ 4,528,646</u>	<u>\$ 3,100,000</u>	<u>\$ 3,486,627</u>	<u>\$ 2,600,000</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

		Balance <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2010</u>				
Current Fund				
Special Emergency Authorizations (40A:4-55)		\$ 275,200	\$ 75,200	\$ 200,000
		<u>\$ 275,200</u>	<u>\$ 75,200</u>	<u>\$ 200,000</u>
<u>2009</u>				
Current Fund				
Special Emergency Authorizations (40A:4-55)		\$ 190,400	\$ 165,200	\$ 25,200
		<u>\$ 190,400</u>	<u>\$ 165,200</u>	<u>\$ 25,200</u>

NOTE 9 COMPENSATED ABSENCES

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$5,317,632 and \$5,353,654 at December 31, 2010 and 2009, respectively. These amounts which are considered material to the financial statements, are not reported either as an expenditure or liability.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

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

Consolidated Police and Firemen's Pension Fund (CPFPF) – established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members.

Police and Firemen's Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) – established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement healthcare for those eligible employees whose local employers elected to do so, to substantially all full-time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

Other Pension Funds

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

The State also administers the Pensions Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which includes the CPF/P. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS and PERS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required contributions for the system.

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

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

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

P.L. 2010, c.1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

This new legislation changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from this plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 66.0 percent with an unfunded actuarial accrued liability of \$45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and \$30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 72.1 percent and \$15.1 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems except CPF/PF; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 5.50% for PERS, 8.50% for PFRS and 5.50% for DCRP of employees' annual compensation.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 for CPFNF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2010, 2009 and 2008, the City was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31,</u>	<u>CPFPF</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2010	\$ 31,682	\$ 3,712,059	\$ 712,344	\$ 26,792
2009	48,566	3,077,198	609,315	26,500
2008	45,665	3,095,063	427,210	6,470

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teachers' Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund – Local Government classified as a cost sharing multiple-employer plan. The post-retirement benefit programs had a total of 514 state and local participating employers and contributing entities for Fiscal Year 2010.

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

Health Benefits Program Fund (HBPF) – Local Government (including Prescription Drug Program Fund) – Certain local employers who participate in the State Health Benefits Program provide health insurance coverage to their employees at retirement. Under provisions of P.L. 1997, c.330, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the State had a \$56.8 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$20.5 billion for state active and retired members and \$36.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the June 30, 2009 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$97.6 million for 7,667 eligible retired members for Fiscal Year 2010.

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$28.8 million in Fiscal Year 2010 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2010, 2009 and 2008 were \$883,414, \$791,616 and \$722,258, respectively, which equaled the required contributions for each year.

NOTE 12 RISK MANAGEMENT

The City is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters.

The City has established a worker's compensation plan for its employees. In addition, the City has established a plan for property and liability claims against the City. Transactions related to the plan are accounted for in the Current Fund. The City funds the entire cost of the plans. Workers compensation claims are paid directly by the plan up to a maximum of \$500,000 for any one accident or occurrence, with any excess benefit being reimbursed through a Re-Insurance Agreement with SUA Insurance Co. Liability claims are paid directly by the plan up to a maximum of \$150,000 to \$250,000 (varies by type of liability) for any one accident or occurrence, with any excess benefit being reimbursed through a Re-Insurance Agreement with Lloyds of London or Safety National Casualty Corporation (employers liability). The limit of re-insurance varies by type of coverage and ranges from \$2,000,000 to \$4,850,000 per occurrence. A contingent liability exists with respect to reinsurance, which would become an actual liability in the event the reinsuring company may not be able to meet their obligations to the City under existing reinsurance agreements.

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 12 RISK MANAGEMENT (Continued)

Estimates of claims payable were determined based on claim information supplied by the claims administrator. The City has not created a liability for loss reserves of \$1,762,452 for claims incurred which were unpaid at December 31, 2010. In addition, the City has not created a liability for any potential unreported losses which have taken place but in which the City has not received notices or report of losses. The effect on the financial statements from these omissions could not be determined but is material.

The City of Englewood is a member of the Garden State Municipal Joint Insurance Fund (GSMJIF). The Garden State Municipal Joint Insurance Fund (GSMJIF) is a property and casualty insurance fund serving municipalities throughout the State of New Jersey.

A joint insurance fund is the pooling of resources by two or more public entities for the purpose of achieving economies of scale and purchasing leverage, thereby obtaining insurance protection at a lower ultimate cost than if purchased through the traditional insurance market. The GSMJIF was formed in 2002 in response to the lack of affordable commercial insurance for municipalities. The primary objective of the GSMJIF is to provide its members with long-term insurance, budget stability and superior control over their risks by offering appropriate coverages with innovative safety and claims management programs. The GSMJIF achieves this objective by implementing the best risk and claims management practices, which improve public and employee safety and lower the ultimate cost of risk.

The GSMJIF offers the following coverages to its members:

- Excess Workers' Compensation
- Excess General Liability
- Excess Auto Liability
- Excess Public Officials Liability
- Excess Employment Practices Liability
- Property Coverage (including Auto Physical Damage), Boiler & Machinery
- Crime (with Position Bonds)
- Excess Law Enforcement Liability
- Non-Owned Aircraft Liability
- Pollution & Tank Liability (on an optional basis)

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

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

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

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 12 RISK MANAGEMENT (Continued)

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

<u>Year Ended December 31,</u>	Employee			<u>Amount Reimbursed</u>	<u>Ending Balance</u>
	<u>City Contributions</u>	<u>Contributions/ Withholdings</u>			
2010	\$ 100,000	\$ 54,329		\$ 126,710	\$ 176,276
2009		59,654		75,182	148,293
2008		41,014		12,135	163,202

NOTE 13 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2010 and 2009. Amounts claimed have not yet been determined. The City is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the City does not recognize a liability, if any, until these cases have been adjudicated. The City expects such amounts, if any, could be material. As of December 31, 2010 and 2009, the City reserved \$501,604 and \$451,423, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of December 31, 2010 and 2009, significant amounts of grant expenditure have not been audited by the various grantor agencies but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the City.

NOTE 14 FEDERAL ARBITRAGE REGULATIONS

The City is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2010 and 2009, the City has not estimated its estimated arbitrage earnings due to the IRS, if any.

CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009

NOTE 15 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
2010		
Rosemont Place Reconstruction	\$ 140,577	2011
Knickerbocker Road Reconstruction	1,387,675	2011
2010 Road Improvement	642,028	2011
Reconstruction of Sherwood Place	296,516	2011
Webster, Decatur and Hirliman Improvements	359,905	2011

NOTE 16 CAPITAL LEASE

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>Payment</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Accretion</u>	<u>Final Maturity Amount</u>
03/01/11		0.000%	0.000%			
09/01/11	\$ 1,023,863	0.000%	3.520%	81.259	\$ 236,137	\$ 1,260,000
03/01/12		0.000%	0.000%			
09/01/12	980,015	0.000%	3.650%	77.779	279,985	1,260,000
03/01/13		0.000%	0.000%			
09/01/13	936,394	0.000%	3.770%	74.317	323,606	1,260,000
03/01/14		0.000%	0.000%			
09/01/14	894,965	0.000%	3.860%	71.029	365,035	1,260,000
03/01/15		0.000%	0.000%			
09/01/15	1,496,192	0.000%	3.960%	67.701	713,808	2,210,000
03/01/16		0.000%	0.000%			
09/01/16	1,420,257	0.000%	4.080%	64.265	789,743	2,210,000
03/01/17		0.000%	0.000%			
09/01/17	1,349,736	0.000%	4.170%	61.074	860,264	2,210,000
03/01/18		0.000%	0.000%			
09/01/18	1,285,336	0.000%	4.230%	58.160	924,664	2,210,000
03/01/19		0.000%	0.000%			
09/01/19	1,219,257	0.000%	4.310%	55.170	990,743	2,210,000
03/01/20		0.000%	0.000%			
09/01/20	1,156,449	0.000%	4.380%	52.328	1,053,551	2,210,000
03/01/21		0.000%	0.000%			
09/01/21	1,098,812	0.000%	4.430%	49.720	1,111,188	2,210,000
	<u>\$ 12,861,276</u>				<u>\$ 7,648,724</u>	<u>\$ 20,510,000</u>

**CITY OF ENGLEWOOD
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2010 AND 2009**

NOTE 17 GUARANTEE OF DEBT

On October 24, 2006, the Englewood Volunteer Ambulance Corp. was approved for a low interest loan with the State of New Jersey under the Volunteer Emergency Service Organizations Program in the amount of \$50,000 for the purchase of an ambulance. The loan was to be paid in annual installments over a ten year period. On October 9, 2008, the Englewood Volunteer Ambulance Corp. defaulted on the loan and on June 23, 2009, the City assumed the loan and a significant portion of the emergency medical services responsibilities in the City. The City of Englewood agreed to pay the loan from the loan proceeds and an annual budget appropriation to pay the interest on the loan. At December 31, 2010 and 2009, the loan balance was \$35,000 and \$40,000 respectively.

Principal and interest due on the loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 5,000	\$ 700	\$ 5,700
2012	5,000	600	5,600
2013	5,000	500	5,500
2014	5,000	400	5,400
2015	5,000	300	5,300
2016-2017	<u>10,000</u>	<u>300</u>	<u>10,300</u>
	<u>\$ 35,000</u>	<u>\$ 2,800</u>	<u>\$ 37,800</u>

NOTE 18 PRIOR PERIOD ADJUSTMENT

It was noted that the City had erroneously previously reported balances in a Debt Service Fund. There was no documentation to support the existence of any such fund and/or balances and appears to have been erroneously carried forward from prior years. The total amount of adjustment was \$58,425 in assets and liabilities.

In addition, the debt guarantee for the loan from the State of New Jersey for the purchase of an ambulance resumed by the City after the Englewood Volunteer Ambulance Corp. defaulted on the loan was previously omitted from the City's financial statements. The adjustment of \$40,000 was recorded to reflect the loan balance outstanding at December 31, 2009.

CURRENT FUND

The Current Fund accounts for the resources and expenditures for governmental operations of a general nature including Federal and State Grants.

