

BOROUGH OF WOODCLIFF LAKE
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2009



BOROUGH OF WOODCLIFF LAKE

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BOROUGH OF WOODCLIFF LAKE

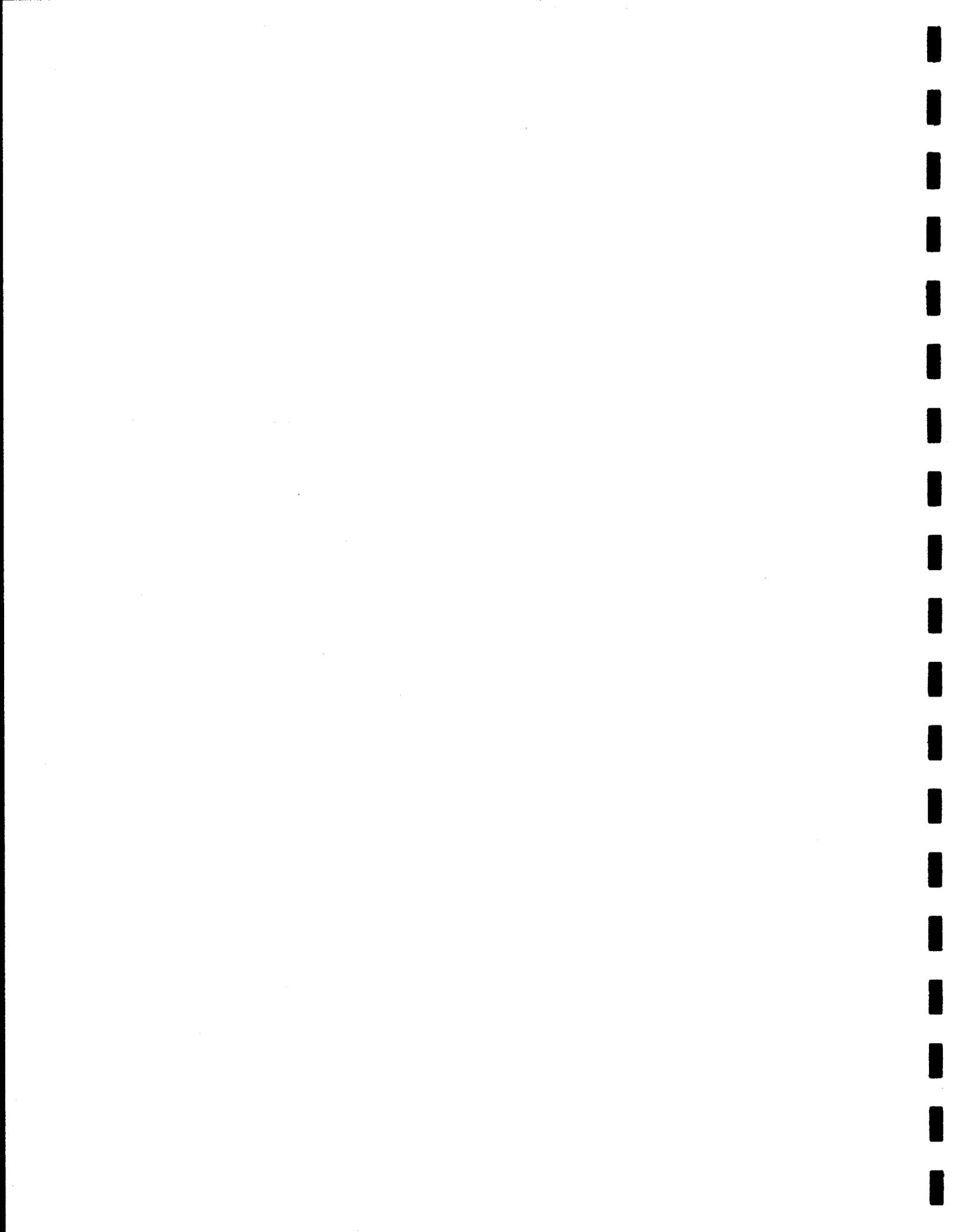
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BOROUGH OF WOODCLIFF LAKE

BERGEN COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

FOR THE YEAR ENDED DECEMBER 31, 2009



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

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

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

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Woodcliff Lake as of December 31, 2009 and 2008 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, 2009. These financial statements are the responsibility of the Borough of Woodcliff Lake's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

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 25 percent and 12 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2009 and 2008.

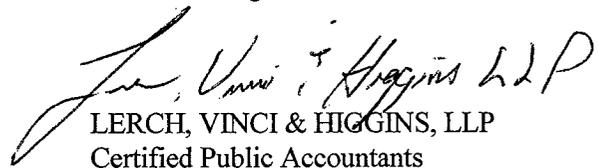
INDEPENDENT AUDITORS' REPORT (Continued)

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, 2009 and 2008, 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.

However, 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, 2009 and 2008 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, 2009 on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 7, 2010 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. Additionally, the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and are also 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. Lerch
Registered Municipal Accountant
RMA Number CR00457

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
AS OF DECEMBER 31, 2009 AND 2008
CURRENT FUND

ASSETS	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Cash and Investments	A-4	\$ 3,963,383	\$ 5,236,265
Cash- Petty Cash	A-5	2,000	2,000
Cash - Change Fund	A-6	100	100
Federal and State Grants Receivable	A-23	<u>246,927</u>	<u>150,660</u>
		<u>4,212,410</u>	<u>5,389,025</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes Receivable	A-8	235,553	220,964
Tax Title Liens Receivable	A-24	2,897	2,757
Revenue Accounts Receivable	A-9	3,903	3,303
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>2,224</u>	<u>34,435</u>
		<u>244,962</u>	<u>261,459</u>
Deferred Charge			
Overexpenditure of Appropriations	A-27	<u>-</u>	<u>5,716</u>
Total Assets		<u>\$ 4,457,372</u>	<u>\$ 5,656,200</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Liabilities			
Appropriation Reserves	A-3,A-10	\$ 521,154	\$ 640,092
Encumbrances Payable	A-19	399,158	399,935
Accounts Payable	A-11	19,450	66,050
Due to State of New Jersey			
Senior Citizens' and Veterans' Deductions	A-7	9,266	10,266
Construction Training Fees Payable	A-12	5,969	5,427
Marriage Fees	A-13	175	450
Tax Overpayments	A-16	32,217	4,360
Reserve for Tax Appeals	A-14	682,708	918,755
Reserve for Terminal Leave	A-26	468,185	443,185
Prepaid Taxes	A-15	202,267	190,771
Reserve for Aid in Lieu of Taxes	A-25	18,521	18,014
Due County for Added and Omitted Taxes	A-18	9,847	80,006
Due to General Capital Fund	C-9		668,530
Due to Other Trust Fund - Misc Reserves	B-13		20,628
Appropriated Reserves	A-22	99,250	89,479
Unappropriated Reserves	A-21	<u>239,086</u>	<u>49,260</u>
		<u>2,707,253</u>	<u>3,605,208</u>
Reserve for Receivables and Other Assets	A	244,962	261,459
Fund Balance	A-1	<u>1,505,157</u>	<u>1,789,533</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,457,372</u>	<u>\$ 5,656,200</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, 2009 AND 2008
CURRENT FUND

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 1,450,000	\$ 1,350,000
Miscellaneous Revenues Anticipated	A-2	2,012,808	2,078,082
Receipts from Delinquent Taxes	A-2	220,964	197,223
Receipts from Current Taxes	A-2	34,904,146	33,956,564
Non-Budget Revenues	A-2	98,725	198,860
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-10	423,555	308,668
Prior Year Interfunds Liquidated	A	31,826	
Cancellation of Appropriated Reserves	A-1		54,349
Cancellation of Tax Overpayments	A-16	250	7,655
Cancellation of Accounts Payable	A-11	130,899	69,364
Cancellation of Prior Year Grants Receivable Collected	A-1	-	13,723
		<u>39,273,173</u>	<u>38,234,488</u>
Total Revenues			
EXPENDITURES			
Budget and Emergency Appropriations			
Operations			
Salaries and Wages	A-3	4,324,743	4,155,712
Other Expenses	A-3	3,972,118	4,411,505
Capital Improvement Fund	A-3	522,225	702,400
Municipal Debt Service	A-3	921,550	915,281
Deferred Charges and Statutory Expenditures	A-3	765,760	239,437
County Taxes	A-18	4,352,440	4,099,395
Due County for Added and Omitted Taxes	A-18	9,847	80,006
Municipal Open Space Preservation Trust Fund	B-1	171,344	168,478
Local District School Taxes	A-20	12,713,485	12,344,346
Regional High School Taxes	A-17	10,340,689	9,931,762
Refund Prior Year Revenue	A-4	13,348	8,303
Interfunds Originating	A	-	6,394
		<u>38,107,549</u>	<u>37,063,019</u>
Total Expenditures			
Excess in Revenue		1,165,624	1,171,469
Adjustments to Income before Surplus:			
Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year	A-3	-	5,716
Statutory Excess to Surplus		1,165,624	1,177,185
Fund Balance, January 1	A	1,789,533	1,962,348
		2,955,157	3,139,533
Decreased by:			
Utilization as Anticipated Revenue	A-1,A-2	1,450,000	1,350,000
Fund Balance, December 31	A	\$ 1,505,157	\$ 1,789,533
See Accompanying Notes to Financial Statements			

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009
CURRENT FUND

	<u>Reference</u>	<u>Budget</u>	Added by N.J.S.A <u>40A:4-87</u>	<u>Realized</u>	Excess or (Deficit)
Surplus Anticipated	A-1	\$ 1,450,000	-	\$ 1,450,000	-
Miscellaneous Revenues					
Licenses					
Alcoholic Beverages	A-9	2,000		2,225	\$ 225
Other	A-9	500		566	66
Fees and Permits					
Other	A-2	42,000		37,977	(4,023)
Fines and Costs					
Municipal Court	A-9	41,000		44,424	3,424
Interest and Costs on Taxes	A-9	62,708		55,589	(7,119)
Uniform Fire Safety Act - Local	A-9	50,000		46,720	(3,280)
Energy Receipts Tax	A-9	657,106		657,106	
Park Receipts	A-9	200,000		204,554	4,554
Upper Saddle River Sewer Charges	A-9	3,300		3,300	
Cablevision Fees	A-9	51,700		51,700	
Dept. of Public Works - Recyclables	A-9	20,000		19,387	(613)
Hotel Tax	A-9	340,000		278,150	(61,850)
Verizon Franchise Fees	A-9	4,667		9,791	5,124
Watershed Moratorium Aid	A-9	11,186		11,186	
Clean Community Program	A-23	8,590	\$ 2,369	10,959	
Uniform Construction Code Fees	A-9	166,000		334,380	168,380
N.J. Transportation Trust Fund Authority Act	A-23	150,000		150,000	
Drunk Driving Enforcement Fund- Ch. 159	A-23		532	532	
Body Armor Replacement Program- Reserve	A-21	3,422		3,421	(1)
Municipal Alliance on Alcohol and Drug Abuse	A-23		11,017	11,017	
Handicapped Recreation Opportunities Grant	A-23	18,000		18,000	
NJDEP - Recycling Tonnage Grant- Ch. 159	A-23		23,678	23,678	
County of Bergen - Prosecutor Forfeiture Funds	A-23		6,610	6,610	
Uniform Fire Safety Act	A-9	7,700		10,522	2,822
CDBG- Senior Activity County	A-23	3,000		3,000	
Reserve for Aid in Lieu of Taxes	A-25	18,014	-	18,014	-
Total Miscellaneous Revenues	A-1	<u>1,860,893</u>	<u>44,206</u>	<u>2,012,808</u>	<u>107,709</u>
Receipts from Delinquent Taxes	A-8,A-1	<u>150,000</u>	-	<u>220,964</u>	<u>70,964</u>
Amount to be Raised by Taxes for Support of Municipal Budget	A-2	<u>7,538,747</u>	-	<u>7,841,341</u>	<u>302,594</u>
Total General Revenues	A-3	<u>\$ 10,999,640</u>	<u>\$ 44,206</u>	<u>11,525,113</u>	<u>\$ 481,267</u>
Non-Budget Revenue	A-1,A-2			<u>98,725</u>	
				<u>\$ 11,623,838</u>	

