

**BOROUGH OF WOODCLIFF LAKE**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**



# BOROUGH OF WOODCLIFF LAKE

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**BOROUGH OF WOODCLIFF LAKE**

**BERGEN COUNTY, NEW JERSEY**

**PART I**

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**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY SCHEDULES**

**FOR THE YEAR ENDED DECEMBER 31, 2011**



# LERCH, VINCI & HIGGINS, LLP

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Woodcliff Lake as of December 31, 2011 and 2010 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, 2011. 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 the accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

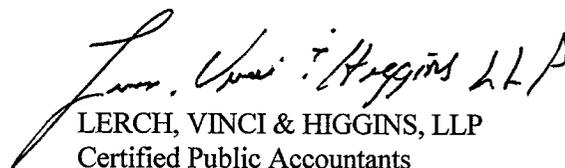
In addition, the financial statements of the Length of Service Awards Program (LOSAP) Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Fund financial statements as part of our audit of the Borough's financial statements. The LOSAP Fund financial activities are included in the Borough's Trust Fund, and represent 26 percent and 24 percent of the assets and liabilities, respectively, of the Borough's Trust Funds as of December 31, 2011 and 2010.

In our opinion, because of the effects of the Borough preparing its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statements referred to 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, 2011 and 2010, and the changes in its financial position for the years then ended. Further, the Borough has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, except for the effects of such adjustments, if any as might have been determined to be necessary had the LOSAP Fund financial statements been audited, the financial statements - regulatory basis referred to previously present fairly, in all material respects, the financial position - regulatory basis of the various funds and account group of the Borough of Woodcliff Lake as of December 31, 2011 and 2010 and the results of operations and changes in fund balance - regulatory basis of such funds for the years then ended and the revenues - regulatory basis and the expenditures - regulatory basis of the various funds for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated June 30, 2012 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 as a whole. 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. The supplementary schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole on the basis of accounting described in Note 1.

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

  
Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
June 30, 2012

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2011 AND 2010**  
**CURRENT FUND**

| ASSETS  | <u>Reference</u> | <u>2011</u>             | <u>2010</u>             |
|---|------------------|-------------------------|-------------------------|
| Cash and Investments                              | A-4              | \$ 3,099,239            | \$ 3,132,947            |
| Cash- Petty Cash                                  | A-5              | 2,500                   | 2,000                   |
| Cash - Change Fund                                | A-6              | 100                     | 100                     |
| Federal and State Grants Receivable               | A-23             | <u>148,250</u>          | <u>220,585</u>          |
|   |                  | <u>3,250,089</u>        | <u>3,355,632</u>        |
| Receivables and Other Assets With Full Reserves   |                  |                         |                         |
| Delinquent Property Taxes Receivable              | A-8              | 231,713                 | 181,797                 |
| Tax Title Liens Receivable                        | A-24             |                         | 3,044                   |
| Revenue Accounts Receivable                       | A-9              | 4,699                   | 3,731                   |
| Due from General Capital Fund                     | C-9              | 18                      |                         |
| Due from Other Trust - Escrow                     | B-8              | 189                     |                         |
| Due from Trust Fund - Animal Control              | B-5              | <u>2,520</u>            | <u>-</u>                |
|   |                  | <u>239,139</u>          | <u>188,572</u>          |
| Deferred Charge                                   |                  |                         |                         |
| Special Emergency Authorizations                  | A-28             | 153,316                 | 191,645                 |
| Overexpenditure of Appropriation Reserves         | A-10,A-29        | <u>4,943</u>            | <u>-</u>                |
|   |                  | <u>158,259</u>          | <u>191,645</u>          |
| <br>Total Assets                                  |                  | <br><u>\$ 3,647,487</u> | <br><u>\$ 3,735,849</u> |
| <br><b>LIABILITIES, RESERVES AND FUND BALANCE</b> |                  |                         |                         |
| Liabilities                                       |                  |                         |                         |
| Appropriation Reserves                            | A-3,A-10         | \$ 355,683              | \$ 237,420              |
| Encumbrances Payable                              | A-19             | 422,641                 | 643,460                 |
| Accounts Payable                                  | A-11             | 1,448                   | 88,429                  |
| Special Emergency Notes Payable                   | A-30             | 153,316                 |                         |
| Due to State of New Jersey                        |                  |                         |                         |
| Senior Citizens' and Veterans' Deductions         | A-7              | 9,389                   | 9,266                   |
| Construction Training Fees Payable                | A-12             | 4,307                   | 2,700                   |
| Marriage Fees                                     | A-13             | 75                      | 50                      |
| Tax Overpayments                                  | A-16             | 49,587                  | 31,249                  |
| Reserve for Tax Appeals                           | A-14             | 248,598                 | 274,336                 |
| Reserve for Terminal Leave                        | A-26             | 350,889                 | 378,181                 |
| Prepaid Taxes                                     | A-15             | 254,236                 | 236,370                 |
| Reserve for Aid in Lieu of Taxes                  | A-25             | 15,888                  | 17,346                  |
| Miscellaneous Reserves                            | A-27             |                         | 54,571                  |
| Due County for Added and Omitted Taxes            | A-18             | 5,728                   | 10,148                  |
| Due to General Capital Fund                       | C-9              |                         | 20,922                  |
| Appropriated Reserves                             | A-22             | 260,308                 | 182,694                 |
| Unappropriated Reserves                           | A-21             | <u>275,121</u>          | <u>267,075</u>          |
|   |                  | <u>2,407,214</u>        | <u>2,454,217</u>        |
| Reserve for Receivables and Other Assets          | A                | 239,139                 | 188,572                 |
| Fund Balance                                      | A-1              | <u>1,001,134</u>        | <u>1,093,060</u>        |
| <br>Total Liabilities, Reserves and Fund Balance  |                  | <br><u>\$ 3,647,487</u> | <br><u>\$ 3,735,849</u> |

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE-**  
**REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**CURRENT FUND**

|  | <u>Reference</u> | <u>2011</u>         | <u>2010</u>         |
|--|------------------|---------------------|---------------------|
| <b>REVENUE AND OTHER INCOME REALIZED</b>   |                  |                     |                     |
| Fund Balance Utilized  | A-2              | \$ 800,000          | \$ 1,150,000        |
| Miscellaneous Revenues Anticipated   | A-2              | 1,824,374           | 1,792,374           |
| Receipts from Delinquent Taxes   | A-2              | 182,424             | 232,315             |
| Receipts from Current Taxes  | A-2              | 37,908,847          | 36,731,254          |
| Non-Budget Revenues  | A-2              | 90,968              | 75,824              |
| Other Credits to Income  |                  |                     |                     |
| Unexpended Balance of Appropriation Reserves   | A-10             | 113,300             | 158,353             |
| Prior Year Interfunds Liquidated   | A                |                     | 2,609               |
| Cancellation of Appropriated Reserves  | A-22             | 10,875              | 28,341              |
| Cancellation of Tax Overpayments   | A-1              | -                   | 3                   |
| Total Revenues   |                  | <u>40,930,788</u>   | <u>40,171,073</u>   |
| <b>EXPENDITURES</b>  |                  |                     |                     |
| Budget and Emergency Appropriations  |                  |                     |                     |
| Operations   |                  |                     |                     |
| Salaries and Wages   | A-3              | 4,061,327           | 4,173,458           |
| Other Expenses   | A-3              | 4,234,157           | 4,255,789           |
| Capital Improvement Fund   | A-3              | 40,000              | 140,000             |
| Municipal Debt Service   | A-3              | 1,082,868           | 1,100,317           |
| Deferred Charges and Statutory Expenditures  | A-3              | 950,866             | 787,091             |
| County Taxes   | A-18             | 4,507,750           | 4,591,619           |
| Due County for Added and Omitted Taxes   | A-18             | 5,728               | 10,148              |
| Municipal Open Space Preservation Trust Fund   | B-1              | 170,712             | 171,800             |
| Local District School Taxes  | A-20             | 13,573,455          | 13,227,331          |
| Regional High School Taxes   | A-17             | 11,586,726          | 11,065,604          |
| Refund Prior Year Revenue  | A-4              | 318                 | 23,338              |
| Interfund Advance Originating  | A                | 2,727               | -                   |
| Cancel Grant Receivable  | A-23             | <u>6,080</u>        | <u>78,320</u>       |
| Total Expenditures   |                  | <u>40,222,714</u>   | <u>39,624,815</u>   |
| Excess in Revenue  |                  | 708,074             | 546,258             |
| Adjustments to Income before Surplus:  |                  |                     |                     |
| Expenditures included above which are by Statute Deferred Charges to Budget of Succeeding Year | A-1              | <u>-</u>            | <u>191,645</u>      |
| Statutory Excess to Surplus  |                  | 708,074             | 737,903             |
| Fund Balance, January 1  | A                | <u>1,093,060</u>    | <u>1,505,157</u>    |
|  |                  | 1,801,134           | 2,243,060           |
| Decreased by:  |                  |                     |                     |
| Utilization as Anticipated Revenue   | A-1,A-2          | <u>800,000</u>      | <u>1,150,000</u>    |
| Fund Balance, December 31  | A                | <u>\$ 1,001,134</u> | <u>\$ 1,093,060</u> |

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
CURRENT FUND**

|  | <u>Reference</u> | <u>Budget</u>        | <u>Added by<br/>N.J.S.A<br/>40A:4-87</u> | <u>Realized</u>      | <u>Excess or<br/>(Deficit)</u> |
|--|------------------|----------------------|--|----------------------|--------------------------------|
| Fund Balance Utilized  | A-1              | \$ 800,000           | -  | \$ 800,000           | -                              |
| <b>Miscellaneous Revenues</b>                                |                  |                      |  |                      |                                |
| <b>Licenses</b>  |                  |                      |  |                      |                                |
| Alcoholic Beverages  | A-9              | 2,200                |  | 2,271                | \$ 71                          |
| Other  | A-9              | 475                  |  | 358                  | (117)                          |
| <b>Fees and Permits</b>                                      |                  |                      |  |                      |                                |
| Other  | A-2              | 45,000               |  | 41,525               | (3,475)                        |
| <b>Fines and Costs</b>                                       |                  |                      |  |                      |                                |
| Municipal Court  | A-9              | 38,215               |  | 61,577               | 23,362                         |
| Interest and Costs on Taxes                                  | A-9              | 60,700               |  | 49,490               | (11,210)                       |
| Uniform Fire Safety Act - Local                              | A-9              | 46,250               |  | 45,099               | (1,151)                        |
| Energy Receipts Tax  | A-9              | 509,389              |  | 509,389              | -                              |
| Park Receipts  | A-9              | 210,000              |  | 225,890              | 15,890                         |
| Upper Saddle River Sewer Charges                             | A-9              | 3,300                |  | 3,300                | -                              |
| Cablevision Fees   | A-9              | 58,900               |  | 58,971               | 71                             |
| Dept. of Public Works - Recyclables                          | A-9              | 44,000               |  | 77,537               | 33,537                         |
| Hotel Tax  | A-9              | 280,000              |  | 300,642              | 20,642                         |
| Verizon Franchise Fees                                       | A-9              | 15,200               |  | 21,493               | 6,293                          |
| MEL - JIF Tri Boro Ambulance                                 | A-9              | 9,486                |  | 9,487                | 1                              |
| Watershed Moratorium Aid                                     | A-27             | 22,372               |  | 22,372               | -                              |
| Uniform Construction Code Fees                               | A-9              | 210,000              |  | 224,939              | 14,939                         |
| Clean Community Program                                      | A-23             |                      | \$ 11,172                                | 11,172               | -                              |
| Recycling Tonnage Grant                                      | A-23             |                      | 41,632                                   | 41,632               | -                              |
| NJ Div of Highway Safety - Over the Limit Under Arrest       | A-23             |                      | 4,400                                    | 4,400                | -                              |
| Body Armor Grant   | A-23             |                      | 3,309                                    | 3,309                | -                              |
| Municipal Alliance on Alcohol and Drug Abuse                 | A-23             | 10,356               |  | 10,356               | -                              |
| Handicapped Recreation Opportunities Grant                   | A-23             | 15,150               |  | 15,150               | -                              |
| NJ State Police Office of Emergency Management               | A-23/27          | 43,385               | 10,510                                   | 53,895               | -                              |
| Uniform Fire Safety Act                                      | A-9              | 15,000               |  | 7,824                | (7,176)                        |
| CDBG- Senior Activity County                                 | A-23             | 4,950                |  | 4,950                | -                              |
| Reserve for Aid in Lieu of Taxes                             | A-25             | 17,346               | -  | 17,346               | -                              |
| <b>Total Miscellaneous Revenues</b>                          | A-1              | <u>1,661,674</u>     | <u>71,023</u>                            | <u>1,824,374</u>     | <u>91,677</u>                  |
| Receipts from Delinquent Taxes                               | A-8,A-1          | <u>150,000</u>       | -  | <u>182,424</u>       | <u>32,424</u>                  |
| Amount to be Raised by Taxes for Support of Municipal Budget | A-2              | <u>8,291,071</u>     | -  | <u>8,669,026</u>     | <u>377,955</u>                 |
| <b>Total General Revenues</b>                                | A-3              | <u>\$ 10,902,745</u> | <u>\$ 71,023</u>                         | <u>11,475,824</u>    | <u>\$ 502,056</u>              |
| Non-Budget Revenue   | A-1,A-2          |                      |  | <u>90,968</u>        |                                |
|  |                  |                      |  | <u>\$ 11,566,792</u> |                                |

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**CURRENT FUND**  
**(Continued)**

|   | <u>Reference</u>        | <u>Realized</u>     |
|---|-------------------------|---------------------|
| <b>ANALYSIS OF REALIZED REVENUES</b>  |                         |                     |
| Allocation of Current Tax Collections   |                         |                     |
| Revenue from Collections  | A-1,A-8                 | \$ 37,908,847       |
| Less: Allocation to School and County Taxes and<br>Municipal Open Space Preservation Trust Fund | A-18,A-20,A-17,<br>B-11 | <u>29,844,371</u>   |
| Balance for Support of Municipal Budget Appropriation   |                         | 8,064,476           |
| Add Appropriation - "Reserve for Uncollected Taxes"   | A-3                     | <u>604,550</u>      |
| Amount for Support of Municipal Budget Appropriations   | A-2                     | <u>\$ 8,669,026</u> |
| <b>Fees and Permits</b>   |                         |                     |
| <b>Other</b>  |                         |                     |
| Collector/Treasurer (Parking)   | A-9                     | \$ 9,185            |
| Police  | A-9                     | 1,869               |
| Board of Health   | A-9                     | 15,731              |
| Planning & Zoning   | A-9                     | 10,550              |
| Fire Department- Miscellaneous Fees   | A-9                     | 2,892               |
| Borough Clerk   | A-9                     | <u>1,298</u>        |
|   | A-2                     | <u>\$ 41,525</u>    |
| <b>Analysis of Non-Budget Revenue</b>   |                         |                     |
| Interest on Investments   |                         | \$ 1,399            |
| Soil Removal  |                         | 3,346               |
| Scrap Sale  |                         | 10,946              |
| Admin Fee on Senior and Veterans Discounts  |                         | 852                 |
| DMV Inspection Fees   |                         | 1,200               |
| FEMA Reimbursement  |                         | 22,784              |
| Admin Fee - Private Duty Account  |                         | 32,554              |
| Miscellaneous   |                         | <u>17,887</u>       |
|   | A-2                     | <u>\$ 90,968</u>    |
| <b>Analysis of Non-Budget Revenue</b>   |                         |                     |
| Cash Receipts   | A-4                     | \$ 87,423           |
| Due from Trust Fund - Animal  | B-5                     | 2,520               |
| Due from Other Trust - Escrow   | B-8                     | 189                 |
| Due from General Capital Fund   | C-9                     | <u>836</u>          |
|   | A-2                     | <u>\$ 90,968</u>    |