CITY OF ENGLEWOOD
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ 9,724,587</u>	<u>\$ 10,151,479</u>
Due from State - Board of Education - Academies at Englewood	<u>-</u>	<u>122,445</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	<u>3,195,508</u>	<u>3,691,016</u>
Tax Title Liens Receivable	<u>176,100</u>	<u>70,553</u>
Property Acquired for Taxes - Assessed Valuation	<u>70,979</u>	<u>70,979</u>
Total Taxes Receivable	<u>3,442,587</u>	<u>3,832,548</u>
Other Accounts Receivable:		
Sewer User Charges Receivable	<u>257,542</u>	<u>199,461</u>
Total Other Accounts Receivable	<u>257,542</u>	<u>199,461</u>
Interfund Accounts Receivable	<u>77,991</u>	<u>3,012</u>
Total Receivables and Other Assets with Full Reserves	<u>3,778,120</u>	<u>4,035,021</u>
Deferred Charges:		
Special Emergency Authorizations	<u>275,200</u>	<u>190,400</u>
	<u>275,200</u>	<u>190,400</u>
Federal and State Grant Funds:		
Interfund Accounts Receivable	<u>272,478</u>	<u>786,395</u>
Federal and State Grants Receivable	<u>581,061</u>	<u>436,198</u>
Total Federal and State Grant Funds	<u>853,539</u>	<u>1,222,593</u>
Total Assets	<u>\$ 14,631,446</u>	<u>\$ 15,721,938</u>

CITY OF ENGLEWOOD
COMPARATIVE STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
LIABILITIES, RESERVES AND FUND BALANCE		
Appropriation Reserves	<u>\$ 1,837,399</u>	<u>\$ 3,682,174</u>
Other Liabilities and Reserves:		
Encumbrances/Accounts Payable	2,216,898	1,074,141
Prepaid Taxes	616,631	591,849
Due to State of N.J. - Vets and S.C.	1,080	580
County Taxes Payable	15,548	44,571
Emergency Note Payable	330,400	
Reserve for Tax Appeals	501,604	451,423
Other Reserves	<u>7,503</u>	<u>13,551</u>
	3,359,264	2,506,515
Interfund Accounts Payable	<u>274,478</u>	<u>789,007</u>
Reserve for Receivables and Other Assets	<u>3,778,120</u>	<u>4,035,022</u>
Fund Balance	<u>4,528,646</u>	<u>3,486,627</u>
Federal and State Grant Funds:		
Appropriated Reserves	803,362	1,076,357
Unappropriated Reserves	<u>50,177</u>	<u>146,236</u>
	853,539	1,222,593
Total Liabilities, Reserves and Fund Balance	<u>\$ 14,631,446</u>	<u>\$ 15,721,938</u>

CITY OF ENGLEWOOD
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget		Excess or (Deficit)
	<u>As Modified</u>	<u>Realized</u>	
FUND BALANCE ANTICIPATED	<u>\$ 2,600,000</u>	<u>\$ 2,600,000</u>	<u>-</u>
MISCELLANEOUS REVENUES			
Licenses			
Alcoholic Beverages	55,000	55,530	\$ 530
Other	205,000	196,155	(8,845)
Fees and Permits			
Construction Code Fees	545,000	628,843	83,843
Other	58,000	67,918	9,918
Fines and Costs			
Municipal Court	900,000	929,802	29,802
Interest and Cost on Taxes	420,000	586,870	166,870
Interest on Investments and Deposits	150,000	54,096	(95,904)
Parking Meters	500,000	588,124	88,124
Recreation Advisory Committee	230,000	170,669	(59,331)
Fire Prevention Fees	150,000	168,337	18,337
Burglar Alarms	134,000	146,015	12,015
King's Gardens - Payments in Lieu of Taxes	106,000	122,500	16,500
Rock Creek - Lafayette Housing Payment in Lieu of Taxes	238,000	286,344	48,344
Exempt Sewer Charges	280,000	247,019	(32,981)
Parking Garage Fees	180,000	142,934	(37,066)
Municipal Hotel Tax	125,000	158,908	33,908
EMS Medical Reimbursement Billing	300,000	397,290	97,290
Capital Surplus	1,000,000	1,000,000	-
 Total Miscellaneous Revenues	 5,576,000	 5,947,354	 371,354
 STATE AID WITHOUT OFFSETTING APPROPRIATIONS			
Energy Receipts Tax	2,469,280	2,469,280	
Consolidated Municipal Property Tax Relief Aid	294,016	294,016	
 Total State and Federal Aid	 2,763,296	 2,763,296	 -

CITY OF ENGLEWOOD
STATEMENT OF REVENUES AND OTHER CREDITS TO INCOME
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	Budget		Excess or <u>Modified</u>	
	As		<u>Realized</u>	<u>(Deficit)</u>
SPECIAL ITEMS OF REVENUE OFFSET WITH APPROPRIATIONS				
State and Federal Grants				
Public Health Priority Funding - 1987	\$ 9,348	\$ 9,348		
H1N1 Emergency Preparedness	80,572	80,572		
Clean Communities Program	36,216	36,216		
Recycling Tonnage Grant	44,608	44,608		
Drunk Driving Enforcement Fund	23,692	23,692		
Reach and Teach	24,000	24,000		
Municipal Alliance on Alcoholism and Drug Abuse	15,759	15,759		
Homeland Security - NJ Data Exchange Grant	134,560	134,560		
Community Chest - Englewood Fire Dept. Grant	5,102	5,102		
NY/NJ Port Authority Emergency Service	5,000	5,000		
ANJEC - Smart Growth Planning	8,000	8,000		
Louis A. LaSalle Tomorrow Fund	30,000	30,000		
200 Club of Bergen County - Appropriation Grant	2,000	2,000		
Take Me Fishing Grant	5,000	5,000		
NJ DOT Municipal Aid Program	200,000	200,000		
2010 Sustainable New Jersey Small Grant	10,000	10,000		
Total Other Special Items	<u>633,857</u>	<u>633,857</u>		
RECEIPTS FROM DELINQUENT TAXES	<u>1,800,000</u>	<u>2,702,389</u>	<u>\$ 902,389</u>	
AMOUNT TO BE RAISED BY TAXATION FOR SUPPORT OF MUNICIPAL BUDGET	<u>47,214,620</u>	<u>47,290,978</u>	<u>76,358</u>	
Total Amount to be Raised	<u>47,214,620</u>	<u>47,290,978</u>	<u>76,358</u>	
Total Budget Revenues	<u>\$ 60,587,773</u>	<u>61,937,874</u>	<u>\$ 1,350,101</u>	
Other Credits to Income				
Non-Budget Revenues		448,473		
Prior Year Interfunds Returned		3,012		
Statutory Excess - Animal Control fund		53,491		
Unexpended Balance of Appropriation Reserves		<u>1,977,146</u>		
Total Other Credits to Income		<u>2,482,122</u>		
Taxes Allocated to School and County		<u>59,236,138</u>		
Total Other Credits to Income		<u>61,718,260</u>		
Total Revenues and Other Credits to Income		<u>\$ 123,656,134</u>		

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME -
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS"					
General Government					
Administrative and Executive					
Mayor and Council					
Salaries and Wages	\$ 25,000	\$ 25,000	\$ 25,000		
Other Expenses	17,400	17,400	7,668	\$ 9,732	
City Manager's Office					
Salaries and Wages	259,200	259,200	255,426	3,774	
Other Expenses	137,500	120,500	81,365	39,135	
City Clerk's Office					
Salaries and Wages	115,661	115,661	111,343	4,318	
Other Expenses	67,000	62,000	46,447	15,553	
Human Resources					
Salaries and Wages	240,947	247,247	247,109	138	
Other Expenses	16,000	16,000	8,996	7,004	
Purchasing Department					
Other Expenses	4,000	4,000	2,998	1,002	
Finance Department					
Salaries and Wages	320,153	320,153	319,029	1,124	
Other Expenses	97,250	97,250	69,224	28,026	
Data Processing					
Salaries and Wages	48,119	48,119	48,119		
Other Expenses	42,500	42,500	39,961	2,539	
Assessment of Taxes					
Salaries and Wages	152,670	152,670	147,392	5,278	
Other Expenses	32,800	282,800	118,408	164,392	
Collection of Taxes					
Salaries and Wages	149,291	149,291	149,076	215	
Other Expenses	47,050	47,050	33,896	13,154	
Legal Services and Costs					
Salaries and Wages (Prosecutor)	58,000	58,000	56,223	1,777	
Other Expenses	740,000	740,000	662,208	77,792	
Engineering Services and Costs					
Other Expenses	104,800	105,000	105,000		
Community Development Office					
Salaries and Wages	212,155	217,155	216,901	254	
Other Expenses	261,000	211,000	152,002	58,998	
Municipal Court					
Salaries and Wages	336,351	336,351	335,725	626	
Other Expenses	153,500	128,500	83,181	45,319	
Public Defender (Contractual)	12,000	12,000	12,000		

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME -
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
General Government (Continued)					
Insurance					
Medical and Surgical	\$ 4,340,061	\$ 3,980,061	\$ 3,791,511	\$ 188,550	
Health Benefit Waiver	66,737	66,737	66,737		
Other Insurance Premiums	875,000	875,000	843,722	31,278	
Workers Compensation	700,000	815,000	815,000		
Unemployment Compensation	25,000	25,000	25,000		
Abatement Program					
Other Expenses	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>	-
Subtotal General Government	<u>9,667,145</u>	<u>9,586,645</u>	<u>8,876,667</u>	<u>709,978</u>	-
Municipal Land Use:					
Planning and Land Use					
Other Expenses	<u>56,350</u>	<u>60,350</u>	<u>53,329</u>	<u>7,021</u>	-
Public Safety					
Fire Division					
Salaries and Wages	6,519,387	6,519,387	6,389,995	129,392	
Other Expenses	283,050	270,050	227,704	42,346	
Fire Prevention Division					
Salaries and Wages	190,000	190,000	190,000		
Other Expenses	5,000	5,000	5,000		
Emergency Medical Svcs.					
Salaries and Wages	268,559	268,559	258,635	9,924	
Other Expenses	70,000	83,000	76,974	6,026	
Police Department					
Salaries and Wages	11,752,472	12,077,472	12,029,437	48,035	
Other Expenses	722,700	597,700	432,511	165,189	
Emergency Medical Svcs.					
Other Expenses	<u>58,250</u>	<u>58,250</u>	<u>47,979</u>	<u>10,271</u>	-
Emergency Medical Technicians					
Aid to Volunteer Ambulance					
Other Expenses	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	-	-
Subtotal Public Safety	<u>19,939,418</u>	<u>20,139,418</u>	<u>19,728,235</u>	<u>411,183</u>	-
Public Works					
Public Works Administration					
Salaries and Wages	224,635	228,635	228,401	234	
Other Expenses	59,820	59,820	28,239	31,581	
Public Buildings and Grounds					
Other Expenses	157,750	157,750	137,118	20,632	

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME -
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Public Works (Continued)					
Shade Tree Department					
Salaries and Wages	\$ 196,909	\$ 186,909	\$ 181,830	\$ 5,079	
Other Expenses	32,000	70,000	66,954	3,046	
Road Repairs and Maintenance					
Salaries and Wages	1,064,456	1,044,456	1,037,617	6,839	
Other Expenses	191,700	191,700	134,225	57,475	
Central Maintenance Garage					
Salaries and Wages	279,186	279,186	277,439	1,747	
Other Expenses	420,900	420,900	398,778	22,122	
Construction and Facilities Main.					
Salaries and Wages	251,017	247,517	244,251	3,266	
Other Expenses	80,000	142,000	100,708	41,292	
Sanitation Collection Costs					
Salaries and Wages	1,233,841	1,203,841	1,194,404	9,437	
Other Expenses	51,150	51,150	9,416	41,734	
Sewer Department					
Salaries and Wages	151,818	141,818	138,557	3,261	
Other Expenses	84,675	84,675	71,424	13,251	
Parks Department					
Salaries and Wages	253,310	279,310	278,533	777	
Other Expenses	9,200	9,200	120	9,080	
Subtotal Public Works	<u>4,742,367</u>	<u>4,798,867</u>	<u>4,528,014</u>	<u>270,853</u>	
Community Services Act					
Condominium Community Costs	<u>197,784</u>	<u>201,784</u>	<u>201,691</u>	<u>93</u>	
Health and Human Services					
Board of Health					
Salaries and Wages	700,892	700,892	681,817	19,075	
Other Expenses	102,425	102,425	80,367	22,058	
City Physician (Contractual)	12,000	12,000	12,000		
Dog Regulation					
Other Expenses	42,000	42,000	40,877	1,123	
Contribution to Child Development and					
Teen Programs (N.J.S.A. 40:5-2.9)	58,413	58,413	58,413		
Administration of Public Assistance					
(Human Resources)					
Relocation Assistance					
Other Expenses	<u>12,500</u>	<u>12,500</u>	<u>-</u>	<u>12,500</u>	
Subtotal Health and Human Services	<u>928,230</u>	<u>928,230</u>	<u>873,474</u>	<u>54,756</u>	

