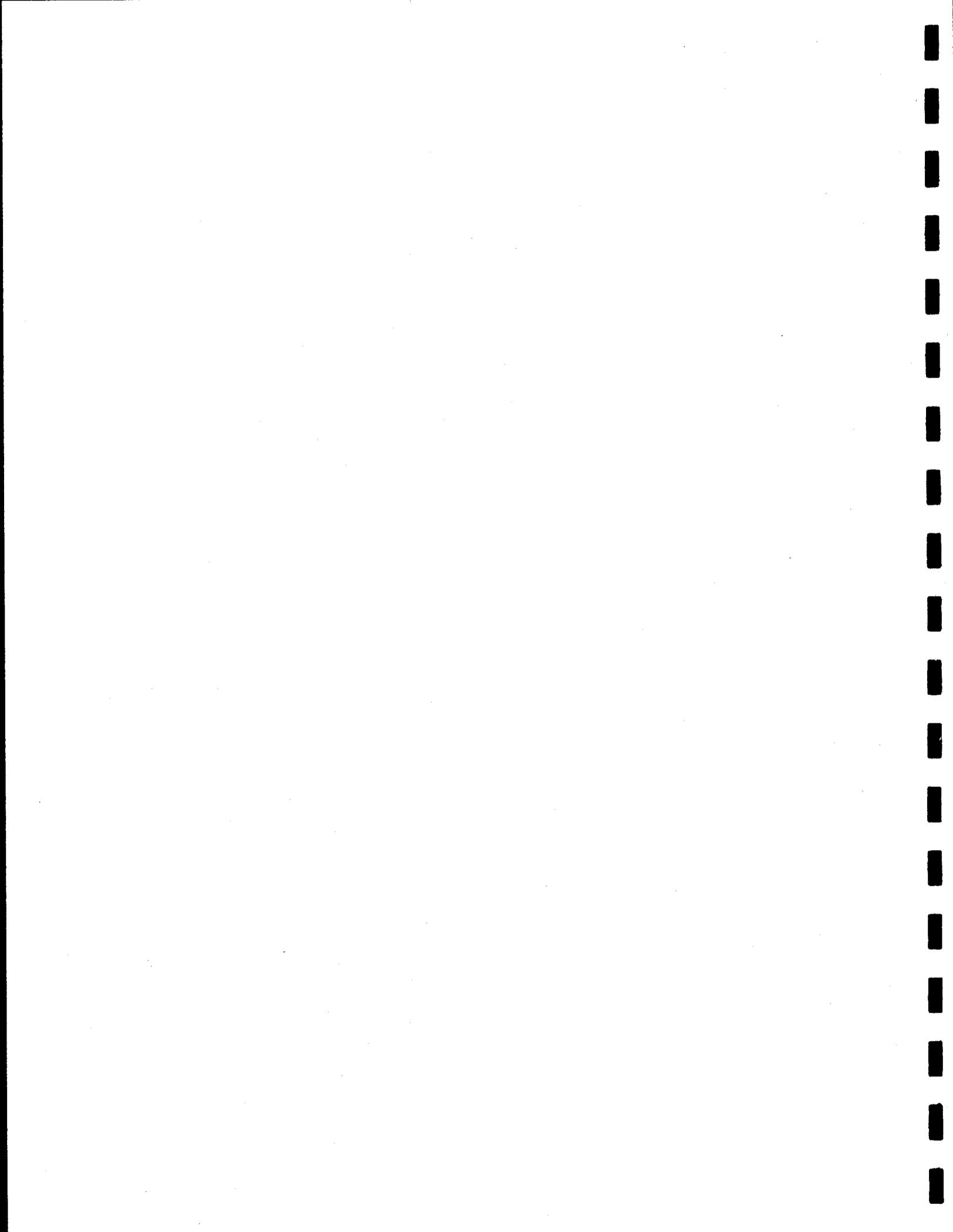


**BOROUGH OF WOODCLIFF LAKE**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**



# BOROUGH OF WOODCLIFF LAKE

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# BOROUGH OF WOODCLIFF LAKE

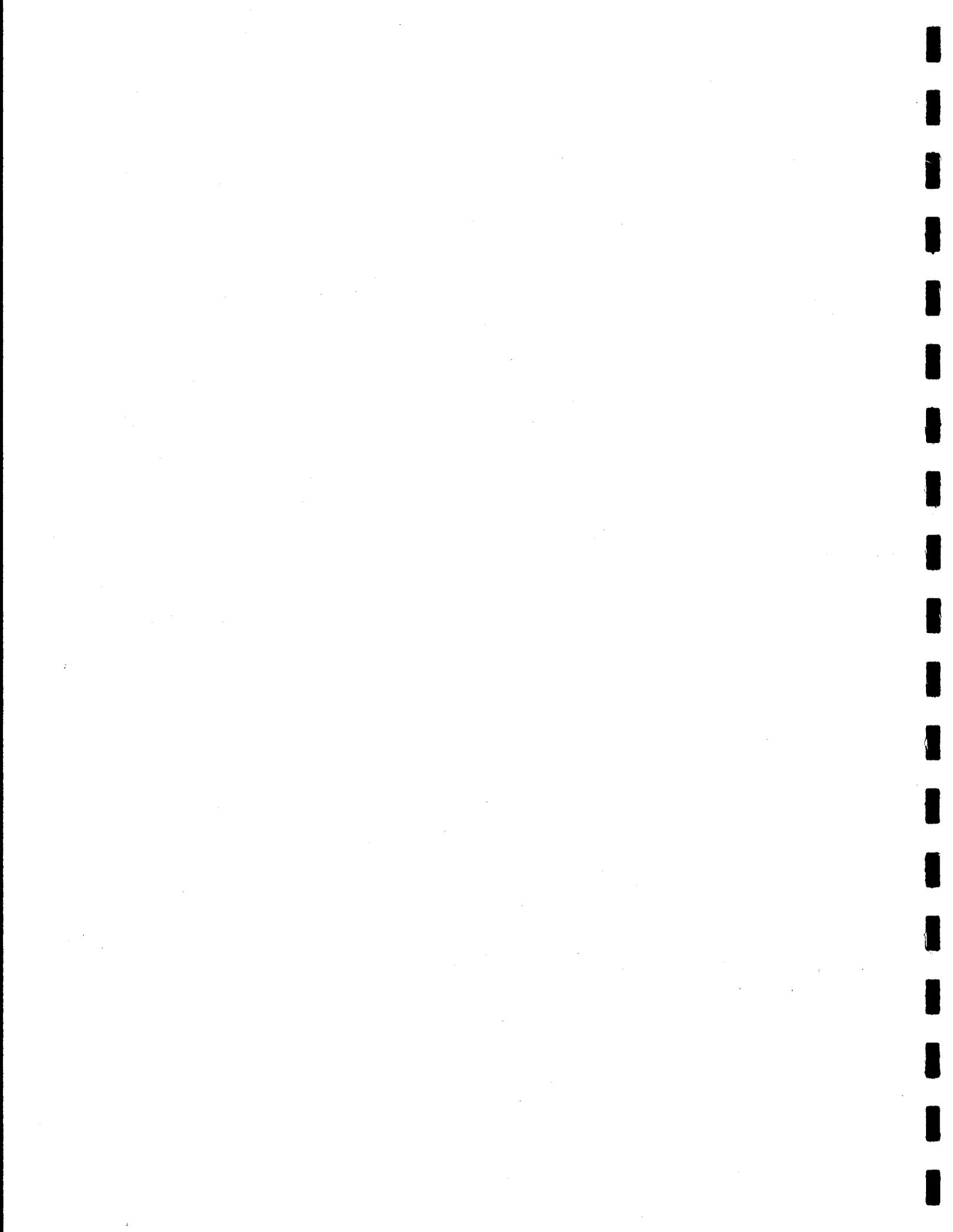
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**BOROUGH OF WOODCLIFF LAKE**

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**BOROUGH OF WOODCLIFF LAKE**

**BERGEN COUNTY, NEW JERSEY**

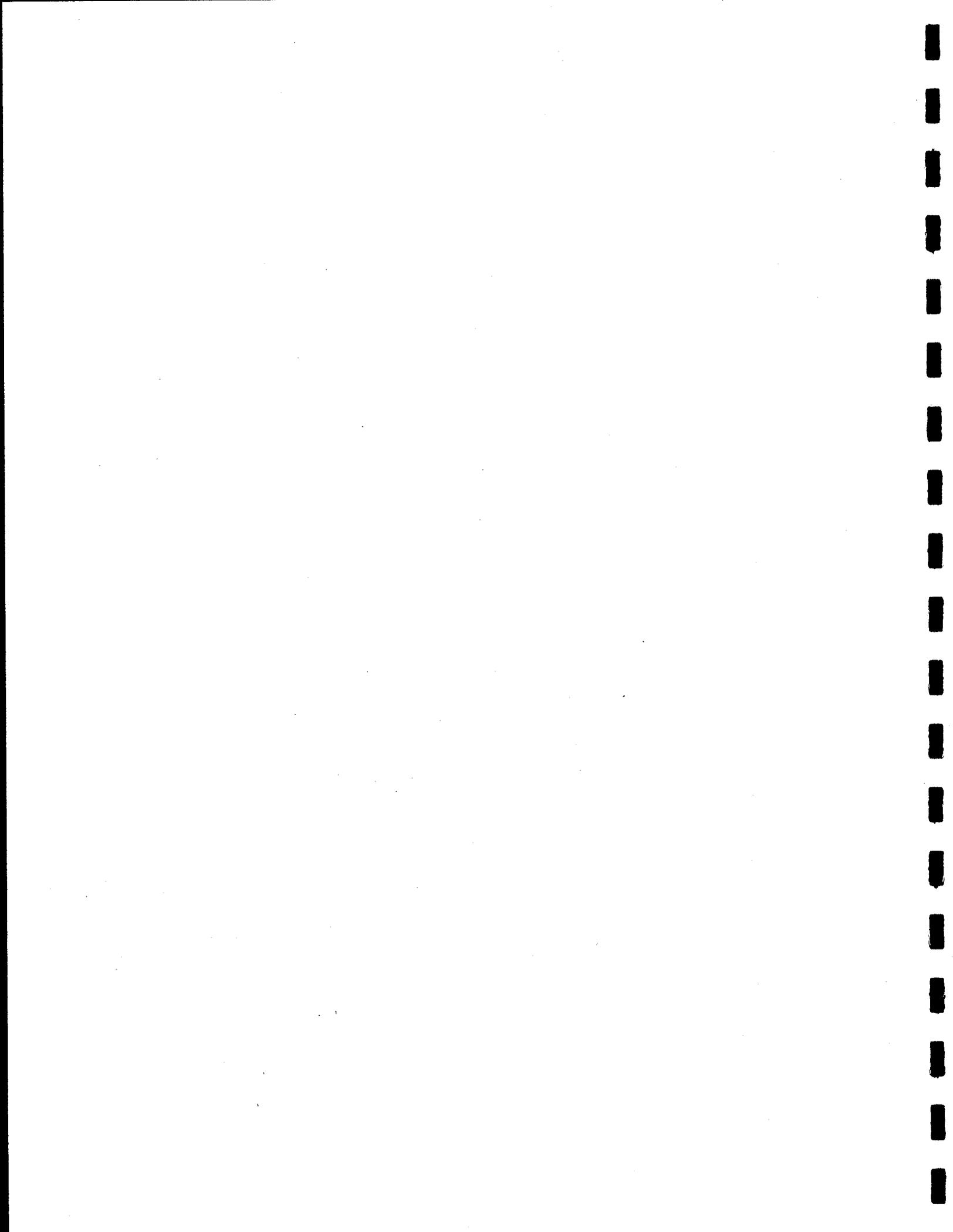
**PART I**

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**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED DECEMBER 31, 2008**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208

FAIR LAWN, NJ 07410

TELEPHONE (201) 791-7100

FACSIMILE (201) 791-3035

WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH KOZAK, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members  
of the Borough Council  
Borough of Woodcliff Lake  
Woodcliff Lake, New Jersey

We have audited the accompanying balance sheets - statutory basis of the various funds and account group of the Borough of Woodcliff Lake as of December 31, 2008 and 2007 and the related statements of operations and changes in fund balance - statutory basis for the years then ended and the related statement of revenues - statutory basis and statement of expenditures - statutory basis of the various funds for the year ended December 31, 2008. These financial statements are the responsibility of the Borough of Woodcliff Lake's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

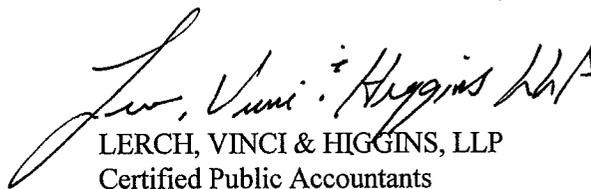
As described more fully in Note 1, the Borough has prepared these financial statements using accounting practices that demonstrate compliance with the statutory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. In addition, the financial statements of the Length of Service Awards Program (LOSAP) Fund have not been audited, and we were not required by the Division of Local Government Services to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 12 percent and 15 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2008 and 2007.

In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Woodcliff Lake as of December 31, 2008 and 2007, or the changes in its financial position for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Also, in our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements - statutory basis referred to above present fairly, in all material respects, the financial position - statutory basis of the various funds and account group of the Borough of Woodcliff Lake as of December 31, 2008 and 2007 and the results of operations and changes in fund balance - statutory basis of such funds for the years then ended and the statement of revenues - statutory basis and the statement of expenditures - statutory basis of the various funds for the year ended December 31, 2008 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated April 7, 2009 on our consideration of the Borough of Woodcliff Lake's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Woodcliff Lake. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Woodcliff Lake. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, except for the effects of such adjustments, if any, as might have been necessary had the LOSAP Fund financial statements been audited, is fairly stated, in all material respects, in relation to the financial statements taken as a whole on the basis of accounting described in Note 1.



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



Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
April 7, 2009

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE BALANCE SHEETS - STATUTORY BASIS**  
**AS OF DECEMBER 31, 2008 AND 2007**  
**CURRENT FUND**

ASSETS	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Cash and Investments	A-4	\$ 5,236,265	\$ 5,957,185
Cash- Petty Cash	A-5	2,000	2,000
Cash - Change Fund	A-6	100	100
Federal and State Grants Receivable	A-23	<u>150,660</u>	<u>142,014</u>
		<u>5,389,025</u>	<u>6,101,299</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	220,964	197,242
Tax Title Liens Receivable	A-24	2,757	2,618
Revenue Accounts Receivable	A-9	3,303	7,163
Due from General Capital Fund	C-9	-	4,698
Due from Other Trust Fund - Escrow	B-4	34,435	23,307
Due from Public Assistance Trust Fund	D-4	<u>-</u>	<u>36</u>
		<u>261,459</u>	<u>235,064</u>
Deferred Charge			
Overexpenditure of Appropriations	A-27/A-3	<u>5,716</u>	<u>-</u>
Total Assets		<u>\$ 5,656,200</u>	<u>\$ 6,336,363</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Appropriation Reserves	A-3,A-10	\$ 640,092	\$ 770,591
Encumbrances Payable	A-19	399,935	379,242
Accounts Payable	A-11	66,050	75,085
Due to State of New Jersey			
Senior Citizens' and Veterans' Deductions	A-7	10,266	9,856
Construction Training Fees Payable	A-12	5,427	7,094
Marriage Fees	A-13	450	150
Tax Overpayments	A-16	4,360	107,451
Reserve for Tax Appeals	A-14	918,755	655,000
Reserve for Terminal Leave	A-26	443,185	443,961
Prepaid Taxes	A-15	190,771	261,568
Reserve for Aid in Lieu of Taxes	A-25	18,014	13,134
Due County for Added and Omitted Taxes	A-18	80,006	154,271
Due to General Capital Fund	C-9	668,530	
Due to Other Trust Fund - Misc Reserves	B-12	20,628	5,546
Appropriated Reserves	A-22	89,479	194,851
Unappropriated Reserves	A-21	<u>49,260</u>	<u>1,061,151</u>
		<u>3,605,208</u>	<u>4,138,951</u>
Reserve for Receivables and Other Assets	A	261,459	235,064
Fund Balance	A-1	<u>1,789,533</u>	<u>1,962,348</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,656,200</u>	<u>\$ 6,336,363</u>

