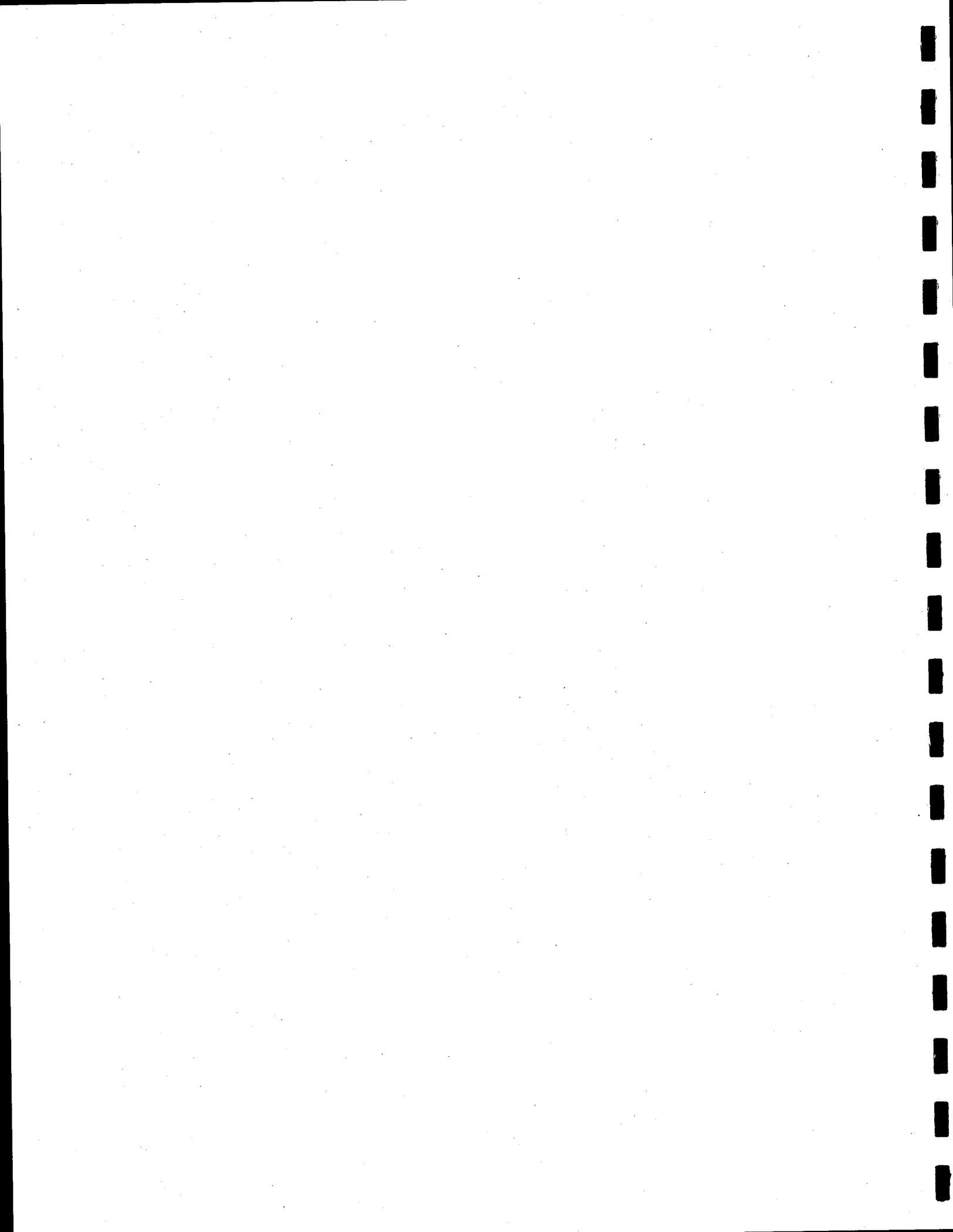


**BOROUGH OF WOODCLIFF LAKE**

**BERGEN COUNTY, NEW JERSEY**

**REPORT OF AUDIT**

**FOR THE YEAR ENDED DECEMBER 31, 2010**



# BOROUGH OF WOODCLIFF LAKE

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**BOROUGH OF WOODCLIFF LAKE**

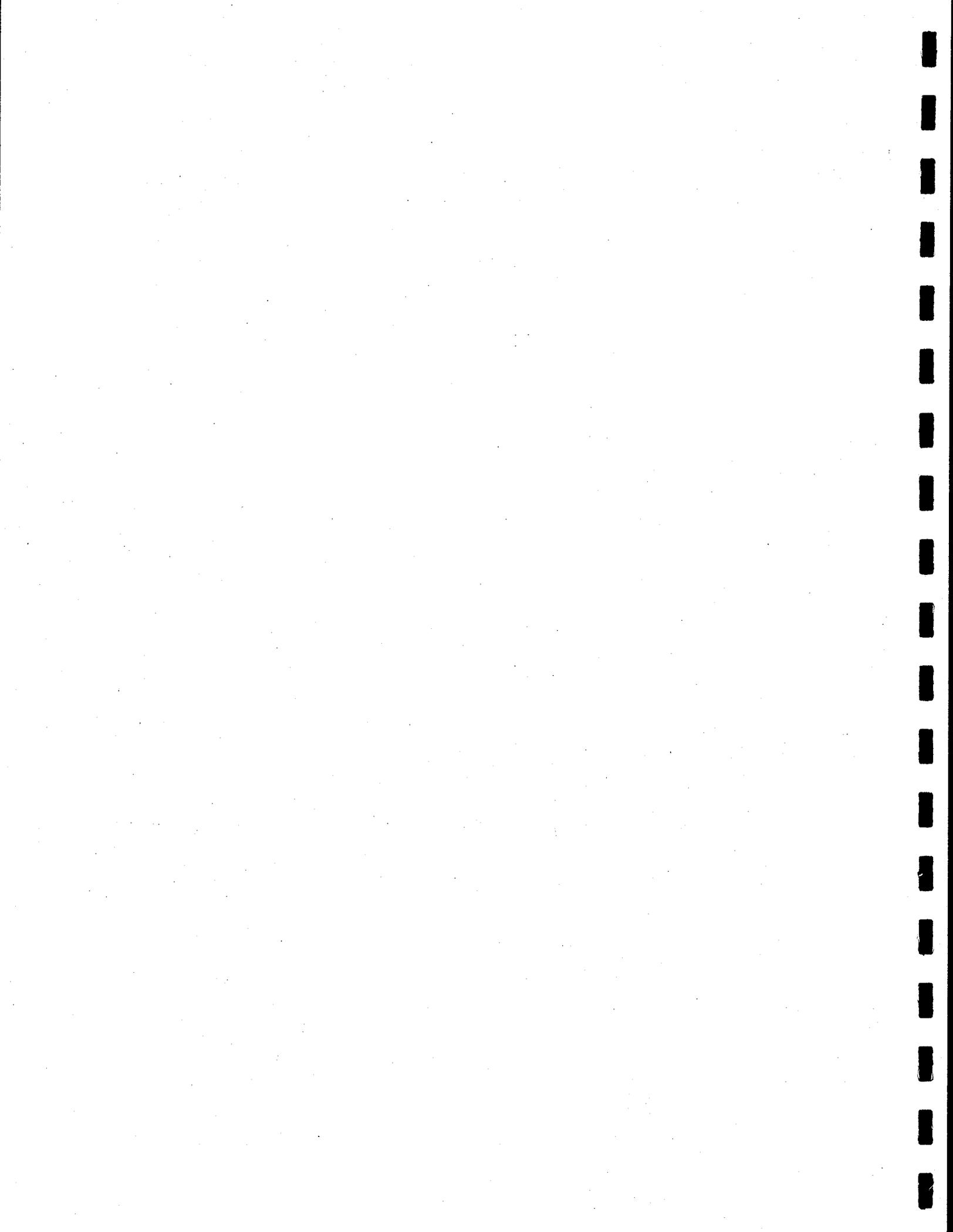
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**BOROUGH OF WOODCLIFF LAKE**

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**BOROUGH OF WOODCLIFF LAKE**

**BERGEN COUNTY, NEW JERSEY**

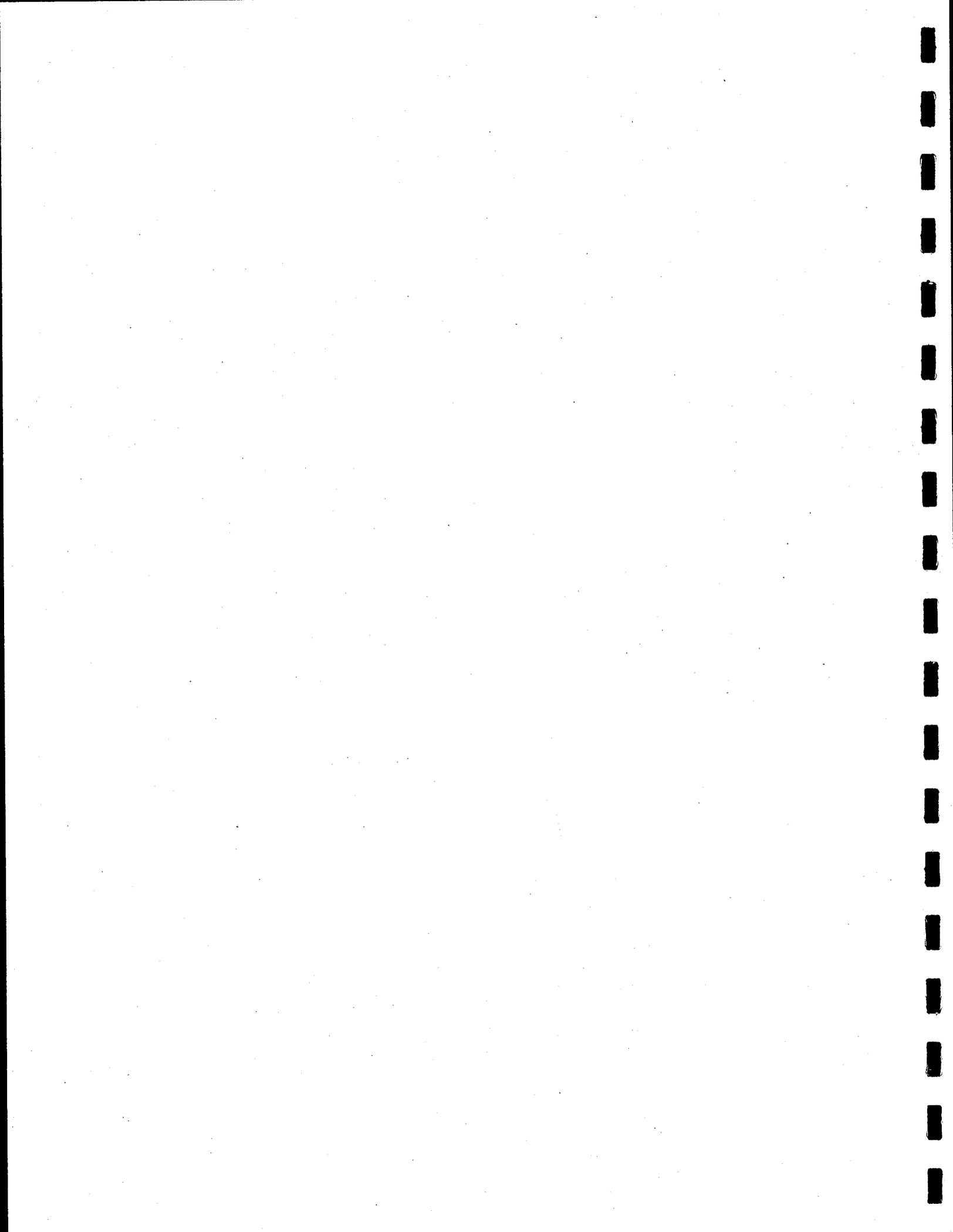
**PART I**

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**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED DECEMBER 31, 2010**



# LERCH, VINCI & HIGGINS, LLP

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Woodcliff Lake as of December 31, 2010 and 2009 and the related statements of operations and changes in fund balance - regulatory basis for the years then ended and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2010. 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.

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 regulatory basis of accounting and budget laws prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and the 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, Department of Community Affairs, State of New Jersey, 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 24 percent and 25 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2010 and 2009.

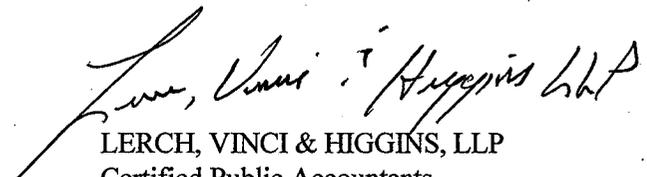
**INDEPENDENT AUDITOR'S REPORT (Continued)**

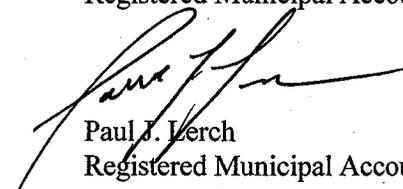
In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the third paragraph, the financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough of Woodcliff Lake as of December 31, 2010 and 2009, and 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.