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME -
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Recreation					
Recreation Department					
Salaries and Wages	\$ 439,425	\$ 431,925	\$ 426,406	\$ 5,519	
Other Expenses	<u>415,675</u>	<u>423,175</u>	<u>416,304</u>	<u>6,871</u>	-
Subtotal Recreation	<u>855,100</u>	<u>855,100</u>	<u>842,710</u>	<u>12,390</u>	-
Other Operating Functions					
Terminal Leave Program					
Salaries and Wages	550,000	626,000	625,723	277	
Uniform Construction Code - Appropriations					
Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Construction Code Official					
Salaries and Wages	705,431	695,431	684,161	11,270	
Other Expenses	<u>111,975</u>	<u>111,975</u>	<u>63,838</u>	<u>48,137</u>	
Utilities					
Electricity	385,000	385,000	365,480	19,520	
Telephone and Communications	225,000	225,000	189,728	35,272	
Street Lighting	825,000	825,000	825,000		
Water	35,000	35,000	29,444	5,556	
Fire Hydrant Fees (Hackensack Water Co.)	375,000	375,000	368,694	6,306	
Landfill Dumping Fees (B.C.U.A.)	1,105,000	1,105,000	941,730	163,270	
Leaf Disposal Site	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	-	-
Subtotal Other Operating Functions	<u>4,492,406</u>	<u>4,558,406</u>	<u>4,268,798</u>	<u>289,608</u>	-
Total Operations Within "CAPS"	40,878,800	41,128,800	39,372,918	1,755,882	-
Contingent	<u>8,000</u>	<u>8,000</u>	-	<u>8,000</u>	-
Total Operations Including Contingent - within "CAPS"	<u>40,886,800</u>	<u>41,136,800</u>	<u>39,372,918</u>	<u>1,763,882</u>	-
Detail					
Salaries and Wages	26,698,885	27,050,185	26,778,549	271,636	
Other Expenses (Including Contingent)	<u>14,187,915</u>	<u>14,086,615</u>	<u>12,594,369</u>	<u>1,492,246</u>	-

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME -
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS"					
Statutory Expenditures					
Contribution to					
Social Security (O.A.S.I.)	\$ 1,035,000	\$ 1,035,000	\$ 969,754	\$ 65,246	
Consolidated Police and Firemen's Pension Fund	31,683	31,683	31,682	1	
Police and Fire Retirement System	3,184,900	3,184,900	3,184,899	1	
Public Employees Retirement Fund	630,641	630,641	630,640	1	
Defined Contribution Retirement Pgmr.	28,000	28,000	26,792	1,208	
Total Deferred Charges and Statutory Expenditures - Municipal Purposes -					
Within "CAPS"	<u>4,910,224</u>	<u>4,910,224</u>	<u>4,843,767</u>	<u>66,457</u>	
Total General Appropriations for Municipal Purposes Within "CAPS"	<u>45,797,024</u>	<u>46,047,024</u>	<u>44,216,685</u>	<u>1,830,339</u>	
OPERATIONS - EXCLUDED FROM "CAPS"					
General Government					
Bergen County Utilities Authority					
Share of Costs (P.L. 1968c 404) Sewer Charges	2,823,944	2,823,944	2,823,943	1	
Recycling Tax	45,000	45,000	37,941	7,059	
Maintenance of Municipal Free (C. 82, P.L. 1985):					
Public Library	2,199,015	2,199,015	2,199,015		
Insurance					
Medical and Surgical	429,011	429,011	429,011		
Stormwater and Water Pollution (N.J.S.A. 40A:4-45.3(cc))					
Salaries and Wages	273,291	273,291	273,291		
Other Expenses	25,000	25,000	25,000		
Police and Fire Retirement Systems	527,159	527,159	527,159		
Public Employees Retirement System	81,703	81,703	81,703		
Reserve for Tax Appeals					
Other Expenses	<u>675,000</u>	<u>675,000</u>	<u>675,000</u>	<u>-</u>	
Subtotal General Government Outside "CAPS"	<u>7,079,123</u>	<u>7,079,123</u>	<u>7,072,063</u>	<u>7,060</u>	

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME -
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balance Cancelled	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>		
STATE AND FEDERAL PROGRAMS						
OFFSET BY REVENUES						
Public Health Priority	\$ 9,348	\$ 9,348	\$ 9,348			
Recycling Tonnage Grant	44,608	44,608	44,608			
Clean Communities Program	36,216	36,216	36,216			
Municipal Alliance on Alcohol and Drug Abuse	15,759	15,759	15,759			
Municipal Alliance Local Match	3,940	3,940	3,940			
Drunk Driving Enforcement Fund	23,692	23,692	23,692			
200 Club of Bergen Cty - Appropriation Grant	2,000	2,000	2,000			
200 Club of Bergen Cty - Appropriation Grant Local Match	2,000	2,000	2,000			
Take Me Fishing Grant	5,000	5,000	5,000			
Community Chest-Englewood Fire Dept. Grant	5,102	5,102	5,102			
Reach and Teach	24,000	24,000	24,000			
Homeland Security-NJ Data Exchange Grant	134,560	134,560	134,560			
2010 Sustainable New Jersey Small Grant	10,000	10,000	10,000			
H1N1 Emergency Preparedness	80,572	80,572	80,572			
NJ DOT Municipal Aid Program	200,000	200,000	200,000			
NY/NJ port Authority Emergency Service	5,000	5,000	5,000			
ANJEC-Smart Growth Planning	8,000	8,000	8,000			
ANJEC-Smart Growth Planning-Local Match	9,000	9,000	9,000			
Louis A. LaSalle Tomorrow Fund	30,000	30,000	30,000			
Subtotal State and Federal Programs Outside of "CAPS"	<u>648,797</u>	<u>648,797</u>	<u>648,797</u>			
Total Operations Excluded from "CAPS"	<u>7,727,920</u>	<u>7,727,920</u>	<u>7,720,860</u>	\$ <u>7,060</u>		
Detail:						
Salaries and Wages	273,291	273,291	273,291			
Other Expenses	<u>7,454,629</u>	<u>7,454,629</u>	<u>7,447,569</u>	<u>7,060</u>		
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"						
Capital Improvement Fund	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>			
Total Capital Improvements Excluded from "CAPS"	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>			

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME -
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>		<u>Expended</u>		Unexpended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Balance Cancelled</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	\$ 700,000	\$ 700,000	\$ 700,000		
Payment of Bond Anticipation Notes and Capital Notes	407,974	407,974	396,929		\$ 11,045
Interest on Bonds	519,288	519,288	519,288		
Interest on Notes	346,256	346,256	346,255		1
Interest on Emergency Notes	12,556	12,556	12,555		1
Green Trust Loan Program					
Loan Repayments for Principal and Interest	800	800	800		
Capital Lease Obligations Approved Prior to 7/1/2007					
Principal	1,065,910	1,065,910	1,065,910		
Interest	194,090	194,090	194,090		
Total Municipal Debt Service - Excluded from "CAPS"	<u>3,246,874</u>	<u>3,246,874</u>	<u>3,235,827</u>	<u>-</u>	<u>11,047</u>
DEFERRED CHARGES-MUNICIPAL EXCLUDED FROM "CAPS"					
Special Emergency Authorizations - 5 Years (N.J.S.A. 40A:4-55)	<u>165,200</u>	<u>165,200</u>	<u>165,200</u>	<u>-</u>	<u>-</u>
Total Deferred Charges - Municipal Excluded from "CAPS"	<u>165,200</u>	<u>165,200</u>	<u>165,200</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>11,489,994</u>	<u>11,489,994</u>	<u>11,471,887</u>	<u>\$ 7,060</u>	<u>11,047</u>
Subtotal General Appropriations	<u>57,287,018</u>	<u>57,537,018</u>	<u>55,688,572</u>	<u>1,837,399</u>	<u>11,047</u>
Reserve for Uncollected Taxes	<u>3,300,755</u>	<u>3,300,755</u>	<u>3,300,755</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 60,587,773</u>	<u>\$ 60,837,773</u>	<u>\$ 58,989,327</u>	<u>\$ 1,837,399</u>	<u>\$ 11,047</u>

CITY OF ENGLEWOOD
STATEMENT OF EXPENDITURES AND OTHER CHARGES TO INCOME -
REGULATORY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>	<u>Expended</u>	<u>Unexpended</u>	
	Budget	Budget After Modification	Paid or Charged	Balance Cancelled
Budget as Adopted		\$ 60,433,111		
Added by N.J.S. 40A:4-87		154,662		
Special Emergency Authorization		<u>250,000</u>		
		<u><u>\$ 60,837,773</u></u>		
Other Expenditures and Charges to Income				
County Taxes		\$ 10,807,520		
Local School Taxes		48,428,618		
Interfund Advance		77,991		
Reduction of Receivable from State		122,445		
Prior Year Senior Citizen and Veterans Disallowed		<u>815</u>		
Total Other Expenditures and Charges to Income		<u><u>59,437,389</u></u>		
Sub-Total Paid or Charged		118,426,716		
Reserved		<u>1,837,399</u>		
Total Expenditures		<u><u>\$ 120,264,115</u></u>		

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

Year	Prior Years	Balance, December 31, 2009	Added Taxes in 2010	Senior Citizens' and Veterans' Deductions Disallowed	Collected In 2009	Collected In 2010	Senior Citizens' and Veterans' Deductions Allowed	Transferred to Tax Title Liens	Remitted or Cancelled	Balance, December 31, 2010
		\$ 917,703 438	\$ 2,772,875 -	\$ 1,529 151,146	\$ 106,481,200	\$ 815 -	\$ 591,849 102,922,512	\$ 2,702,390 112,000	\$ 41,418 55,047	\$ 438 675,834
2008		\$ 2,772,875	\$ 1,529	\$ 106,481,200	\$ 815	\$ 591,849	\$ 2,702,390	\$ 41,418	\$ 28,710	\$ 2,701
2009										
2010		\$ 3,691,016	\$ 152,675	\$ 106,481,200	\$ 815	\$ 591,849	\$ 105,624,902	\$ 112,000	\$ 96,465	\$ 704,982
										\$ 3,195,508

Analysis of 2010 Property Tax Levy

Tax Yield
 General Purpose Tax
 Added Taxes (R.S. 54:4-36.1 et. seq.)

\$ 106,481,200
 151,146
\$ 106,632,346

Tax Levy
 Local District School Tax
 County Tax
 County Open Space
 Added and Omitted County Taxes

\$ 48,428,618
\$ 10,807,520

Local Tax for Municipal Purposes
 Add Additional Tax Levy

\$ 59,236,138
 47,214,620
 181,588
\$ 47,396,208

\$ 106,632,346

EXHIBIT B-4

**CITY OF ENGLEWOOD
STATEMENT OF TAX TITLE LIENS**

Balance, December 31, 2009	\$	70,553
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Increased by:

Interest and Costs on Tax Sale	\$	9,082
Taxes Receivable		41,418
Transfer from 2010 Taxes Receivable		<u>55,047</u>

105,547

Balance, December 31, 2010	\$	<u>176,100</u>
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EXHIBIT B-5

STATEMENT OF SEWER USER CHARGE RECEIVABLE

Balance, December 31, 2009	\$	199,461
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Increased by:

Billings		<u>297,135</u>
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496,596

Decreased by: Collections and Other Credits		<u>239,054</u>
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Balance December 31, 2010	\$	<u>257,542</u>
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EXHIBIT B-6

**STATEMENT OF DUE FROM STATE OF NEW JERSEY
ACADEMIES AT ENGLEWOOD**

Balance, December 31, 2009	\$	122,445
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Decreased by:

Cancellations		<u>122,445</u>
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Balance, December 31, 2010	\$	<u>-</u>
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CITY OF ENGLEWOOD
STATEMENT OF 2009 APPROPRIATION RESERVES

