

BOROUGH OF ENGLEWOOD CLIFFS
BERGEN COUNTY, NEW JERSEY

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2011

BOROUGH OF ENGLEWOOD CLIFFS
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS

<u>Part I</u>	<u>Page</u>
Independent Auditor's Report	1 - 2
<u>Current Fund</u>	<u>Exhibit</u>
Comparative Balance Sheet-Regulatory Basis	A
Comparative Statement of Operations and Change in Fund Balance- Regulatory Basis	A - 1
Statement of Revenues-Regulatory Basis	A - 2
Statement of Expenditures-Regulatory Basis	A - 3
<u>Trust Fund</u>	
Comparative Balance Sheets	B
<u>Capital Fund</u>	
Comparative Balance Sheets- Regulatory Basis	C
Statement of Fund Balance - Regulatory Basis	C - 1
<u>Public Assistance Fund</u>	
Comparative Balance Sheets	D
<u>General Fixed Assets</u>	
Comparative Statement of General Fixed Assets - Regulatory Basis	E
Notes to Financial Statements	3 - 29
<u>Current Fund</u>	
Schedule of Cash- Treasurer	A - 4
Schedule of Change Funds	A - 5
Schedule of Petty Cash	A - 6
Schedule of Federal and State Grants Receivable	A - 7
Schedule of Due From State of New Jersey for Seniors and Veterans Deductions	A - 8
Schedule of Taxes Receivable and Analysis of Property Tax Levy	A - 9
Schedule of Property Acquired for Taxes (At Assessed Valuations)	A - 10
Schedule of Tax Title Liens Receivable	A - 11
Schedule of Revenue Accounts Receivable	A - 12
Schedule of 2010 Appropriation Reserves	A - 13
Schedule of Encumbrances Payable	A - 14
Schedule of Federal and State Grants Appropriated	A - 15

BOROUGH OF ENGLEWOOD CLIFFS
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS
(Continued)

<u>Part I (Continued)</u>	<u>Page</u>
<u>Current Fund</u>	<u>Exhibit</u>
Schedule of Reserve for Federal and State Grants – Unappropriated	A – 16
Schedule of Prepaid Taxes	A – 17
Schedule of Tax Overpayments	A – 18
Schedule of County Taxes Payable	A – 19
Schedule of Local School District Taxes Payable	A – 20
Schedule of Interfunds Receivable/ (Payable)	A – 21
Schedule of Deferred Charges –N.J.S.A. 40A:4-53	A – 22
Schedule of Miscellaneous Reserves	A – 23
Schedule of Special Emergency Note Payable	A – 24
 <u>Trust Fund</u>	
Schedule of Cash and Cash Equivalents	B – 1
Schedule of Assessment Liens	B – 2
Schedule of Tax Sale Receivable	B – 3
Schedule of Services Award Contributions Receivable: Emergency Services Volunteer Length of Service Award Program	B – 4
Schedule of Due to (from) the State of New Jersey- Dog License Trust Fund	B – 5
Schedule of Due to (from) Current Fund	B – 6
Schedule of Due To State of New Jersey	B – 7
Schedule of Reserve for Assessment Liens	B – 8
Schedule of Reserve- Other Trust Funds	B – 9
Schedule of Reserve for Dog Fund Expenditures- Dog License Trust	B – 10
Schedule of Reserve for Recycling Trust Deposits- Recycling Trust Fund	B – 11
Schedule of Reserve for Shade Tree Deposits- Shade Tree Trust Fund	B – 12
Schedule of Reserve for COAH Development Expenditures-COAH Development Trust Fund	B – 13
Schedule of Net Assets Available for Benefits- Emergency Services Volunteer Length of Service Award Program	B – 14
Schedule of Reserve for DEA Forfeiture Expenditures- DEA Forfeiture Trust Fund	B – 15
 <u>General Capital Fund</u>	
Schedule of Cash – Collector-Treasurer	C – 2
Schedule of Analysis of General Capital Cash	C – 3
Schedule of Federal and State Grants Receivable	C – 4
Schedule of Due from (to) Current Fund	C – 5
Schedule of Due from (to) Other Trust Fund	C – 6
Schedule of Deferred Charges to Future Taxation – Unfunded	C – 7
Schedule of Bond Anticipation Notes	C – 8
Schedule of Serial Bonds	C – 9
Schedule of Capital Lease Payable	C – 10

BOROUGH OF ENGLEWOOD CLIFFS
BERGEN COUNTY, NEW JERSEY

TABLE OF CONTENTS
(Continued)

Part I (Continued)

General Capital Fund

Exhibit

Schedule of Improvement Authorizations	C-11
Schedule of Reserve for Payment of Debt	C-12
Schedule of Capital Improvement Fund	C-13
Schedule of Deferred Charges to Future Taxation- Funded	C-14
Schedule of Bonds and Notes Authorized but Not Issued	C-15
Schedule of Premium on Bond Anticipation Notes	C-16

Public Assistance Fund

Schedule of Public Assistance Cash and Cash Equivalents	D-1
Schedule of Reserve for Goodwill; Expenditures	D-2

Part II

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	30-31
<u>Schedule</u>	
Schedule of Expenditures of State/Other Financial Assistance	I-1
Schedule of Expenditures of Federal Financial Assistance	I-2
Notes to Schedules of Expenditures of Federal and State Financial Assistance	32
Roster of Officials and Surety Bonds	33
General Comments	34-35
Status of Prior Year Comments and Recommendations	36-37
Audit Findings and Recommendations	38-40
Appreciation	41

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of assets, liabilities, reserves and fund balance-regulatory basis of the various funds of the Borough of Englewood Cliffs (the "Borough"), State of New Jersey, as of December 31, 2011 and 2010, and the related statements of operations and changes in fund balance-regulatory basis for the years then ended, and the related statements of revenue-regulatory basis and statements of expenditures-regulatory basis for the year ended December 31, 2011 and 2010. These financial statements are the responsibility of the Borough's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraphs, 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 in compliance with audit requirements as 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 also 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements previously referred to have been prepared in conformity with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which 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.

The certified minutes and adopted resolutions were not available for inspection as of and for the twelve months ending December 31, 2011, in accordance with the Open Public Meetings Act (N.J.S.A. 10:4-14). We were unable to satisfy ourselves by other means of auditing procedures, which would prevent us from expressing an unqualified opinion on the financial statements.

Furthermore, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the certified minutes and adopted resolutions been available for inspection, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance-regulatory basis of the various funds of the Borough as of December 31, 2011 and 2010, and the results of its operations and changes in fund balance of such funds-regulatory basis for the years then ended, and the revenues-regulatory basis and expenditures-regulatory basis of the various funds for the year ended December 31, 2011 and 2010 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2012 on our consideration of the Borough's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial 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 that collectively comprise the Borough's basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance programs are presented for the 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 the Division of Local Government Services, Department of Community Affairs, State of New Jersey and are not a required part of the financial statements. In addition, the supplementary financial statements presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements of each of the respective individual funds taken as a whole.

Paul W. Garbarini

Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534

Garbarini & Co.

Garbarini & Co. P.C. CPA's
Registered Municipal Accountants
March 9, 2012
Carlstadt, New Jersey

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
AT DECEMBER 31, 2011 AND 2010

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

		A At December 31,	
	Reference	2011	2010
<u>ASSETS</u>			
Current Fund:			
Cash and Cash Equivalents	A-4	1,715,683.59	2,417,537.31
Change Fund	A-5	200.00	200.00
Petty Cash	A-6	300.00	300.00
		1,716,183.59	2,418,037.31
Intergovernmental Receivables:			
Due from State of New Jersey - Seniors / Veterans Deductions	A-8	1,223.04	1,223.04
Receivable and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	A-9	432,228.82	286,709.41
Property Acquired for Taxes - Assessed Valuation	A-10	39,528.00	39,528.00
Tax Title Liens Receivable	A-11	12,724.98	9,643.47
Revenue Accounts Receivable	A-12	69,383.40	39,219.56
Interfund Receivable			
General Capital Fund	A-21	11.50	4,467.80
Assessment/ Other Trust Fund	A-21	5,039.79	3,821.24
Dog License Trust Fund	A-21	4,064.50	2,060.66
Payroll Account	A-21	200.00	200.00
	A	563,180.99	385,650.14
Deferred Charges:			
Emergency Authorizations	A-22	339,129.00	
Special Emergency Authorizations	A-22	665,875.00	421,000.00
		1,005,004.00	421,000.00
Total Current Fund		3,285,591.62	3,225,910.49
Federal and State Grants Fund:			
Federal and State Grants Receivable:			
Federal	A-7	32,012.49	25,519.04
Amount Due from Current Fund	A-21	164,932.86	144,932.29
Total Federal and State Grant Fund		196,945.35	170,451.33
TOTAL ASSETS		3,482,536.97	3,396,361.82

See Accompanying Notes to Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
AT DECEMBER 31, 2011 AND 2010

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

A

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE:</u>			
Current Fund:			
Appropriation Reserves	A-3, A-13	716,113.17	524,353.83
Encumbrances	A-14	105,232.71	118,481.74
Prepaid Taxes	A-17	295,683.51	239,712.36
Tax Overpayments	A-18	183,914.09	158,936.30
County Taxes Payable	A-19	11,796.55	52,865.12
Due to State and Federal Grant Fund	A-21	164,932.86	144,932.29
Reserve for:			
State Library Aid	A-23	2,740.00	1,767.00
Sale of Municipal Assets	A-23	18,407.00	6,782.00
Master Plan	A-23	1,675.00	1,675.00
Reassessment of Real Property	A-23	-	11,103.52
BCUA Recycling Grant	A-23	11,445.00	11,445.00
Tax Title Lien Premiums	A-23	-	100.00
Reserve for Police Salaries	A-23	43,466.17	43,466.17
Outside Tax Title Lien Redemptions	A-23	-	34,791.43
Emergency Note Payable	A-24	930,004.00	351,000.00
		2,485,410.06	1,701,411.76
Reserve for Receivables	A	563,180.99	385,650.14
Fund Balance	A-1	332,319.28	1,138,848.59
Total Liabilities, Reserves and Fund Balance - Current Fund		3,380,910.33	3,225,910.49
Federal and State Grant Fund:			
Appropriation Reserves	A-15	163,381.13	129,861.31
Encumbrance Payable			
Unappropriated Reserves	A-16	33,564.22	40,590.02
Total Federal and State Grant Fund		196,945.35	170,451.33
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		3,577,855.68	3,396,361.82

See Accompanying Notes to Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
AT DECEMBER 31, 2011 AND 2010

COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGE IN FUND BALANCE - REGULATORY BASIS

A-1

<u>REVENUE AND OTHER INCOME REALIZED</u>	<u>Reference</u>	<u>For the Years Ended December 31,</u>	
		<u>2011</u>	<u>2010</u>
Fund Balance Utilized	A-2	955,000.00	604,000.00
Miscellaneous Revenue Anticipated	A-2	1,749,245.06	1,952,069.27
Receipts from Delinquent Taxes	A-2	282,591.14	329,861.21
Receipts from Current Taxes	A-2	26,730,752.28	27,092,550.31
Non-Budget Revenues	A-2	203,082.85	131,429.11
Other Credits to Income:			
Canceled School Taxes	A-20	2.50	
Animal License Fund Excess	A-21	2,047.84	1,176.20
Prior Year Interfunds Returned		5,144.00	
Unexpended Balance of Appropriations	A-3	4,096.84	237,004.10
Unexpended Balance of Appropriation Reserves	A-13	345,921.44	184,461.92
Total Income		30,277,883.95	30,532,552.12
Budgetary and Emergency Appropriations:			
Operations:			
Salaries and Wages	A-3	5,301,453.00	5,691,054.00
Other Expenses	A-3	5,517,725.02	5,707,415.00
Deferred Charges and Statutory Expenditures	A-3	1,388,232.00	254,445.00
Capital Improvements	A-3	84,250.00	48,000.00
Debt Service	A-3	1,617,613.00	1,568,347.00
Tax Appeals	A-4	145,382.51	129,160.70
Bank Service Charges	A-4	1,141.75	3,553.58
Interest on Outside Tax Title Liens	A-4	65.93	
Prior Year Senior Citizen Deductions Allowed			250.00
Local District School Tax	A-20	10,014,006.50	9,719,598.00
County Taxes	A-19	6,704,903.16	6,693,971.11
County Added/Omitted Taxes	A-19	11,796.55	52,865.12
County Taxes- Adjusted Added/Omitted 2010	A-19	30,000.00	
Overpayments/Judgments	A-18		2,335.04
Interfund Advance		2,047.84	1,176.20
Total Expenditures		30,818,617.26	29,872,170.75
(Deficit) / Surplus in Operations		(540,733.31)	660,381.37
Adjustments to Income Before Fund Balance			
Special Emergency- Which are by Statute			
Deferred to Budget of Succeeding Year	A-22	689,204.00	351,000.00
Fund Balance, Beginning of Year	A	1,138,848.59	731,467.22
Decreased by:		1,287,319.28	1,742,848.59
Utilized as Anticipated Revenue	A-2	955,000.00	604,000.00
Fund Balance, End of Year	A	332,319.28	1,138,848.59

See Accompanying Notes to Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

A-2

STATEMENT OF REVENUES - REGULATORY BASIS

	<u>Reference</u>	<u>Anticipated Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 955,000.00	\$ 955,000.00	\$ -
Miscellaneous Revenues:				
Licenses				
Alcoholic Beverages		16,200.00	16,200.00	-
Fees and Permits				
Construction Code Official		287,000.00	230,973.00	(56,027.00)
Other		11,695.00	13,300.00	1,605.00
Fines and Costs:				
Municipal Court		89,000.00	67,716.25	(21,283.75)
Interest and Costs on Taxes		95,500.00	81,178.86	(14,321.14)
Interest on Investments and Deposits		8,600.00	2,197.34	(6,402.66)
Tennis Registrations		200.00		(200.00)
Fire Inspection Fees		21,000.00	20,944.55	(55.45)
Consolidated Municipal Property Tax Relief		45,000.00	45,724.00	724.00
Energy Receipts Taxes		645,750.00	645,750.00	-
Municipal Alliance on Alcoholism and Drug Abuse		10,356.00	10,356.00	-
Firemen's Fund Grant - Chapter 159		12,774.00	12,774.00	-
Commercial Sewer User Fees		258,000.00	193,372.08	(64,627.92)
Cable TV Annual Leases		15,500.00	16,550.99	1,050.99
Cell Tower- Annual Lease		234,500.00	228,004.02	(6,495.98)
Elevator Fees		37,000.00	29,405.00	(7,595.00)
Burglar Alarm Fees		13,000.00	10,125.00	(2,875.00)
Premium on Bond Anticipation Notes		41,172.00	75,184.59	34,012.59
FEMA Reserve		49,000.00	49,489.38	489.38
Total Miscellaneous Revenues		<u>1,891,247.00</u>	<u>1,749,245.06</u>	<u>(142,001.94)</u>
Receipts From Delinquent Taxes	A-1, A-9	290,500.00	282,591.14	(7,908.86)
Amt. to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes Including		<u>10,463,322.02</u>	<u>10,341,894.57</u>	<u>(121,427.45)</u>
BUDGET TOTALS		<u>13,600,069.02</u>	<u>13,328,730.77</u>	<u>(271,338.25)</u>
NON BUDGET REVENUES			<u>203,082.85</u>	
			<u>13,531,813.62</u>	

See Accompanying Notes To Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF REVENUES - REGULATORY BASIS