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 - regulatory basis referred to previously present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Woodcliff Lake as of December 31, 2010 and 2009 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the revenues - regulatory basis and the expenditures - regulatory basis of the various funds for the year ended December 31, 2010 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 7, 2011 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 considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the 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, 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. Verch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
June 7, 2011

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE BALANCE SHEETS - STATUTORY BASIS**  
**AS OF DECEMBER 31, 2010 AND 2009**  
**CURRENT FUND**

ASSETS	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Cash and Investments	A-4	\$ 3,132,947	\$ 3,963,383
Cash- Petty Cash	A-5	2,000	2,000
Cash - Change Fund	A-6	100	100
Federal and State Grants Receivable	A-23	<u>220,585</u>	<u>246,927</u>
		<u>3,355,632</u>	<u>4,212,410</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	181,797	235,553
Tax Title Liens Receivable	A-24	3,044	2,897
Revenue Accounts Receivable	A-9	3,731	3,903
Due from General Capital Fund	C-9		64
Due from Other Trust Fund - Misc Reserves	B-13		321
Due from Other Trust Fund - Escrow	B-4	<u>-</u>	<u>2,224</u>
		<u>188,572</u>	<u>244,962</u>
Deferred Charge			
Special Emergency Authorizations	A-28	<u>191,645</u>	<u>-</u>
Total Assets		<u>\$ 3,735,849</u>	<u>\$ 4,457,372</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-10	\$ 237,420	\$ 521,154
Encumbrances Payable	A-19	643,460	399,158
Accounts Payable	A-11	88,429	19,450
Due to State of New Jersey			
Senior Citizens' and Veterans' Deductions	A-7	9,266	9,266
Construction Training Fees Payable	A-12	2,700	5,969
Marriage Fees	A-13	50	175
Tax Overpayments	A-16	31,249	32,217
Reserve for Tax Appeals	A-14	274,336	682,708
Reserve for Terminal Leave	A-26	378,181	468,185
Prepaid Taxes	A-15	236,370	202,267
Reserve for Aid in Lieu of Taxes	A-25	17,346	18,521
Miscellaneous Reserves	A-27	54,571	
Due County for Added and Omitted Taxes	A-18	10,148	9,847
Due to General Capital Fund	C-9	20,922	
Appropriated Reserves	A-22	182,694	99,250
Unappropriated Reserves	A-21	<u>267,075</u>	<u>239,086</u>
		<u>2,454,217</u>	<u>2,707,253</u>
Reserve for Receivables and Other Assets	A	188,572	244,962
Fund Balance	A-1	<u>1,093,060</u>	<u>1,505,157</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 3,735,849</u>	<u>\$ 4,457,372</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, 2010 AND 2009**  
**CURRENT FUND**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 1,150,000	\$ 1,450,000
Miscellaneous Revenues Anticipated	A-2	1,792,374	2,012,808
Receipts from Delinquent Taxes	A-2	232,315	220,964
Receipts from Current Taxes	A-2	36,731,254	34,904,146
Non-Budget Revenues	A-2	75,824	98,725
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-10	158,353	423,555
Prior Year Interfunds Liquidated	A	2,609	31,826
Cancellation of Appropriated Reserves	A-22	28,341	
Cancellation of Tax Overpayments	A-16	3	250
Cancellation of Accounts Payable	A-1	-	130,899
		<u>40,171,073</u>	<u>39,273,173</u>
<b>Total Revenues</b>			
<b>EXPENDITURES</b>			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	4,173,458	4,324,743
Other Expenses	A-3	4,255,789	3,972,118
Capital Improvement Fund	A-3	140,000	522,225
Municipal Debt Service	A-3	1,100,317	921,550
Deferred Charges and Statutory Expenditures	A-3	787,091	765,760
County Taxes	A-18	4,591,619	4,352,440
Due County for Added and Omitted Taxes	A-18	10,148	9,847
Municipal Open Space Preservation Trust Fund	B-1	171,800	171,344
Local District School Taxes	A-20	13,227,331	12,713,485
Regional High School Taxes	A-17	11,065,604	10,340,689
Refund Prior Year Revenue	A-4	23,338	13,348
Cancel Grant Receivable	A-23	78,320	-
		<u>39,624,815</u>	<u>38,107,549</u>
<b>Total Expenditures</b>			
Excess in Revenue		546,258	1,165,624
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-28	191,645	-
Statutory Excess to Surplus		737,903	1,165,624
Fund Balance, January 1	A	<u>1,505,157</u>	<u>1,789,533</u>
		2,243,060	2,955,157
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	<u>1,150,000</u>	<u>1,450,000</u>
Fund Balance, December 31	A	<u>\$ 1,093,060</u>	<u>\$ 1,505,157</u>

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF REVENUES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**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	\$ 1,150,000	-	\$ 1,150,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-9	2,200		2,228	\$ 28
Other	A-9	500		475	(25)
Fees and Permits					
Other	A-2	37,900		50,536	12,636
Fines and Costs					
Municipal Court	A-9	44,000		38,984	(5,016)
Interest and Costs on Taxes	A-9	55,500		66,701	11,201
Uniform Fire Safety Act - Local	A-9	46,700		43,897	(2,803)
Energy Receipts Tax	A-9	509,389		509,389	
Park Receipts	A-9	204,000		212,227	8,227
Upper Saddle River Sewer Charges	A-9	3,300		3,300	
Cablevision Fees	A-9	58,975		58,986	11
Dept. of Public Works - Recyclables	A-9	19,300		54,138	34,838
Hotel Tax	A-9	275,000		280,190	5,190
Verizon Franchise Fees	A-9	15,285		15,288	3
Clean Community Program	A-23	9,320	\$ 2,043	11,363	
Uniform Construction Code Fees	A-9	206,000		239,773	33,773
N.J. Transportation Trust Fund Authority Act	A-23	130,000		130,000	
Drunk Driving Enforcement Fund- Ch. 159	A-23		785	785	
Body Armor Replacement Program- Reserve	A-23		4,051	4,051	
Municipal Alliance on Alcohol and Drug Abuse	A-23		10,356	10,356	
Handicapped Recreation Opportunities Grant	A-23		15,150	15,150	
County of Bergen - Prosecutor Forfeiture Funds	A-23		5,090	5,090	
Uniform Fire Safety Act	A-9	10,000		15,996	5,996
CDBG- Senior Activity County	A-23	3,000	1,950	4,950	
Reserve for Aid in Lieu of Taxes	A-25	18,521	-	18,521	-
Total Miscellaneous Revenues	A-1	<u>1,648,890</u>	<u>39,425</u>	<u>1,792,374</u>	<u>104,059</u>
Receipts from Delinquent Taxes	A-8,A-1	<u>150,000</u>	-	<u>232,315</u>	<u>82,315</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>7,941,895</u>	-	<u>8,229,752</u>	<u>287,857</u>
Total General Revenues	A-3	<u>\$ 10,890,785</u>	<u>\$ 39,425</u>	<u>11,404,441</u>	<u>\$ 474,231</u>
Non-Budget Revenue	A-1,A-2			<u>75,824</u>	
				<u>\$ 11,480,265</u>	

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF REVENUES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**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	\$ 36,731,254
Less: Allocation to School and County Taxes and Municipal Open Space Preservation Trust Fund	A-18,A-20,A-17, B-11	<u>29,066,502</u>
Balance for Support of Municipal Budget Appropriation		7,664,752
Add Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>565,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 8,229,752</u>
<b>Fees and Permits</b>		
Other		
Collector/Treasurer (Parking)	A-9	\$ 16,975
Police	A-9	1,588
Board of Health	A-9	15,322
Planning & Zoning	A-9	10,976
Fire Department- Miscellaneous Fees	A-9	4,775
Borough Clerk	A-9	<u>900</u>
	A-2	<u>\$ 50,536</u>
<b>Analysis of Non-Budget Revenue</b>		
Interest on Investments		\$ 2,621
Soil Removal		4,413
Scrap Sale		17,386
Admin Fee on Senior and Veterans Discounts		910
DMV Inspection Fees		1,700
Miscellaneous		<u>48,794</u>
	A-2	<u>\$ 75,824</u>
<b>Analysis of Non-Budget Revenue</b>		
Cash Receipts	A-4	\$ 74,268
Due from General Capital Fund	C-9	388
Due from Other Trust- Escrow	B-4	<u>1,168</u>
	A-2	<u>\$ 75,824</u>

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**CURRENT FUND**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<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	\$ 218,000	\$ 223,000	\$ 221,418	\$ 1,582	
Other Expenses	87,750	63,050	62,079	971	
Mayor and Council					
Salaries and Wages	23,000	23,000	23,000		
Other Expenses	3,300	9,500	9,229	271	
Municipal Clerk					
Salaries and Wages	66,769	60,269	58,178	2,091	
Other Expenses	20,550	20,550	19,541	1,009	
Financial Administration					
Salaries and Wages	77,000	75,000	74,817	183	
Other Expenses	23,700	24,700	24,371	329	
Audit Services					
Other Expenses	36,500	58,500	57,899	601	
Revenue Administration (Tax Collection)					
Salaries and Wages	53,740	54,440	54,274	166	
Other Expenses	12,150	11,450	11,270	180	
Tax Assessment Administration					
Salaries and Wages	29,355	29,355	28,344	1,011	
Other Expenses	116,465	85,965	80,017	5,948	
Emergency - Revaluation Program		191,645	191,645		
Legal Services and Costs					
Other Expenses	156,000	186,000	177,049	8,951	
Engineering Services and Costs					
Other Expenses	34,000	48,000	43,025	4,975	
<b>MUNICIPAL LAND USE LAW (NJSA 40:55D-1)</b>					
Planning Board					
Salaries and Wages	36,190	36,690	36,520	170	
Other Expenses	22,700	17,200	14,504	2,696	
Zoning Board of Adjustment					
Salaries and Wages	18,097	18,097	18,097		
Other Expenses	15,150	8,850	4,765	4,085	
<b>INSURANCE</b>					
Unemployment Insurance					
Other Expenses	10,000	10,000	10,000		
Insurance (N.J.S.A. 40A:4-45.3(00))					
General Liability	153,200	150,200	149,407	793	
Workers Compensation	149,117	149,117	149,116	1	
Employee Group Health	857,518	857,518	857,518		
<b>PUBLIC SAFETY FUNCTIONS</b>					
Police					
Salaries and Wages	2,151,094	2,151,094	2,136,147	14,947	
Other Expenses	96,335	96,335	69,096	27,239	
Police Dispatch/911					
Other Expenses	169,500	183,000	182,422	578	

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**CURRENT FUND**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<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>					
Emergency Management Services					
Salaries and Wages	\$ 8,069	\$ 9,569	\$ 9,550	\$ 19	
Other Expenses	5,700	4,200	2,165	2,035	
Aid to Volunteer Fire Companies					
Salaries and Wages	2,500	2,500		2,500	
Other Expenses	122,250	122,250	114,631	7,619	
Aid to Volunteer Ambulance Companies					
Contribution	17,500	34,500	33,175	1,325	
Fire Prevention Bureau					
Salaries and Wages	40,381	38,381	37,549	832	
Other Expenses	23,500	25,500	25,044	456	
Municipal Court					
Salaries and Wages	73,130	71,130	70,182	948	
Other Expenses	6,150	6,150	2,354	3,796	
Municipal Prosecutor's Office					
Other Expenses	9,500	9,500	9,500		
Public Defender					
Other Expenses	2,500	2,500	1,800	700	
<b>PUBLIC WORKS FUNCTION</b>					
Road Repairs and Maintenance					
Salaries and Wages	645,313	636,813	615,386	21,427	
Other Expenses	68,250	50,250	47,819	2,431	
Shade Tree Commission					
Other Expenses	8,100	8,400	8,231	169	
Solid Waste Collection					
Salaries and Wages	183,958	192,958	192,171	787	
Other Expenses	68,675	67,175	59,603	7,572	
Public Buildings and Grounds					
Salaries and Wages	36,715	40,715	40,024	691	
Other Expenses	83,400	113,400	111,828	1,572	
Vehicle Maintenance					
Other Expenses	73,825	95,825	94,724	1,101	
<b>HEALTH AND HUMAN SERVICES</b>					
Board of Health					
Salaries and Wages	9,450	1,450	1,125	325	
Other Expenses	54,950	54,950	53,089	1,861	
Animal Control Services					
Other Expenses	4,110	4,110	4,110		
Welfare/Administration of Public Assistance					
Salaries and Wages	2,009	2,009	1,937	72	
Other Expenses	250	250	89	161	

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**CURRENT FUND**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
OPERATIONS WITHIN "CAPS" (Continued)					
PARKS AND EDUCATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	\$ 150,700	\$ 153,700	\$ 152,828	\$ 872	
Other Expenses	111,375	84,875	77,356	7,519	
Maintenance of Parks					
Other Expenses	22,500	18,500	16,127	2,373	
EDUCATIONAL FUNCTIONS					
Municipal/County Library					
Library Membership	55,000	43,000	41,645	1,355	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	18,500	21,500	20,395	1,105	
UNIFORM CONSTRUCTION CODE APPRO- PRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C 5:23-4-17)					
State Uniform Construction Code					
Salaries and Wages	158,105	158,105	155,338	2,767	
Other Expenses	7,700	7,700	2,333	5,367	
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	125,800	125,800	122,228	3,572	
Street Lighting	94,000	94,000	86,400	7,600	
Telephone	32,700	32,700	29,633	3,067	
Water	7,000	7,000	6,302	698	
Fuel Oil	4,000	4,000	3,597	403	
Gasoline	96,825	98,825	97,804	1,021	
Sewer Processing and Disposal					
Salaries and Wages	197,683	195,183	194,187	996	
Other Expenses	10,800	33,800	31,509	2,291	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill Dump Fees					
Other Expenses	210,250	166,250	160,734	5,516	-
Total Operations Within "CAPS"					
	7,490,303	7,681,948	7,498,250	183,698	-
Detail:					
Salaries and Wages	4,181,258	4,173,458	4,121,072	52,386	-
Other Expenses (Including Contingent)	3,309,045	3,508,490	3,377,178	131,312	-

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
**CURRENT FUND**

	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balances Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
<b>DEFERRED CHARGES AND STATUTORY EXPENDITURES</b>					
- Municipal within "CAPS"					
Statutory Charges					
Social Security System (O.A.S.I.)	\$ 184,165	\$ 184,165	\$ 180,125	\$ 4,040	
Public Employees Retirement System of N.J.	134,238	134,238	134,238		
Police and Firemen's Retirement System of N.J.	468,688	468,688	468,688	-	-
<b>Total Deferred Charges &amp; Statutory Expenditures</b>					
- Municipal within "CAPS"	<u>787,091</u>	<u>787,091</u>	<u>783,051</u>	<u>4,040</u>	<u>-</u>
<b>Total General Appropriations for Municipal Purposes within "CAPS"</b>	<u>8,277,394</u>	<u>8,469,039</u>	<u>8,281,301</u>	<u>187,738</u>	<u>-</u>
<b>OPERATIONS - EXCLUDED FROM "CAPS"</b>					
<b>UTILITY EXPENSE AND BULK PURCHASE</b>					
Bergen County Utilities Authority					
Share Costs Sewer Charges	522,000	521,500	521,353	147	
Borough of Montvale - Sewer Charges	42,251	42,251	42,250	1	
Borough of Hillsdale - Sewer Charges	20,000	20,500	20,453	47	
Insurance					
Employee Group Health	114,982	114,982	919	14,063	\$ 100,000
<b>LANDFILL/SOLID WASTE DISPOSAL COSTS</b>					
Recycling Tax	7,593	7,593	6,750	843	
<b>PUBLIC SAFETY FUNCTION</b>					
Aid to Volunteer Ambulance					
Other Expense - LOSAP Contribution	20,000	20,000	20,000		
Aid to Volunteer Fire Companies					
Other Expense - LOSAP Contribution	41,400	41,400	41,400		
<b>STATUTORY EXPENDITURES</b>					
Police and Firemen's Retirement System					
Other Expenses	14,973	14,973	14,973		
Public Employees Retirement System					
Other Expenses	12,355	12,355	12,355		
<b>PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES</b>					
Clean Community Grant	9,320	11,363	1,752	9,611	
Municipal Alliance on Alcoholism and Drug Abuse		10,356	9,920	436	
Body Armor Fund - Reserve		4,051	3,900	151	
Handicapped Recreation Opportunities Grant		15,150	9,769	5,381	
Senior Citizen Activity Grant (CDBG)	3,000	4,950	4,030	920	
Bergen Cty - Prosecutor Forfeiture Funds		5,090	5,090		
Drunk Driving Enforcement Fund	-	785	-	785	-
<b>Total Operations - Excluded from "CAPS"</b>	<u>807,874</u>	<u>847,299</u>	<u>714,914</u>	<u>32,385</u>	<u>100,000</u>
Detail:					
Other Expenses (Including Contingent)	<u>807,874</u>	<u>847,299</u>	<u>714,914</u>	<u>32,385</u>	<u>100,000</u>