See Accompanying Notes to Financial Statements

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**CURRENT FUND**

|   | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 | <u>Unexpended<br/>Balances<br/>Cancelled</u> |
|---|---------------------|--------------------------------------|----------------------------|-----------------|--|
|   | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserves</u> |  |
| <b>OPERATIONS WITHIN "CAPS"</b>               |                     |                                      |                            |                 |  |
| <b>GENERAL GOVERNMENT</b>                     |                     |                                      |                            |                 |  |
| General Administration                        |                     |                                      |                            |                 |  |
| Salaries and Wages                            | \$ 187,000          | \$ 118,800                           | \$ 118,145                 | \$ 655          |  |
| Other Expenses                                | 92,250              | 64,350                               | 49,898                     | 14,452          |  |
| Mayor and Council                             |                     |                                      |                            |                 |  |
| Salaries and Wages                            | 23,000              | 23,000                               | 23,000                     |                 |  |
| Other Expenses                                | 4,250               | 4,250                                | 3,016                      | 1,234           |  |
| Municipal Clerk                               |                     |                                      |                            |                 |  |
| Salaries and Wages                            | 68,800              | 71,800                               | 71,738                     | 62              |  |
| Other Expenses                                | 20,450              | 21,450                               | 21,128                     | 322             |  |
| Financial Administration                      |                     |                                      |                            |                 |  |
| Salaries and Wages                            | 77,900              | 77,900                               | 76,875                     | 1,025           |  |
| Other Expenses                                | 19,200              | 22,200                               | 22,158                     | 42              |  |
| Audit Services                                |                     |                                      |                            |                 |  |
| Other Expenses                                | 40,000              | 50,000                               | 49,305                     | 695             |  |
| Revenue Administration (Tax Collection)       |                     |                                      |                            |                 |  |
| Salaries and Wages                            | 55,800              | 56,300                               | 56,144                     | 156             |  |
| Other Expenses                                | 11,900              | 12,900                               | 12,608                     | 292             |  |
| Tax Assessment Administration                 |                     |                                      |                            |                 |  |
| Salaries and Wages                            | 29,100              | 29,100                               | 28,428                     | 672             |  |
| Other Expenses                                | 100,525             | 120,525                              | 115,534                    | 4,991           |  |
| Legal Services and Costs                      |                     |                                      |                            |                 |  |
| Other Expenses                                | 156,000             | 101,000                              | 63,446                     | 37,554          |  |
| Engineering Services and Costs                |                     |                                      |                            |                 |  |
| Other Expenses                                | 32,000              | 32,000                               | 19,371                     | 12,629          |  |
| <b>MUNICIPAL LAND USE LAW (NJSA 40:55D-1)</b> |                     |                                      |                            |                 |  |
| Planning Board                                |                     |                                      |                            |                 |  |
| Salaries and Wages                            | 37,600              | 37,600                               | 37,454                     | 146             |  |
| Other Expenses                                | 45,350              | 43,350                               | 9,118                      | 34,232          |  |
| Zoning Board of Adjustment                    |                     |                                      |                            |                 |  |
| Salaries and Wages                            | 18,800              | 18,800                               | 18,800                     |                 |  |
| Other Expenses                                | 15,050              | 12,050                               | 6,967                      | 5,083           |  |
| <b>INSURANCE</b>                              |                     |                                      |                            |                 |  |
| Unemployment Insurance                        |                     |                                      |                            |                 |  |
| Other Expenses                                | 10,000              | 10,000                               | 10,000                     |                 |  |
| Insurance (N.J.S.A. 40A:4-45.3(00))           |                     |                                      |                            |                 |  |
| General Liability                             | 153,353             | 170,353                              | 170,100                    | 253             |  |
| Workers Compensation                          | 151,031             | 151,031                              | 151,031                    |                 |  |
| Employee Group Health                         | 843,270             | 918,270                              | 913,900                    | 4,370           |  |
| <b>PUBLIC SAFETY FUNCTIONS</b>                |                     |                                      |                            |                 |  |
| Police  |                     |                                      |                            |                 |  |
| Salaries and Wages                            | 2,242,077           | 2,242,077                            | 2,218,844                  | 23,233          |  |
| Other Expenses                                | 107,150             | 107,150                              | 74,857                     | 32,293          |  |
| Police Dispatch/911                           |                     |                                      |                            |                 |  |
| Other Expenses                                | 195,000             | 197,000                              | 196,602                    | 398             |  |

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**CURRENT FUND**

|   | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 | <u>Unexpended<br/>Balances<br/>Cancelled</u> |
|---|---------------------|--------------------------------------|----------------------------|-----------------|--|
|   | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserves</u> |  |
| OPERATIONS WITHIN "CAPS" (Continued)        |                     |                                      |                            |                 |  |
| PUBLIC SAFETY FUNCTIONS (Continued)         |                     |                                      |                            |                 |  |
| Emergency Management Services               |                     |                                      |                            |                 |  |
| Salaries and Wages                          | \$ 8,000            | \$ 8,000                             | \$ 7,817                   | \$ 183          |  |
| Other Expenses                              | 4,160               | 4,160                                | 3,509                      | 651             |  |
| Aid to Volunteer Fire Companies             |                     |                                      |                            |                 |  |
| Other Expenses                              | 124,850             | 125,850                              | 121,038                    | 4,812           |  |
| Aid to Volunteer Ambulance Companies        |                     |                                      |                            |                 |  |
| Contribution                                | 17,500              | 27,000                               | 24,848                     | 2,152           |  |
| Fire Prevention Bureau                      |                     |                                      |                            |                 |  |
| Salaries and Wages                          | 42,100              | 40,100                               | 37,049                     | 3,051           |  |
| Other Expenses                              | 29,100              | 29,100                               | 25,457                     | 3,643           |  |
| Municipal Court                             |                     |                                      |                            |                 |  |
| Salaries and Wages                          | 18,000              | 15,000                               | 11,553                     | 3,447           |  |
| Other Expenses                              | 31,800              | 34,800                               | 34,178                     | 622             |  |
| Municipal Prosecutor's Office               |                     |                                      |                            |                 |  |
| Other Expenses                              | 2,375               | 2,375                                | 2,375                      |                 |  |
| Public Defender                             |                     |                                      |                            |                 |  |
| Other Expenses                              | 625                 | 625                                  |                            | 625             |  |
| PUBLIC WORKS FUNCTION                       |                     |                                      |                            |                 |  |
| Road Repairs and Maintenance                |                     |                                      |                            |                 |  |
| Salaries and Wages                          | 693,100             | 693,100                              | 689,672                    | 3,428           |  |
| Other Expenses                              | 56,300              | 56,300                               | 49,162                     | 7,138           |  |
| Shade Tree Commission                       |                     |                                      |                            |                 |  |
| Other Expenses                              | 8,100               | 8,100                                | 7,340                      | 760             |  |
| Solid Waste Collection                      |                     |                                      |                            |                 |  |
| Salaries and Wages                          | 187,000             | 187,000                              | 186,511                    | 489             |  |
| Other Expenses                              | 68,675              | 53,675                               | 43,583                     | 10,092          |  |
| Public Buildings and Grounds                |                     |                                      |                            |                 |  |
| Salaries and Wages                          | 40,800              | 40,800                               | 35,495                     | 5,305           |  |
| Other Expenses                              | 82,650              | 110,150                              | 109,771                    | 379             |  |
| Vehicle Maintenance                         |                     |                                      |                            |                 |  |
| Other Expenses                              | 90,575              | 90,575                               | 75,234                     | 15,341          |  |
| HEALTH AND HUMAN SERVICES                   |                     |                                      |                            |                 |  |
| Board of Health                             |                     |                                      |                            |                 |  |
| Salaries and Wages                          | 1,000               | 1,500                                | 1,500                      |                 |  |
| Other Expenses                              | 53,565              | 54,465                               | 54,348                     | 117             |  |
| Animal Control Services                     |                     |                                      |                            |                 |  |
| Other Expenses                              | 4,110               | 4,110                                | 4,110                      |                 |  |
| Welfare/Administration of Public Assistance |                     |                                      |                            |                 |  |
| Salaries and Wages                          | 2,000               | 2,000                                | 1,937                      | 63              |  |
| Other Expenses                              | 250                 | 250                                  | 94                         | 156             |  |
| PARKS AND EDUCATION FUNCTIONS               |                     |                                      |                            |                 |  |
| Recreation Services and Programs            |                     |                                      |                            |                 |  |
| Salaries and Wages                          | 155,000             | 157,500                              | 157,211                    | 289             |  |
| Other Expenses                              | 106,025             | 100,525                              | 84,890                     | 15,635          |  |
| Maintenance of Parks                        |                     |                                      |                            |                 |  |
| Other Expenses                              | 20,500              | 23,500                               | 21,983                     | 1,517           |  |

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**CURRENT FUND**

|  | <u>Appropriated</u> |                     | <u>Expended</u>  |                 | <u>Unexpended</u> |
|--|---------------------|---------------------|------------------|-----------------|-------------------|
|  | <u>Budget</u>       | <u>Budget After</u> | <u>Paid or</u>   | <u>Reserves</u> | <u>Balances</u>   |
| OPERATIONS WITHIN "CAPS" (Continued)   |                     | <u>Modification</u> | <u>Charged</u>   |                 | <u>Cancelled</u>  |
| <b>EDUCATIONAL FUNCTIONS</b>   |                     |                     |                  |                 |                   |
| Municipal/County Library   |                     |                     |                  |                 |                   |
| Library Membership   | \$ 50,000           | \$ 49,000           | \$ 46,530        | \$ 2,470        |                   |
| <b>OTHER COMMON OPERATING FUNCTIONS</b>  |                     |                     |                  |                 |                   |
| Celebration of Public Events   |                     |                     |                  |                 |                   |
| Other Expenses   | 21,250              | 21,250              | 17,961           | 3,289           |                   |
| <b>UNIFORM CONSTRUCTION CODE APPRO-<br/>PRIATIONS OFFSET BY DEDICATED REVENUES<br/>(N.J.A.C 5:23-4-17)</b> |                     |                     |                  |                 |                   |
| State Uniform Construction Code  |                     |                     |                  |                 |                   |
| Salaries and Wages   | 166,000             | 166,000             | 158,657          | 7,343           |                   |
| Other Expenses   | 8,200               | 8,200               | 2,564            | 5,636           |                   |
| <b>UTILITY EXPENSE AND BULK PURCHASES</b>  |                     |                     |                  |                 |                   |
| Electricity  | 116,300             | 125,300             | 125,260          | 40              |                   |
| Street Lighting  | 94,000              | 91,000              | 83,079           | 7,921           |                   |
| Telephone  | 29,450              | 37,450              | 32,570           | 4,880           |                   |
| Water  | 6,800               | 5,800               | 4,989            | 811             |                   |
| Fuel Oil   | 4,000               | 6,000               | 5,648            | 352             |                   |
| Gasoline   | 105,400             | 130,400             | 129,146          | 1,254           |                   |
| Sewer Processing and Disposal  |                     |                     |                  |                 |                   |
| Salaries and Wages   | 72,250              | 74,950              | 74,849           | 101             |                   |
| Other Expenses   | 10,800              | 9,300               | 4,244            | 5,056           |                   |
| <b>LANDFILL/SOLID WASTE DISPOSAL COSTS</b>   |                     |                     |                  |                 |                   |
| Sanitary Landfill Dump Fees  |                     |                     |                  |                 |                   |
| Other Expenses   | 215,250             | 186,250             | 162,785          | 23,465          | -                 |
| <b>Total Operations Within "CAPS"</b>  | <u>7,484,716</u>    | <u>7,494,716</u>    | <u>7,177,414</u> | <u>317,302</u>  | -                 |
| <b>Detail:</b>   |                     |                     |                  |                 |                   |
| Salaries and Wages   | 4,125,327           | 4,061,327           | 4,011,679        | 49,648          | -                 |
| Other Expenses (Including Contingent)  | 3,359,389           | 3,433,389           | 3,165,735        | 267,654         | -                 |
| <b>DEFERRED CHARGES AND STATUTORY<br/>EXPENDITURES</b>   |                     |                     |                  |                 |                   |
| <b>- Municipal within "CAPS"</b>   |                     |                     |                  |                 |                   |
| <b>Statutory Charges</b>   |                     |                     |                  |                 |                   |
| Social Security System (O.A.S.I.)  | 189,250             | 179,250             | 173,644          | 5,606           |                   |
| Public Employees Retirement System of N.J.   | 193,794             | 193,794             | 193,794          |                 |                   |
| Police and Firemen's Retirement System of N.J.   | 539,493             | 539,493             | 539,493          |                 | -                 |
| <b>Total Deferred Charges &amp; Statutory Expenditures</b>   |                     |                     |                  |                 |                   |
| <b>- Municipal within "CAPS"</b>   | <u>922,537</u>      | <u>912,537</u>      | <u>906,931</u>   | <u>5,606</u>    | -                 |
| <b>Total General Appropriations for Municipal<br/>Purposes within "CAPS"</b>                               | <u>8,407,253</u>    | <u>8,407,253</u>    | <u>8,084,345</u> | <u>322,908</u>  | -                 |

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**CURRENT FUND**

|  | <u>Appropriated</u> |                     | <u>Expended</u>  |                 | <u>Unexpended</u> |
|--|---------------------|---------------------|------------------|-----------------|-------------------|
|  | <u>Budget</u>       | <u>Budget After</u> | <u>Paid or</u>   | <u>Reserves</u> | <u>Balances</u>   |
|  |                     | <u>Modification</u> | <u>Charged</u>   |                 | <u>Cancelled</u>  |
| OPERATIONS - EXCLUDED FROM "CAPS"                      |                     |                     |                  |                 |                   |
| UTILITY EXPENSE AND BULK PURCHASE                      |                     |                     |                  |                 |                   |
| Bergen County Utilities Authority                      |                     |                     |                  |                 |                   |
| Share Costs Sewer Charges                              | \$ 569,100          | \$ 569,100          | \$ 569,100       |                 |                   |
| Borough of Montvale - Sewer Charges                    | 44,450              | 44,550              | 44,531           | \$ 19           |                   |
| Borough of Hillsdale - Sewer Charges                   | 21,750              | 21,650              | 20,740           | 910             |                   |
| 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                     | 41,400              | 41,400              | 41,400           |                 |                   |
| PUBLIC AND PRIVATE PROGRAMS OFFSET<br>BY REVENUES      |                     |                     |                  |                 |                   |
| Municipal Alliance-Local Matching Funds                | 2,589               | 2,589               | 2,466            | 123             |                   |
| Municipal Alliance on Alcoholism and Drug Abuse        | 10,356              | 10,356              | 10,356           |                 |                   |
| Clean Community Grant                                  |                     | 11,172              | 9,135            | 2,037           |                   |
| Body Armor Fund - Reserve                              |                     | 3,309               |                  | 3,309           |                   |
| Handicapped Recreation Opportunities Grant             | 15,150              | 15,150              | 12,697           | 2,453           |                   |
| NJ Highway Over the Limit Under Arrest                 |                     | 4,400               | 2,164            | 2,236           |                   |
| Senior Citizen Activity Grant (CDBG)                   | 4,950               | 4,950               | 4,840            | 110             |                   |
| NJ State Police Office of Emergency Mgmt - Fire        |                     | 10,510              | 7,360            | 3,150           |                   |
| State of NJ Recycling Tonnage                          | -                   | 41,632              | 23,256           | 18,376          | -                 |
|  | <u>729,745</u>      | <u>800,768</u>      | <u>768,045</u>   | <u>32,723</u>   | <u>-</u>          |
| Total Operations - Excluded from "CAPS"                |                     |                     |                  |                 |                   |
| Detail:  |                     |                     |                  |                 |                   |
| Other Expenses (Including Contingent)                  | <u>729,745</u>      | <u>800,768</u>      | <u>768,045</u>   | <u>32,723</u>   | <u>-</u>          |
| CAPITAL IMPROVEMENTS EXCLUDED FROM "CAPS"              |                     |                     |                  |                 |                   |
| Capital Improvement Fund                               | 10,000              | 10,000              | 10,000           |                 |                   |
| Fire - Replacement of SBCA Air Bottles - Phase I       | 30,000              | 30,000              | 29,948           | 52              | -                 |
|  | <u>40,000</u>       | <u>40,000</u>       | <u>39,948</u>    | <u>52</u>       | <u>-</u>          |
| Total Capital Improvements Excluded from "CAPS"        |                     |                     |                  |                 |                   |
| MUNICIPAL DEBT SERVICE<br>EXCLUDED FROM "CAPS"         |                     |                     |                  |                 |                   |
| Payment of Bond Principal                              | 880,000             | 880,000             | 880,000          |                 |                   |
| Interest on Bonds                                      | 196,268             | 196,268             | 196,268          |                 |                   |
| Interest on Notes                                      | 6,600               | 6,600               | 6,600            | -               | -                 |
|  | <u>1,082,868</u>    | <u>1,082,868</u>    | <u>1,082,868</u> | <u>-</u>        | <u>-</u>          |
| Total Municipal Debt Service -<br>Excluded from "CAPS" |                     |                     |                  |                 |                   |