A-2

	<u>Reference</u>	<u>Realized</u>
<u>Allocation of Current Tax Collections:</u>		
Current Tax Revenue	A-1, A-9	\$ 26,730,752.28
Less: Allocated to School and County Taxes	A-9	(16,768,857.71)
Add: Appropriation for Uncollected Taxes	A-3	<u>380,000.00</u>
Amount for Support of Municipal Budget Appropriations	Above	<u>\$ 10,341,894.57</u>
 <u>ANALYSIS OF NON-BUDGET REVENUE</u>		
Verizon Franchise Fee		\$ 4,107.33
Miscellaneous		2,827.91
NJ NSP Fines		1,348.00
AT&T & Verizon Reimbursements		27,824.99
Sewer Hook-up		46,000.00
JIF Dividend		18,284.62
Police Reports		3,760.70
Fire Prevention Fines		460.00
Board of Health and Fire Prevention Street Fair		653.00
Polling Rental		165.00
Dedicated Penalties		460.00
Fire Dept Rent		1.00
Bus Shelter Franchise Fees		1,607.19
FEMA- Hurricane Irene (Expended Prior Years)		33,404.93
FEMA- 03/12/10 Flood & Severe Weather (Expended Prior Years)		20,683.16
	A-4	<u>\$ 161,587.83</u>
Grants Unanticipated and Appropriated	A-15,21	40,590.02
Senior Citizen Administration Fee	A-8	<u>905.00</u>
Total	A-1, Above	<u>\$ 203,082.85</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Expenditures - OPERATIONS - WITHIN "CARS"	Ref.	APPROPRIATIONS		Paid or Charged	EXPENDED		Lapsed
		Budget	Modified Budget		Reserved	Overexpended	
GENERAL GOVERNMENT FUNCTIONS:							
Administrative and Executive							
Salaries and Wages		\$ 112,936.00	\$ 108,936.00	\$ 107,953.58	\$ 982.42	\$	\$
Other Expenses		91,300.00	91,300.00	83,488.46	7,811.54		
Governing Body							
Salaries and Wages		10,000.00	10,000.00	10,000.00			
Financial Administration							
Other Expenses		54,500.00	56,900.00	56,856.72	43.28		
Collection of Taxes							
Salaries and Wages		180,203.00	184,203.00	184,181.85	21.15		
Other Expenses		24,866.00	24,866.00	20,359.73	4,506.27		
Assessment of Taxes							
Salaries and Wages		18,980.00	18,980.00	18,979.74	0.26		
Other Expenses		3,225.00	3,225.00	2,471.44	753.56		
Legal Services and Costs							
Other Expenses		150,000.00	150,000.00	125,892.38	24,107.62		
Appraisal Fees		43,000.00	43,000.00	39,242.29	3,757.71		
Engineering Services and Costs							
Other Expenses		38,000.00	38,000.00	37,691.41	308.59		
Insurance (N.J.S.A. 40A:4-45.3(6))							
Other Insurance Premiums		403,196.00	403,196.00	402,999.23	2,196.77		
Group Insurance Plan for Employee		1,113,368.00	1,113,368.00	1,066,680.71	46,687.29		
MUNICIPAL LAND USE LAW (N.J.S.A. 40A:55D-1):							
Zoning Officer							
Salaries and Wages		13,000.00	13,000.00	13,000.00			
Planning Board							
Other Expenses		30,450.00	30,450.00	3,334.89	27,115.11		
Board of Adjustment							
Salaries and Wages		6,500.00	6,500.00	5,820.36	679.64		
Other Expenses		8,650.00	8,650.00	8,294.73	445.27		

See Accompany Notes to Financial Statements.

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BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

STATEMENT OF EXPENDITURES - REGULATORY BASIS

APPROPRIATIONS

Expenditures OPERATIONS WITHIN "CAPS" (cont'd) PUBLIC SAFETY:	Ref.	Budget	Modified Budget	Paid or Charged	Reserved	Overexpended	Lapsed
Police							
Salaries and Wages	\$	3,247,675.00	\$ 3,415,675.00	\$ 3,256,446.45	\$ 159,228.55		
Other Expenses		184,503.00	244,503.00	244,015.54	467.46		
Terminal Leave							
First Aid Organization							
Salaries and Wages		58,000.00	58,600.00	58,508.75	91.25		
Other Expenses		20,000.00	20,000.00	17,082.32	2,917.68		
Fire Official							
Salaries and Wages		73,000.00	66,000.00	61,201.99	4,798.01		
Fire Hydrant Services		105,000.00	105,000.00	60,719.28	44,280.72		
Other Expenses		86,082.00	86,082.00	73,340.75	12,741.25		
Clothing Expenses		21,000.00	22,700.00	22,671.00	29.00		
Municipal Court							
Salaries and Wages - Prosc/Pub Defender		19,173.00	19,173.00	15,286.00	3,887.00		
Other Expenses							
PUBLIC WORKS FUNCTIONS:							
Road Repair and Maintenance							
Salaries and Wages		725,941.00	715,941.00	714,032.32	1,908.68		
Other Expenses		111,550.00	111,550.00	61,662.11	49,887.89		
Gasoline		80,100.00	80,100.00	77,077.95	3,022.05		
Garbage and Trash Removal							
Other Expenses		469,750.00	469,750.00	404,662.66	65,087.34		
Recycling							
Other Expenses		3,050.00	3,050.00	1,927.97	1,122.03		
Public Buildings and Grounds							
Other Expenses		43,800.00	43,800.00	43,511.13	288.87		
Sewer System							
Other Expenses		32,500.00	32,400.00	13,945.80	18,554.20		
Shade Tree							
Salaries and Wages		7,201.00	2,201.00	1,118.25	1,082.75		
Other Expenses		85,650.00	125,650.00	99,566.14	26,083.86		

See Accompanying Notes to Financial Statements.

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BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Expenditures OPERATIONS WITHIN "CAPS" (Cont'd)	Ref.	APPROPRIATIONS		Paid or Charged	EXPENDED Received	Overexpended	Lapsed
		Budget	Modified Budget				
HEALTH AND WELFARE:							
Board of Health							
Salaries and Wages		\$ 13,150.00	\$ 11,111.00	\$ 4,250.47	\$ 6,860.33	\$ -	\$ -
Other Expenses		39,615.00	39,615.00	37,211.01	2,403.99	-	-
Environmental Commission							
Other Expenses		2,160.00	2,160.00	135.00	2,025.00	-	-
Senior Citizens Committee							
Other Expenses		33,000.00	33,000.00	28,946.14	4,053.86	-	-
Parks and Playgrounds							
Salaries and Wages		115,652.00	58,095.00	55,095.09	2,993.91	-	-
Other Expenses		44,400.00	44,400.00	9,105.48	35,294.52	-	-
Library Service - Contract							
Maintenance of Free Public Library		210,000.00	211,887.00	211,887.00	-	-	-
Celebration of Public Event, Anniversary or Holiday		4,500.00	4,500.00	-	4,500.00	-	-
Rental of Building - Lions Club		7,500.00	7,500.00	7,500.00	-	-	-
STATE UNIFORM CONSTRUCTION CODE OFFICIAL:							
Construction Officials							
Salaries and Wages		84,326.00	74,326.00	73,618.72	707.28	-	-
Other Expenses		10,850.00	10,850.00	4,315.78	6,534.22	-	-
Plumbing Inspector							
Salaries and Wages		9,862.00	9,862.00	9,103.38	758.62	-	-
Fire Sub-Code Official		10,000.00	10,000.00	9,999.98	0.02	-	-
Salaries and Wages		6,000.00	6,000.00	6,000.00	-	-	-
Sewer Inspection							
Salaries and Wages		12,746.00	12,746.00	12,746.00	-	-	-
Fire Prevention		5,300.00	5,300.00	2,334.22	2,965.78	-	-
Salaries and Wages		27,000.00	28,400.00	28,383.00	17.00	-	-
Other Expenses							
Electrical Inspection		10,123.00	10,123.00	10,123.00	-	-	-
Salaries and Wages							

See Accompanying Notes to Financial Statements.

(Continued Next Page)

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Expenditures OPERATIONS WITHIN "CAPS" (Cont'd)	Ref.	APPROPRIATIONS			EXPENDED			
		Budget	Modified Budget	Paid or Charged	Reserved	Overexpended	Unaudited	
MUNICIPAL COURT:								
Salaries and Wages	\$	120,238.00	\$ 139,912.00	\$ 139,912.00	\$	\$		
Other Expenses		14,925.00	11,925.00	9,040.03		2,884.97		
ADJUSTMENT PROGRAM:								
Salaries and Wages		168,000.00						
TERMINAL LEAVE								
Salaries and Wages			350,075.00	350,075.00		2.00		
UNCLASSIFIED:								
Electricity and Heating Oil		145,000.00	145,000.00	126,319.91		18,680.09		
Telephone and Fax		126,475.00	126,475.00	88,321.06		38,153.94		
Street Lighting		146,000.00	146,000.00	118,164.15		27,835.85		
Water		15,000.00	15,000.00	15,165.98		334.02		
Total Operations Including Contingent within "CAPS"		9,060,971.00	9,443,605.00	8,771,927.33		671,677.67		
Detail:								
Salaries and Wages	A-1	5,023,706.00	5,301,451.00	5,117,453.93		183,999.07		
Other Expenses	A-1	4,037,265.00	4,142,152.00	3,654,473.40		487,678.60		
STATUTORY EXPENDITURES:								
Contribution to:								
Social Security System (O.A.S.I.)		200,000.00	202,039.00	202,038.76		0.24		
Police and Fireman's Retirement System of N.J.		928,136.00	928,136.00	928,136.00				
Public Employees' Retirement Fund		151,455.50	152,857.00	148,819.16		4,037.84		
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	A-1	1,279,591.50	1,283,032.00	1,278,993.92		4,038.08		
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"		10,340,562.50	10,726,637.00	10,050,921.25		675,715.75		

(Continued Next Page)

See Accompanying Notes to Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Expenditures OPERATIONS - EXCLUDED FROM "CAPS"	Ref.	APPROPRIATIONS			EXPENDED	
		Budget	Modified Budget	Paid or Charged	Reserved	Overexpended
Sewer - Contractual - BCUA Service Charges		\$ 866,703.00	\$ 866,703.00	\$ 866,702.05	\$ 0.95	\$ -
Sewer Charges - Borough of Tenafly		12,000.00	12,000.00	9,291.75	2,708.25	-
Sewer Charges - City of Englewood		30,000.00	30,000.00	30,000.00	-	-
LOSAP		35,000.00	35,000.00	31,101.00	3,899.00	-
Public Employees' Retirement System						
Police and Firemen's Retirement System						
Health Insurance Exclusion		26,432.00	26,432.00	26,432.00	-	-
Tax Appeals		40,600.00	339,129.00	305,339.78	33,789.22	-
Public and Private Programs Offset by Revenues						
Municipal Alliance on Alcoholism & Drug Abuse		10,356.00	10,356.00	10,356.00	-	-
Local Match		2,589.00	2,589.00	2,589.00	-	-
Reserve Grants						
Drunk Driving Enforcement Fund		1,335.87	1,335.87	1,335.87	-	-
Recycling Tonnage		15,552.70	15,552.70	15,552.70	-	-
Clean Communities Grant		17,646.06	17,646.06	17,646.06	-	-
Body Armor		6,055.39	6,055.39	6,055.39	-	-
Fireman's Grant Fund -Chapter 159		12,774.00	12,774.00	12,774.00	-	-
Total Operations - Excluded from "CAPS"		1,076,444.02	1,375,573.02	1,335,175.60	40,397.42	-
Salaries and Wages	A-1					
Other Expenses	A-1	1,076,444.02	1,375,573.02	1,335,175.60	40,397.42	(4,000.00)

(Continued Next Page)

See Accompany Notes to Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

A-3

STATEMENT OF EXPENDITURES - REGULATORY BASIS

Expenditures	APPROPRIATIONS		Paid or Charged	EXPENDED		Lapsed
	Budget	Modified Budget		Reserved	Overexpended	
Capital Improvement Fund - Excluded from "CAPS"	\$ 84,250.00	\$ 84,250.00	\$ 84,250.00	\$ -	\$ -	
Capital Improvement Fund	A-1					
Municipal Debt Service						
Payment of Bond Principal	675,000.00	675,000.00	675,000.00			
Payment of Bond Anticipation Notes and Capital Notes	428,346.00	428,346.00	428,346.00			
Interest on Bonds	361,308.00	361,308.00	361,307.50			0.50
Interest on Notes	85,902.00	85,902.00	85,805.66			4,096.34
Bergen County Improvement Authority:						
Principal on Capital Leases	21,000.00	21,000.00	21,000.00			
Interest on Capital Leases	42,057.00	42,057.00	42,057.00			
Total Municipal Debt Service-Excluded from "CAPS"	1,613,613.00	1,613,613.00	1,613,516.16			4,096.84
Deferred Charges:						
Special Emergency Authorizations - 5 Years (N.J.S. 40A:4-55)	105,200.00	105,200.00	105,200.00			
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES - EXCLUDED FROM "CAPS"	2,879,507.02	3,182,636.02	3,138,141.76	40,397.42		4,096.84
Subtotal General Appropriations	13,220,069.52	13,909,273.02	13,189,063.01	716,113.17		4,096.84
Reserve for Uncollected Taxes	380,000.00	380,000.00	380,000.00			
TOTAL GENERAL APPROPRIATIONS	13,600,069.52	14,289,273.02	13,569,063.01	716,113.17	\$ -	4,096.84
Reference	A-2	Below	Below	A	A	A-1
Adopted Budget	Above					
Emergency Appropriation	A-22					
Special Emergency - Terminal Leave	A-22					
Modified Budget	Above					
Cash Disbursements	A-4		\$ 13,407,003.51			
Budget Contrs- Refunds	A-4		(465,365.96)			
Deferred Charges	A-22		105,200.00			
Encumbrances Payable	A-14		105,232.71			
Non-cash Expenditure - Federal and State Grant Fund			36,992.75			
Non-cash Expenditure - Reserve for Uncollected Taxes	A-2		380,000.00			
	Above		\$ 13,569,063.01			

See Accompany Notes to Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
AT DECEMBER 31, 2011 AND 2010

COMPARATIVE BALANCE SHEETS

B

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Assessment/Other Trust Fund:			
Cash	B-1	\$ 883,499.01	\$ 943,347.75
Assessment liens receivable	B-2	78.00	78.00
Tax sale receivable	B-3	50.00	50.00
		<u>883,627.01</u>	<u>943,475.75</u>
Dog License Trust Fund:			
Cash	B-1	7,656.90	6,549.06
Due from State of New Jersey	B-5	84.60	153.60
		<u>7,741.50</u>	<u>6,702.66</u>
Recycling Trust Fund:			
Cash	B-1	<u>88,665.24</u>	<u>53,692.00</u>
Shade Tree Trust Fund:			
Cash	B-1	<u>9,293.15</u>	<u>11,503.21</u>
COAH Development Trust			
Cash	B-1	<u>926,593.20</u>	<u>807,180.28</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash in Plan	B-1	423,687.65	412,594.45
Contributions receivable	B-4	30,600.00	31,101.00
		<u>454,287.65</u>	<u>443,695.45</u>
DEA Forfeiture Trust:			
Cash	B-1	<u>167,433.73</u>	<u>327,113.08</u>
TOTAL ASSETS		<u>\$ 2,537,641.48</u>	<u>\$ 2,593,362.43</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
AT DECEMBER 31, 2011 AND 2010

COMPARATIVE BALANCE SHEETS

B

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>LIABILITIES, RESERVES and FUND BALANCE</u>			
Assessment/Other Trust Fund:			
Due to Current Fund:			
Escrow Trust Fund	B-6	\$ 4,299.52	\$ 3,759.55
Other Trust Fund	B-6	740.27	61.69
Due to General Capital Fund	C	175,000.00	175,000.00
Due to State of New Jersey	B-7	12,229.00	6,632.00
Reserve for Assessments and Liens	B-8	78.00	78.00
Reserve for:			
Other Trust deposits	B-9	691,280.22	757,944.51
		<u>883,627.01</u>	<u>943,475.75</u>
Dog License Fund:			
Due to Current Fund	B-6	4,064.50	2,060.66
Reserve for Dog Fund expenditures	B-10	3,677.00	4,642.00
		<u>7,741.50</u>	<u>6,702.66</u>
Recycling Trust Fund:			
Reserve for Recycling expenditures	B-11	88,665.24	53,692.00
Shade Tree Trust Fund:			
Reserve for Shade Tree expenditures	B-12	9,293.15	11,503.21
COAH Development Trust:			
Reserve for COAH Development expenditures	B-13	926,593.20	807,180.28
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets available for Benefits	B-14	454,287.65	443,695.45
DEA Forfeiture Trust			
Due to Capital Fund	C	75,000.00	75,000.00
Reserve for expenditures	B-15	92,433.73	252,113.08
		<u>167,433.73</u>	<u>327,113.08</u>
TOTAL LIABILITIES AND RESERVES		<u>\$ 2,537,641.48</u>	<u>\$ 2,593,362.43</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

COMPARATIVE BALANCE SHEETS - REGULATORY BASIS

C

	<u>Reference</u>	At December 31,	
ASSETS		<u>2011</u>	<u>2010</u>
Cash	C-2,3	\$ 812,504.98	\$ 1,048,319.45
Grants Receivable			
New Jersey Department of Transportation	C-4	23,074.25	23,074.25
Bergen County Open Space Trust Fund	C-4	10,051.00	10,051.00
Due from Ambulance Corp.	C-7	100,000.00	
Due from Other Trust Fund	B, C-6	175,000.00	175,000.00
Due from DEA Trust Fund	B, C-6	75,000.00	75,000.00
Deferred Charges to Future Taxation:			
Funded	C-12	9,083,000.00	9,779,000.00
Unfunded	C-7	8,735,076.16	7,562,672.16
		<hr/>	<hr/>
TOTAL ASSETS		<u>\$ 19,013,706.39</u>	<u>\$ 18,673,116.86</u>
LIABILITIES, RESERVE AND FUND BALANCE			
Premium on Bond Anticipation Note	C-16	-	41,171.59
Due To Current Fund	C-5	11.50	4,467.80
Bond Anticipation Notes	C-8	6,794,779.00	6,057,125.00
General Serial Bonds	C-9	8,280,000.00	8,955,000.00
Capital Leases Payable	C-10	803,000.00	824,000.00
Improvement Authorizations			
Funded	C-11	165,513.56	14,364.01
Unfunded	C-11	2,725,176.31	2,531,762.44
Capital Improvement Fund	C-13	9,389.60	9,389.60
Reserve for Payment of Debt	C-12	12,026.00	12,026.00
Fund Balance	C-1	223,810.42	223,810.42
		<hr/>	<hr/>
TOTAL LIABILITIES, RESERVE AND FUND BALANCE		<u>\$ 19,013,706.39</u>	<u>\$ 18,673,116.86</u>

There were bonds and notes authorized but not issued on December 31, 2011 in the amount of \$ 1,940,297.16(Exhibit C-15).