	Balance, December 31, <u>2009</u>	Budget After Transfer or <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
GENERAL GOVERNMENT				
Administrative and Executive				
Mayor and Council				
Other Expenses	\$ 7,585	\$ 7,585	\$ 399	\$ 7,186
City Manager				
Salaries and Wages	17,052	17,052		17,052
Other Expenses	43,490	43,490	325	43,165
City Clerk's Office				
Salaries and Wages	6,374	6,374	1,677	4,697
Other Expenses	16,466	18,309		18,309
Human Resources				
Salaries and Wages	1,739	1,739		1,739
Other Expenses	6,936	6,936	737	6,199
Purchasing:				
Other Expenses	3,773	4,447		4,447
Finance Department				
Salaries and Wages	18,994	18,994		18,994
Other Expenses	18,875	18,875	16,871	2,004
Data Processing				
Salaries and Wages	28	28		28
Other Expenses	17,464	17,464	105	17,359
Assessment of Taxes				
Salaries and Wages	3,833	3,833	1,675	2,158
Other Expenses	866	866	154	712
Collection of Taxes				
Salaries and Wages	8,329	8,329	2,644	5,685
Other Expenses	22,043	22,043	39	22,004
Legal Services and Costs				
Salaries and Wages	1,469	1,469		1,469
Other Expenses	71,386	146,386	121,525	24,861
Engineering Services and Costs				
Other Expenses	4,764	4,764		4,764
Community Development Office				
Salaries and Wages	3,022	3,022		3,022
Other Expenses	43,769	47,286		47,286

**CITY OF ENGLEWOOD
STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance, December 31, <u>2009</u>	Budget After Transfer or <u>Modification</u>	Paid or Charged	Balance <u>Lapsed</u>
GENERAL GOVERNMENT (Continued)				
Municipal Court				
Salaries and Wages	\$ 29,405	\$ 29,405		\$ 29,405
Other Expenses	47,808	57,539		57,539
Public Defender (Contractual)	4,075	4,075	\$ 4,075	
Insurance				
Medical and Surgical	621,339	621,339	530,118	91,221
Other Insurance Premiums	90,436	150,436	144,402	6,034
Worker's Compensation	154,153	94,153	82,410	11,743
Unemployment	75,000	75,000	75,000	
Property Maintenance Code Violation				
Abatement				
Other Expenses	18,730	18,730		18,730
Municipal Land Use				
Planning Board				
Other Expenses	6,106	13,606	11,563	2,043
PUBLIC SAFETY				
Fire				
Salaries and Wages	523,693	523,693	170,364	353,329
Other Expenses	42,868	42,868	34,219	8,649
Police				
Salaries and Wages	163,911	182,990		182,990
Other Expenses	166,938	166,938	38,396	128,542
Aid to Volunteer Ambulance	6,464	6,464		6,464
Emergency Management Services				
Other Expenses	16,364	16,364	108	16,256
PUBLIC WORKS				
Public Works Administration				
Salaries and Wages	11,689	11,689		11,689
Other Expenses	8,722	8,722	4,462	4,260
Buildings and Grounds				
Other Expenses	25,167	32,667	25,958	6,709
Shade Tree Commission				
Salaries and Wages	5,470	5,470		5,470
Other Expenses	29,177	29,177	122	29,055

CITY OF ENGLEWOOD
STATEMENT OF 2009 APPROPRIATION RESERVES

	Balance, December 31, <u>2009</u>	Budget After Transfer or <u>Modification</u>	Paid or Charged	Balance <u>Lapsed</u>
PUBLIC WORKS (Continued)				
Road Repairs and Maintenance				
Salaries and Wages	\$ 20,926	\$ 20,926		\$ 20,926
Other Expenses	8,895	8,895	\$ 3,329	5,566
Central Maintenance Garage				
Salaries and Wages	10,301	10,301		10,301
Other Expenses	76,124	78,124	73,045	5,079
Construction and Facilities Maintenance				
Salaries and Wages	22,147	22,147	1,572	20,575
Other Expenses	39,128	39,128	18,390	20,738
Sanitation Collection Costs				
Salaries and Wages	98,634	79,634		79,634
Other Expenses	31,859	31,859	2,336	29,523
Sewer Department				
Salaries and Wages	16,818	16,818		16,818
Other Expenses	51,534	51,534	16,296	35,238
Parks Department				
Salaries and Wages	4,939	4,939		4,939
Other Expenses	9,200	9,200	96	9,104
HEALTH AND WELFARE				
Board of Health				
Salaries and Wages	27,036	22,036		22,036
Other Expenses	5,342	12,406		12,406
City Physician	9,376	9,376		9,376
Dog Regulation				
Salaries and Wages	1,500	1,500		1,500
Other Expenses	171	171		171
Mental Health Advisory Committee	16,500	16,500		16,500
Relocation Assistance				
Other Expenses	9,769	9,769		9,769
RECREATION AND EDUCATION				
Recreation Department				
Salaries and Wages	11,508	8,508	899	7,609
Other Expenses	13,613	16,613	4,619	11,994

**CITY OF ENGLEWOOD
STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance, December 31, <u>2009</u>	Budget After Transfer or <u>Modification</u>	Paid or Charged	Balance <u>Lapsed</u>
OTHER OPERATING FUNCTIONS				
Terminal Leave Compensation, Salary				
Salaries and Wages	\$ 4,514	\$ 4,514		\$ 4,514
Construction Code Official				
Salaries and Wages	34,212	34,212	\$ 4,565	29,647
Other Expenses	34,380	34,380	6,681	27,699
Utilities				
Electricity	8,322	18,821		18,821
Telephone and Communications	15,497	18,544		18,544
Heating Oil	20,000	20,000		20,000
Fire Hydrants	22,448	24,448	24,006	442
Street Lighting	86,013	86,013	51,211	34,802
Water	8,284	11,410		11,410
Landfill Dumping Fees (BCUA)	378,429	303,429	219,669	83,760
Leaf Disposal Site	38,361	38,361	15,366	22,995
CONTINGENT	8,000	8,000		8,000
STATUTORY EXPENDITURES				
Contributions to				
Social Security (O.A.S.I.)	57,783	57,783		57,783
Consolidated Police and Firemen's Retirement System	1	1		1
GENERAL GOVERNMENT				
Bergen County Utilities Authority				
Share of Cost	20,768	20,768	7,840	12,928
Maintenance of Free Public Library	94,070	94,070	41,340	52,730
	<u>\$ 3,682,174</u>	<u>\$ 3,735,754</u>	<u>\$ 1,758,608</u>	<u>\$ 1,977,146</u>
Budget Reserve		\$ 3,682,174		
Cancelled Encumbrances		<u>53,580</u>		
		<u><u>\$ 3,735,754</u></u>		

CITY OF ENGLEWOOD
STATEMENT OF OTHER RESERVES

	Balance, December 31, <u>2009</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2010</u>
Tax Overpayments	\$ 775	\$ 244,284	\$ 245,059	
Reserve for Codification	<u>12,776</u>	-	5,273	<u>7,503</u>
	<u>\$ 13,551</u>	<u>\$ 244,284</u>	<u>\$ 250,332</u>	<u>\$ 7,503</u>

EXHIBIT B-9

STATEMENT OF FEDERAL AND STATE GRANTS RECEIVABLE
FEDERAL AND STATE GRANT FUND

<u>Grant</u>	Balance, December 31, <u>2009</u>	2010	Revenue	Receipts	Transferred From Unappropriated <u>Grant Reserves</u>	Balance, December 31, <u>2010</u>
Federal Grants						
NJ DOT - Municipal Aid	\$ 200,000	\$ 200,000	\$ 150,000			\$ 250,000
H1N1 Emergency Preparedness		80,572	53,538		\$ 27,034	
State of New Jersey						
Pandemic Flu Preparedness	6,742					6,742
Recycling Tonnage Grant		44,608			44,608	
Clean Communities Grant		36,216			36,216	
Drunk Driving Enforcement Fund		23,692			23,692	
Public Health Priority Funding		9,348			9,348	
Homeland Security - NJ Data Exchange		134,560				134,560
ANJEC - Smart Growth		8,000				8,000
2010 Sustainable New Jersey Grant		10,000	5,000			5,000
County of Bergen						
Open Space Grant	155,000					155,000
Municipal Alliance Grant	15,956	15,759	15,956			15,759
Other Sources						
Take Me Fishing Grant		5,000	5,000			
Community Chest of Englewood		5,102	5,102			
Louis LaSalle Tomorrow Fund		30,000	30,000			
NY/NJ Port Authority - Hazmat Grant		5,000			5,000	
200 Club of Bergen County	35,000	2,000	37,000			
200 Club of Bergen County - Match	17,500		17,500			
Reach and Teach Grant	6,000	24,000	24,000			6,000
	<u>\$ 436,198</u>	<u>\$ 633,857</u>	<u>\$ 343,096</u>	<u>\$ 145,898</u>	<u>\$ 581,061</u>	

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

<u>Grant</u>	Balance, December 31, 2009	Transferred		Expended or Cancelled	Balance, December 31, 2010
		From 2010 Appropriations			
Federal					
DOJ - Justice Grant (JAG)	\$ 51,247			\$ 26,632	\$ 24,615
FEMA - Firefighters Grant	11,097			9,644	1,453
H1N1 Emergency Preparedness		\$ 80,572		78,334	2,238
NJ DOT - Municipal Aid (2009)	200,000			200,000	
NJ DOT - Municipal Aid (2010)		200,000			200,000
State of New Jersey					
NJ DCA - Adolescent Health Grant	154,943			17,017	137,926
NJ DCA - Hepatitis B Grant	2,774				2,774
NJ DCA - Public Health Priority Funds	8,568	9,348		4,330	13,586
NJ DEP - Clean Communities Program	6,119	36,216		33,522	8,813
NJ DEP - Recycling Tonnage Grant		44,608		44,608	
NJ DMV - Alcohol Education and Rehabilitation Fund	2,572				2,572
NJ DMV - Drunk Driving Enforcement Fund	26,607	23,692		1,780	48,519
NJ DOT - Pandemic Flu Preparedness	9,567				9,567
NJ Lead and Field Testing (LIFT)	5,578			5,578	
ANJAC - Smart Growth Grant		8,000		8,000	
ANJAC - Smart Growth Grant - Match		9,000		2,000	7,000
Sustainable New Jersey Grant		10,000			10,000
County of Bergen					
Bio-Terrorism Subgrant	3,201				3,201
Municipal Alliance Program	1	15,759		13,019	2,741
Municipal Alliance Program - Match	3,520	3,940		2,575	4,885
Municipal Alliance Program - Prior Years	22,096				22,096
Open Space Grant	155,000			155,000	
Other Sources					
NJ Data Exchange - Homeland Security		134,560		132,589	1,971
200 Club of Bergen County	35,000	2,000		37,000	
200 Club of Bergen County - Local Match		2,000		2,000	
200 Club of Bergen County (Teaneck Match)	17,500			17,500	
NJ/NY Port Authority - Hazmat Grant		5,000		5,000	
Community Chest of Englewood		5,102			5,102
Take Me Fishing Grant		5,000			5,000
Louis LaSalle Tomorrow Fund		30,000		3,796	26,204
Operation of Trolley Bus Shuttle	354,967			97,868	257,099
Reach and Teach Grant	6,000	24,000		24,000	6,000
	\$ 1,076,357	\$ 648,797		\$ 921,792	\$ 803,362

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

<u>Grant</u>	Balance, December 31, 2009	Cash Received	Appropriated in 2010	Balance, December 31, 2010	
State of New Jersey					
NJ DCA - Adolescent Health Grant	\$ 338				\$ 338
NJ DHSS - Public Health Priority Funds	9,348	\$ 4,326	\$ 9,348		4,326
NJ DEP - Clean Communities Program	36,216	37,766	36,216		37,766
NJ DEP - Recycling Tonnage Grant	44,608		44,608		
NJ DHSS - H1N1 Emergency Preparedness	27,034		27,034		
NJ DMV - Drunk Driving Enforcement Fund	23,692	7,747	23,692		7,747
Other Sources					
NJ/NY Port Authority - Hazmat Grant	5,000	-	5,000		-
	\$ 146,236	\$ 49,839	\$ 145,898		\$ 50,177

TRUST FUNDS

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

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

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

Community Development Block Grant Fund – This fund is used to account for grant proceeds and related expenditures for block grant entitlements.