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE-**  
**STATUTORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**  
**CURRENT FUND**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 1,350,000	\$ 1,600,000
Miscellaneous Revenues Anticipated	A-2	2,078,082	2,257,204
Receipts from Delinquent Taxes	A-2	197,223	895,830
Receipts from Current Taxes	A-2	33,956,564	31,324,466
Non-Budget Revenues	A-2	198,860	360,013
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-10	308,668	327,309
Cancellation of Appropriated Reserves	A-22	54,349	16,550
Cancellation of Tax Overpayments	A-16	7,655	
Cancellation of Accounts Payable	A-11	69,364	15,938
Cancellation of Prior Year Grants Receivable Collected	A-23	13,723	-
		<u>38,234,488</u>	<u>36,797,310</u>
Total Revenues			
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	4,155,712	4,062,930
Other Expenses	A-3	4,411,505	4,222,275
Capital Improvement Fund	A-3	702,400	750,000
Municipal Debt Service	A-3	915,281	1,125,422
Deferred Charges and Statutory Expenditures	A-3	239,437	165,800
County Taxes	A-18	4,099,395	3,892,714
Due County for Added and Omitted Taxes	A-18	80,006	154,271
Municipal Open Space Preservation Trust Fund	B-1	168,478	167,362
Local District School Taxes	A-20	12,344,346	11,872,274
Regional High School Taxes	A-17	9,931,762	8,811,523
Refund Prior Year Revenue	A-4	8,303	78,232
Refund Prior Year Revenue- Transfer to Tax Overpayments	A-1		128,671
Cancellation of Grants Receivable	A-1		30,520
Prior Year Senior Citizen deduction Disallowed	A-1		500
Interfunds Originating	A	6,394	28,041
		<u>37,063,019</u>	<u>35,490,535</u>
Total Expenditures			
Excess in Revenue		1,171,469	1,306,775
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-3	5,716	-
Statutory Excess to Surplus		1,177,185	1,306,775
Fund Balance, January 1	A	1,962,348	2,255,573
		3,139,533	3,562,348
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	1,350,000	1,600,000
Fund Balance, December 31	A	<u>\$ 1,789,533</u>	<u>\$ 1,962,348</u>
See Accompanying Notes to Financial Statements			

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF REVENUES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**CURRENT FUND**

	<u>Reference</u>	<u>Budget</u>	<u>Added by N.J.S.A 40A:4-87</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Surplus Anticipated	A-1	\$ 1,350,000	-	\$ 1,350,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-9	2,000		2,225	\$ 225
Other	A-9	500		706	206
Fees and Permits					
Other	A-2	52,500		40,429	(12,071)
Fines and Costs					
Municipal Court	A-9	46,500		41,663	(4,837)
Interest and Costs on Taxes	A-9	36,000		67,733	31,733
Uniform Fire Safety Act - Local	A-9	45,000		50,382	5,382
Energy Receipts Tax	A-9	653,473		653,473	
Consolidated Municipal Property Tax Relief Aid	A-9	19,587		31,012	11,425
Park Receipts	A-9	200,000		225,921	25,921
Upper Saddle River Sewer Charges	A-9	3,300		3,300	
Cablevision Fees	A-9	17,500		17,500	
Dept. of Public Works - Recyclables	A-9	46,115		64,873	18,758
Hotel Tax	A-9	340,000		362,765	22,765
Verizon Franchise Fees	A-9	4,667		4,667	
Watershed Moratorium Aid	A-9	11,186		11,186	
Clean Community Program	A-23	7,572	\$ 949	8,521	
Uniform Construction Code Fees	A-9	328,000		167,547	(160,453)
N.J. Transportation Trust Fund Authority Act	A-23	150,000		150,000	
Drunk Driving Enforcement Fund- Ch. 159	A-23		1,927	1,927	
Alcohol Education and Rehabilitation Fund- Reserve	A-21/A-23	686	107	793	
Body Armor Replacement Program- Reserve	A-21	3,042		3,042	
Municipal Alliance on Alcohol and Drug Abuse	A-23	11,500		11,500	
Handicapped Recreation Opportunities Grant	A-23	16,800		16,800	
Handicapped Recreation Opportunities Grant-Reserve	A-21	3,321		3,321	
GDL Enforcement Grant	A-23		2,000	2,000	
NJDEP - Recycling Tonnage Grant- Ch. 159	A-23		10,034	10,034	
County of Bergen - Prosecutor Forfeiture Funds	A-23		29,134	29,134	
Domestic Violence Grant Reserve	A-21/A-23	2,184	300	2,484	
Uniform Fire Safety Act	A-9	8,855		9,349	494
CDBG- Senior Activity County	A-23	3,000		3,000	
General Capital Fund Balance	C-1	67,661		67,661	
Reserve for Aid in Lieu of Taxes	A-25	13,134	-	13,134	-
Total Miscellaneous Revenues	A-1	<u>2,094,083</u>	<u>44,451</u>	<u>2,078,082</u>	<u>(60,452)</u>
Receipts from Delinquent Taxes	A-8,A-1	<u>131,000</u>	<u>-</u>	<u>197,223</u>	<u>66,223</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>7,288,085</u>	<u>-</u>	<u>7,821,577</u>	<u>533,492</u>
Total General Revenues	A-3	<u>\$ 10,863,168</u>	<u>\$ 44,451</u>	<u>11,446,882</u>	<u>\$ 539,263</u>
Non-Budget Revenue	A-1,A-2			<u>198,860</u>	
				<u>\$ 11,645,742</u>	

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF REVENUES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**CURRENT FUND**  
**(Continued)**

	<u>Reference</u>	<u>Realized</u>
<b>ANALYSIS OF REALIZED REVENUES</b>		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 34,265,269
Less: Amount Transferred to Reserve for Tax Appeals Pending	A-14	<u>308,705</u>
	A-1	33,956,564
Less: Allocation to School and County Taxes and Municipal Open Space Preservation Trust Fund	A-18,A-20,A-17, B-10	<u>26,623,987</u>
Balance for Support of Municipal Budget Appropriation		7,332,577
Add Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>489,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 7,821,577</u>
<b>Fees and Permits</b>		
Other		
Collector/Treasurer (Parking)	A-9	\$ 10,234
Police	A-9	2,251
Board of Health	A-9	15,780
Construction Code - Miscellaneous Fees	A-9	6,650
Fire Department- Miscellaneous Fees	A-9	4,651
Borough Clerk	A-9	<u>863</u>
	A-2	<u>\$ 40,429</u>
<b>Analysis of Non-Budget Revenue</b>		
Interest on Investments		\$ 101,834
Soil Removal		470
Scrap Sale		16,498
Admin Fee on Senior and Veterans Discounts		987
DMV Inspection Fees		750
Sale of Municipal Assets		6,730
Miscellaneous		<u>71,591</u>
	A-2	<u>\$ 198,860</u>
<b>Analysis of Non-Budget Revenue</b>		
Cash Receipts	A-4	\$ 186,069
Due from General Capital Fund	C-9	1,341
Due from Other Trust- Escrow	B-4	11,128
Due From Public Assistance Trust Fund	D-4	<u>322</u>
	A-2	<u>\$ 198,860</u>

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**CURRENT FUND**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled	Over- Expended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>		
<b>OPERATIONS WITHIN "CAPS"</b>						
<b>GENERAL GOVERNMENT</b>						
General Administration						
Salaries and Wages	\$ 214,679	\$ 204,179	\$ 199,486	\$ 4,693		
Other Expenses	81,200	87,200	87,138	62		
Mayor and Council						
Salaries and Wages	31,900	32,400	31,777	623		
Other Expenses	3,000	3,000	2,933	67		
Municipal Clerk						
Salaries and Wages	62,687	62,687	56,695	5,992		
Other Expenses	30,050	30,050	22,369	7,681		
Financial Administration						
Salaries and Wages	95,010	97,010	94,516	2,494		
Other Expenses	30,750	30,750	27,364	3,386		
Audit Services						
Other Expenses	34,000	35,000	34,500	500		
Revenue Administration						
Salaries and Wages	49,373	49,373	48,588	785		
Other Expenses	14,850	14,850	10,636	4,214		
Assessment of Taxes						
Salaries and Wages	63,000	72,000	69,809	2,191		
Other Expenses	51,300	66,300	59,907	6,393		
Legal Services and Costs						
Other Expenses	100,600	130,600	123,493	7,107		
Engineering Services and Costs						
Other Expenses	34,000	37,000	34,963	2,037		
<b>MUNICIPAL LAND USE LAW (NJSA 40:55D-1)</b>						
Planning Board						
Salaries and Wages	33,840	33,840	32,214	1,626		
Other Expenses	54,250	51,250	17,392	33,858		
Zoning Board of Adjustment						
Salaries and Wages	16,920	16,920	16,320	600		
Other Expenses	14,000	14,000	6,831	7,169		
<b>INSURANCE</b>						
Unemployment Insurance	10,000	10,000	10,000			
General Liability/Workers Comp	269,770	269,770	267,488	2,282		
Employee Group Health	872,715	852,715	831,831	20,884		
<b>PUBLIC SAFETY FUNCTIONS</b>						
Police						
Salaries and Wages	2,150,087	2,150,087	2,133,594	16,493		
Other Expenses	116,260	116,260	111,431	4,829		
Police Dispatch/911						
Other Expenses	195,333	195,333	194,627	706		
Emergency Management Services						
Salaries and Wages	11,200	11,200	11,158	42		
Other Expenses	5,700	5,700	3,641	2,059		
Aid to Volunteer Fire Companies						
Salaries and Wages	2,500	500	-	500		
Other Expenses	124,200	126,200	131,916			\$ 5,716
First Aid Organization						
Contribution	17,500	17,500	17,500			

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**CURRENT FUND**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled	Over- Expended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>		
<b>OPERATIONS WITHIN "CAPS" (Continued)</b>						
<b>PUBLIC SAFETY FUNCTIONS (Continued)</b>						
Fire Prevention Bureau						
Salaries and Wages	\$ 32,500	\$ 31,500	\$ 31,139	\$ 361		
Other Expenses	22,250	23,250	23,072	178		
Municipal Court						
Salaries and Wages	78,413	78,413	75,832	2,581		
Other Expenses	5,600	5,600	3,046	2,554		
Municipal Prosecutor's Office						
Other Expenses	9,500	9,500	9,500			
Public Defender						
Other Expenses	2,500	2,500	600	1,900		
<b>PUBLIC WORKS FUNCTION</b>						
Road Repairs and Maintenance						
Salaries and Wages	606,700	598,700	558,139	40,561		
Other Expenses	41,750	41,750	39,009	2,741		
Shade Tree Commission						
Other Expenses	15,600	15,600	12,442	3,158		
Solid Waste Collection						
Salaries and Wages	173,170	173,170	172,304	866		
Other Expenses	54,150	69,150	66,571	2,579		
Public Buildings and Grounds						
Salaries and Wages	30,732	38,732	38,257	475		
Other Expenses	95,000	91,000	77,047	13,953		
Vehicle Maintenance						
Other Expenses	76,725	76,725	76,719	6		
<b>HEALTH AND HUMAN SERVICES</b>						
Board of Health						
Salaries and Wages	15,025	3,025	750	2,275		
Other Expenses	43,350	46,350	44,333	2,017		
Animal Control Services						
Other Expenses	4,110	4,110	4,110	-		
Welfare/Administration of Public Assistance						
Salaries and Wages	1,870	1,870	1,867	3		
Other Expenses	250	250	139	111		
<b>PARKS AND EDUCATION FUNCTIONS</b>						
Recreation Services and Programs						
Salaries and Wages	168,700	164,700	156,198	8,502		
Other Expenses	94,200	94,200	82,414	11,786		
Maintenance of Parks						
Other Expenses	25,700	25,700	17,154	8,546		
<b>EDUCATIONAL FUNCTIONS</b>						
Municipal/County Library						
Library Membership	66,250	36,250	34,899	1,351		
<b>OTHER COMMON OPERATING FUNCTIONS</b>						
Celebration of Public Events						
Other Expenses	31,800	35,800	35,250	550		

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**CURRENT FUND**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>	<u>Over- Expended</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>		
OPERATIONS WITHIN "CAPS" (Continued)						
PUBLIC SAFETY FUNCTIONS (Continued)						
UNIFORM CONSTRUCTION CODE APPRO- PRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C 5:23-4-17)						
State Uniform Construction Code						
Salaries and Wages	\$ 148,360	\$ 148,360	\$ 146,596	\$ 1,764		
Other Expenses	9,450	9,450	6,619	2,831		
UTILITY EXPENSE AND BULK PURCHASES						
Electricity	127,800	122,800	116,646	6,154		
Street Lighting	94,000	90,000	88,218	1,782		
Telephone	31,300	31,300	30,007	1,293		
Water	10,400	8,400	5,765	2,635		
Fuel Oil	4,000	6,000	4,757	1,243		
Gasoline	105,360	109,360	107,398	1,962		
Sewer Processing and Disposal						
Salaries and Wages	187,046	187,046	185,678	1,368		
Other Expenses	6,900	6,900	5,258	1,642		
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Sanitary Landfill Dump Fees	214,600	213,600	169,436	44,164	-	-
Total Operations Within "CAPS"	7,425,735	7,424,735	7,117,286	313,165	-	\$ 5,716
Detail:						
Salaries and Wages	4,173,712	4,155,712	4,060,917	94,795	-	-
Other Expenses (Including Contingent)	3,252,023	3,269,023	3,056,369	218,370	-	5,716
DEFERRED CHARGES AND STATUTORY EXPENDITURES						
- Municipal within "CAPS"						
Statutory Charges						
Social Security System (O.A.S.I.)	171,000	171,000	170,987	13	-	-
Total Deferred Charges & Statutory Expenditures						
- Municipal within "CAPS"	171,000	171,000	170,987	13	-	-
Total General Appropriations for Municipal Purposes within "CAPS"	7,596,735	7,595,735	7,288,273	313,178	-	5,716
OPERATIONS - EXCLUDED FROM "CAPS"						
UTILITY EXPENSE AND BULK PURCHASE						
Bergen County Utilities Authority						
Share Costs Sewer Charges	422,650	422,650	422,644	6		
Borough of Montvale - Sewer Charges	34,850	34,850	34,386	464		
Borough of Hillsdale - Sewer Charges	17,500	18,500	18,256	244		
LANDFILL/SOLID WASTE DISPOSAL COSTS						
Recycling Tax	7,950	7,950	4,481	3,469		
PUBLIC SAFETY FUNCTION						
Aid to Volunteer Ambulance						
Other Expense - LOSAP Contribution	19,000	19,000	19,000			
Aid to Volunteer Fire Companies						
Other Expense - LOSAP Contribution	42,900	42,900	42,900			
See Accompanying Notes to Financial Statements						

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**CURRENT FUND**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled	Over- Expended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>		
<b>OPERATIONS EXCLUDED FROM "CAPS" (Continue</b>						
<b>STATUTORY EXPENDITURES</b>						
Police and Firemen's Retirement System	\$ 399,466	\$ 399,466	\$ 399,466			
Public Employees Retirement System	95,892	95,892	95,892			
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET</b>						
<b>BY REVENUES</b>						
Clean Community Grant	7,571	8,520	3,125	\$ 5,395		
Bergen County Municipal Alliance- State	11,500	11,500	8,062	3,438		
Grants - Local Matching Funds	3,001	3,001	2,828	173		
Body Armor Fund	3,042	3,042	2,183	859		
Handicapped Recreation Opportunities Grant	20,122	20,122	16,384	3,738		
Senior Activity County Grant	3,000	3,000	-	3,000		
Bergen Cty - Prosecutor Forfeiture Funds		29,134	29,134	-		
Drunk Driving Enforcement Fund		1,927	-	1,927		
NJDEP - Recycling Tonnage Grant- Chapter 159		10,034	1,850	8,184		
GDL Enforcement & Education Grant		2,000	625	1,375		
Alcohol Education and Rehabilitation Fund	686	793	107	686		
Domestic Violence Grant	2,185	2,485	-	2,485		
<b>Total Operations - Excluded from "CAPS"</b>	<b>1,091,315</b>	<b>1,136,766</b>	<b>1,101,323</b>	<b>35,443</b>	<b>-</b>	<b>-</b>
Detail:						
Other Expenses (Including Contingent)	1,091,315	1,136,766	1,101,323	35,443	-	-
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>						
Boiler Replacement- Borough Hall	33,200	33,200	-	33,200		
Resurfacing of Various Streets	200,000	200,000	118,682	81,318		
Signs-Electronic @ Old Mill, Manual @ Borough Hall	25,000	25,000	20,453	4,547		
Flat Bed Scanner- Borough Clerk	15,000	15,000	-	15,000		
Shade Tree- Railroad Station Beautification	9,500	9,500	-	9,500		
Fire- Radio Equipment	52,000	52,000	46,857	5,143		
Shaw Road- Water Main Improvements	76,000	76,000	43,209	32,791		
Pond Dredging	50,000	50,000	-	50,000		
Werimus/Woodcliff Intersection Design	25,000	25,000	24,000	1,000		
Sewer Map Updating	23,500	23,500	-	23,500		
Community Pass Registration Software	15,000	15,000	8,049	6,951		
Police- Message/Radar Sign Trailer	18,000	18,000	18,000	-		
Police- Parking Lot Camera	3,700	3,700	3,613	87		
Tri-Boro Ambulance- Ventilation System	6,500	6,500	6,407	93		
NJ Transportation Trust Fund Authority Act						
Overlook Road (Chapter 159)	150,000	150,000	121,659	28,341		
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>702,400</b>	<b>702,400</b>	<b>410,929</b>	<b>291,471</b>	<b>-</b>	<b>-</b>