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
CURRENT FUND**

	<u>Budget</u>	<u>Appropriated Budget After Modification</u>	<u>Paid or Charged</u>	<u>Expended Reserves</u>	<u>Unexpended Balances Cancelled</u>
<b>CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"</b>					
Capital Improvement Fund	\$ 10,000	\$ 10,000	\$ 10,000		
New Jersey Transportation Trust Fund Authority Act Highview Avenue	<u>130,000</u>	<u>130,000</u>	<u>112,703</u>	\$ 17,297	-
Total Capital Improvements Excluded from "CAPS"	<u>140,000</u>	<u>140,000</u>	<u>122,703</u>	<u>17,297</u>	-
<b>MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"</b>					
Payment of Bond Principal	865,000	865,000	865,000		
Interest on Bonds	221,817	221,817	221,817		
Interest on Notes	<u>13,700</u>	<u>13,700</u>	<u>13,500</u>	-	\$ 200
Total Municipal Debt Service - Excluded from "CAPS"	<u>1,100,517</u>	<u>1,100,517</u>	<u>1,100,317</u>	-	<u>200</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,048,391</u>	<u>2,087,816</u>	<u>1,937,934</u>	<u>49,682</u>	<u>100,200</u>
Subtotal General Appropriations	10,325,785	10,556,855	10,219,235	237,420	100,200
RESERVE FOR UNCOLLECTED TAXES	<u>565,000</u>	<u>565,000</u>	<u>565,000</u>	-	-
Total General Appropriations	<u>\$ 10,890,785</u>	<u>\$ 11,121,855</u>	<u>\$ 10,784,235</u>	<u>\$ 237,420</u>	<u>\$ 100,200</u>
	<u>Reference</u>	A-2	A,A-1	A,A-1	

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF EXPENDITURES - STATUTORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2010  
CURRENT FUND**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-2	\$ 10,890,785	
Added by N.J.S. 40A:4-87	A-2	39,425	
Special Emergency N.J.S. 40A:4-53	A-28	<u>191,645</u>	
		<u>\$ 11,121,855</u>	
Cash Disbursed	A-4		\$ 9,575,775
Encumbrances Payable	A-19		643,460
Reserve for Uncollected Taxes	A-2		<u>565,000</u>
			<u>\$ 10,784,235</u>

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE BALANCE SHEETS - STATUTORY BASIS**  
**AS OF DECEMBER 31, 2010 AND 2009**  
**TRUST FUNDS**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>			
Animal Control Trust Fund			
Cash	B-3	\$ 7,607	\$ 7,277
Due from State of New Jersey	B-6	<u>8</u>	<u>10</u>
		<u>7,615</u>	<u>7,287</u>
Other Trust Fund			
Cash	B-3	<u>735,154</u>	<u>738,137</u>
		<u>735,154</u>	<u>738,137</u>
Unemployment Trust Fund			
Cash	B-3	<u>9,117</u>	<u>7,980</u>
Municipal Open Space Preservation Trust Fund			
Cash	B-3	225,669	453,175
Due From General Capital Fund	C-10	<u>567,992</u>	<u>-</u>
		<u>793,661</u>	<u>453,175</u>
Length of Service Award Program Fund (UNAUDITED)			
Investments	B	432,891	367,382
Contribution Receivable	B	<u>46,343</u>	<u>44,157</u>
		<u>479,234</u>	<u>411,539</u>
Total Assets		<u>\$ 2,024,781</u>	<u>\$ 1,618,118</u>

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE BALANCE SHEETS - STATUTORY BASIS**  
**AS OF DECEMBER 31, 2010 AND 2009**  
**TRUST FUNDS**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Animal Control Trust Fund			
Accounts Payable	B-10		\$ 1,580
Reserve for Animal Control Expenditures	B-5	\$ 7,615	<u>5,707</u>
		<u>7,615</u>	<u>7,287</u>
Other Trust Fund			
Escrow Deposits Payable	B-7	588,376	564,423
Payroll Deductions Payable	B-8	39,688	39,791
Miscellaneous Reserves	B-14	107,090	131,378
Due to Current Fund - Misc Reserves	B-13		321
Due to Current Fund - Escrow	B-4	-	<u>2,224</u>
		<u>735,154</u>	<u>738,137</u>
Unemployment Trust Fund			
Due to State of New Jersey	B-12	961	25
Reserve for Unemployment Claims	B-9	<u>8,156</u>	<u>7,955</u>
		<u>9,117</u>	<u>7,980</u>
Municipal Open Space Preservation Trust Fund			
Reserve for Municipal Open Space Expenditures	B-11	<u>793,661</u>	<u>453,175</u>
Length of Service Award Program Fund (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>479,234</u>	<u>411,539</u>
<b>Total Liabilities, Reserves and Fund Balance</b>		<u>\$ 2,024,781</u>	<u>\$ 1,618,118</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF REVENUES-STATUTORY BASIS  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>2010 Budget</u>	<u>Realized in 2010</u>	<u>Excess or Deficit</u>
Amount to be Raised by Taxation	\$ 171,422	\$ 171,800	\$ 378
Reference	B-2	B-11	

**STATEMENT OF APPROPRIATIONS-STATUTORY BASES  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>2010 Budget</u>	<u>2010 Expended</u>	
		<u>Paid or Charged</u>	<u>Reserved</u>
Down Payments on Improvements	\$ 171,422	\$ 171,422	\$ -
Reference	B-1	B-11	

**BOROUGH OF WOODCLIFF LAKE  
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS  
AS OF DECEMBER 31, 2010 AND 2009  
GENERAL CAPITAL FUND**

ASSETS	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Cash	C-2, C-3	\$ 1,425,348	\$ 681,513
Deferred Charges to Future Taxation			
Funded	C-4	6,415,000	7,280,000
Unfunded	C-6	50,351	1,269,351
Due from Current Fund	C-9	20,922	
Grant Receivables	C-5	<u>349,171</u>	<u>1,918,060</u>
 Total Assets		 <u>\$ 8,260,792</u>	 <u>\$ 11,148,924</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
General Serial Bonds	C-7	\$ 6,415,000	\$ 7,280,000
Bond Anticipation Notes Payable	C-13	400,000	1,200,000
Improvement Authorizations			
Funded	C-8	231,506	666,790
Unfunded	C-8	15,118	143,501
Due to Current Fund	C-9		64
Due to Municipal Open Space Trust Fund	C-10	567,992	
Reserve for Grants Receivable	C-5	142,500	1,767,992
Contracts Payable	C-11	416,434	769
Capital Improvement Fund	C-12	42,264	32,264
Fund Balance	C-1	<u>29,978</u>	<u>57,544</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 8,260,792</u>	 <u>\$ 11,148,924</u>

There were bonds and notes authorized but not issued at December 31, 2010 and 2009 of \$50,351 and \$69,351, respectively (Exhibit C-14).

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE STATEMENTS OF CHANGE IN FUND BALANCE - STATUTORY BASIS**  
**FOR THE YEARS ENDING DECEMBER 31, 2010 AND 2009**  
**GENERAL CAPITAL FUND**

	<u>Reference</u>	<u>2010</u>	<u>2009</u>
Balance, January 1,	C	\$ 57,544	\$ 14,003
Increased by:			
Premium on Sale of Notes	C-1		7,099
Cancellation of Improvement Authorizations	C-8	<u>570,334</u>	<u>36,442</u>
		627,878	57,544
Decreased by:			
Improvement Authorization Funded by Surplus	C-8	<u>597,900</u>	<u>-</u>
Balance, December 31,	C	<u>\$ 29,978</u>	<u>\$ 57,544</u>

**BOROUGH OF WOODCLIFF LAKE  
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS  
AS OF DECEMBER 31, 2010 AND 2009  
PUBLIC ASSISTANCE FUND**

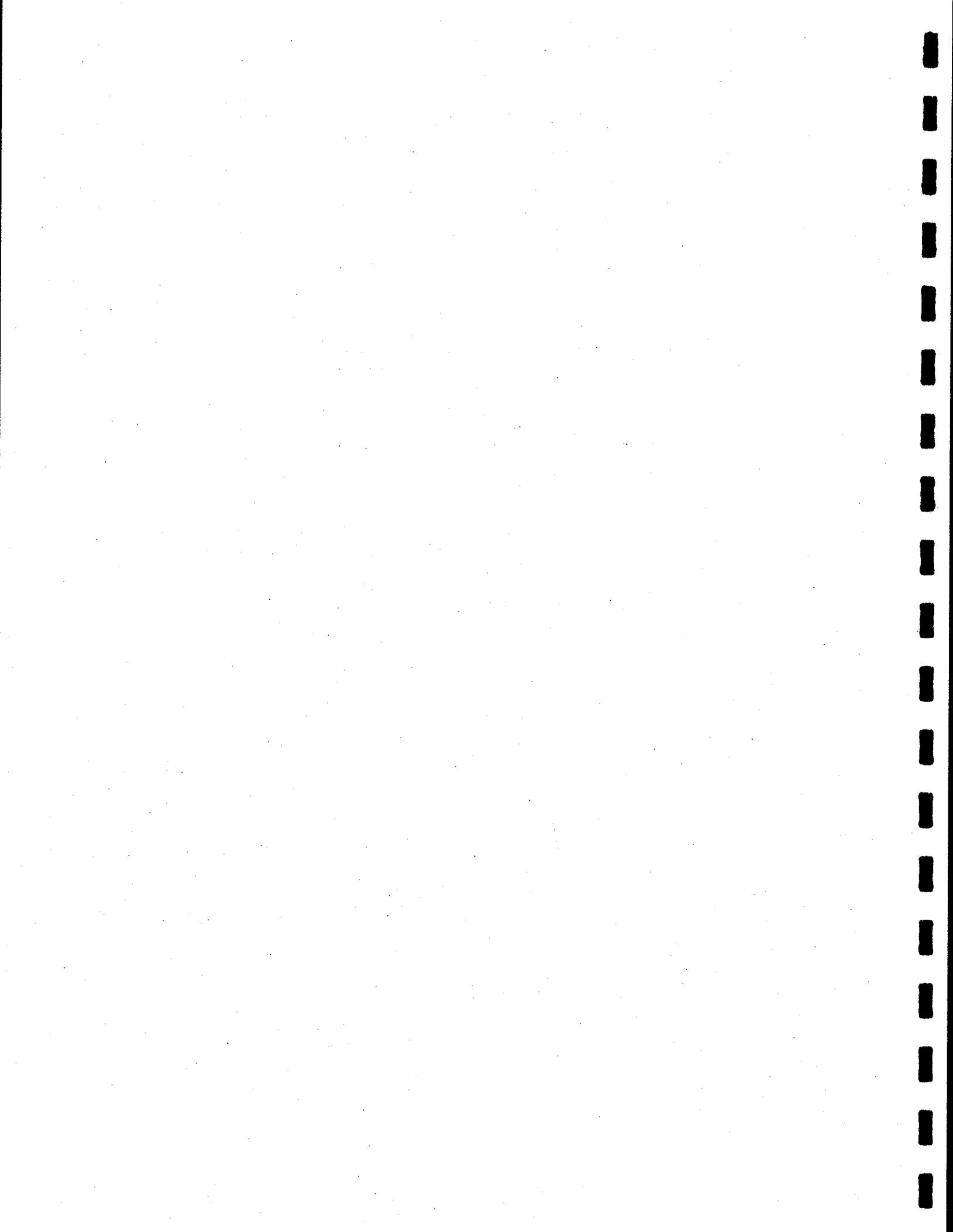
	<u>Reference</u>	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>			
Cash	D-1	\$ 6,088	\$ 6,615
Total Assets		<u>\$ 6,088</u>	<u>\$ 6,615</u>
 <b>LIABILITIES AND RESERVES</b>			
Due to the State of New Jersey	D-3	\$ 2,201	\$ 2,201
Reserve for Public Assistance Expenditures	D-2	<u>3,887</u>	<u>4,414</u>
Total Liabilities and Reserves		<u>\$ 6,088</u>	<u>\$ 6,615</u>

**BOROUGH OF WOODCLIFF LAKE  
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS  
AS OF DECEMBER 31, 2010 AND 2009  
GENERAL FIXED ASSETS ACCOUNT GROUP**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Land	\$ 7,207,218	\$ 7,207,218
Building and Building Improvements	5,577,682	5,577,682
Machinery and Equipment	<u>7,883,230</u>	<u>7,621,949</u>
	<u>\$ 20,668,130</u>	<u>\$ 20,406,849</u>
 <b>FUND BALANCE</b>		
Investment in General Fixed Assets	<u>\$ 20,668,130</u>	<u>\$ 20,406,849</u>

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**NOTES TO FINANCIAL STATEMENTS**



**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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 regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the 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 or 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.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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

The 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.

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 - These 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 former 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 and other capital assets, 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 general 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, 2010 AND 2009**

**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 ("regulatory basis of accounting") differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

**Property Tax Revenues** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. 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 standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The 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.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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

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

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

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 2010 and 2009 the Borough Council increased the original budget by \$231,070 and \$44,206. The increases were funded by additional aid allotted to the Borough and was attributable to a special emergency resolution for the revaluation of real property. In addition, the governing body approved several budget transfers during 2010 and 2009.

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

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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

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

**Compensated Absences** - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to 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.

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

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

**Cash and Investments** - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. 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 NJAC 5:30-5.6, 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.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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

**General Fixed Assets (Continued)**

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks 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 General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

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

**Use of Estimates** - The preparation of financial statements requires management of the 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.

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

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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

**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 Borough is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2010 and 2009, the book value of the Borough's deposits were \$5,544,030 and \$5,860,180 and bank and brokerage firm balances of the Borough's deposits amounted to \$5,440,622 and \$5,386,857, 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>2010</u>	<u>2009</u>
Insured	\$ 2,318,025	\$ 2,542,002
Uninsured and Collateralized	3,122,597	2,844,855
	<u>\$ 5,440,622</u>	<u>\$ 5,386,857</u>

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

**Deposits (Continued)**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2010 and 2009, the Borough’s bank balances of \$3,122,597 and \$837,754 were exposed to custodial credit risk as follows:

	<u>2010</u>	<u>2009</u>
Uninsured and Collateralized		
Collateral held by pledging bank's trust department, not in the Borough's name	\$ 3,122,597	\$ 2,844,855

**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, 2010 and 2009, the Borough had the following investments:

	<u>Fair Value</u>	<u>Book Value</u>
	<u>(LOSAP Only)</u>	
<b><u>2010</u></b>		
Investment:		
M.B.I.A. Class Account (Government Money Market)		\$ 86,322
Length of Service Award Program (Unaudited)	\$ 432,891	432,891
	<u>\$ 432,891</u>	<u>\$ 519,213</u>
<b><u>2009</u></b>		
Investment:		
M.B.I.A. Class Account (Government Money Market)		\$ 534,424
Length of Service Award Program (Unaudited)	\$ 367,382	367,382
	<u>\$ 367,382</u>	<u>\$ 901,806</u>

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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, 2010 and 2009, \$519,213 and \$901,806 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>Fair Value</u> <u>(LOSAP)</u> <u>(Unaudited)</u>	<u>Book</u> <u>Value</u>	<u>Total</u>
<b><u>2010</u></b>			
Uninsured and Collateralized			
Collateral held by pledging bank's trust			
department, but not in the Borough's			
name	\$ 432,891	\$ 86,322	\$ 519,213
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b><u>2009</u></b>			
Uninsured and Collateralized			
Collateral held by pledging bank's trust			
department, but not in the Borough's			
name	\$ 367,382	\$ 534,424	\$ 901,806
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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

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, 2010 and 2009, the Borough’s investment in Lincoln Financial Group was rated AA3 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 83% 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, Developer’s Escrow Trust Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 3 TAXES RECEIVABLE**

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

	<u>2010</u>	<u>2009</u>
<u>Current</u>		
Property Taxes	\$ 181,797	\$ 235,553
Tax Title Liens	<u>3,044</u>	<u>2,897</u>
	<u>\$ 184,841</u>	<u>\$ 238,450</u>