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**  
**CURRENT FUND**

|  | <u>Appropriated</u>  |                      | <u>Expended</u>      |                   | <u>Unexpended</u> |
|--|----------------------|----------------------|----------------------|-------------------|-------------------|
|  | <u>Budget</u>        | <u>Budget After</u>  | <u>Paid or</u>       | <u>Reserves</u>   | <u>Balances</u>   |
|  |                      | <u>Modification</u>  | <u>Charged</u>       |                   | <u>Cancelled</u>  |
| DEFERRED CHARGES   |                      |                      |                      |                   |                   |
| EXCLUDED FROM "CAPS"   |                      |                      |                      |                   |                   |
| Special Emergency 5 Years  | \$ 38,329            | \$ 38,329            | \$ 38,329            | -                 | -                 |
| Total Deferred Charges Excluded from "CAPS"                              | <u>38,329</u>        | <u>38,329</u>        | <u>38,329</u>        | -                 | -                 |
| <br>   |                      |                      |                      |                   |                   |
| Total General Appropriations for Municipal Purposes Excluded from "CAPS" | <u>1,890,942</u>     | <u>1,961,965</u>     | <u>1,929,190</u>     | \$ 32,775         | -                 |
| Subtotal General Appropriations  | 10,298,195           | 10,369,218           | 10,013,535           | 355,683           | -                 |
| RESERVE FOR UNCOLLECTED TAXES  | <u>604,550</u>       | <u>604,550</u>       | <u>604,550</u>       | -                 | -                 |
| Total General Appropriations   | <u>\$ 10,902,745</u> | <u>\$ 10,973,768</u> | <u>\$ 10,618,085</u> | <u>\$ 355,683</u> | <u>\$ -</u>       |
|  | <u>Reference</u>     | A-2                  | A,A-1                | A,A-1             |                   |

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2011  
CURRENT FUND**

|  | <u>Reference</u> | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> |
|--|------------------|--------------------------------------|----------------------------|
| Budget as Adopted                                    | A-2              | \$ 10,902,745                        |                            |
| Added by N.J.S. 40A:4-87                             | A-2              | <u>71,023</u>                        |                            |
|  |                  | <u>\$ 10,973,768</u>                 |                            |
| <br>   |                  |                                      |                            |
| Cash Disbursed                                       | A-4              |                                      | \$ 9,552,565               |
| Encumbrances Payable                                 | A-19             |                                      | 422,641                    |
| Deferred Charge - Emergency Authorization (40A:4-53) | A-28             |                                      | 38,329                     |
| Reserve for Uncollected Taxes                        | A-2              |                                      | <u>604,550</u>             |
|  |                  |                                      | <u>\$ 10,618,085</u>       |

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**AS OF DECEMBER 31, 2011 AND 2010**  
**TRUST FUNDS**

| ASSETS  | <u>Reference</u> | <u>2011</u>         | <u>2010</u>         |
|---|------------------|---------------------|---------------------|
| Animal Control Trust Fund                         |                  |                     |                     |
| Cash  | B-3              | \$ 10,112           | \$ 7,607            |
| Due from State of New Jersey                      | B-6              | <u>17</u>           | <u>8</u>            |
|   |                  | <u>10,129</u>       | <u>7,615</u>        |
| Other Trust Fund                                  |                  |                     |                     |
| Cash  | B-3              | <u>406,733</u>      | <u>735,154</u>      |
|   |                  | <u>406,733</u>      | <u>735,154</u>      |
| Unemployment Insurance Trust Fund                 |                  |                     |                     |
| Cash  | B-3              | <u>5,200</u>        | <u>9,117</u>        |
| Municipal Open Space Preservation Trust Fund      |                  |                     |                     |
| Cash  | B-3              | 964,476             | 225,669             |
| Due From General Capital Fund                     | C-10             | <u>-</u>            | <u>567,992</u>      |
|   |                  | <u>964,476</u>      | <u>793,661</u>      |
| Length of Service Awards Program Fund (UNAUDITED) |                  |                     |                     |
| Investments                                       | B                | 446,750             | 432,891             |
| Contribution Receivable                           | B                | <u>47,617</u>       | <u>46,343</u>       |
|   |                  | <u>494,367</u>      | <u>479,234</u>      |
| Total Assets                                      |                  | <u>\$ 1,880,905</u> | <u>\$ 2,024,781</u> |

**BOROUGH OF WOODCLIFF LAKE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
AS OF DECEMBER 31, 2011 AND 2010  
TRUST FUNDS**

|   | <u>Reference</u> | <u>2011</u>         | <u>2010</u>         |
|---|------------------|---------------------|---------------------|
| <b>LIABILITIES, RESERVES AND FUND BALANCE</b>       |                  |                     |                     |
| Animal Control Trust Fund                           |                  |                     |                     |
| Due to Current Fund                                 | B-5              | \$ 2,520            |                     |
| Reserve for Animal Control Expenditures             | B-4              | <u>7,609</u>        | <u>\$ 7,615</u>     |
|   |                  | <u>10,129</u>       | <u>7,615</u>        |
| Other Trust Fund                                    |                  |                     |                     |
| Due to Current Fund                                 | B-8              | 189                 |                     |
| Escrow Deposits Payable                             | B-7              | 251,636             | 588,376             |
| Payroll Deductions Payable                          | B-10             | 47,853              | 39,688              |
| Miscellaneous Reserves                              | B-9              | <u>107,055</u>      | <u>107,090</u>      |
|   |                  | <u>406,733</u>      | <u>735,154</u>      |
| Unemployment Insurance Trust Fund                   |                  |                     |                     |
| Due to State of New Jersey                          | B-11             | 445                 | 961                 |
| Reserve for Unemployment Claims                     | B-12             | <u>4,755</u>        | <u>8,156</u>        |
|   |                  | <u>5,200</u>        | <u>9,117</u>        |
| Municipal Open Space Preservation Trust Fund        |                  |                     |                     |
| Reserve for Municipal Open Space Expenditures       | B-13             | <u>964,476</u>      | <u>793,661</u>      |
| Length of Service Awards Program Fund (UNAUDITED)   |                  |                     |                     |
| Reserve for LOSAP Benefits                          | B                | <u>494,367</u>      | <u>479,234</u>      |
| <b>Total Liabilities, Reserves and Fund Balance</b> |                  | <u>\$ 1,880,905</u> | <u>\$ 2,024,781</u> |

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF REVENUES-REGULATORY BASIS  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|                                 | <u>2011<br/>Budget</u> | <u>Realized in<br/>2011</u> | <u>Excess or<br/>Deficit</u> |
|---------------------------------|------------------------|-----------------------------|------------------------------|
| Amount to be Raised by Taxation | <u>\$ 170,518</u>      | <u>\$ 170,712</u>           | <u>\$ 194</u>                |
| Reference                       | B-2                    | B-13                        | B-13                         |

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS-REGULATORY BASES  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2011**

|                               | <u>2011<br/>Budget</u> | <u>2011 Expended</u>       |                   |
|-------------------------------|------------------------|----------------------------|-------------------|
|                               |                        | <u>Paid or<br/>Charged</u> | <u>Reserved</u>   |
| Down Payments on Improvements | <u>\$ 170,518</u>      | <u>\$ -</u>                | <u>\$ 170,518</u> |
| Reference                     | B-1                    | B-13                       | B-13              |

**BOROUGH OF WOODCLIFF LAKE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
AS OF DECEMBER 31, 2011 AND 2010  
GENERAL CAPITAL FUND**

| ASSETS  | <u>Reference</u> | <u>2011</u>             | <u>2010</u>             |
|---|------------------|-------------------------|-------------------------|
| Cash  | C-2, C-3         | \$ 697,346              | \$ 1,425,348            |
| Deferred Charges to Future Taxation               |                  |                         |                         |
| Funded  | C-4              | 5,535,000               | 6,415,000               |
| Unfunded  | C-6              | 994,651                 | 50,351                  |
| Due from Current Fund                             | C-9              |                         | 20,922                  |
| Grant Receivables                                 | C-5              | <u>499,171</u>          | <u>349,171</u>          |
| <br>Total Assets                                  |                  | <br><u>\$ 7,726,168</u> | <br><u>\$ 8,260,792</u> |
| <br><b>LIABILITIES, RESERVES AND FUND BALANCE</b> |                  |                         |                         |
| General Serial Bonds                              | C-7              | \$ 5,535,000            | \$ 6,415,000            |
| Bond Anticipation Notes Payable                   | C-13             | 944,300                 | 400,000                 |
| Improvement Authorizations                        |                  |                         |                         |
| Funded  | C-8              | 191,191                 | 231,506                 |
| Unfunded  | C-8              | 526,230                 | 15,118                  |
| Due to Current Fund                               | C-9              | 18                      |                         |
| Due to Municipal Open Space Trust Fund            | C-10             |                         | 567,992                 |
| Reserve for Grants Receivable                     | C-5              | 292,500                 | 142,500                 |
| Contracts Payable                                 | C-11             | 229,148                 | 416,434                 |
| Capital Improvement Fund                          | C-12             | 2,564                   | 42,264                  |
| Fund Balance                                      | C-1              | <u>5,217</u>            | <u>29,978</u>           |
| <br>Total Liabilities, Reserves and Fund Balance  |                  | <br><u>\$ 7,726,168</u> | <br><u>\$ 8,260,792</u> |

There were bonds and notes authorized but not issued at December 31, 2011 and 2010 of \$50,351 and \$50,351, respectively (Exhibit C-14).

**BOROUGH OF WOODCLIFF LAKE**  
**COMPARATIVE STATEMENTS OF CHANGE IN FUND BALANCE - REGULATORY BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**  
**GENERAL CAPITAL FUND**

|   | <u>Reference</u> | <u>2011</u>     | <u>2010</u>      |
|---|------------------|-----------------|------------------|
| Balance, January 1,                         | C                | \$ 29,978       | \$ 57,544        |
| Increased by:                               |                  |                 |                  |
| Premium on Sale of Notes                    | C-2              | 239             |                  |
| Cancellation of Improvement Authorizations  | C-1              | <u>-</u>        | <u>570,334</u>   |
|   |                  | 30,217          | 627,878          |
| Decreased by:                               |                  |                 |                  |
| Improvement Authorization Funded by Surplus | C-8              | <u>25,000</u>   | <u>597,900</u>   |
| Balance, December 31,                       | C                | <u>\$ 5,217</u> | <u>\$ 29,978</u> |

**BOROUGH OF WOODCLIFF LAKE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
AS OF DECEMBER 31, 2011 AND 2010  
PUBLIC ASSISTANCE FUND**

|  | <u>Reference</u> | <u>2011</u>     | <u>2010</u>     |
|--|------------------|-----------------|-----------------|
| <b>ASSETS</b>                              |                  |                 |                 |
| Cash                                       | D-1              | \$ <u>6,394</u> | \$ <u>6,088</u> |
| Total Assets                               |                  | \$ <u>6,394</u> | \$ <u>6,088</u> |
| <br><b>LIABILITIES AND RESERVES</b>        |                  |                 |                 |
| Due to the State of New Jersey             | D-3              | \$ 2,201        | \$ 2,201        |
| Reserve for Public Assistance Expenditures | D-2              | <u>4,193</u>    | <u>3,887</u>    |
| Total Liabilities and Reserves             |                  | <u>\$ 6,394</u> | <u>\$ 6,088</u> |

**BOROUGH OF WOODCLIFF LAKE  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
AS OF DECEMBER 31, 2011 AND 2010  
GENERAL FIXED ASSETS ACCOUNT GROUP**

| ASSETS                             | <u>2011</u>          | <u>2010</u><br>(Restated) |
|------------------------------------|----------------------|---------------------------|
| Land                               | \$ 7,207,218         | \$ 7,207,218              |
| Building and Building Improvements | 5,577,682            | 5,577,682                 |
| Machinery and Equipment            | <u>6,544,144</u>     | <u>6,522,085</u>          |
|                                    | <u>\$ 19,329,044</u> | <u>\$ 19,306,985</u>      |
|                                    |                      |                           |
| FUND BALANCE                       |                      |                           |
| Investment in General Fixed Assets | <u>\$ 19,329,044</u> | <u>\$ 19,306,985</u>      |

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**NOTES TO FINANCIAL STATEMENTS**



**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

The Borough of Woodcliff Lake (the "Borough") was incorporated in 1896 and operates under an elected Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

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

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Borough pursuant to Title 44 of New Jersey Statutes.

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

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

**Property Tax Revenues** - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11<sup>th</sup> day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

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

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

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

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

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2011 and 2010 the Borough Council increased the original budget by \$71,023 and \$231,070. The increases were funded by additional aid allotted to the Borough and for a special emergency resolution for the revaluation of real property. In addition, the governing body approved several budget transfers during 2011 and 2010.

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

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

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

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

**Excess Expenditures Over Appropriations**

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

| <b>2011</b>            | <u>Modified<br/>Budget</u> | <u>Actual</u> | <u>Unfavorable<br/>Variance</u> |
|------------------------|----------------------------|---------------|---------------------------------|
| Current Fund           |                            |               |                                 |
| Appropriation Reserves | \$41,400                   | \$46,343      | \$4,943                         |

**2010**

There were none.

In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures 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.

**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.

**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.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

**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.

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

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

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

|                         |                  |
|-------------------------|------------------|
| Land and Buildings      | Assessed Value   |
| Machinery and Equipment | Replacement Cost |

No depreciation has been provided for in the financial statements.

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

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

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

**Reclassifications** - Certain reclassifications have been made to the December 31, 2010 balances to conform to the December 31, 2011 presentation.

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

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

**C. Basic Financial Statements**

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

**NOTE 2 DEPOSITS AND INVESTMENTS**

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

**Deposits**

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2011 and 2010, the book value of the Borough's deposits were \$5,192,100 and \$5,544,030 and bank and brokerage firm balances of the Borough's deposits amounted to \$5,302,902 and \$5,440,622, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

| <u>Depository Account</u>    | <u>Bank Balance</u> |                     |
|------------------------------|---------------------|---------------------|
|                              | <u>2011</u>         | <u>2010</u>         |
| Insured                      | \$ 1,426,153        | \$ 2,318,025        |
| Uninsured and Collateralized | <u>3,876,749</u>    | <u>3,122,597</u>    |
|                              | <u>\$ 5,302,902</u> | <u>\$ 5,440,622</u> |

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

**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, 2011 and 2010, the Borough’s bank balances of \$3,876,749 and \$3,122,597 were exposed to custodial credit risk as follows:

|  | <u>2011</u>  | <u>2010</u>  |
|--|--------------|--------------|
| Uninsured and Collateralized   |              |              |
| Collateral held by pledging bank's trust department, not in the Borough's name | \$ 3,876,749 | \$ 3,122,597 |

**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, 2011 and 2010, the Borough had the following investments:

|   | <u>Fair<br/>Value<br/>(LOSAP Only)</u> | <u>Book<br/>Value</u> |
|---|--|-----------------------|
| <b><u>2011</u></b>                          |  |                       |
| Investment:                                 |  |                       |
| Length of Service Award Program (Unaudited) | \$ 446,750                             | \$ 446,750            |
|   | <u>\$ 446,750</u>                      | <u>\$ 446,750</u>     |
| <b><u>2010</u></b>                          |  |                       |
| Investment:                                 |  |                       |
| Length of Service Award Program (Unaudited) | \$ 432,891                             | \$ 432,891            |
|   | <u>\$ 432,891</u>                      | <u>\$ 432,891</u>     |

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

**Investments (Continued)**

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2011 and 2010, \$1,489,708 and \$519,213 of the Borough’s investments was exposed to custodial credit risk as follows:

|  | <u>Fair Value</u><br><u>(LOSAP)</u><br><u>(Unaudited)</u> | <u>Book</u><br><u>Value</u> | <u>Total</u> |
|--|---|-----------------------------|--------------|
| <b><u>2011</u></b>   |   |                             |              |
| Uninsured and Collateralized   |   |                             |              |
| Collateral held by pledging bank's trust department, but not in the Borough's name |   |                             |              |
|  | \$ 446,750  | \$ 1,042,958                | \$ 1,489,708 |
| <br>   |   |                             |              |
| <b><u>2010</u></b>   |   |                             |              |
| Uninsured and Collateralized   |   |                             |              |
| Collateral held by pledging bank's trust department, but not in the Borough's name |   |                             |              |
|  | \$ 432,891  | \$ 86,322                   | \$ 519,213   |

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, 2011 and 2010, the Borough’s investment in Lincoln Financial Group was rated AA3 by Moody’s Investor Services.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 30% of the Borough’s total investments.