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**  
**CURRENT FUND**

OPERATIONS EXCLUDED FROM "CAPS" (Continue	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled	Over- Expended
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>		
<b>MUNICIPAL DEBT SERVICE</b>						
<b>EXCLUDED FROM "CAPS"</b>						
Payment of Bond Principal	\$ 705,000	\$ 705,000	\$ 705,000			
Interest on Bonds	<u>210,281</u>	<u>210,281</u>	<u>210,281</u>	-	-	-
Total Municipal Debt Service - Excluded from "CAPS"	<u>915,281</u>	<u>915,281</u>	<u>915,281</u>	-	-	-
<b>Deferred Charges- Municipal -Excluded from "CAPS"</b>						
Ordinance #01-09- Def. Charges Unfunded	<u>68,437</u>	<u>68,437</u>	<u>68,437</u>	-	-	-
Total Deferred Charges- Municipal- Excluded from "CAI	<u>68,437</u>	<u>68,437</u>	<u>68,437</u>	-	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,777,433</u>	<u>2,822,884</u>	<u>2,495,970</u>	\$ 326,914	-	-
Subtotal General Appropriations	10,374,168	10,418,619	9,784,243	640,092	-	\$ 5,716
RESERVE FOR UNCOLLECTED TAXES	<u>489,000</u>	<u>489,000</u>	<u>489,000</u>	-	-	-
Total General Appropriations	<u>\$ 10,863,168</u>	<u>\$ 10,907,619</u>	<u>\$ 10,273,243</u>	<u>\$ 640,092</u>	<u>\$ -</u>	<u>\$ 5,716</u>
	<u>Reference</u>	A-2	A,A-1	A,A-1		A,A-1

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008  
CURRENT FUND**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-2	\$ 10,863,168	
Added by N.J.S. 40A:4-87	A-2	<u>44,451</u>	
		<u>\$ 10,907,619</u>	
Cash Disbursed	A-4		\$ 9,384,308
Encumbrances Payable	A-19		399,935
Reserve for Uncollected Taxes	A-2		<u>489,000</u>
			<u>\$ 10,273,243</u>

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE BALANCE SHEETS - STATUTORY BASIS**  
**AS OF DECEMBER 31, 2008 AND 2007**  
**TRUST FUNDS**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>			
Animal Control Trust Fund			
Cash	B-3	\$ 6,014	\$ 4,878
Other Trust Fund			
Cash	B-3	1,037,489	1,268,754
Due From Current Fund - Misc Reserves	B-12	20,628	5,546
		<u>1,058,117</u>	<u>1,274,300</u>
Unemployment Trust Fund			
Cash	B-3	11,232	17,059
Municipal Open Space Preservation Trust Fund			
Cash	B-3	1,079,589	924,756
Length of Service Award Program Fund (UNAUDITED)			
Investments	B-3	258,009	356,855
Contribution Receivable	B	41,325	45,725
		<u>299,334</u>	<u>402,580</u>
 Total Assets		 <u>\$ 2,454,286</u>	 <u>\$ 2,623,573</u>

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE BALANCE SHEETS - STATUTORY BASIS**  
**AS OF DECEMBER 31, 2008 AND 2007**  
**TRUST FUNDS**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Animal Control Trust Fund			
Reserve for Animal Control Expenditures	B-5	\$ 6,014	\$ 4,878
		<u>6,014</u>	<u>4,878</u>
Other Trust Fund			
Escrow Deposits Payable	B-7	849,588	1,145,776
Payroll Deductions Payable	B-8	47,651	5,730
Miscellaneous Reserves	B-13	126,443	99,487
Due to Current Fund - Escrow	B-4	34,435	23,307
		<u>1,058,117</u>	<u>1,274,300</u>
Unemployment Trust Fund			
Due to State of New Jersey	B-11	110	675
Reserve for Unemployment Claims	B-9	11,122	16,384
		<u>11,232</u>	<u>17,059</u>
Municipal Open Space Preservation Trust Fund			
Reserve for Municipal Open Space Expenditures	B-10	1,079,589	924,756
Length of Service Award Program Fund (UNAUDITED)			
Reserve for LOSAP Benefits	B	299,334	402,580
Total Liabilities, Reserves and Fund Balance		<u>\$ 2,454,286</u>	<u>\$ 2,623,573</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF REVENUES-STATUTORY BASIS  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008 Budget</u>	<u>Realized in 2008</u>	<u>Excess or Deficit</u>
Amount to be Raised by Taxation	\$ 165,262	\$ 168,478	\$ 3,216
Reference	B-2	B-10	

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-STATUTORY BASES  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008 Budget</u>	<u>2008 Expended</u>	
		<u>Paid or Charged</u>	<u>Reserved</u>
Down Payments on Improvements	\$ 165,262	\$ 25,750	\$ 139,512
Reference	B-1	B-10	

**BOROUGH OF WOODCLIFF LAKE  
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS  
AS OF DECEMBER 31, 2008 AND 2007  
GENERAL CAPITAL FUND**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>			
Cash	C-2, C-3	\$ 10,763	\$ 166,753
Deferred Charges to Future Taxation			
Funded	C-4	5,347,000	6,052,000
Unfunded	C-6	2,657,001	1,697,001
Deferred Charges Unfunded Grants	C-13	-	68,437
Due from Current Fund	C-9	668,530	-
Grant Receivables	C-5	<u>150,068</u>	<u>124,318</u>
Total Assets		<u>\$ 8,833,362</u>	<u>\$ 8,108,509</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-7	\$ 5,347,000	\$ 6,052,000
Improvement Authorizations			
Funded	C-8	1,512,537	661,614
Unfunded	C-8	975,246	1,097,122
Due to Current Fund	C-9	-	4,698
Due to Grantor - NJDOT	C-10	36,442	36,442
Contracts Payable	C-11	938,220	115,055
Capital Improvement Fund	C-12	9,914	59,914
Fund Balance	C-1	<u>14,003</u>	<u>81,664</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 8,833,362</u>	<u>\$ 8,108,509</u>

There were bonds and notes authorized but not issued at December 31, 2008 and 2007 of \$2,657,001 and \$1,697,001, respectively (Exhibit C-14).

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE STATEMENTS OF CHANGE IN FUND BALANCE - STATUTORY BASIS**  
**FOR THE YEARS ENDING DECEMBER 31, 2008 AND 2007**  
**GENERAL CAPITAL FUND**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
Balance, January 1,	C	\$ 81,664	
Increased by:			
Funded Improvement Authorizations Cancelled	C-1	<u>          -</u>	<u>\$ 81,664</u>
		81,664	81,664
Decreased by:			
Realize as Current Fund Budgeted Revenue	A-2	<u>67,661</u>	<u>          -</u>
Balance, December 31,	C	<u>\$ 14,003</u>	<u>\$ 81,664</u>

**BOROUGH OF WOODCLIFF LAKE  
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS  
AS OF DECEMBER 31, 2008 AND 2007  
PUBLIC ASSISTANCE FUND**

	<u>Reference</u>	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>			
Cash	D-1	\$ 6,869	\$ 8,200
Total Assets		<u>\$ 6,869</u>	<u>\$ 8,200</u>
 <b>LIABILITIES AND RESERVES</b>			
Due to Current Fund	D-4		\$ 36
Due to the State of New Jersey	D-5	\$ 2,201	2,201
Reserve for Public Assistance Expenditures	D-2	<u>4,668</u>	<u>5,963</u>
Total Liabilities and Reserves		<u>\$ 6,869</u>	<u>\$ 8,200</u>

**BOROUGH OF WOODCLIFF LAKE  
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS  
AS OF DECEMBER 31, 2008 AND 2007  
GENERAL FIXED ASSETS ACCOUNT GROUP**

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Land	\$ 3,697,600	\$ 3,697,600
Building and Building Improvements	5,577,682	5,540,887
Machinery and Equipment	<u>6,394,179</u>	<u>6,036,871</u>
	<u>\$ 15,669,461</u>	<u>\$ 15,275,358</u>
 <b>FUND BALANCE</b>		
Investment in General Fixed Assets	<u>\$ 15,669,461</u>	<u>\$ 15,275,358</u>

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NOTES TO FINANCIAL STATEMENTS



**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

The Borough of Woodcliff Lake (the "Borough") was incorporated in 1896 and operates under an elected (Mayor/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 requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

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

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

The Borough has the following funds and account group:

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

Trust Funds - 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 individuals, private organizations, or other governments are recorded in the Trust Funds.

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

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

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

Municipal Open Space Preservation Trust Fund – This fund is used to account for open space tax levied against properties for the purpose of preserving open space in the Borough.

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

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

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**Property Tax Revenues** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the 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. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

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

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

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Trust Fund (except Municipal Open Space Trust Fund)  
General Capital Fund  
Public Assistance Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2008 and 2007 the Borough Council increased the original budget by \$44,451 and \$198,348. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2008 and 2007.

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

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

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

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

<u>2008</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Current Fund			
Aid to Volunteer Fire Companies –			
Other Expenses	<u>\$126,200</u>	<u>\$131,916</u>	<u>\$5,716</u>

There were no excess expenditures over appropriations in 2007.

In accordance with the statutory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget.

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

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

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

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

**General Fixed Assets** - In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, the Borough of Woodcliff Lake has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years.

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

Fixed Assets purchased after December 31, 1986 are stated as cost. Donated fixed assets are recorded at estimated fair market value at the date of donation.

Fixed Assets purchased prior to December 31, 1986 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

**Use of Estimates** - The preparation of financial statements requires management of the 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 accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Reclassifications** - Certain reclassifications have been made to the December 31, 2007 balances to conform to the December 31, 2008 presentation.

**Comparative Data** - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the 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.

**C. Basic Financial Statements**

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The 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 reporting requirements under GAAP.

**NOTE 2 DEPOSITS AND INVESTMENTS**

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

**Deposits**

The Borough's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for a temporary period ending December 31, 2009. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2008 and 2007, the book value of the Borough's deposits were \$5,180,313 and \$6,456,058 and bank and brokerage firm balances of the Borough's deposits amounted to \$5,399,454 and \$6,477,273, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2008</u>	<u>2007</u>
Insured	\$ 4,561,700	\$ 2,736,471
Uninsured and Collateralized	837,754	3,740,802
	<u>\$ 5,399,454</u>	<u>\$ 6,477,273</u>

**BOROUGH OF WOODCLIFF LAKE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2008 and 2007, the Borough’s bank balance of \$837,754 and \$3,740,802 was exposed to custodial credit risk as follows:

	<u>2008</u>	<u>2007</u>
Uninsured and Collateralized		
Collateral held by pledging bank's trust department, not in the Borough's name	\$ 837,754	\$ 3,740,802

**Investments**

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Local Government investment pools, and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2008 and 2007, the Borough had the following investments:

	<u>Fair Value</u> <u>(LOSAP Only)</u>	<u>Book Value</u>
<u>2008</u>		
Investment:		
M.B.I.A. Class Account (Government Money Market)		\$ 2,210,008
Length of Service Award Program (Unaudited)	\$ 258,009	258,009
	<u>\$ 258,009</u>	<u>\$ 2,468,017</u>

	<u>Fair Value</u> <u>(LOSAP Only)</u>	<u>Book Value</u>
<u>2007</u>		
Investment:		
M.B.I.A. Class Account (Government Money Market)		\$ 1,893,627
Length of Service Award Program (Unaudited)	\$ 356,855	356,855
	<u>\$ 356,855</u>	<u>\$ 2,250,482</u>

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 2 DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2008 and 2007, \$258,009 and \$356,855 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value (LOSAP) (Unaudited)</u>	<u>Book Value</u>	<u>Total</u>
<u>2008</u>			
Uninsured and Collateralized			
Collateral held by pledging bank's trust department, but not in the Borough's name	\$ 258,009	\$ 2,210,008	\$2,468,017
	<u>(Unaudited)</u>		
<u>2007</u>			
Uninsured and Collateralized			
Collateral held by pledging bank's trust department, but not in the Borough's name	\$ 356,855	\$ 1,893,627	\$2,250,482

Interest Rate Risk – The Borough does not have a formal investment policy that limits investment maturities as a means of managing it’s exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2008 and 2007, the Borough’s investment in Lincoln Financial Group was rated AA-3 by Moody’s Investor Services.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 10% of the Borough’s total investments.

The fair value of the above-listed investment was based on quoted market prices.

Interest earned in the General Capital Fund, Public Assistance Fund and Developer’s Escrow Trust Fund are assigned to the Current Fund in accordance with the statutory basis of accounting.

**BOROUGH OF WOODCLIFF LAKE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 3 TAXES RECEIVABLE**

Receivables at December 31, 2008 and 2007 consisted of the following:

	<u>2008</u>	<u>2007</u>
<u>Current</u>		
Property Taxes	\$ 220,964	\$ 197,242
Tax Title Liens	<u>2,757</u>	<u>2,618</u>
	<u>\$ 223,721</u>	<u>\$ 199,860</u>

In 2008 and 2007, the Borough collected \$197,223 and \$895,830 from delinquent taxes, which represented 99% and 98% of the prior year delinquent taxes receivable balance.

**NOTE 4 MUNICIPAL DEBT**

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both 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 four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2008</u>	<u>2007</u>
Issued		
General		
Bonds	\$ 5,347,000	\$ 6,052,000
Less Funds Temporarily Held to Pay Bonds	<u>-</u>	<u>-</u>
Net Debt Issued	5,347,000	6,052,000
Authorized But Not Issued		
General		
Bonds and Notes	<u>2,657,001</u>	<u>1,697,001</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 8,004,001</u>	<u>\$ 7,749,001</u>

**BOROUGH OF WOODCLIFF LAKE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 4 MUNICIPAL DEBT (Continued)**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .37% and .38% at December 31, 2008 and 2007, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2008</u>			
General Debt	\$ 8,004,001		\$ 8,004,001
School Debt	<u>42,097,000</u>	<u>\$ 42,097,000</u>	<u>-</u>
Total	<u>\$ 50,101,001</u>	<u>\$ 42,097,000</u>	<u>\$ 8,004,001</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2007</u>			
General Debt	\$ 7,749,001		\$ 7,749,001
School Debt	<u>41,196,000</u>	<u>\$ 41,196,000</u>	<u>-</u>
Total	<u>\$ 48,945,001</u>	<u>\$ 41,196,000</u>	<u>\$ 7,749,001</u>

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

	<u>2008</u>	<u>2007</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 75,493,601	\$ 70,641,457
Net Debt	<u>8,004,001</u>	<u>7,749,001</u>
Remaining Borrowing Power	<u>\$ 67,489,600</u>	<u>\$ 62,892,456</u>

**BOROUGH OF WOODCLIFF LAKE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 4 MUNICIPAL DEBT (Continued)**

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

**General Obligation Bonds**

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

	<u>2008</u>	<u>2007</u>
\$3,696,000, 1998 Bonds, due in annual installments of \$191,000 to \$200,000 through December, 2018, interest at 4.375%	\$ 1,991,000	\$ 2,191,000
\$3,068,000, 2003 Bonds, due in annual installments of \$175,000 to \$350,000 through June, 2013, interest at 2.70%	1,742,000	2,092,000
\$2,024,000, 2004 Bonds, due in annual installments of \$85,000 to \$170,000 through October, 2018, interest at 3.25% to 4.0%	<u>1,614,000</u>	<u>1,769,000</u>
	<u>\$ 5,347,000</u>	<u>\$ 6,052,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2008 is as follows:

Calendar <u>Year</u>	<u>General</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2009	\$ 705,000	\$ 187,044	\$ 892,044
2010	705,000	163,806	868,806
2011	705,000	140,569	845,569
2012	705,000	117,138	822,138
2013	697,000	93,621	790,621
2014-2018	<u>1,830,000</u>	<u>225,865</u>	<u>2,055,865</u>
Total	<u>\$ 5,347,000</u>	<u>\$ 928,043</u>	<u>\$ 6,275,043</u>

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years 2008 and 2007 were as follows:

	Balance, December 31, <u>2007</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>	Due Within <u>One Year</u>
<u>2008</u>				
General Capital Fund Bonds Payable	\$ 6,052,000	\$ 705,000	\$ 5,347,000	\$ 705,000
	Balance, December 31, <u>2006</u>	<u>Reductions</u>	Balance, December 31, <u>2007</u>	Due Within <u>One Year</u>
<u>2007</u>				
General Capital Fund Bonds Payable	\$ 6,931,000	\$ 879,000	\$ 6,052,000	\$ 705,000

**Short-Term Debt**

The Borough had no short-term capital debt activity for the years 2008 and 2007.