STATEMENT OF FUND BALANCE - REGULATORY BASIS

	<u>Reference</u>	
Balance December 31, 2010	C	\$ 223,810.42
Balance December 31, 2011	C	<u>\$ 223,810.42</u>

See Accompanying Notes to Financial Statements

BOROUGH OF ENGLEWOOD CLIFFS
PUBLIC ASSISTANCE FUND
AT DECEMBER 31, 2011 AND 2010

COMPARATIVE BALANCE SHEETS

D

	<u>Reference</u>	<u>At December 31,</u>	
		<u>2011</u>	<u>2010</u>
<u>ASSETS</u>			
Cash - Goodwill	D-1	\$	0.03
TOTAL ASSETS		<u>\$ -</u>	<u>\$ 0.03</u>
<u>LIABILITIES AND RESERVES</u>			
Reserve for Goodwill Expenditures	D-2	\$	0.03
TOTAL LIABILITIES, RESERVES AND FUND BALANCE	D-1	<u>\$ -</u>	<u>\$ 0.03</u>

See Accompanying Notes to Financial Statements.

BOROUGH OF ENGLEWOOD CLIFFS
GENERAL FIXED ASSETS
AT DECEMBER 31, 2011 AND 2010

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS - REGULATORY BASIS

	E	
	At December 31,	
	<u>2011</u>	<u>2010</u>
<u>General Fixed Assets</u>		
Land	\$ 73,758,416.00	\$ 73,736,668.00
Buildings	9,207,106.00	9,190,106.00
Vehicles and Equipment	4,549,162.00	4,264,990.00
	<u>\$ 87,514,684.00</u>	<u>\$ 87,191,764.00</u>
 <u>Investment in General Fixed Assets</u>	 <u>\$ 87,514,684.00</u>	 <u>\$ 87,191,764.00</u>

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting

The accounting policies of the Borough conform to the accounting principles applicable to municipalities, which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. 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. The accounts of the Borough are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund or account group are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, fund equity, revenues, and expenses or expenditures. The following funds and groups of accounts are used by the Borough:

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

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

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

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

Shade Tree Trust Fund - This fund is used to account for all fees and donations collected for the removal and replacement of trees.

Recycling Trust Fund - This fund is used to account for all fees collected from the sale of Recyclable materials.

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes. Effective April 1, 1998, the Borough transferred administration of the General Assistance Program to the Bergen County Board of Social Services. The funds remaining in the Public Assistance Fund are to be used to assist certain residents who do not qualify for the general assistance program

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

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

C. Basis of Accounting

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

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

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

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

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

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

General Capital Fund Trust Funds
Public Assistance Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. During 2011, the mayor and council approved several budget transfers. Expenditures may not legally exceed budgeted appropriations at the line item level.

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

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

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

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

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

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

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

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Cash and Investments -Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A5-15.1(a) to bonds or obligations of the Federal Government and bonds or other obligations of Federal or local units having a maturity date not more than twelve months from the date of purchase.

Incurred But Not Reported (IBNR) Reserves - The Borough has not created a reserve for any potential unreported losses which have taken place but for which the Borough has not received notice or report of losses. Additionally, the Borough has not recorded a liability for those claims, which have been filed but have not yet been paid. GAAP requires the establishment of reserves for such potential claims if material.

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 and not when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

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

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

General Fixed Assets General Fixed Assets – N.J.A.C. 5:30-5.6 codifies fixed asset accounting; the Technical Accounting Directive No. 86-2 (the "TAD") took effect in 1986. This TAD required local units to create and maintain a fixed asset accounting system for their physical assets. The requirement has now been codified as N.J.A.C. 5:30-5.6. The codification updates the definition of a fixed asset to refer to the 1997 edition of the U.S. Office of Management and Budget Circular A-87, Cost Principals for State, Local and Indian Governments. The regulation continues the requirement of the local units to:

- i. Place a value of all fixed assets put into service
- ii. Have a subsidiary ledger of detailed records of fixed assets
- iii. Provide property management standards to control fixed assets
- iv. Provide a statement of fixed assets in the annual audit.

GAAP requires that fixed assets be capitalized at historical cost or at estimated historical cost if actual historical cost is not available. Schedule F of the Financial Statement will disclose the major classes of Fixed Assets as of December 31, 2011 and December 31, 2010, no depreciation has been provided for in the financial statements.

Fixed Assets purchased after December 31, 1989 are stated at cost.

Fixed Assets purchased prior to December 31, 1989 are stated as follows:

Land and Buildings	Assessed Valuations
Machinery and Equipment	Estimated Market Value

No depreciation has been provided for in the financial statements. Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation. GAAP requires that fixed assets be capitalized at historical cost or at estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded. Schedule E of the Financial Statement will disclose the major classes of Fixed Assets as of December 31, 2011 and December 31, 2010.

Use of Estimates

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

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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

Foreclosed Property - Foreclosed property is recorded in the Current Fund when such property was acquired and is fully reserved.

D. Basic Financial Statements

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

NOTE 2. PENSION PLANS

Description of Systems:

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

BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

NOTE 2. PENSION PLANS (Continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care 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 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service.

Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55). Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Police and Firemen's' Retirement System (PERS)

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

Enrolled members of the Police and Firemen's' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final average compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years or 1/60 of final average compensation multiplied by the number of years of creditable service, whichever is greater. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2011**

NOTE 2. PENSION PLANS (Continued)

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

Significant Legislation

On March 17, 2010, the legislative of the State of New Jersey enacted Public Laws 2010, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2010. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¹/₄ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to pay off the obligation at any time prior to April 2012.

The Borough of Englewood Cliffs opted for this deferral in the amount of \$436,241.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.0% for PERS and 8.5% for PFRS of the employee's annual compensation, as defined through June 30, 2007. Under Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, the PERS and employee contribution rate will increase to 5.5 percent effective July 1, 2007. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 2. PENSION PLANS (Continued)

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

Year Ended December 31,	PERS Amount	PFRS Amount
2011	\$148,819	\$928,136
2010	129,991	836,899
2009	64,920	415,847

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows: All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 2. PENSION PLANS (Continued)

Defined Contribution Retirement Program (Continued):

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Deferred Compensation Plan

The Borough of Englewood Cliffs maintains a Deferred Compensation Plan in accordance with Internal Revenues Code Section 457.

Any employee of the Borough is eligible to participate in the Plan. Participation in the Plan is entirely voluntary on the part of each employee. The Borough does not and is not required to make contributions to the Plan. Valic and Nationwide Retirement Solutions are the Administrators of the Plan. Fund assets at December 31, 2011 and December 31, 2010 totaled \$2,371,414.91 and \$2,352,429.81 respectively.

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2011 consisted of the following:

	Balance Dec. 31, 2010	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable - General Obligation Debt	\$8,955,000		\$675,000	\$8,280,000	\$705,000
Deferred PERS/PERS Pension Contribution	436,241			436,241	16,652
Compensating Absences	2,346,884	7,764	350,075	2,004,573	60,286
Capital Leases Payable	824,000		21,000	803,000	26,000
	<u>\$12,562,125</u>	<u>\$7,764</u>	<u>\$1,046,075</u>	<u>\$11,523,814</u>	<u>\$807,938</u>

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 3. MUNICIPAL DEBT (Continued)

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

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

Issued	<u>Year 2011</u>	<u>Year 2010</u>	<u>Year 2009</u>
Bonds and Notes			
General Capital	\$15,074,779.00	\$15,012,125.00	\$14,115,000.00
	<hr/>	<hr/>	<hr/>
Debt Issued	15,074,779.00	15,012,125.00	14,115,000.00
Authorized but not Issued			
General:			
Bonds and Notes	1,940,297.16	1,505,547.16	808,763.00
Total	<u>\$17,015,076.16</u>	<u>\$16,517,672.16</u>	<u>\$14,923,763.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .475%.

	Gross Debt	Deductions	Net Debt
School Debt	2,931,000.00	2,931,000.00	-
General Debt	17,015,076.00	1,222,875.00	15,792,201.00
	<hr/>	<hr/>	<hr/>
	19,946,076.00	4,153,875.00	15,792,201.00

Net debt of \$15,792,200.77 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$3,322,140,675 equals .475%.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 3. MUNICIPAL DEBT (Continued)

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

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 116,274,923.63	
Net Debt	15,792,200.77	
Remaining Borrowing Power	\$ 100,482,722.86	

The Borough's long term permanent debt consisted of the following at December 31, 2011:

Paid by Current Fund:

3.00% - 4.00% General Obligation Bonds issued August 15, 2003, due through August 15, 2018		\$3,250,000
4.15% - 4.20% General Obligation Bonds issued July 15, 2007, due through July 15, 2022		5,030,000
		\$8,280,000

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

Year	Total	Principal	Interest
2012	1,040,732	705,000	335,732
2013	1,063,575	755,000	308,575
2014	1,063,941	785,000	278,941
2015-22	7,102,107	6,035,000	1,067,107
	\$10,270,355	\$8,280,000	\$1,990,355

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

At December 31, 2011, the Borough had authorized but not issued debt of \$1,940,297.16.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 4. CAPITAL LEASES PAYABLE

On March 1, 2003 the Borough entered into an \$870,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. Annual debt service requirements for this capital lease are as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2012	66,850	26,000	40,850
2013	70,353	31,000	39,353
2014	74,670	37,000	37,670
2015	79,756	44,000	35,756
2016	83,511	50,000	33,511
2017-2021	501,695	384,000	117,695
2022-2023	<u>243,676</u>	<u>231,000</u>	<u>12,676</u>
	<u>\$1,120,511</u>	<u>\$803,000</u>	<u>\$317,511</u>

NOTE 5. BOND ANTICIPATION NOTES

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

On December 31, 2011, the Borough had \$6,794,779 in outstanding bond anticipation notes.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 5. BOND ANTICIPATION NOTES, (continued)

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2011.

Notes Payable:	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>
Oppenheimer & Co., Inc.	\$ 6,057,125.00	\$ 6,794,779.00	\$ 6,057,125.00	\$ 6,794,779.00
	<u>\$ 6,057,125.00</u>	<u>\$ 6,794,779.00</u>	<u>\$ 6,057,125.00</u>	<u>\$ 6,794,779.00</u>

NOTE 6. FUND BALANCE APPROPRIATED

There was no portion of fund balance at December 31, 2011 which has been appropriated as revenue in the 2012 budget.

NOTE 7. ACCRUED SICK AND VACATION BENEFITS

The Borough permits employees to accrue (with certain restrictions) unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$2,004,573 as of December 31, 2011. This amount is not reported either as an expenditure or liability.

NOTE 8. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1 (a) that are treated as cash equivalents. As of December 31, 2011, \$-0- of the Borough's bank balance of \$4,843,549 was exposed to custodial credit risk.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 8. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer. As of December 31, 2011, the Borough had \$7,840.06 in the State of New Jersey Cash Management Fund.

Unaudited Investments

As more fully described in Note 13, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by AIG, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2011 and 2010 amounted to \$423,687.65 and \$412,594.45, respectively.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 8. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

The following investments represent the total invested with AIG on December 31, 2011 and 2010:

	2011	2010
Aggressive Growth Lifestyle	\$5,635.92	\$4,926.04
Ariel Appreciation Fund		243.83
Ariel Fund		245.55
Asset Allocation Fund	17,279.17	15,864.19
Blue Chip Growth Fund	15,881.05	6,826.13
Capital Conservation	2,057.81	1,945.63
Core Value	18,952.02	18,628.02
Fixed Account Plus	40,824.34	18,352.73
Global Strategy	8,451.42	8,020.87
Government Securities Fund	9,420.57	6,784.78
Growth Fund	744.32	
High Yield Bond Fund	1,614.95	1,558.39
International Equities Fund	3,374.55	3,922.27
Intl Small Cap Equity	1,099.63	1,378.33
Large CAP Core	922.93	
Large CAP Value Fund	1,065.83	
Mid Cap Growth Fund	505.86	537.05
Mid Cap Index Fund	40,437.07	42,150.27
Mid Strategic Growth		357.23
Mid Cap Value Fund	82,667.23	88,113.12
Moderate Growth Lifestyle	2,800.26	6,838.25
Money Market I Fund	51,298.72	62,494.48
NASDAQ-100R Index Fund	1,832.37	1,289.79
Science & Technology Fund	44,919.85	46,066.22
SM CAP Aggressive Growth	272.47	
Small CAP Fund	1,144.12	
Small Cap Growth Fund		358.54
Small Cap Index Fund	3,923.13	3,036.68
Small Cap Value Fund	2,577.06	1,720.25
Stock Index Fund	63,984.98	70,935.81
	<u>\$423,687.65</u>	<u>\$412,594.45</u>

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 9. LOCAL DISTRICT SCHOOL TAXES

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

The Borough has elected to defer school taxes as of December 31, 2011 and 2010 as follows:

	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
Balance of Tax	\$ 5,026,079.00	\$ 4,987,927.50
Deferred	<u>5,026,079.00</u>	<u>4,987,927.50</u>
Prepaid Taxes	<u>\$ -</u>	<u>\$ -</u>

NOTE 10. CONTINGENCIES

Litigation

As of March 9, 2012, the Borough Attorney has reported in accordance with Financial Accounting Standards No. 5 that the Borough is party to various legal proceedings, which normally occur in governmental operations. As a result of the modified accrual basis of accounting, the financial statements do not include accrual or provisions for loss contingencies that may result from these proceedings. The Borough's management has concluded that accrual or provision would not be material to the financial statements.

The Borough is defendant in various tax appeal proceedings. These appeals, if successful would be funded by either budget appropriation or the authorization of refunding bonds.

Claims and Judgments

The Borough participated 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 Borough may be required to reimburse the grantor government. As of December 31, 2011, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the Borough.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 11. FIXED ASSETS

The following is a summary of changes in the General Fixed Assets Account Group as of December 31, 2011.