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

Interest earned in the General Capital Fund, Developer’s Escrow Trust Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 3 TAXES RECEIVABLE**

Receivables at December 31, 2011 and 2010 consisted of the following:

|                 | <u>2011</u>       | <u>2010</u>       |
|-----------------|-------------------|-------------------|
| <u>Current</u>  |                   |                   |
| Property Taxes  | \$ 231,713        | \$ 181,797        |
| Tax Title Liens | <u>-</u>          | <u>3,044</u>      |
|                 | <u>\$ 231,713</u> | <u>\$ 184,841</u> |

In 2011 and 2010, the Borough collected \$182,424 and \$232,315 from delinquent taxes, which represented 100% and 99% of the prior year delinquent taxes receivable balance.

**NOTE 4 MUNICIPAL DEBT**

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

The Borough's debt is summarized as follows:

|   | <u>2011</u>         | <u>2010</u>         |
|---|---------------------|---------------------|
| Issued  |                     |                     |
| General   |                     |                     |
| Bonds and Notes   | \$ 6,479,300        | \$ 6,815,000        |
| Less Funds Temporarily Held to Pay Bonds                    | <u>-</u>            | <u>400,000</u>      |
| Net Debt Issued   | 6,479,300           | 6,415,000           |
| Authorized But Not Issued                                   |                     |                     |
| General   |                     |                     |
| Bonds and Notes   | <u>50,351</u>       | <u>50,351</u>       |
| Net Bonds and Notes Issued and Authorized<br>But Not Issued | <u>\$ 6,529,651</u> | <u>\$ 6,465,351</u> |

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .29% and .28% at December 31, 2011 and 2010, respectively.

|                    | <u>Gross Debt</u>    | <u>Deductions</u>    | <u>Net Debt</u>     |
|--------------------|----------------------|----------------------|---------------------|
| <b><u>2011</u></b> |                      |                      |                     |
| General Debt       | \$ 6,529,651         |                      | \$ 6,529,651        |
| School Debt        | <u>16,575,312</u>    | <u>\$ 16,575,312</u> | <u>-</u>            |
| Total              | <u>\$ 23,104,963</u> | <u>\$ 16,575,312</u> | <u>\$ 6,529,651</u> |

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

**Statutory Borrowing Power**

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

|   | <u>2011</u>          | <u>2010</u>          |
|---|----------------------|----------------------|
| 3-1/2% of Equalized Valuation Basis (Municipal) | \$ 77,005,416        | \$ 78,340,970        |
| Net Debt  | <u>6,529,651</u>     | <u>6,465,351</u>     |
| Remaining Borrowing Power                       | <u>\$ 70,475,765</u> | <u>\$ 71,875,619</u> |

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Long-Term Debt**

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

**General Obligation Bonds**

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

|  | <u>2011</u>         | <u>2010</u>         |
|--|---------------------|---------------------|
| \$3,696,000, 1998 Bonds, due in annual installments of \$191,000 to \$200,000 through December, 2018, interest at 4.375%         | \$ 1,391,000        | \$ 1,591,000        |
| \$3,068,000, 2003 Bonds, due in annual installments of \$342,000 to \$350,000 through June, 2013, interest at 2.70%              | 692,000             | 1,042,000           |
| \$2,024,000, 2004 Bonds, due in annual installments of \$155,000 to \$170,000 through October, 2018, interest at 3.25% to 4.0%   | 1,149,000           | 1,304,000           |
| \$2,638,000, 2009 Bonds, due in annual installments of \$175,000 to \$320,000 through October, 2018, interest at 1.25% to 2.875% | <u>2,303,000</u>    | <u>2,478,000</u>    |
|  | <u>\$ 5,535,000</u> | <u>\$ 6,415,000</u> |

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 4 MUNICIPAL DEBT (Continued)**

**Long-Term Debt** (Continued)

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2011 is as follows:

| Calendar<br>Year | General             |                   | Total               |
|------------------|---------------------|-------------------|---------------------|
|                  | Principal           | Interest          |                     |
| 2012             | \$ 905,000          | \$ 169,524        | \$ 1,074,524        |
| 2013             | 922,000             | 141,757           | 1,063,757           |
| 2014             | 665,000             | 117,715           | 782,715             |
| 2015             | 675,000             | 96,896            | 771,896             |
| 2016             | 685,000             | 74,924            | 759,924             |
| 2017-2019        | <u>1,683,000</u>    | <u>85,351</u>     | <u>1,768,351</u>    |
| Total            | <u>\$ 5,535,000</u> | <u>\$ 686,167</u> | <u>\$ 6,221,167</u> |

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2011 and 2010 were as follows:

|                                       | Balance,<br>December 31,<br><u>2010</u> | <u>Additions</u> | <u>Reductions</u> | Balance,<br>December 31,<br><u>2011</u> | Due<br>Within<br><u>One Year</u> |
|---------------------------------------|---|------------------|-------------------|---|----------------------------------|
| <b><u>2011</u></b>                    |   |                  |                   |   |                                  |
| General Capital Fund<br>Bonds Payable | <u>\$ 6,415,000</u>                     | <u>\$ -</u>      | <u>\$ 880,000</u> | <u>\$ 5,535,000</u>                     | <u>\$ 905,000</u>                |
|                                       | Balance,<br>December 31,<br><u>2009</u> | <u>Additions</u> | <u>Reductions</u> | Balance,<br>December 31,<br><u>2010</u> | Due<br>Within<br><u>One Year</u> |
| <b><u>2010</u></b>                    |   |                  |                   |   |                                  |
| General Capital Fund<br>Bonds Payable | <u>\$ 7,280,000</u>                     | <u>\$ -</u>      | <u>\$ 865,000</u> | <u>\$ 6,415,000</u>                     | <u>\$ 880,000</u>                |

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 4 MUNICIPAL DEBT (Continued)**

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

**Short-Term Debt**

The Borough's short-term capital debt activity for the years ended December 31, 2011 and 2010 was as follows:

|                         | Balance,<br>December 31,<br><u>2010</u> | <u>Increases</u>  | <u>Decreases</u>  | Balance,<br>December 31,<br><u>2011</u> |
|-------------------------|---|-------------------|-------------------|---|
| <b><u>2011</u></b>      |   |                   |                   |   |
| Bond Anticipation Notes |   |                   |                   |   |
| General Capital Fund    | \$ 400,000                              | \$ 944,300        | \$ 400,000        | \$ 944,300                              |
|                         | <u>          </u>                       | <u>          </u> | <u>          </u> | <u>          </u>                       |
|                         |   |                   |                   |   |
|                         | Balance,<br>December 31,<br><u>2009</u> | <u>Increases</u>  | <u>Decreases</u>  | Balance,<br>December 31,<br><u>2010</u> |
| <b><u>2010</u></b>      |   |                   |                   |   |
| Bond Anticipation Notes |   |                   |                   |   |
| General Capital Fund    | \$ 1,200,000                            | \$ 400,000        | \$ 1,200,000      | \$ 400,000                              |
|                         | <u>          </u>                       | <u>          </u> | <u>          </u> | <u>          </u>                       |

**NOTE 5 FIXED ASSETS**

**General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the year ended December 31, 2011.

|                                    | Balance<br>December 31,<br><u>2010</u><br>(Restated) | <u>Additions</u>  | <u>Retirements</u> | Balance,<br>December 31,<br><u>2011</u> |
|------------------------------------|--|-------------------|--------------------|---|
| <b><u>2011</u></b>                 |  |                   |                    |   |
| Land                               | \$ 7,207,218   |                   |                    | \$ 7,207,218                            |
| Buildings and Building Improvement | 5,577,682  |                   |                    | 5,577,682                               |
| Machinery and Equipment            | 6,522,085  | \$ 22,059         | -                  | 6,544,144                               |
|                                    | <u>          </u>                                    | <u>          </u> | <u>          </u>  | <u>          </u>                       |
|                                    | \$ 19,306,985  | \$ 22,059         | \$ -               | \$ 19,329,044                           |
|                                    | <u>          </u>                                    | <u>          </u> | <u>          </u>  | <u>          </u>                       |

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

**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>2011</u>                     |                               | <u>2010</u>                     |                               |
|-----------------------------------|---------------------------------|-------------------------------|---------------------------------|-------------------------------|
|                                   | <u>Due from<br/>Other Funds</u> | <u>Due to<br/>Other Funds</u> | <u>Due from<br/>Other Funds</u> | <u>Due to<br/>Other Funds</u> |
| Current Fund                      | \$ 2,727                        |                               |                                 | \$ 20,922                     |
| Other Trust Fund - Animal Control |                                 | \$ 2,520                      |                                 |                               |
| Other Trust Fund-Escrow           |                                 | 189                           |                                 |                               |
| Municipal Open Space Preservation |                                 |                               | \$ 567,992                      |                               |
| General Capital Fund              | -                               | 18                            | 20,922                          | 567,992                       |
|                                   | <u>          </u>               | <u>          </u>             | <u>          </u>               | <u>          </u>             |
| Total                             | <u>\$ 2,727</u>                 | <u>\$ 2,727</u>               | <u>\$ 588,914</u>               | <u>\$ 588,914</u>             |

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

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

**NOTE 7 FUND BALANCES APPROPRIATED**

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

|                  | Fund<br>Balance<br>December 31,<br><u>2011</u> | Utilized<br>in Subsequent<br><u>Year's Budget</u> | Fund<br>Balance<br>December 31,<br><u>2010</u> | Utilized<br>in Subsequent<br><u>Year's Budget</u> |
|------------------|--|---|--|---|
| Current Fund     |  |   |  |   |
| Cash Surplus     | \$ 847,941                                     | \$ 800,000  | \$ 680,830                                     | \$ 680,830  |
| Non-Cash Surplus | <u>153,193</u>                                 | <u>-</u>  | <u>412,230</u>                                 | <u>119,170</u>                                    |
|                  | <u>\$ 1,001,134</u>                            | <u>\$ 800,000</u>                                 | <u>\$ 1,093,060</u>                            | <u>\$ 800,000</u>                                 |

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

|   | <u>Balance,<br/>December 31,</u> | <u>Subsequent Year<br/>Budget<br/>Appropriation</u> | <u>Balance to<br/>Succeeding<br/>Budgets</u> |
|---|----------------------------------|---|--|
| <b><u>2011</u></b>                          |                                  |   |  |
| Current Fund                                |                                  |   |  |
| Special Emergency Authorizations (40A:4-55) | \$ 153,316                       | \$ 38,329   | \$ 114,987                                   |
| Overexpenditure of Appropriation Reserve    | 4,943                            | 4,943   | -  |
|   | <u>\$ 158,259</u>                | <u>\$ 43,272</u>                                    | <u>\$ 114,987</u>                            |

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

**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 \$489,883 and \$501,425 at December 31, 2011 and 2010, 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, 2011 and 2010, the Borough has reserved in the Current Fund \$350,889 and \$378,181, 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.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

**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 10 years of service for pension benefits and, if applicable, 25 years for post-retirement healthcare coverage.

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

**Other Pension Funds**

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

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

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

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

**Basis of Accounting**

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

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

**Investment Valuation**

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

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

**Significant Legislation**

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which PERS and PFRS operate and to the benefit provisions of those systems.

This new legislation's provisions impacting employee pension and health benefits include:

- New members of PERS hired on or after June 28, 2011 (Tier 5 members), will need 30 years of creditable service and to attain age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1 percent for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 62 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60 percent instead of 65 percent of the member's final compensation plus 1 percent for each year of creditable service over 25 years but not to exceed 30 years.
- Active member contribution rates will increase. PERS active member rates increase from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years, PFRS and PERS Prosecutors Part active member rates increase from 8.5 percent to 10 percent. For Fiscal Year 2012, the member contribution rates increase in October 2011. The phase-in of the additional incremental member contributions for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.

In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

**Funded Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems, including PERS and PFRS is 70.5 percent with an unfunded actuarial accrued liability of \$36.3 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 65.2 percent and \$25.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 78.5 percent and \$10.7 billion, respectively.

The funded status and funding progress of the retirement systems includes 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 July 1, 2010 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (1) 8.25 percent for investment rate of return for all the retirement systems; and (2) 5.45 percent for projected salary increases for all the retirement systems except PFRS.

**Employer and Employee Pension Contributions**

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions based on 6.50% for PERS, 8.50% for PFRS and 5.50% for DCRP of employees' annual compensation.

**Annual Pension Cost (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2011 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended December 31, 2011, 2010 and 2009, the Borough was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each year.

| <u>Year Ended</u><br><u>December 31</u> | <u>PFRS</u> | <u>PERS</u> |
|---|-------------|-------------|
| 2011                                    | \$ 539,493  | \$ 193,794  |
| 2010                                    | 468,688     | 134,238     |
| 2009                                    | 452,839     | 129,699     |

**BOROUGH OF WOODCLIFF LAKE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 11 POST-RETIREMENT MEDICAL BENEFITS**

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

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and the Teachers' Pension and Annuity (TPAF) are combined and reported as Pension and Other Employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost sharing multiple-employer. The post-retirement benefit programs had a total of 547 state and local participating employers and contributing entities for Fiscal Year 2011.

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

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

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

**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.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Funded Status and Funding Progress**

As of July 1, 2010, the most recent actuarial valuation date, the State had a \$59.3 billion unfunded actuarial liability for other postemployment benefits (OPEB) which is made up of \$21.1 billion for state active and retired members and \$38.2 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

**Actuarial Methods and Assumptions**

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

**Post-Retirement Medical Benefits Contribution**

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

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 \$108.1 million for 8,161 eligible retired members for Fiscal Year 2011. This benefit covers the PFRS.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

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

P.L. 1997, c. 330 provides paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and to dependents of qualified retirees. The State and participating local governments are responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State and participating local governments contributed \$34.2 million in Fiscal Year 2011 to provide benefits under Chapter 330 to qualified retirees.

The State sets the employer contribution rate based on a pay-as-you-go basis rather than the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The Borough's contributions to the State Health Benefits Program Fund-Local Government for post-retirement benefits for the years ended December 31, 2011, 2010 and 2009 were \$250,288, \$189,366 and \$177,785, 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, 2011, 2010 and 2009 were \$25,450, \$24,197 and \$23,124, respectively.

**NOTE 12 RISK MANAGEMENT**

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

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

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

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

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.

**BOROUGH OF WOODCLIFF LAKE  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2011 AND 2010**

**NOTE 12 RISK MANAGEMENT (Continued)**

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<br/>December 31</u> | <u>Borough<br/>Contributions</u> | <u>Employee<br/>Contributions</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|-----------------------------------|----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2011                              | \$ 10,000                        | \$ 4,511                          | \$ 17,912                    | \$ 4,755                  |
| 2010                              | 10,000                           |                                   | 9,803                        | 8,156                     |
| 2009                              | 10,000                           |                                   | 13,174                       | 7,955                     |

**NOTE 13 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court including one with the Borough's largest property owner at December 31, 2011 and 2010. Amounts claimed cover multiple years and have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2011 and 2010, the Borough reserved \$248,598 and \$274,336, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding year's budget, from fund balance or through the issuance of debt.

**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, 2011 and 2010, significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

**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, 2011 and 2010, the Borough had no estimated arbitrage earnings due to the IRS.

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

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

The first year of eligibility for entrance into the Plan was calendar year 2000. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

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

The Borough of Woodcliff Lake has contributed \$1,488 and \$1,448 for 2011 and 2010, respectively, for each eligible volunteer fire department member into the Plan.

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

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

**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.

**BOROUGH OF WOODCLIFF LAKE  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2011 AND 2010**

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

**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.

**Interlocal Services Agreement**

The Boroughs of Park Ridge, Montvale and Woodcliff Lake entered into an interlocal service agreement for the purposes of reimbursing the Borough of Park Ridge as sponsoring agency for a length of service award program for the Tri-Borough Volunteer Ambulance Corps., a volunteer organization which services each of the Boroughs.

The contributions are made in accordance with the plan established by the Borough of Park Ridge pursuant to N.J.S.A.40A:14-183 et seq. Woodcliff Lake's share of the Tri-Borough Volunteer Ambulance Corps. LOSAP contributions for the years ended December 31, 2011 and 2010 were \$12,159 and \$12,741, respectively.

Since the Borough of Park Ridge is the sponsoring agency, all contributions and financial transactions related to the Tri-Borough Volunteer Ambulance Corps. are reported on the financial statements of the Borough of Park Ridge's Length of Service Award Program and are not included in this report.