**NOTE 5 FIXED ASSETS**

**General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years 2008 and 2007.

	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2008</u>
<u>2008</u>					
Land	\$ 3,697,600				\$ 3,697,600
Buildings and Building Improvement	5,540,887	\$ 36,795			5,577,682
Machinery and Equipment	6,036,871	357,308	-	-	6,394,179
	<u>\$ 15,275,358</u>	<u>\$ 394,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,669,461</u>

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 5 FIXED ASSETS (Continued)**

**General Fixed Assets (Continued)**

	Balance December 31, <u>2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments</u>	Balance, December 31, <u>2007</u>
<u>2007</u>					
Land	\$ 3,697,600				\$ 3,697,600
Buildings and Building Improvement	5,485,097	\$ 55,790			5,540,887
Machinery and Equipment	5,944,303	219,235	\$ 126,667	-	6,036,871
	<u>\$ 15,127,000</u>	<u>\$ 275,025</u>	<u>\$ 126,667</u>	<u>\$ -</u>	<u>\$ 15,275,358</u>

**NOTE 6 DUE TO/FROM OTHER FUNDS**

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

	<u>2008</u>		<u>2007</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 34,435	\$ 689,158	\$ 28,041	\$ 5,546
Other Trust Fund-Escrow		34,435		23,307
Other Trust Fund-Msc. Reserves	20,628		5,546	
General Capital Fund	668,530			4,698
Public Assistance Fund	-	-	-	36
Total	<u>\$ 723,593</u>	<u>\$ 723,593</u>	<u>\$ 33,587</u>	<u>\$ 33,587</u>

The above balances are the result of expenditures being paid by one fund on behalf of another and interest earnings earned in one fund due to another fund.

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

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 7 FUND BALANCES APPROPRIATED**

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

	Fund Balance December 31, <u>2008</u>	Utilized in Subsequent Year's Budget	Fund Balance December 31, <u>2007</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 1,633,157	\$ 1,450,000	\$ 1,820,334	\$ 1,350,000
Non-Cash Surplus	<u>156,376</u>	<u>-</u>	<u>142,014</u>	<u>-</u>
	<u>\$ 1,789,533</u>	<u>\$ 1,450,000</u>	<u>\$ 1,962,348</u>	<u>\$ 1,350,000</u>

The above fund balance amounts appropriated represent the surplus anticipated in the 2009 introduced municipal budget. The 2009 municipal budget has not been legally adopted as of the date of audit.

**NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2008</u>			
Current Fund			
Overexpenditure of Appropriations	\$ <u>5,716</u>	\$ <u>5,716</u>	\$ <u>-</u>

**NOTE 9 COMPENSATED ABSENCES**

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

It is estimated that the current cost of such unpaid compensation and salary related payments would approximate \$567,404 and \$568,283 at December 31, 2008 and 2007, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 9 COMPENSATED ABSENCES (Continued)**

As of December 31, 2008 and 2007, the Borough has reserved \$443,185 and \$443,961, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS**

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

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

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

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

**Other Pension Funds**

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trust. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Basis of Accounting**

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

**Investment Valuation**

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

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

**Significant Legislation**

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent. The law provides that local employers' PFRS normal and accrued liability contributions shall be as follows: for payments due in the State fiscal year ending June 30, 2004, 20 percent; for payments due in the State fiscal year ending June 30, 2005, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 60 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 80 percent.

Chapter 42, P.L. 2002 permitted local government units to issue refunding bonds to retire unfunded accrued liability resulting from early retirement benefits under PERS or PFRS, effective July 12, 2002.

Chapter 92, P.L. 2007 implements certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform which establishes a DCRP for elected and certain appointed officials, effective July 1, 2007.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions**

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 5.5% for PERS, 8.50% for PFRS and 5.5% for DCRP of the employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PFRS and PERS. In the PERS, the employer contribution includes funding for post-retirement medical premiums for participating local governments.

During the year ended June 30, 2007 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. For the DCRP, which is a defined contribution plan, annual pension cost equals annual required contributions.

During the years ended December 31, 2008, 2007 and 2006, the Borough was required to contribute for normal cost pension contributions the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2008	\$ 399,466	\$ 95,892
2007	271,426	53,999
2006	166,584	28,605

**NOTE 11 POST-RETIREMENT MEDICAL BENEFITS**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for participating municipalities including the Borough. The Plans are cost-sharing multiple employer-defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a fund (Health Benefits Program Fund - State). The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as a separate fund (Health Benefits Program Fund -Local) in the State's CAFR. The health benefit programs had a total of 454 state and local participating employers and contributing entities for Fiscal Year 2007.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above trusts. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

**Basis of Accounting**

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

**Investment Valuation**

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

The State of New Jersey, Department of Treasury, Division of Investment, issues publicly available financial reports. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 2909, Trenton, New Jersey 08625-0290.

**Funding Policy**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2007, there were 75,860 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$64.6 million for 6,304 eligible retired members for Fiscal Year 2007.

PERS retirees are excluded from the provisions set forth in P.L. 1977, c. 136 since their health benefits coverage is funded through each of their respective pension fund systems via an annual appropriation. The State and participating local governments made post-retirement medical (PRM) contributions of \$224.3 million for PERS in Fiscal Year 2007.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Funding Policy (Continued)**

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$20.8 million in fiscal year 2007 to provide benefits under Chapter 330 to qualified retirees.

The State will set in fiscal year 2008 the employer contribution rate based on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund for post-retirement benefits for the years ended December 31, 2008, 2007 and 2006 were \$169,543, \$176,835 and \$206,925, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicaid insurance coverage for the years ended December 31, 2008, 2007 and 2006 were \$23,329, \$21,599 and \$16,380, respectively.

**NOTE 12 RISK MANAGEMENT**

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

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

The Borough is also a member of the New Jersey State Health Benefits Plan.

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 the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 12 RISK MANAGEMENT (Continued)**

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

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

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

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2008	\$ 10,000	\$ 12,432	\$ 27,740	\$ 11,122
2007	10,000	-	5,652	16,384
2006	10,000	-	7,906	11,930

**NOTE 13 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2008 and 2007. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2008 and 2007, the Borough reserved \$918,755 and \$655,000, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**Federal and State Awards** - The Borough participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Borough may be required to reimburse the grantor government. As of December 31, 2008 and 2007, 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 the overall financial position of the Borough.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 14 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2008 and 2007, the Borough has not performed the calculation to determine if estimated arbitrage earnings are due to the IRS. This amount, if any, however, may be material.

**NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)**

The Borough of Woodcliff Lake Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 9, 1999 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Woodcliff Lake approved the adoption of the Plan at the general election held on November 2, 1999.

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department, come from contributions made solely by the municipality, on behalf of those volunteers who meet the criteria of the plan created by the governing body. An interlocal service agreement was entered into between Woodcliff Lake and the Boroughs of Montvale and Park Ridge. The agreement calls for each Borough to contribute one-third (1/3) of the costs for the LOSAP program of the Tri-Boro Ambulance Corps. The Borough of Park Ridge is the lead agency for the program and will make contributions on behalf of the Boroughs of Woodcliff Lake and Montvale, which will reimburse Park Ridge for each of their respective portions of the program.

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

The Borough of Woodcliff Lake has contributed \$1,386 and \$1,339 for 2007 and 2006, respectively, for each eligible volunteer.

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2008 AND 2007**

**NOTE 15 LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (Continued)**

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

**Vesting and Benefits**

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

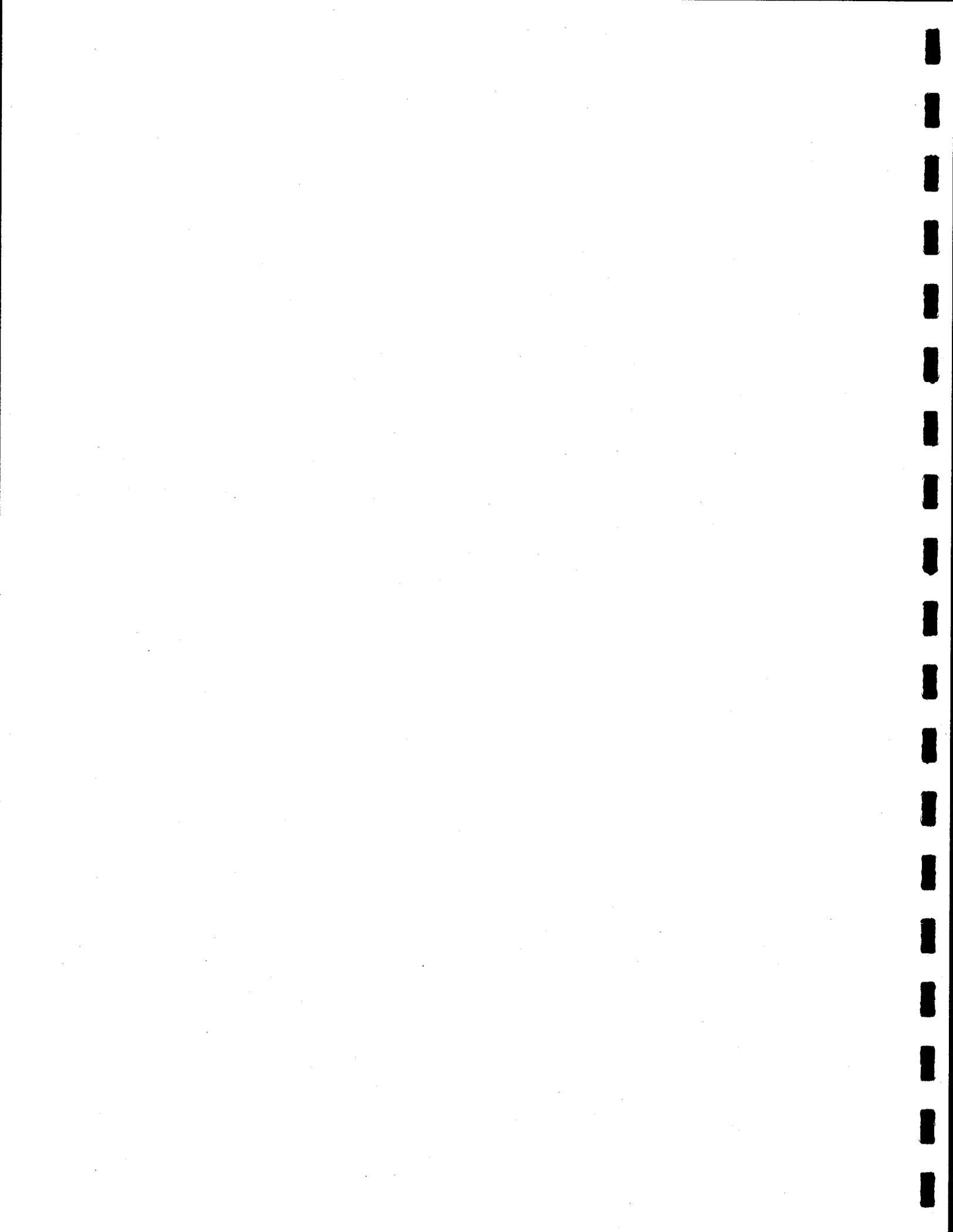
If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

**Reporting Requirements**

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

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CURRENT FUND



**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF CASH - COLLECTOR-TREASURER**

Balance, January 1, 2008		\$ 5,957,185
Increased by Receipts:		
Taxes Receivable	\$ 33,954,788	
Receipts from Delinquent Taxes	197,223	
Non-Budget Revenue	186,069	
State of NJ - Senior Citizens' and Veterans' Deductions	49,323	
Revenue Accounts Receivable	1,754,731	
Construction Training Fees	9,416	
Prepaid Taxes	190,771	
Grants Receivable	238,400	
Unappropriated Reserves	123,719	
Tax Overpayments	21,538	
Aid in Lieu of Taxes	18,014	
Marriage License Fees	750	
Other Trust Fund Receipts Deposited in Current Fund	20,628	
Receipts from Public Assistance Fund	358	
Receipts from General Capital Fund	72,359	
	36,838,087	
		42,795,272
Decreased by Disbursements:		
2008 Budget Appropriations	9,384,308	
2007 Appropriation Reserves	711,465	
Construction Training Fees	11,083	
Marriage License Fees	450	
Regional High School Tax	9,931,762	
County Tax	4,253,666	
Local District School Tax	12,344,346	
Appropriated Reserves	89,673	
Accounts Payable	5,721	
Tax Overpayments	17,582	
Reserve for Tax Appeals	144,342	
Reserve for Terminal Leave	25,776	
Unappropriated Reserves	161,377	
Refund Prior Year Revenue	8,303	
Payments to General Capital Fund	295,129	
Payments to Other Trust- Msc. Reserves	5,546	
Payments to Open Space Trust Fund	168,478	
	37,559,007	
Balance, December 31, 2008		\$ <u>5,236,265</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF PETTY CASH FUNDS**

Balance, January 1, 2008		\$ <u>2,000</u>
Balance, December 31, 2008		\$ <u><u>2,000</u></u>

**STATEMENT OF CHANGE FUNDS**

Balance, January 1, 2008		\$ <u>100</u>
Balance, December 31, 2008		\$ <u><u>100</u></u>

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

Balance, January 1, 2008		\$ 9,856
Increased by:		
Cash Received from State of New Jersey	\$ 49,323	
Senior Citizens' Deductions Disallowed by Tax Collector	<u>337</u>	
		<u>49,660</u>
		59,516
Decreased by:		
Senior Citizens' Deductions Per Tax Billings	2,250	
Veterans' Deductions Per Tax Billings	46,750	
Veterans' Deductions Allowed by Tax Collector	<u>250</u>	
		<u>49,250</u>
Balance, December 31, 2008		\$ <u><u>10,266</u></u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, January 1, 2008	2008 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	2007 Collections	2008 Collections	Senior Citizens' and Veterans' Deductions Allowed	Overpayments Applied	Transferred to Tax Title Lien	Taxes Cancelled Remitted or Abated	Balance, December 31, 2008
2007	\$ 197,242	-	-	-	-	\$ 197,223	-	-	-	\$ 19	-
	197,242	-	-	-	-	197,223	-	-	-	19	-
2008	-	\$ 33,862,328	\$ 658,451	\$ 337	\$ 261,568	\$ 33,954,788	\$ 49,250	\$ -	\$ 139	\$ 34,407	\$ 220,964
	\$ 197,242	\$ 33,862,328	\$ 658,451	\$ 337	\$ 261,568	\$ 34,152,011	\$ 49,250	\$ -	\$ 139	\$ 34,426	\$ 220,964

**TAX YIELD**

General Property Tax  
Real Property Tax  
Added Taxes (54:4-63.1 et seq.)

\$ 33,862,328  
658,451  
\$ 34,520,779

**TAX LEVY**

Local District School Tax (Abstract)  
Regional School Tax (Abstract)  
County Taxes (Abstract)  
County Open Space Taxes  
Municipal Open Space Preservation Trust Fund  
Due County for Added Taxes (54:4-63.1)

\$ 12,344,346  
9,931,762  
3,874,888  
224,507  
168,478  
80,006  
\$ 26,623,987

Local Tax for Municipal Purposes  
Add Additional Tax Levied

7,288,085  
608,707  
7,896,792  
\$ 34,520,779

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, January 1, <u>2008</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2008</u>
Borough Clerk				
Licenses				
Alcoholic Beverage Licenses		\$ 2,225	\$ 2,225	
Other Licenses		706	706	
Fees and Permits		863	863	
Collector-Treasurer				
Fees and Permits		10,234	10,234	
Construction Code Official				
Building Permits and Fees		167,547	167,547	
Miscellaneous Fees and Permits		6,650	6,650	
Fire Prevention				
Miscellaneous Fees and Permits		4,651	4,651	
Police				
Fees and Permits		2,251	2,251	
Board of Health				
Fees and Permits		15,780	15,780	
Municipal Court				
Fines and Costs	\$ 7,163	37,803	41,663	\$ 3,303
Uniform Fire Safety Act- Local		50,382	50,382	
Uniform Fire Safety Act- LEA		9,349	9,349	
Interest and Cost on Taxes		67,733	67,733	
Energy Receipts Tax		653,473	653,473	
Consolidated Municipal Property Tax Relief		31,012	31,012	
Watershed Moratorium Aid		11,186	11,186	
Verizon Franchise Fees		4,667	4,667	
Park Receipts		225,921	225,921	
Upper Saddle River Sewer Charges		3,300	3,300	
Cablevision Fees		17,500	17,500	
Hotel Tax		362,765	362,765	
Dept. of Public Works Recyclables	-	64,873	64,873	-
	<u>\$ 7,163</u>	<u>\$ 1,750,871</u>	<u>\$ 1,754,731</u>	<u>\$ 3,303</u>

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF 2007 APPROPRIATION RESERVES**