	Balance <u>Dec. 31, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2011</u>
Land	\$ 73,736,668.00	\$ 21,748.00		\$ 73,758,416.00
Buildings	9,190,106.00	17,000.00		9,207,106.00
Vehicles & Equipment	4,264,990.00	284,172.00		4,549,162.00
	<u>\$ 87,191,764.00</u>	<u>\$ 322,920.00</u>	<u>\$ -</u>	<u>\$ 87,514,684.00</u>

NOTE 12. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2011 consist of the following:

	<u>Receivables</u>	<u>Payables</u>
Current Fund	\$ 9,115.79	\$ 164,932.86
Capital Fund	250,000.00	11.50
Trust Funds - Other		259,104.29
Grant Fund	164,932.86	
Total Interfund Receivables/Payables	<u>\$ 424,048.65</u>	<u>\$ 424,048.65</u>

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

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

**NOTE 13. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD
PLAN (LOSAP)**

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

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

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

We have reviewed the plan for the year ended December 31, 2011 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 14. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2011 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

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

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 14. RISK MANAGEMENT (Continued)

funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

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

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

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

NOTE 15. TAXES COLLECTED IN ADVANCE

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

	<u>Balance Dec. 31, 2011</u>	<u>Balance Dec. 31, 2010</u>
Prepaid Taxes	<u>\$ 295,683.51</u>	<u>\$ 239,712.36</u>

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 16. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 2, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost.

Plan Description

The Borough of Englewood Cliffs contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at <http://www.state.nj.us/treasury/pensions/gasb-43-sept2010.pdf>.

Plan Coverage

Any employee who retires after twenty-five (25) years or more of service within the Borough shall be entitled to be continued in the above health insurance coverage on a family-plan basis, with the cost thereof to be paid by the Borough. This does not include dental benefits.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

NOTE 16. OTHER POST EMPLOYMENT BENEFITS, (continued)

Funding Policy

Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough of Englewood Cliffs on a monthly basis. Funds for retiree health premiums are raised each year in the municipality via property taxes. There are no cost sharing policies that the current retirees contribute.

The Borough of Englewood Cliffs contributions to SHBP for post-retirement benefits for the years ended December 31, 2011 and 2010 were \$425,254 and \$338,234, respectively, which equaled the required contribution for each year.

NOTE 17. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are to be deferred to budgets of succeeding years. Existing deferred charges are reflected in the statement of financial positions of the various funds.

NOTE 18. PROPERTY TAX CALENDAR

The Borough of Englewood Cliffs property taxes are due the first of February, May, August, and November. The levy is determined upon certification of tax rate by the county. Liens are sold at a tax sale in the subsequent year. There was no tax sale for 2010 taxes.

NOTE 19. MUNICIPAL COURT

The Municipal Court Report is issued separately.

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

SUPPLEMENTARY DATA

Comparative Schedule of Tax Rate Information:

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Tax Rate	<u>\$0.794</u>	<u>\$0.795</u>	<u>\$0.751</u>	<u>\$0.721</u>

Apportionment of Tax Rate

Municipal	0.305	0.307	0.291	0.278 *
County	0.197	0.196	0.186	0.178 *
Local School	0.293	0.292	0.274	0.265 *

***Revaluation**

Net Valuation Taxable as listed in the Bergen County Board of Taxation Levy Duplicate

2011	<u>\$ 3,428,644,542</u>
2010	<u>\$3,424,443,979</u>
2009	<u>\$3,456,848,156</u>
2008	<u>\$3,440,562,700 *</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 Collection</u>	<u>Percentage of Collection</u>
2011	\$ 27,271,226.25	\$ 26,725,282.76	98.00%
2010	27,462,263.64	27,092,550.31	98.65%
2009	26,108,741.00	25,645,953.00	98.23%
2008	24,966,585.00	24,653,892.00	98.75%

**BOROUGH OF ENGLEWOOD CLIFFS
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011**

SUPPLEMENTARY DATA

Delinquent Taxes and Tax Title Liens

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

<u>December Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2011	\$ 8,663.51	\$ 433,675.33	\$ 442,338.84	1.62%
2010	9,643.47	286,709.41	296,352.88	1.08%
2009	6,558.07	324,955.00	331,513.07	1.27%
2008	1,383.00	202,002.00	203,385.00	0.81%
2007	-	160,522.00	160,522.00	0.67%

Property Acquired by Tax Title Lien Liquidation

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

<u>Year</u>	<u>Amount</u>
2011	\$ 39,528.00
2010	39,528.00
2009	39,528.00
2008	39,528.00
2007	39,528.00

**BOROUGH OF ENGLEWOOD CLIFFS
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2011**

SUPPLEMENTARY DATA

Comparative Schedule of Fund Balances

<u>Year</u>	<u>Balance December 31</u>	<u>Utilized in Budget of Succeeding Year</u>
2011	\$ 325,944.76	\$ -
2010	1,138,848.59	955,000.00
2009	731,467.22	604,000.00
2008	829,274.00	668,000.00
2007	1,713,796.00	1,534,000.00

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH - TREASURER

A-4

	<u>Reference</u>	
Balance December 31, 2010	A	\$ 2,417,537.31
Increased by Cash Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	\$ 161,587.83
Budget Contras/ Refunds	A-3	465,365.96
Grants Receivable	A-7,21	16,636.55
Due from State of New Jersey for		
Senior Citizens' and Veterans' Deductions	A-8	46,155.00
Taxes Receivable	A-9	26,728,381.06
Revenue Accounts Receivable	A-12	1,726,115.06
Unappropriated Grants Reserves	A-16,21	33,564.22
Prepaid Taxes	A-17	295,683.51
Tax Overpayments	A-18	-
Interfunds Receivable	A-21	5,144.00
Miscellaneous Reserves	A-23	36,949.75
Special Emergency Note Payable	A-24	649,204.00
		30,164,786.94
		32,582,324.25
Decreased by Cash Disbursements		
2011 Budget Appropriations	A-3	13,407,003.51
2010 Appropriation Reserves	A-13	296,914.13
Prior Year Grant Expenditures	A-15	3,472.93
Tax Overpayment Refunds	A-18	70,340.92
Bank Service Charges	A-1	1,141.75
Tax Appeals	A-1	145,382.51
Interest on Outside Tax Title Liens	A-1	65.93
Local County Taxes	A-19	6,787,768.28
Local School Taxes	A-20	10,014,004.00
Miscellaneous Reserves	A-23	70,346.70
Special Emergency Note Payment	A-24	70,200.00
		30,866,640.66
Balance, December 31, 2011	A	\$ 1,715,683.59

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CHANGE FUNDS

	<u>Reference</u>	A-5
Balance December 31, 2010	A	\$ 200.00
Balance December 31, 2011	A	<u>\$ 200.00</u>

SCHEDULE OF PETTY CASH

	<u>Reference</u>	A-6
Balance, December 31, 2010	A	\$ 300.00
Balance, December 31, 2011	A	<u>\$ 300.00</u>

BOROUGH OF ENGLEWOOD CLIFFS
 FEDERAL AND STATE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

A-7

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

	Balance December 31, 2010	Realized As Revenues 2011 Budget	Cash Received In Current Fund	Balance December 31, 2011
Municipal Alliance on Alcoholism and Drug Abuse	\$ 15,809.39	\$ 10,356.00	\$ 3,862.55	\$ 22,302.84
Community Development Block Grant	9,709.65	12,774.00	12,774.00	9,709.65
Fireman's Fund Grant	<u>\$ 25,519.04</u>	<u>\$ 23,130.00</u>	<u>\$ 16,636.55</u>	<u>\$ 32,012.49</u>

Ref.	A	A-2,15,21	A-4,21	A
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BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE FROM STATE OF NEW JERSEY FOR
SENIOR CITIZENS AND VETERANS DEDUCTIONS (CHAPTER 20, P.L. 1971)

A-8

	<u>Reference</u>	
Balance December 31, 2010	A	\$ 1,223.04
Increased by:		
Tax Billings:		
Senior Citizen's Deductions	Below	\$ 4,250.00
Veteran's Deductions	Below	40,750.00
Allowed by Tax Collector:		
2011 Senior Citizen's Deductions	Below	
2011 Veterans' Deductions	Below	250.00
2% Administration Fee	A-2	905.00
		46,155.00
		47,378.04
Decreased by:		
Disallowed by Tax Collector:		
2011 Senior Citizen's Deductions	Below	-
2011 Veterans Disallowed	Below	-
2010 Senior Citizen's Deductions	A-1	
Cash Receipts	A-4	46,155.00
		46,155.00
Balance December 31, 2011	A	\$ 1,223.04

Analysis of State's Share of Senior Citizen's and Veteran's Deductions

	<u>Ref.</u>	
Senior Citizen's & Veteran's Deductions (Net):		
Tax Billings:		
Senior Citizen's Deductions	Above	\$ 4,250.00
Veteran's Deductions	Above	40,750.00
Allowed by Tax Collector:		
2011 Senior Citizen's Deductions	Above	250.00
2011 Veterans' Deductions	Above	
Disallowed by Tax Collector:		
2011 Senior Citizen's Deductions	Above	
2011 Veterans' Deductions	Above	
	A-9	\$ 45,250.00

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF PROPERTY ACQUIRED FOR TAXES
AT ASSESSED VALUATIONS

A-10

	<u>Reference</u>	
Balance December 31, 2010	A	<u>\$ 39,528.00</u>
Balance December 31, 2011	A	<u><u>\$ 39,528.00</u></u>

SCHEDULE OF TAX TITLE LIENS RECEIVABLE

A-11

	<u>Reference</u>	
Balance December 31, 2010	A	\$ 9,643.47
Increased by:		
Transferred from Taxes Receivable	A-9	<u>3,081.51</u>
Balance December 31, 2011	A	<u><u>\$ 12,724.98</u></u>

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE

A-12

	Balance December 31, <u>2010</u>	Accrued in <u>2011</u>	Received in <u>2011</u>	Balance December 31, <u>2011</u>
Licenses:				
Alcoholic Beverages	\$ -	\$ 16,200.00	\$ 16,200.00	\$ -
Fees and Permits	-			-
Construction Code Official	-	230,973.00	230,973.00	-
Other	-	13,300.00	13,300.00	-
Municipal Court Fines and Costs	8,193.64	64,063.01	67,716.25	4,540.40
Burglar Alarm Fees	-	10,125.00	10,125.00	-
Tennis Registration	-	-	-	-
Fire Inspection Fees	-	20,944.55	20,944.55	-
Interest and Cost on Taxes	-	81,178.86	81,178.86	-
Interest on Investments	-	2,197.34	2,197.34	-
Cable TV Annual Leases	-	16,550.99	16,550.99	-
Cell Tower- Annual Lease	-	228,004.02	228,004.02	-
Elevator Fees	-	29,405.00	29,405.00	-
Consolidated Municipal Property Tax Relief Act	-	45,724.00	45,724.00	-
Energy Receipts Taxes	-	645,750.00	645,750.00	-
Premium on BANS	-	75,184.59	75,184.59	-
Fema Reserve	-	49,489.38	49,489.38	-
Commercial Sewer Use Fees	31,025.92	227,189.16	193,372.08	64,843.00
Reserve for Goodwill Expenditures	-			-
Cancellation of Funded Capital Ordinances	-			-
TOTALS	<u>\$ 39,219.56</u>	<u>\$ 1,756,278.90</u>	<u>\$ 1,726,115.06</u>	<u>\$ 69,383.40</u>
Ref.	A, A-1		A-4	A

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF 2010 APPROPRIATION RESERVES

A-13

<u>Appropriations</u>	<u>Balance Dec. 31, 2010</u>	<u>2010 Encumbrances</u>	<u>Balance after Transfers and Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
<u>GENERAL GOVERNMENT FUNCTIONS (within "CAPS")</u>					
Administrative and Executive					
Salaries and Wages	\$ 1,854.70	\$ -	\$ 854.70	\$ -	\$ 854.70
Other Expenses	1,214.41	550.19	2,019.60	2,018.88	0.72
Governing Body					
Salaries and Wages	0.95		0.93		0.93
Financial Administration					
Other Expenses	0.29		6,406.29	6,406.25	0.04
Collection of Taxes					
Salaries and Wages	0.04		0.04		0.04
Other Expenses	4,695.29	581.70	5,276.99	922.99	4,354.00
Assessment of Taxes					
Salaries and Wages	0.26		0.26		0.26
Other Expenses	275.06	600.00	875.06	600.00	275.06
Legal Services and Costs					
Other Expenses	421.14	1,901.25	18,549.39	18,548.75	0.64
Appraisal Fees	3,361.22		4,456.22	4,455.86	0.36
Engineering Services and Costs					
Other Expenses	1,059.82		2,568.82	2,568.50	0.32
Insurance					
Other Insurance Premiums	2,275.14		2,275.14		2,275.14
Group Insurance Plan for Employees	32,830.58	663.00	33,493.58	3,557.40	29,936.18
<u>MUNICIPAL LAND USE LAW (NJSA 40-55D-1)</u>					
Planning Board					
Other Expenses	11,720.68		714.68		714.68
Board of Adjustment					
Other Expenses	6,710.76		710.76	500.00	210.76
<u>PUBLIC SAFETY:</u>					
Police					
Salaries and Wages	49,410.71		49,410.71		49,410.71
Other Expenses	1,720.35	1,464.99	4,402.34	4,401.89	0.45
First Aid Organization					
Salaries and Wages	0.50		0.50		0.50
Contribution	4,238.47		1,648.47	1,270.34	378.13
Fire Official					
Fire Hydrant Services	0.22		15,180.22	15,179.91	0.31
Other Expenses	8,447.52	8,771.31	17,218.83	10,714.57	6,504.26
Clothing Expenses	122.00		599.00	599.00	0.00

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

A-13

SCHEDULE OF 2010 APPROPRIATION RESERVES

	Balance Dec. 31, 2010	2010 Encumbrances	Balance after Transfers and Encumbrances	Paid or Charged	Balance Unexpended
<u>PUBLIC WORKS FUNCTIONS</u>					
Road Repairs and Maintenance					
Salaries and Wages	\$ 1,661.52	\$ -	\$ 1,661.52	\$ 1,000.00	\$ 661.52
Other Expenses	9,390.10	3,722.61	9,112.71	8,203.48	909.23
Gasoline	13,604.67		7,604.67	7,232.81	371.86
Garbage and Trash Removal					
Other Expenses	22,567.47	92,444.58	113,012.05	108,499.66	6,512.39
Recycling					
Other Expenses	1,091.00		1,091.00	880.00	211.00
Public Building and Grounds					
Other Expenses	723.35	3,733.16	4,456.51	4,348.92	107.59
Sewer System					
Other Expenses	11,284.85	1,260.00	2,544.85	1,260.00	1,284.85
Shade Tree					
Salaries and Wages	917.25		917.25		917.25
Other Expenses	5,665.41	1,109.98	6,775.39	5,707.08	1,068.31
<u>HEALTH AND WELFARE</u>					
Board of Health					
Salaries and Wages	747.41		747.41		747.41
Other Expenses	3,197.51		1,357.51		1,357.51
Administration of Public Assistance					
Salaries and Wages	11.75		11.75		11.75
Environmental Commission					
Other Expenses	368.82		368.82	35.00	333.82
Senior Citizens Committee					
Other Expenses	4,725.19		4,725.19	2,440.75	2,284.44
Parks and Playgrounds					
Salaries and Wages	12,872.23		12,872.23	6,000.00	6,872.23
Other Expenses	18,201.12		18,201.12	12,423.62	5,777.50
Celebration of Public Event, Anniversary or Holiday	4,500.00		4,500.00		4,500.00
<u>UNIFORM CONSTRUCTION CODE (within "CAPS")</u>					
Construction Code Officials					
Salaries and Wages	0.78		0.78		0.78
Other Expenses	3,510.99	220.79	3,731.78	359.59	3,372.19
Fire Sub-Code Official					
Salaries and Wages	4,090.91		4,090.91		4,090.91
Sewer Inspection					
Salaries and Wages	0.15		0.15		0.15
Fire Prevention					
Other Expenses	1,227.53	36.50	1,264.03	137.29	1,126.74
Elevator Inspections					
Other Expenses	0.20		0.20		0.20