Unemployment Insurance Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Assessment Trust Fund - This fund is used to account for special benefit assessments levied against properties for specific purposes.

CITY OF ENGLEWOOD
COMBINING STATEMENT OF ASSETS, LIABILITIES AND RESERVES - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2010
(With Comparative Totals as of December 31, 2009)

	Animal Control	Other Trust	Community Development	Unemployment Compensation	Assessment Trust	2010	Totals	2009
ASSETS								
Cash and Cash Equivalents	\$ 68,168	\$ 1,980,672		\$ 187,972		\$ 2,236,812	\$ 2,206,105	
Investments								27,923
Other Accounts Receivable								
Grant Receivable - CDBG			\$ 596,672					230,000
Special Improvement District Taxes Receivable		102,337						102,337
Special Improvement District Lien Receivable		1,372						1,372
Prospective Assessment Funded					\$ 10,035,000			10,035,000
Interfund Receivable		2,000						2,612
Total Assets	\$ 68,168	\$ 2,086,381	\$ 596,672	\$ 187,972	\$ 10,035,000	\$ 12,974,193	\$ 12,501,640	
LIABILITIES, RESERVES AND FUND BALANCE								
Other Liabilities and Reserves								
Due to State of New Jersey	\$ 26	\$ 522,340		\$ 11,696			\$ 11,722	\$ 26
Payroll Deductions Payable							522,340	689,802
Reserve for Unemployment Insurance Trust	53,491	92	\$ 16,759		176,276		176,276	148,293
Interfund Payables			209,336				70,342	
Program Authorizations		1,460,240	370,577				209,336	230,000
Other Liabilities and Reserves							1,830,817	1,332,014
Assessment Serial Bonds							8,775,000	8,775,000
Reserve for								
Animal Control Expenditures	14,651						14,651	66,505
Assessments and Liens		103,709					1,363,709	1,260,000
Total Liabilities, Reserves and Fund Balance	\$ 68,168	\$ 2,086,381	\$ 596,672	\$ 187,972	\$ 10,035,000	\$ 12,974,193	\$ 12,501,640	

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

Balance, December 31, 2009	\$ 66,505
Increased by:	
Dog License Fees Collected	\$ 4,806
Cat License Fees Collected	1,160
Late Fees	2,145
Interest on Investment	<u>174</u>
	<u>8,285</u>
	74,790
Decreased by:	
Expended	6,648
Statutory Excess Due to Current Fund	<u>53,491</u>
	<u>60,139</u>
Balance, December 31, 2010	<u>\$ 14,651</u>
License Fees Collected	
2008	\$ 7,363
2009	<u>7,288</u>
	<u>\$ 14,651</u>

STATEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE
OTHER TRUST FUND

Balance, December 31, 2009	\$ 230,000
Increased by:	
Grant Awards	<u>366,672</u>
Balance, December 31, 2010	<u>\$ 596,672</u>

CITY OF ENGLEWOOD
STATEMENT OF RESERVES AND SPECIAL DEPOSITS
OTHER TRUST FUND

Reserve For:	Balance			Balance December 31, <u>2010</u>
	December 31, <u>2009</u>	<u>Increased</u>	<u>Decreased</u>	
Tax Sale Redemption	\$ 37,413	\$ 987,659	\$ 984,658	\$ 40,414
Environmental Commission	5,637	503	400	5,740
EEDC Corporation	139,889	437,317	483,753	93,453
Lease Escrow - Metro One	5,529	11		5,540
Lease Escrow - NYNEX Rental	6,051	12		6,063
Lease Escrow - EEDC	18,714	38		18,752
Lease Escrow - Depot Square	1,651			1,651
Other Trust Special Deposits	236,817	248,205	96,967	388,055
Tax Sale Premiums	301,766	201,300	237,800	265,266
Developer's Trust	553,426	322,220	266,048	609,598
National Night Out	2			2
Police Extra Duty	24,016	451,895	450,373	25,538
Fourth of July Fireworks	1,103	7,500	8,435	168
	<u>\$ 1,332,014</u>	<u>\$ 2,656,660</u>	<u>\$ 2,528,434</u>	<u>\$ 1,460,240</u>

**STATEMENT OF RESERVE FOR NEW JERSEY UNEMPLOYMENT
COMPENSATION INSURANCE
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND**

Balance, December 31, 2009	\$ 148,293
Increased by:	
Payroll Deductions	\$ 54,329
Budget Appropriations	100,000
Interest Earned on Investments and Deposits	<u>364</u>
	<u>154,693</u>
	302,986
Decreased by:	
Unemployment Compensation Claims	79,781
Payroll Deduction Withholdings	<u>46,929</u>
	<u>126,710</u>
Balance, December 31, 2010	\$ 176,276

CITY OF ENGLEWOOD
SCHEDULE OF PROSPECTIVE ASSESSMENTS FUNDED
TRUST ASSESSMENT FUND

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, December 31, 2009</u>	<u>Assessments Funded</u>	<u>Balance, December 31, 2010</u>	<u>Balance Pledged to: Bonds Reserve</u>
08-07 (amended 03-18 and 05-18)	Route 4 Access	<u>\$ 10,035,000</u>	<u>\$ -</u>	<u>\$ 10,035,000</u>	<u>\$ 8,775,000</u> <u>\$ 1,260,000</u>

SCHEDULE OF ASSESSMENT BONDS
TRUST ASSESSMENT FUND

<u>Description</u>	<u>Original Issue Date</u>	<u>Amount</u>	<u>Maturities of Bonds Outstanding December 31, 2010 Date</u>	<u>Interest Rate</u>	<u>Balance, December 31, 2009</u>	<u>Balance, December 31, 2010</u>
	<u>Original Issue Date</u>	<u>Amount</u>				
Assessment Bonds of 2009	12/16/08	\$ 8,775,000	1/1/2011 \$ 630,000	3.250%		
			1/1/2012 \$ 630,000	3.250%		
			1/1/2013 \$ 630,000	3.250%		
			1/1/2014 \$ 630,000	3.500%		
			1/1/2015 \$ 630,000	3.625%		
			1/1/2016 \$ 630,000	3.750%		
			1/1/2017 \$ 630,000	4.000%		
			1/1/2018 \$ 630,000	4.250%		
			1/1/2019 \$ 630,000	5.000%		
			1/1/2020 \$ 630,000	5.000%		
			1/1/2021 \$ 630,000	5.000%		
			1/1/2022 \$ 630,000	5.000%		
			1/1/2023 \$ 630,000	5.000%		
			1/1/2024 \$ 585,000	5.000%	<u>\$ 8,775,000</u>	<u>\$ 8,775,000</u>
Total Assessment Bonds						

GENERAL CAPITAL FUND

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

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGUALTORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and Cash Equivalents	\$ 12,545,594	\$ 11,997,484
Accounts Receivable	751,517	757,421
Due from County of Bergen - Morris Park	37,500	37,500
Interfund Receivable	16,759	
Deferred Charges to Future Taxation		
Funded	20,476,276	17,877,186
Unfunded	33,474,421	33,828,450
Guarantee of Debt - Volunteer Ambulance Corp.	<u>35,000</u>	<u>40,000</u>
Total Assets	<u>\$ 67,337,067</u>	<u>\$ 64,538,041</u>
LIABILITIES, RESERVES AND FUND BALANCE		
General Serial Bonds	7,615,000	3,950,000
Bond Anticipation Notes	26,180,921	27,238,850
Capital Lease Payable - Bergen County Improvement Authority	12,861,276	13,927,186
Guarantee of Debt - Volunteer Ambulance Corp.	35,000	40,000
Interfunds Payable	24,408	3,012
Improvement Authorization		
Funded	2,581,914	3,272,553
Unfunded	13,341,006	14,474,588
Contracts/Encumbrances Payable	3,229,435	
Capital Improvement Fund	395,996	268,096
Reserve for Capital Improvements	306,247	345,243
Reserve for Payment of Debt Service	504,076	
Fund Balance	<u>261,788</u>	<u>1,018,513</u>
Total Liabilities, Reserves and Fund Balance	<u>\$ 67,337,067</u>	<u>\$ 64,538,041</u>

There were bonds and notes authorized but not issued of \$7,293,500 and \$6,589,600 on December 31, 2010 and 2009. (Exhibit D-8).

CITY OF ENGLEWOOD
COMPARATIVE STATEMENTS OF FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Balance, January 1	\$ 1,018,513	\$ 521,149
Increased by:		
Funded Improvement Authorizations Cancelled	433,941	
Premium on Sale of Notes	243,266	112,423
Premium on Sale of Bonds	9	
Reimbursement from County in Excess of Receivable	- 1,000	
	1,261,788	1,068,513
Decreased by:		
Appropriated to Budget Revenue	<u>1,000,000</u>	<u>50,000</u>
Balance, December 31	<u>\$ 261,788</u>	<u>\$ 1,018,513</u>

CITY OF ENGLEWOOD
ANALYSIS OF GENERAL CAPITAL CASH

	Balance, December 31, <u>2010</u>
Interfund Payables	\$ 24,408
Interfund Receivable	(16,759)
Due from County of Morris	(37,500)
Accounts Receivable	(751,517)
Contracts/Encumbrances Payable	3,229,435
Capital Improvement Fund	395,996
Reserve for Capital Improvements	306,247
Reserve for Payment of Debt Service	504,076
Fund Balance	261,788

<u>Ordinance Number</u>	<u>Improvement Authorizations</u>	
85-22	Transfer Station	(35,600)
98-13	Meltzer Brook Construction	1,247
01-12	Various Improvements: City Hall, Fire, Parks	176,989
02-07	Various Improvements & DPW Equipment	101,311
02-22	Various Road Improvements	1,202
03-04	Acquisition: Lincoln/Liberty School	1,872,149
03-09	Various Road Improvements	100,642
03-11	Acquisition: Lincoln/Liberty School	4,870,293
03-15	Various Capital Improvements	1,025,505
04-06	Construction of Parking Garage	33,227
04-12	Various Capital Improvements	86,597
04-30	Renovations to Lincoln School	148,826
05-11	Various Capital Improvements	41,679
06-08	Various Capital Improvements	684,638
07-01	Various Capital Improvements	463,328
07-02	Improvements to Mackay Park	27,550
08-07	Route 4 Access	292,651
08-09	Various Equipment	53,034
08-10	Various Equipment	165,972
08-16	Various Capital Improvements	13,550
08-25	Various Capital Improvements	10,188
09-13	Various Capital Improvements	688,416
10-18	Various Capital Improvements	(2,125,013)
10-28	Acquisition of DPW Equipment	(348,713)
10-30	Dredging of Quarry Pond	29,794
10-31	Dredging of Quarry Pond	<u>249,958</u>
		<u>\$ 12,545,594</u>