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF REVENUES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009
CURRENT FUND
(Continued)

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Allocation of Current Tax Collections		
Revenue from Collections	A-1,A-8	\$ 34,904,146
Less: Allocation to School and County Taxes and Municipal Open Space Preservation Trust Fund	A-18,A-20,A-17, B-10	<u>27,587,805</u>
Balance for Support of Municipal Budget Appropriation		7,316,341
Add Appropriation - "Reserve for Uncollected Taxes"	A-3	<u>525,000</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>\$ 7,841,341</u>
Fees and Permits		
Other		
Collector/Treasurer (Parking)	A-9	\$ 7,738
Police	A-9	1,819
Board of Health	A-9	14,529
Construction Code - Miscellaneous Fees	A-9	8,075
Fire Department- Miscellaneous Fees	A-9	4,810
Borough Clerk	A-9	<u>1,006</u>
	A-2	<u>\$ 37,977</u>
Analysis of Non-Budget Revenue		
Interest on Investments		\$ 4,070
Soil Removal		315
Scrap Sale		8,512
Admin Fee on Senior and Veterans Discounts		925
DMV Inspection Fees		1,000
Sale of Municipal Assets		50,000
Miscellaneous		<u>33,903</u>
	A-2	<u>\$ 98,725</u>
Analysis of Non-Budget Revenue		
Cash Receipts	A-4	\$ 95,362
Due from General Capital Fund	C-9	818
Due from Other Trust- Miscellaneous Reserves	B-13	321
Due from Other Trust- Escrow	B-4	<u>2,224</u>
	A-2	<u>\$ 98,725</u>

See Accompanying Notes to Financial Statements

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009
CURRENT FUND

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 214,750	\$ 226,750	\$ 224,284	\$ 2,466	
Other Expenses	88,750	71,750	70,754	996	
Mayor and Council					
Salaries and Wages	31,900	31,900	31,774	126	
Other Expenses	3,500	8,500	7,549	951	
Municipal Clerk					
Salaries and Wages	66,250	66,250	61,250	5,000	
Other Expenses	25,000	23,900	21,615	2,285	
Financial Administration					
Salaries and Wages	75,450	75,450	74,681	769	
Other Expenses	31,600	27,600	25,577	2,023	
Audit Services					
Other Expenses	35,000	37,000	36,609	391	
Revenue Administration (Tax Collection)					
Salaries and Wages	53,275	53,275	53,209	66	
Other Expenses	15,250	10,250	9,123	1,127	
Tax Assessment Administration					
Salaries and Wages	28,500	28,500	27,985	515	
Other Expenses	116,350	103,350	101,709	1,641	
Legal Services and Costs					
Other Expenses	136,000	177,000	171,109	5,891	
Engineering Services and Costs					
Other Expenses	34,000	69,000	67,139	1,861	
MUNICIPAL LAND USE LAW (N.J.S.A. 40:55D-1)					
Planning Board					
Salaries and Wages	35,135	37,135	35,131	2,004	
Other Expenses	18,700	23,700	21,502	2,198	
Zoning Board of Adjustment					
Salaries and Wages	17,570	17,570	17,570		
Other Expenses	14,000	16,000	14,463	1,537	
INSURANCE					
Unemployment Insurance					
Other Expenses	10,000	10,000	10,000		
Insurance (N.J.S.A. 40A:4-45.3(00))					
General Liability	137,274	128,274	128,237	37	
Workers Compensation	148,876	148,876	148,876		
Employee Group Health	858,300	821,300	817,800	3,500	
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages	2,285,453	2,285,453	2,200,441	85,012	
Other Expenses	118,110	118,110	115,087	3,023	
Police Dispatch/911					
Other Expenses	162,800	162,800	160,723	2,077	

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009
CURRENT FUND**

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserves</u>	
OPERATIONS WITHIN "CAPS" (Continued)					
PUBLIC SAFETY FUNCTIONS (Continued)					
Emergency Management Services					
Salaries and Wages	\$ 11,300	\$ 11,300	\$ 11,284	\$ 16	
Other Expenses	5,700	5,700	3,888	1,812	
Aid to Volunteer Fire Companies					
Salaries and Wages	2,500	2,500		2,500	
Other Expenses	125,200	125,200	117,353	7,847	
Aid to Volunteer Ambulance Companies					
Contribution	17,500	17,500	17,500		
Fire Prevention Bureau					
Salaries and Wages	37,500	37,500	35,347	2,153	
Other Expenses	23,675	23,675	16,964	6,711	
Municipal Court					
Salaries and Wages	71,800	71,800	71,550	250	
Other Expenses	5,975	5,975	3,064	2,911	
Municipal Prosecutor's Office					
Other Expenses	9,500	9,500	9,500		
Public Defender					
Other Expenses	2,500	2,500	1,650	850	
PUBLIC WORKS FUNCTION					
Road Repairs and Maintenance					
Salaries and Wages	630,200	630,200	611,999	18,201	
Other Expenses	56,250	49,250	43,230	6,020	
Shade Tree Commission					
Other Expenses	13,100	13,100	3,949	9,151	
Solid Waste Collection					
Salaries and Wages	180,263	186,263	185,761	502	
Other Expenses	68,675	66,675	64,058	2,617	
Public Buildings and Grounds					
Salaries and Wages	36,328	36,328	35,375	953	
Other Expenses	91,000	143,000	142,631	369	
Vehicle Maintenance					
Other Expenses	72,725	84,725	82,040	2,685	
HEALTH AND HUMAN SERVICES					
Board of Health					
Salaries and Wages	9,175	4,175	1,000	3,175	
Other Expenses	53,441	51,441	49,464	1,977	
Animal Control Services					
Other Expenses	4,110	4,110	4,110		
Welfare/Administration of Public Assistance					
Salaries and Wages	1,950	1,950	1,937	13	
Other Expenses	250	350	298	52	

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009
CURRENT FUND

	<u>Appropriated</u>		<u>Expended</u>		Unexpended Balances Cancelled
	<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	\$ 154,500	\$ 165,500	\$ 163,047	\$ 2,453	
Other Expenses	123,479	107,479	97,688	9,791	
Maintenance of Parks					
Other Expenses	28,000	27,000	23,347	3,653	
EDUCATIONAL FUNCTIONS					
Municipal/County Library					
Library Membership	56,855	46,855	45,657	1,198	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	36,800	32,800	30,586	2,214	
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C 5:23-4-17)					
State Uniform Construction Code					
Salaries and Wages	154,500	161,500	160,186	1,314	
Other Expenses	8,700	6,700	3,122	3,578	
UTILITY EXPENSE AND BULK PURCHASES					
Electricity	121,800	121,800	113,553	8,247	
Street Lighting	94,000	87,000	83,916	3,084	
Telephone	34,300	31,300	28,038	3,262	
Water	7,500	7,500	5,384	2,116	
Fuel Oil	4,000	4,000	2,450	1,550	
Gasoline	112,960	75,960	71,352	4,608	
Sewer Processing and Disposal					
Salaries and Wages	195,444	193,444	190,185	3,259	
Other Expenses	7,300	9,300	6,635	2,665	
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Sanitary Landfill Dump Fees					
Other Expenses	214,600	181,305	179,095	2,210	-
Total Operations Within "CAPS"					
	<u>7,647,148</u>	<u>7,623,853</u>	<u>7,372,390</u>	<u>251,463</u>	<u>-</u>
Detail:					
Salaries and Wages	4,293,743	4,324,743	4,193,996	130,747	-
Other Expenses (Including Contingent)	<u>3,353,405</u>	<u>3,299,110</u>	<u>3,178,394</u>	<u>120,716</u>	<u>-</u>

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009
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>	
DEFERRED CHARGES AND STATUTORY EXPENDITURES					
- Municipal within "CAPS"					
Deferred Charges					
Overexpenditure - 2008 Budget Fire Department (O/E) \$	5,716	\$ 5,716	\$ 5,716		
Statutory Charges					
Social Security System (O.A.S.I.)	177,506	177,506	176,661	\$ 845	
Public Employees Retirement System of N.J.	129,699	129,699	129,699		
Police and Firemen's Retirement System of N.J.	452,839	452,839	452,839	-	-
Total Deferred Charges & Statutory Expenditures					
- Municipal within "CAPS"	<u>765,760</u>	<u>765,760</u>	<u>764,915</u>	<u>845</u>	<u>-</u>
Total General Appropriations for Municipal Purposes within "CAPS"	<u>8,412,908</u>	<u>8,389,613</u>	<u>8,137,305</u>	<u>252,308</u>	<u>-</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
UTILITY EXPENSE AND BULK PURCHASE					
Bergen County Utilities Authority					
Share Costs Sewer Charges	444,000	467,295	467,291	4	
Borough of Montvale - Sewer Charges	38,700	38,700	38,700		
Borough of Hillsdale - Sewer Charges	18,750	18,750	18,750		
LANDFILL/SOLID WASTE DISPOSAL COSTS					
Recycling Tax	6,045	6,045	6,045		
PUBLIC SAFETY FUNCTION					
Aid to Volunteer Ambulance					
Other Expense - LOSAP Contribution	20,000	20,000	20,000		
Aid to Volunteer Fire Companies					
Other Expense - LOSAP Contribution	45,000	45,000	45,000		
STATUTORY EXPENDITURES					
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Clean Community Grant	8,590	10,959	10,959		
Bergen County Municipal Alliance- State		11,017	11,017		
Body Armor Fund - Reserve	3,422	3,422		3,422	
Handicapped Recreation Opportunities Grant	18,000	18,000	16,896	1,104	
Senior Citizen Activity Grant (CDBG)	3,000	3,000	2,985	15	
Bergen Cty - Prosecutor Forfeiture Funds		6,610	6,610		
Drunk Driving Enforcement Fund		532	-	532	
NJDEP - Recycling Tonnage Grant- Chapter 159	-	23,678	792	22,886	-
Total Operations - Excluded from "CAPS"	<u>605,507</u>	<u>673,008</u>	<u>645,045</u>	<u>27,963</u>	<u>-</u>
Detail:					
Other Expenses (Including Contingent)	<u>605,507</u>	<u>673,008</u>	<u>645,045</u>	<u>27,963</u>	<u>-</u>
See Accompanying Notes to Financial Statements					