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

A-13

SCHEDULE OF 2010 APPROPRIATION RESERVES

<u>Appropriations</u>	<u>Balance Dec. 31, 2010</u>	<u>2010 Encumbrances</u>	<u>Balance after Transfers and Encumbrances</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Municipal Court					
Salaries and Wages	\$ 10.60	\$ -	\$ 10.60	\$ -	\$ 10.60
Other Expenses	2,180.74	703.69	2,884.43	1,764.90	1,119.53
Adjustment Program					
Salaries and Wages	168,000.00		168,000.00		168,000.00
<u>Unclassified</u>					
Utilities					
Electricity and Heating Oil	20,906.32		20,906.32	15,946.18	4,960.14
Telephone and Fax	20,852.07	717.99	21,570.06	6,406.52	15,163.54
Street Lighting	13,780.86		13,780.86	13,428.44	352.42
Water	144.06		214.06	215.55	0.51
STATUTORY EXPENDITURES (within "CAPS")					
Contribution to:					
Social Security System (O.A.S.I.)	16,845.05		16,845.05		16,845.05
OPERATIONS (excluded from "CAPS")					
Bergen County Utilities Authority Service Charges	0.75		0.75		0.75
Sewer Charges - Borough of Tenafly	2,031.08		2,031.08		2,031.08
Sewer Charges - City of Englewood	28,882.00		28,882.00	28,882.00	0.00
TOTAL GENERAL APPROPRIATIONS	\$ 524,353.83	\$ 118,481.74	\$ 642,835.57	\$ 296,914.13	\$ 345,921.44

Reference

A

A-14

A-4

A-1

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF ENCUMBRANCES PAYABLE

A-14

	<u>Reference</u>	
Balance December 31, 2010	A	\$ 118,481.74
Increased by:		
Charges to 2011 Budget Appropriations	A-3	<u>105,232.71</u>
		223,714.45
Decreased by:		
Transferred to 2010 Appropriation Reserves	A-13	<u>118,481.74</u>
Balance December 31, 2011	A	<u>\$ 105,232.71</u>

BOROUGH OF ENGLEWOOD CLIFFS
 FEDERAL AND STATE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

A-15

SCHEDULE OF FEDERAL AND STATE GRANTS APPROPRIATED

	Balance December 31, 2010	Transfer From 2011 Budget	Decreased by	Balance December 31, 2011
Community Development Block Grant	\$ 14,210.72	\$ -	\$ -	\$ 14,210.72
BCUA Recycling Grant	11,163.00	-	-	11,163.00
BCUA Recycling Grant	10,211.00	-	-	10,211.00
BCUA Recycling Grant	3,508.00	-	-	3,508.00
BCUA Recycling Grant	2,549.42	-	-	2,549.42
Clean Communities - 2000	966.00	-	966.00	-
Clean Communities - 2001	3,750.00	-	1,002.54	2,747.46
Clean Communities - 2003	5,539.00	-	-	5,539.00
Clean Communities - 2004	5,744.00	-	-	5,744.00
Clean Communities - 2005	5,709.00	-	-	5,709.00
Clean Communities - 2006	5,985.00	-	-	5,985.00
Clean Communities - 2007	5,362.05	-	-	5,362.05
Clean Communities - 2011	-	17,646.06	16,173.63	1,472.43
Recycling Tonnage Grant - 2004	3,685.00	-	-	3,685.00
Recycling Tonnage Grant - 2005	5,160.00	-	-	5,160.00
Recycling Tonnage Grant-2006	4,179.00	-	-	4,179.00
Recycling Tonnage Grant-2007	3,078.01	-	-	3,078.01
Recycling Tonnage Grant - 2011	-	15,552.70	-	15,552.70
Alcohol Education Rehabilitation-2000 thru 2002	471.00	-	471.00	-
Alcohol Education Rehabilitation-2003	194.00	-	-	194.00
Alcohol Education Rehabilitation-2006	59.00	-	-	59.00
Alcohol Education Rehabilitation-2007	113.35	-	-	113.35
Alcohol Education Rehabilitation - 2011	-	603.28	-	603.28
Municipal Alliance	16,870.34	12,945.00	2,500.69	27,314.65
Drunk Driving Enforcement Fund- 2002 thru 2003	974.78	-	-	974.78
Drunk Driving Enforcement Fund-2004	1,141.00	-	-	1,141.00
Drunk Driving Enforcement Fund-2005	278.80	-	-	278.80
Drunk Driving Enforcement Fund-2011	-	732.59	-	732.59
Hepatitis B	734.60	-	-	734.60
Body Armor-2001	1,984.67	-	-	1,984.67
Body Armor-2003	2,524.00	-	573.58	1,950.42
Body Armor-2004	2,603.00	-	-	2,603.00
Body Armor-2005	4,973.00	-	-	4,973.00
Body Armor-2006	2,267.00	-	-	2,267.00
Body Armor-2007	2,893.57	-	-	2,893.57
Body Armor - 2011	-	6,055.39	-	6,055.39
Domestic Violence	1,000.00	-	-	1,000.00
Fireman's Fund Grant	-	12,774.00	9,306.08	3,467.92

	Balance December 31, 2010	Transfer From 2011 Budget	Decreased by	Balance December 31, 2011
	\$ 129,861.31	\$ 65,509.02	\$ 32,789.20	\$ 163,281.12
	A	Below, A-21	Below, A-21	A
Current Year Grant Disbursements			29,316.27	
Prior Year Grant Disbursements			3,472.93	
Misc. Revenue Unanticipated		40,590.02		
2011 Revenue Anticipated		21,130.00		
Local Match		2,589.00		
		\$ 66,309.02	\$ 32,789.20	
		Above	Above	

Ref. A-4
 A-2,16

BOROUGH OF ENGLEWOOD CLIFFS
 FEDERAL AND STATE GRANT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

A-16

SCHEDULE OF RESERVE FOR FEDERAL AND STATE GRANTS - UNAPPROPRIATED

	Balance December 31, 2010	Transferred To 2011 Budget	Received	Balance December 31, 2011
Recycling Tonnage Grant	\$ 15,552.70	\$ 15,552.70	\$ 20,865.54	\$ 20,865.54
Clean Communities	17,646.06	17,646.06	9,861.37	9,861.37
Body Armor	6,055.39	6,055.39	2,459.77	2,459.77
Alcohol Education & Rehabilitation Grant	603.28	603.28	-	-
Drunk Driving Enforcement Fund	732.59	732.59	377.54	377.54
	<u>\$ 40,590.02</u>	<u>\$ 40,590.02</u>	<u>\$ 33,564.22</u>	<u>\$ 33,564.22</u>
Ref.	A	A-15	A-4	A

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF PREPAID TAXES

A-17

	<u>Reference</u>	
Balance December 31, 2010	A	\$ 239,712.36
Increased by:		
Cash Receipts	A-4	<u>295,683.51</u>
		535,395.87
Decreased by:		
Applied to 2011 Taxes	A-9	<u>239,712.36</u>
Balance December 31, 2011	A	<u><u>295,683.51</u></u>

SCHEDULE OF TAX OVERPAYMENTS

A-18

	<u>Reference</u>	
Balance December 31, 2010	A	\$ 158,936.30
Increased by:		
Cash Receipts	A-4	<u>95,318.71</u>
		254,255.01
Decreased by:		
Cash Disbursements	A-8	<u>70,340.92</u>
Balance December 31, 2011	A	<u><u>\$ 183,914.09</u></u>

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF COUNTY TAXES PAYABLE

A-19

	<u>Reference</u>		
Balance December 31, 2010	A	\$	52,865.12
Increased by:			
County Tax Levy	A-1, A-9	6,620,661.45	
County Open Space Tax Levy	A-1, A-9	84,241.71	
Due to County for:			
Added/Omitted Taxes	A-1, A-9	11,796.55	
Adjusted Added/Omitted 2010	A-1	<u>30,000.00</u>	
			<u>6,746,699.71</u>
			6,799,564.83
Decreased by:			
Cash Disbursements	A-4		<u>6,787,768.28</u>
Balance, December 31, 2011	A	\$	<u><u>11,796.55</u></u>

SCHEDULE OF LOCAL SCHOOL DISTRICT TAXES DEFERRED/PAYABLE

A-20

	<u>Reference</u>		
Balance December 31, 2011			
School Taxes Payable			
School Taxes Deferred		<u>\$ 4,987,927.50</u>	\$ 4,987,927.50
Increased by:			
Levy School Year	A-1, A-9		<u>10,052,158.00</u>
			15,040,085.50
Decreased by:			
Canceled	A-1	2.50	
Cash Disbursements	A-4	<u>10,014,004.00</u>	<u>10,014,006.50</u>
Balance December 31, 2011			<u>\$ 5,026,079.00</u>
School Taxes Payable			
School Taxes Deferred		<u>\$ 5,026,079.00</u>	\$ 5,026,079.00
<u>2011 Liability for Local School District Taxes:</u>			
Tax Paid			\$ 10,014,004.00
Tax Payable at 2011/Cancelled			<u>2.50</u>
			10,014,006.50
Less: Taxes Payable at 2010			
			<u>-</u>
Amount Charged to 2011 Operations	A-1		<u><u>\$ 10,014,006.50</u></u>

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF INTERFUNDS RECEIVABLE/(PAYABLE)

Ref.	Total	Federal and State Grant Fund	Dog License Trust Trust Fund	Other Trust/ Escrow Fund	General Capital Fund	Payroll Account
Balance, December 31, 2010						
A	\$ 10,549.70	\$.	\$ 2,060.66	\$ 3,821.24	\$ 4,467.80	\$ 200.00
A	(144,932.29)	(144,932.29)				
	<u>(134,382.59)</u>	<u>(144,932.29)</u>	<u>2,060.66</u>	<u>3,821.24</u>	<u>4,467.80</u>	<u>200.00</u>
Increased by:						
	1,862.25			1,218.55	643.70	
A-1	2,047.84		2,047.84			
A-2	40,590.02	40,590.02				
A-2,7	23,130.00	23,130.00				
A-15	32,789.20	32,789.20				
	<u>100,419.31</u>	<u>96,509.22</u>	<u>2,047.84</u>	<u>1,218.55</u>	<u>643.70</u>	
Decreased by:						
A-15	66,309.02	66,309.02				
A-4,7	16,636.55	16,636.55				
A-4	5,144.00		44.00		5,100.00	
A-4	33,564.22	33,564.22				
	<u>55,344.77</u>	<u>116,509.79</u>	<u>44.00</u>		<u>5,100.00</u>	
Balance, December 31, 2011						
A	\$ 9,315.79	\$.	\$ 4,064.50	\$ 5,039.79	\$ 11.50	\$ 200.00
A	(164,932.86)	(164,932.86)				

A-21

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DEFERRED CHARGES - N.J.S.A. 40A:4-53

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance December 31, 2010</u>	<u>Increased in 2011</u>	<u>Reduced in 2011</u>	<u>Balance December 31, 2011</u>
05/16/2007	Revaluation of Real Property	\$ 175,000.00	\$ 35,000.00	\$ 70,000.00		\$ 35,000.00	\$ 35,000.00
11/21/2011	Emergency Appropriation	339,129.00			339,129.00		339,129.00
12/14/2011	Special Emergency- Terminal Leave	350,075.00	70,015.00		350,075.00		350,075.00
11/22/2010	Special Emergency- Terminal Leave	351,000.00	70,200.00	351,000.00		70,200.00	280,800.00
				<u>\$ 421,000.00</u>	<u>\$ 689,204.00</u>	<u>\$ 105,200.00</u>	<u>\$ 1,005,004.00</u>
				A	A-1,3	A-3	A

A-22

Ref.

BOROUGH OF ENGLEWOOD CLIFFS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF MISCELLANEOUS RESERVES

A-23

	Balance December 31, 2010	Increased by	Decreased by	Balance December 31, 2011
State Library Aid	\$ 1,767.00	\$ 973.00		\$ 2,740.00
Sale of Municipal Assets Master Plan	6,782.00	11,625.00		18,407.00
Reassessment of Real Property BCUA Recycling Grant	11,103.52		11,103.52	-
Tax Title Lien Premium	11,445.00			11,445.00
Outside Tax Title Lien Redemption	100.00	24,351.75	100.00	-
Reserve for Police Salaries	34,791.43		59,143.18	-
	43,466.17			43,466.17
	<u>\$ 111,130.12</u>	<u>\$ 36,949.75</u>	<u>\$ 70,346.70</u>	<u>\$ 77,733.17</u>
Ref. A				A

Cash Receipts A-4 36,949.75

Cash Disbursements A-4 70,346.70

\$ 36,949.75

\$ 70,346.70

SCHEDULE OF SPECIAL EMERGENCY & EMERGENCY NOTES PAYABLE

A-24

Description	Date of Issuance of Original Note	Date of Maturity	Interest Rate	Balance Dec. 31, 2010	Increased Note Receipt	Decreased Note Paid	Balance Dec. 31, 2011
Special Emergency- Terminal Leave-2010	12/30/10	03/30/11	1.00%	\$ 351,000.00		\$ 70,200.00	\$ 280,800.00
Special Emergency- Terminal Leave-2011	12/29/11	04/27/12	1.00%		350,075.00		350,075.00
Emergency Note	12/29/11	04/27/12	1.00%		299,129.00		299,129.00
				<u>\$ 351,000.00</u>	<u>\$ 649,204.00</u>	<u>\$ 70,200.00</u>	<u>\$ 930,004.00</u>
Reference				A		A-4	A

BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH AND CASH EQUIVALENTS

								B-1 Emergency Services Trust LOSAP
	Reference	Assessment/ Other	Dog License	Recycling	Shade Tree	COAH Development	DEA Forfeiture	
Balance - December 31, 2010	B	\$ 943,347.75	\$ 6,549.06	\$ 53,692.00	\$ 11,503.21	\$ 807,180.28	\$ 327,113.08	\$ 412,594.45
Increased by:								
Escrow/Other Trust deposits	B-9	331,262.35						
Dog license fees	B-10		1,522.84					
Dog license state fees	B-5		357.00					
Shade Tree fees	B-12				2,496.35			
COAH development fees	B-13					120,291.15		
DEA forfeiture fees	B-15						182,256.60	
Due to Current Fund	B-6	1,247.85						
State fees	B-7	19,651.00						
Recycling Receipts	B-11			45,539.67				
Donations - Shade Tree	B-12				800.00			
Investment earnings/interest	B-6,11,12,13,14,15			47.24	5.94	1,121.77	388.62	814.58
Borough contributions	B-4							31,101.00
		<u>352,161.20</u>	<u>1,879.84</u>	<u>45,586.91</u>	<u>3,302.29</u>	<u>121,412.92</u>	<u>182,645.22</u>	<u>31,915.58</u>
		<u>1,295,508.95</u>	<u>8,428.90</u>	<u>99,278.91</u>	<u>14,805.50</u>	<u>928,593.20</u>	<u>509,758.30</u>	<u>444,510.03</u>
Decreased by:								
Escrow/ Other Trust disbursements	B-9	397,926.64						
State fees	B-7	14,054.00						
Recycling expenditures	B-11			10,613.67				
Shade Tree expenditures	B-12				5,512.35			
COAH development expenditures	B-13					2,000.00		
DEA forfeiture expenditures	B-15						342,324.57	
Due to Current Fund	B-6	29.30	44.00					
Dog License Fund expenditures	B-10		440.00					
Dog License State fees	B-5		288.00					
Distributions/Losses	B-14							20,822.38
		<u>412,009.94</u>	<u>772.00</u>	<u>10,613.67</u>	<u>5,512.35</u>	<u>2,000.00</u>	<u>342,324.57</u>	<u>20,822.38</u>
Balance - December 31, 2011	B	<u>\$ 883,499.01</u>	<u>\$ 7,656.90</u>	<u>\$ 88,665.24</u>	<u>\$ 9,293.15</u>	<u>\$ 926,593.20</u>	<u>\$ 167,433.73</u>	<u>\$ 423,687.65</u>

BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF ASSESSMENT LIENS

B-2

<u>Ordinance Number</u>	<u>Description</u>	<u>At December 31,</u>	
		<u>2011</u>	<u>2010</u>
6612	Irving Avenue trunk sewer	<u>\$ 78.00</u>	<u>\$ 78.00</u>
		B	B