In 2010 and 2009, the Borough collected \$232,315 and \$220,964 from delinquent taxes, which represented 99% and 99% 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 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>2010</u>	<u>2009</u>
Issued		
General		
Bonds and Notes	\$ 6,815,000	\$ 8,480,000
Less Funds Temporarily Held to Pay Bonds	<u>400,000</u>	<u>-</u>
Net Debt Issued	6,415,000	8,480,000
Authorized But Not Issued		
General		
Bonds and Notes	<u>50,351</u>	<u>69,351</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 6,465,351</u>	<u>\$ 8,549,351</u>

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .28% and .38% at December 31, 2010 and 2009, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2010</u></b>			
General Debt	\$ 6,465,351		\$ 6,465,351
School Debt	<u>17,410,900</u>	<u>\$ 17,410,900</u>	<u>-</u>
Total	<u>\$ 23,876,251</u>	<u>\$ 17,410,900</u>	<u>\$ 6,465,351</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2009</u></b>			
General Debt	\$ 8,549,351		\$ 8,549,351
School Debt	<u>18,143,649</u>	<u>\$ 18,143,649</u>	<u>-</u>
Total	<u>\$ 26,693,000</u>	<u>\$ 18,143,649</u>	<u>\$ 8,549,351</u>

**Statutory Borrowing Power**

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

	<u>2010</u>	<u>2009</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 78,340,970	\$ 78,145,280
Net Debt	<u>6,465,351</u>	<u>8,549,351</u>
Remaining Borrowing Power	<u>\$ 71,875,619</u>	<u>\$ 69,595,929</u>

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Long-Term Debt**

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>2010</u>	<u>2009</u>
\$3,696,000, 1998 Bonds, due in annual installments of \$191,000 to \$200,000 through December, 2018, interest at 4.375%	\$ 1,591,000	\$ 1,791,000
\$3,068,000, 2003 Bonds, due in annual installments of \$342,000 to \$350,000 through June, 2013, interest at 2.70%	1,042,000	1,392,000
\$2,024,000, 2004 Bonds, due in annual installments of \$155,000 to \$170,000 through October, 2018, interest at 3.25% to 4.0%	1,304,000	1,459,000
\$2,638,000, 2009 Bonds, due in annual installments of \$175,000 to \$320,000 through October, 2018, interest at 1.25% to 2.875%	<u>2,478,000</u>	<u>2,638,000</u>
	<u>\$ 6,415,000</u>	<u>\$ 7,280,000</u>

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Long-Term Debt (Continued)**

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

Calendar Year	General		Total
	Principal	Interest	
2011	\$ 880,000	\$ 196,268	\$ 1,076,268
2012	905,000	169,524	1,074,524
2013	922,000	141,757	1,063,757
2014	665,000	117,715	782,715
2015	675,000	96,896	771,896
2016-2019	<u>2,368,000</u>	<u>160,275</u>	<u>2,528,275</u>
Total	<u>\$ 6,415,000</u>	<u>\$ 882,435</u>	<u>\$ 7,297,435</u>

**Changes in Long-Term Municipal Debt**

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

	Balance, December 31, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2010</u>	Due Within <u>One Year</u>
<b><u>2010</u></b>					
General Capital Fund Bonds Payable	<u>\$ 7,280,000</u>	<u>\$ -</u>	<u>\$ 865,000</u>	<u>\$ 6,415,000</u>	<u>\$ 880,000</u>
	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>	Due Within <u>One Year</u>
<b><u>2009</u></b>					
General Capital Fund Bonds Payable	<u>\$ 5,347,000</u>	<u>\$ 2,638,000</u>	<u>\$ 705,000</u>	<u>\$ 7,280,000</u>	<u>\$ 865,000</u>

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Changes in Long-Term Municipal Debt (Continued)**

**Short-Term Debt**

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

	Balance, December 31, <u>2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2010</u>
<b><u>2010</u></b>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ 1,200,000</u>	<u>\$ 400,000</u>	<u>\$ 1,200,000</u>	<u>\$ 400,000</u>
	Balance, December 31, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2009</u>
<b><u>2009</u></b>				
Bond Anticipation Notes				
General Capital Fund	<u>\$ -</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ 1,200,000</u>

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 5 FIXED ASSETS**

**General Fixed Assets**

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

	Balance December 31, <u>2009</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2010</u>
<b><u>2010</u></b>				
Land	\$ 7,207,218			\$ 7,207,218
Buildings and Building Improvement	5,577,682			5,577,682
Machinery and Equipment	<u>7,621,949</u>	<u>\$ 261,281</u>	<u>-</u>	<u>7,883,230</u>
	<u>\$ 20,406,849</u>	<u>\$ 261,281</u>	<u>\$ -</u>	<u>\$ 20,668,130</u>
	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2009</u>
<b><u>2009</u></b>				
Land	\$ 3,697,600	\$ 3,509,618		\$ 7,207,218
Buildings and Building Improvement	5,577,682			5,577,682
Machinery and Equipment	<u>6,394,179</u>	<u>1,227,770</u>	<u>-</u>	<u>7,621,949</u>
	<u>\$ 15,669,461</u>	<u>\$ 4,737,388</u>	<u>\$ -</u>	<u>\$ 20,406,849</u>

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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

	<u>2010</u>		<u>2009</u>	
	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund		\$ 20,922	\$ 2,609	
Other Trust Fund-Escrow				\$ 2,224
Other Trust Fund-Msc. Reserves				321
Municipal Open Space Preservation	\$ 567,992			
General Capital Fund	<u>20,922</u>	<u>567,992</u>	<u>-</u>	<u>64</u>
 Total	 <u>\$ 588,914</u>	 <u>\$ 588,914</u>	 <u>\$ 2,609</u>	 <u>\$ 2,609</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.

**NOTE 7 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund is comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year's budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year's budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund 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>2010</u>	Utilized in Subsequent Year's Budget	Fund Balance December 31, <u>2009</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 680,830	\$ 680,830	\$ 1,258,230	\$ 1,150,000
Non-Cash Surplus	<u>412,230</u>	<u>119,170</u>	<u>246,927</u>	<u>-</u>
	 <u>\$ 1,093,060</u>	 <u>\$ 800,000</u>	 <u>\$ 1,505,157</u>	 <u>\$ 1,150,000</u>

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

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

	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<b><u>2010</u></b>			
Current Fund			
Special Emergency Authorizations (40A:4-55)	\$ 191,645	\$ 38,329	\$ 153,316

	<u>Balance, December 31,</u>	<u>Subsequent Year Budget Appropriation</u>	<u>Balance to Succeeding Budgets</u>
<b><u>2009</u></b>			
There are none.			

**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 \$501,425 and \$544,511 at December 31, 2010 and 2009, respectively. These amounts which is are considered material to the financial statements, are not reported either as an expenditure or liability.

As of December 31, 2010 and 2009, the Borough has reserved in the Current Fund \$378,181 and \$468,185, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**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, if applicable, 25 years for post-retirement healthcare coverage.

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those 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 accessed via the New Jersey, Division of Pensions and Benefits website at [www.state.nj.us/treasury/pension](http://www.state.nj.us/treasury/pension).

**Basis of Accounting**

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

**Investment Valuation**

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

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

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

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

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

**Funded Status and Funding Progress**

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

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

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

**Actuarial Methods and Assumptions**

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

**Employer and Employee Pension Contributions**

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

**Annual Pension Cost (APC)**

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

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

**Annual Pension Cost (APC) (Continued)**

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

Year Ended December 31	<u>PFRS</u>	<u>PERS</u>
2010	\$ 468,688	\$ 134,238
2009	452,839	129,699
2008	399,466	95,892

**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.

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

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

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

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

**Basis of Accounting**

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

**Investment Valuation**

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

**Funded Status and Funding Progress**

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

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

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

**Actuarial Methods and Assumptions**

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

**Post-Retirement Medical Benefits Contribution**

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

**Post-Retirement Medical Benefits Contribution (Continued)**

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

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

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2010, 2009 and 2008 were \$189,366, \$177,785 and \$169,543, respectively, which equaled the required contributions for each year (or were not available). In addition, the Borough's reimbursements to eligible retired employees for Medicare Part B insurance coverage for the years ended December 31, 2010, 2009 and 2008 were \$24,197, \$23,124 and \$23,329, 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.

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 12 RISK MANAGEMENT (Continued)**

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.

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>
2010	\$ 10,000		\$ 9,803	\$ 8,156
2009	10,000		13,174	7,955
2008	10,000	\$ 12,432	27,740	11,122

**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 including one with the Borough's largest property owner at December 31, 2010 and 2009. Amounts claimed cover multiple years and 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, 2010 and 2009, the Borough reserved \$274,336 and \$682,708, 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 year's budget, from fund balance or through the issuance of debt.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NOTE 13 CONTINGENT LIABILITIES (Continued)**

**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, 2010 and 2009, 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.

**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, 2010 and 2009, the Borough had no estimated arbitrage earnings due to the IRS.

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

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 Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

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

The Borough of Woodcliff Lake has contributed \$1,448 and \$1,424 for 2010 and 2009, respectively, for each eligible volunteer fire department member into the Plan.

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.

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.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010 AND 2009**

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

**Vesting and Benefits**

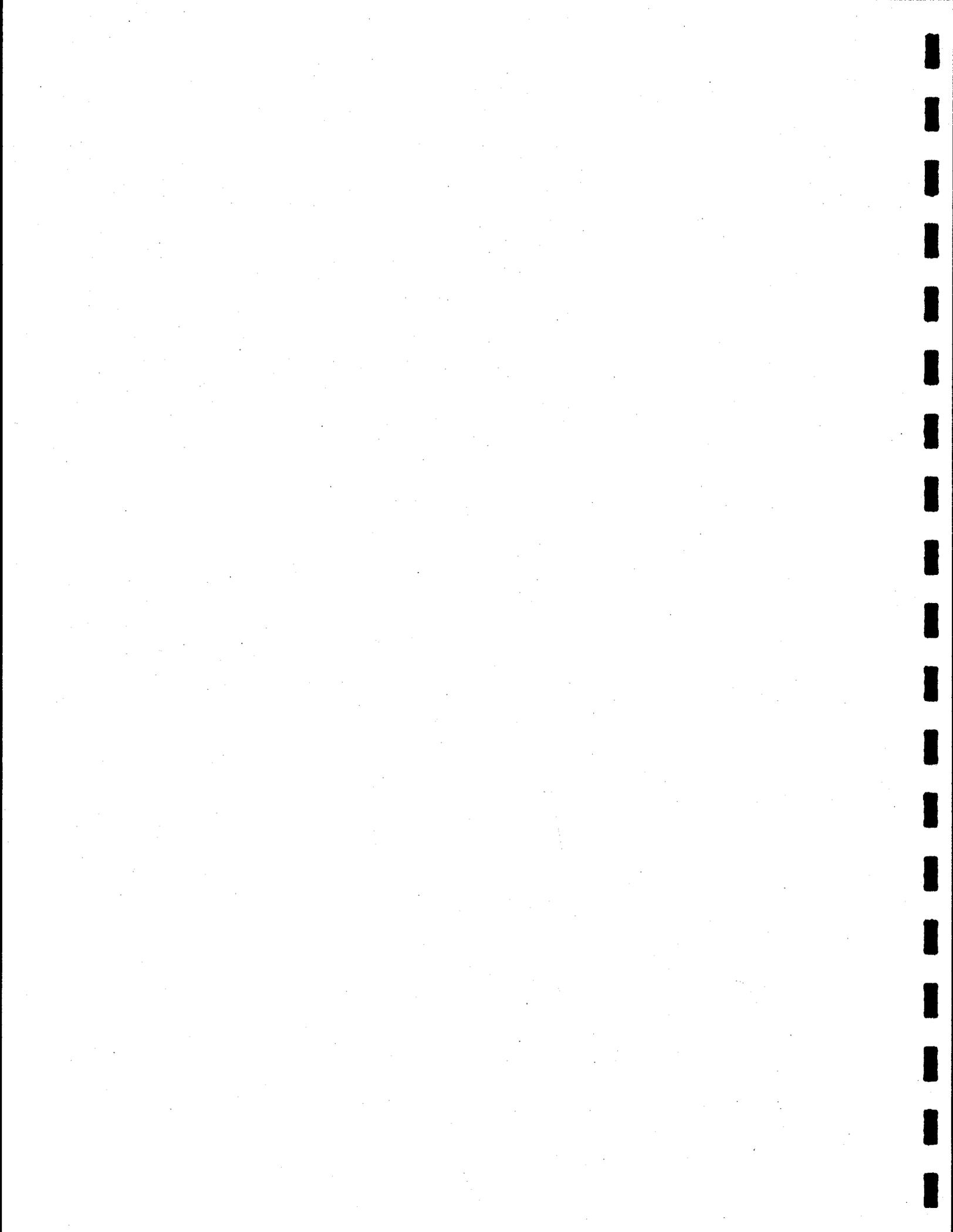
A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

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.

**CURRENT FUND**



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

Balance, January 1, 2010		\$ 3,963,383
Increased by Receipts:		
Taxes Receivable	\$ 36,460,421	
Receipts from Delinquent Taxes	232,315	
Non-Budget Revenue	74,268	
State of NJ - Senior Citizens' and Veterans' Deductions	45,500	
Revenue Accounts Receivable	1,592,108	
Construction Training Fees	14,177	
Prepaid Taxes	236,370	
Grants Receivable	129,767	
Unappropriated Reserves	38,803	
Tax Overpayments	45,778	
Aid in Lieu of Taxes	17,346	
Marriage License Fees	475	
Miscellaneous Reserves	54,571	
Payments made by General Capital	20,990	
Receipts from Other Trust Fund	4,253	
Receipts from General Capital Fund	<u>384</u>	
		<u>38,967,526</u>
		42,930,909
Decreased by Disbursements:		
2010 Budget Appropriations	9,575,775	
2009 Appropriation Reserves	539,593	
Construction Training Fees	17,446	
Marriage License Fees	600	
Regional High School Tax	11,065,604	
County Tax	4,601,466	
Local District School Tax	13,227,331	
Appropriated Reserves	1,153	
Accounts Payable	449	
Tax Overpayments	23,677	
Reserve for Tax Appeals	408,372	
Unappropriated Reserves	10,814	
Refund Prior Year Revenue	23,338	
Reserve for Terminal Leave	130,004	
Payments to Other Trust- Msc. Reserves	540	
Payments to Open Space Trust Fund	<u>171,800</u>	
		<u>39,797,962</u>
Balance, December 31, 2010		<u>\$ 3,132,947</u>

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

Balance, January 1, 2010	\$ <u>2,000</u>
Balance, December 31, 2010	\$ <u><u>2,000</u></u>

**STATEMENT OF CHANGE FUNDS**

Balance, January 1, 2010	\$ <u>100</u>
Balance, December 31, 2010	\$ <u><u>100</u></u>

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

Balance, January 1, 2010	\$ 9,266
Increased by:	
Cash Received from State of New Jersey	<u>45,500</u>
	54,766
Decreased by:	
Senior Citizens' Deductions Per Tax Billings	\$ 2,000
Veterans' Deductions Per Tax Billings	42,750
Veterans' Deductions Allowed by Tax Collector	<u>750</u>
	<u>45,500</u>
Balance, December 31, 2010	\$ <u><u>9,266</u></u>