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF EXPENDITURES - STATUTORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2009
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>	
CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 25,000	\$ 25,000	\$ 25,000		
Resurfacing of Various Streets	175,000	175,000	172,953	\$ 2,047	
Technology Improvements -GIS	25,000	25,000	21,645	3,355	
DPW-Compactor Boxes, 40cy, 30cy, 20cy & 2 cy	15,000	15,000	15,000		
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 1	25,000	25,000	23,004	1,996	
Senior Center - Audio/Video System	13,500	13,500	13,500		
Police - Patrol Vehicle - upgrade to digital	12,500	12,500	10,240	2,260	
Police - Evidence Tracking System	11,225	11,225		11,225	
New Jersey Transportation Trust Fund Authority Act Brookview Drive	150,000	150,000	-	150,000	-
Total Capital Improvements Excluded from "CAPS"	<u>522,225</u>	<u>522,225</u>	<u>281,342</u>	<u>240,883</u>	<u>-</u>
MUNICIPAL DEBT SERVICE EXCLUDED FROM "CAPS"					
Payment of Bond Principal	705,000	705,000	705,000		
Interest on Bonds	229,000	229,000	216,550	-	\$ 12,450
Total Municipal Debt Service - Excluded from "CAPS"	<u>934,000</u>	<u>934,000</u>	<u>921,550</u>	<u>-</u>	<u>12,450</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>2,061,732</u>	<u>2,129,233</u>	<u>1,847,937</u>	<u>268,846</u>	<u>12,450</u>
Subtotal General Appropriations	10,474,640	10,518,846	9,985,242	521,154	12,450
RESERVE FOR UNCOLLECTED TAXES	<u>525,000</u>	<u>525,000</u>	<u>525,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 10,999,640</u>	<u>\$ 11,043,846</u>	<u>\$ 10,510,242</u>	<u>\$ 521,154</u>	<u>\$ 12,450</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, 2009
CURRENT FUND**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-2	\$ 10,999,640	
Added by N.J.S. 40A:4-87	A-2	<u>44,206</u>	
		<u>\$ 11,043,846</u>	
Cash Disbursed	A-4		\$ 9,580,368
Encumbrances Payable	A-19		399,158
Deferred Charges	A-27		5,716
Reserve for Uncollected Taxes	A-2		<u>525,000</u>
			<u>\$ 10,510,242</u>

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
AS OF DECEMBER 31, 2009 AND 2008
TRUST FUNDS

	<u>Reference</u>	<u>2009</u>	<u>2009</u>
ASSETS			
Animal Control Trust Fund			
Cash	B-3	\$ 7,277	\$ 6,014
Due from State of New Jersey	B-6	<u>10</u>	<u>-</u>
		<u>7,287</u>	<u>6,014</u>
Other Trust Fund			
Cash	B-3	738,137	1,037,489
Due From Current Fund - Misc Reserves	B-13	<u>-</u>	<u>20,628</u>
		<u>738,137</u>	<u>1,058,117</u>
Unemployment Trust Fund			
Cash	B-3	<u>7,980</u>	<u>11,232</u>
Municipal Open Space Preservation Trust Fund			
Cash	B-3	<u>453,175</u>	<u>1,079,589</u>
Length of Service Award Program Fund (UNAUDITED)			
Investments	B	367,382	258,009
Contribution Receivable	B	<u>44,157</u>	<u>41,325</u>
		<u>411,539</u>	<u>299,334</u>
Total Assets		<u>\$ 1,618,118</u>	<u>\$ 2,454,286</u>

See Accompanying Notes to Financial Statements

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
AS OF DECEMBER 31, 2009 AND 2008
TRUST FUNDS

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Animal Control Trust Fund			
Accounts Payable	B-10	\$ 1,580	
Reserve for Animal Control Expenditures	B-5	<u>5,707</u>	<u>\$ 6,014</u>
		<u>7,287</u>	<u>6,014</u>
Other Trust Fund			
Escrow Deposits Payable	B-7	564,423	849,588
Payroll Deductions Payable	B-8	39,791	47,651
Miscellaneous Reserves	B-14	131,378	126,443
Due to Current Fund - Misc Reserves	B-13	321	
Due to Current Fund - Escrow	B-4	<u>2,224</u>	<u>34,435</u>
		<u>738,137</u>	<u>1,058,117</u>
Unemployment Trust Fund			
Due to State of New Jersey	B-12	25	110
Reserve for Unemployment Claims	B-9	<u>7,955</u>	<u>11,122</u>
		<u>7,980</u>	<u>11,232</u>
Municipal Open Space Preservation Trust Fund			
Reserve for Municipal Open Space Expenditures	B-11	<u>453,175</u>	<u>1,079,589</u>
Length of Service Award Program Fund (UNAUDITED)			
Reserve for LOSAP Benefits	B	<u>411,539</u>	<u>299,334</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 1,618,118</u>	<u>\$ 2,454,286</u>

**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF REVENUES-STATUTORY BASIS
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>2009 Budget</u>	<u>Realized in 2009</u>	<u>Excess or Deficit</u>
Amount to be Raised by Taxation	\$ 170,959	\$ 171,344	\$ 385
Reference	B-2	B-11	

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-STATUTORY BASES
OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>2009 Budget</u>	<u>2009 Expended Paid or Charged</u>	<u>Reserved</u>
Down Payments on Improvements	\$ 170,959	\$ 170,959	\$ -
Reference	B-1	B-11	

**BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
AS OF DECEMBER 31, 2009 AND 2008
GENERAL CAPITAL FUND**

ASSETS	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Cash	C-2, C-3	\$ 681,513	\$ 10,763
Deferred Charges to Future Taxation			
Funded	C-4	7,280,000	5,347,000
Unfunded	C-6	1,269,351	2,657,001
Due from Current Fund	C-9		668,530
Grant Receivables	C-5	<u>1,918,060</u>	<u>150,068</u>
 Total Assets		 <u>\$ 11,148,924</u>	 <u>\$ 8,833,362</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
General Serial Bonds	C-7	\$ 7,280,000	\$ 5,347,000
Bond Anticipation Notes Payable	C-13	1,200,000	
Improvement Authorizations			
Funded	C-8	666,790	1,512,537
Unfunded	C-8	143,501	975,246
Due to Current Fund	C-9	64	
Due to Grantor - NJDOT	C-10		36,442
Reserve for Grants Receivable	C-5	1,767,992	
Contracts Payable	C-11	769	938,220
Capital Improvement Fund	C-12	32,264	9,914
Fund Balance	C-1	<u>57,544</u>	<u>14,003</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 11,148,924</u>	 <u>\$ 8,833,362</u>

There were bonds and notes authorized but not issued at December 31, 2009 and 2008 of \$69,351 and \$2,657,001, respectively (Exhibit C-14).

BOROUGH OF WOODCLIFF LAKE
COMPARATIVE STATEMENTS OF CHANGE IN FUND BALANCE - STATUTORY BASIS
FOR THE YEARS ENDING DECEMBER 31, 2009 AND 2008
GENERAL CAPITAL FUND

	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Balance, January 1,	C	\$ 14,003	\$ 81,664
Increased by:			
Premium on Sale of Serial Bonds and Bond Anticipation Notes	C-2	7,099	
Cancellation of Due to Grantor - NJDOT	C-10	<u>36,442</u>	<u>-</u>
		57,544	81,664
Decreased by:			
Realize as Current Fund Budgeted Revenue		<u>-</u>	<u>67,661</u>
Balance, December 31,	C	<u>\$ 57,544</u>	<u>\$ 14,003</u>

**BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
AS OF DECEMBER 31, 2009 AND 2008
PUBLIC ASSISTANCE FUND**

ASSETS	<u>Reference</u>	<u>2009</u>	<u>2008</u>
Cash	D-1	\$ 6,615	\$ 6,869
Total Assets		<u>\$ 6,615</u>	<u>\$ 6,869</u>
LIABILITIES AND RESERVES			
Due to the State of New Jersey	D-3	\$ 2,201	\$ 2,201
Reserve for Public Assistance Expenditures	D-2	<u>4,414</u>	<u>4,668</u>
Total Liabilities and Reserves		<u>\$ 6,615</u>	<u>\$ 6,869</u>

**BOROUGH OF WOODCLIFF LAKE
COMPARATIVE BALANCE SHEETS - STATUTORY BASIS
AS OF DECEMBER 31, 2009 AND 2008
GENERAL FIXED ASSETS ACCOUNT GROUP**

ASSETS	<u>2009</u>	<u>2008</u>
Land	\$ 7,207,218	\$ 3,697,600
Building and Building Improvements	5,577,682	5,577,682
Machinery and Equipment	<u>7,621,949</u>	<u>6,394,179</u>
	<u>\$ 20,406,849</u>	<u>\$ 15,669,461</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 20,406,849</u>	<u>\$ 15,669,461</u>

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NOTES TO FINANCIAL STATEMENTS



**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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.

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

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Borough has the following funds and account group:

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

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

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

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

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

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:

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

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

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

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

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2009 and 2008 the Borough Council increased the original budget by \$44,206 and \$44,451. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2009 and 2008.

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

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

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

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Operating Deficits – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of operating deficits at year end.

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.

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

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

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

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. 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, 2009 AND 2008**

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 and 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 Capital Funds until such time as the construction is completed and put into operation.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

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, 2008 balances to conform to the December 31, 2009 presentation.

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

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basic Financial Statements

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The 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 maintain additional collateral in the amount of 5% of the average public deposits and to deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank for a temporary period ending December 31, 2013. SIPC replaces cash claims up to a maximum of \$100,000 for each failed brokerage firm. At December 31, 2009 and 2008, the book value of the Borough's deposits were \$5,860,180 and \$5,180,313 and bank and brokerage firm balances of the Borough's deposits amounted to \$5,386,857 and \$5,399,454, 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>2009</u>	<u>2008</u>
Insured	\$ 2,542,002	\$ 4,561,700
Uninsured and Collateralized	<u>2,844,855</u>	<u>837,754</u>
	<u>\$ 5,386,857</u>	<u>\$ 5,399,454</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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, 2009 and 2008, the Borough’s bank balance of \$2,844,855 and \$837,754 was exposed to custodial credit risk as follows:

	<u>2009</u>	<u>2008</u>
Uninsured and Collateralized		
Collateral held by pledging bank's trust department, not in the Borough's name	\$ <u>2,844,855</u>	\$ <u>837,754</u>

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, 2009 and 2008, the Borough had the following investments:

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

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

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, 2009 and 2008, \$901,806 and \$2,468,017 of the Borough’s investments was exposed to custodial credit risk as follows:

	Fair Value (LOSAP) (Unaudited)	Book Value	Total
2009			
Uninsured and Collateralized			
Collateral held by pledging bank's trust department, but not in the Borough's name	\$ 367,382	\$ 534,424	\$ 901,806
2008	(Unaudited)		
Uninsured and Collateralized			
Collateral held by pledging bank's trust department, but not in the Borough's name	\$ 258,009	\$ 2,210,008	\$2,468,017

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, 2009 and 2008, the Borough’s investment in Lincoln Financial Group was rated AA3 by Moody’s Investor Services.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 2 DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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 41% 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.

NOTE 3 TAXES RECEIVABLE

Receivables at December 31, 2009 and 2008 consisted of the following:

	<u>2009</u>	<u>2008</u>
<u>Current</u>		
Property Taxes	\$ 235,553	\$ 220,964
Tax Title Liens	<u>2,897</u>	<u>2,757</u>
	<u>\$ 238,450</u>	<u>\$ 223,721</u>

In 2009 and 2008, the Borough collected \$220,964 and \$197,223 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.

BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

The Borough's debt is summarized as follows:

	<u>2009</u>	<u>2008</u>
Issued		
General		
Bonds and Notes	\$ 8,480,000	\$ 5,347,000
Less Funds Temporarily Held to Pay Bonds	<u>-</u>	<u>-</u>
Net Debt Issued	8,480,000	5,347,000
Authorized But Not Issued		
General		
Bonds and Notes	<u>69,351</u>	<u>2,657,001</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 8,549,351</u>	<u>\$ 8,004,001</u>

The statement of debt condition that follows is extracted from the Borough Annual Debt Statement and indicates a statutory net debt of .38% and .37% at December 31, 2009 and 2008, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2009</u>			
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>
<u>2008</u>			
General Debt	\$ 8,004,001		\$ 8,004,001
School Debt	<u>19,353,131</u>	<u>\$ 19,353,131</u>	<u>-</u>
Total	<u>\$ 27,357,132</u>	<u>\$ 19,353,131</u>	<u>\$ 8,004,001</u>

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

	<u>2009</u>	<u>2008</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 78,145,280	\$ 75,493,601
Net Debt	<u>8,549,351</u>	<u>8,004,001</u>
Remaining Borrowing Power	<u>\$ 69,595,929</u>	<u>\$ 67,489,600</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

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

General Obligation Bonds

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

	<u>2009</u>	<u>2008</u>
\$3,696,000, 1998 Bonds, due in annual installments of \$191,000 to \$200,000 through December, 2018, interest at 4.375%	\$ 1,791,000	\$ 1,991,000
\$3,068,000, 2003 Bonds, due in annual installments of \$175,000 to \$350,000 through June, 2013, interest at 2.70%	1,392,000	1,742,000
\$2,024,000, 2004 Bonds, due in annual installments of \$85,000 to \$170,000 through October, 2018, interest at 3.25% to 4.0%	1,459,000	1,614,000
\$2,638,000, 2009 Bonds, due in annual installments of \$160,000 to \$320,000 through October, 2018, interest at 1.25% to 2.875%	<u>2,638,000</u>	<u>-</u>
	<u>\$ 7,280,000</u>	<u>\$ 5,347,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2009 is as follows:

Calendar Year	General		Total
	Principal	Interest	
2010	\$ 865,000	\$ 221,817	\$ 1,086,817
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
2015-2019	<u>3,043,000</u>	<u>257,171</u>	<u>3,300,171</u>
Total	<u>\$ 7,280,000</u>	<u>\$ 1,104,252</u>	<u>\$ 8,384,252</u>

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 4 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years 2009 and 2008 were as follows:

	Balance, December 31, <u>2008</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2009</u>	Due Within <u>One Year</u>
<u>2009</u>					
General Capital Fund Bonds Payable	\$ 5,347,000	\$ 2,638,000	\$ 705,000	\$ 7,280,000	\$ 865,000
	Balance, December 31, <u>2007</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2008</u>	Due Within <u>One Year</u>
<u>2008</u>					
General Capital Fund Bonds Payable	\$ 6,052,000	\$ -	\$ 705,000	\$ 5,347,000	\$ 705,000

Short-Term Debt

The Borough's short-term capital debt activity for the years 2009 and 2008 was as follows:

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

BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 5 FIXED ASSETS

General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years 2009 and 2008.

	Balance December 31, <u>2008</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2009</u>
<u>2009</u>				
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>
	Balance December 31, <u>2007</u>	<u>Additions</u>	<u>Retirements</u>	Balance, December 31, <u>2008</u>
<u>2008</u>				
Land	\$ 3,697,600			\$ 3,697,600
Buildings and Building Improvement	5,540,887	\$ 36,795		5,577,682
Machinery and Equipment	<u>6,036,871</u>	<u>357,308</u>	<u>-</u>	<u>6,394,179</u>
	<u>\$ 15,275,358</u>	<u>\$ 394,103</u>	<u>\$ -</u>	<u>\$ 15,669,461</u>

NOTE 6 DUE TO/FROM OTHER FUNDS

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

	<u>2009</u>		<u>2008</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	\$ 2,609		\$ 34,435	\$ 689,158
Other Trust Fund-Escrow		\$ 2,224		34,435
Other Trust Fund-Msc. Reserves		321	20,628	
General Capital Fund	<u>-</u>	<u>64</u>	<u>668,530</u>	<u>-</u>
 Total	 <u>\$ 2,609</u>	 <u>\$ 2,609</u>	 <u>\$ 723,593</u>	 <u>\$ 723,593</u>

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

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

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 7 FUND BALANCES APPROPRIATED

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

	Fund Balance December 31, <u>2008</u>	Utilized in Subsequent Year's Budget	Fund Balance December 31, <u>2008</u>	Utilized in Subsequent Year's Budget
Current Fund				
Cash Surplus	\$ 1,258,230	\$ 1,150,000	\$ 1,633,157	\$ 1,450,000
Non-Cash Surplus	<u>246,927</u>	<u>-</u>	<u>156,376</u>	<u>-</u>
	<u>\$ 1,505,157</u>	<u>\$ 1,150,000</u>	<u>\$ 1,789,533</u>	<u>\$ 1,450,000</u>

NOTE 8 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

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

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2009</u>			
There are none.			
	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2008</u>			
Current Fund			
Overexpenditure of Appropriations	\$ <u>5,716</u>	\$ <u>5,716</u>	\$ <u>-</u>

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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 \$544,511 and \$567,404 at December 31, 2009 and 2008, 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, 2009 and 2008, the Borough has reserved \$468,185 and \$443,185, respectively to fund compensated absences in accordance with NJSA 40A:4-39.

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS

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

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement 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.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Other Pension Funds (Continued)

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

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

Basis of Accounting

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

Investment Valuation

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

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

Significant Legislation

P.L. 2009, c. 19, effective March 17, 2009 provides an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS and PFRS for payments due in State fiscal year 2009. This law also provides that a local employer may pay 100 percent of the required contribution. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries for PERS and PFRS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Significant Legislation (Continued)

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS, is 72.6 percent with an unfunded actuarial accrued liability of \$34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and \$23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and \$11.4 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, 2008 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.

**BOROUGH OF WOODCLIFF LAKE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 10 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and 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 5.5% for PERS, 8.50% for PFRS and 5.5% for DCRP of employees' annual compensation.

Annual Pension Cost (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2009, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employee contribution.

During the years ended December 31, 2009, 2008 and 2007, the Borough was required to contribute for normal cost pension contributions the following amounts which equaled the required contributions for each year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>
2009	\$ 452,839	\$ 129,699
2008	399,466	95,892
2007	271,426	53,999

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and 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 Class. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as a separate fund (Health Benefits Program Fund –Local) in the State's CAFR. The post-retirement benefit programs had a total of 484 state and local participating employers and contributing entities for Fiscal Year 2009.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

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

Basis of Accounting

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

Investment Valuation

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

Funded Status and Funding Progress

As of June 30, 2008, the most recent actuarial valuation date, the State had a \$55.9 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$19.8 billion for state active and retired members and \$36.1 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, 2008 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.

BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008

NOTE 11 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Post-Retirement Medical Benefits Contribution

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Public Employees' Retirement System to fund post-retirement medical benefits for those State and participating local government employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2009, there were 84,590 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State and participating local governments in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

P.L. 1977, c. 136 provides for the State and participating local governments to pay health benefits on a pay-as-you-go basis for all enrolled retired employees, regardless of retirement date, under two provisions. The first is for employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired employees who are eligible for a disability retirement regardless of years of service. The State and participating local governments contributed \$87.0 million for 7,255 eligible retired members for fiscal year 2009.

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 \$24.4 million in fiscal year 2009 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 for post-retirement benefits for the years ended December 31, 2009, 2008 and 2007 were \$177,785, \$169,543 and \$176,835, 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, 2009, 2008 and 2007 were \$23,124, \$23,329 and \$21,599, 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.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

NOTE 12 RISK MANAGEMENT (Continued)

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

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

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>
2009	\$ 10,000		\$ 13,174	\$ 7,955
2008	10,000	\$ 12,432	27,740	11,122
2007	10,000		5,652	16,384

NOTE 13 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2009 and 2008. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2009 and 2008, the Borough reserved \$682,708 and \$918,755, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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, 2009 and 2008, 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, 2008, the Borough has arbitrage earnings due to the IRS in the amount of \$19,333 with an additional amount of accrued interest liability of \$1,657 for a total amount due of \$20,990.

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 \$1,424 and \$1,424 for 2009 and 2008, respectively, for each eligible volunteer 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.

**BOROUGH OF WOODCLIFF LAKE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2009 AND 2008**

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

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

Vesting and Benefits

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

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

Reporting Requirements

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

CURRENT FUND



BOROUGH OF WOODCLIFF LAKE
STATEMENT OF CASH - COLLECTOR-TREASURER

Balance, January 1, 2009		\$ 5,236,265
Increased by Receipts:		
Taxes Receivable	\$ 34,662,015	
Receipts from Delinquent Taxes	220,964	
Non-Budget Revenue	95,362	
State of NJ - Senior Citizens' and Veterans' Deductions	46,250	
Revenue Accounts Receivable	1,767,577	
Construction Training Fees	27,237	
Prepaid Taxes	202,267	
Grants Receivable	127,529	
Unappropriated Reserves	209,541	
Tax Overpayments	48,601	
Aid in Lieu of Taxes	18,521	
Marriage License Fees	700	
Receipts from Other Trust Fund	34,435	
Receipts from General Capital Fund	297,224	
	<u>37,758,223</u>	
		42,994,488
Decreased by Disbursements:		
2009 Budget Appropriations	9,580,368	
2008 Appropriation Reserves	449,171	
Construction Training Fees	26,695	
Marriage License Fees	975	
Regional High School Tax	10,340,689	
County Tax	4,432,446	
Local District School Tax	12,713,485	
Appropriated Reserves	35,362	
Accounts Payable	12,869	
Tax Overpayments	16,384	
Reserve for Tax Appeals	236,047	
Unappropriated Reserves	16,294	
Refund Prior Year Revenue	13,348	
Payments to General Capital Fund	965,000	
Payments to Other Trust- Msc. Reserves	20,628	
Payments to Open Space Trust Fund	171,344	
	<u>39,031,105</u>	
Balance, December 31, 2009		<u>\$ 3,963,383</u>

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

Balance, January 1, 2009	\$ <u>2,000</u>
Balance, December 31, 2009	\$ <u>2,000</u>

STATEMENT OF CHANGE FUNDS

Balance, January 1, 2009	\$ <u>100</u>
Balance, December 31, 2009	\$ <u>100</u>

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

Balance, January 1, 2009	\$ 10,266
Increased by:	
Cash Received from State of New Jersey	<u>46,250</u>
	56,516
Decreased by:	
Senior Citizens' Deductions Per Tax Billings	\$ 2,000
Veterans' Deductions Per Tax Billings	44,250
Veterans' Deductions Allowed by Tax Collector	<u>1,000</u>
	<u>47,250</u>
Balance, December 31, 2009	\$ <u>9,266</u>

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

Year	Balance, January 1, 2009	2009 Levy	Added Taxes	Senior Citizens' and Veterans' Deductions Disallowed	2008 Collections	2009 Collections	Senior Citizens' and Veterans' Deductions Allowed	Overpayments Applied	Transferred to Tax Title Lien	Taxes Cancelled or Remitted or Abated	Balance, December 31, 2009
2008	\$ 220,964	-	-	-	-	\$ 220,964	-	-	-	-	-
	220,964	-	-	-	-	220,964	-	-	-	-	-
2009	-	\$ 35,118,280	\$ 79,199	-	\$ 190,771	34,662,015	\$ 47,250	\$ 4,110	\$ 140	\$ 57,640	\$ 235,553
	\$ 220,964	\$ 35,118,280	\$ 79,199	\$ -	\$ 190,771	\$ 34,882,979	\$ 47,250	\$ 4,110	\$ 140	\$ 57,640	\$ 235,553

TAX YIELD

General Property Tax	
Real Property Tax	\$ 35,118,280
Added Taxes (54:4-63.1 et seq.)	79,199
	<u>\$ 35,197,479</u>

TAX LEVY

Local District School Tax (Abstract)	\$ 12,713,485
Regional School Tax (Abstract)	10,340,689
County Taxes (Abstract)	4,125,460
County Open Space Taxes	226,980
Municipal Open Space Preservation Trust Fund	171,344
Due County for Added Taxes (54:4-63.1)	<u>10,001</u>
	\$ 27,587,959

**Local Tax for Municipal Purposes
Add Additional Tax Levied**

	7,538,747
	<u>70,773</u>
	7,609,520
	<u>\$ 35,197,479</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE

	Balance, January 1, <u>2009</u>	<u>Accrued</u>	<u>Collected</u>	Balance, December 31, <u>2009</u>
Borough Clerk				
Licenses				
Alcoholic Beverage Licenses		\$ 2,225	\$ 2,225	
Other Licenses		566	566	
Fees and Permits		1,006	1,006	
Collector-Treasurer				
Fees and Permits		7,738	7,738	
Construction Code Official				
Building Permits and Fees		334,380	334,380	
Miscellaneous Fees and Permits		8,075	8,075	
Fire Prevention				
Miscellaneous Fees and Permits		4,810	4,810	
Police				
Fees and Permits		1,819	1,819	
Board of Health				
Fees and Permits		14,529	14,529	
Municipal Court				
Fines and Costs	\$ 3,303	45,024	44,424	\$ 3,903
Uniform Fire Safety Act- Local		46,720	46,720	
Uniform Fire Safety Act- LEA		10,522	10,522	
Interest and Cost on Taxes		55,589	55,589	
Energy Receipts Tax		657,106	657,106	
Watershed Moratorium Aid		11,186	11,186	
Verizon Franchise Fees		9,791	9,791	
Park Receipts		204,554	204,554	
Upper Saddle River Sewer Charges		3,300	3,300	
Cablevision Fees		51,700	51,700	
Hotel Tax		278,150	278,150	
Dept. of Public Works Recyclables	-	19,387	19,387	-
	<u>\$ 3,303</u>	<u>\$ 1,768,177</u>	<u>\$ 1,767,577</u>	<u>\$ 3,903</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF 2008 APPROPRIATION RESERVES

	Balance, January 1, <u>2009</u>	<u>Transfers</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balanced <u>Lapsed</u>
Salaries and Wages						
General Administration	\$ 4,693		\$ 4,693			\$ 4,693
Mayor & Council	623	\$ (500)	123			123
Municipal Clerk	5,992		5,992			5,992
Financial Administration	2,494		2,494			2,494
Revenue Administration	785		785			785
Tax Assessment Administration	2,191		2,191			2,191
Police	16,493		16,493	\$ 16,429		64
Emergency Management Services	42		42			42
Aid to Volunteer Fire Companies	500		500			500
Fire Prevention Bureau	361		361			361
Road Repairs and Maintenance	40,561	(3,000)	37,561		\$ 25,000	12,561
Solid Waste Collection	866		866			866
Public Buildings and Grounds	475		475			475
Board of Health	2,275		2,275			2,275
Welfare Administration	3		3			3
Recreation Services and Programs	8,502		8,502			8,502
Planning Board	1,626		1,626			1,626
Zoning Board of Adjustment	600		600			600
Uniform Construction Code	1,764		1,764			1,764
Sewer Processing and Disposal	1,368		1,368			1,368
Municipal Court	2,581	-	2,581	-	-	2,581
Total Salaries and Wages	94,795	(3,500)	91,295	16,429	25,000	49,866
Other Expenses						
General Administration	62		14,984	14,965		19
Mayor & Council	67	500	1,069	1,069		
Municipal Clerk	7,681	(300)	8,226	1,053		7,173
Financial Administration	3,386		7,061	7,061		
Audit Services	500		33,500	29,400		4,100
Revenue Administration	4,214		4,665	569		4,096
Assessment of Taxes (Reserve for Tax Appeals)	6,393		7,338	912		6,426
Legal Services and Costs	7,107	4,000	15,703	14,584		1,119
Engineering Service and Costs	2,037		15,666	15,071		595
Planning Board	33,858		34,418	13,660		20,758
Zoning Board of Adjustment	7,169		7,729	970		6,759
General Liability	2,282		31,408	29,126		2,282
Employee Group Health	20,884	(15,000)	9,034	3,150		5,884
Workers Compensation	-		34,641	34,641		

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF 2008 APPROPRIATION RESERVES

	Balance, January 1, <u>2009</u>	<u>Transfers</u>	Balance After <u>Modification</u>	<u>Expended</u>	<u>Transfer</u>	Balanced <u>Lapsed</u>
Other Expenses (Continued)						
Police	\$ 4,829		\$ 10,665	\$ 7,359		\$ 3,306
Police Dispatch/911	706		894			894
Emergency Management Services	2,059		2,332	138		2,194
Aid to Volunteer Fire Companies		\$ 11,000	40,771	33,768		7,003
LOSAP - Ambulance Corp.			19,000	19,000		
LOSAP - Fire Department			42,900	41,308		1,592
Fire Prevention Bureau	178		522	234		288
Road Repairs and Maintenance	2,741		16,530	14,268		2,262
Shade Tree Commission	3,158		4,008	850		3,158
Solid Waste Collection	2,579		2,579	842		1,737
Public Buildings and Grounds	13,953		19,029	5,347		13,682
Vehicle Maintenance	6	3,000	6,876	6,212		664
Board of Health	2,017		2,881	864		2,017
Welfare/Administration of Public Assist.	111		185	74		111
Recreation Services and Programs	11,786		15,586	3,936		11,650
Maintenance of Parks	8,546		9,336	790		8,546
Library Membership	1,351		2,251	1,050		1,201
Celebration of Public Events	550	300	2,167	1,916		251
Uniform Construction Code	2,831		2,994	65		2,929
Electricity	6,154	(1,000)	26,678	19,166		7,512
Street Lighting	1,782	(1,000)	16,616	15,834		782
Telephone	1,293		6,277	4,991		1,286
Water	2,635		3,336	701		2,635
Fuel Oil	1,243		1,243			1,243
Gasoline	1,962	5,000	13,890	12,502		1,388
Sewer Processing and Disposal	1,642		1,766	200		1,566
Solid Waste Disposal	47,633	(3,000)	44,626	31,170		13,456
Prosecutor Forfeiture- Other Expenses			29,134	29,134		
Shared Costs Sewer Charges	6		6			6
Borough of Hillsdale-Sewer Charges	244		244			244
Borough of Montvale-Sewer Charges	464		464			464
Social Security System (O.A.S.I)	13		13			13
Public Employees Retirement System			1			1
Municipal Court	2,554		2,766	532		2,234
Public Defender	1,900		1,900			1,900

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

Balance, January 1, 2009		\$ 66,050
Increased by:		
Transferred from Encumbrances Payable		<u>97,168</u>
		163,218
Decreased by:		
Cash Disbursements	\$ 12,869	
Cancellation	<u>130,899</u>	
		<u>143,768</u>
Balance, December 31, 2009		<u>\$ 19,450</u>

EXHIBIT A-12

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

Balance, January 1, 2009		\$ 5,427
Increased by:		
Collections		<u>27,237</u>
		32,664
Decreased by:		
Payments		<u>26,695</u>
Balance, December 31, 2009		<u>\$ 5,969</u>

EXHIBIT A-13

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

Balance, January 1, 2009		\$ 450
Increased by:		
Collections		<u>700</u>
		1,150
Decreased by:		
Payments		<u>975</u>
Balance, December 31, 2009		<u>\$ 175</u>

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

Balance, January 1, 2009	\$	918,755
Decreased by:		
Cash Paid to Appellants		<u>236,047</u>
Balance, December 31, 2009	\$	<u>682,708</u>

EXHIBIT A-15

STATEMENT OF PREPAID TAXES

Balance, January 1, 2009	\$	190,771
Increased by:		
Collection of 2010 Taxes		<u>202,267</u>
		393,038
Decreased by:		
Application to 2009 Taxes		<u>190,771</u>
Balance, December 31, 2009	\$	<u>202,267</u>

EXHIBIT A-16

STATEMENT OF TAX OVERPAYMENTS

Balance, January 1, 2009	\$	4,360
Increased by:		
Cash Receipts		<u>48,601</u>
		52,961
Decreased by:		
Applied to 2009 Taxes Receivable	\$	4,110
Cancellation		250
Cash Disbursements		<u>16,384</u>
		<u>20,744</u>
Balance, December 31, 2009	\$	<u>32,217</u>

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

Increased by:		
Levy - Calendar Year		\$ <u>10,340,689</u>
Decreased by:		
Payments		\$ <u>10,340,689</u>

STATEMENT OF COUNTY TAXES PAYABLE

Balance, January 1, 2009		\$ 80,006
Increased by:		
2009 Levy	\$ 4,125,460	
Open Space Preservation	226,980	
Added Taxes (54:4-63.1 et seq.)	<u>9,847</u>	
		<u>4,362,287</u>
		4,442,293
Decreased by:		
Payments		<u>4,432,446</u>
Balance, December 31, 2009		\$ <u>9,847</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, January 1, 2009		\$ 399,935
Increased by:		
Charges to 2009 Appropriations		<u>399,158</u>
		799,093
Decreased by:		
Transfer to Appropriation Reserves		<u>399,935</u>
Balance, December 31, 2009		\$ <u>399,158</u>

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

Increased by:	
Levy - Calendar Year	<u>\$ 12,713,485</u>
Decreased by:	
Payments	<u>\$ 12,713,485</u>

STATEMENT OF UNAPPROPRIATED RESERVES

	Balance, January 1, <u>2009</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Realized in 2009 <u>Budget</u>	Balance, December 31, <u>2009</u>
Affordable Housing	\$ 45,839	\$ 209,541	\$ 16,294		\$ 239,086
Body Armor Grant	<u>3,421</u>	<u>-</u>	<u>-</u>	<u>\$ 3,421</u>	<u>-</u>
	<u>\$ 49,260</u>	<u>\$ 209,541</u>	<u>\$ 16,294</u>	<u>\$ 3,421</u>	<u>\$ 239,086</u>

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

	Balance, January 1, <u>2009</u>	Transferred from 2008 Appropriation <u>Reserves</u>	Paid or <u>Charged</u>	<u>Cancellation</u>	Balance, December 31, <u>2009</u>
Affordable Housing	\$ 29,414		\$ 29,414		
Capital Improvements: Park & Recreation Sidewalk Imprvts.	40,312				\$ 40,312
NJ DOT- Overlook Ave		\$ 28,341			28,341
Domestic Violence	1,358	2,485			3,843
Emergency Beacon	59				59
GDL Enforcement		1,375			1,375
Body Armor Fund		859			859
Municipal Alliance	6,658	3,148	5,342		4,464
Alcohol & Drug Rehabilitation	5,408		606		4,802
Senior Citizen		3,000			3,000
DWI- Overtime	3,049	1,927			4,976
State Police Disaster	1,620				1,620
Individuals Disability Grants		3,738			3,738
Child Passenger Safety Grant	656				656
Recycling Tonnage Grant	945	260	-	-	1,205
	<u>\$ 89,479</u>	<u>\$ 45,133</u>	<u>\$ 35,362</u>	<u>\$ -</u>	<u>\$ 99,250</u>
Cash Disbursements			<u>\$ 35,362</u>		

EXHIBIT A-23

STATEMENT OF GRANTS RECEIVABLE

	Balance, January 1, <u>2009</u>	Accrued <u>2009</u>	Collected <u>2009</u>	<u>Cancelled</u>	Balance, December 31, <u>2009</u>
NJ Dept. of Transportation:					
Glen Road Improvements	\$ 26,889				\$ 26,889
Overlook Ave	76,168	\$ 150,000	\$ 24,737		201,431
Senior Activity County Grant	3,000	3,000	6,000		
Clean Communities Grant		10,959	10,959		
NJ DEP Recycling Grant Program		23,678	23,672		6
GDL Enforcement Grant	1,375				1,375
Handicapped Recreation Opportunities C	10,243	18,000	22,659		5,584
Municipal Alliance Program	3,851	11,017	3,851		11,017
Prosecutors Forfeiture Funds	29,134	6,610	35,119		625
DDEF	-	532	532	-	-
	<u>\$ 150,660</u>	<u>\$ 223,796</u>	<u>\$ 127,529</u>	<u>\$ -</u>	<u>\$ 246,927</u>