SCHEDULE OF TAX SALE RECEIVABLE

B-3

Balance - December 31, 2010	B	<u>\$ 50.00</u>
Balance - December 31, 2011	B	<u>\$ 50.00</u>

SCHEDULE OF SERVICES AWARD CONTRIBUTIONS RECEIVABLE
EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM

B-4

Balance - December 31, 2010	B	<u>\$ 31,101.00</u>
Increased by:		
2011 Service Award Contribution	B-14	<u>30,600.00</u>
		61,701.00
Decreased by:		
Contributions Paid	B-1	<u>31,101.00</u>
Balance - December 31, 2011	B	<u>\$ 30,600.00</u>

BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE TO/(FROM) THE STATE OF NEW JERSEY
DOG LICENSE TRUST FUND

B-5

	Reference	
Balance December 31, 2010	B	\$ (153.60)
Increased by:		
State Fees collected	B-1	<u>357.00</u>
		203.40
Decreased by:		
Paid to State of New Jersey	B-1	<u>288.00</u>
Balance December 31, 2011	B	<u><u>\$ (84.60)</u></u>

BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE TO/(FROM) CURRENT FUND

B-6

	Reference	Total	Dog License Trust	Assessment/Other Trust Fund Other Trust	Escrow Trust
Balance - December 31, 2010	B	\$ 5,881.90	\$ 2,060.66	\$ 61.69	\$ 3,759.55
Increased by:					
Interest on investments	B-1	975.85		435.88	539.97
Deposit error	B-1	272.00		272.00	
Statutory excess due to Current Fund	B-10	2,047.84	2,047.84		
		<u>3,295.69</u>	<u>2,047.84</u>	<u>707.88</u>	<u>539.97</u>
Decreased by:					
Deposit Error- Due From Current Dog Fee	B-1	44.00	44.00		
Cash disbursements	B-1	29.30		29.30	
		<u>73.30</u>	<u>44.00</u>	<u>29.30</u>	<u>-</u>
Balance - December 31, 2011	B	<u>\$ 9,104.29</u>	<u>\$ 4,064.50</u>	<u>\$ 740.27</u>	<u>\$ 4,299.52</u>

BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE TO STATE OF NEW JERSEY

	Reference	B-7
Balance December 31, 2010	B	\$ 6,632.00
Increased by:		
Marriage license fees		350.00
DCA fees		<u>19,301.00</u>
	B-1	<u>19,651.00</u>
		26,283.00
Decreased by:		
Cash disbursements	B-1	<u>14,054.00</u>
Balance December 31, 2011	B, Below	<u><u>\$ 12,229.00</u></u>

Analysis of Balance

Due to State of New Jersey:		
Marriage license fees		\$ 150.00
DCA fees		8,892.00
Prior year balance - unallocated		<u>3,187.00</u>
	Above	<u><u>\$ 12,229.00</u></u>

BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RESERVE FOR ASSESSMENT LIENS

	Reference	
		B-8
Balance December 31, 2010	B	\$ <u>78.00</u>
Balance December 31, 2011	B, Below	\$ <u><u>78.00</u></u>

Analysis of Balance

Assessment liens - Ordinance 6612 - Irving Avenue trunk sewer	Above	\$ <u><u>78.00</u></u>
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BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RESERVE - OTHER TRUST FUNDS

B-9

	Balance December 31, 2010	Cash Receipts	Cash Disbursements	Balance December 31, 2011
Reserve for:				
Escrow deposits	\$ 644,675.99	298,146.57	359,045.35	\$ 583,777.21
Tax title liens and premiums	\$ 12,142.09		10,500.00	1,642.09
Recycling deposits	10,600.00	3,600.00	4,721.96	9,478.04
Other Trust deposits:				-
Street opening fees	320.00	1,000.00		1,320.00
P.O.A.A.	745.00	48.00		793.00
Law Enforcement Trust	1,171.08			1,171.08
Donations:				
Police	34,446.05	21,309.73	23,659.33	32,096.45
Recreation	3,338.07			3,338.07
General Donations	1,000.00	1,000.00		2,000.00
Sign Donation	1,085.00			1,085.00
Down Stream Improvement Reserve	23,676.00			23,676.00
SLA HEOP grant	2,405.72			2,405.72
Cell tower relocation	8,000.00			8,000.00
Shade Tree fees	1,140.00			1,140.00
Sewer maintenance	7,100.00			7,100.00
Sale of Borough property	4,531.50			4,531.50
Parks and Recreations Trust Fund		6,158.05		6,158.05
Miscellaneous	1,568.01			1,568.01
	<u>\$ 757,944.51</u>	<u>\$ 331,262.35</u>	<u>\$ 397,926.64</u>	<u>\$ 691,280.22</u>
Reference	B	B-1	B-1	B

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

**SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES
DOG LICENSE TRUST FUND**

	Reference		B-10
Balance - December 31, 2010	B		\$ 4,642.00
Increased by:			
Dog License Fees		1,305.00	
Bank Interest		4.84	
Late fees		<u>213.00</u>	
	B-1		<u>1,522.84</u>
			6,164.84
Decreased by:			
Statutory Excess due Current Fund	B-6	2,047.84	
Expenditures under R.S. 4:19-15:11	B-1	<u>440.00</u>	
			<u>2,487.84</u>
Balance - December 31, 2011	B		<u><u>\$ 3,677.00</u></u>

<u>License Fees Collected</u>	
<u>Year</u>	<u>Amount</u>
2010	\$ 2,122.00
2009	<u>1,555.00</u>
	<u><u>\$ 3,677.00</u></u>

**BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

**SCHEDULE OF RESERVE FOR RECYCLING TRUST DEPOSITS
RECYCLING TRUST FUND**

	Reference		B-11
Balance - December 31, 2010	.B		\$ 53,692.00
Increased by:			
Recycling receipts	B-1	45,539.67	
Interest	B-1	47.24	
			45,586.91
			99,278.91
Decreased by:			
Expenditures	B-1	10,613.67	
			10,613.67
Balance - December 31, 2011	B		\$ 88,665.24

**SCHEDULE OF RESERVE FOR SHADE TREE TRUST DEPOSITS
SHADE TREE TRUST FUND**

	Reference		B-12
Balance - December 31, 2010	B		\$ 11,503.21
Increased by:			
Shade Tree fees	B-1	2,496.35	
Donations	B-1	800.00	
Interest	B-1	5.94	
			3,302.29
			14,805.50
Decreased by:			
Shade Tree expenditures	B-1	5,512.35	
			5,512.35
Balance - December 31, 2011	B		\$ 9,293.15

BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RESERVE FOR COAH DEVELOPMENT EXPENDITURES
COAH DEVELOPMENT TRUST FUND

	Reference	B-13
Balance - December 31, 2010	B	\$ 807,180.28
Increased by:		
Development fees	B-1	120,291.15
Interest	B-1	1,121.77
		121,412.92
		928,593.20
Decreased by:		
Development expenditures	B-1	2,000.00
		2,000.00
Balance - December 31, 2011	B	\$ 926,593.20

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM

		B-14
Balance - December 31, 2010	B	\$ 443,695.45
Increased by:		
Borough contributions	B-4	30,600.00
Investment income/appreciation	B-1	814.58
		31,414.58
		475,110.03
Decreased by:		
Loss on Investments		15,428.40
Distributions		5,393.98
	B-1	20,822.38
Balance - December 31, 2011	B	\$ 454,287.65

BOROUGH OF ENGLEWOOD CLIFFS
TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RESERVE FOR DEA FORFEITURE EXPENDITURES
DEA FORFEITURE TRUST FUND

	Reference		B-15
Balance - December 31, 2010	B		\$ 252,113.08
Increased by:			
Receipts	B-1	182,256.60	
Interest	B-1	<u>388.62</u>	
			<u>182,645.22</u>
			434,758.30
Decreased by:			
Expenditures	B-1	<u>342,324.57</u>	
			<u>342,324.57</u>
Balance - December 31, 2011	B		<u><u>\$ 92,433.73</u></u>

BOROUGH OF ENGLEWOOD CLIFFS
 CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH - COLLECTOR - TREASURER

C-2

	<u>Reference</u>	
Balance December 31, 2010	C	\$ 1,048,319.45
Increased by:		
Premium on BAN	C-16	34,003.00
BAN Paydown - Budget Appropriation	C-8	428,346.00
Bond Anticipation Notes	C-8	6,794,779.00
Capital Improvement Fund	C-13	84,250.00
Due to Current Fund - Interest	C-5	653.70
		7,342,031.70
	C-3	8,390,351.15
Decreased by:		
Transfer to Current - Premium on BAN	C-16	75,174.59
Bond Anticipation Notes	C-8	6,057,125.00
Due to Current Fund	C-5	5,110.00
Improvement Authorizations	C-11	1,440,436.58
	C-3	7,577,846.17
Balance December 31, 2011	C	\$ 812,504.98

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF ANALYSIS OF GENERAL CAPITAL CASH

C-3

		Balance <u>Dec. 31, 2010</u>	<u>Receipts</u>	<u>Disbursements</u>	Transfer <u>To/(From)</u>	Balance <u>Dec. 31, 2011</u>
	Grants Receivable -					
	State of New Jersey Department of Transportation	\$ (23,074.25)				\$ (23,074.25)
	Bergen County Open Space Trust Fund	(10,051.00)				(10,051.00)
	Due to/(from) Ambulance Corp.				(100,000.00)	(100,000.00)
	Due to/(from) Other Trust Fund	(250,000.00)				(250,000.00)
	Due to/(from) Current Fund	4,467.80	653.70	5,110.00		11.50
	Capital Improvement Fund	9,389.60	84,250.00		(84,250.00)	9,389.60
	Reserve For Payment of Debt	12,026.00				12,026.00
	Premium on BAN	41,171.59	34,003.00	75,174.59		-
	BAN Re-Issue	-	6,057,125.00	6,057,125.00		-
	Fund Balance	223,810.42				223,810.42
	Improvement Authorizations:					
<u>Ord. #</u>	<u>Improvement Description</u>					
98-08	Various Street Improvements	(136.20)				(136.20)
03-01	Refund Unfunded Pension Obligation	(272.00)				(272.00)
03-09	Tax Appeal Refunds	(22,602.78)				(22,602.78)
05-20	2005 Road Improvement Program	(409.79)				(409.79)
05-27	Improvements to Bayview Avenue Park	(376.39)				(376.39)
06-19/07-05/07-24	Various Improvements	11,211.60		388.92		10,822.68
07-20	Various Improvements	117,168.69		368.92		116,799.77
08-01	Various Capital Improvements	570,518.70		8,623.84		561,894.86
08-09	Improvements to Clendenin Place/Kahn Terrace	4,669.23		388.92		4,280.31
09-05	Rehabilitation of Woodland Park Basketball Courts	38,288.62		388.92		37,899.70
09-12	Dredging and Restoration of Pershing Pond	(14,701.48)				(14,701.48)
09-13	Improvements to Pershing Road	39,364.01		388.92		38,975.09
09-14	Various Capital Improvements	7,406.72		388.92		7,017.80
10-01	Tax Refunding Ordinances	342,951.43		342,951.43		-
10-14	Various Acquisitions and Improvements	(52,501.07)	1,166,000.00	570,455.99		543,042.94
11-10	2011 Road Resurfacing Program			515,260.27	31,900.00	(483,360.27)
11-11	Various Improvements & Acq. Of New Comm. & Automotive Vehicles			811.53	152,350.00	151,538.47
		<u>\$ 1,048,319.45</u>	<u>\$ 7,342,031.70</u>	<u>\$ 7,577,846.17</u>	<u>\$ -</u>	<u>\$ 812,504.98</u>
		C-2	C-2	C-2		C-2

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE

Ordinance	Purpose	Balance December 31, 2010	2011 Awards/Canceled	Grant Receipts	Transfer to Reserve for Payment of BAN	C-4 Balance December 31, 2011
09-13	NJ Department of Transportation: Improvements to Pershing Road	23,074.25				23,074.25
	Bergen County Open Space Trust Funds:					
09-05	Rehabilitation of Woodland Park Basketball Courts	10,051.00				10,051.00
		<u>10,051.00</u>				<u>10,051.00</u>
		<u>\$ 33,125.25</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,125.25</u>

Reference

C

C-2

C

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DUE FROM/(TO) CURRENT FUND

C-5

	<u>Reference</u>		
Balance December 31, 2010	C		\$ (4,467.80)
Increased by:			
Due To Current Fund	C-2	5,110.00	5,110.00
Decreased by:			
Interest Earned on Investments	C-2	653.70	653.70
Balance December 31, 2011	C		\$ (11.50)

SCHEDULE OF DUE FROM / (TO) OTHER TRUST FUND

C-6

	<u>Reference</u>		
Balance December 31, 2010	C		\$ 250,000.00
Balance December 31, 2011	Below		\$ 250,000.00
Due From Other Trust Fund	C		\$ 175,000.00
Due From DEA Trust	C		75,000.00
	Above		\$ 250,000.00

BOROUGH OF ENGLEWOOD CLIFFS
 CAPITAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED

Ord. #	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Capital Improvement Fund	Antibalance Corp. Donation	Budget Appropriation	Balance Dec. 31, 2011	Financed by BAN	Analysis of Balance - Dec. 31, 2011	
									Expenditures	Unexpended Improvement Authorizations
98-03	Various Improvements	\$ 136.20					\$ 136.20	\$	136.20	\$
03-01	Refund of Unfunded Pension Obligations	272.00					272.00		272.00	
03-09	Tax appeal Refunds	22,602.78					22,602.78		22,602.78	
05-20	2005 Road Improvement Program	409.79					409.79		409.79	
05-27	Improvements to West Bayview Avenue Park	376.39					376.39		376.39	
06-19/07-05/07-24	Various Improvements	285,000.00					275,000.00	275,000.00	264,177.32	10,822.68
07-20	Various Improvements	1,448,750.00					1,363,000.00	1,363,000.00	1,246,220.23	116,779.77
08-01	Various Capital Improvements	2,337,000.00					2,304,404.00	2,303,880.00	1,741,785.14	562,618.86
08-09	Improvements to Clendenin Place/Kalm Terrace	75,000.00					75,000.00	74,974.00	70,693.69	4,306.31
09-05	Rehabilitation of Woodland Park Basketball Courts	149,625.00					149,625.00	149,625.00	111,725.30	37,899.70
09-12	Dredging and Restoration of Pershing Pond	315,000.00					315,000.00		14,701.48	300,298.52
09-13	Improvements to Pershing Road	25,000.00					25,000.00	25,000.00		25,000.00
09-14	Various Capital Improvements	237,500.00					237,500.00	237,500.00	230,482.20	7,017.80
10-01	Tax Refunding Ordinances	1,500,000.00					1,200,000.00	1,200,000.00	1,200,000.00	
10-14	Various Acquisitions and Improvements	1,166,000.00					1,166,000.00	1,166,000.00	622,957.06	543,042.94
11-10	2011 Road Resurfacing Program		638,250.00	31,900.00			606,350.00		483,360.27	122,989.73
11-11	Various Improvements & Acq. Of New Comm. & Automotive Vehicles		1,146,750.00	52,350.00	100,000.00		994,400.00			994,400.00
		<u>\$ 7,562,672.16</u>	<u>\$ 1,785,000.00</u>	<u>\$ 84,230.00</u>	<u>\$ 100,000.00</u>	<u>\$ 428,346.00</u>	<u>\$ 8,735,076.16</u>	<u>\$ 6,704,779.00</u>	<u>\$ 6,009,899.85</u>	<u>\$ 2,725,176.31</u>
		C	C-11, 15	C-13	C, C-15	C-2, 8	C	C-8	C-8	C-11