**NOTE 16 RESTATEMENT**

The beginning balance of the Borough's fixed asset account group has been restated because of the following:

- Certain machinery and equipment that the Borough disposed of in prior years, that were not removed from the fixed asset inventory report.
- Record certain machinery and equipment that the Borough purchased in prior years that was not recorded on the fixed asset inventory report.

|                                    | Beginning<br>Balance Prior to<br>Restatement<br>December 31,<br><u>2010</u> | <u>Restatement</u>    | Beginning<br>Balance<br>Restated<br>December 31,<br><u>2010</u> |
|------------------------------------|---|-----------------------|---|
| Land                               | \$ 7,207,218  |                       | \$ 7,207,218  |
| Building and Building Improvements | 5,577,682   |                       | 5,577,682   |
| Machinery and Equipment            | <u>7,883,230</u>  | \$ (1,361,145)        | <u>6,522,085</u>  |
|                                    | <u>\$ 20,668,130</u>  | <u>\$ (1,361,145)</u> | <u>\$ 19,306,985</u>  |

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**CURRENT FUND**



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

|   |                |                     |
|---|----------------|---------------------|
| Balance, January 1, 2011                                |                | \$ 3,132,947        |
| Increased by Receipts:                                  |                |                     |
| Taxes Receivable  | \$ 37,612,452  |                     |
| Receipts from Delinquent Taxes                          | 182,424        |                     |
| Non-Budget Revenue                                      | 87,423         |                     |
| State of NJ - Senior Citizens' and Veterans' Deductions | 42,623         |                     |
| Revenue Accounts Receivable                             | 1,639,792      |                     |
| Construction Training Fees                              | 12,992         |                     |
| Prepaid Taxes   | 254,236        |                     |
| Grants Receivable                                       | 167,734        |                     |
| Unappropriated Reserves                                 | 267,075        |                     |
| Tax Overpayments  | 56,619         |                     |
| Aid in Lieu of Taxes                                    | 15,888         |                     |
| Marriage License Fees                                   | 300            |                     |
| Special Emergency Notes Payable                         | 153,316        |                     |
| Miscellaneous Reserves                                  | 11,186         |                     |
| Receipts from Public Assistance Fund                    | 400            |                     |
| Receipts from General Capital Fund                      | <u>300,818</u> |                     |
|   |                | <u>40,805,278</u>   |
|   |                | 43,938,225          |
| Decreased by Disbursements:                             |                |                     |
| 2011 Budget Appropriations                              | 9,552,565      |                     |
| 2010 Appropriation Reserves                             | 650,126        |                     |
| Construction Training Fees                              | 11,385         |                     |
| Marriage License Fees                                   | 275            |                     |
| Regional High School Tax                                | 11,586,726     |                     |
| County Tax  | 4,517,898      |                     |
| Local District School Tax                               | 13,573,455     |                     |
| Appropriated Reserves                                   | 13,460         |                     |
| Accounts Payable  | 88,429         |                     |
| Tax Overpayments  | 20,756         |                     |
| Reserve for Tax Appeals                                 | 25,738         |                     |
| Unappropriated Reserves                                 | 29,893         |                     |
| Refund Prior Year Revenue                               | 318            |                     |
| Petty Cash  | 500            |                     |
| Reserve for Terminal Leave                              | 46,292         |                     |
| Payments to General Capital Fund                        | 320,922        |                     |
| Payments to Public Assistance Fund                      | 400            |                     |
| Payments to Open Space Trust Fund                       | <u>170,712</u> |                     |
|   |                | <u>40,609,850</u>   |
| Balance, December 31, 2011                              |                | <u>\$ 3,328,375</u> |

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

|                            |    |       |
|----------------------------|----|-------|
| Balance, January 1, 2011   | \$ | 2,000 |
| Increased by:              |    |       |
| Cash Receipts              |    | 500   |
| Balance, December 31, 2011 | \$ | 2,500 |

**STATEMENT OF CHANGE FUNDS**

|                            |    |     |
|----------------------------|----|-----|
| Balance, January 1, 2011   | \$ | 100 |
| Balance, December 31, 2011 | \$ | 100 |

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

|   |    |        |
|---|----|--------|
| Balance, January 1, 2011                                | \$ | 9,266  |
| Increased by:   |    |        |
| Cash Received from State of New Jersey                  | \$ | 42,623 |
| Senior Citizens' Deductions Disallowed by Tax Collector |    | 250    |
|   |    | 42,873 |
|   |    | 52,139 |
| Decreased by:   |    |        |
| Senior Citizens' Deductions Per Tax Billings            |    | 1,500  |
| Veterans' Deductions Per Tax Billings                   |    | 41,000 |
| Veterans' Deductions Allowed by Tax Collector           |    | 250    |
|   |    | 42,750 |
| Balance, December 31, 2011                              | \$ | 9,389  |

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

| Year | Balance,<br>January 1,<br>2011 | 2011 Levy     | Added<br>Taxes | Senior<br>Citizens'<br>and<br>Veterans'<br>Deductions<br>Disallowed | 2010<br>Collections | 2011<br>Collections | Senior<br>Citizens'<br>and<br>Veterans'<br>Deductions<br>Allowed | Overpayments<br>Applied | Transferred<br>to Tax Title Lien | Taxes<br>Cancelled<br>Remitted or<br>Abated | Balance,<br>December 31,<br>2011 |
|------|--------------------------------|---------------|----------------|---|---------------------|---------------------|--|-------------------------|----------------------------------|---|----------------------------------|
| 2010 | \$ 181,797                     | -             | -              | \$ 627  | -                   | \$ 182,424          | -  | -                       | -                                | -   | -                                |
|      | 181,797                        | -             | -              | 627   | -                   | 182,424             | -  | -                       | -                                | -   | -                                |
| 2011 | -                              | \$ 38,144,992 | \$ 48,153      | 250   | \$ 236,370          | 37,612,452          | \$ 42,750  | \$ 17,525               | \$ -                             | \$ 52,585                                   | \$ 231,713                       |
|      | \$ 181,797                     | \$ 38,144,992 | \$ 48,153      | \$ 877  | \$ 236,370          | \$ 37,794,876       | \$ 42,750  | \$ 17,525               | \$ -                             | \$ 52,585                                   | \$ 231,713                       |

**TAX YIELD**

|                                 |                      |
|---------------------------------|----------------------|
| General Property Tax            |                      |
| Real Property Tax               | \$ 38,144,992        |
| Added Taxes (54:4-63.1 et seq.) | 48,153               |
|                                 | <u>\$ 38,193,145</u> |

**TAX LEVY**

|  |               |
|--|---------------|
| Local District School Tax (Abstract)         | \$ 13,573,455 |
| Regional School Tax (Abstract)               | 11,586,726    |
| County Taxes (Abstract)                      | 4,453,152     |
| County Open Space Taxes                      | 54,598        |
| Municipal Open Space Preservation Trust Fund | 170,518       |
| Due County for Added Taxes (54:4-63.1)       | <u>5,728</u>  |
|  | \$ 29,844,177 |

Local Tax for Municipal Purposes  
Add Additional Tax Levied

|  |                      |
|--|----------------------|
|  | 8,291,071            |
|  | <u>57,897</u>        |
|  | <u>8,348,968</u>     |
|  | <u>\$ 38,193,145</u> |

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

|                                   | Balance,<br>January 1,<br><u>2011</u> | <u>Accrued</u>      | <u>Collected</u>    | Balance,<br>December 31,<br><u>2011</u> |
|-----------------------------------|---------------------------------------|---------------------|---------------------|---|
| Borough Clerk                     |                                       |                     |                     |   |
| Licenses                          |                                       |                     |                     |   |
| Alcoholic Beverage Licenses       |                                       | \$ 2,271            | \$ 2,271            |   |
| Other Licenses                    |                                       | 358                 | 358                 |   |
| Fees and Permits                  |                                       | 1,298               | 1,298               |   |
| Collector-Treasurer               |                                       |                     |                     |   |
| Fees and Permits                  |                                       | 9,185               | 9,185               |   |
| Construction Code Official        |                                       |                     |                     |   |
| Building Permits and Fees         |                                       | 224,939             | 224,939             |   |
| Planning and Zoning               |                                       |                     |                     |   |
| Fees and Permits                  |                                       | 10,550              | 10,550              |   |
| Fire Prevention                   |                                       |                     |                     |   |
| Miscellaneous Fees and Permits    |                                       | 2,892               | 2,892               |   |
| Police                            |                                       |                     |                     |   |
| Fees and Permits                  |                                       | 1,869               | 1,869               |   |
| Board of Health                   |                                       |                     |                     |   |
| Fees and Permits                  |                                       | 15,731              | 15,731              |   |
| Municipal Court                   |                                       |                     |                     |   |
| Fines and Costs                   | \$ 3,731                              | 62,545              | 61,577              | \$ 4,699                                |
| Uniform Fire Safety Act- Local    |                                       | 45,099              | 45,099              |   |
| Uniform Fire Safety Act- LEA      |                                       | 7,824               | 7,824               |   |
| Interest and Cost on Taxes        |                                       | 49,490              | 49,490              |   |
| MEL - JIF tri Boro Ambulance      |                                       | 9,487               | 9,487               |   |
| Energy Receipts Tax               |                                       | 509,389             | 509,389             |   |
| Verizon Franchise Fees            |                                       | 21,493              | 21,493              |   |
| Park Receipts                     |                                       | 225,890             | 225,890             |   |
| Upper Saddle River Sewer Charges  |                                       | 3,300               | 3,300               |   |
| Cablevision Fees                  |                                       | 58,971              | 58,971              |   |
| Hotel Tax                         |                                       | 300,642             | 300,642             |   |
| Dept. of Public Works Recyclables | -                                     | 77,357              | 77,537              | -                                       |
|                                   | <u>          </u>                     | <u>          </u>   | <u>          </u>   | <u>          </u>                       |
|                                   | <u>\$ 3,731</u>                       | <u>\$ 1,640,580</u> | <u>\$ 1,639,792</u> | <u>\$ 4,699</u>                         |

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF 2010 APPROPRIATION RESERVES**

|   | Balance,<br>January 1,<br><u>2011</u> | <u>Transfers</u> | Balance<br>After<br><u>Modification</u> | <u>Expended</u> | Balanced<br><u>Lapsed</u> | Over-<br><u>expended</u> |
|---|---------------------------------------|------------------|---|-----------------|---------------------------|--------------------------|
| <b>Salaries and Wages</b>                     |                                       |                  |   |                 |                           |                          |
| General Administration                        | \$ 1,582                              | \$ 300           | \$ 1,882                                | \$ 1,667        | \$ 215                    |                          |
| Municipal Clerk                               | 2,091                                 | (1,700)          | 391                                     |                 | 391                       |                          |
| Financial Administration                      | 183                                   |                  | 183                                     |                 | 183                       |                          |
| Revenue Administration                        | 166                                   |                  | 166                                     |                 | 166                       |                          |
| Tax Assessment Administration                 | 1,011                                 | (1,000)          | 11                                      |                 | 11                        |                          |
| Police  | 14,947                                | 17,000           | 31,948                                  | 31,945          | 3                         |                          |
| Emergency Management Services                 | 19                                    |                  | 19                                      |                 | 19                        |                          |
| Aid to Volunteer Fire Companies               | 2,500                                 | (2,000)          | 500                                     |                 | 500                       |                          |
| Fire Prevention Bureau                        | 832                                   | (100)            | 732                                     |                 | 732                       |                          |
| Road Repairs and Maintenance                  | 21,427                                | (8,000)          | 13,427                                  | 11,485          | 1,942                     |                          |
| Solid Waste Collection                        | 787                                   |                  | 787                                     | 647             | 140                       |                          |
| Public Buildings and Grounds                  | 691                                   |                  | 691                                     |                 | 691                       |                          |
| Board of Health                               | 325                                   |                  | 325                                     |                 | 325                       |                          |
| Welfare Administration                        | 72                                    |                  | 72                                      |                 | 72                        |                          |
| Recreation Services and Programs              | 872                                   |                  | 872                                     |                 | 872                       |                          |
| Planning Board                                | 170                                   |                  | 170                                     |                 | 170                       |                          |
| Uniform Construction Code                     | 2,767                                 |                  | 2,767                                   |                 | 2,767                     |                          |
| Sewer Processing and Disposal                 | 996                                   |                  | 996                                     |                 | 996                       |                          |
| Municipal Court                               | 948                                   | -                | 948                                     | -               | 948                       | -                        |
| <b>Total Salaries and Wages</b>               | <u>52,386</u>                         | <u>4,500</u>     | <u>56,887</u>                           | <u>45,744</u>   | <u>11,143</u>             | <u>-</u>                 |
| <b>Other Expenses</b>                         |                                       |                  |   |                 |                           |                          |
| General Administration                        | 971                                   |                  | 7,019                                   | 6,512           | 507                       |                          |
| Mayor & Council                               | 271                                   | 400              | 1,596                                   | 1,548           | 48                        |                          |
| Municipal Clerk                               | 1,009                                 |                  | 1,099                                   | 441             | 658                       |                          |
| Financial Administration                      | 329                                   | 11,000           | 11,611                                  | 6,596           | 5,015                     |                          |
| Audit Services                                | 601                                   |                  | 38,653                                  | 32,551          | 6,102                     |                          |
| Revenue Administration                        | 180                                   | 1,000            | 1,903                                   | 1,543           | 360                       |                          |
| Assessment of Taxes (Reserve for Tax Appeals) | 5,948                                 | (3,500)          | 2,448                                   | 600             | 1,848                     |                          |
| Emergency Revaluation Program                 |                                       |                  | 191,645                                 | 191,645         |                           |                          |
| Legal Services and Costs                      | 8,951                                 | 1,800            | 19,535                                  | 18,283          | 1,252                     |                          |
| Engineering Service and Costs                 | 4,975                                 | (20,000)         | (14,155)                                | (14,905)        | 750                       |                          |
| Planning Board                                | 2,696                                 |                  | 2,697                                   |                 | 2,697                     |                          |
| Zoning Board of Adjustment                    | 4,085                                 | (2,500)          | 1,713                                   | 129             | 1,584                     |                          |
| General Liability                             | 793                                   |                  | 34,333                                  | 30,618          | 3,715                     |                          |
| Employee Group Health                         | 14,063                                |                  | 14,063                                  | 86              | 13,977                    |                          |
| Workers Compensation                          | 1                                     |                  | 37,280                                  | 37,279          | 1                         | -                        |

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF 2010 APPROPRIATION RESERVES**

|  | Balance,<br>January 1,<br><u>2011</u> | <u>Transfers</u> | Balance<br>After<br><u>Modification</u> | <u>Expended</u> | Balanced<br><u>Lapsed</u> | Over-<br><u>expended</u> |
|--|---------------------------------------|------------------|---|-----------------|---------------------------|--------------------------|
| Other Expenses (Continued)               |                                       |                  |   |                 |                           |                          |
| Police                                   | \$ 27,239                             |                  | \$ 40,918                               | \$ 20,804       | \$ 20,114                 |                          |
| Police Dispatch/911                      | 578                                   |                  | 20,974                                  | 20,397          | 577                       |                          |
| Emergency Management Services            | 2,035                                 |                  | 2,035                                   | 85              | 1,950                     |                          |
| Aid to Volunteer Fire Companies          | 7,619                                 | \$ 2,000         | 18,748                                  | 18,729          | 19                        |                          |
| Aid to Volunteer Ambulance Companies     | 1,325                                 |                  | 1,325                                   |                 | 1,325                     |                          |
| LOSAP - Ambulance Corp.                  |                                       |                  | 20,000                                  | 12,741          | 7,259                     |                          |
| LOSAP - Fire Department                  |                                       |                  | 41,400                                  | 46,343          |                           | \$ 4,943                 |
| Fire Prevention Bureau                   | 456                                   | 100              | 4,152                                   | 4,091           | 61                        |                          |
| Road Repairs and Maintenance             | 2,431                                 | 2,000            | 5,735                                   | 4,664           | 1,071                     |                          |
| Shade Tree Commission                    | 169                                   | 500              | 3,974                                   | 3,746           | 228                       |                          |
| Solid Waste Collection                   | 7,572                                 | (4,500)          | 16,910                                  | 14,740          | 2,170                     |                          |
| Public Buildings and Grounds             | 1,572                                 | (500)            | 10,722                                  | 9,378           | 1,344                     |                          |
| Vehicle Maintenance                      | 1,101                                 | 1,000            | 5,721                                   | 4,764           | 957                       |                          |
| Board of Health                          | 1,861                                 |                  | 2,259                                   | 398             | 1,861                     |                          |
| Welfare/Administration of Public Assist. | 161                                   |                  | 161                                     | 152             | 9                         |                          |
| Recreation Services and Programs         | 7,519                                 |                  | 10,054                                  | 449             | 9,605                     |                          |
| Maintenance of Parks                     | 2,373                                 | (1,500)          | 873                                     | 108             | 765                       |                          |
| Library Membership                       | 1,355                                 | 3,200            | 4,555                                   | 4,400           | 155                       |                          |
| Celebration of Public Events             | 1,105                                 |                  | 1,755                                   | 874             | 881                       |                          |
| Uniform Construction Code                | 5,367                                 |                  | 5,461                                   | 800             | 4,661                     |                          |
| Electricity                              | 3,572                                 | 9,500            | 22,492                                  | 22,332          | 160                       |                          |
| Street Lighting                          | 7,600                                 | 1,500            | 17,696                                  | 17,398          | 298                       |                          |
| Telephone                                | 3,067                                 | (2,000)          | 2,941                                   | 2,568           | 373                       |                          |
| Water                                    | 698                                   | 2,000            | 2,698                                   | 2,373           | 325                       |                          |
| Fuel Oil                                 | 403                                   |                  | 403                                     |                 | 403                       |                          |
| Gasoline                                 | 1,021                                 | 5,500            | 20,236                                  | 20,012          | 224                       |                          |
| Sewer Processing and Disposal            | 2,291                                 | (1,500)          | 3,616                                   | 2,988           | 628                       |                          |
| Sanitary Landfill Dump Fees              | 5,516                                 | (4,000)          | 29,559                                  | 25,470          | 4,089                     |                          |
| Shared Costs Sewer Charges               | 147                                   |                  | 147                                     |                 | 147                       |                          |
| Borough of Hillsdale-Sewer Charges       | 47                                    |                  | 47                                      |                 | 47                        |                          |
| Borough of Montvale-Sewer Charges        | 1                                     |                  | 1                                       |                 | 1                         |                          |
| Social Security System (O.A.S.I)         | 4,040                                 | (4,000)          | 40                                      |                 | 40                        |                          |
| Municipal Court                          | 3,796                                 | (2,000)          | 1,796                                   | 600             | 1,196                     |                          |
| Public Defender                          | 700                                   |                  | 1,100                                   | 400             | 700                       |                          |