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

Balance, January 1, 2009	\$	2,757
Increased by:		
Transfer from Taxes Receivable		<u>140</u>
Balance, December 31, 2009	\$	<u>2,897</u>

EXHIBIT A-25

STATEMENT OF RESERVE FOR AID IN LIEU OF TAXES

Balance, January 1, 2009	\$	18,014
Increased by:		
Cash Receipts		<u>18,521</u>
		36,535
Decreased by:		
Realized as Budgeted Revenue		<u>18,014</u>
Balance, December 31, 2009	\$	<u>18,521</u>

EXHIBIT A-26

STATEMENT OF RESERVE FOR TERMINAL LEAVE

Balance, January 1, 2009	\$	443,185
Increased by:		
Transfer from 2008 Appropriation Reserves- Salaries & Wages		<u>25,000</u>
Balance, December 31, 2009	\$	<u>468,185</u>

EXHIBIT A-27

STATEMENT OF DEFERRED CHARGES - OVEREXPENDITURE OF APPROPRIATIONS

Balance, January 1, 2009	\$	5,716
Decreased by:		
Amount Raised in 2009 Budget		<u>5,716</u>
Balance, December 31, 2009	\$	<u>-</u>

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TRUST FUND



BOROUGH OF WOODCLIFF LAKE
STATEMENT OF TRUST CASH

	<u>Animal Control</u>	<u>Other Trust</u>	<u>Unemployment Trust</u>	<u>Open Space Trust</u>
Balance, January 1, 2009	\$ 6,014	\$ 1,037,489	\$ 11,232	\$ 1,079,589
Increased by Receipts:				
Current Fund Budget Appropriation	\$ 4,110		\$ 10,000	
Tax Collections				\$ 171,344
State Dog License Fees	845			
Animal License Fees Collected	4,843			
Miscellaneous Reserves		\$ 165,117		
Interest on Deposits		5,012	7	
Escrow Deposits		113,458		2,242
Payments Received from Current Fund		20,628		
Net Payroll and Payroll Deductions	-	<u>4,574,259</u>	-	-
	<u>9,798</u>	<u>4,878,474</u>	<u>10,007</u>	<u>173,586</u>
Decreased by Disbursements:				
Payments to General Capital Fund	15,812	5,915,963	21,239	1,253,175
Payments to Current Fund				800,000
Net Payroll and Payroll Deductions		34,435		
Miscellaneous Reserves		4,582,119		
Expenditures Under R.S. 4:19-15.11	7,680	160,182		
Escrow Deposits	855	401,090		
Payments to State of New Jersey		-	13,259	
	<u>8,535</u>	<u>5,177,826</u>	<u>13,259</u>	<u>800,000</u>
Balance, December 31, 2009	<u>\$ 7,277</u>	<u>\$ 738,137</u>	<u>\$ 7,980</u>	<u>\$ 453,175</u>

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

Balance, January 1, 2009	\$	34,435
Increased by:		
Interest on Deposits		<u>2,224</u>
		36,659
Decreased by:		
Payments to Current Fund		<u>34,435</u>
Balance, December 31, 2009	\$	<u>2,224</u>

STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES

Balance, January 1, 2009	\$	6,014
Increased by:		
Animal License Fees Collected	\$	4,843
Budget Appropriation		<u>4,110</u>
		<u>8,953</u>
		14,967
Decreased by:		
Expenditures Under R.S. 4:19-15.11		7,680
Accounts Payable		<u>1,580</u>
		<u>9,260</u>
Balance, December 31, 2009	\$	<u>5,707</u>

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

Increased by:		
State Registration Fees Collected		\$ 845
Decreased by:		
Payments to State of New Jersey		<u>855</u>
Balance, December 31, 2009		<u>\$ 10</u>

**STATEMENT OF ESCROW DEPOSITS
OTHER TRUST FUND**

Balance, January 1, 2009		\$ 849,588
Increased by:		
Escrow Deposits Collected	\$ 113,458	
Interest on Deposits	<u>2,467</u>	
		<u>115,925</u>
		965,513
Decreased by:		
Refund of Escrow Deposits		<u>401,090</u>
Balance, December 31, 2009		<u>\$ 564,423</u>

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

Balance, January 1, 2009	\$	47,651
Increased by:		
Cash Receipts - Net Payroll and Payroll Deductions		<u>4,574,259</u>
		4,621,910
Decreased by:		
Cash Disbursements - Net Payroll and Payroll Deductions		<u>4,582,119</u>
Balance, December 31, 2009	\$	<u><u>39,791</u></u>

STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE

Balance, January 1, 2009	\$	11,122
Increased by:		
Interest on Investments and Deposits	\$	7
Current Fund Budget Appropriations		<u>10,000</u>
		<u>10,007</u>
		21,129
Decreased by:		
Due to State of New Jersey		<u>13,174</u>
Balance, December 31, 2009	\$	<u><u>7,955</u></u>

**STATEMENT OF ACCOUNTS PAYABLE
ANIMAL CONTROL FUND**

Increased by:		
Animal Control Services	\$	<u>1,580</u>
Balance, December 31, 2009	\$	<u><u>1,580</u></u>

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

Balance, January 1, 2009		\$	1,079,589
Increased by:			
Open Space Tax	\$	170,959	
Additional Open Space Tax		385	
Interest on Deposits		<u>2,242</u>	
			<u>173,586</u>
			1,253,175
Decreased by:			
Payment to General Capital Fund- Finance Imprvt. Authorization			<u>800,000</u>
Balance, December 31, 2009		\$	<u>453,175</u>

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

Balance, January 1, 2009		\$	110
Increased by:			
Unemployment Claims			<u>13,174</u>
Decreased by:			
Payments			<u>13,259</u>
Balance, December 31, 2009		\$	<u>25</u>

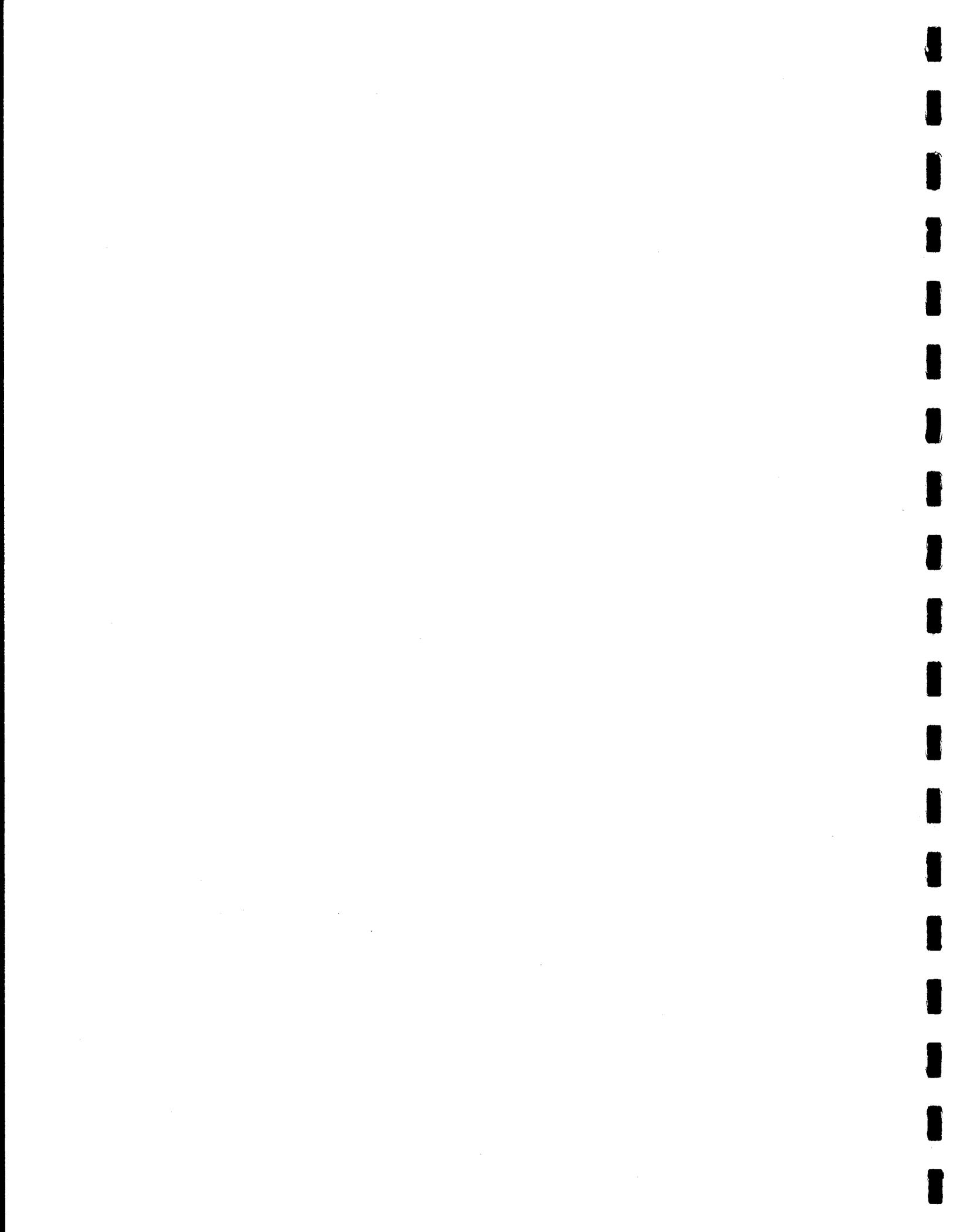
**BOROUGH OF WOODCLIFF LAKE
STATEMENT OF DUE TO/FROM CURRENT FUND
OTHER TRUST FUND - MISCELLANEOUS RESERVES**

Balance, January 1, 2009 (Due From)	\$	20,628
Increased by:		
Interest on Deposits		321
Decreased by:		
Payment Received from Current Fund		20,628
Balance, December 31, 2009 (Due To)	\$	321

**STATEMENT OF MISCELLANEOUS RESERVES
OTHER TRUST FUND**

	Balance January 1, <u>2009</u>	<u>Receipts</u>	<u>Payments</u>	Balance December 31, <u>2009</u>
Police Outside Duty	\$ 12,371	\$ 162,684	\$ 147,642	\$ 27,413
Tax Sale Premiums	33,000			33,000
POAA	228	82		310
Causeway Beautification-Clock	1,864			1,864
Sidewalk	39,845			39,845
Dare Activities	1,707	2,351	205	3,853
Fire Prevention Penalty Fees	32,306		12,335	19,971
Construction Code Penalty Fees	5,122	-	-	5,122
	<u>\$ 126,443</u>	<u>\$ 165,117</u>	<u>\$ 160,182</u>	<u>\$ 131,378</u>

GENERAL CAPITAL FUND



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

Balance, January 1, 2009		\$ 10,763
Increased by Receipts:		
Receipts from Municipal Open Space	\$ 800,000	
Serial Bond Proceeds	2,638,000	
Bond Anticipation Note Proceeds	1,200,000	
Premium on Sale of Serial Bonds and Bond Anticipation Notes	7,099	
Budget Appropriation- Capital Improvement Fund	25,000	
Receipts From Current Fund	965,000	
Interest on Deposits	818	
		5,635,917
		5,646,680
Decreased by:		
Contracts Payable	914,623	
Payments to Current Fund	297,224	
Improvement Authorizations	3,753,320	
		4,965,167
Balance, December 31, 2009		\$ 681,513