Reference

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

C-8

SCHEDULE OF BOND ANTICIPATION NOTES

Ord. #	Improvement Description	Date of Issuance of Original Note	Date of Issue	Date of Maturity	Interest Rate	Balance		Increased		Decreased	
						Dec. 31, 2010	Dec. 31, 2011	B.A.N. Receipt	B.A.N. Paid	B.A.N. Paid	B.A.N. Balance
06-19/07-05/07-24	Various Improvements	05/09/2005	03/30/2011	03/30/2012	1.25%	\$ 285,000.00	\$ 275,000.00	\$ 275,000.00	\$ 285,000.00	\$ 275,000.00	\$ 275,000.00
07-20	Various Improvements	05/09/2005	03/30/2011	03/30/2012	1.25%	1,448,750.00	1,363,000.00	1,363,000.00	1,448,750.00	1,363,000.00	1,363,000.00
08-01	Various Capital Improvements	05/09/2005	03/30/2011	03/30/2012	1.25%	2,336,276.00	2,303,680.00	2,303,680.00	2,336,276.00	2,303,680.00	2,303,680.00
08-09	Improvements to Clendenin Place/Kahn Terrace	05/08/2009	03/30/2011	03/30/2012	1.25%	74,974.00	74,974.00	74,974.00	74,974.00	74,974.00	74,974.00
09-05	Rehabilitation of Woodland Park Basketball Courts	05/07/2010	03/30/2011	03/30/2012	1.25%	149,625.00	149,625.00	149,625.00	149,625.00	149,625.00	149,625.00
09-13	Improvements to Pershing Road	05/07/2010	03/30/2011	03/30/2012	1.25%	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
09-14	Various Capital Improvements	03/30/2010	03/30/2011	03/30/2012	1.25%	237,500.00	237,500.00	237,500.00	237,500.00	237,500.00	237,500.00
10-01	Tax Refunding Bond	03/30/2010	03/30/2011	03/30/2012	1.25%	1,500,000.00	1,200,000.00	1,200,000.00	1,500,000.00	1,200,000.00	1,200,000.00
10-14	Various Acquisitions and Improvements	03/30/2011	03/30/2011	03/30/2012	1.25%	\$ 6,057,125.00	\$ 6,794,779.00	\$ 6,794,779.00	\$ 6,057,125.00	\$ 6,794,779.00	\$ 6,794,779.00
						C	C-2, Below	C-2, Below	C		

Analysis of New Issue:		Reference
Budget Appropriation Payment		C-2, 7,15
New BAN Issues	1,166,000.00	
Renewals of BAN	5,628,779.00	
	\$ 6,794,779.00	Above, C-2
	Above	

	\$ 428,346.00	
	5,628,779.00	
	\$ 6,057,125.00	Above

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
SCHEDULE OF GENERAL SERIAL BONDS

C-9

Purpose	Date of Issue	Original Issue	Maturity	Interest Rate	Maturities of Bonds Outstanding December 31, 2010		Balance Dec. 31, 2010	Increased	Decreased	Balance Dec. 31, 2011		
					Amount							
General Obligations of 2003	08/15/2003	5,325,000.00	08/15/2012	3.625%	400,000.00		\$ 3,625,000.00		\$ 375,000.00	\$ 3,250,000.00		
			08/15/2013	3.75%	425,000.00							
			08/15/2014	3.75%	450,000.00							
			08/15/2015	4.00%	475,000.00							
			08/15/2016	4.00%	490,000.00							
			08/15/2017	4.00%	500,000.00							
			08/15/2018	4.00%	510,000.00							
General Obligations of 2007	07/15/2007	5,370,000.00	07/15/2012	4.15%	305,000.00		5,330,000.00		300,000.00	5,030,000.00		
			07/15/2013	4.15%	330,000.00							
			07/15/2014	4.15%	335,000.00							
			07/15/2015	4.15%	340,000.00							
			07/15/2016	4.15%	345,000.00							
			07/15/2017	4.15%	355,000.00							
			07/15/2018	4.15%	400,000.00							
			07/15/2019	4.15%	630,000.00							
			07/15/2020	4.15%	640,000.00							
			07/15/2021	4.20%	660,000.00							
		07/15/2022	4.20%	690,000.00								
					\$ 8,280,000.00	C	\$ 8,555,000.00	C	\$ 675,000.00	C-14	\$ 8,280,000.00	C

Reference

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
SCHEDULE OF CAPITAL LEASE PAYABLE

C-10

Maturities of Bonds
Outstanding

Purpose	Date of Issue	Original Issue	Date of Maturity	Interest Rate	Amount	Balance	
						Dec. 31, 2010	Dec. 31, 2011
Refund of Unfunded Pension Obligation	03/01/2003	\$ 870,000.00	03/01/2012	5.25%	26,000.00	\$ 824,000.00	\$ 803,000.00
			03/01/2013	5.25%	31,000.00		
			03/01/2014	4.70%	37,000.00		
			03/01/2015	4.75%	44,000.00		
			03/01/2016	4.80%	50,000.00		
			03/01/2017	4.85%	59,000.00		
			03/01/2018	4.90%	66,000.00		
			03/01/2019	5.35%	76,000.00		
			03/01/2020	5.35%	86,000.00		
		03/01/2021	5.35%	97,000.00			
		03/01/2022	5.35%	109,000.00			
		03/01/2023	5.35%	122,000.00			
						\$ 21,000.00	\$ 803,000.00

	\$ 803,000.00	C
	\$ 824,000.00	C
	\$ -	C-14
	\$ 21,000.00	C
	\$ 803,000.00	C

Reference

**BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

C-11

SCHEDULE OF IMPROVEMENT AUTHORIZATIONS

Ord. #	Improvement Description	Ord. Date	Amount	Balance December 31, 2010		2011 Authorizations	Expended	Balance December 31, 2011	
				Funded	Unfunded			Funded	Unfunded
06-19/07-05/07-24	Various Improvements	09/20/2006	500,000.00	11,211.60			388.92	10,822.68	
07-20	Various Improvements	07/19/2007	1,223,000.00	117,168.69			388.92	116,779.77	
08-01	Various Capital Improvements	01/23/2008	2,460,000.00	571,242.70			8,623.84	562,618.86	
08-09	Improvements to Clendenin Place/Kahn Terrace	08/20/2008	225,000.00	4,695.23			388.92	4,306.31	
09-05	Rehabilitation of Woodland Park Basketball Courts	05/13/2009	250,000.00	38,288.62			388.92	37,899.70	
09-12	Dredging and Restoration of Pershing Pond	08/12/2009	315,000.00	300,298.52				300,298.52	
09-13	Improvements to Pershing Pond	09/09/2009	175,000.00	25,000.00			388.92	25,000.00	
09-14	Various Capital Improvements	10/14/2009	250,000.00	7,406.72			388.92	7,017.80	
10-01	Tax Refunding Ordinances	01/06/2010	1,500,000.00	342,951.43			342,951.43		
10-14	Various Acquisitions and Improvements	10/13/2010	1,300,000.00	1,113,498.93		638,250.00	515,260.27	543,042.94	
11-10	2011 Road Resurfacing Program	06/23/11	638,250.00			1,146,750.00	151,538.47	172,989.73	
11-11	Various Improvements & Acq. Of New Comm. & Automotive Vehicles	06/23/11	1,146,750.00			\$ 1,785,000.00	\$ 1,440,436.58	994,400.00	
			\$ 14,364.01	\$ 2,531,762.44		\$ 1,785,000.00	\$ 1,440,436.58	\$ 2,725,176.31	
			C	C		C-7,15	C-2	C-7	

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RESERVE FOR PAYMENT OF DEBT

C-12

	<u>Reference</u>		
Balance December 31, 2010	C	\$	12,026.00
Balance December 31, 2011	C	\$	<u>12,026.00</u>

SCHEDULE OF CAPITAL IMPROVEMENT FUND

C-13

	<u>Reference</u>		
Balance December 31, 2010	C	\$	9,389.60
Increased by:			
Budget Appropriation	C-2		<u>84,250.00</u>
			93,639.60
Decreased by:			
Improvement Authorizations	C-7, 15		<u>84,250.00</u>
			9,389.60
Balance December 31, 2011	C	\$	<u>9,389.60</u>

SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

C-14

	<u>Reference</u>		
Balance December 31, 2010	C	\$	9,779,000.00
Decreased by:			
Serial Bonds Paid	C-9	675,000.00	
Capital Leases Paid	C-10	<u>21,000.00</u>	
			<u>696,000.00</u>
Balance December 31, 2011	C	\$	<u>9,083,000.00</u>

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

C-15

Ord. #	Improvement Description	Balance Dec. 31, 2010	2011 Authorizations	Canceled	Capital Improvement Fund	Other Receipts	Balance Dec. 31, 2011
98-03	Rehabilitation of Sanitary Sewer System	\$ 136.20					\$ 136.20
03-01	Refund of Unfunded Pension Obligations	272.00					272.00
03-09	Tax Appeal Refunds	22,602.78					22,602.78
03-16	Improvements to Various Roads	-					-
05-20	2005 Road Improvement Program	409.79					409.79
05-26	Various Capital Improvements	-					-
05-27	Improvements to West Bayview Avenue Park	376.39					376.39
08-01	Various Capital Improvements	724.00					724.00
08-09	Improvements to Clendenin Place/Kahn Terrace	26.00					26.00
09-05	Rehabilitation of Woodland Park Basketball Courts	-					-
09-12	Dredging and Restoration of Pershing Pond	315,000.00					315,000.00
09-13	Improvements to Pershing Road	-					-
09-14	Various Capital Improvements	-					-
10-01	Tax Refunding Ordinances	-				1,166,000.00	-
10-14	Various Acquisitions and Improvements	1,166,000.00	638,250.00		31,900.00		606,350.00
11-10	2011 Road Resurfacing Program	-	1,146,750.00		52,350.00	100,000.00	994,400.00
11-11	Various Improvements & Acq. Of New Comm. & Automotive Vehicles	\$ 1,505,547.16	\$ 1,785,000.00	\$ -	\$ 84,250.00	\$ 1,266,000.00	\$ 1,940,297.16
	Reference	C	C-7,11		C-13	Below	C
	Bond Anticipation Notes					\$ 1,166,000.00	
	Contrib. from Volunteer Ambulance Corp					100,000.00	
						\$ 1,266,000.00	

BOROUGH OF ENGLEWOOD CLIFFS
CAPITAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF PREMIUM ON BOND ANTICIPATION NOTES

C-16

	<u>Reference</u>		
Balance December 31, 2010	C		\$ 41,171.59
Increased by:			
Premium on BANS	C-2	<u>34,003.00</u>	<u>34,003.00</u>
Decreased by:			
Transfer for Current Revenue	C-2	<u>75,174.59</u>	<u>75,174.59</u>
Balance December 31, 2011	C		<u>\$ -</u>

BOROUGH OF ENGLEWOOD CLIFFS
PUBLIC ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF CASH AND CASH EQUIVALENTS

D-1

	<u>Reference</u>	<u>Total</u>	<u>Goodwill Checking</u>	<u>Goodwill Savings</u>
Balance December 31, 2010	D	\$ 0.03	\$ -	\$ 0.03
Increased by Cash Receipts:				
Interest Income	D-2	-	-	-
		<u>0.03</u>	<u>-</u>	<u>0.03</u>
Decreased by Cash Disbursements:				
Transfer to Current Fund- Budget Revenue	D-2	0.03	-	0.03
		<u>0.03</u>	<u>-</u>	<u>0.03</u>
Balance December 31, 2011	D	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF ENGLEWOOD CLIFFS
PUBLIC ASSISTANCE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

SCHEDULE OF RESERVE FOR GOODWILL EXPENDITURES

	Reference	<u>Total</u>	<u>Goodwill Checking</u>	D-2 <u>Goodwill Savings</u>
Balance December 31, 2010	D	\$ 0.03	\$ -	\$ 0.03
Increased by:				
Interest Income	D-1	-		
		<u>\$ 0.03</u>	<u>\$ -</u>	<u>\$ 0.03</u>
Decreased by:				
Transfer to Current Fund- Budget Revenue	D-1	0.03		0.03
		<u>0.03</u>		<u>0.03</u>
Balance December 31, 2011	D D-1	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

BOROUGH OF ENGLEWOOD CLIFFS

PART II

LETTER ON INTERNAL CONTROL AND ON COMPLIANCE
AND OTHER MATTERS

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2011

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

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

We have audited the financial statements of the Borough of Englewood Cliffs ("Borough"), State of New Jersey, as of and for the year ended December 31, 2011, and have issued our report thereon dated March 9, 2012. Our report disclosed that, as described in Note 1 to the financial statements, the Borough prepares its financial statements on a basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey ("Division"), that demonstrates compliance with a modified accrual basis and the budget laws of the State of New Jersey, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Division.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough'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 Borough's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Borough'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the 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 the 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 Audit Findings and Recommendations 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 Borough'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 which are described in the accompanying Schedule of Audit Findings as items 11-01 through 11-09.

We noted certain matters that we reported to management of the Borough in a separate letter dated March 9, 2012. The Borough's responses to findings identified in our audit, if any, are described in the accompanying schedule of findings and recommendations. We did not audit the Borough's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Borough's management, council members, others within the organization, the Division, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Paul W. Garbarini

Paul W. Garbarini, CPA
Registered Municipal Accountant
No. 534

Garbarini & Co.

Garbarini & Co. P.C. CPA's
Registered Municipal Accountants

March 9, 2012
Carlstadt, New Jersey

TOWNSHIP OF ENGLEWOOD CLIFFS
SCHEDULE OF EXPENDITURE OF STATE/OTHER FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2011