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

	Balance, January 1, <u>2010</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2010</u>
Borough Clerk				
Licenses				
Alcoholic Beverage Licenses		\$ 2,228	\$ 2,228	
Other Licenses		475	475	
Fees and Permits		900	900	
Collector-Treasurer				
Fees and Permits		16,975	16,975	
Construction Code Official				
Building Permits and Fees		239,773	239,773	
Planning and Zoning				
Fees and Permits		10,976	10,976	
Fire Prevention				
Miscellaneous Fees and Permits		4,775	4,775	
Police				
Fees and Permits		1,588	1,588	
Board of Health				
Fees and Permits		15,322	15,322	
Municipal Court				
Fines and Costs	\$ 3,903	38,812	38,984	\$ 3,731
Uniform Fire Safety Act- Local		43,897	43,897	
Uniform Fire Safety Act- LEA		15,996	15,996	
Interest and Cost on Taxes		66,701	66,701	
Energy Receipts Tax		509,389	509,389	
Verizon Franchise Fees		15,288	15,288	
Park Receipts		212,227	212,227	
Upper Saddle River Sewer Charges		3,300	3,300	
Cablevision Fees		58,986	58,986	
Hotel Tax		280,190	280,190	
Dept. of Public Works Recyclables	-	54,138	54,138	-
	<u>\$ 3,903</u>	<u>\$ 1,591,936</u>	<u>\$ 1,592,108</u>	<u>\$ 3,731</u>

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance, January 1, 2010	Transfers	Balance After Modification	Expended	Transfer	Balanced Lapsed
<b>Salaries and Wages</b>						
General Administration	\$ 2,466	\$ (2,000)	\$ 466			\$ 466
Mayor & Council	126		123			123
Municipal Clerk	5,000	(4,000)	1,000			1,000
Financial Administration	769		769			769
Revenue Administration	66		66			66
Tax Assessment Administration	515		515			515
Police	85,012	(20,000)	65,012	\$ 20,724	\$ 40,000	4,288
Emergency Management Services	16		16			16
Aid to Volunteer Fire Companies	2,500		2,500			2,500
Fire Prevention Bureau	2,153		2,153			2,153
Road Repairs and Maintenance	18,201	(9,000)	9,201	8,229		972
Solid Waste Collection	502		502			502
Public Buildings and Grounds	953		953			953
Board of Health	3,175	(3,000)	175			175
Welfare Administration	13		13			13
Recreation Services and Programs	2,453	(2,000)	453			453
Planning Board	2,004	2,000	4,004	3,907		97
Uniform Construction Code	1,314		1,314			1,314
Sewer Processing and Disposal	3,259	(1,000)	2,259			2,259
Municipal Court	250	-	250	-	-	250
<b>Total Salaries and Wages</b>	<b>130,747</b>	<b>(39,000)</b>	<b>91,744</b>	<b>32,860</b>	<b>40,000</b>	<b>18,884</b>
<b>Other Expenses</b>						
General Administration	996		5,653	5,399		254
Mayor & Council	951		1,245	356		889
Municipal Clerk	2,285		5,537	3,342		2,195
Financial Administration	2,023		3,214	1,988		1,226
Audit Services	391		34,391	34,000		391
Revenue Administration	1,127		1,590	463		1,127
Assessment of Taxes (Reserve for Tax Appeals)	1,641		2,860	1,396		1,464
Legal Services and Costs	5,891	7,000	33,017	28,335		4,682
Engineering Service and Costs	1,861		1,861			1,861
Planning Board	2,198		2,219	64		2,155
Zoning Board of Adjustment	1,537		3,158	1,803		1,355
General Liability	37	500	30,841	30,530		311
Employee Group Health	3,500	(500)	3,000	335		2,665
Workers Compensation			37,219	37,219		

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance, January 1, <u>2010</u>	<u>Transfers</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balanced <u>Lapsed</u>
Other Expenses (Continued)						
Police	\$ 3,023		\$ 9,879	\$ 9,660		\$ 219
Police Dispatch/911	2,077	\$ 27,000	29,077	28,506		571
Emergency Management Services	1,812		2,200	388		1,812
Aid to Volunteer Fire Companies	7,847		15,140	14,052		1,088
LOSAP - Ambulance Corp.			20,000	13,464		6,536
LOSAP - Fire Department			45,000	44,144		856
Fire Prevention Bureau	6,711		6,711	206		6,505
Road Repairs and Maintenance	6,020		7,548	1,883		5,665
Shade Tree Commission	9,151		9,151			9,151
Solid Waste Collection	2,617		13,496	11,403		2,093
Public Buildings and Grounds	369	3,000	11,613	11,288		325
Vehicle Maintenance	2,685		7,700	6,068		1,632
Board of Health	1,977		2,614	636		1,978
Welfare/Administration of Public Assist.	52		96	44		52
Recreation Services and Programs	9,791		11,085	4,046		7,039
Maintenance of Parks	3,653	(2,000)	2,484	831		1,653
Library Membership	1,198		3,123	1,925		1,198
Celebration of Public Events	2,214	(2,000)	214			214
Uniform Construction Code	3,578		4,478	899		3,579
Electricity	8,247	2,000	19,344	18,884		460
Street Lighting	3,084	6,000	17,574	16,829		745
Telephone	3,262	(2,000)	4,201	3,703		498
Water	2,116	(2,000)	881	765		116
Fuel Oil	1,550	(1,000)	550			550
Gasoline	4,608	3,000	14,222	13,937		285
Sewer Processing and Disposal	2,665		2,665	215		2,450
Solid Waste Disposal	2,210		33,410	30,639		2,771
Shared Costs Sewer Charges	4		4			4
Borough of Hillsdale-Sewer Charges			18,750	18,507		243
Borough of Montvale-Sewer Charges			38,700	38,640		60
Social Security System (O.A.S.I)	845		845	288		557
Municipal Court	2,911		2,911			2,911
Public Defender	850		1,150	300		850

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF 2009 APPROPRIATION RESERVES**

	Balance, January 1, <u>2010</u>	<u>Transfers</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balanced <u>Lapsed</u>
Other Expenses (Continued)						
Body Armor Fund	\$ 3,422		\$ 3,422	\$ 81	\$ 3,341	
Handicapped Recreation Opportunities Grant	1,104		1,189	1,085	104	
Drunk Driving Enforcement Fund	532		532		532	
Clean Communities			7,284	7,284		
Senior Activity County Grant	15		15			\$ 15
NJDEP-Recycling Tonnage Grant	22,886		23,678	16,535	7,143	
Bergen County Municipal Alliance-State			3,465	3,465		
Resurfacing of Various Streets	2,047		2,047	453		1,594
Technology Improvements -GIS	3,355		5,830	2,475		3,355
DPW - Mason Dump w/lift gate & snow plow	45,000		45,000			45,000
Parks & Recreation- Recreational Development Plan	25,000		25,000		25,000	
Fire - Replacement of SBCA Air Bottles - Phase I	1,996		25,000	23,004		1,996
Police - Patrol Vehicle - upgrade to digital	2,260		2,260			2,260
Police - Evidence Tracking System	11,225		11,225	11,217		8
NJ Transportation Trust Fund Authority Act Brookview Drive	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>73,182</u>	<u>76,818</u>	<u>-</u>
Total Other Expenses	<u>390,407</u>	<u>\$ 39,000</u>	<u>828,568</u>	<u>576,161</u>	<u>112,938</u>	<u>139,469</u>
Grand Total	<u>\$ 521,154</u>	<u>\$ -</u>	<u>\$ 920,312</u>	<u>\$ 609,021</u>	<u>\$ 152,938</u>	<u>\$ 158,353</u>
Appropriation Reserves			\$ 521,154			
Encumbrances Payable			<u>399,158</u>			
			<u>\$ 920,312</u>			
Transfer to Accounts Payable				\$ 69,428		
Cash Disbursements				<u>539,593</u>		
				<u>\$ 609,021</u>		
					\$ 112,938	
					<u>40,000</u>	
					<u>\$ 152,938</u>	

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

Balance, January 1, 2010	\$ 19,450
Increased by:	
Transferred from Encumbrances Payable	<u>69,428</u>
	88,878
Decreased by:	
Cash Disbursements	<u>449</u>
Balance, December 31, 2010	<u>\$ 88,429</u>

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

Balance, January 1, 2010	\$ 5,969
Increased by:	
Collections	<u>14,177</u>
	20,146
Decreased by:	
Payments	<u>17,446</u>
Balance, December 31, 2010	<u>\$ 2,700</u>

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

Balance, January 1, 2010	\$ 175
Increased by:	
Collections	<u>475</u>
	650
Decreased by:	
Payments	<u>600</u>
Balance, December 31, 2010	<u>\$ 50</u>

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

Balance, January 1, 2010		\$ 682,708
Decreased by:		
Cash Paid to Appellants		<u>408,372</u>
Balance, December 31, 2010		<u>\$ 274,336</u>

EXHIBIT A-15

**STATEMENT OF PREPAID TAXES**

Balance, January 1, 2010		\$ 202,267
Increased by:		
Collection of 2011 Taxes		<u>236,370</u>
		438,637
Decreased by:		
Application to 2010 Taxes		<u>202,267</u>
Balance, December 31, 2010		<u>\$ 236,370</u>

EXHIBIT A-16

**STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2010		\$ 32,217
Increased by:		
Cash Receipts		<u>45,778</u>
		77,995
Decreased by:		
Applied to 2010 Taxes Receivable	\$ 23,066	
Cancellation	3	
Cash Disbursements	<u>23,677</u>	
		<u>46,746</u>
Balance, December 31, 2010		<u>\$ 31,249</u>

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

Increased by:		
Levy - Calendar Year		\$ <u>11,065,604</u>
Decreased by:		
Payments		\$ <u>11,065,604</u>

**STATEMENT OF COUNTY TAXES PAYABLE**

Balance, January 1, 2010		\$ 9,847
Increased by:		
2010 Levy	\$ 4,532,965	
Open Space Preservation	58,654	
Added Taxes (54:4-63.1 et seq.)	<u>10,148</u>	
		<u>4,601,767</u>
		4,611,614
Decreased by:		
Payments		<u>4,601,466</u>
Balance, December 31, 2010		\$ <u>10,148</u>

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2010		\$ 399,158
Increased by:		
Charges to 2010 Appropriations		<u>643,460</u>
		1,042,618
Decreased by:		
Transfer to Appropriation Reserves		<u>399,158</u>
Balance, December 31, 2010		\$ <u>643,460</u>

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

Increased by:	
Levy - Calendar Year	<u>\$ 13,227,331</u>
Decreased by:	
Payments	<u>\$ 13,227,331</u>

**STATEMENT OF UNAPPROPRIATED RESERVES**

	Balance, January 1, <u>2010</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Realized in 2010 <u>Budget</u>	Balance, December 31, <u>2010</u>
Affordable Housing	<u>\$ 239,086</u>	<u>\$ 38,803</u>	<u>\$ 10,814</u>	<u>\$ -</u>	<u>\$ 267,075</u>
	<u>\$ 239,086</u>	<u>\$ 38,803</u>	<u>\$ 10,814</u>	<u>\$ -</u>	<u>\$ 267,075</u>

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

	Balance, January 1, <u>2010</u>	Transferred from 2009 Appropriation Reserves	Paid or Charged	Cancellation	Balance, December 31, <u>2010</u>
Capital Improvements:					
Park & Recreation Sidewalk Imprvts.	\$ 40,312				\$ 40,312
NJ DOT- Overlook Ave	28,341			\$ 28,341	-
NJ DOT - Brookview Drive		\$ 76,818			76,818
Domestic Violence	3,843				3,843
Emergency Beacon	59				59
GDL Enforcement	1,375				1,375
Body Armor Fund	859	3,341	\$ 859		3,341
Municipal Alliance	4,464		119		4,345
Alcohol & Drug Rehabilitation	4,802		175		4,627
Senior Citizen	3,000				3,000
DWI- Overtime	4,976	532			5,508
State Police Disaster	1,620				1,620
Individuals Disability Grants	3,738	104			3,842
Child Passenger Safety Grant	656				656
Recycling Tonnage Grant	1,205	7,143			8,348
Recreation Development Plan	-	25,000	-	-	25,000
	<u>\$ 99,250</u>	<u>\$ 112,938</u>	<u>\$ 1,153</u>	<u>\$ 28,341</u>	<u>\$ 182,694</u>
Cash Disbursements			<u>\$ 1,153</u>		

EXHIBIT A-23

**STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, <u>2010</u>	Accrued <u>2010</u>	Collected <u>2010</u>	Cancelled	Balance, December 31, <u>2010</u>
NJ Dept. of Transportation:					
Glen Road Improvements	\$ 26,889			\$ 26,889	
Overlook Ave	201,431		\$ 77,660	51,431	\$ 72,340
Highview Ave		\$ 130,000			130,000
Senior Activity County Grant		4,950	3,000		1,950
Clean Communities Grant		11,363	11,363		-
NJ DEP Recycling Grant Program	6				6
GDL Enforcement Grant	1,375				1,375
Handicapped Recreation Opportunities C	5,584	15,150	13,179		7,555
Municipal Alliance Program	11,017	10,356	14,014		7,359
Body Armor Grant		4,051	4,051		
DDEF		785	785		
Forfeiture Funds		5,090	5,090		
Prosecutors Forfeiture Funds	625	-	625	-	-
	<u>\$ 246,927</u>	<u>\$ 181,745</u>	<u>\$ 129,767</u>	<u>\$ 78,320</u>	<u>\$ 220,585</u>

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

Balance, January 1, 2010	\$ 2,897
Increased by:	
Transfer from Taxes Receivable	147
Balance, December 31, 2010	\$ 3,044

EXHIBIT A-25

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

Balance, January 1, 2010	\$ 18,521
Increased by:	
Cash Receipts	17,346
	35,867
Decreased by:	
Realized as Budgeted Revenue	18,521
Balance, December 31, 2010	\$ 17,346

EXHIBIT A-26

**STATEMENT OF RESERVE FOR TERMINAL LEAVE**

Balance, January 1, 2010	\$ 468,185
Increased by:	
Transfer from 2009 Appropriation Reserves- Salaries & Wages	40,000
	508,185
Decreased by:	
Cash Disbursements	130,004
Balance, December 31, 2010	\$ 378,181