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

	Balance, December 31, <u>2009</u>
Fund Balance	\$ 57,544
Capital Improvement Fund	32,264
Grants Receivable	(150,068)
Due to Current Fund	64
Contract Payable	769

Improvement Authorizations:

<u>Ord. No.</u>	<u>Improvement Description</u>	
General Improvements:		
98-6/02-4	Various Capital Improvements	204,532
01-5	Various Capital Improvements	10,028
03-3	Various Capital Improvements	203,030
05-09	Various Public Improvements	7,866
05-24	Restoration of Westervelt-Lydecker House	37,205
06-06	Various Capital Improvements	119,777
07-13	Acq. Of Four-Wheel Vehicle and Fire Engine	2,617
08-02	Various Improvements to the Old Mill Pool	9,787
08-03	Acq. Front Loader & Garbage Truck	70,739
08-05	Purchase of Real Property	1,209
08-08/09-12	Purchase of Real Property	(50,350)
09-19	Purchase of Real Property	124,500
		<u>\$ 681,513</u>

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

Balance, January 1, 2009	\$ 5,347,000
Increased by:	
Serial Bonds Issued	2,638,000
	7,985,000
Decreased by:	
2008 Budget Appropriation to Pay Bond Principal	705,000
Balance, December 31, 2009	\$ 7,280,000

EXHIBIT C-5

STATEMENT OF GRANTS RECEIVABLE/OTHER RECEIVABLE

	Balance, January 1, <u>2009</u>	Increased by <u>Awards</u>	Decrease by <u>Cash Collections</u>	Balance, December 31, <u>2009</u>
County of Bergen Open Space Trust Fund				
Ord. 05-24	\$ 38,550			\$ 38,550
Ord. 08-02	25,750			25,750
Ord. 09-19		\$ 800,000		800,000
Community Development Block Grant				
Ord 05-24	35,768			35,768
New Jersey Green Acres Trust Fund				
Ord. 09-19		967,992		967,992
N.J. Preservation Trust Fund				
Ord. 03-3	50,000	-	-	50,000
	\$ 150,068	\$ 1,767,992	\$ -	\$ 1,918,060
<u>Balance Pledged to:</u>				
Improvement Authorization				\$ 150,068
Reserve for Receivable				1,767,992
				\$ 1,918,060

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

Ord. No.	Improvement Description	Analysis of Balance						
		Balance, January 1, 2009	2009 Authorizations	Serial Bonds Issued	Balance, December 31, 2009	Bond Anticipation Notes Issued	Expenditures	Unexpended Improvement Authorizations
	General Improvements:							
01-5	Various Capital Improvements	\$ 19,000			\$ 19,000			\$ 19,000
06-06	Various Capital Improvements	735,301	\$ 735,301					
07-13	Acq. Of Four-Wheel Vehicle & Fire Engine	942,700	942,700					
08-03	Acq. Of a Front Loader & Garbage Truck	380,000	380,000					
08-05	Real Property for Municipal Purposes	580,000		579,999	1			1
08-08/09-12	Purchase Real Property		\$ 50,350		50,350		\$ 50,350	
09-19	Purchase Real Property	-	1,200,000	-	1,200,000	\$ 1,200,000		
		<u>\$ 2,657,001</u>	<u>\$ 1,250,350</u>	<u>\$ 2,638,000</u>	<u>\$ 1,269,351</u>	<u>\$ 1,200,000</u>	<u>\$ 50,350</u>	<u>\$ 19,001</u>

Improvement Authorization - Unfunded \$ 143,501
 Less: Unexpended Proceeds Ord 09-19 124,500
 \$ 19,001

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

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2009	Interest Rate	Balance, January 1, 2009	Increased	Decreased	Balance, December 31, 2009
General Improvement Bonds	12/1/1998	\$ 3,696,000	12/1/10-17	4.375	1,991,000		200,000	1,791,000
			12/1/2018			\$	\$	\$
General Improvement Bonds	6/1/2003	3,068,000	6/1/2010-12	2.70	1,742,000		350,000	1,392,000
			6/1/2013					
General Improvement Bonds	10/1/2004	2,024,000	10/1/10-13					
			10/1/14-15					
			10/1/16-17					
			10/1/2018	3.25-4.0	1,614,000		155,000	1,459,000
General Improvement Bonds	6/1/2009	2,638,000	6/1/2010	1.250%-2.875				
			6/1/2011					
			6/1/2012					
			6/1/2013					
			6/1/2014					
			6/1/2015					
			6/1/2016-17					
		6/1/2018						
		6/1/2019						
						\$ 2,638,000	-	2,638,000
						\$ 5,347,000	\$ 705,000	\$ 7,280,000

Budget Appropriation

\$ 705,000

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

<u>No.</u>	<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Balance, January 1, 2009</u>		<u>2009 Authorizations</u>	<u>Contracts Cancelled</u>	<u>Paid or Charged</u>	<u>Balance, December 31, 2009</u>	
			<u>Funded</u>	<u>Unfunded</u>				<u>Funded</u>	<u>Unfunded</u>
<u>General Improvements:</u>									
98-6/02-4	Various Capital Improvements	\$ 3,900,000	\$ 226,032				\$ 21,500	\$ 204,532	
01-5	Various Capital Improvements	1,260,000	11,046	\$ 19,000			1,018	10,028	\$ 19,000
03-3	Various Capital Improvements	1,794,597	202,060		\$ 970			203,030	
05-09	Various Public Improvements	302,724	7,866					7,866	
05-24	Restoration of Westervelt-Lydecker House	168,445	61,705			24,500		37,205	
06-06	Various Capital Improvements	791,000		115,976		18,826		119,777	
07-13	Acq. Of Four-Wheel Vehicle and Fire Engine	990,000		43,579		40,962		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		216,691		145,952		70,739	
08-05	Real Property for Municipal Purposes	610,000	29,041	580,000		607,831		1,209	
08-08/09-12	Purchase Real Property	1,018,000	965,000		\$ 53,000	1,018,000			
09-19	Purchase Real Property	2,000,000	-	-	2,000,000	1,875,500			124,500
			<u>\$ 1,512,537</u>	<u>\$ 975,246</u>	<u>\$ 2,053,000</u>	<u>\$ 23,597</u>	<u>\$ 3,754,089</u>	<u>\$ 666,790</u>	<u>\$ 143,501</u>

Analysis

Deferred Charges - Unfunded	\$ 1,250,350
Capital Improvement Fund	2,650
Open Space Trust Fund	800,000
	<u>\$ 2,053,000</u>
Cash Disbursed	\$ 3,753,320
Contracts Payable	769
	<u>\$ 3,754,089</u>

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

Balance, January 1, 2009 (Due From)		\$ 668,530
Increased by:		
Payments to Current Fund		<u>297,224</u>
		965,754
Decreased by :		
Receipts from Current Fund	\$ 965,000	
Interest on Investments and Deposits	<u>818</u>	
		<u>965,818</u>
Balance, December 31, 2009 (Due To)		<u>\$ 64</u>

EXHIBIT C-10

STATEMENT OF DUE TO GRANTOR - NJDOT

Balance, January 1, 2009		\$ 36,442
Decreased by:		
Cancelled to Fund Balance		<u>36,442</u>
Balance, December 31, 2009		<u>\$ -</u>

EXHIBIT C-11

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

Balance, January 1, 2009		\$ 938,220
Increased by:		
Charges to Improvement Authorizations		<u>769</u>
		938,989
Decreased by:		
Cancelled	\$ 23,597	
Payments	<u>914,623</u>	
		<u>938,220</u>
Balance, December 31, 2009		<u>\$ 769</u>

EXHIBIT C-12

STATEMENT OF CAPITAL IMPROVEMENT FUND

Balance, January 1, 2009		\$ 9,914
Increased by:		
2009 Budget Appropriation		<u>25,000</u>
		34,914
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>2,650</u>
Balance, December 31, 2009		<u>\$ 32,264</u>

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

Ordinance	Purpose	Original Issue	Date of Original Issue	Date Issue	Date of Maturity	Interest Rate	Balance, January 1, 2009	Increased	Decreased	Balance, December 31, 2009
09-19	Purchase of Real Property	\$ 1,200,000	12/23/2009	12/23/2009	9/23/2010	1.50%	\$ -	\$ 1,200,000	\$ -	\$ 1,200,000
							\$ -	\$ 1,200,000	\$ -	\$ 1,200,000

Issued for Cash

\$ 1,200,000

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

<u>Ord. No.</u>	<u>Improvement Description</u>	Balance, January 1, 2009	2009 Authorizations	Serial Bonds Issued	Bond Anticipation Notes Issued	Balance, December 31, 2009
	General Improvements:					
01-5	Various Capital Improvements	\$ 19,000				\$ 19,000
06-06	Various Capital Improvements	735,301		\$ 735,301		
07-13	Acq. Of Four-Wheel Vehicle & Fire Engine	942,700		942,700		
08-03	Acq. Of a Front Loader & Garbage Truck	380,000		380,000		
08-05	Real Property for Municipal Purposes	580,000		579,999		1
08-08/09-12	Purchase Real Property		\$ 50,350			50,350
09-19	Purchase Real Property	-	1,200,000	-	\$ 1,200,000	-
		<u>\$ 2,657,001</u>	<u>\$ 1,250,350</u>	<u>\$ 2,638,000</u>	<u>\$ 1,200,000</u>	<u>\$ 69,351</u>

PUBLIC ASSISTANCE FUND



BOROUGH OF WOODCLIFF LAKE
STATEMENT OF PUBLIC ASSISTANCE CASH - TREASURER

	PATF Account #1 (75)%	PATF Account #2 (100)%	<u>Total</u>
Balance, January 1, 2009	\$ 3,240	\$ 3,629	\$ 6,869
Increased by:			
Receipts	<u>2,100</u>	<u>1,500</u>	<u>3,600</u>
	5,340	5,129	10,469
Decreased by:			
Disbursements	<u>-</u>	<u>3,854</u>	<u>3,854</u>
Balance, December 31, 2009	<u>\$ 5,340</u>	<u>\$ 1,275</u>	<u>\$ 6,615</u>

BOROUGH OF WOODCLIFF LAKE
STATEMENT OF RESERVE FOR PUBLIC ASSISTANCE EXPENDITURES

	PATF <u>Account #1</u>	PATF <u>Account #2</u>	<u>Total</u>
Balance, January 1, 2009	\$ 3,989	\$ 679	\$ 4,668
Increased by:			
State Aid	2,100	1,500	3,600
Intra-Fund Transfer	<u>(2,100)</u>	<u>2,100</u>	<u>-</u>
	<u>\$ 3,989</u>	<u>\$ 4,279</u>	<u>\$ 8,268</u>
Decreased by:			
Assistance Reported	<u>-</u>	<u>3,854</u>	<u>3,854</u>
Balance, December 31, 2009	<u>\$ 3,989</u>	<u>\$ 425</u>	<u>\$ 4,414</u>

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

Balance, January 1, 2009	<u>\$ 2,201</u>
Balance, December 31, 2009	<u>\$ 2,201</u>

STATEMENT OF EXPENDITURES

Assistance Reported	<u>\$ 3,854</u>
Total Assistance Reported	<u>\$ 3,854</u>

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**BOROUGH OF WOODCLIFF LAKE
BERGEN COUNTY, NEW JERSEY**



**PART II
GOVERNMENTAL AUDITING STANDARDS
YEAR ENDING DECEMBER 31, 2009**



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208
FAIR LAWN, NJ 07410
TELEPHONE (201) 791-7100
FACSIMILE (201) 791-3035
WWW.LVHCPA.COM

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
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DEBORAH KOZAK, CPA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
RALPH M. PICONE, CPA, RMA, PSA

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

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

We have audited the financial statements – regulatory basis of the Borough of Woodcliff Lake as of and for the year ended December 31, 2009, and have issued our report thereon dated June 7, 2010 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 with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Internal Control Over Financial Reporting

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

A 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.