	Balance, January 1, <u>2008</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balanced <u>Lapsed</u>
<b>Salaries and Wages</b>					
General Administration	\$ 371	\$ 1,071	\$ 1,013		\$ 58
Mayor & Council	1,013	213	-		213
Municipal Clerk	3,607	3,607	1,494	\$ 2,000	113
Financial Administration	6,175	1,175	-	1,000	175
Revenue Administration	1,047	1,047	-	1,000	47
Tax Assessment Administration		4,428	841	3,000	587
Police	784	32,984	32,429		555
Emergency Management Services	100	100	-		100
Aid to Volunteer Fire Companies	2,500	2,500	2,500		-
Fire Prevention Bureau	1,210	1,210	816		394
Road Repairs and Maintenance	27,060	14,160	6,170	7,000	990
Solid Waste Collection	85	785	785		-
Public Buildings and Grounds	3,850	3,850	-	3,000	850
Board of Health	325	925	900		25
Recreation Services and Programs	4,930	4,929	339	4,000	590
Planning Board	11,008	1,007		1,000	7
Zoning Board of Adjustment	193	193	-		193
Uniform Construction Code	438	438	-		438
Sewer Processing and Disposal	1,773	1,773	-	1,500	273
Municipal Court	3,272	3,272	1,699	1,500	73
<b>Total Salaries and Wages</b>	<u>69,741</u>	<u>79,667</u>	<u>48,986</u>	<u>25,000</u>	<u>5,681</u>
<b>Other Expenses</b>					
General Administration	1,445	5,221	5,221		-
Mayor & Council	163	413	411		2
Municipal Clerk	3,757	13,921	132	10,124	3,665
Financial Administration	4,039	5,967	5,967		-
Audit Services		33,000	33,000		-
Revenue Administration	1,096	1,096	183		913
Assessment of Taxes (Reserve for Tax Appeals)	12,845	8,536	-		8,536
Legal Services and Costs	41,112	34,218	7,039		27,179
Engineering Service and Costs	10,044	16,228	6,479	3,184	6,565
Planning Board	2,949	4,682	1,265		3,417
Zoning Board of Adjustment	1,183	2,068	1,834		234
Affordable Housing	25,000	25,000		25,000	-
General Liability	20,532	38,591	28,059		10,532
Employee Group Health	18,013	18,090	8,648		9,442
Workers Compensation		33,542	33,542		-

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF 2007 APPROPRIATION RESERVES**

	Balance, January 1, <u>2008</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balanced <u>Lapsed</u>
Other Expenses (Continued)					
Police	\$ 2,929	\$ 17,915	\$ 17,724		\$ 191
Police Dispatch/911	14,916	114,107	105,216		8,891
Emergency Management Services	1,234	1,609	626		983
Aid to Volunteer Fire Companies	2,723	14,597	13,919		678
LOSAP - Ambulance Corp.		19,000	12,194		6,806
LOSAP - Fire Department		46,400	44,340		2,060
Fire Prevention Bureau	910	2,747	1,946		801
Road Repairs and Maintenance	2,855	4,154	2,188		1,966
Shade Tree Commission	79	79	-		79
Solid Waste Collection	13,069	26,345	26,111		234
Public Buildings and Grounds	6,161	9,014	3,231		5,783
Vehicle Maintenance	17,389	23,681	13,847		9,834
Board of Health	40	366	224		142
Animal Control	4	4	-		4
Welfare/Administration of Public Assist.	127	127	-		127
Recreation Services and Programs	12,565	13,956	9,222		4,734
Maintenance of Parks	4,283	4,283	1,837		2,446
Library Membership	7,900	4,900	312		4,588
Celebration of Public Events	3,844	4,282	3,696		586
Uniform Construction Code	393	1,788	1,325		463
Electricity	10,058	10,061	8,686		1,375
Street Lighting	7,090	7,991	7,928		63
Telephone	4,515	5,062	2,652		2,410
Water	5,089	5,908	863		5,045
Fuel Oil	557	1,750	1,193		557
Gasoline	1,168	18,148	18,091		57
Sewer Processing and Disposal	1,861	2,361	2,295		66
Solid Waste Disposal	15,998	32,637	31,675		962
Borough of Hillsdale-Sewer Charges	389	389	-		389
Borough of Montvale-Sewer Charges	2,819	2,819	-		2,819
Social Security System (O.A.S.I)	96	96	-		96
Public Employees Retirement System	1	1	-		1
Municipal Court	875	875	-		875
Public Defender	1,450	1,450	300		1,150
Grants-Local Matching Funds	3,000	3,000	3,000		-
Bergen County Municipal Alliance-State	10,091	10,091	3,433	6,658	-

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF 2007 APPROPRIATION RESERVES**

	Balance, January 1, <u>2008</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balanced <u>Lapsed</u>
Other Expenses (Continued)					-
Body Armor Fund	\$ 1,149	\$ 1,149	\$ 1,149		-
Clean Communities Grant	4,382	4,382	4,382		-
Individuals with Disabilities Grant	5	5	5		-
Drunk Driving Enforcement Fund	1,620	1,620	-	\$ 1,620	-
Drunk Driving Enforcement Fund ( Ch 159 )	3,049	3,049	-	3,049	-
NJ - Child Passengar Safety Education Grant ( Ch. 159)	656	656	-	656	-
Emergency Beacon - Reserve	59	59	-	59	-
Alcohol & Drug Rehab Reserve	250	250	-	250	-
Domestive Violence Grant	1,358	1,358	-	1,358	-
NJDEP-Recycling Tonnage Grant- Chapter 159	4,914	4,914	4,914		-
Bergen County Municipal Recycling Grant		4,075	4,075		-
Resurfacing of Various Streets	121,757	121,757	106,659	15,098	-
Technology Upgrades	7,644	18,975	11,331	7,644	-
Lighting for Tennis Courts	30,000	30,000	-	30,000	-
Upgrading to Tri-Boro Dispatch Facilities	351	351	(7,280)		\$ 7,631
Borough Hall Expansion	225,000	225,000	67,390	-	157,610
					-
Total Other Expenses	<u>700,850</u>	<u>1,070,166</u>	<u>662,479</u>	<u>104,700</u>	<u>302,987</u>
Grand Total	<u>\$ 770,591</u>	<u>\$ 1,149,833</u>	<u>\$ 711,465</u>	<u>\$ 129,700</u>	<u>\$ 308,668</u>

Appropriation Reserves	\$ 770,591
Encumbrances	<u>379,242</u>
	<u>\$ 1,149,833</u>

Cash Disbursements	<u>\$ 711,465</u>
--------------------	-------------------

Accounts Payable	\$ 66,050
Appropriated Reserves	38,650
Reserve for Terminal Leave	<u>25,000</u>
	<u>\$ 129,700</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2008		\$ 75,085
Increased by:		
Current Year Accrual		<u>66,050</u>
		141,135
Decreased by:		
Cash Disbursements	\$ 5,721	
Cancellation	<u>69,364</u>	
		<u>75,085</u>
Balance, December 31, 2008		<u>\$ 66,050</u>

## EXHIBIT A-12

**STATEMENT OF DUE TO STATE OF NEW JERSEY  
CONSTRUCTION TRAINING FEES PAYABLE**

Balance, January 1, 2008		\$ 7,094
Increased by:		
Collections		<u>9,416</u>
		16,510
Decreased by:		
Payments		<u>11,083</u>
Balance, December 31, 2008		<u>\$ 5,427</u>

## EXHIBIT A-13

**STATEMENT OF DUE TO STATE OF NEW JERSEY  
MARRIAGE FEES**

Balance, January 1, 2008		\$ 150
Increased by:		
Collections		<u>750</u>
		900
Decreased by:		
Payments		<u>450</u>
Balance, December 31, 2008		<u>\$ 450</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF RESERVE FOR TAX APPEALS**

Balance, January 1, 2008		\$ 655,000
Increased by:		
Transfer from Tax Overpayments	\$ 99,392	
2008 Taxes Collected Pending State Appeals	<u>308,705</u>	
		<u>408,097</u>
		1,063,097
Decreased by:		
Cash Paid to Appellants		<u>144,342</u>
Balance, December 31, 2008		<u><u>\$ 918,755</u></u>

EXHIBIT A-15

**STATEMENT OF PREPAID TAXES**

Balance, January 1, 2008		\$ 261,568
Increased by:		
Collection of 2009 Taxes		<u>190,771</u>
		452,339
Decreased by:		
Application to 2008 Taxes		<u>261,568</u>
Balance, December 31, 2008		<u><u>\$ 190,771</u></u>

EXHIBIT A-16

**STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2008		\$ 107,451
Increased by:		
Cash Receipts		<u>21,538</u>
		128,989
Decreased by:		
Transfer to Reserve for Tax Appeals	\$ 99,392	
Cancellation	7,655	
Cash Disbursements	<u>17,582</u>	
		<u>124,629</u>
Balance, December 31, 2008		<u><u>\$ 4,360</u></u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF REGIONAL HIGH SCHOOL TAX PAYABLE**

Increased by:		
Levy - Calendar Year		\$ <u>9,931,762</u>
Decreased by:		
Payments		\$ <u>9,931,762</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, January 1, 2008		\$ 154,271
Increased by:		
2008 Levy	\$ 3,874,888	
Open Space Preservation	224,507	
Added Taxes (54:4-63.1 et seq.)	<u>80,006</u>	
		<u>4,179,401</u>
		4,333,672
Decreased by:		
Payments		<u>4,253,666</u>
Balance, December 31, 2008		\$ <u>80,006</u>

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2008		\$ 379,242
Increased by:		
Charges to 2008 Appropriations		<u>399,935</u>
		779,177
Decreased by:		
Transfer to Appropriation Reserves		<u>379,242</u>
Balance, December 31, 2008		\$ <u>399,935</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF LOCAL DISTRICT SCHOOL TAX PAYABLE**

Increased by:		
Levy - Calendar Year		<u>\$ 12,344,346</u>
Decreased by:		
Payments		<u>\$ 12,344,346</u>

EXHIBIT A-21

**STATEMENT OF UNAPPROPRIATED RESERVES**

	Balance, January 1, <u>2008</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Realized in 2008 <u>Budget</u>	Balance, December 31, <u>2008</u>
Affordable Housing	\$ 1,051,918	\$ 120,298	\$ 1,126,377		\$ 45,839
Alcohol Ed & Rehab	686			\$ 686	
Body Armor Grant	3,042	3,421		3,042	3,421
Domestic Violence	2,184			2,184	-
Handicapped Recreation Opportunities	<u>3,321</u>	<u>-</u>	<u>-</u>	<u>3,321</u>	<u>-</u>
	<u>\$ 1,061,151</u>	<u>\$ 123,719</u>	<u>\$ 1,126,377</u>	<u>\$ 9,233</u>	<u>\$ 49,260</u>
			Cash Disbursement Due to General Capital	161,377 <u>965,000</u>	
				<u>\$ 1,126,377</u>	

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF APPROPRIATED RESERVES**

	Balance, January 1, <u>2008</u>	Transferred from 2007 Appropriation <u>Reserves</u>	Paid or Charged	<u>Cancellation</u>	Balance, December 31, <u>2008</u>
Police Dispatch 911	\$ 26,880		\$ 26,880		
Affordable Housing	52,254	\$ 25,000	47,840		\$ 29,414
WCLTV	24,478			\$ 24,478	-
CDBG- Lydecker	4,849			4,849	-
Capital Improvements:					-
Borough Hall Renovation	14,353		14,353		-
Park & Recreation Sidewalk Imprvts.	40,312				40,312
NJ DEP- Municipal Stormwater	16,936			16,936	-
Domestic Violence	150	1,358		150	1,358
Emergency Beacon	1,164	59		1,164	59
OEM Grant	301			301	-
Body Armor Fund	444			444	-
Municipal Alliance		6,658	-		6,658
Alcohol & Drug Rehabilitation	5,388	250	230	-	5,408
Senior Citizen	5,047			5,047	-
DWI- Overtime	980	3,049	-	980	3,049
State Police Disaster		1,620			1,620
Individuals Disability Grants	370		370		-
Child Passenger Safety Grant		656	-		656
Recycling Tonnage Grant	945	-	-	-	945
	<u>\$ 194,851</u>	<u>\$ 38,650</u>	<u>\$ 89,673</u>	<u>\$ 54,349</u>	<u>\$ 89,479</u>
Cash Disbursements			<u>\$ 89,673</u>		

**STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, <u>2008</u>	Accrued <u>2008</u>	Collected <u>2008</u>	<u>Cancelled</u>	Balance, December 31, <u>2008</u>
NJ Dept. of Transportation:					
Glen Road Improvements	\$ 26,889				\$ 26,889
Overlook Ave	80,024	\$ 150,000	\$ 153,856		76,168
Senior Activity County Grant		3,000	-		3,000
Clean Communities Grant		8,521	8,521		-
Domestic Violence		300	300		-
NJ DEP Recycling Grant Program		10,034	10,034		-
GDL Enforcement Grant		2,000	625		1,375
Handicapped Recreation Opportunities Grant		16,800	11,017	\$ 4,460	10,243
Municipal Alliance Program		11,500	16,912	9,263	3,851
Prosecutors Forfeiture Funds	35,101	29,134	35,101		29,134
Alcohol Ed & Rehab		107	107		-
DDEF	-	1,927	1,927	-	-
	<u>\$ 142,014</u>	<u>\$ 233,323</u>	<u>\$ 238,400</u>	<u>\$ 13,723</u>	<u>\$ 150,660</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF TAX TITLE LIENS RECEIVABLE**

Balance, January 1, 2008	\$	2,618
Increased by:		
Transfer from Taxes Receivable		139
Balance, December 31, 2008	\$	2,757

EXHIBIT A-25

**STATEMENT OF RESERVE FOR AID IN LIEU OF TAXES**

Balance, January 1, 2008	\$	13,134
Increased by:		
Cash Receipts		18,014
		31,148
Decreased by:		
Realized as Budgeted Revenue		13,134
Balance, December 31, 2008	\$	18,014

EXHIBIT A-26

**STATEMENT OF RESERVE FOR TERMINAL LEAVE**

Balance, January 1, 2008	\$	443,961
Increased by:		
Transfer from 2007 Appropriation Reserves- Salaries & Wages		25,000
		468,961
Decreased by:		
Cash Disbursements		25,776
Balance, December 31, 2008	\$	443,185

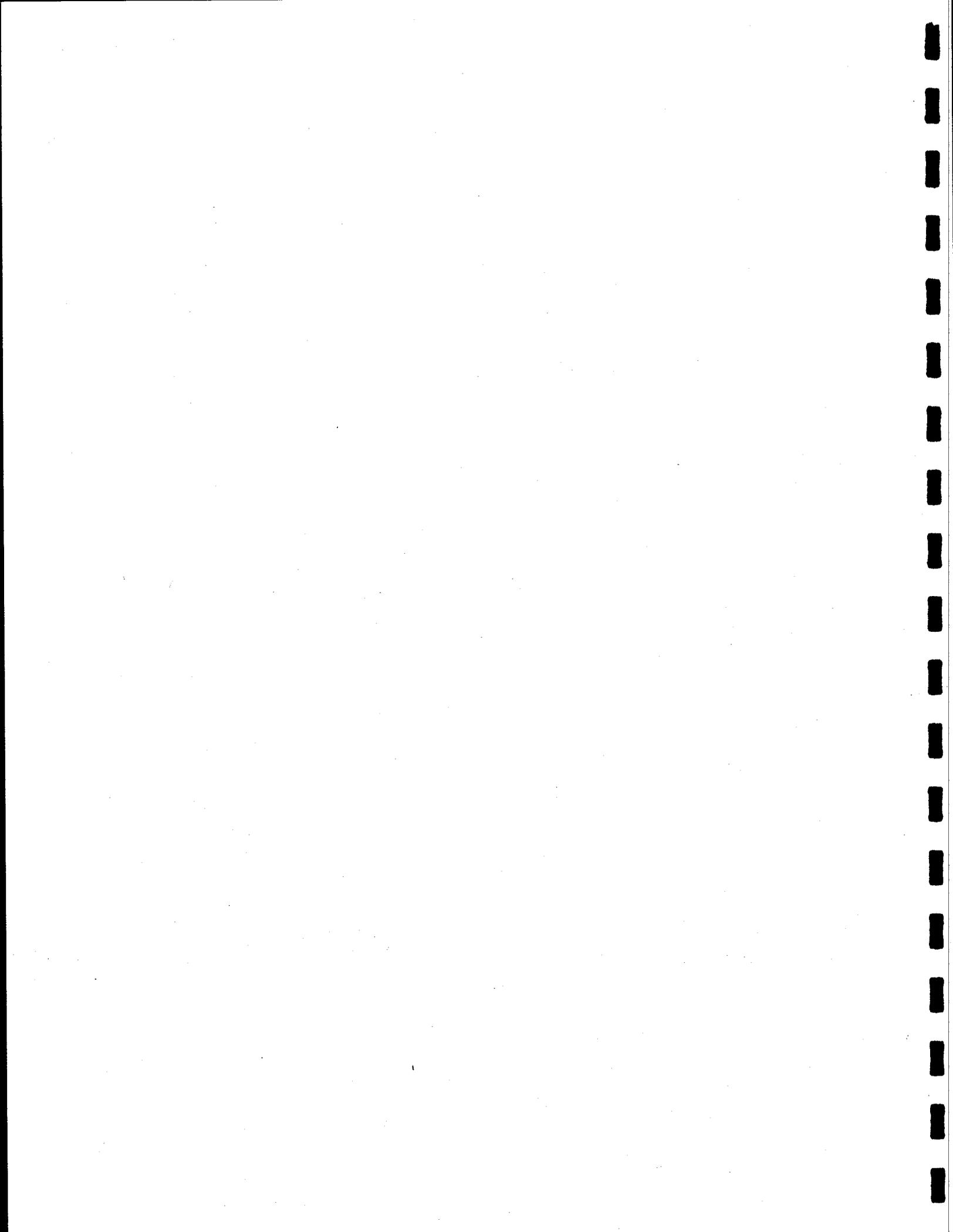
EXHIBIT A-27

**STATEMENT OF DEFERRED CHARGES- OVEREXPENDITURE OF APPROPRIATIONS**

Increased by:		
Overexpenditure of Appropriations	\$	5,716
Balance, December 31, 2008	\$	5,716