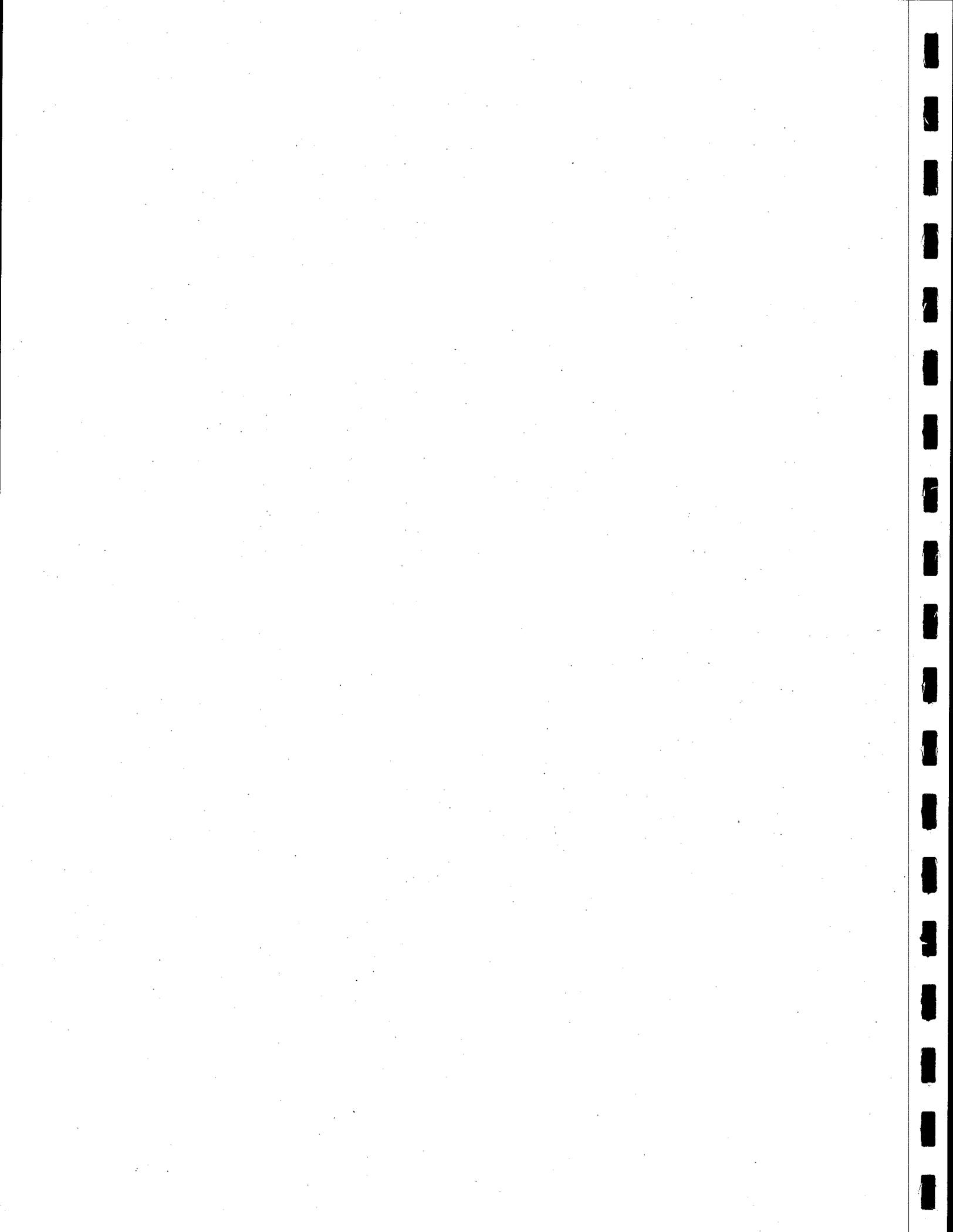
**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, December 31, <u>2009</u>	<u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2010</u>
FEMA Reimbursement		\$ 43,385		\$ 43,385
WaterShed Aid	-	11,186	-	11,186
	<u>\$ -</u>	<u>\$ 54,571</u>	<u>\$ -</u>	<u>\$ 54,571</u>

**STATEMENT OF DEFERRED CHARGES  
N.J.S. 40A:4-53 SPECIAL EMERGENCY**

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net Amount</u> <u>Authorized</u>	1/5 of <u>Net Amount</u> <u>Authorized</u>	Balance, December 31, <u>2009</u>	Resulting From <u>2010</u>	Balance, December 31, <u>2010</u>
11/22/2010	Revaluation of Real Property	\$ 191,645	\$ 38,329	\$ -	\$ 191,645	\$ 191,645
				<u>\$ -</u>	<u>\$ 191,645</u>	<u>\$ 191,645</u>

**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>
Balance, January 1, 2010	\$ 7,277	\$ 738,137	\$ 7,980	\$ 453,175
Increased by Receipts:				
Current Fund Budget Appropriation	\$ 4,110		\$ 10,000	\$ 171,800
Tax Collections				
State Dog License Fees	814			
Animal License Fees Collected	4,220			
Miscellaneous Reserves		\$ 203,914		
Interest on Deposits		3,667	4	694
Escrow Deposits		95,716		
Payments made by Current Fund		540		
Net Payroll and Payroll Deductions	-	4,714,207	-	-
	<u>9,144</u>	<u>5,018,044</u>	<u>10,004</u>	<u>172,494</u>
	16,421	5,756,181	17,984	625,669
Decreased by Disbursements:				
Payments to General Capital Fund				
Payments to Current Fund		4,253		
Net Payroll and Payroll Deductions		4,714,310		400,000
Miscellaneous Reserves		228,202		
Cash Disbursements - Animal Control	1,580			
Expenditures Under R.S. 4:19-15.11	6,422			
Escrow Deposits		74,262		
Payments to State of New Jersey	812		8,867	
	<u>8,814</u>	<u>5,021,027</u>	<u>8,867</u>	<u>400,000</u>
Balance, December 31, 2010	<u>\$ 7,607</u>	<u>\$ 735,154</u>	<u>\$ 9,117</u>	<u>\$ 225,669</u>

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

Balance, January 1, 2010		\$ 2,224
Increased by:		
Interest on Deposits	\$ 1,168	
Payments Made by Current Fund	<u>540</u>	
		<u>1,708</u>
		3,932
Decreased by:		
Payments to Current Fund		<u>3,932</u>
Balance, December 31, 2010		<u>\$ -</u>

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

Balance, January 1, 2010		\$ 5,707
Increased by:		
Animal License Fees Collected	\$ 4,220	
Budget Appropriation	<u>4,110</u>	
		<u>8,330</u>
		14,037
Decreased by:		
Expenditures Under R.S. 4:19-15.11		<u>6,422</u>
Balance, December 31, 2010		<u>\$ 7,615</u>

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

Balance, January 1, 2010	\$	10
Increased by:		
State Registration Fees Collected		814
		804
Decreased by:		
Payments to State of New Jersey		812
Balance, December 31, 2010	\$	8

EXHIBIT B-7

**STATEMENT OF ESCROW DEPOSITS  
OTHER TRUST FUND**

Balance, January 1, 2010	\$	564,423
Increased by:		
Escrow Deposits Collected	\$	95,716
Interest on Deposits		2,499
		98,215
		662,638
Decreased by:		
Refund of Escrow Deposits		74,262
Balance, December 31, 2010	\$	588,376

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

Balance, January 1, 2010	\$	39,791
Increased by:		
Cash Receipts - Net Payroll and Payroll Deductions		<u>4,714,207</u>
		4,753,998
Decreased by:		
Cash Disbursements - Net Payroll and Payroll Deductions		<u>4,714,310</u>
Balance, December 31, 2010	\$	<u><u>39,688</u></u>

EXHIBIT B-9

**STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE**

Balance, January 1, 2010	\$	7,955
Increased by:		
Interest on Investments and Deposits	\$	4
Current Fund Budget Appropriations		<u>10,000</u>
		<u>10,004</u>
		17,959
Decreased by:		
Due to State of New Jersey		<u>9,803</u>
Balance, December 31, 2010	\$	<u><u>8,156</u></u>

EXHIBIT B-10

**STATEMENT OF ACCOUNTS PAYABLE  
ANIMAL CONTROL FUND**

Balance, January 1, 2010	\$	1,580
Decrease by:		
Cash Disbursements		<u>1,580</u>
Balance, December 31, 2010	\$	<u><u>-</u></u>

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

Balance, January 1, 2010		\$ 453,175
Increased by:		
Open Space Tax	\$ 171,422	
Additional Open Space Tax	378	
Interest on Deposits	694	
Due From General Capital Excess Grant Proceeds	<u>567,992</u>	
		<u>740,486</u>
		1,193,661
Decreased by:		
Payment to General Capital Fund- Finance Imprvt. Authorization		<u>400,000</u>
Balance, December 31, 2010		<u>\$ 793,661</u>

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

Balance, January 1, 2010		\$ 25
Increased by:		
Unemployment Claims		<u>9,803</u>
Decreased by:		
Payments		<u>8,867</u>
Balance, December 31, 2010		<u>\$ 961</u>

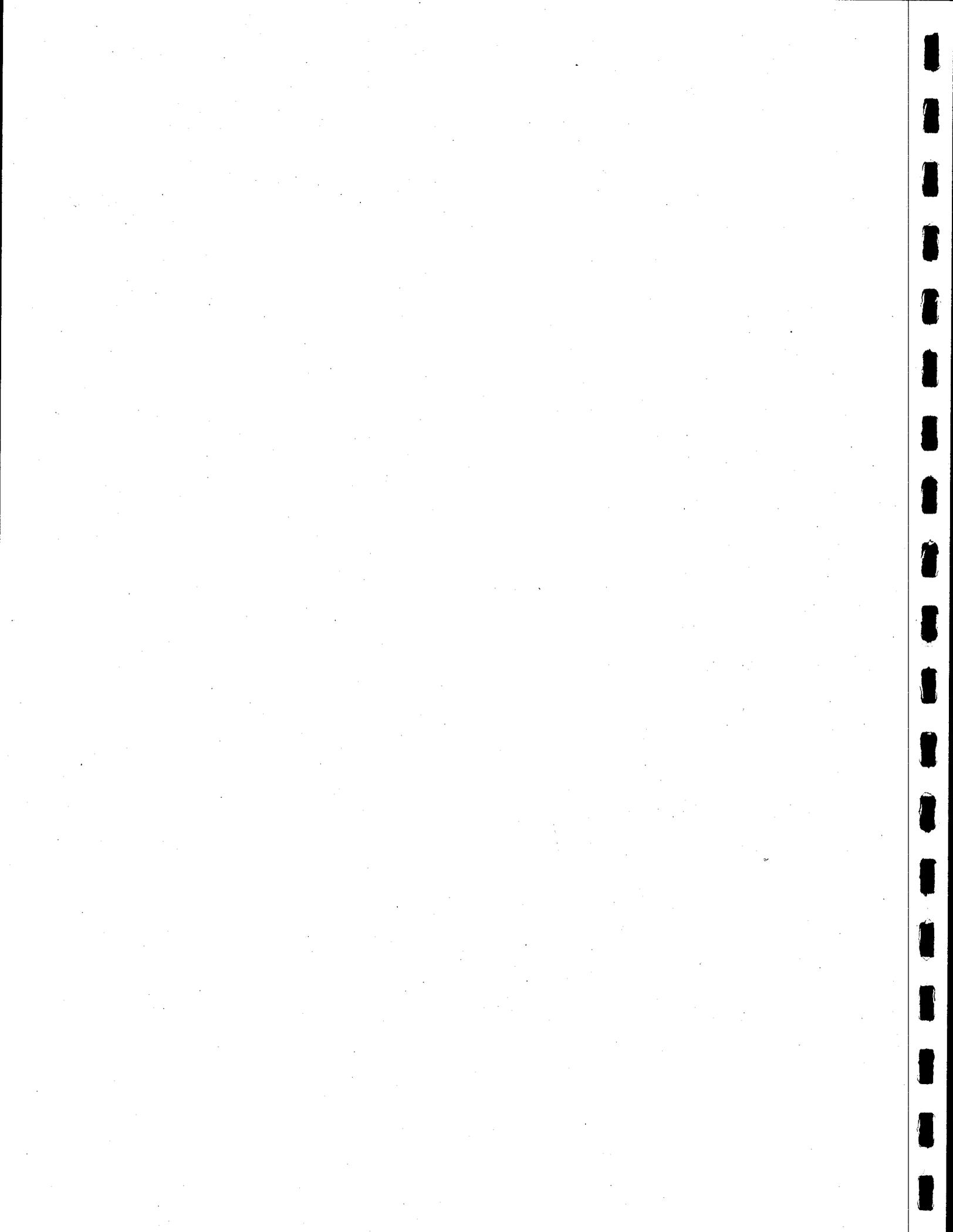
**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF DUE TO CURRENT FUND  
OTHER TRUST FUND - MISCELLANEOUS RESERVES**

Balance, January 1, 2010	\$	321
Decreased by:		
Cash Disbursements		321
Balance, December 31, 2010	\$	-

**STATEMENT OF MISCELLANEOUS RESERVES  
OTHER TRUST FUND**

	Balance January 1, <u>2010</u>	<u>Receipts</u>	<u>Payments</u>	Balance December 31, <u>2010</u>
Police Outside Duty	\$ 27,413	\$ 200,165	\$ 192,815	\$ 34,763
Tax Sale Premiums	33,000		33,000	-
POAA	310	68		378
Causeway Beautification-Clock	1,864		68	1,796
Sidewalk	39,845	265		40,110
Dare Activities	3,853	2,866	1,779	4,940
Fire Prevention Penalty Fees	19,971		540	19,431
Construction Code Penalty Fees	5,122			5,122
Renovation to Train Station		100		100
Renovation Westervelt Park	-	450	-	450
	<u>\$ 131,378</u>	<u>\$ 203,914</u>	<u>\$ 228,202</u>	<u>\$ 107,090</u>

**GENERAL CAPITAL FUND**



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

Balance, January 1, 2010		\$ 681,513
Increased by Receipts:		
Receipts from Municipal Open Space	\$ 400,000	
Grant/Other Receipts	1,786,389	
Bond Anticipation Note Proceeds	400,000	
Budget Appropriation- Capital Improvement Fund	10,000	
Interest on Deposits	<u>388</u>	
		<u>2,596,777</u>
		3,278,290
Decreased by:		
Contracts Payable	769	
Cash Disbursed on Behalf of Current Fund	20,990	
Payments to Current Fund	384	
Bond Anticipation Note Payments	1,200,000	
Improvement Authorizations	<u>630,799</u>	
		<u>1,852,942</u>
Balance, December 31, 2010		<u>\$ 1,425,348</u>

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

	Balance, December 31, <u>2010</u>
Fund Balance	\$ 29,978
Capital Improvement Fund	42,264
Grants Receivable	(206,671)
Due to Municipal Open Space Trust Fund	567,992
Due from Current Fund	(20,922)
Bond Anticipation Notes Excess Proceeds	400,000
Contract Payable	416,434

## Improvement Authorizations:

<u>Ord. No.</u>	<u>Improvement Description</u>	
	General Improvements:	
03-3	Various Capital Improvements	49,000
05-24	Restoration of Westervelt-Lydecker House	37,205
08-05	Real Property for Municipal Purposes	(1)
08-08/09-12	Purchase of Real Property	(50,350)
10-02	Various Capital Improvements	109,301
10-05	Westervelt/Lydecker Property	36,000
09-19/10-03	Purchase of Real Property	<u>15,118</u>
		<u>\$ 1,425,348</u>

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

Balance, January 1, 2010	\$ 7,280,000
Increased by:	
Serial Bonds Issued	<u>                    -</u>
	7,280,000
Decreased by:	
2010 Budget Appropriation to Pay Bond Principal	<u>                    865,000</u>
Balance, December 31, 2010	<u>\$ 6,415,000</u>

**STATEMENT OF GRANTS RECEIVABLE/OTHER RECEIVABLE**

	Balance, January 1, <u>2010</u>	Increased by <u>Awards</u>	Decrease by <u>Cash Collections</u>	Balance, December 31, <u>2010</u>
<b>County of Bergen Open Space Trust Fund</b>				
Ord. 05-24	\$ 38,550			\$ 38,550
Ord. 08-02	25,750		\$ 18,397	7,353
Ord. 09-19	800,000	\$ 75,000	800,000	75,000
Ord. 10-05		142,500		142,500
<b>Community Development Block Grant</b>				
Ord 05-24	35,768			35,768
<b>New Jersey Green Acres Trust Fund</b>				
Ord. 09-19	967,992		967,992	
<b>N.J. Preservation Trust Fund</b>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Ord. 03-3	<u>\$ 1,918,060</u>	<u>\$ 217,500</u>	<u>\$ 1,786,389</u>	<u>\$ 349,171</u>