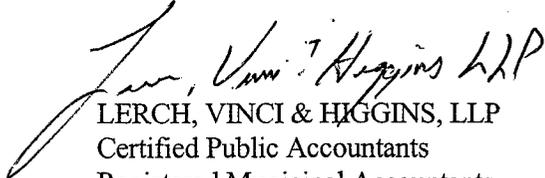
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

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 no 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.

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

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


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, 2010

LERCH, VINCI & HIGGINS, LLP

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

Compliance

We have audited the compliance of the Borough of Woodcliff Lake with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" and the "New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement" that are applicable to each of its major federal and state programs for the year ended December 31, 2009. The Borough of Woodcliff Lake's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Borough of Woodcliff Lake's management. Our responsibility is to express an opinion on the Borough of Woodcliff Lake's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Those standards and circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Woodcliff Lake's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Borough of Woodcliff Lake's compliance with those requirements.

In our opinion, the Borough of Woodcliff Lake complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended December 31, 2009.

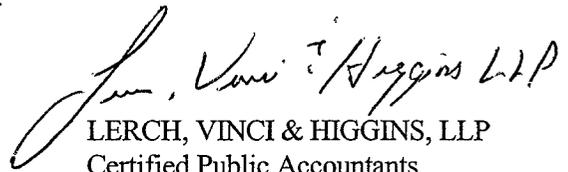
Internal Control Over Compliance

Management of the Borough of Woodcliff Lake is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Borough of Woodcliff Lake's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Woodcliff Lake's internal control over compliance.

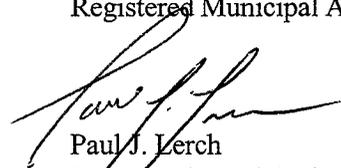
A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected on a timely basis.

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

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



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, 2010

BOROUGH OF WOODCLIFF LAKE
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE YEAR ENDED DECEMBER 31, 2009

State Grant Program	Project/Grant Number	Grant Year	Grant Award	2009 Receipts	Balance, January 1, 2009	Revenue/Receipts	Expended	Adjustments	Balance, December 31, 2009	Cumulative Expended										
Department of Environmental Protection Clean Communities Grant	042-00-4900-765-004	2009 2008	\$ 10,959 8,521	\$ 10,959	\$ 5,396	\$ 10,959	\$ 5,396		\$ 10,959	\$ 10,959										
Division of Motor Vehicles Drunk Driving Enforcement Fund- Police	1110-448-031020-22	2009 2008 2007	532 1,927 4,669	532	1,927 4,669	532			532 1,927 4,669	901										
Municipal Alliance on Alcoholism and Drug Abuse (Passed through County of Bergen)	N/A	2009 2008 2007	11,017 11,500 11,500	3,851	3,438 6,658	11,017	11,017		11,017	11,017 8,352 10,184										
Department of Law and Public Safety Body Armor Replacement Program	066-00-1020-718-001	2009 2008	3,422 3,042		859	3,422			3,422 859	2,183										
Department of Community Affairs Handicapped Recreation Opportunities	022-99-8050-100-035	2009 2008	18,000 20,121	2,538 20,121	3,737	18,000	16,896	\$ 1	1,104 3,738	16,896 16,383										
Department of Environmental Protection State Tonnage Grant (Recycling)	042-00-4900-752-001	2009 2008 2005	23,678 10,034 945	23,672	8,184 945	23,678	792 7,924		22,886 260 945	792 9,774										
Division of Judiciary Alcohol Ed and Rehab	098-00-9735-760-001	2008 2007 2003	793 250 5,388		686 250 5,158	686	606		250 4,552	793 836										
Department of Community Affairs Domestic Violence Training Program	022-99-8030-100-093	2008 2007	2,485 1,358		2,484 1,358			1	2,485 1,358											
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	967,992			967,992										
Division of Family Development Human Services	054-15-7550-100-121	2009	3,600	3,600		3,600	3,600			3,600										
NJ DCA Child Passenger Seat Safety	N/A	2007	656		656				656											
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"></td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">46,405</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">1,039,200</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">1,031,500</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">2</td> <td style="width: 10%; text-align: right;">\$</td> <td style="width: 10%; text-align: right;">54,107</td> </tr> </table>											\$	46,405	\$	1,039,200	\$	1,031,500	\$	2	\$	54,107
	\$	46,405	\$	1,039,200	\$	1,031,500	\$	2	\$	54,107										

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, 2009**

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	\$ 153,000	\$ 67,608	\$ 220,608
General Capital Fund		967,992	967,992
Public Assistance	-	3,600	3,600
	<u>\$ 153,000</u>	<u>\$ 1,039,200</u>	<u>\$ 1,192,200</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

PART III

SUPPLEMENTARY DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

FOR THE YEAR ENDED DECEMBER 31, 2009



**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

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

	<u>Year 2009</u>		<u>Year 2008</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ 1,450,000	3.70 %	\$ 1,350,000	3.53 %
Miscellaneous - From Other Than Local				
Property Tax Levies	2,111,533	5.39	2,276,942	5.96
Collection of Delinquent Taxes and Tax Title Liens	220,964	0.56	197,223	0.52
Collection of Current Tax Levy	34,904,146	89.11	33,956,564	88.81
Other Credits	<u>586,530</u>	<u>1.24</u>	<u>453,759</u>	<u>1.18</u>
Total Income	<u>39,273,173</u>	<u>100.00 %</u>	<u>38,234,488</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Municipal Purposes	10,506,396	27.57 %	10,424,335	28.13 %
Municipal Open Space Preservation Trust Fund Taxes	171,344	0.45	168,478	0.45
County Taxes	4,362,287	11.45	4,179,401	11.28
Regional School Taxes	10,340,689	27.14	9,931,762	26.80
Local District School Taxes	12,713,485	33.36	12,344,346	33.31
Other Expenditures	<u>13,348</u>	<u>0.03</u>	<u>14,697</u>	<u>0.03</u>
Total Expenditures	<u>38,107,549</u>	<u>100.00 %</u>	<u>37,063,019</u>	<u>100.00 %</u>
Excess in Revenue	1,165,624		1,171,469	
Adjustments to Income before Surplus:				
Expenditures included above which are by Statute				
Deferred Charges to Budget of Succeeding Year	<u>-</u>		<u>5,716</u>	
Statutory Excess to Surplus	1,165,624		1,177,185	
Fund Balance, January 1	<u>1,789,533</u>		<u>1,962,348</u>	
	2,955,157		3,139,533	
Less Utilization as Anticipated Revenue	<u>1,450,000</u>		<u>1,350,000</u>	
Fund Balance, December 31	<u>\$ 1,505,157</u>		<u>\$ 1,789,533</u>	

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

Comparative Schedule of Tax Rate Information

	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Tax Rate</u>	<u>\$2.059</u>	<u>\$2.049</u>	<u>\$1.980</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.442	.442	.441
Municipal Open Space Preservation	.010	.010	.010
County (Including Open Space Tax)	.256	.249	.239
Regional School	.606	.601	.550
Local School	.745	.747	.740

Assessed Valuation

2009	<u>\$1,705,598,808</u>
2008	<u>\$1,652,626,979</u>
2007	<u>\$1,603,445,695</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>
2009	\$ 35,197,479	\$ 34,904,146	99.16%
2008	34,520,779	34,265,269	99.25%
2007	32,283,576	31,324,466	97.03%

**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>
2009	\$ 2,897	\$ 235,553	\$ 238,450	.68%
2008	2,757	220,964	223,721	.65%
2007	2,618	197,242	199,860	.62%

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>
2009	None
2008	None
2007	None

Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Balance, December 31,</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	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		
Joanne C. Howley	Councilwoman		
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

Prior Year Unresolved

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

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

Current Year Comments

Our audit revealed inactive grants receivable in the Current Fund and General Capital Fund as of December 31, 2009. It is recommended that inactive grants receivable in the Current Fund and General Capital Fund be reviewed and cleared of record.

Our audit of the payroll revealed the following:

- Two employees' quarterly wages were incorrectly reported on the payroll reports and state pension reports.
- One employee was paid a stipend; however documentation supporting this stipend payment was not available for review.
- One employee that was terminated in September of 2009 remained on dental benefits through January 2010; however, the Borough received credit for the overpayments.

It is recommended that employee compensation be calculated and paid in accordance with the approved salary ordinance and employee quarterly wages be properly reported on the quarterly payroll and state pension reports.

Our audit of the bidding revealed that competitive bids were not solicited for a contract awarded for borough hall renovations in the amount of \$21,922 which was in excess of the bid threshold of \$21,000. It is recommended that competitive bids be solicited for contracts awarded in excess of the bid threshold.

Our audit of the cash disbursement cycle revealed the following:

- Reimbursements were made to a Borough official for holiday decorations, pool equipment and various supplies; however these reimbursements lacked supporting vendor invoices.
- A clothing allowance was made to the Chief of Police; however the vendor invoices supporting the clothing allowance reimbursement were for other items such as "GPS" navigation, ammunition, gun site and eye glasses.

It is recommended that all reimbursements be supported with vendor invoices and that clothing allowance reimbursements be supported with vendor invoices for clothing or cleaning of clothing. If the clothing allowance is not supported with vendor invoices for clothing it should be processed through in accordance with IRS regulations.

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

GENERAL COMMENTS (Continued)

Current Year Comments (Continued)

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.

Our audit of the bank wire transfers revealed that a current employee is utilizing a former employee's username and password for bank wire transfer activity. It is recommended that access to bank wire transfer activity be reviewed and updated to include only authorized current employees.

Our audit of the recreation summer camp collections revealed that one family paid for three children for one session week; however, attendance records indicate that the three children attended camp for three session weeks. It is recommended that all children who attend summer camp be verified to registration forms and attendance records to verify proper payment.

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

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

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

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

Acquisition of Police Vehicles
Acquisition of New Vehicles

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.

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

GENERAL COMMENTS (Continued)

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 5, 2009 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>
2009	1
2008	1
2007	1

**BOROUGH OF WOODCLIFF LAKE
SUPPLEMENTARY DATA**

RECOMMENDATIONS

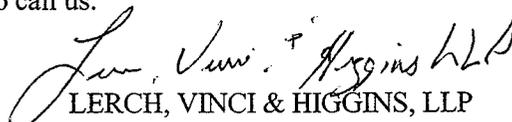
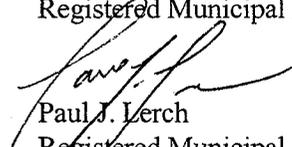
It is recommended that:

- * 1. All the manually issued checks from the payroll account include two authorized signatures.
- * 2. The Borough establish an written internal control policy for the use of credit and store cards or cancels the credit and store cards.
- 3. Inactive grants receivable in the Current Fund and General Capital Fund be reviewed and cleared of record.
- 4. Employee compensation be calculated and paid in accordance with the approved salary ordinance and employee quarterly wages be properly reported on the quarterly payroll and State pension reports.
- 5. Competitive bids be solicited for contracts awarded in excess of the bid threshold.
- 6. All reimbursements be supported with vendor invoices and that clothing allowance reimbursements be supported with vendor invoices for clothing or cleaning of clothing. If the clothing allowance is not supported with vendor invoices for clothing it should be processed through in accordance with IRS regulations.
- 7. The Construction Code Department revenue collections be turned over to the Treasurer within 48 hours.
- 8. Access to bank wire transfer activity be reviewed and updated to include only authorized current employees.
- 9. All children who attend summer camp be verified to registration forms and attendance records to verify proper payment.

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

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

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


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

Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457