State/Creator	Program	Account Number	Responsible Amount	Grant Award Amount	Deferred Revenue (A/R) Balance December 31, 2010	Revenue Realized/Adjustments	Encumbrance	Schedule J-1	
								Balance December 31, 2011	Balance December 31, 2010
Division of Criminal Justice	Body Armor - 2001	1020-718-066-1020-001-YCIS-6120	\$	2,547.57	\$	1,984.24	\$	573.33	1,410.66
	Body Armor - 2002	1020-718-066-1020-001-YCIS-6120		2,647.00	2,524.00				2,524.00
	Body Armor - 2004	1020-718-066-1020-001-YCIS-6120		2,603.00	2,603.00				2,603.00
	Body Armor - 2005	1020-718-066-1020-001-YCIS-6120		4,973.00	4,973.00				4,973.00
	Body Armor - 2006	1020-718-066-1020-001-YCIS-6120		2,267.00	2,267.00				2,267.00
	Body Armor - 2007	1020-718-066-1020-001-YCIS-6120		2,894.00	2,894.00				2,894.00
	Body Armor - 2008	1020-718-066-1020-001-YCIS-6120		2,523.19	2,523.19				2,523.19
	Body Armor - 2009	1020-718-066-1020-001-YCIS-6120		3,527.20	3,527.20				3,527.20
	Body Armor - 2010	1020-718-066-1020-001-YCIS-6120		2,459.77	2,459.77				2,459.77
	Alcohol Education & Rehabilitation'00	9735-760-098-9900-001-X100-6020		62.35	285.00	62.35		62.35	0.00
	Alcohol Education & Rehabilitation'01	9735-760-098-9900-001-X100-6020		285.00	124.00	285.00		285.00	0.00
	Alcohol Education & Rehabilitation'02	9735-760-098-9900-001-X100-6020		124.00	194.00	124.00		124.00	0.00
	Alcohol Education & Rehabilitation'03	9735-760-098-9900-001-X100-6020		194.00	59.00	194.00		194.00	0.00
	Alcohol Education & Rehabilitation'06	9735-760-098-9900-001-X100-6020		59.00	113.00	59.00		59.00	0.00
	Alcohol Education & Rehabilitation'07	9735-760-098-9900-001-X100-6020		113.00	603.28	113.00		113.00	0.00
	Alcohol Education & Rehabilitation'07	9735-760-098-9900-001-X100-6020		603.28	383.18	603.28		383.18	0.00
	DDEF - 2000	1110-448-011020-22		383.18	2,423.00	383.18		383.18	0.00
	DDEF - 2002	1110-448-011020-22		2,423.00	509.00	2,423.00		509.00	0.00
	DDEF - 2003	6400-100-078-6400-YYYY		509.00	1,141.00	509.00		1,141.00	0.00
	DDEF - 2004	6400-100-078-6400-YYYY		1,141.00	278.80	1,141.00		278.80	0.00
DDEF - 2005	6400-100-078-6400-YYYY		278.80	732.59	278.80		732.59	0.00	
DDEF - 2008	6400-100-078-6400-YYYY		732.59	732.59	732.59		732.59	0.00	
DDEF - 2009	6400-100-078-6400-YYYY		732.59	377.54	732.59		377.54	0.00	
Repetitive B - 2002	4230-100-046-4781-241-002-3850		377.54	734.60	377.54		734.60	0.00	
Demolition Violence Grant			1,000.00	1,000.00	1,000.00		1,000.00	0.00	
Clean Communities Act - 2000	4900-765-042-4900-004-VCMC-6020		8,438.00	967.05	8,438.00		967.05	0.00	
Clean Communities Act - 2001	4900-765-042-4900-004-VCMC-6020		1,502.00	1,502.00	1,502.00		1,502.00	0.00	
Clean Communities Act - 2002	4900-765-042-4900-004-VCMC-6020		5,539.00	5,744.00	5,539.00		5,744.00	0.00	
Clean Communities Act - 2004	4900-765-042-4900-004-VCMC-6020		3,709.00	5,985.00	3,709.00		5,985.00	0.00	
Clean Communities Act - 2005	4900-765-042-4900-004-VCMC-6020		5,985.00	6,921.00	5,985.00		6,921.00	0.00	
Clean Communities Act - 2006	4900-765-042-4900-004-VCMC-6020		6,921.00	7,702.06	6,921.00		7,702.06	0.00	
Clean Communities Act - 2008	4900-765-042-4900-004-VCMC-6020		9,944.00	9,944.00	9,944.00		9,944.00	0.00	
Clean Communities Act - 2009	4900-765-042-4900-004-VCMC-6020		4,826.61	5,160.00	4,826.61		5,160.00	0.00	
Clean Communities Act - 2010	4900-765-042-4900-004-VCMC-6020		5,160.00	4,179.00	5,160.00		4,179.00	0.00	
Recycling Tonnage Grant - 2005	4900-752-042-4900-001-V42Y-6020		3,078.01	3,078.01	3,078.01		3,078.01	0.00	
Recycling Tonnage Grant - 2006	4900-752-042-4900-001-V42Y-6020		1,775.70	1,775.70	1,775.70		1,775.70	0.00	
Recycling Tonnage Grant - 2007	4900-752-042-4900-001-V42Y-6020		13,777.00	13,777.00	13,777.00		13,777.00	0.00	
Recycling Tonnage Grant - 2008	4900-752-042-4900-001-V42Y-6020		20,863.54	20,863.54	20,863.54		20,863.54	0.00	
Recycling Tonnage Grant - 2009	4900-752-042-4900-001-V42Y-6020		20,863.54	12,774.00	20,863.54		12,774.00	0.00	
Recycling Tonnage Grant - 2010	4900-752-042-4900-001-V42Y-6020		12,774.00	92,500.00	12,774.00		92,500.00	0.00	
Other Financial Assistance:									
Fireman's Fund Grant	The Heritage Program (Fireman's Fund Ins Co.)	N/A		12,774.00			12,774.00	9,206.08	3,467.92
Belgen County	Municipal Open Space Trust Fund	Ord # 2009-05	10,051.00	92,500.00	(10,051.00)				(10,051.00)
	Municipal Alliance Grant - 2009	N/A	1,590.84	11,500.00	2,486.92	3,862.55	6,349.47		6,349.47
	Municipal Alliance Grant - 2010	N/A	10,356.00	10,356.00	(1,425.97)				(1,425.97)
	Municipal Alliance Grant - 2011	N/A	10,356.00	10,356.00		2,489.00	2,900.69		2,900.69
	Total State/Other Programs		\$ 107,948.80	\$ 1,122,549.37	\$ 107,948.80	\$ 32,789.20	\$ 122,549.37		

**TOWNSHIP OF ENGLEWOOD CLIFFS
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Federal Grants	CFDA Number	Program	Responsible Amount	Grant Award Amount	Balance December 31, 2010	Revenue Realized	Expenses/Invest.	Schedule 1-2
								Balance December 31, 2011
U.S. Department of Housing and Urban Development (Passed through County Dept. of Community Development)	14.208	Community Development Block Grant	\$ 9,799.65	\$ 28,080.00	\$ 4,501.07			\$ 4,501.07
Department of Transportation		Imp. to Pershing Road - Ord # 2009-13	23,074.25	150,000.00	(23,074.25)			(23,074.25)
Department of Law and Public Safety	97.036	Public Assistance Grants		33,404.93		33,404.93		0.00
FEMA - Hurricane Irene (Expended Prior Year)				49,489.38		49,489.38		0.00
FEMA - Expended Prior Year								
Department of Environmental Protection State Forestry Service	10.688	Wildlife Fire Management-ARRA		6,869.80		6,869.80		0.00
Total Federal Grant Programs					<u>(18,573.18)</u>	<u>89,764.11</u>	<u>89,764.11</u>	<u>(18,573.18)</u>
Total Non - Major State/Federal Programs					<u>\$ 84,375.62</u>	<u>\$ 142,553.88</u>	<u>\$ 172,553.31</u>	<u>\$ 104,376.19</u>

* Adjustment - Expended in Prior Year

BOROUGH OF ENGLEWOOD CLIFFS
 NOTES TO THE SCHEDULES OF EXPENDITURES
 OF FEDERAL AND STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2011

1. General

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

2. Basis of Accounting

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

3. Relationship of Financial Statements

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements, exclusive of the unappropriated reserves. Financial assistance awards are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State/Other</u>	<u>Total</u>
Current /Grant Fund	\$ 89,764.11	\$ 32,789.20	\$ 122,553.31
Capital	\$ 89,764.11	\$ 32,789.20	\$ 122,553.31
	\$ 89,764.11	\$ 32,789.20	\$ 122,553.31

4. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

5. State Loans Outstanding

The Borough's did not have any state loans outstanding at December 31, 2011, which are not required to be reported on the schedule of expenditures of state financial assistance.

BOROUGH OF ENGLEWOOD CLIFFS
 ROSTER OF OFFICIALS AND SURETY BONDS
 AT DECEMBER 31, 2011

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

Title	Name	Amount of Bond	Type
Mayor	Joseph Parisi, Jr.		
Councilman	Robert Agresta		
Councilman	Carlo Bartolomeo (from 10/22/10 through 11/8/11)		
Councilman	Joseph Favaro (from 11/22/11 through 12/31/11)		
Councilwoman	Carrol McMorrow		
Councilman	Eric Petrone		
Councilman	Ilan Plawker		
Councilwoman	Melanie Simon		
Borough Clerk/ Administrator	Susan S. Spohn		
Tax Collector/ Treasurer	Joseph Iannaconi	\$1,000,000	(A)
Deputy Tax Collector	Janice Romano		
Borough Attorney	E. Carter Corriston, Esq. of Breslin & Breslin		
Borough Engineer	Steve Boswell of Boswell Engineering		
Constr. Code Official	Paul Renaud		
Municipal Judge	Marc Saperstein	1,000,000	(A)
Prosecutor	Walter Skrod		
Public Defender	Albert Wunsch III		
Court Administrator	Mary McSpirit	1,000,000	(A)
Tax Assessor	George Reggo		
Police Chief	Michael Cioffi		
Construction Code Official	Paul Renaud		
Technical Ass. Const. Office	Cathy Scancarella		

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

BOROUGH OF ENGLEWOOD CLIFFS
GENERAL COMMENTS

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

Effective April 17, 2000 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500. On September 20, 2011, the bid threshold was reduced to \$17,500 from \$21,000 for contracting units that did not have a Qualified Purchasing Agent (QPA). The Division has adopted a temporary rule that permits the contracting units with individuals qualified to sit for the QPA examination to increase their bid threshold to \$26,000. N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

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

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

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

The minutes were unavailable for inspection, therefore public advertising and bids could not be verified to the minutes. Resolutions adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5, were not available for inspection.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. Several contracts and awarding resolutions were unavailable for inspection.

BOROUGH OF ENGLEWOOD CLIFFS
GENERAL COMMENTS (continued)

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

Our examination of expenditures *did* reveal individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Expenditure of \$2,625 or more and less than \$17,500 Per N.J.S.A. 40A:11-6.1

N.J.S.A 40A:11-6.1 states, "a. For all contracts that in the aggregate are less than the bid threshold but 15 percent or more of that amount, and for those contracts that are for subject matter enumerated in subsection (1) of section 5 of P.L.1971, c.198 (C.40A:11-5), except for paragraph (a) of that subsection professional services and paragraph (b) of the subsection concerning work by employees of the contracting unit, the contracting agent shall award the contract after soliciting at least two competitive quotations, if practicable. The award shall be made to a vendor whose response is most advantageous, price and other factors considered. The contracting agent shall retain the record of the quotation solicitation and shall include a copy of the record with the voucher used to pay the vendor. Whenever two or more responses to a request of a contracting agent offer equal prices and are the lowest responsible bids or proposals, the contracting unit may award the contract to the vendor whose response, in the discretion of the contracting unit, is the most advantageous, price and other factors considered. In such a case, the award resolution or purchase order documentation shall explain why the vendor selected is the most advantageous."

Collection of Interest of Delinquent Taxes and Assessments

The governing body on January 13, 2012 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, in accordance with the provisions of New Jersey Statute 54:4-67, the governing body of each municipality may, by resolution, fix the rate of interest to be charged for nonpayment of taxes or assessments, on or before the date on which they would become delinquent;

WHEREAS, R.S. 54:4-67 provides that the governing body by resolution, may provide that no interest shall be charged if payment of any installment is made within ten days after the date upon which the same become payable;

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

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

THE BOROUGH OF ENGLEWOOD CLIFFS
STATUS OF PRIOR YEAR
COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2011

Finance:

***10-01 RECOMMENDATION:**

All Capital All Capital vouchers must indicate Ordinance number to be charged before payment is made as well as posted to capital ledgers, to ascertain that there are funds available.

All ordinances with cash deficits over five years old should be funded through budget appropriation.

STATUS:

Partial Corrective action has been taken.

***10-02 RECOMMENDATION:**

That a greater effort be made to charge allowable grant expenditures to applicable appropriated grant reserves.

STATUS:

Corrective action has not been taken.

Board of Health:

***10-03 RECOMMENDATION:**

Cash receipts entered in the computer system for the Animal License Fund should be reconciled with actual deposits to ensure accurate reporting and remittance of state fees.

STATUS:

Corrective action has *not* been taken.

THE BOROUGH OF ENGLEWOOD CLIFFS
STATUS OF PRIOR YEAR
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011

Municipal Court:

***10-04 RECOMMENDATION:**

- *1. That outstanding checks older than one year be cancelled by resolution in the Fines & Costs Account and the Bail Account.
- *2. a) All tickets assigned over six (6) months not issued should be recalled.
b) FTAs should be promptly generated.
c) Each case should be reviewed regularly by the court to insure processing is continued.
- *3. Court personnel should review the bail on account per ATS/ACS and take steps to ensure that it is in agreement with monthly cash reconciliations.
4. The Police Department should maintain a pre-numbered receipt book for collection of bail monies.

STATUS:

Corrective action has *not* been taken

Recreation:

10-05 RECOMMENDATION:

Recreation receipts are not permitted to be reimbursed against the recreation appropriation line item. The correct treatment would be either as anticipated revenue in the current fund or a dedication by rider in the trust fund.

STATUS:

Corrective action has *not* been taken

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Finance:

***Finding 11-1:** That five capital ordinances with cash deficits, totaling \$23,797.16 over five years old, are unfunded.

Recommendation: All ordinances with cash deficits over five years old should be funded through budget appropriation.

***Finding 11-2:** That a substantial amount of appropriated grant reserves exist that are available for expenditure.

Recommendation: That a greater effort be made to charge allowable grant expenditures to applicable appropriated grant reserves.

Finding 11-3: Grant revenue received for ARRA State Forestry Grant was posted as a "contra" to the Shade Tree- other expense line item in the budget, not in accordance with Division of Local Government Services Directives.

Recommendation: Grant receipts are not permitted to be reimbursed against budget line items. The correct treatment would be either as an anticipated revenue in the current fund or a dedication by rider in the trust fund.

Finding 11-4: County Board Judgements totaling \$48,176.09 that were dated 2011, were not posted until 2012.

Recommendation: All current year judgements should be posted as payables at the time the judgement is approved by the county and or state agency.

Board of Health:

***Finding 11-5:** Animal License fees and late fees entered into the computer were not reconciled with the receipts deposited into the bank. Late fees were not entered, and a few licenses were entered in incorrect amounts. Therefore over and under payments in state fees occurred. State Monthly Dog License Reports are not filed on a timely basis.

Recommendation: Cash receipts entered in the computer system for the Animal License Fund should be reconciled with actual deposits to ensure accurate reporting and remittance of state fees. State Monthly Dog License Reports must be filed timely on a monthly basis.

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Municipal Court:

***Finding 11-6:**

- *1. There are outstanding checks older than one year as reconciling items on the Fines & Costs Account and the Bail Account Cash Reconciliations.
- *2. Review of the ATS/ACS Monthly Management Report for the month of December 2011 indicated a backlog in ticket and complaint processing resulting in the following:
 - *a) There were 23 tickets Assigned over 180 days.
 - b) There were 24 tickets Eligible for FTA over 14 days.
 - c) There were 10 tickets Eligible for Order of D/L Suspension.
 - *d) There were 10 complaints Eligible for FTA over 14 days.
 - *e) There were 4 complaints Held over 180 days.
- *3. The Bail on Account per ATS/ACS did not agree to the reconciled cash balance at year end.
- 4. The Police Department does not maintain a pre-numbered receipt book for collection of bail monies.
- 5. In the Bail Account, there were four (4) bail refund checks issued which were not entered in ATS/ACS.
- 6. The ATS/ACS bank reconciliation form is being completed monthly in the ATS/ACS Monthly Cashbook, however it is prepared incorrectly.

Recommendation:

- *1. That outstanding checks older than one year be cancelled by resolution in the Fines & Costs Account and the Bail Account.
- *2.
 - a) All tickets assigned over six (6) months not issued should be recalled.
 - b) FTAs should be promptly generated for tickets.
 - c) Tickets eligible for drivers license suspension should be timely posted
 - *d) FTAs should be promptly generated for complaints.
 - *e) Each case should be reviewed regularly by the court to insure processing is continued.
- *3. Court personnel should review the bail on account per ATS/ACS and take steps to ensure that it is in agreement with monthly cash reconciliations.
- 4. The Police Department should maintain a pre-numbered receipt book for collection of bail monies.

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Municipal Court: (Continued):

Recommendation:

5. All disbursements checks issued for bail refunds in the Bail Account should be entered in the ATS/ACS and listed on the Bail Disbursement Report for ATS/ACS.
6. The ATS/ACS bank reconciliation form must be completed correctly to reconcile the bank statement and the ATS/ACS Cashbook in the Fines & Costs account and the Bail account.

Recreation:

***Finding 11-7:** Recreation revenue is posted as a "contra" to the recreation appropriation line item, not in accordance with Division of Local Government Services Directives.

Recommendation: Recreation receipts are not permitted to be reimbursed against the recreation appropriation line item. The correct treatment would be either as an anticipated revenue in the current fund or a dedication by rider in the trust fund.

Borough Clerk:

Finding 11-8: The borough clerk did not have certified mayor and council meeting minutes including certified resolutions available for inspection in accordance with the Open Public Meetings Act (N.J.S.A. 10:4-14). The minutes are used for several audit procedures which could not be completed by alternative means. Vouchers approval, appointment of professionals, appointment of contractual vendors, authorizations for bidding, budget resolutions and approval of budget transfers, debt authorizations, and capital ordinances are among the items that could not be traced to the certified minutes approved by Mayor and Council.

Recommendation: All Mayor & Council meeting minutes should be available for inspection for audit and to the public in accordance with the Open Public Meetings Act (N.J.S.A. 10:4-14).

**BOROUGH OF ENGLEWOOD CLIFFS
COMMENTS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2011**

Local Public Contract Law:

Finding 11-09: Our examination of expenditures indicated instances where several vendors exceeded the bidding threshold and were not advertised for bids in accordance with N.J.S.A. 40A:11-4. In addition, there were several contracts that were not available for inspection. Contracts were unable to be traced to certified meeting minutes.

Recommendation: That the expenditures be monitored to be in compliance with the Local Public Contracts Law.

* Repeated from prior year.

Appreciation

We desire to express our appreciation of the assistance and courtesies rendered by the Borough Officials and employees during the year.

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.