**Analysis of Balance:**

Grant Proceeds	\$ 800,000
Cash Receipts	<u>986,389</u>
	<u>\$ 1,786,389</u>

**Balance Pledged to:**

Improvement Authorization	\$ 206,671
Reserve for Receivable	<u>142,500</u>
	<u>\$ 349,171</u>

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

		Analysis of Balance							
Ord. No.	Improvement Description	Balance, January 1, 2010	2010 Authorizations	Open Space Trust Proceeds	Authorizations Cancelled	Balance, December 31, 2010	Bond Anticipation Notes Issued	Expenditures	Unexpended Improvement Authorizations
	General Improvements:								
01-5	Various Capital Improvements	\$ 19,000			\$ 19,000	\$ 1		\$ 1	
08-05	Real Property for Municipal Purposes	50,350				50,350		50,350	
08-08/09-12	Purchase Real Property	1,200,000		\$ 1,200,000		-		-	
09-19	Purchase Real Property					-		-	
		<u>\$ 1,269,351</u>	<u>\$ -</u>	<u>\$ 1,200,000</u>	<u>\$ 19,000</u>	<u>\$ 50,351</u>	<u>\$ -</u>	<u>\$ 50,351</u>	<u>\$ -</u>

Bond Anticipation Notes	\$ 400,000
Less Excess Note Proceeds	(400,000)
	<u>\$ -</u>

Improvement Authorization - Unfunded	\$ 15,118
Less: Unexpended Proceeds Ord 09-19	15,118
	<u>\$ -</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF GENERAL SERIAL BONDS**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2010	Interest Rate	%	Balance, January 1, 2010	Increased	Decreased	Balance, December 31, 2010
General Improvement Bonds	12/1/1998	\$ 3,696,000	\$ 200,000	4.375		\$ 1,791,000		\$ 200,000	\$ 1,591,000
			12/1/2018						
General Improvement Bonds	6/1/2003	3,068,000	350,000	2.70		1,392,000		350,000	1,042,000
			6/1/2013						
General Improvement Bonds	10/1/2004	2,024,000	155,000						
			10/1/11-13						
			10/1/14-15						
			10/1/16-17						
General Improvement Bonds			169,000	3.25-4.0		1,459,000		155,000	1,304,000
			10/1/2018						
	6/1/2009	2,638,000	175,000						
			6/1/2011						
			6/1/2012						
			6/1/2013						
		6/1/2014							
		6/1/2015							
		6/1/2016-17							
			315,000						
			320,000						
			318,000	1.250%-2.875		2,638,000	\$ -	160,000	2,478,000
			6/1/2018						
			6/1/2019						
						<u>\$ 7,280,000</u>	<u>\$ -</u>	<u>\$ 865,000</u>	<u>\$ 6,415,000</u>
						Budget Appropriation		<u>\$ 865,000</u>	

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

No.	Improvement Description	Ordinance Amount	Balance, January 1, 2010		2010 Authorizations	Paid or Charged	Cancelled	Balance, December 31, 2010	
			Funded	Unfunded				Funded	Unfunded
	<u>General Improvements:</u>								
98-6/02-4	Various Capital Improvements	\$ 3,900,000	\$ 204,532			\$ 204,532			
01-5	Various Capital Improvements	1,260,000	10,028	\$ 19,000		29,028			
03-3	Various Capital Improvements	1,794,597	203,030		\$ 9,155	144,875	\$ 49,000		
05-09	Various Public Improvements	302,724	7,866			7,866			
05-24	Restoration of Westervelt-Lydecker House	168,445	37,205				37,205		
06-06	Various Capital Improvements	791,000	119,777		1,097	118,680			
07-13	Acq. Of Four-Wheel Vehicle and Fire Engine	990,000	2,617			2,617			
08-02	Various Improvements to the Old Mill Pool	51,500	9,787			9,787			
08-03	Acq. Of a Front Loader & Garbage Truck	400,000	70,739			70,739			
08-05	Real Property for Municipal Purposes	610,000	1,209	1		1,210			
09-19/10-03	Purchase Real Property	2,000,000		124,500	\$ 75,000	184,382		\$ 15,118	
10-02	Various Capital Improvements	597,900			597,900	488,599		109,301	
10-05	Westervelt/Lydecker Property	400,000			400,000	364,000		36,000	
			\$ 666,790	\$ 143,501	\$ 1,072,900	\$ 1,047,233	\$ 589,334	\$ 231,506	\$ 15,118

Analysis

County of Bergen Open Space Grant	\$ 75,000
Municipal Open Space Trust Fund	400,000
Surplus	<u>597,900</u>
	\$ 1,072,900
Cash Disbursed	\$ 630,779
Contracts Payable	<u>416,454</u>
	\$ 1,047,233

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

Balance, January 1, 2010 (Due To)		\$	64
Increased by:			
Interest on Investments and Deposits			388
			452
Decreased by :			
Cash Disbursement on Behalf of Current Fund	\$	20,990	
Payments to Current Fund		384	
			21,374
Balance, December 31, 2010 (Due From)		\$	20,922

EXHIBIT C-10

**STATEMENT OF DUE TO MUNICIPAL OPEN SPACE**

Increased by:			
Excess Grant Proceeds		\$	567,992
Balance, December 31, 2010		\$	567,992

EXHIBIT C-11

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF CONTRACTS PAYABLE**

Balance, January 1, 2010	\$ 769
Increased by:	
Charges to Improvement Authorizations	<u>52,434</u>
	53,203
Decreased by:	
Payments	<u>769</u>
Balance, December 31, 2010	<u>\$ 52,434</u>

EXHIBIT C-12

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2010	\$ 32,264
Increased by:	
2010 Budget Appropriation	<u>10,000</u>
Balance, December 31, 2010	<u>\$ 42,264</u>

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance</u> <u>Purpose</u>	<u>Original Issue</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, January 1, 2010</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2010</u>
09-19   Purchase of Real Property	\$ 1,200,000	12/23/2009	12/23/2009 9/23/2010	9/23/2010 9/23/2011	1.50% 1.65%	\$ 1,200,000 -	\$ 400,000	\$ 1,200,000 -	\$ 400,000 \$ 400,000
						<u>\$ 1,200,000</u>	<u>\$ 400,000</u>	<u>\$ 1,200,000</u>	<u>\$ 400,000</u>
					Renewal		\$ 400,000	\$ 400,000	
					Paid with Grant Proceeds		-	800,000	
							<u>\$ 400,000</u>	<u>\$ 1,200,000</u>	

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

Ord. No.	<u>Improvement Description</u>	Balance, January 1, 2010	2010 Authorizations	Authorizations Cancelled	Balance, December 31, 2010
<b>General Improvements:</b>					
01-5	Various Capital Improvements	\$ 19,000		\$ 19,000	
08-05	Real Property for Municipal Purposes	1			\$ 1
08-08/09-12	Purchase Real Property	50,350	\$ -		50,350
		<u>\$ 69,351</u>	<u>\$ -</u>	<u>\$ 19,000</u>	<u>\$ 50,351</u>

**PUBLIC ASSISTANCE FUND**



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

	PATF Account #1 <u>(75)%</u>	PATF Account #2 <u>(100)%</u>	<u>Total</u>
Balance, January 1, 2010	\$ 5,340	\$ 1,275	\$ 6,615
Increased by:			
Receipts	<u>-</u>	<u>500</u>	<u>500</u>
	5,340	1,775	7,115
Decreased by:			
Disbursements	<u>-</u>	<u>1,027</u>	<u>1,027</u>
Balance, December 31, 2010	<u>\$ 5,340</u>	<u>\$ 748</u>	<u>\$ 6,088</u>

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

	<u>PATF</u> <u>Account #1</u>	<u>PATF</u> <u>Account #2</u>	<u>Total</u>
Balance, January 1, 2010	\$ 3,989	\$ 425	\$ 4,414
Increased by:			
State Aid	-	500	500
	3,989	925	4,914
Decreased by:			
Assistance Reported	-	1,027	1,027
Balance, December 31, 2010	\$ 3,989	\$ (102)	\$ 3,887

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF DUE TO STATE OF NEW JERSEY**

Balance, January 1, 2010	<u>\$ 2,201</u>
Balance, December 31, 2010	<u>\$ 2,201</u>

**STATEMENT OF EXPENDITURES**

Assistance Reported	<u>\$ 1,027</u>
Total Assistance Reported	<u>\$ 1,027</u>

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**BOROUGH OF WOODCLIFF LAKE**

**BERGEN COUNTY, NEW JERSEY**

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**PART II**

**GOVERNMENTAL AUDITING STANDARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2010**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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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 – regulatory basis of the Borough of Woodcliff Lake as of and for the year ended December 31, 2010, and have issued our report thereon dated June 7, 2011 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. In addition, our report on the financial statements – regulatory 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 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Borough's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting described in the accompanying schedule of findings and responses as items 2010-1, 2010-2, and 2010-3 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

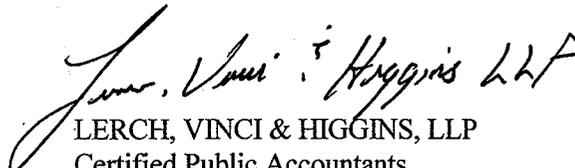
### Compliance and Other Matters

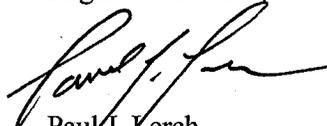
As part of obtaining reasonable assurance about whether the Borough of Woodcliff Lake's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and responses as items 2010-1, 2010-2 and 2010-3.

We also 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".

The Borough of Woodcliff Lake's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Borough's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of the governing body, management, New Jersey Department of Community Affairs and 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  
June 7, 2011

**BOROUGH OF WOODCLIFF LAKE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED DECEMBER 31, 2010**

Federal Funding Department	CFDA Number	Grant Year	Grant Award Amount	2010 Receipts	Balance, January 1, 2010	Revenues Realized	Expenditures	Adjustment	Balance, December 31, 2010	Cumulative Expenditures
Passed through County of Bergen - Housing & Urban Development Community Development Block Grant Senior Citizen Senior Citizen Senior Citizen	14.218	2008	\$ 3,000		\$ 3,000			\$	\$ 3,000	\$ 2,985
		2009	3,000		15					
		2010	4,950	3,000		\$ 4,950	4,030	(15)	920	4,030
Highway Planning and Construction (Passed through the State of New Jersey - Law & Public Safety) Overlook Brookview Drive Highview	20-205	2008	150,000		28,431					121,569
		2009	150,000	77,660	150,000			(28,431)	76,218	73,782
		2010	130,000			130,000	73,782		127,631	2,369
State and Community Highway Safety (Passed through the State of New Jersey - Law & Public Safety)	93.036	2008	2,000		1,375				1,375	625
					<u>\$ 182,821</u>	<u>\$ 134,950</u>	<u>\$ 80,181</u>	<u>\$ (28,446)</u>	<u>\$ 209,144</u>	

Note: This schedule was not subject to Single Audit OMB-133.

**BOROUGH OF WOODCLIFF LAKE  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

State Grant Program	Project/Grant Number	Grant Year	Grant Award	2010 Receipts	Balance, January 1, 2010	Revenue/Receipts	Expended	Adjustments	Balance, December 31, 2010	Cumulative Expended																						
Department of Environmental Protection Clean Communities Grant	042-00-4900-765-004	2010	\$ 11,363	\$ 11,363	\$	\$ 11,363	\$ 1,752	\$	\$ 9,611	\$ 1,752																						
Division of Motor Vehicles Drunk Driving Enforcement Fund- Police	1110-448-031020-22	2010 2009 2008 2007	785 532 1,927 5,570	785 \$ 1,927 4,669	785 532 1,927 4,669	785			785 532 1,927 4,669	901																						
Municipal Alliance on Alcoholism and Drug Abuse (Passed through County of Bergen)	N/A	2010 2009 2008 2007	10,356 11,017 11,500 11,500	6,365 7,649	10,356 3,148 1,316	10,356	9,920		436 - 3,148 1,197	9,920 11,017 8,352 10,303																						
Department of Law and Public Safety Body Armor Replacement Program	066-00-1020-718-001	2010 2009 2008	4,051 3,422 3,042	4,051	3,422 859	4,051	3,900 81 859		151 3,341 -	3,900 81 3,042																						
Department of Community Affairs Handicapped Recreation Opportunities	022-99-8050-100-035	2010 2009 2008	15,150 18,000 20,121	13,179	1,104 3,738	15,150	9,769 1,085	\$ 85	5,381 104 3,738	9,769 17,896 16,383																						
Department of Environmental Protection State Tonnage Grant (Recycling)	042-00-4900-752-001	2009 2008 2005	23,678 10,034 945		22,886 260 945		16,535	792	7,143 260 945	16,535 9,774																						
Division of Judiciary Alcohol Ed and Rehab	098-00-9735-760-001	2008 2007 2003	793 250 5,388		250 4,552		175		250 4,377	793 1,011																						
Department of Community Affairs Domestic Violence Training Program	022-99-8030-100-093	2008 2007	2,485 1,358		2,485 1,358				2,485 1,358	967,992																						
Department of Environmental Protection Green Acres Program Acquisition of Real Property for Recreation and Other Municipal Purposes - Ordinance #09-19		2009	967,992	967,992																												
Division of Family Development Human Services	054-15-7550-100-121	2010	500	500		500	500			500																						
NJ DCA Child Passenger Seat Safety	N/A	2007	656		656				656																							
<table border="0" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 5%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">\$ 54,107</td> <td></td> <td style="text-align: right;">\$ 42,205</td> <td></td> <td style="text-align: right;">\$ 44,695</td> <td style="text-align: right;">\$ 877</td> <td style="text-align: right;">\$ 52,494</td> </tr> </table>																										\$ 54,107		\$ 42,205		\$ 44,695	\$ 877	\$ 52,494
					\$ 54,107		\$ 42,205		\$ 44,695	\$ 877	\$ 52,494																					

Note: This schedule is 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, 2010**

**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 awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are presented using the regulatory basis of accounting as prescribed or permitted for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the 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	\$ 134,950	\$ 41,705	\$ 176,655
Public Assistance	<u>-</u>	<u>500</u>	<u>500</u>
	<u>\$ 134,950</u>	<u>\$ 42,205</u>	<u>\$ 177,155</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**