CITY OF ENGLEWOOD
STATEMENT OF IMPROVEMENT AUTHORIZATIONS

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

**CITY OF ENGLEWOOD
STATEMENT OF CAPITAL LEASE OBLIGATIONS PAYABLE**

\$ 12,861,276

\$ 7,648,724 - \$ 20,510,000

CITY OF ENGLEWOOD
STATEMENT OF SERIAL BONDS

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue Date</u>	<u>Amount</u>	<u>Maturities of Bonds Outstanding December 31, 2010</u>		<u>Interest Rate</u>	<u>Balance, December 31, 2009</u>	<u>Increased by Bonds Issued</u>	<u>Decreased by Payments</u>	<u>Balance, December 31, 2010</u>
				<u>December 31, 2010</u>	<u>Amount</u>					
General Improvements	6/10/2004	\$ 6,700,000		7/1/2011	\$ 750,000	3.750%				
				7/1/2012	800,000	3.750%				
				7/1/2013	850,000	4.000%				
				7/1/2014	850,000	4.000%	\$ 3,950,000		\$ 700,000	\$ 3,250,000
General Improvement Bonds	5/16/2010	4,365,000		8/15/2011,2012	155,000	2.000%				
				8/15/2013	160,000	2.000%				
				8/15/2014	165,000	3.000%				
				8/15/2015	170,000	3.000%				
				8/15/2016	175,000	3.000%				
				8/15/2017	185,000	3.125%				
				8/15/2018	190,000	3.250%				
				8/15/2019	200,000	3.500%				
				8/15/2020	205,000	4.000%				
				8/15/2021	215,000	4.000%				
				8/15/2022	225,000	4.000%				
				8/15/2023	235,000	4.000%				
				8/15/2024	245,000	4.000%				
				8/15/2025	255,000	4.000%				
				8/15/2026	265,000	4.000%				
				8/15/2027	275,000	4.000%				
				8/15/2028	285,000	4.000%				
				8/15/2029	295,000	4.000%				
				8/15/2030	310,000	4.000%				
							\$ 3,950,000	\$ 4,365,000		\$ 4,365,000
										\$ 7,615,000

CITY OF ENGLEWOOD
STATEMENT OF BOND ANTICIPATION NOTES

Ord. No.	Improvement Description	Date of Original Note	Issue	Date of Maturity	Interest Rate	Balance, December 31,		Decreased	Balance, December 31, 2010
						2009	Increased		
03-04	Acquisition - Liberty/Lincoln Schools	10/20/03	5/12/2009	5/11/2010	1.25%	\$ 5,844,916	\$ 5,844,916		\$ 5,844,916
			5/7/2010	7/2/2010	1.25%	\$ 5,844,916	\$ 2,752,540		\$ 2,752,540
			7/12/2010	5/6/2011	1.50%				
03-04	Acquisition - Liberty/Lincoln Schools	07/01/10	7/1/2010	5/6/2011	2.125%				1,179,660
03-11	Acquisition - Liberty/Lincoln Schools	07/09/04	5/12/2009	5/11/2010	1.25%	4,418,303	4,418,303		
			5/7/2010	5/6/2011	1.50%				
04-11	Various Equipment	07/08/05	5/12/2009	5/11/2010	1.25%	977,500	977,500		977,500
			5/7/2010	7/2/2010	1.25%				977,500
04-12	Various Improvements	07/09/05	5/12/2009	5/11/2010	1.25%	948,154	948,154		948,154
			5/7/2010	7/2/2010	1.25%				948,154
04-25	Various Capital Improvements	7/10/2005	5/12/2009	5/11/2010	1.25%	256,500	256,500		256,500
			5/7/2010	7/2/2010	1.25%				256,500
05-04	Recon. Of Winthrop Place	7/11/2005	5/12/2009	5/11/2010	1.25%	340,000	337,930		340,000
			5/7/2010	7/2/2010	1.25%				337,930
05-11	Various Capital Improvements	7/17/2006	5/12/2009	5/11/2010	1.25%	4,236,489	4,236,489		4,236,489
			5/7/2010	5/6/2011	1.50%				4,082,143
06-08	Various Capital Improvements	07/06/07	5/12/2009	5/11/2010	1.25%	4,930,664	4,930,664		4,930,664
			5/7/2010	5/6/2011	1.50%				4,927,664
07-01	Various Capital Improvements	07/06/07	5/12/2009	5/11/2010	1.25%	2,036,175	2,036,175		2,036,175
			5/7/2010	5/6/2011	1.50%				1,956,199
07-02	Mackay Park Improvements	07/06/07	5/12/2009	5/11/2010	1.25%	314,285	303,447		314,285
			5/7/2010	5/6/2011	1.50%				303,447

CITY OF ENGLEWOOD
STATEMENT OF BOND ANTICIPATION NOTES

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

Ord. No.	<u>Improvement Description</u>	Balance, December 31, <u>2009</u>	2010 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	Balance, December 31, <u>2010</u>
85-22	Various Improvements	\$ 35,600			\$ 35,600
04-30	Renovations to Lincoln School	2,850,000			2,850,000
09-13	Various Capital Improvements	3,229,000		\$ 3,229,000	
09-22	Fire Truck Refurb. & Acquisition of Equipment	475,000		475,000	
10-18	Various Capital Improvements	\$ 3,637,900			3,637,900
10-28	Acquisition of DPW Equipment	770,000		-	770,000
		<u>\$ 6,589,600</u>	<u>\$ 4,407,900</u>	<u>\$ 3,704,000</u>	<u>\$ 7,293,500</u>

FREE PUBLIC LIBRARY

The Free Public Library Fund accounts for the receipt and disbursement of funds used and related to financial transactions of the City's Free Public Library.

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
FREE PUBLIC LIBRARY
AS OF DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and Cash Equivalents	\$ 187,548	\$ 195,623
Total Assets	<u>\$ 187,548</u>	<u>\$ 195,623</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 8,924	-
FUND BALANCES		
General Fund:		
Restricted:		
Library Restricted	8,235	\$ 10,485
Unrestricted:		
Undesignated	105,465	84,641
Custodian Fund	40,946	72,123
State Aid Fund	<u>23,978</u>	<u>28,374</u>
Total Liabilities and Fund Balances	<u>\$ 187,548</u>	<u>\$ 195,623</u>

CITY OF ENGLEWOOD
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - GENERAL FUND
FREE PUBLIC LIBRARY
FOR THE YEAR ENDED DECEMBER 31, 2010

Fund Balance, December 31, 2009	\$ 95,126
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Increased by:

Coin Copiers and Readers	\$ 8,850
Lost and Paid Books	6,441
Fines	19,372
Miscellaneous - Other	6,383
Gifts/Grants/Contributions	5,234
Interest on Investments	2,517
Videos	9,778
Englewood Cliffs Contribution	210,000
BCCLS	7,350
Friends of the Library	31,155
LVA	1,460
City Operating Funds	2,199,015
Transfer from Custodian Fund	31,358
	2,538,913
	2,634,039

Decreased by:

Salaries	1,564,306
PERS	111,178
FICA	109,576
Insurance	347,738
Office Supplies	16,912
Office Equipment/Service/Maintenance	1,874
Postage	3,667
Books	81,346
Utilities	77,837
Videos, Music and Recorded Books	24,900
Printing and Publications	6,370
Staff Development	4,935
Programs	8,529
LVA	1,700
Other Contracted Services	88,312
Facilities Maintenance	18,137
Automation	49,640
Melvin Lubin Fund	2,250
Other Miscellaneous	1,132
	2,520,339

Balance, December, 31, 2010	\$ 113,700
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Restricted	\$ 8,235
Unrestricted	105,465
	\$ 113,700

CITY OF ENGLEWOOD
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - CUSTODIAN FUND
FREE PUBLIC LIBRARY
FOR THE YEAR ENDED DECEMBER 31, 2010

Fund Balance, December 31, 2009	\$ 72,123
Increased by:	
Interest on Investments	<u>181</u>
	72,304
Decreased by:	
Transfer to General Fund	<u>31,358</u>
Balance, December, 31, 2010	<u>\$ 40,946</u>

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

Fund Balance, December 31, 2009	\$ 28,374
Increased by:	
Interest on Investments	\$ 120
State Aid	<u>12,434</u>
	<u>12,554</u>
	40,928
Decreased by:	
Expenditures	5,053
Microfilm	<u>11,897</u>
Books and Periodicals	<u>16,950</u>
Fund Balance, December 31, 2010	<u>\$ 23,978</u>

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GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets is a balanced account group used to establish control and accountability for the costs of all real property, buildings and moveable equipment owned by the City. The investment in General Fixed Assets is carried until the disposition of the property and ownership is relinquished. Depreciation on fixed assets is not recorded.

CITY OF ENGLEWOOD
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Land	\$ 1,184,895	\$ 1,184,895
Buildings and Building Improvements	9,005,807	9,005,807
Machinery and Equipment	<u>11,714,489</u>	<u>11,605,724</u>
	<u>\$ 21,905,191</u>	<u>\$ 21,796,426</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 21,905,191</u>	<u>\$ 21,796,426</u>

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STATISTICAL SECTION

Table 1

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

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Health and Welfare</u>	<u>Recreation and Education</u>	<u>Deferred Charges and Statutory Expenditures</u>	<u>State and Federal Grants</u>	<u>Capital Improvements</u>	<u>Debt Service</u>	<u>Reserve for Taxes</u>	<u>Total</u>
2010	\$ 20,885,446	\$ 20,139,418	\$ 4,798,867	\$ 928,230	\$ 855,100	\$ 5,684,286	\$ 648,797	\$ 350,000	\$ 3,235,827	\$ 3,300,755	\$ 60,826,726
2009	23,226,126 *	20,938,991	5,262,668	997,053	939,429	1,874,582 *	663,838	310,000	3,540,995	2,900,000	60,653,682
2008	23,063,361	19,767,710	4,828,192	912,164	1,025,291	1,245,847	596,568	300,000	3,833,665	2,825,000	58,397,798
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	4,56,417	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

* For calendar year 2009, certain pension contribution amounts paid by the City were included in General Government Function rather than Deferred Charges and Statutory Expenditures

Source: Borough's Financial Statements

(1) Includes paid or charged and reserves

CITY OF ENGLEWOOD
CURRENT FUND BUDGET REVENUES BY SOURCE
LAST TEN CALENDAR YEARS
(UNAUDITED)

<u>Year</u>	<u>Taxes(1)</u>	<u>Delinquent Taxes</u>	<u>Fees, Permits</u>	<u>Fines and Licenses</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>
2010	\$ 47,290,978	\$ 2,702,389	\$ 4,947,354	\$ 4,344,478	3,409,372	654,727	\$ 1,000,000	\$ 2,600,000	\$ 2,482,122
2009	46,222,122	2,094,265	5,004,745	3,478,951	592,193			4,800,000	1,957,174
2008	44,290,250	2,021,704	5,002,982	4,068,703	510,297			5,000,000	2,703,130
2007	40,110,077	1,583,313	4,120,915	4,098,447	445,993	400,000		4,800,000	2,654,706
2006	36,375,002	1,847,634	4,091,479	4,098,447	535,282	700,000		4,479,000	3,822,770
2005	35,180,234	1,342,076	3,208,138	3,798,447	191,588			4,800,000	2,720,045
2004	34,106,105	1,800,264	3,527,434	3,527,434	78,677			4,800,000	53,467,563
2003	34,407,561	1,497,167	2,810,180	2,841,793	3,506,575	184,793		4,600,000	1,412,894
2002	32,471,816	2,679,134	2,946,010	3,506,578	145,481			4,700,000	49,317,436
2001	30,826,211	1,961,829							1,541,870

(1) excludes taxes allocated to county and school

CITY OF ENGLEWOOD
ASSESSED VALUE AND ESTIMATE OF TOTAL VALUE
LAST TEN CALENDAR YEARS
(UNAUDITED)

<u>Year</u>	<u>Net Assessed Valuation</u>	<u>Estimated Full Cash Valuation</u>	<u>Percent of Net Assessed Value to Estimated Full Cash Valuation</u>
	<u>Taxable</u>		
2010	\$ 5,263,529,221	\$ 5,558,816,073	94.69%
2009	5,274,286,400	5,545,999,833	95.10%
2008	5,222,506,856	5,460,711,137	95.64%
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%

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

CITY OF ENGLEWOOD
SCHEDULE OF TEN LARGEST TAXPAYERS
(UNAUDITED)

<u>Taxpayer</u>	<u>Assessed Valuation 2010</u>	<u>Percentage of Net Assessed Valuation</u>
Englewood Redevelopment Assoc.	\$ 129,000,000	2.45%
SHG Englewood South I, LLC	34,461,200	0.65%
SHG Englewood South II, LLC	29,393,400	0.56%
S. Van Brunt Invest, LLC	20,616,400	0.39%
Rockwood property Holding, LLC	19,738,600	0.38%
Flatrock 3, LLC	17,989,800	0.34%
Englewood Village, LLC	16,103,400	0.31%
Lackland Partners	14,413,900	0.27%
Seoul Shik Poom, Inc.	15,240,000	0.29%
Englewood Terrace LLC	<u>13,500,000</u>	0.26%
	<u>\$310,456,700</u>	5.90%

Source: Tax Assessor Records

CITY OF ENGLEWOOD
COMPUTATION OF LEGAL DEBT MARGIN AND OVERLAPPING DEBT
FOR YEAR ENDED DECEMBER 31, 2010
(UNAUDITED)

Average Equalized Valuation		\$ <u>5,454,640,420</u>	
Borrowing Power 3 1/2% of Average Equalized Valuation		190,912,415	
Net Debt		<u>49,360,345</u>	
Remaining Borrowing Power		\$ <u>141,552,070</u>	
	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Municipal Debt			
City of Englewood	\$ <u>71,542,421</u>	\$ <u>22,182,076</u>	\$ <u>49,360,345</u>
Overlapping Debt Apportioned to the Borough:			
County of Bergen (1); (A)			20,666,140
Bergen County Utilities Authority (B)			<u>13,581,122</u>
			\$ <u>83,607,607</u>

(1) County of Bergen 2010 Annual Debt Statement

(A) The debt for this entity was apportioned to the City of Englewood by dividing the municipality's 2010 equalized value by the total 2010 equalized value for Bergen County which results in an apportionment of 3.03%.