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF 2010 APPROPRIATION RESERVES**

|   | Balance,<br>January 1,<br><u>2011</u> | <u>Transfers</u>  | Balance<br>After<br><u>Modification</u> | <u>Expended</u>   | Balanced<br><u>Lapsed</u> | Over-<br><u>expended</u> |
|---|---------------------------------------|-------------------|---|-------------------|---------------------------|--------------------------|
| Other Expenses (Continued)                    |                                       |                   |   |                   |                           |                          |
| Recycling Tax                                 | \$ 843                                |                   |   |                   |                           |                          |
| Body Armor Fund                               | 151                                   |                   | \$ 2,701                                | \$ 2,701          |                           |                          |
| Handicapped Recreation Opportunities Grant    | 5,381                                 |                   | 5,381                                   | 5,381             |                           |                          |
| Drunk Driving Enforcement Fund                | 785                                   |                   | 785                                     | 785               |                           |                          |
| Clean Communities                             | 9,611                                 |                   | 10,060                                  | 10,060            |                           |                          |
| Municipal Alliance on Alcoholism & Drug Abuse | 436                                   |                   | 1,327                                   | 1,327             |                           |                          |
| Senior Activity County Grant                  | 920                                   |                   | 1,795                                   | 1,795             |                           |                          |
| Highview Avenue                               | 17,297                                | -                 | 130,000                                 | 130,000           | -                         | -                        |
|   |                                       |                   |   |                   |                           | -                        |
| Total Other Expenses                          | <u>185,034</u>                        | <u>\$ (4,500)</u> | <u>823,993</u>                          | <u>726,779</u>    | <u>\$ 102,157</u>         | <u>\$ 4,943</u>          |
| Grand Total                                   | <u>\$ 237,420</u>                     | <u>\$ -</u>       | <u>\$ 880,880</u>                       | <u>\$ 772,523</u> | <u>\$ 113,300</u>         | <u>\$ 4,943</u>          |
|   |                                       |                   | Appropriation Reserves                  | \$ 237,420        |                           |                          |
|   |                                       |                   | Encumbrances Payable -                  |                   |                           |                          |
|   |                                       |                   | Prior Year                              | <u>643,460</u>    |                           |                          |
|   |                                       |                   |   | <u>\$ 880,880</u> |                           |                          |
|   |                                       |                   | Transfer to Accounts Payable            | \$ 1,448          |                           |                          |
|   |                                       |                   | Transfer to Appropriated Reserves       | 101,949           |                           |                          |
|   |                                       |                   | Transfer to Terminal Leave              | 19,000            |                           |                          |
|   |                                       |                   | Cash Disbursements                      | <u>650,126</u>    |                           |                          |
|   |                                       |                   |   | <u>\$ 772,523</u> |                           |                          |

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

|   |                        |
|---|------------------------|
| Balance, January 1, 2011                | \$ 88,429              |
| Increased by:                           |                        |
| Transferred from Appropriation Reserves | <u>1,448</u>           |
|   | 89,877                 |
| Decreased by:                           |                        |
| Cash Disbursements                      | <u>88,429</u>          |
| Balance, December 31, 2011              | <u><u>\$ 1,448</u></u> |

EXHIBIT A-12

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

|                            |                        |
|----------------------------|------------------------|
| Balance, January 1, 2011   | \$ 2,700               |
| Increased by:              |                        |
| Collections                | <u>12,992</u>          |
|                            | 15,692                 |
| Decreased by:              |                        |
| Payments                   | <u>11,385</u>          |
| Balance, December 31, 2011 | <u><u>\$ 4,307</u></u> |

EXHIBIT A-13

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

|                            |                     |
|----------------------------|---------------------|
| Balance, January 1, 2011   | \$ 50               |
| Increased by:              |                     |
| Collections                | <u>300</u>          |
|                            | 350                 |
| Decreased by:              |                     |
| Payments                   | <u>275</u>          |
| Balance, December 31, 2011 | <u><u>\$ 75</u></u> |

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

|                            |    |         |
|----------------------------|----|---------|
| Balance, January 1, 2011   | \$ | 274,336 |
| Decreased by:              |    |         |
| Cash Paid to Appellants    |    | 25,738  |
| Balance, December 31, 2011 | \$ | 248,598 |

EXHIBIT A-15

**STATEMENT OF PREPAID TAXES**

|                            |    |         |
|----------------------------|----|---------|
| Balance, January 1, 2011   | \$ | 236,370 |
| Increased by:              |    |         |
| Collection of 2012 Taxes   |    | 254,236 |
|                            |    | 490,606 |
| Decreased by:              |    |         |
| Application to 2011 Taxes  |    | 236,370 |
| Balance, December 31, 2011 | \$ | 254,236 |

EXHIBIT A-16

**STATEMENT OF TAX OVERPAYMENTS**

|                                  |    |        |
|----------------------------------|----|--------|
| Balance, January 1, 2011         | \$ | 31,249 |
| Increased by:                    |    |        |
| Cash Receipts                    |    | 56,619 |
|                                  |    | 87,868 |
| Decreased by:                    |    |        |
| Applied to 2011 Taxes Receivable | \$ | 17,525 |
| Cash Disbursements               |    | 20,756 |
|                                  |    | 38,281 |
| Balance, December 31, 2011       | \$ | 49,587 |

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

|                      |  |                      |
|----------------------|--|----------------------|
| Increased by:        |  |                      |
| Levy - Calendar Year |  | \$ <u>11,586,726</u> |
| Decreased by:        |  |                      |
| Payments             |  | \$ <u>11,586,726</u> |

**STATEMENT OF COUNTY TAXES PAYABLE**

|                                 |              |                  |
|---------------------------------|--------------|------------------|
| Balance, January 1, 2011        |              | \$ 10,148        |
| Increased by:                   |              |                  |
| 2011 Levy                       | \$ 4,453,152 |                  |
| Open Space Preservation         | 54,598       |                  |
| Added Taxes (54:4-63.1 et seq.) | <u>5,728</u> |                  |
|                                 |              | <u>4,513,478</u> |
|                                 |              | 4,523,626        |
| Decreased by:                   |              |                  |
| Payments                        |              | <u>4,517,898</u> |
| Balance, December 31, 2011      |              | \$ <u>5,728</u>  |

**STATEMENT OF ENCUMBRANCES PAYABLE**

|                                    |  |                   |
|------------------------------------|--|-------------------|
| Balance, January 1, 2011           |  | \$ 643,460        |
| Increased by:                      |  |                   |
| Charges to 2011 Appropriations     |  | <u>422,641</u>    |
|                                    |  | 1,066,101         |
| Decreased by:                      |  |                   |
| Transfer to Appropriation Reserves |  | <u>643,460</u>    |
| Balance, December 31, 2011         |  | \$ <u>422,641</u> |

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

|                      |  |                      |
|----------------------|--|----------------------|
| Increased by:        |  |                      |
| Levy - Calendar Year |  | <u>\$ 13,573,455</u> |
| Decreased by:        |  |                      |
| Payments             |  | <u>\$ 13,573,455</u> |

**STATEMENT OF UNAPPROPRIATED RESERVES**

|                    | Balance,<br>January 1,<br><u>2011</u> | Cash<br><u>Receipts</u> | Cash<br><u>Disbursements</u> | Balance,<br>December 31,<br><u>2011</u> |
|--------------------|---------------------------------------|-------------------------|------------------------------|---|
| Affordable Housing | <u>\$ 267,075</u>                     | <u>\$ 29,893</u>        | <u>\$ 21,847</u>             | <u>\$ 275,121</u>                       |

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

|                                     | Balance,<br>January 1,<br><u>2011</u> | Transferred<br>from 2010<br>Appropriation<br><u>Reserves</u> | Paid or<br><u>Charged</u> | <u>Cancellation</u> | Balance,<br>December 31,<br><u>2011</u> |
|-------------------------------------|---------------------------------------|--|---------------------------|---------------------|---|
| Capital Improvements:               |                                       |  |                           |                     |   |
| Park & Recreation Sidewalk Imprvts. | \$ 40,312                             |  |                           |                     | \$ 40,312                               |
| NJ DOT- Highview Ave                |                                       | \$ 46,526  |                           |                     | 46,526                                  |
| NJ DOT - Brookview Drive            | 76,818                                |  |                           |                     | 76,818                                  |
| Clean Communities                   |                                       | 8,171  |                           |                     | 8,171                                   |
| Domestic Violence                   | 3,843                                 |  |                           | \$ 3,843            |   |
| Emergency Beacon                    | 59                                    |  |                           | 59                  |   |
| GDL Enforcement                     | 1,375                                 |  |                           | 1,375               |   |
| Body Armor Fund                     | 3,341                                 | 151  | \$ 600                    |                     | 2,892                                   |
| Municipal Alliance                  | 4,345                                 | 394  |                           |                     | 4,739                                   |
| Alcohol & Drug Rehabilitation       | 4,627                                 |  | 4,627                     |                     |   |
| Senior Citizen                      | 3,000                                 |  | 952                       |                     | 2,048                                   |
| DWI- Overtime                       | 5,508                                 | 785  | 93                        |                     | 6,200                                   |
| State Police Disaster               | 1,620                                 |  |                           | 1,620               |   |
| Individuals Disability Grants       | 3,842                                 | 3,042  |                           | 3,322               | 3,562                                   |
| Child Passenger Safety Grant        | 656                                   |  |                           | 656                 |   |
| Recycling Tonnage Grant             | 8,348                                 |  | 7,188                     |                     | 1,160                                   |
| Recreation Development Plan         | 25,000                                |  |                           |                     | 25,000                                  |
| Revaluation Program                 | -                                     | 42,880   | -                         | -                   | 42,880                                  |
|                                     | <u>\$ 182,694</u>                     | <u>\$ 101,949</u>  | <u>\$ 13,460</u>          | <u>\$ 10,875</u>    | <u>\$ 260,308</u>                       |
| Cash Disbursements                  |                                       |  | <u>\$ 13,460</u>          |                     |   |

EXHIBIT A-23

**STATEMENT OF GRANTS RECEIVABLE**

|  | Balance,<br>January 1,<br><u>2011</u> | Accrued<br><u>2011</u> | Collected<br><u>2011</u> | <u>Cancelled</u> | Balance,<br>December 31,<br><u>2011</u> |
|--|---------------------------------------|------------------------|--------------------------|------------------|---|
| NJ Dept. of Transportation:            |                                       |                        |                          |                  |   |
| Overlook Ave                           | \$ 72,340                             |                        |                          |                  | \$ 72,340                               |
| Highview Ave                           | 130,000                               |                        | \$ 75,251                |                  | 54,749                                  |
| Senior Activity County Grant           | 1,950                                 | \$ 4,950               | 4,950                    |                  | 1,950                                   |
| Clean Communities Grant                |                                       | 11,172                 | 11,172                   |                  | -                                       |
| FEMA Fire Department                   |                                       | 10,510                 | 10,510                   |                  | -                                       |
| NJ DEP Recycling Grant Program         | 6                                     | 41,632                 | 41,632                   | \$ 6             | -                                       |
| GDL Enforcement Grant                  | 1,375                                 |                        |                          | 1,375            | -                                       |
| Handicapped Recreation Opportunities C | 7,555                                 | 15,150                 | 6,356                    | 3,650            | 12,699                                  |
| Municipal Alliance Program             | 7,359                                 | 10,356                 | 12,390                   | 1,049            | 4,276                                   |
| Body Armor Grant                       |                                       | 3,309                  | 3,309                    |                  | -                                       |
| DDEF                                   | -                                     | 4,400                  | 2,164                    | -                | 2,236                                   |
|  | <u>\$ 220,585</u>                     | <u>\$ 101,479</u>      | <u>\$ 167,734</u>        | <u>\$ 6,080</u>  | <u>\$ 148,250</u>                       |

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

|                            |          |
|----------------------------|----------|
| Balance, January 1, 2011   | \$ 3,044 |
| Decreased by:              |          |
| Cancellation               | 3,044    |
| Balance, December 31, 2011 | \$ -     |

EXHIBIT A-25

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

|                              |           |
|------------------------------|-----------|
| Balance, January 1, 2011     | \$ 17,346 |
| Increased by:                |           |
| Cash Receipts                | 15,888    |
|                              | 33,234    |
| Decreased by:                |           |
| Realized as Budgeted Revenue | 17,346    |
| Balance, December 31, 2011   | \$ 15,888 |

EXHIBIT A-26

**STATEMENT OF RESERVE FOR TERMINAL LEAVE**

|   |            |
|---|------------|
| Balance, January 1, 2011                                    | \$ 378,181 |
| Increased by:   |            |
| Transfer from 2010 Appropriation Reserves- Salaries & Wages | 19,000     |
|   | 397,181    |
| Decreased by:   |            |
| Cash Disbursements  | 46,292     |
| Balance, December 31, 2011                                  | \$ 350,889 |

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

|                    | Balance,<br>December 31,<br><u>2010</u> | <u>Receipts</u>  | Realized in<br>2011<br><u>Budget</u> | Balance,<br>December 31,<br><u>2011</u> |
|--------------------|---|------------------|--------------------------------------|---|
| FEMA Reimbursement | \$ 43,385                               |                  | \$ 43,385                            |   |
| WaterShed Aid      | <u>11,186</u>                           | \$ <u>11,186</u> | <u>22,372</u>                        | \$ <u>-</u>                             |
|                    | <u>\$ 54,571</u>                        | \$ <u>11,186</u> | \$ <u>65,757</u>                     | \$ <u>-</u>                             |

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

| <u>Date</u><br><u>Authorized</u> | <u>Purpose</u>               | Net Amount<br><u>Authorized</u> | 1/5 of<br>Net Amount<br><u>Authorized</u> | Balance,<br>December 31,<br><u>2010</u> | Raised in<br>2011<br><u>Budget</u> | Balance,<br>December 31,<br><u>2011</u> |
|----------------------------------|------------------------------|---------------------------------|---|---|------------------------------------|---|
| 11/22/2010                       | Revaluation of Real Property | \$ 191,645                      | \$ 38,329                                 | \$ <u>191,645</u>                       | \$ <u>38,329</u>                   | \$ <u>153,316</u>                       |
|                                  |                              |                                 |   | <u>\$ 191,645</u>                       | <u>\$ 38,329</u>                   | <u>\$ 153,316</u>                       |