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**TRUST FUND**



BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF TRUST CASH

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Unemployment Trust</u>	<u>Open Space Trust</u>	<u>LOSAP Fund</u> (Unaudited)
Balance, January 1, 2008	\$ 4,878	\$ 1,268,754	\$ 17,059	\$ 924,756	\$ 356,855
Increased by Receipts:					
Current Fund Budget Appropriation	\$ 4,110		\$ 10,000		45,725
Tax Collections	885			\$ 168,478	
State Dog License Fees	5,967				
Animal License Fees Collected		\$ 222,264			
Miscellaneous Reserves		23,634	46	12,105	
Interest on Deposits		132,036			
Escrow Deposits		5,546			
Payments Received from Current Fund					
Appreciation/(Loss) in Market Value - LOSAP			12,432		(135,149)
Net Payroll and Payroll Deductions		4,554,024			
	<u>10,962</u>	<u>4,937,504</u>	<u>22,478</u>	<u>\$ 180,583</u>	<u>(89,424)</u>
Decreased by Disbursements:					
Payments to General Capital Fund	15,840	6,206,258	39,537	1,105,339	267,431
Net Payroll and Payroll Deductions				25,750	
Miscellaneous Reserves		4,512,103			
Expenditures Under R.S. 4:19-15.11	8,941	215,936			
Membership Withdrawal- LOSAP					7,917
Administrative Expense- LOSAP					1,505
Escrow Deposits	885	440,730			
Payments to State of New Jersey			28,305		
	<u>9,826</u>	<u>5,168,769</u>	<u>28,305</u>	<u>25,750</u>	<u>9,422</u>
Balance, December 31, 2008	\$ 6,014	\$ 1,037,489	\$ 11,232	\$ 1,079,589	\$ 258,009

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF DUE TO CURRENT FUND - OTHER TRUST FUND- ESCROW**

Balance, January 1, 2008		\$ 23,307
Increased by:		
Interest on Deposits		<u>11,128</u>
Balance, December 31, 2008		<u>\$ 34,435</u>

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance, January 1, 2008		\$ 4,878
Increased by:		
Animal License Fees Collected	\$ 5,967	
Budget Appropriation	<u>4,110</u>	
		<u>10,077</u>
		14,955
Decreased by:		
Expenditures Under R.S. 4:19-15.11		<u>8,941</u>
Balance, December 31, 2008		<u>\$ 6,014</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF DUE TO STATE OF NEW JERSEY  
DOG REGULATION FEES**

Increased by:		
State Registration Fees Collected	\$	885
Decreased by:		
Payments to State of New Jersey	\$	885

**STATEMENT OF ESCROW DEPOSITS  
OTHER TRUST FUND**

Balance, January 1, 2008		
	\$	1,145,776
Increased by:		
Escrow Deposits Collected	\$	132,036
Interest on Deposits		12,506
		144,542
		1,290,318
Decreased by:		
Refund of Escrow Deposits		440,730
Balance, December 31, 2008	\$	849,588

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF PAYROLL DEDUCTIONS PAYABLE  
OTHER TRUST FUND**

Balance, January 1, 2008	\$	5,730
Increased by:		
Cash Receipts - Net Payroll and Payroll Deductions		<u>4,554,024</u>
		4,559,754
Decreased by:		
Cash Disbursements - Net Payroll and Payroll Deductions		<u>4,512,103</u>
Balance, December 31, 2008	\$	<u>47,651</u>

**STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE**

Balance, January 1, 2008	\$	16,384
Increased by:		
Interest on Investments and Deposits	\$	46
Employee Contributions		12,432
Current Fund Budget Appropriations		<u>10,000</u>
		<u>22,478</u>
		38,862
Decreased by:		
Due to State of New Jersey		<u>27,740</u>
Balance, December 31, 2008	\$	<u>11,122</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF RESERVE FOR EXPENDITURES  
OPEN SPACE PRESERVATION TRUST FUND**

Balance, January 1, 2008		\$	924,756
Increased by:			
Open Space Tax	\$		165,262
Additional Open Space Tax			3,216
Interest on Deposits			<u>12,105</u>
			<u>180,583</u>
			1,105,339
Decreased by:			
Payment to General Capital Fund- Finance Imprvt. Authorization			<u>25,750</u>
Balance, December 31, 2008		\$	<u>1,079,589</u>

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

Balance, January 1, 2008		\$	675
Increased by:			
Unemployment Claims			<u>27,740</u>
Decreased by:			
Payments			<u>28,305</u>
Balance, December 31, 2008		\$	<u>110</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF DUE FROM CURRENT FUND  
OTHER TRUST FUND - MISCELLANEOUS RESERVES**

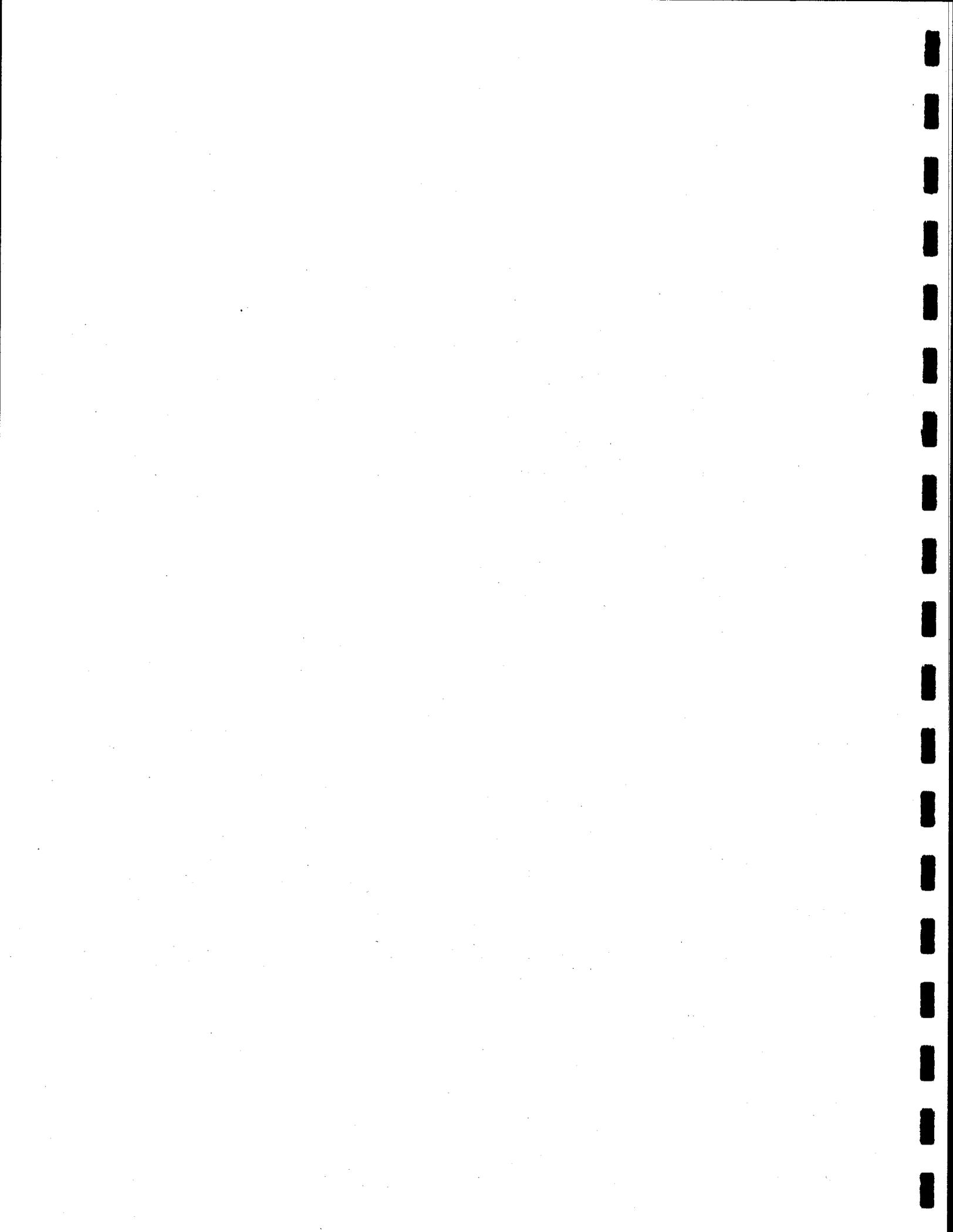
Balance, January 1, 2008	\$ 5,546
Increased by:	
Receipts Deposited in Current Fund	20,628
Decreased by:	
Payment Received from Current Fund	5,546
Balance, December 31, 2008	\$ 20,628

**STATEMENT OF MISCELLANEOUS RESERVES  
OTHER TRUST FUND**

	Balance January 1, <u>2008</u>	<u>Receipts</u>	<u>Payments</u>	Balance December 31, <u>2008</u>
Police Outside Duty	\$ 8,824	\$ 219,457	\$ 215,910	\$ 12,371
Tax Sale Premiums	33,000			33,000
POAA	164	90	26	228
Causeway Beautification-Clock	1,864			1,864
Sidewalk	38,835	1,010		39,845
Dare Activities		1,707		1,707
Fire Prevention Penalty Fees	11,678	20,628		32,306
Construction Code Penalty Fees	5,122	-	-	5,122
	\$ 99,487	\$ 242,892	\$ 215,936	\$ 126,443

Cash Receipts	\$ 222,264
Due from Current Fund	20,628
	\$ 242,892

**GENERAL CAPITAL FUND**



**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF GENERAL CAPITAL CASH - COLLECTOR-TREASURER**

Balance, January 1, 2008		\$ 166,753
Increased by Receipts:		
Receipts from Municipal Open Space	\$ 25,750	
Budget Appropriation- Deferred Charge Unfunded Grant	68,437	
Receipts From Current Fund	295,129	
Interest on Deposits	<u>1,341</u>	
		<u>390,657</u>
		557,410
Decreased by:		
Contracts Payable	115,055	
Payments to Current Fund	72,359	
Improvement Authorizations	<u>359,233</u>	
		<u>546,647</u>
Balance, December 31, 2008		<u>\$ 10,763</u>

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF GENERAL CAPITAL CASH - COLLECTOR-TREASURER**

Balance, January 1, 2008		\$ 166,753
Increased by Receipts:		
Receipts from Municipal Open Space	\$ 25,750	
Budget Appropriation- Deferred Charge Unfunded Grant	68,437	
Receipts From Current Fund	295,129	
Interest on Deposits	<u>1,341</u>	
		<u>390,657</u>
		557,410
Decreased by:		
Contracts Payable	115,055	
Payments to Current Fund	72,359	
Improvement Authorizations	<u>359,233</u>	
		<u>546,647</u>
Balance, December 31, 2008		<u>\$ 10,763</u>

**BOROUGH OF WOODCLIFF LAKE  
ANALYSIS OF GENERAL CAPITAL CASH**

		Balance, December 31, <u>2008</u>
Fund Balance		\$ 14,003
Capital Improvement Fund		9,914
Grants Receivable		(150,068)
Due From Affordable Housing - Current Fund		(668,530)
Contract Payable		938,220
Due to Grantor - NJDOT		36,442
 Improvement Authorizations:		
<u>Ord. No.</u>	<u>Improvement Description</u>	
	General Improvements:	
98-6/02-4	Various Capital Improvements	226,032
01-5	Various Capital Improvements	11,046
03-3	Various Capital Improvements	202,060
05-09	Various Public Improvements	7,866
05-24	Restoration of Westervelt-Lydecker House	61,705
06-06	Various Capital Improvements	(619,325)
07-13	Acq. Of Four-Wheel Vehicle and Fire Engine	(899,121)
08-02	Various Improvements to the Old Mill Pool	9,787
08-03	Acq. Front Loader & Garbage Truck	(163,309)
08-05	Purchase of Real Property	29,041
08-08	Purchase of Real Property	965,000
		<hr style="border-top: 1px solid black;"/>
		<u>\$ 10,763</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

		<u>Analysis of Balance</u>			
<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Balance, January 1, 2008</u>	<u>2008 Authorizations</u>	<u>Balance, December 31, 2008</u>	<u>Unexpended Improvement Authorizations</u>
	General Improvements:				
01-5	Various Capital Improvements	\$ 19,000		\$ 19,000	\$ 19,000
06-06	Various Capital Improvements	735,301		735,301	115,976
07-13	Acq. Of Four-Wheel Vehicle & Fire Engine	942,700		942,700	43,579
08-03	Acq. Of a Front Loader & Garbage Truck	-	\$ 380,000	380,000	216,691
08-05	Real Property for Municipal Purposes	-	580,000	580,000	580,000
		<u>\$ 1,697,001</u>	<u>\$ 960,000</u>	<u>\$ 2,657,001</u>	<u>\$ 975,246</u>
				<u>\$ 1,681,755</u>	

BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF GENERAL SERIAL BONDS

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2008	Date	Interest Rate	Balance, January 1, 2008	Decreased	Balance, December 31, 2008
General Improvement Bonds	12/1/1998	\$ 3,696,000	\$ 200,000	12/1/08-17	4.375 %	\$ 2,191,000	\$ 200,000	\$ 1,991,000
				12/1/2018				
General Improvement Bonds	6/1/2003	3,068,000	350,000	6/1/2008-12	2.70 %	2,092,000	350,000	1,742,000
				6/1/2013				
General Improvement Bonds	10/1/2004	2,024,000	155,000	10/1/08-13	3.25-4.0 %	1,769,000	155,000	1,614,000
				10/1/14-15				
				10/1/16-17				
				10/1/2018				
						\$ 6,052,000	\$ 705,000	\$ 5,347,000
Budget Appropriation							\$ 705,000	

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

No.	Improvement Description	Ordinance Amount	Balance, January 1, 2008		2008 Authorizations	Contracts Cancelled	Paid or Charged	Balance, December 31, 2008	
			Funded	Unfunded				Funded	Unfunded
General Improvements:									
98-6/02-4	Various Capital Improvements	\$ 3,900,000	\$ 226,032				\$ 118,819	\$ 226,032	
01-5	Various Capital Improvements	1,260,000	129,865	\$ 19,000			22,556	11,046	\$ 19,000
03-3	Various Capital Improvements	1,794,597	224,616				1,030	202,060	
05-09	Various Public Improvements	302,724	8,896				10,500	7,866	
05-24	Restoration of Westervelt-Lydecker House	168,445	72,205				28,863	61,705	
06-06	Various Capital Improvements	791,000		144,839			889,704		115,976
07-13	Acq. Of Four-Wheel Vehicle and Fire Engine	990,000		933,283			41,713		43,579
08-02	Various Improvements to the Old Mill Pool	51,500			\$ 51,500		183,309		216,691
08-03	Acq. Of a Front Loader & Garbage Truck	400,000			400,000		959		580,000
08-05	Real Property for Municipal Purposes	610,000			610,000				
08-08	Purchase Real Property	965,000			965,000			965,000	
			\$ 661,614	\$ 1,097,122	\$ 2,026,500	\$ -	\$ 1,297,453	\$ 1,512,537	\$ 975,246

Analysis	
Deferred Charges-Unfunded	\$ 960,000
Capital Improvement Fund	50,000
Due from Other Funds	990,750
Grants	25,750

\$ 2,026,500

Cash Disbursed \$ 359,233  
 Contracts Payable 938,220  
\$ 1,297,453

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF DUE TO/FROM CURRENT FUND**

Balance, January 1, 2008 (Due To)		\$ 4,698
Increased by:		
Receipts from Current Fund	\$ 295,129	
Interest on Investments and Deposits	<u>1,341</u>	
		<u>296,470</u>
		301,168
Decreased by :		
Due from Affordable Housing - Current Fund	965,000	
Payments to Current Fund	<u>4,698</u>	
		<u>969,698</u>
Balance, December 31, 2008 (Due From)		<u>\$ 668,530</u>

EXHIBIT C-10

**STATEMENT OF DUE TO GRANTOR - NJDOT**

Balance, January 1, 2008		<u>\$ 36,442</u>
Balance, December 31, 2008		<u>\$ 36,442</u>