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

Table 6

CITY OF ENGLEWOOD
RATIO OF BONDED DEBT, NOTES, AND LOANS OUTSTANDING TO EQUALIZED VALUATION
AND DEBT PER CAPITA
LAST TEN CALENDAR 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>	Ratio of Gross Bonded Debt to Equalized Valuation		<u>Net Debt</u>	Ratio of Net Bonded Debt to Equalized Valuation		<u>Net Bonded Debt per Capita</u>
					<u>Debt</u>	<u>Valuation</u>		<u>Debt</u>	<u>Valuation</u>	
2010	26,203	\$ 5,454,640,420	\$ 71,542,421	\$ 2,730	1.31%	\$ 49,360,345	0.90%			1,884
2009	26,203	5,356,203,303	69,516,391	2,653	1.30%	46,553,450	0.87%			1,777
2008	26,203	5,044,482,942	68,912,775	2,630	1.37%	44,374,433	0.88%			1,693
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

(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

CITY OF ENGLEWOOD
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES TO
CURRENT FUND ACTUAL EXPENDITURES
LAST TEN CALENDAR YEARS
(UNAUDITED)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Current Fund Expenditures</u>	<u>Ratio of Debt Service to Current Fund Expenditures</u>	<u>%</u>
2010	\$ 2,162,839	\$ 1,072,988	3,235,827	\$ 60,826,726	5.32	
2009	2,304,983	1,236,012	3,540,995	60,653,682	5.84	
2008	2,225,700	1,607,965	3,833,665	58,397,798	6.56	
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	

(1) Includes Type I School Debt Service

Source: City Financial Statements
 Includes Bonds and Loans

Table 8

CITY OF ENGLEWOOD
DEMOGRAPHIC STATISTICS
(UNAUDITED)

<u>Year</u>	<u>Unemployment Rate (1)</u>	<u>Total Per Capita Income (2)</u>	<u>Population</u>
2010	8.20	N/A	26,203
2009	8.00	N/A	26,203
2008	5.50	N/A	26,203
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

Source: U.S. Bureau of the Census
 New Jersey Department of Labor Average Annual Labor Force

**CITY OF ENGLEWOOD
MISCELLANEOUS STATISTICS
DECEMBER 31, 2010
(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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SUPPLEMENTARY SCHEDULES
GOVERNMENT AUDITING STANDARDS

LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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GARY W. HIGGINS, CPA, RMA, PSA
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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
Englewood, New Jersey

We have audited the financial statements – regulatory basis of the City of Englewood as of and for the year ended December 31, 2010, and have issued our report thereon dated July 7, 2011 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

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, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as items 2010-1 and 2010-2 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Englewood's financial statements 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2010-1 and 2010-2.

We also noted certain matters that we reported to management of the City of Englewood in Part III of this report of audit entitled "Letter of Comments and Recommendations".

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's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the governing body, management, New Jersey Department of Community Affairs 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.

Leer Vinci & Higgins LLP
LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Registered Municipal Accountants

Dietel P. Lerch
Dietel P. Lerch

Registered Municipal Accountant

RMA Number CR00398

Fair Lawn, New Jersey

July 7, 2011

LERCH, VINCI & HIGGINS, LLP

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REGISTERED MUNICIPAL ACCOUNTANTS

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the City of Englewood's compliance with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and the "New Jersey OMB Circular 04-04: State Aid/Grant Compliance Supplement" that could have a direct and material effect on each of the City of Englewood's major federal programs for the year ended December 31, 2010. The City of Englewood's major federal programs are 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 federal and 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; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and circulars 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 federal 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

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 federal and state programs. In planning and performing our audit, we considered the City of Englewood's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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.

This report is intended solely for the information and use of the governing body, management, New Jersey Department of Community Affairs 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.

Jack Vinci & Heyer LLP
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

Dieter P. Lerch
Dieter P. Lerch
Registered Municipal Accountant
RMA Number CR00398

Fair Lawn, New Jersey
July 7, 2011

SCHEDULE A

CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Name of Federal Agency or Department	Federal Program	C.F.D.A./ Account No.	Program Amount	Balance, January 1, 2010	Revenue	Expended	Adjustment	Balance, December 31, Cumulative 2010 Expenditures
U.S. Department of Housing and Urban Development	Community Development Block Grants: Barrier Free Improvements	14.218	\$ 210,614	\$ 210,614				\$ (210,614)
	Knickerbocker Road	14.218	230,000		\$ 230,000	\$ 230,000		\$ 230,000
	Rosemont Place	14.218	183,336		183,336	157,336		157,336
	Decatur, Hirliman and Third	14.218	183,336		183,336			183,336
U.S. Department of Health and Human Svcs Division of Epidemiology	Public Health Emergency Preparedness	93.069		80,572	78,334		2,238	78,334
89	Department of Transportation Highway Planning and Construction	Municipal Aid Program 2009	20.205	200,000		200,000		200,000
	Municipal Aid Program 2010	20.205	200,000		200,000			200,000
U.S. Department of Homeland Security Federal Emergency Management Agency	FEMA - Firefighter Grant	97.044	44,280	11,097		9,644		1,453
U.S. Department of Homeland Security	NJ Data Exchange	NA	134,560					42,827
U.S. Department of Justice	Edward Byrne Memorial Justice Assistance Grant Justice Assistance Grant	16.58	51,247	51,247		26,632		24,615
	National Night Out	NA	5,000		423		(421)	2
								4,577
	Total Federal Awards			\$ 273,381	\$ 1,077,244	\$ 701,946	\$ (211,035)	\$ 437,644

CITY OF ENGLEWOOD
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

State Agency or Department	State Program or Department	State Program/ Account No.	Program Amount	Balance, January 1, 2010	Receipts/ Revenue	Expended	Adjustment	Balance, December 31, 2010	Cumulative Expenditures	
Department of Environmental Protection and Energy	Clean Communities Program	4900-765-042-4900-004-VCMC-6020 4900-765-042-4900-004-VCMC-6020 4900-765-042-4900-004-VCMC-6020 4900-765-042-4900-004-VCMC-6020	\$ 27,016 (\$ 15,405) (\$ 11,492)	\$ 6,119 \$ 27,403	\$ 15,405 17,611 36,216	\$ 17,611 \$ 8,813 \$ 37,766		\$ 15,405 39,893 27,403		
	Recycling Tonnage Grant	4900-765-042-4900-001-VREV-6020	(25,905)		44,608	70,513			44,608	
Department of Community Affairs	Adolescent Health Grant	4220-100-046-4535-129-1002-6140 4220-100-046-4535-129-1002-6140 4220-100-046-4535-129-1002-6140	112,922 89,268 48,600	17,076 89,268 48,600	17,017			59 89,268 48,600	112,863	
	Public Health Priority Funding	4220-100-046-4535-109-1002-6020 4220-100-046-4535-109-1002-6020 4220-100-046-4535-109-1002-6020	10,704 9,924 4,326	2,664 4,699	2,664 1,666	10,553		13,586 4,326	9,500 6,891	
	Lead and Field Testing	NA	23,395	5,578	5,578				23,395	
	Smart Future 2006	2006-100-022-8020-090-FSMR-6120	55,000	(55,000)		55,000				
	Smart Growth	NA	8,000		8,000	8,000			8,000	
	Sustainable New Jersey	NA	10,000		10,000				10,000	
	Hepatitis B Grant	NA	2,774					2,774	2,226	
	Municipal Alliance		17,500	(3,936)			3,936		12,428	
Department of Health and Human Services	H1N1 Emergency Preparedness Grant		2,500	(138)			138			
	Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY 6400-100-078-6400-YYYY 6400-100-078-6400-YYYY 6400-100-078-6400-YYYY	28,655 1,725 6,640 7,747	11,589 1,725 4,140 7,747		(11,589) (1,725) 46,159				17,046
	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			48,519 4,280 7,747			
Department of Transportation	Municipal Aid Program	06-1337-BT-L-O	200,000	(22,227)				22,227		
	Pandemic Flu Planning		7,915	2,824					2,825	
	Total State Financial Assistance			\$ 59,406	\$ 67,839	\$ 114,835		\$ 264,445	\$ 276,855	

This schedule is not subject to an audit in accordance with N.J. OMB 04-04.

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

CITY OF ENGLEWOOD
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
YEAR ENDED DECEMBER 31, 2010

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 480,572	\$ 67,839	\$ 548,411
Community Development Grant Fund	<u>596,672</u>	<u>-</u>	<u>596,672</u>
Total Financial Awards	<u>\$ 1,077,244</u>	<u>\$ 67,839</u>	<u>\$1,145,083</u>

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

Part I – Summary of Auditor's Results

Financial Statements

A) Type of auditors' report issued on financial statements Unqualified

B) Internal control over financial reporting:

1) Material weakness(es) identified _____ yes no

2) Significant deficiency(ies) that are not considered to be material weakness(es)? yes _____ none

C) Noncompliance material to the financial statements noted? yes _____ no

Federal Awards Section

D) Dollar threshold used to determine Type A programs: \$300,000

E) Auditee qualified as low-risk auditee? _____ yes no

F) Type of auditors' report on compliance for major programs: Unqualified

G) Internal Control over compliance:

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

2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes no

H) Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133 (section.510(a))? _____ yes no

I) Identification of major programs:

CFDA Number(s)

14.218

20.205

Name of Federal Program or Cluster

U.S. Dept. of Housing and Urban Development

U.S. Dept. of Transportation

Highway Planning and Construction

State Awards Section

NOT APPLICABLE

CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

Part 2 – Schedule of Financial Statement Findings

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

Finding 2010-01

Our audit revealed that certain Current and General Capital Fund contracts were not encumbered when awarded by the City Council.

Criteria or specific requirement:

- N.J.A.C. 5:30-5.2 Encumbrance Systems.

Condition:

Certain unrecorded liabilities were noted in the Current and General Capital Funds. Purchase orders were not issued/encumbered for year end expenditures and for certain contracts awards.

Questioned Costs:

Unknown.

Context:

\$408,976 of Current Fund encumbrances were recorded by audit adjustment for liabilities pertaining to workers compensation, traffic signals, revaluation/reassessment, leaf disposal and police communications equipment. In addition, General Capital Fund contracts totaling \$536,981 for the acquisition of various vehicles were not encumbered when the contracts were awarded.