**STATEMENT OF DEFERRED CHARGES  
OVEREXPENDITURE OF APPROPRIATION RESERVES**

|   | Added in<br><u>2011</u> | Balance<br>December 31,<br><u>2011</u> |
|---|-------------------------|--|
| Overexpenditure of Appropriation Reserves | \$ <u>4,943</u>         | \$ <u>4,943</u>                        |
|   | <u>\$ 4,943</u>         | <u>\$ 4,943</u>                        |

**STATEMENT OF SPECIAL EMERGENCY NOTES PAYABLE**

|                                 |                   |
|---------------------------------|-------------------|
| Increased by:                   |                   |
| Special Emergency Notes Payable | \$ <u>153,316</u> |
| Balance, December 31, 2011      | \$ <u>153,316</u> |

**TRUST FUND**



BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF TRUST CASH

|                                     | <u>Animal Control</u> | <u>Other Trust</u> | <u>Unemployment Trust</u> | <u>Open Space Trust</u> |
|-------------------------------------|-----------------------|--------------------|---------------------------|-------------------------|
| Balance, January 1, 2011            | \$ 7,607              | \$ 735,154         | \$ 9,117                  | \$ 225,669              |
| Increased by Receipts:              |                       |                    |                           |                         |
| Current Fund Budget Appropriation   | \$ 4,110              |                    | \$ 10,000                 | \$ 170,712              |
| Tax Collections                     | 749                   |                    |                           |                         |
| State Dog License Fees              | 5,098                 |                    |                           |                         |
| Animal License Fees Collected       |                       |                    |                           |                         |
| Miscellaneous Reserves              |                       | \$ 166,009         |                           |                         |
| Interest on Deposits                |                       | 739                | 4,511                     | 103                     |
| Escrow Deposits                     |                       | 112,569            |                           | 567,992                 |
| Receipts from General Capital       |                       | 4,483,041          |                           |                         |
| Net Payroll and Payroll Deductions  | <u>9,957</u>          | <u>4,762,358</u>   | <u>14,511</u>             | <u>738,807</u>          |
| Decreased by Disbursements:         |                       |                    |                           |                         |
| Net Payroll and Payroll Deductions  | 17,564                | 5,497,512          | 23,628                    | 964,476                 |
| Miscellaneous Reserves              |                       | 4,474,876          |                           |                         |
| Cash Disbursements - Animal Control |                       | 166,044            |                           |                         |
| Expenditures Under R.S. 4:19-15.11  | 6,694                 |                    |                           |                         |
| Escrow Deposits                     | 758                   |                    |                           |                         |
| Payments to State of New Jersey     |                       |                    | 18,428                    |                         |
|                                     | <u>7,452</u>          | <u>5,090,779</u>   | <u>18,428</u>             | <u>-</u>                |
| Balance, December 31, 2011          | <u>\$ 10,112</u>      | <u>\$ 406,733</u>  | <u>\$ 5,200</u>           | <u>\$ 964,476</u>       |

**BOROUGH OF WOODCLIFF LAKE**  
**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES**

|                                       |  |    |              |
|---------------------------------------|--|----|--------------|
| Balance, January 1, 2011              |  | \$ | 7,615        |
| Increased by:                         |  |    |              |
| Animal License Fees Collected         |  | \$ | 5,098        |
| Budget Appropriation                  |  |    | <u>4,110</u> |
|                                       |  |    | <u>9,208</u> |
|                                       |  |    | 16,823       |
| Decreased by:                         |  |    |              |
| Expenditures Under R.S. 4:19-15.11    |  |    | 6,694        |
| Statutory Excess- Due to Current Fund |  |    | <u>2,520</u> |
|                                       |  |    | <u>9,214</u> |
| Balance, December 31, 2011            |  | \$ | <u>7,609</u> |

EXHIBIT B-5

**STATEMENT OF DUE TO CURRENT FUND**  
**ANIMAL CONTROL FUND**

|                            |  |    |                 |
|----------------------------|--|----|-----------------|
| Increase by:               |  |    |                 |
| Statutory Excess           |  |    | <u>\$ 2,520</u> |
| Balance, December 31, 2011 |  | \$ | <u>2,520</u>    |

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

|                                   |  |                     |
|-----------------------------------|--|---------------------|
| Balance, January 1, 2011          |  | \$ 8                |
| Increased by:                     |  |                     |
| State Registration Fees Collected |  | <u>749</u>          |
|                                   |  | 741                 |
| Decreased by:                     |  |                     |
| Payments to State of New Jersey   |  | <u>758</u>          |
| Balance, December 31, 2011        |  | <u><u>\$ 17</u></u> |

EXHIBIT B-7

**STATEMENT OF ESCROW DEPOSITS  
OTHER TRUST FUND**

|                            |            |                          |
|----------------------------|------------|--------------------------|
| Balance, January 1, 2011   |            | \$ 588,376               |
| Increased by:              |            |                          |
| Escrow Deposits Collected  | \$ 112,569 |                          |
| Interest on Deposits       | <u>550</u> |                          |
|                            |            | <u>113,119</u>           |
|                            |            | 701,495                  |
| Decreased by:              |            |                          |
| Refund of Escrow Deposits  |            | <u>449,859</u>           |
| Balance, December 31, 2011 |            | <u><u>\$ 251,636</u></u> |

EXHIBIT B-8

**STATEMENT OF DUE TO CURRENT FUND  
OTHER TRUST FUND**

|                            |  |                      |
|----------------------------|--|----------------------|
| Increased by:              |  |                      |
| Interest on Deposits       |  | <u>\$ 189</u>        |
| Balance, December 31, 2011 |  | <u><u>\$ 189</u></u> |

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF MISCELLANEOUS RESERVES  
OTHER TRUST FUND**

|                                | Balance<br>January 1,<br><u>2011</u> | <u>Receipts</u>   | <u>Payments</u>   | Balance<br>December 31,<br><u>2011</u> |
|--------------------------------|--------------------------------------|-------------------|-------------------|--|
| Police Outside Duty            | \$ 34,763                            | \$ 156,722        | \$ 161,765        | \$ 29,720                              |
| POAA                           | 378                                  | 56                |                   | 434                                    |
| Causeway Beautification-Clock  | 1,796                                |                   |                   | 1,796                                  |
| Sidewalk                       | 40,110                               | 169               |                   | 40,279                                 |
| DARE Activities                | 4,940                                | 3,274             | 1,562             | 6,652                                  |
| Fire Prevention Penalty Fees   | 19,431                               | 2,238             | 2,238             | 19,431                                 |
| Construction Code Penalty Fees | 5,122                                |                   |                   | 5,122                                  |
| Renovation to Train Station    | 100                                  |                   |                   | 100                                    |
| Renovation Westervelt Park     | 450                                  | 3,550             | 479               | 3,521                                  |
|                                | <u>\$ 107,090</u>                    | <u>\$ 166,009</u> | <u>\$ 166,044</u> | <u>\$ 107,055</u>                      |

**STATEMENT OF PAYROLL DEDUCTIONS PAYABLE  
OTHER TRUST FUND**

|   |                  |
|---|------------------|
| Balance, January 1, 2011                                | \$ 39,688        |
| Increased by:   |                  |
| Cash Receipts - Net Payroll and Payroll Deductions      | <u>4,483,041</u> |
|   | 4,522,729        |
| Decreased by:   |                  |
| Cash Disbursements - Net Payroll and Payroll Deductions | <u>4,474,876</u> |
| Balance, December 31, 2011                              | <u>\$ 47,853</u> |

**BOROUGH OF WOODCLIFF LAKE  
STATEMENT OF DUE TO STATE OF NEW JERSEY  
UNEMPLOYMENT TRUST FUND**

|                            |  |    |        |
|----------------------------|--|----|--------|
| Balance, January 1, 2011   |  | \$ | 961    |
| Increased by:              |  |    |        |
| Unemployment Claims        |  |    | 17,912 |
| Decreased by:              |  |    |        |
| Payments                   |  |    | 18,428 |
| Balance, December 31, 2011 |  | \$ | 445    |

**STATEMENT OF RESERVE FOR UNEMPLOYMENT COMPENSATION INSURANCE**

|                                    |    |        |        |
|------------------------------------|----|--------|--------|
| Balance, January 1, 2011           |    | \$     | 8,156  |
| Increased by:                      |    |        |        |
| Employee Contributions             | \$ | 4,511  |        |
| Current Fund Budget Appropriations |    | 10,000 |        |
|                                    |    |        | 14,511 |
|                                    |    |        | 22,667 |
| Decreased by:                      |    |        |        |
| Due to State of New Jersey         |    |        | 17,912 |
| Balance, December 31, 2011         |    | \$     | 4,755  |

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

|                            |    |            |                |
|----------------------------|----|------------|----------------|
| Balance, January 1, 2011   |    | \$         | 793,661        |
| Increased by:              |    |            |                |
| Open Space Tax             | \$ | 170,518    |                |
| Additional Open Space Tax  |    | 194        |                |
| Interest on Deposits       |    | <u>103</u> |                |
|                            |    |            | <u>170,815</u> |
| Balance, December 31, 2011 |    | \$         | <u>964,476</u> |

**GENERAL CAPITAL FUND**



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

|  |                |                   |
|--|----------------|-------------------|
| Balance, January 1, 2011                       |                | \$ 1,425,348      |
| Increased by Receipts:                         |                |                   |
| Premium on Bond Anticipation Note              | \$ 239         |                   |
| Bond Anticipation Note Proceeds                | 944,300        |                   |
| Budget Appropriation- Capital Improvement Fund | 10,000         |                   |
| Receipts from Current Fund                     | 320,922        |                   |
| Interest on Deposits                           | <u>836</u>     |                   |
|  |                | <u>1,276,297</u>  |
|  |                | 2,701,645         |
| Decreased by:                                  |                |                   |
| Contracts Payable                              | 416,434        |                   |
| Payments to Current Fund                       | 300,818        |                   |
| Payments to Municipal Open Space               | 567,992        |                   |
| Bond Anticipation Note Payments                | 400,000        |                   |
| Improvement Authorizations                     | <u>319,055</u> |                   |
|  |                | <u>2,004,299</u>  |
| Balance, December 31, 2011                     |                | <u>\$ 697,346</u> |

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

Balance,  
December 31,  
2011

|                          |           |
|--------------------------|-----------|
| Fund Balance             | \$ 5,217  |
| Capital Improvement Fund | 2,564     |
| Grants Receivable        | (206,671) |
| Due to Current Fund      | 18        |
| Contract Payable         | 229,148   |

## Improvement Authorizations:

| <u>Ord. No.</u> | <u>Improvement Description</u>           |                   |
|-----------------|--|-------------------|
|                 | General Improvements:                    |                   |
| 03-3            | Various Capital Improvements             | 23,361            |
| 05-24           | Restoration of Westervelt-Lydecker House | 37,205            |
| 09-19/10-03     | Purchase of Real Property                | 15,118            |
| 10-02           | Various Capital Improvements             | 98,026            |
| 10-05           | Westervelt/Lydecker Property             | 32,599            |
| 11-06           | Various Capital Improvements             | 511,112           |
| 08-05           | Real Property for Municipal Purposes     | (1)               |
| 08-08/09-12     | Purchase of Real Property                | <u>(50,350)</u>   |
|                 |  | <u>\$ 697,346</u> |

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

|   |              |
|---|--------------|
| Balance, January 1, 2011                        | \$ 6,415,000 |
| Decreased by:                                   |              |
| 2011 Budget Appropriation to Pay Bond Principal | 880,000      |
| Balance, December 31, 2011                      | \$ 5,535,000 |

**STATEMENT OF GRANTS RECEIVABLE/OTHER RECEIVABLE**

|   | Balance,<br>January 1,<br><u>2011</u> | Increased by<br><u>Awards</u> | Decrease by<br><u>Cash Collections</u> | Balance,<br>December 31,<br><u>2011</u> |
|---|---------------------------------------|-------------------------------|--|---|
| <b>County of Bergen Open Space Trust Fund</b> |                                       |                               |  |   |
| Ord. 05-24                                    | \$ 38,550                             |                               |  | \$ 38,550                               |
| Ord. 08-02                                    | 7,353                                 |                               |  | 7,353                                   |
| Ord. 09-19                                    | 75,000                                |                               |  | 75,000                                  |
| Ord. 10-05                                    | 142,500                               |                               |  | 142,500                                 |
| <b>Community Development Block Grant</b>      |                                       |                               |  |   |
| Ord 05-24                                     | 35,768                                |                               |  | 35,768                                  |
| <b>N.J. Preservation Trust Fund</b>           |                                       |                               |  |   |
| Ord. 03-3                                     | 50,000                                |                               |  | 50,000                                  |
| <b>N.J. Department of Transportation</b>      |                                       |                               |  |   |
| Ord. 11-06                                    | -                                     | \$ 150,000                    | -                                      | 150,000                                 |
|   | \$ 349,171                            | \$ 150,000                    | \$ -                                   | \$ 499,171                              |
| <b><u>Balance Pledged to:</u></b>             |                                       |                               |  |   |
| Improvement Authorization                     |                                       |                               |  | \$ 206,671                              |
| Reserve for Receivable                        |                                       |                               |  | 292,500                                 |
|   |                                       |                               |  | \$ 499,171                              |

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

|                 |                                      | <u>Analysis of Balance</u>      |                            |                       |                                   |                                       |                     |  |
|-----------------|--------------------------------------|---------------------------------|----------------------------|-----------------------|-----------------------------------|---------------------------------------|---------------------|--|
| <u>Ord. No.</u> | <u>Improvement Description</u>       | <u>Balance, January 1, 2011</u> | <u>2011 Authorizations</u> | <u>Grant Proceeds</u> | <u>Balance, December 31, 2011</u> | <u>Bond Anticipation Notes Issued</u> | <u>Expenditures</u> | <u>Unexpended Improvement Authorizations</u> |
| 08-05           | Real Property for Municipal Purposes | \$ 1                            |                            |                       | 1                                 |                                       | \$ 1                | 1  |
| 08-08/09-12     | Purchase Real Property               | 50,350                          |                            |                       | 50,350                            |                                       | 50,350              |  |
| 11-06           | Various Improvements                 | -                               | \$ 944,300                 | \$ -                  | 944,300                           | \$ 944,300                            | -                   | -  |
|                 |                                      | <u>\$ 50,351</u>                | <u>\$ 944,300</u>          | <u>\$ -</u>           | <u>\$ 994,651</u>                 | <u>\$ 944,300</u>                     | <u>\$ 50,351</u>    | <u>\$ -</u>                                  |

68

Improvement Authorization - Unfunded \$ 526,230

Less: Unexpended Proceeds  
 Ord 09-19 15,118  
 Ord 11-06 511,112

\$ -



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

| No.         | Improvement Description                  | Ordinance<br>Amount | Balance,<br>January 1, 2011 |           | 2011<br>Authorizations | Paid or<br>Charged | Balance,<br>December 31, 2011 |            |
|-------------|--|---------------------|-----------------------------|-----------|------------------------|--------------------|-------------------------------|------------|
|             |  |                     | Funded                      | Unfunded  |                        |                    | Funded                        | Unfunded   |
|             | <u>General Improvements:</u>             |                     |                             |           |                        |                    |                               |            |
| 03-3        | Various Capital Improvements             | \$ 1,794,597        | \$ 49,000                   |           |                        | \$ 25,639          | \$ 23,361                     |            |
| 05-24       | Restoration of Westervelt-Lydecker House | 168,445             | 37,205                      |           |                        |                    | 37,205                        |            |
| 09-19/10-03 | Purchase Real Property                   | 2,000,000           |                             | \$ 15,118 |                        |                    |                               | \$ 15,118  |
| 10-02       | Various Capital Improvements             | 597,900             | 109,301                     |           |                        | 11,275             | 98,026                        |            |
| 10-05       | Westervelt/Lydecker Property             | 400,000             | 36,000                      |           |                        | 3,401              | 32,599                        |            |
| 11-06       | Various Improvements                     | 1,019,000           | -                           | -         | \$ 1,019,000           | 507,888            | -                             | 511,112    |
|             |  |                     | \$ 231,506                  | \$ 15,118 | \$ 1,019,000           | \$ 548,203         | \$ 191,191                    | \$ 526,230 |

Analysis

|                           |              |
|---------------------------|--------------|
| Deferred Charges Unfunded | \$ 944,300   |
| Capital Improvement Fund  | 49,700       |
| Surplus                   | 25,000       |
|                           | \$ 1,019,000 |

|                   |            |
|-------------------|------------|
| Cash Disbursed    | \$ 319,055 |
| Contracts Payable | 229,148    |
|                   | \$ 548,203 |