EXHIBIT C-11

**STATEMENT OF CONTRACTS PAYABLE**

Balance, January 1, 2008		\$ 115,055
Increased by:		
Charges to Improvement Authorizations		<u>938,220</u>
		1,053,275
Decreased by:		
Payments		<u>115,055</u>
Balance, December 31, 2008		<u>\$ 938,220</u>

EXHIBIT C-12

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2008	\$ 59,914
Decreased by:	
Appropriated to Finance Improvement Authorizations	<u>50,000</u>
Balance, December 31, 2008	<u>\$ 9,914</u>

EXHIBIT C-13

**STATEMENT OF DEFERRED CHARGES UNFUNDED GRANTS**

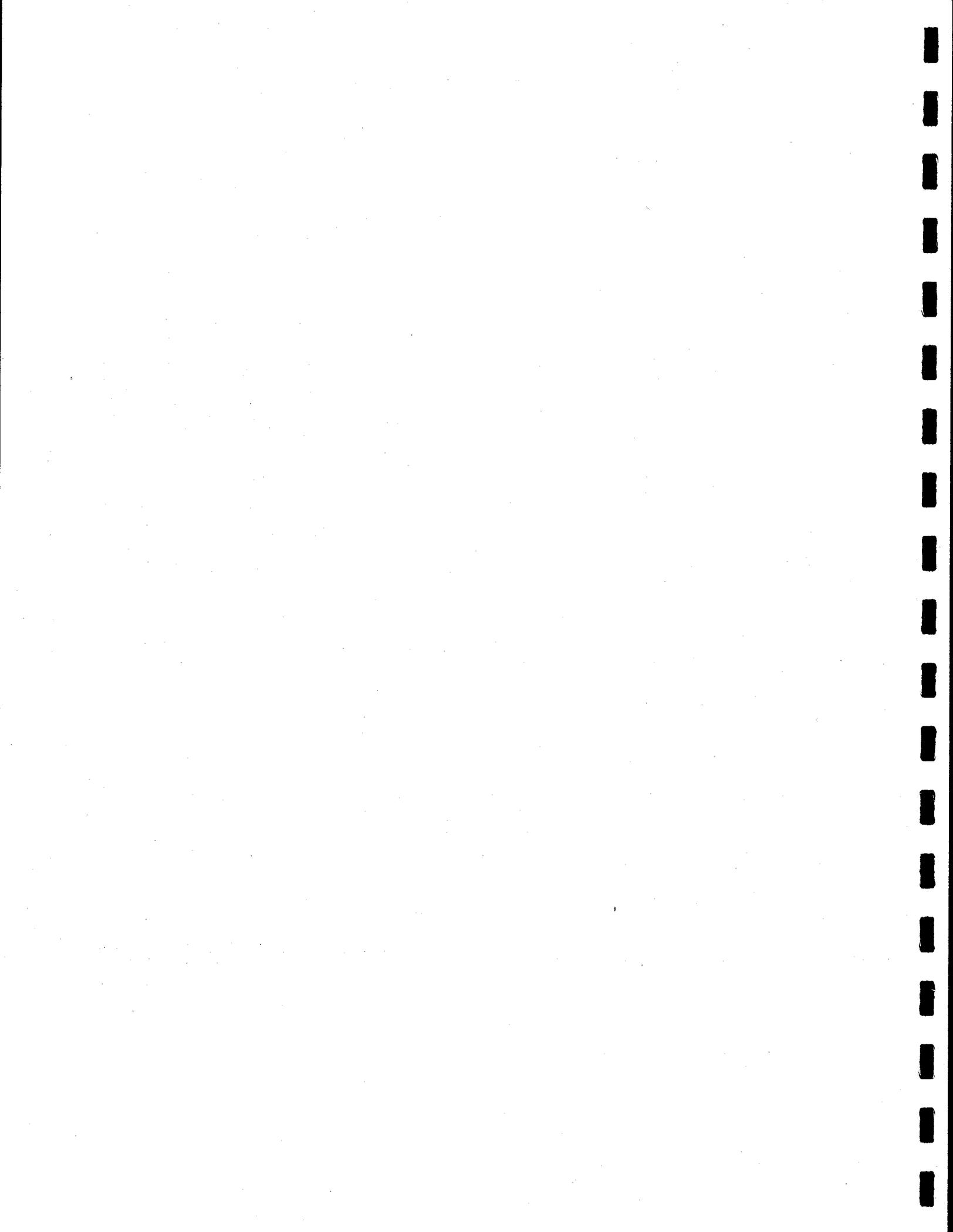
Balance, January 1, 2008	\$ 68,437
Decreased by:	
Current Fund Budget Appropriation	<u>68,437</u>
Balance, December 31, 2008	<u>\$ -</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

Ord. No.	Improvement Description	Balance, January 1, 2008	2008 Authorizations	Balance, December 31, 2008
	General Improvements:			
01-5	Various Capital Improvements	\$ 19,000		\$ 19,000
06-06	Various Capital Improvements	735,301		735,301
07-13	Acq. Of Four-Wheel Vehicle & Fire Engine	942,700		942,700
08-03	Acq. Of a Front Loader & Garbage Truck		\$ 380,000	380,000
08-05	Real Property for Municipal Purposes	-	580,000	580,000
		<u>          </u>	<u>          </u>	<u>          </u>
		\$ 1,697,001	\$ 960,000	\$ 2,657,001
		<u>          </u>	<u>          </u>	<u>          </u>

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**PUBLIC ASSISTANCE FUND**



**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER**

	PATF Account #1 (75)%	PATF Account #2 (100)%	<u>Total</u>
Balance, January 1, 2008	\$ 5,276	\$ 2,924	\$ 8,200
Increased by:			
Receipts	322	4,800	5,122
	5,598	7,724	13,322
Decreased by:			
Disbursements	2,358	4,095	6,453
Balance, December 31, 2008	\$ 3,240	\$ 3,629	\$ 6,869

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES**

	PATF <u>Account #1</u>	PATF <u>Account #2</u>	<u>Total</u>
Balance, January 1, 2008	\$ 5,989	\$ (26)	\$ 5,963
Increased by:			
State Aid		2,800	2,800
Intra-Fund Transfer	<u>(2,000)</u>	<u>2,000</u>	<u>-</u>
	<u>\$ 3,989</u>	<u>\$ 4,774</u>	<u>\$ 8,763</u>
Decreased by:			
Assistance Reported	<u>-</u>	<u>4,095</u>	<u>4,095</u>
Balance, December 31, 2008	<u>\$ 3,989</u>	<u>\$ 679</u>	<u>\$ 4,668</u>

**STATEMENT OF PUBLIC ASSISTANCE REVENUES**

	PATF <u>Account #1</u> <u>(75)%</u>	PATF <u>Account #2</u> <u>(100)%</u>	<u>Total</u>
Interfund Transfers			
Due to Current Fund			
Interest on Investments and Deposits	<u>\$ 322</u>	<u>-</u>	<u>322</u>
Total Receipts	<u>\$ 322</u>	<u>\$ -</u>	<u>\$ 322</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF DUE TO CURRENT FUND**

Balance, January 1, 2008	\$ 36
Increased by:	
Interest on Investments and Deposits	<u>322</u>
	358
Decreased by:	
Payments to Current Fund	<u>358</u>
Balance, December 31, 2008	<u>\$ -</u>

**STATEMENT OF DUE TO STATE OF NEW JERSEY**

Balance, January 1, 2008	<u>\$ 2,201</u>
Balance, December 31, 2008	<u>\$ 2,201</u>

**STATEMENT OF EXPENDITURES**

Assistance Reported	<u>\$ 4,095</u>
Total Assistance Reported	<u>\$ 4,095</u>

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**BOROUGH OF WOODCLIFF LAKE**

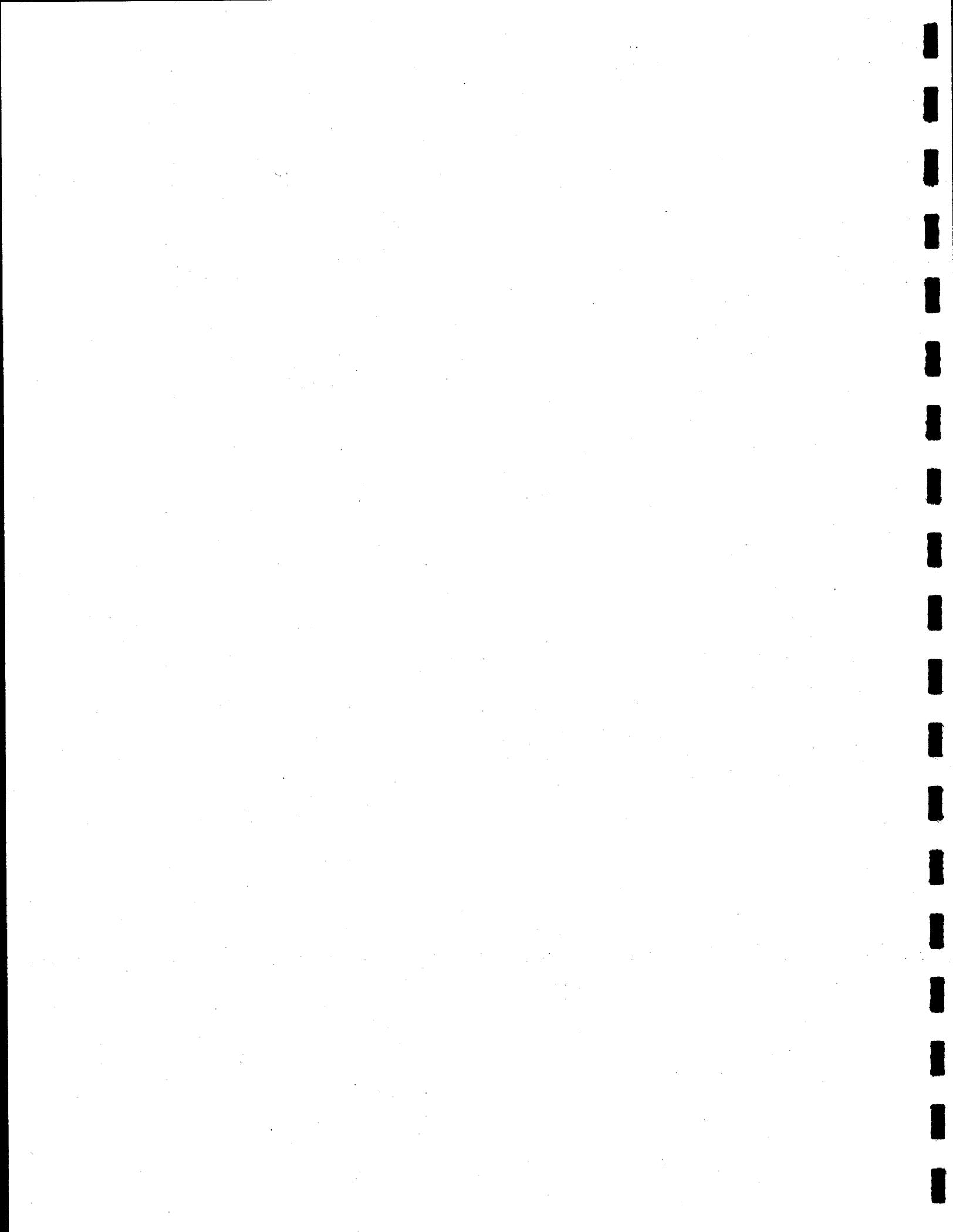
**BERGEN COUNTY, NEW JERSEY**



**PART II**

**GOVERNMENTAL AUDITING STANDARDS**

**YEAR ENDING DECEMBER 31, 2008**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208

FAIR LAWN, NJ 07410

TELEPHONE (201) 791-7100

FACSIMILE (201) 791-3035

WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH KOZAK, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA

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

Honorable Mayor and Members  
of the Borough Council  
Borough of Woodcliff Lake  
Woodcliff Lake, New Jersey

We have audited the financial statements – statutory basis of the Borough of Woodcliff Lake as of and for the year ended December 31, 2008, and have issued our report thereon dated April 7, 2009 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the statutory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. In addition, our report on the financial statements – statutory basis was qualified because of the presentation of the unaudited LOSAP Fund financial statements. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Borough of Woodcliff Lake'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 control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Borough's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the statutory basis of accounting such that there is more than a remote likelihood that a misstatement of the Borough's financial statements that is more than inconsequential will not be prevented or detected by the Borough's internal control.

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

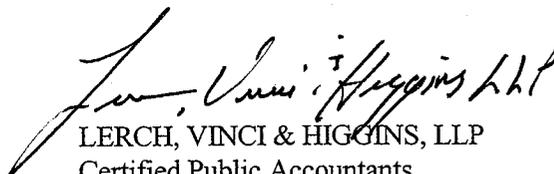
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

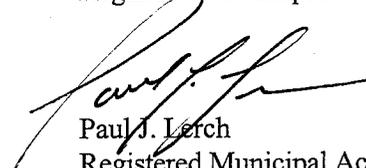
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Woodcliff Lake'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 one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which is described in the accompanying schedule of findings and responses as item 2008-1.

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

This report is intended solely for the information and use of the governing body, management, New Jersey Department of Community Affairs and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

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

  
Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
April 7, 2009

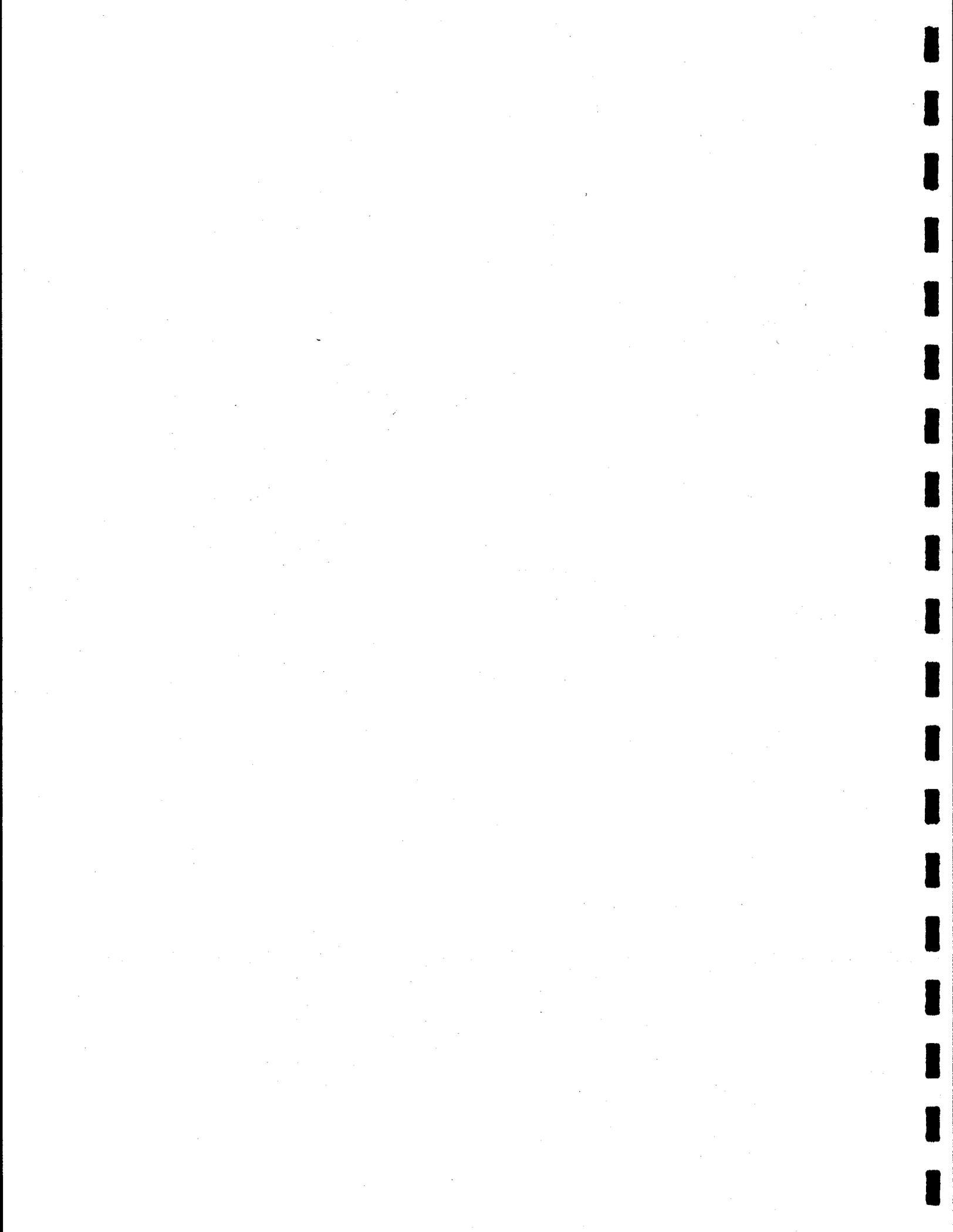


BOROUGH OF WOODCLIFF LAKE  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE YEAR ENDED DECEMBER 31, 2008

State Grant Program	Project/Grant Number	Grant Year	Grant Award	2008 Receipts	Balance, January 1, 2008	Revenue/Receipts	Expended	Adjustments	Balance, December 31, 2008	Cumulative Expended
Department of Environmental Protection Clean Communities Grant	042-00-4900-765-004	2008 2007	\$ 8,521 8,214	8,521 8,214	4,382	\$ 8,521	3,125 4,382		\$ 5,396	\$ 3,125 8,214
Division of Motor Vehicles Drunk Driving Enforcement Fund- Police	1110-448-031020-22	2008 2007 2005	1,927 5,570 -	1,927 5,570 980	4,669	1,927	-	-(980)	1,927 4,669	1,101
Municipal Alliance on Alcoholism and Drug Abuse (Passed through County of Bergen)	N/A	2008 2007	11,500 11,500	7,649 11,500	10,091	11,500	8,062 3,433		3,438 6,658	8,062 4,842
Department of Law and Public Safety Body Armor Replacement Program	066-00-1020-718-001	2008 2007 2004	3,042 1,710 444	3,042 1,710 444		3,042	2,183 1,149	(444)	859	2,183 1,710
Department of Community Affairs Handicapped Recreation Opportunities	022-99-8050-100-035	2008 2007 2005	20,121 6,862 -	6,557 6,862 370		20,121	16,384 5 370		3,737	16,384 6,862 370
Department of Environmental Protection State Tonnage Grant (Recycling)	042-00-4900-752-001	2008 2007 2005	10,034 6,332 -	10,034 6,332 945		10,034	1,850 4,914		8,184	1,850 6,332
Division of Judiciary Alcohol Ed and Rehab	098-00-9735-760-001	2008 2007 2003	793 250 -	793 250 5,388		793	107 -		686 250 5,158	107 -
NJ Department of Emergency Management	N/A	2004		301				(301)		
Department of Community Affairs Domestic Violence Training Program	022-99-8030-100-093	2008 2007 2004	2,484 1,358 -	2,484 1,358 150		2,484	-		2,484 1,358	
Division of Family Development Human Services	054-15-7550-100-121	2008	2,800	2,800		2,800	2,800			2,800
NJ DEP Municipal Stormwater Regulation Program	N/A	2004 2006		8,468 8,468				(8,468) (8,468)		
NJ DCA Child Passenger Seat Safety	N/A	2007		656					656	
				<u>\$ 52,988</u>		<u>\$ 61,222</u>	<u>\$ 48,994</u>	<u>\$ (18,811)</u>	<u>\$ 46,405</u>	

Note: This schedule was not subject to Single Audit under NJ OMB 04-04.