Effect:

Commitments may exist and not be recorded in the financial statements. Audit adjustments have been made to record known encumbrances.

Cause:

Unknown.

Recommendation:

The encumbrance system be enhanced to ensure that year end expenditures and contracts awarded are properly reviewed and encumbered.

Management's Response:

The City has reviewed this finding and has indicated corrective action will be taken.

**CITY OF ENGLEWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2010-02

The fixed asset report does not contain an inventory listing for land and building/building improvements. In addition, our audit revealed unrecorded machinery and equipment additions of \$94,899.

Criteria or specific requirement:

N.J.A.C. 5:30-5.6 Accounting for Governmental Fixed Assets.

Condition:

The fixed asset report does not contain an inventory list for land and building/building improvements. In addition, the fixed asset report does not contain \$94,899 in current year machinery and equipment additions.

Questioned Costs:

None.

Context:

The City does not have a complete, detailed fixed asset report.

Effect:

Amounts reported on the fixed asset report are not properly supported.

Cause:

Unknown.

Recommendation:

The City's fixed asset report should contain detailed listings for all items contained within the report. In addition, all current year fixed assets purchased should be included in the fixed asset report.

Management's Response:

The City has reviewed this finding and has indicated corrective action will be taken.

**CITY OF ENGLEWOOD
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2010**

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

STATUS OF PRIOR YEAR FINDINGS

Finding 2009-1

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.

Current Status

See General Comment.

Finding 2009-2

The City has not established adequate monitoring procedures for the collection of parking garage lot fees and daily parking receipts.

Current Status

Corrective action has been taken.

Finding 2009-3

The City's management does not properly monitor parking meter collection duties.

Current Status

Corrective action has been taken.

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Tax Rate</u>	<u>\$2.023</u>	<u>\$1.968</u>	<u>\$1.906</u>

Apportionment of Tax Rate

Municipal	.897	.865	.836
County	.203	.191	.179
County Open Space	.003	.011	.011
Local School	.920	.901	.879

Assessed Valuation

2010	<u>\$5,263,529,221</u>
2009	<u>\$5,284,140,122</u>
2008	<u>\$5,222,506,856</u>

Comparison of Tax Levies and Collection Currently

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2010	\$ 106,632,346	\$ 103,626,361	97.18%
2009	104,424,525	101,281,571	96.99%
2008	99,880,208	97,560,182	97.68%

**CITY OF ENGLEWOOD
SUPPLEMENTARY DATA**

Delinquent Taxes and Tax Title Liens

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

<u>December 31</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Lien</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
<u>Year</u>				
2010	\$ 3,195,508	\$ 176,100	\$3,371,608	3.16%
2009	3,691,016	70,553	3,761,569	3.60%
2008	3,000,716	60,385	3,061,101	3.06%

The City held a tax sale on October 18, 2010.

The following is a comparison of the number of tax title liens receivable held by the City on December 31 of the last two years:

<u>Year</u>	<u>Number of Liens</u>
2010	17
2009	11

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2010 by foreclosure or deed, as a result of liquidation of tax title liens.

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

<u>Year</u>	<u>Amount</u>
2010	\$70,979
2009	70,979
2008	70,979

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2010	\$4,528,646	\$3,100,000
	2009	3,486,627	2,600,000
	2008	5,605,055	4,800,000
	2007	6,057,965	5,000,000
	2006	5,460,168	4,800,000

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CITY OF ENGLEWOOD

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2010

CITY OF ENGLEWOOD
LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS

Prior Year Resolved

Our audit of the Police Department revealed several instances where monies collected are not always deposited within 48 hours of receipt. It is recommended that all monies collected by the Police Department be deposited within 48 hours of receipt.

Our audit revealed the City's Chief Financial Officer, formerly the IT Manager, has previously developed and currently has access of the source code of the City's accounting software. The City has subsequently changed accounting software providers, therefore, no recommendation is warranted.

Our audit of the Board of Health found that cash register tapes did not agree to daily tally sheets. It is recommended that cash register tapes be reconciled to the Treasurer's records (daily tally sheets) on a regular basis.

Current Year

Our audit revealed the prior year taxes receivable of \$917,703 still remains outstanding and appears to be uncollectible. It is recommended that prior year taxes receivable, which remain uncollected, be cancelled by governing body resolution.

Our audit revealed that NVE Bank was not approved by the City Council as a designated depository. It is recommended that all depositories utilized by the City be formally approved, by resolution, as designated depositories.

Our audit revealed numerous reserves that did not have approved Dedication by Riders and did not appear to have a valid purpose. It is recommended that Other Trust Fund reserves be reviewed for validity and approved Dedication by Riders be obtained.

With respect to the City's Council on Affordable Housing (COAH), our audit revealed that the City is charging a two percent (2%) development fee for non-residential property, however, the mandated state rate is two and one-half percent (2.5%). It is recommended that the COAH development fee for non-residential property be charged in accordance with state regulations.

With respect to the Municipal Court, our audit revealed the following:

- a. Only one authorized signature is on the checks drawn from the bail and fines accounts.
- b. In regards to Municipal Court reports, there were six hundred nineteen (619) tickets greater than six months old on Tickets Assigned but Not Issued Report, forty-one (41) tickets on the Tickets Issued but not Assigned Report, and the In-Court Payment/Disposition Error, Void/Spoiled Report, Ticket Delete and Ticket Error Reports were not made available for audit.

It is recommended that:

- a. All checks drawn from the bail and fines accounts contain two payor signatures.
- b. All Municipal Court monthly reports be generated, reviewed and action taken in accordance with guidelines established by the State of New Jersey Administrative Office of Courts.

CITY OF ENGLEWOOD
LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (Continued)

Current Year (Continued)

Our audit revealed that the surety bond coverage for the Tax Collector was insufficient. It is recommended that sufficient surety bond coverage be obtained for the Tax Collector in accordance with NJAC 5:30-8.3.

Our audit of payroll revealed that a certain employee was receiving an \$1,200 car allowance, however, there is no formal approval or authorization to support payment. It is recommended that travel allowances paid to employees be approved by the City Council.

Two employees covered under the Local 108 Contract were paid terminal leave during the year, however, amounts paid appear to have exceeded the maximum amount permitted by the union agreement. It is recommended that the City attorney's opinion be sought in regards to clarification of maximum terminal leave payouts allowed in accordance with the union agreement.

With respect to the Municipal Library, our audit revealed the following:

- a. Vouchers are not always being utilized for purchases. In addition, instances were noted where vouchers did not have payment approval signatures.
- b. Cleaning/snow removal services exceeded the bid threshold in the aggregate and were not awarded by public bid in accordance with 40A:11 et seq.

It is recommended that:

- a. Vouchers be utilized for all purchases and contain all required payment approval signatures.
- b. All contracts for goods and services relating to cleaning/snow removal which in the aggregate exceed the bid threshold be publicly bid in accordance with the Local Public Contracts Law.

With respect to the Recreation Department, our audit revealed the following:

- a. Instances were noted where fees charged could not be identified on the fee ordinance.
- b. The computerized registration system was not operational for part of the year.

It is recommended that:

- a. All fees be charged in accordance with the adopted fee ordinance.
- b. Efforts be made to ensure that a computerized registration system is fully operational and properly reconciled with registration receipts.

CITY OF ENGLEWOOD
LETTER OF COMMENTS AND RECOMMENDATIONS

GENERAL COMMENTS (Continued)

CONTRACTS AND AGREEMENTS REQUIRED TO BE ADVERTISED FOR N.J.S. 40A:11-4

N.J.S. 40A:11-4 states "Every contract or agreement, for the performance of work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate of \$21,000, except by contract or agreement."

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

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

Refurbishment of Fire Truck	Truck
Meadowbrook/Robin Road Drainage	Trackless Multipurpose Tractor
Heating and Air Conditioning Maintenance	Emergency Curb and Sidewalk Replacement
Electrical Services	4 WD Pickup Trucks with Snow Plows and Spreaders
Cleaning Services – Public Safety and DPW	2010 Road Improvement
Plumbing Services	Reconstruction of Sherwood Place
Police Vehicle Repair and Maintenance	Webster, Decatur and Hirliman Improvements
Pool Management	Coach Bus Services
Recreation Bus Services	Repair and Reconstruction to Tennis and
Rosemont Place Reconstruction	Basketball Courts
DPW Uniforms	Drainage Improvements
Knickerbocker Road Reconstruction	

The minutes indicate that resolutions were adopted and advertised authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S. 40A:11-5. Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishings or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear violations existed.

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS

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

**CITY OF ENGLEWOOD
LETTER OF COMMENTS AND RECOMMENDATIONS**

GENERAL COMMENTS (Continued)

COLLECTION OF INTEREST ON DELINQUENT TAXES AND ASSESSMENTS (Continued)

The Governing Body on January 5, 2010 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"WHEREAS, N.J.S.A. 54:4-67 provides that the Governing Body of municipality is to fix the rate of interest to be charged for the delinquent payment of real estate taxes, sewer taxes or assessments.

THEREFORE, BE IT RESOLVED, by the Governing Body of the City of Englewood, County of Bergen, New Jersey that interest shall be charged at the rate of 8% per annum on the first \$1,500 of delinquent real estate taxes and 18% per annum on any amount in the excess of \$1,500, to be calculated from the date the tax, sewer taxes or assessments was payable until the date of actual payment.

CITY OF ENGLEWOOD
LETTER OF COMMENTS AND RECOMMENDATIONS

RECOMMENDATIONS

It is recommended that:

- * 1. All monies collected by the Police Department be deposited within 48 hours of receipt.
- * 2. Cash register tapes of the Health Department be reconciled to the Treasurer's records (daily tally sheets) on a regular basis.
- 3. The encumbrance system be enhanced to ensure that year end expenditures and contracts awarded are properly reviewed and encumbered.
- 4. The City's fixed asset report should contain detailed listings of all items contained within the report. In addition, all current year assets purchased should be included in the fixed asset report.
- 5. Prior year taxes receivable, which remain uncollected, be cancelled by governing body resolution.
- 6. All depositories utilized by the City be formally approved, by resolution, as designated depositories.
- 7. Other Trust Fund reserves be reviewed for validity and approved Dedication by Riders be obtained.
- 8. The COAH development fee for non-residential property be charged in accordance with state regulations.
- 9. With respect to the Municipal Court:
 - a. All checks drawn from the bail and fines accounts contain two payor signatures.
 - b. All Municipal Court monthly reports be generated, reviewed and action taken in accordance with guidelines established by the State of New Jersey Administrative Office of Courts.
- 10. Sufficient surety bond coverage be obtained for the Tax Collector in accordance with N.J.A.C. 5:30-8.3.
- 11. Travel allowances paid to employees be approved by the City Council.
- 12. The City attorney's opinion be sought in regards to clarification of maximum terminal leave payouts allowed in accordance with the union agreement.
- 13. With respect to the Municipal Library:
 - a. Vouchers be utilized for all purchases and contain all required payment approval signatures.
 - b. All contracts for goods and services relating to cleaning/snow removal which in the aggregate exceed the bid threshold be publicly bid in accordance with Local Public Contracts Law.

CITY OF ENGLEWOOD
LETTER OF COMMENTS AND RECOMMENDATIONS

RECOMMENDATIONS (Continued)

14. With respect to the Recreation Department:

- a. All fees be charged in accordance with the adopted fee ordinance.
- b. Efforts be made to ensure that a computerized registration system is fully operational and properly reconciled with registration receipts.

* * * * *

A review was performed on all prior year's recommendations. The City has taken corrective action on all prior year recommendations, except those denoted by an asterisk (*).

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

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

Dieter P. Lerch, CPA, RMA
LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants

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