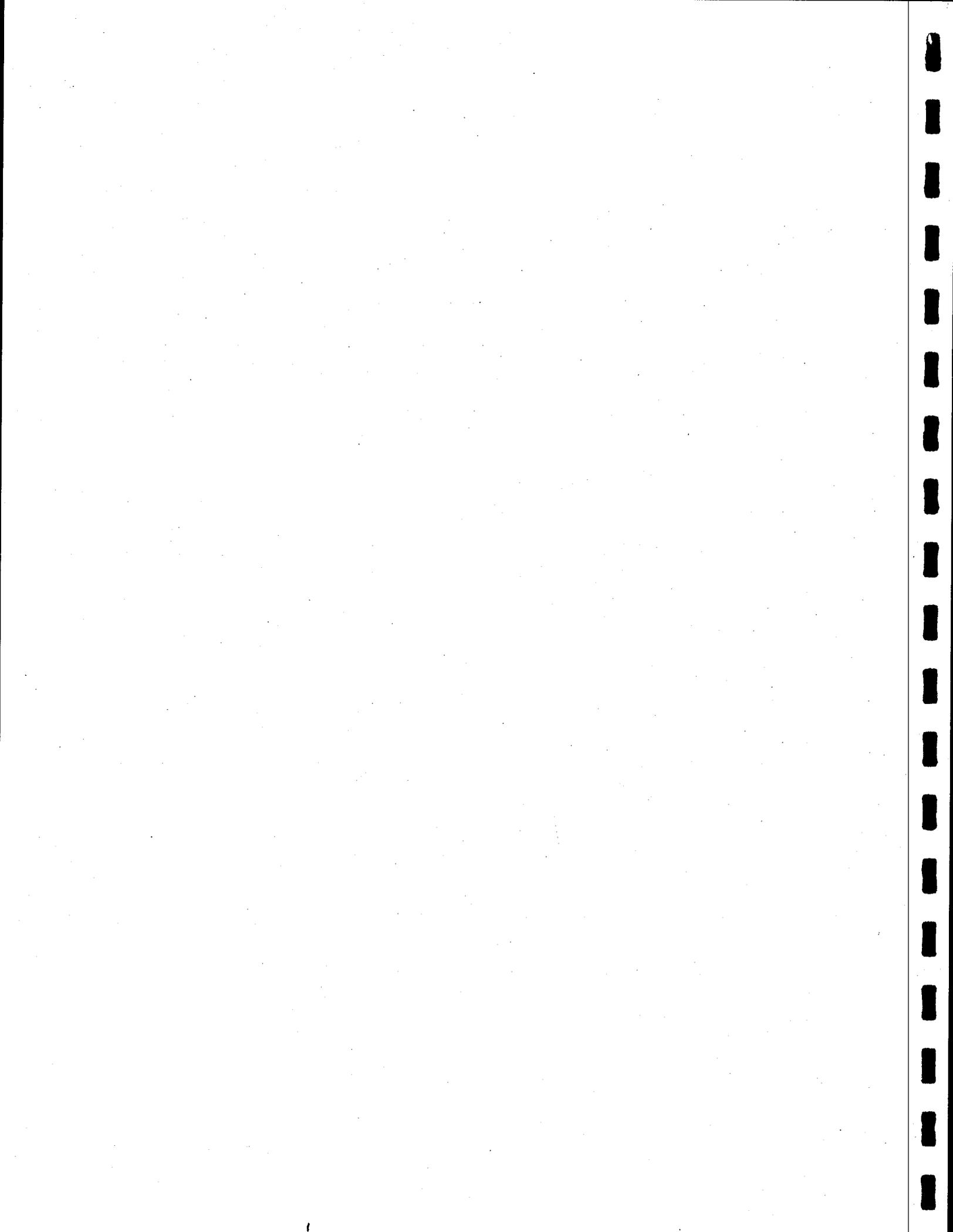
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**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2010**



**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

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

	<u>Year 2010</u>		<u>Year 2009</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>				
Fund Balance Utilized	\$ 1,150,000	2.86 %	\$ 1,450,000	3.70 %
Miscellaneous - From Other Than Local				
Property Tax Levies	1,868,198	4.65	2,111,533	5.39
Collection of Delinquent Taxes and Tax Title Liens	232,315	0.58	220,964	0.56
Collection of Current Tax Levy	36,731,254	91.44	34,904,146	89.11
Other Credits	<u>189,306</u>	<u>0.47</u>	<u>586,530</u>	<u>1.24</u>
Total Income	<u>40,171,073</u>	<u>100.00 %</u>	<u>39,273,173</u>	<u>100.00 %</u>
<b>EXPENDITURES</b>				
Budget Expenditures				
Municipal Purposes	10,456,655	26.39 %	10,506,396	27.57 %
Municipal Open Space Preservation Trust Fund Taxes	171,800	0.43	171,344	0.45
County Taxes	4,601,767	11.61	4,362,287	11.45
Regional School Taxes	11,065,604	27.93	10,340,689	27.14
Local District School Taxes	13,227,331	33.38	12,713,485	33.36
Other Expenditures	<u>101,658</u>	<u>0.26</u>	<u>13,348</u>	<u>0.03</u>
Total Expenditures	<u>39,624,815</u>	<u>100.00 %</u>	<u>38,107,549</u>	<u>100.00 %</u>
Excess in Revenue	546,258		1,165,624	
Adjustments to Income before Surplus:				
Expenditures included above which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>191,645</u>		<u>-</u>	
Statutory Excess to Surplus	737,903		1,165,624	
Fund Balance, January 1	<u>1,505,157</u>		<u>1,789,533</u>	
	2,243,060		2,955,157	
Less Utilization as Anticipated Revenue	<u>1,150,000</u>		<u>1,450,000</u>	
Fund Balance, December 31	<u>\$ 1,093,060</u>		<u>\$ 1,505,157</u>	

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Tax Rate</u>	<u>\$2.159</u>	<u>\$2.059</u>	<u>\$2.049</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.463	.442	.442
Municipal Open Space Preservation	.010	.010	.010
County (Including Open Space Tax)	.269	.256	.249
Regional School	.645	.606	.601
Local School	.772	.745	.747

Assessed Valuation

2010	<u>\$1,714,220,447</u>
2009	<u>\$1,705,598,808</u>
2008	<u>\$1,652,626,979</u>

**Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2010	\$ 37,091,469	\$ 36,731,254	99.02%
2009	35,197,479	34,904,146	99.16%
2008	34,520,779	34,265,269	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.

<u>December 31 Year</u>	<u>Amount of Tax Title Taxes</u>	<u>Amount of Delinquent Taxes</u>	<u>Total</u>	<u>Percentage of Tax Levy</u>
2010	\$ 3,044	\$ 181,797	\$ 184,841	.49%
2009	2,897	235,553	238,450	.68%
2008	2,757	220,964	223,721	.65%

**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>
2010	None
2009	None
2008	None

**Comparative Schedule of Fund Balance**

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2010	\$1,093,060	\$800,000
	2009	1,505,157	1,150,000
	2008	1,789,533	1,450,000
	2007	1,962,348	1,350,000

**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		
Jeffrey Hoffman	Councilman		
Robert Rosenblatt	Councilman		
Michael Struk	Councilman		
Edward Sandve	Borough Administrator		
Harold Laufeld III	Chief Financial Officer		
Lori Sciara	Borough Clerk		
Lois Frezza	Tax Collector, Tax Search Officer		
Barbara Potash	Tax Assessor		
Susan Keenan	Court Administrator		
Kimberly McWilliams	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**

**GENERAL COMMENTS**

**Schedule of Findings and Noncompliance**

**Finding 2010-1**

Our special audit of Other Trust Escrow revealed that disbursements were made from performance bond funds and that there was an overpayment to a vendor for legal service.

Criteria or specific requirement

N.J.S.A. 40:55D-53.2(b) calculation and payment of escrow charges and payments.

Effect

The Borough made payments for goods and/or services with performance bond funds that are to be held until completion of the project. In addition, certain vendor payments made included duplicate payments for services previously paid.

Recommendation

Internal controls over the Other Trust Escrow Fund disbursements be enhanced to ensure that performance bond funds are not utilized for disbursements and to ensure that payments made to vendors do not include payments for services previously paid.

Response

The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

**Finding 2010-2**

Our audit of recreation pool membership fees revealed that cash collected was not included in the daily deposits made by the Borough in the amount of \$1,450.

Criteria or specific requirement

Internal control procedures for the collection of recreation membership fees.

Effect

The recreation pool membership revenue was understated by \$1,450.

Recommendation

Internal controls for the Recreation Department be enhanced to ensure that all fees collected are properly recorded and deposited into the Borough's bank account.

Response

The Borough has reviewed this finding and has indicated appropriate corrective action will be implemented.

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**Schedule of Findings and Noncompliance**

**Finding 2010-3**

Our audit of Current Fund and General Capital Fund revealed several unrecorded contracts and/or commitments.

**Criteria or specific requirement:**

Rules of N.J.A.C. 5:30-5.2 through 5.5.

**Effect**

Appropriation Reserve balance in the Current Fund was overstated and encumbrances payable were understated in the amount of \$301,979. Improvement Authorization balances in the General Capital Fund was overstated and Contracts Payable was understated in the amount of \$364,000. The financial statements in the Current & General Capital Fund have been adjusted to reflect these contracts and/or commitments.

**Recommendation:**

Internal controls are enhanced to ensure all contracts and/or commitments be encumbered when awarded or incurred in the Current & General Capital Fund.

**Response:**

Management has reviewed this finding and has indicated appropriate corrective action will be implemented.

**Prior Year Unresolved**

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

Our audit of payroll revealed that employee quarterly wages were incorrectly reported on the quarterly payroll and State pension reports. It is recommended that internal controls be enhanced to ensure employee quarterly wages be properly reported on the quarterly payroll and state pension reports. In addition, the Borough should perform a reconciliation of the 2010 quarterly pension withholdings on the quarterly payroll reports and amounts remitted to the Division of Pensions.

Our audit revealed that the revenue collected by the Construction Code Department is not being turned over to the Treasurer in a timely manner. It is recommended that the Construction Code Department revenue collections be turned over to the Treasurer within 48 hours.

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

**Current Year Comments**

Our audit of the police outside duty revealed that the vendor invoices are not being recorded on the accounts receivable ledger when invoiced, they are recorded when payments are received. In certain instances amounts invoiced were not included on the accounts receivable ledger. It is recommended that the police outside duty accounts receivable ledger include all vendor invoices when issued and that payments are applied when received.

Our audit of the petty cash revealed the following:

- The Borough does not have a formal petty cash policy establishing maximum amount of reimbursement.
- Purchase orders are not always being utilized for reimbursement.
- Certain petty cash reimbursements lacked supporting receipts.

It is recommended that:

- The Borough develop a petty cash policy establishing the maximum amount of reimbursement.
- Purchase orders be utilized for all petty cash reimbursements.
- All petty cash reimbursements contain supporting receipts.

Our audit of LOSAP revealed that the Borough made a payment for the 2010 LOSAP Tri-Boro Ambulance Contribution to the Borough of Park Ridge without supporting documentation and made an overpayment in the amount of \$7,259. A refund was requested during the audit. It is recommended that Tri-Boro Ambulance LOSAP contributions be made only with supporting documentation to ensure accuracy of payments. The Borough is in the process of obtaining reimbursement for the overpayment.

Our audit of the Municipal Court revealed that checks issued had only one authorized signature and that checks were issued after the 15<sup>th</sup> of the subsequent month. It is recommended that all checks issued have two authorized signatures and they are disbursed by the 15<sup>th</sup> of each month.

Our audit of the Borough Clerk revenue collections revealed that a cash receipt ledger for 2010 was not maintained. It is recommended that the Borough Clerk maintain a cash receipt ledger for all fees collected.

Our audit of the recreation department revealed that deposits for all fees collected, are not turned over to the Treasurer within 48 hours of collection. It is recommended that the Recreation Department collections be turned over to the Treasurer within 48 hours for deposit.

Our audit of police officer salaries revealed that police officers receiving education incentives are receiving annual percentage increases on the incentives as well as amounts greater than provided for in the contract. Based on the police contract it appears that the maximum education incentive is \$1,800. It is recommended that police contract be reviewed, to determine the correct calculation for the police officer's education incentive and that the police salaries and wages be paid in accordance with the salary agreement.

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

**Current Year Comments (Continued)**

Our audit of expenditures revealed the following:

- Alcohol was purchased for the Fire Prevention quarterly meeting in the amount of \$97.
- Numerous exceptions were found where the departments ordered goods or materials prior to the issuance of a purchase order.

It is recommended that the Borough enhance their internal controls over purchasing procedures to ensure that materials be ordered only after a purchase order has been executed and that alcoholic expenses are not reimbursed.

Our audit of the bid test revealed the following:

- The purchase of police vehicle by State contract was not approved in the minutes in the amount of \$22,154.
- The purchase of road salt exceeded the bid threshold and the Borough did not formally bid or receive quotes in the amount of \$22,994.
- There were various electrical services which in sum exceeded the bid threshold in the amount of \$24,502 to Academy Electric. The Borough should prepare a time and material bid specs for the electrical service.

It is recommended the purchases in excess of the bid threshold be made in accordance with the Local Public Contracts Law.

**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.

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

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

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

- Acquisition of Sanitation Truck
- Acquisition of Roll Off 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.

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 in our general comments, 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 4, 2010 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 2009 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>
2010	1
2009	1
2008	1

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

It is recommended that:

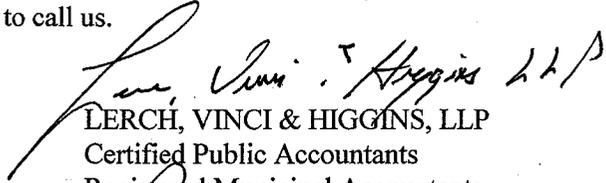
1. Internal controls over the Other Trust Escrow Fund disbursements be enhanced to ensure that performance bond funds are not utilized for disbursements and to ensure that payments made to vendors do not include payments for services previously paid.
2. Internal controls for the Recreation Department be enhanced to ensure that all fees collected are properly recorded and deposited into the Borough's bank account.
3. Internal controls are enhanced to ensure all contracts and/or commitments be encumbered when awarded or incurred in the Current & General Capital Fund.
- \* 4. The Borough establish a written internal control policy for the use of store credit cards or cancel the store credit cards.
- \* 5. Internal controls be enhanced to ensure employee quarterly wages be properly reported on the quarterly payroll and state pension reports. In addition, the Borough should perform a reconciliation of the 2010 quarterly pension withholdings on the quarterly payroll reports and amounts remitted to the Division of Pensions.
- \* 6. The Construction Code Department revenue collections be turned over to the Treasurer within 48 hours.
7. The police outside duty accounts receivable ledger include all vendor invoices when issued and that payments are applied when received.
8. With regards to the Petty Cash Fund:
  - The Borough develop a petty cash policy establishing the maximum amount of reimbursement.
  - Purchase orders be utilized for all petty cash reimbursements.
  - All petty cash reimbursements contain supporting receipts.
9. Tri-Boro Ambulance LOSAP contributions be made only with supporting documentation to ensure accuracy of payments.
10. Municipal court checks include two authorized signatures and they are disbursed by the 15<sup>th</sup> of each month.
11. The Borough Clerk maintain a cash receipt ledger for all fees collected.
12. Recreation Department collections be turned over to the Treasurer within 48 hours for deposit.
13. Police contract be reviewed to determine the correct calculation for the police officers' education incentive and that the police salaries and wages be paid in accordance with the salary agreement.
14. Borough enhance their internal controls over purchasing procedures to ensure that materials be ordered only after a purchase order has been executed and that alcoholic expenses are not reimbursed.
15. Purchases in excess of the bid threshold be made in accordance with the Local Public Contract Law.

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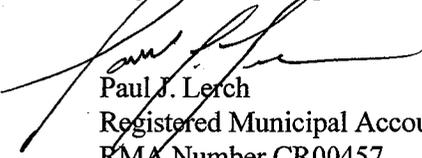
A review was performed on all prior year recommendations and corrective action was taken on all except for those recommendations denoted with an asterisk (\*).

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.



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