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



**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
 AND STATE FINANCIAL ASSISTANCE  
 YEAR ENDED DECEMBER 31, 2008**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal awards and state financial assistance programs of the Borough of Woodcliff Lake. The Borough is defined in Note 1(A) to 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.

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 155,000	\$ 58,422	\$ 213,422
Public Assistance	-	2,800	2,800
	<u>\$ 155,000</u>	<u>\$ 61,222</u>	<u>\$ 216,222</u>

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

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**BOROUGH OF WOODCLIFF LAKE**

**BERGEN COUNTY, NEW JERSEY**

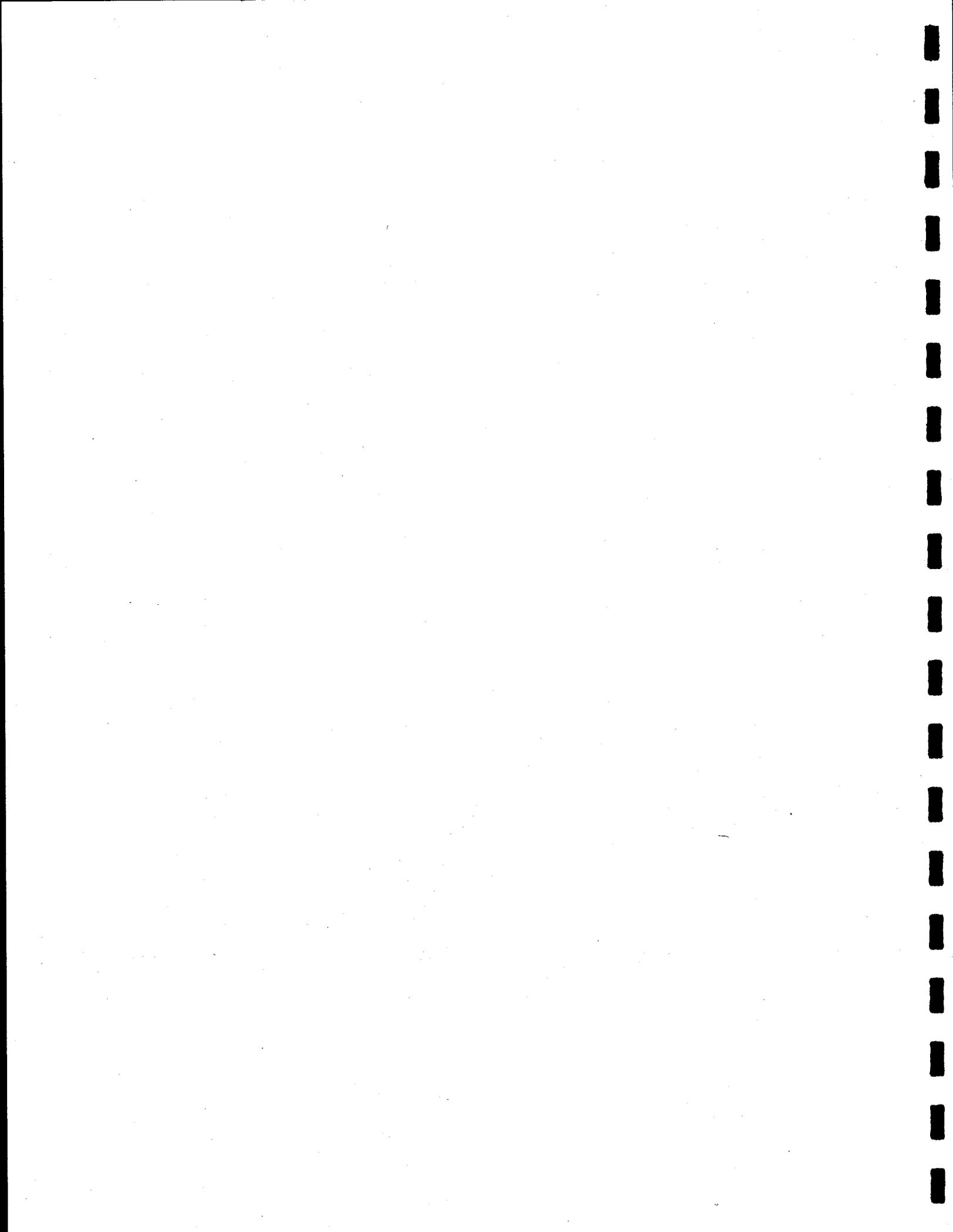
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**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2008**



**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

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

	<u>Year 2008</u>		<u>Year 2007</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 1,350,000	3.53 %	\$ 1,600,000	4.35 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,276,942	5.96	2,617,217	7.11
Collection of Delinquent Taxes and Tax Title Liens	197,223	0.52	895,830	2.43
Collection of Current Tax Levy	33,956,564	88.81	31,324,466	85.13
Other Credits	453,759	1.18	359,797	0.98
	<u>38,234,488</u>	<u>100.00</u> %	<u>36,797,310</u>	<u>100.00</u> %
<b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	10,424,335	28.13 %	10,326,427	29.10 %
Municipal Open Space Preservation Trust Fund Taxes	168,478	0.45	167,362	0.47
County Taxes	4,179,401	11.28	4,046,985	11.40
Regional School Taxes	9,931,762	26.80	8,811,523	24.83
Local District School Taxes	12,344,346	33.31	11,872,274	33.45
Other Expenditures	14,697	0.03	265,964	0.75
	<u>37,063,019</u>	<u>100.00</u> %	<u>35,490,535</u>	<u>100.00</u> %
Excess in Revenue	1,171,469		1,306,775	
Adjustments to Income before Surplus:				
Expenditures included above which are by Statute				
Deferred Charges to Budget of Succeeding Year	5,716		-	
Statutory Excess to Surplus	1,177,185		1,306,775	
Fund Balance, January 1	<u>1,962,348</u>		<u>2,255,573</u>	
	3,139,533		3,562,348	
Less Utilization as Anticipated Revenue	<u>1,350,000</u>		<u>1,600,000</u>	
Fund Balance, December 31	<u>\$ 1,789,533</u>		<u>\$ 1,962,348</u>	

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Tax Rate</u>	<u>\$2.049</u>	<u>\$1.98</u>	<u>\$1.87</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.442	.441	.425
Municipal Open Space Preservation	.010	.010	.010
County (Including Open Space Tax)	.249	.239	.211
Regional School	.601	.550	.498
Local School	.747	.740	.726

Assessed Valuation

2008	<u>\$1,652,626,979</u>
2007	<u>\$1,603,445,695</u>
2006	<u>\$1,556,747,124</u>

**Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2008	\$ 34,520,779	\$ 34,265,269	99.25%
2007	32,283,576	31,324,466	97.03%
2006	29,607,753	29,384,972	99.25%

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**Delinquent Taxes and Tax Title Liens**

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

December 31 <u>Year</u>	Amount of Tax Title <u>Taxes</u>	Amount of Delinquent <u>Taxes</u>	<u>Total</u>	Percentage of <u>Tax Levy</u>
2008	\$ 2,757	\$ 220,964	\$ 223,721	.65%
2007	2,618	197,242	199,860	.62%
2006	2,483	147,694	150,177	.51%

**Property Acquired by Tax Title Lien Liquidation**

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

<u>Year</u>	<u>Amount</u>
2008	None
2007	None
2006	None

**Comparative Schedule of Fund Balance**

	<u>Year</u>	Balance, <u>December 31,</u>	Utilized In Budget of <u>Succeeding Year</u>
Current Fund	2008	\$1,789,533	\$1,450,000 (1)
	2007	1,962,348	1,350,000
	2006	2,255,573	1,600,000

(1) The above fund balance appropriated represents the surplus anticipated in the 2009 introduced municipal budget. The 2009 municipal budget has not been legally adopted as of the date of audit.

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

<u>Name</u>	<u>Title</u>	(1) <u>Amount of Bond</u>	<u>Name of Corporate or Personal Surety</u>
Joseph T. LaPaglia	Mayor		
Paul C. Camella	Council President		
John J. Glaser	Councilman		
Jeffrey Bader	Councilman		
Josephine Higgins	Councilwoman		
Robert Rosenblatt	Councilman		
Joanne C. Howley	Councilwoman		
Edward Sandve	Borough Administrator		
Harold Laufeld III	Chief Financial Officer (09/01/08-12/31/08)		
Lori Sciara	Borough Clerk		
Lois Frezza	Tax Collector, Tax Search Officer		
Maureen Mayer	Chief Financial Officer (01/01/08-09/01/08)		
Barbara Potash	Tax Assessor		
Linda Campion	Court Administrator		
Susan Keenan	Deputy Court Administrator		
Patrick Randazzo	Judge		
Mark Madaio	Borough Attorney		
Stephen Boswell	Borough Engineer		

(1) All employees were insured by Public Employees Dishonesty coverage in the amount of \$1,000,000 each loss.

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**SCHEDULE OF FINDINGS OF NONCOMPLIANCE**

**Current Year Findings**

**2008-1**

**Finding** – Our audit of the Current Fund revealed an overexpenditure of a budget appropriation in the amount of \$5,716.

**Cause or specific requirement**– N.J.S.A. 40A:4-45.38 and 40A:4-57 prohibits the disbursing of monies or the incurring of any liability for which no appropriation is provided or in excess of the amount appropriated for such purposes.

**Condition** – The Borough made payments to the fire department for year end stipends which were incorrectly charged to the reserve year budget.

**Effect** – These charges were moved to the current year appropriations causing an excess over the existing appropriation in the amount of \$5,716.

**Recommendation** – Internal controls over the disbursing of funds in the Current Fund be enhanced to ensure that sufficient funds are available in the budget appropriation.

**Response** – The Borough will enhance the controls over disbursing of funds to ensure that budget appropriations are not overspent.

**GENERAL COMMENTS**

**Prior Year Unresolved**

Our audit of the Recreation Department revealed that a cash receipt ledger for camp revenues collected was not provided for audit. In addition, copies of the transmittals for camp revenues turned over to the Treasurer and attendance rosters were not available for audit. It is recommended that the Recreation Department maintain a cash receipt ledger that includes all revenues collected, include monthly sub-totals and year-to-date totals, maintain copies of all transmittals of cash receipts turned over to the Treasurer and attendance rosters for camp.

Our audit of the payroll account revealed that there is only one authorized signature on the manually issued checks from the payroll account. It is recommended that all the manually issued checks from the payroll account include two authorized signatures.

Our audit of the disbursements revealed that the Police are paid a \$900 clothing allowance however, the receipts supporting this payment totaled \$450. The Police contract indicates that the \$900 clothing allowance will be paid to the employee upon the submission of receipts. It is recommended that all payments made for police clothing allowances be supported with receipts.

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

**Current Year Comments**

Our audit revealed that the Borough maintains a Staples and Home Depot credit card and there is no policy establishing internal controls over the use of these credit cards. It is recommended that the Borough establish an internal control policy for the use of credit cards or cancel the credit cards.

Our audit of the payroll revealed that an employee received a manual payroll check, however, this employee's payroll records were not updated for this manual check. Another employee's payroll records were erroneously updated for this manual payroll check. It is recommended that internal controls over the processing of manual payroll checks be enhanced to ensure the correct employee's payroll records are updated.

Our audit of the bidding revealed that a purchase was made from General Office Environments for office furniture that exceeded the bid threshold. The purchase order indicated a State contract number, however the State contract was not available for our review. It is recommended that for purchases made through a State contract award that the State contract be attached to the purchase order for our review.

Our audit revealed that the audit synopsis was not published within the statutory required time frame of forty-five days after the audit is released. It is recommended that the audit synopsis be published within the statutory required time frame of forty-five days after the audit is released.

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

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

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

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

Improvements to Old Mill Pool	Improvements to Shaw Road Water Main
Pierce Aerial Platform Fire Truck	2008 Garbage Truck
Improvements to Overlook Drive	2009 Dump Truck

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

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures except as previously noted, did not reveal instances whereby individual payments were made in excess of the bid 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 NJS 40A:11-6.

**Collection of Interest on Delinquent Taxes and Assessments**

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

The Governing Body on January 7, 2008 adopted the following resolution authorizing interest to be charged on delinquent taxes:

BE IT RESOLVED, by the Mayor and Council that the rate of interest on delinquent taxes for the year 2008 be fixed at the rate of 8% per annum on delinquent amounts up to \$1,500 and at 18% per annum on delinquent amounts on \$1,500 or more; and

BE IT FURTHER RESOLVED that an additional penalty be charged for delinquency in the excess of \$10,000 that is not paid prior to the end of the year, the additional penalty so fixed shall not exceed 6% of the amount of delinquency.

**Delinquent Taxes and Tax Title Liens**

The last tax sale was held on December 11, 2007 and was complete.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2008	1
2007	1
2006	1

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

It is recommended that:

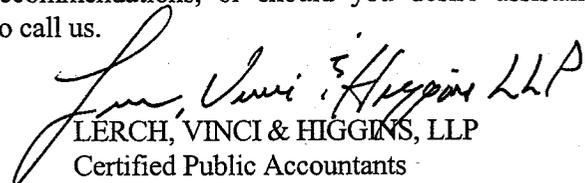
1. Internal controls over the disbursing of funds in the Current Fund be enhanced to ensure that sufficient funds are available in the budget appropriation.
- \* 2. The Recreation Department maintain a cash receipt ledger that includes all revenues collected, include monthly sub-totals and year-to-date totals, maintain copies of all transmittals of cash receipts turned over to the Treasurer and attendance rosters for camp.
- \* 3. All the manually issued checks from the payroll account include two authorized signatures.
- \* 4. All payments made for police clothing allowances be supported with receipts.
5. The Borough establish an internal control policy for the use of credit cards or cancel the credit cards.
6. Internal controls over the processing of manual payroll checks be enhanced to ensure the correct employee's payroll records are updated.
7. For purchases made through a State contract award that the State contract be attached to the purchase order for our review.
8. The audit synopsis be published within the statutory required time frame of forty-five days after the audit is released.

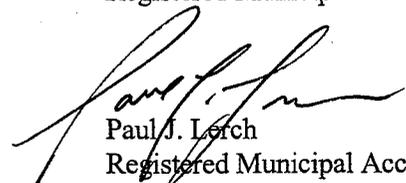
\* \* \* \* \*

A review was performed on all prior year recommendations and corrective action was taken on all except for those recommendations denoted with an asterisk (\*).

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

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

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

  
Paul J. Lurch  
Registered Municipal Accountant  
RMA Number CR00457