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

|                                      |            |                |
|--------------------------------------|------------|----------------|
| Balance, January 1, 2011 (Due From)  |            | \$ 20,922      |
| Increased by:                        |            |                |
| Payments to Current Fund             |            | <u>300,818</u> |
|                                      |            | 321,740        |
| Decreased by :                       |            |                |
| Receipts from Current Fund           | \$ 320,922 |                |
| Interest on Investments and Deposits | <u>836</u> |                |
|                                      |            | <u>321,758</u> |
| Balance, December 31, 2011 (Due To)  |            | <u>\$ 18</u>   |

EXHIBIT C-10

**STATEMENT OF DUE TO MUNICIPAL OPEN SPACE TRUST**

|                            |  |                |
|----------------------------|--|----------------|
| Balance, January 1, 2011   |  | \$ 567,992     |
| Decreased by:              |  |                |
| Cash Disbursements         |  | <u>567,992</u> |
| Balance, December 31, 2011 |  | <u>\$ -</u>    |

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

|                                       |                   |
|---------------------------------------|-------------------|
| Balance, January 1, 2011              | \$ 416,434        |
| Increased by:                         |                   |
| Charges to Improvement Authorizations | <u>229,148</u>    |
|                                       | 645,582           |
| Decreased by:                         |                   |
| Payments                              | <u>416,434</u>    |
| Balance, December 31, 2011            | <u>\$ 229,148</u> |

**STATEMENT OF CAPITAL IMPROVEMENT FUND**

|                                       |                 |
|---------------------------------------|-----------------|
| Balance, January 1, 2011              | \$ 42,264       |
| Increased by:                         |                 |
| 2011 Budget Appropriation             | <u>10,000</u>   |
|                                       | 52,264          |
| Decreased by:                         |                 |
| Appropriation to Finance Improvements | <u>49,700</u>   |
| Balance, December 31, 2011            | <u>\$ 2,564</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, 2011 | Increased  | Decreased  | Balance, December 31, 2011 |
|-----------|---------------------------|----------------|------------------------|------------|------------------|---------------|--------------------------|------------|------------|----------------------------|
| 09-19     | Purchase of Real Property | \$ 1,200,000   | 12/23/2009             | 9/23/2010  | 9/23/2011        | 1.65%         | \$ 400,000               | \$ 400,000 | \$ 400,000 | \$ 944,300                 |
| 11-06     | Various Improvements      | 944,300        | 11/3/2011              | 11/3/2011  | 3/2/2012         | 2.50%         | -                        | \$ 944,300 | -          | \$ 944,300                 |
|           |                           |                |                        |            |                  |               | \$ 400,000               | \$ 944,300 | \$ 400,000 | \$ 944,300                 |

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

| Ord.<br>No. | <u>Improvement Description</u>       | Balance,<br>January 1,<br>2011 | 2011<br><u>Authorizations</u> | Bond<br>Anticipation<br>Notes Issued | Balance,<br>December 31,<br>2011 |
|-------------|--------------------------------------|--------------------------------|-------------------------------|--------------------------------------|----------------------------------|
|             | General Improvements:                |                                |                               |                                      |                                  |
| 08-05       | Real Property for Municipal Purposes | \$ 1                           |                               |                                      | \$ 1                             |
| 08-08/09-12 | Purchase Real Property               | 50,350                         |                               |                                      | 50,350                           |
| 11-06       | Various Improvements                 | -                              | \$ 944,300                    | \$ 944,300                           | -                                |
|             |                                      | <u>\$ 50,351</u>               | <u>\$ 944,300</u>             | <u>\$ 944,300</u>                    | <u>\$ 50,351</u>                 |

**PUBLIC ASSISTANCE FUND**



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

|                            | PATF<br>Account #1<br>(75)% | PATF<br>Account #2<br>(100)% | <u>Total</u>    |
|----------------------------|-----------------------------|------------------------------|-----------------|
| Balance, January 1, 2011   | \$ 5,340                    | \$ 748                       | \$ 6,088        |
| Increased by:              |                             |                              |                 |
| Receipts                   | <u>-</u>                    | <u>4,900</u>                 | <u>4,900</u>    |
|                            | 5,340                       | 5,648                        | 10,988          |
| Decreased by:              |                             |                              |                 |
| Disbursements              | <u>-</u>                    | <u>4,594</u>                 | <u>4,594</u>    |
| Balance, December 31, 2011 | <u>\$ 5,340</u>             | <u>\$ 1,054</u>              | <u>\$ 6,394</u> |

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

|  | PATF<br><u>Account #1</u> | PATF<br><u>Account #2</u> | <u>Total</u>    |
|--|---------------------------|---------------------------|-----------------|
| Balance, January 1, 2011                   | \$ 3,989                  | \$ (102)                  | \$ 3,887        |
| Increased by:                              |                           |                           |                 |
| State Aid                                  |                           | 4,100                     | 4,100           |
| Receipts from Current Fund                 |                           | 400                       | 400             |
| Miscellaneous Receipts                     | -                         | 400                       | 400             |
|  | <u>3,989</u>              | <u>4,798</u>              | <u>8,787</u>    |
| Decreased by:                              |                           |                           |                 |
| Assistance Reported                        |                           | 3,794                     | 3,794           |
| Disbursements to Current Fund              |                           | 400                       | 400             |
| Miscellaneous Disbursements - Non Eligible | -                         | 400                       | 400             |
|  | <u>-</u>                  | <u>4,594</u>              | <u>4,594</u>    |
| Balance, December 31, 2011                 | <u>\$ 3,989</u>           | <u>\$ 204</u>             | <u>\$ 4,193</u> |

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

|                            |                 |
|----------------------------|-----------------|
| Balance, January 1, 2011   | <u>\$ 2,201</u> |
| Balance, December 31, 2011 | <u>\$ 2,201</u> |

EXHIBIT D-4

**STATEMENT OF EXPENDITURES**

|                           |                 |
|---------------------------|-----------------|
| Assistance Reported       | <u>\$ 3,794</u> |
| Total Assistance Reported | <u>\$ 3,794</u> |

EXHIBIT D-5

**STATEMENT OF DUE TO/FROM CURRENT FUND**

|                            |               |
|----------------------------|---------------|
| Increased by               |               |
| Receipts from Current Fund | <u>\$ 400</u> |
| Decreased by               |               |
| Payments to Current Fund   | <u>\$ 400</u> |

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



**PART II  
GOVERNMENTAL AUDITING STANDARDS  
YEAR ENDING DECEMBER 31, 2011**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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EDWARD N. KERE, CPA

## 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, 2011, and have issued our report thereon dated June 30, 2012 which indicated that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared using the regulatory basis of accounting prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. In addition, our report on the financial statements – regulatory basis was qualified because of the presentation of the unaudited LOSAP Fund financial statements. Except as discussed in the preceding sentence, we conducted our audit in accordance auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and responses as item 2011-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

### Compliance and Other Matters

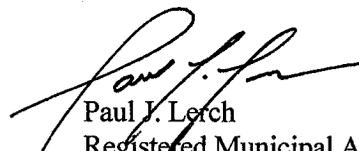
As part of obtaining reasonable assurance about whether the Borough of Woodcliff Lake's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying schedule of findings and responses as item 2011-1.

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

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

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

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

  
Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
June 30, 2012



**BOROUGH OF WOODCLIFF LAKE  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

| State Grant Program  | Project/Grant Number | Grant Year | Grant Award | 2011 Receipts | Balance, January 1, 2011 | Revenue/Receipts | Expended   | Adjustments | Balance, December 31, 2011 | Cumulative Expended |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|--|----------------------|------------|-------------|---------------|--------------------------|------------------|------------|-------------|----------------------------|---------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|-----------|-----------|--|-----------|------------|--|-----------|--|
| Department of Environmental Protection<br>Clean Communities Grant  | 042-00-4900-765-004  | 2011       | \$ 11,172   | \$ 11,172     | \$ 9,611                 | \$ 11,172        | \$ 9,135   | \$ -        | \$ 2,037                   | \$ 9,135            |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2010       | 11,363      |               |                          |                  | 1,440      |             | 8,171                      | 3,192               |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
| Division of Motor Vehicles<br>Drunk Driving Enforcement Fund- Police   | 1110-448-031020-22   | 2011       | 4,400       | 2,164         |                          | 4,400            | 2,164      |             | 2,236                      | 2,164               |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2010       | 785         |               | 785                      |                  |            |             | 785                        |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2009       | 532         |               | 532                      |                  |            |             | 532                        |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2008       | 1,927       |               | 1,927                    |                  |            |             | 1,927                      |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2007       | 5,570       |               | 4,669                    |                  | 93         | (1,620)     | 2,956                      | 2,614               |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
| Municipal Alliance on Alcoholism and Drug Abuse<br>(Passed through County of Bergen)   | N/A                  | 2011       | 10,356      | 2,034         |                          | 10,356           | 10,356     |             | -                          | 10,356              |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2010       | 10,356      | 10,356        | 436                      |                  |            |             | 436                        | 9,920               |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2008       | 11,500      |               | 3,148                    |                  |            |             | 3,148                      | 8,352               |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2007       | 11,500      |               | 1,197                    |                  | 42         |             | 1,155                      | 10,345              |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      |            |             |               |                          |                  |            |             |                            |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
| Department of Law and Public Safety<br>Body Armor Replacement Program  | 066-00-1020-718-001  | 2011       | 3,309       | 3,309         |                          | 3,309            |            |             | 3,309                      | -                   |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2010       | 4,051       |               | 151                      |                  |            |             | 151                        | 3,900               |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2009       | 3,422       |               | 3,341                    |                  | 600        |             | 2,741                      | 681                 |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
| Department of Community Affairs<br>Handicapped Recreation Opportunities  | 022-99-8050-100-035  | 2011       | 15,150      | 6,356         |                          | 15,150           | 12,697     |             | 2,453                      | 12,697              |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2010       | 15,150      |               | 5,381                    |                  | 1,819      |             | 3,562                      | 11,588              |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2009       | 18,000      |               | 104                      |                  | 104        |             | -                          | 18,000              |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2008       | 20,121      |               | 3,738                    |                  | 416        | (3,322)     | -                          | 20,121              |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
| Department of Environmental Protection<br>State Tonnage Grant (Recycling)  | 042-00-4900-752-001  | 2011       | 41,632      | 41,632        |                          | 41,632           | 23,256     |             | 18,376                     | 23,256              |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2009       | 23,678      |               | 7,143                    |                  | 5,983      |             | 1,160                      | 22,518              |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2008       | 10,034      |               | 260                      |                  | 260        |             | -                          | 10,034              |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2005       | 945         |               | 945                      |                  | 945        |             | -                          | 945                 |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      |            |             |               |                          |                  |            |             |                            |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
| Division of Judiciary<br>Alcohol Ed and Rehab  | 098-00-9735-760-001  | 2007       | 250         |               | 250                      |                  | 250        |             | -                          | 250                 |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2003       | 5,388       |               | 4,377                    |                  | 4,377      |             | -                          | 5,388               |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
| Department of Community Affairs<br>Domestic Violence Training Program  | 022-99-8030-100-093  | 2008       | 2,485       |               | 2,485                    |                  |            | (2,485)     | -                          |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      | 2007       | 1,358       |               | 1,358                    |                  |            | (1,358)     | -                          |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
| Division of Family Development<br>Human Services   | 054-15-7550-100-121  | 2011       | 4,100       | 4,100         |                          | 4,100            | 4,100      |             | -                          | 4,100               |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      |            |             |               |                          |                  |            |             |                            |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
| NJ DCA Child Passenger Seat Safety   | N/A                  | 2007       | 656         |               | 656                      |                  |            | (656)       | -                          |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      |            |             |               |                          |                  |            |             |                            |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
| <table border="0" style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 5%;"></td> <td style="width: 15%;"></td> <td style="width: 10%;"></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">\$ 52,494</td> <td style="text-align: right;">\$ 90,119</td> <td></td> <td style="text-align: right;">\$ 78,037</td> <td style="text-align: right;">\$ (9,441)</td> <td></td> <td style="text-align: right;">\$ 55,135</td> <td></td> </tr> </table> |                      |            |             |               |                          |                  |            |             |                            |                     |  |  |  |  |  |  |  |  |  |  |  |  |  | \$ 52,494 | \$ 90,119 |  | \$ 78,037 | \$ (9,441) |  | \$ 55,135 |  |
|  |                      |            |             |               |                          |                  |            |             |                            |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |
|  |                      |            | \$ 52,494   | \$ 90,119     |                          | \$ 78,037        | \$ (9,441) |             | \$ 55,135                  |                     |  |  |  |  |  |  |  |  |  |  |  |  |  |           |           |  |           |            |  |           |  |

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

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



**BOROUGH OF WOODCLIFF LAKE  
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
YEAR ENDED DECEMBER 31, 2011**

**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      | \$ 165,460        | \$ 86,019        | \$ 251,479        |
| Public Assistance | <u>-</u>          | <u>4,100</u>     | <u>4,100</u>      |
|                   | <u>\$ 165,460</u> | <u>\$ 90,119</u> | <u>\$ 255,579</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.

**BOROUGH OF WOODCLIFF LAKE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

*Part I – Summary of Auditor’s Results*

**Financial Statements**

Type of auditors' report issued on financial statements Qualified, Presentation of Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified                      yes     X     no

2) Significant deficiency(ies) that are not considered to be material weakness(es)?     X     yes                      no

Noncompliance material to the financial statements noted?     X     yes                      no

**Federal Awards Section**

NOT APPLICABLE

**State Awards Section**

NOT APPLICABLE

**BOROUGH OF WOODCLIFF LAKE  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

**Finding 2011-1**

Appropriation reserve for LOSAP fire was overexpended by \$4,943 at year end.

**Criteria or specific requirement:**

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

**Condition:**

The Borough made payments for goods and/or services in excess of the existing appropriation in the Current Fund.

**Cause:**

Purchases are approved prior to the certification of available funds.

**Effect:**

Overexpenditure created a deferred charge of \$4,943 in the succeeding year's budget.

**Recommendation:**

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

**Management's Response:**

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

**BOROUGH OF WOODCLIFF LAKE  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

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

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2010-1**

**Condition**

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

**Current Status**

Corrective action has been taken.

**Finding 2010-2**

**Condition**

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

**Current Status**

Corrective action has been taken.

**Finding 2010-3**

**Condition**

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

**Current Status**

Corrective action has been taken.

**BOROUGH OF WOODCLIFF LAKE**

**BERGEN COUNTY, NEW JERSEY**

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**PART III**

**SUPPLEMENTARY DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2011**



**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

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

|   | <u>Year 2011</u>    |                 | <u>Year 2010</u>    |                 |
|---|---------------------|-----------------|---------------------|-----------------|
|   | <u>Amount</u>       | <u>Percent</u>  | <u>Amount</u>       | <u>Percent</u>  |
| <b>REVENUE AND OTHER INCOME REALIZED</b>              |                     |                 |                     |                 |
| Fund Balance Utilized                                 | \$ 800,000          | 1.95 %          | \$ 1,150,000        | 2.86 %          |
| Miscellaneous - From Other Than Local                 |                     |                 |                     |                 |
| Property Tax Levies                                   | 1,915,342           | 4.68            | 1,868,198           | 4.65            |
| Collection of Delinquent Taxes<br>and Tax Title Liens | 182,424             | 0.45            | 232,315             | 0.58            |
| Collection of Current Tax Levy                        | 37,908,847          | 92.62           | 36,731,254          | 91.44           |
| Other Credits   | 124,175             | 0.30            | 189,306             | 0.47            |
|   | <u>40,930,788</u>   | <u>100.00</u> % | <u>40,171,073</u>   | <u>100.00</u> % |
| <b>EXPENDITURES</b>                                   |                     |                 |                     |                 |
| Budget Expenditures                                   |                     |                 |                     |                 |
| Municipal Purposes                                    | 10,369,218          | 25.78 %         | 10,456,655          | 26.39 %         |
| Municipal Open Space Preservation Trust Fund Taxes    | 170,712             | 0.42            | 171,800             | 0.43            |
| County Taxes  | 4,513,478           | 11.22           | 4,601,767           | 11.61           |
| Regional School Taxes                                 | 11,586,726          | 28.81           | 11,065,604          | 27.93           |
| Local District School Taxes                           | 13,573,455          | 33.75           | 13,227,331          | 33.38           |
| Other Expenditures                                    | 9,125               | 0.02            | 101,658             | 0.26            |
|   | <u>40,222,714</u>   | <u>100.00</u> % | <u>39,624,815</u>   | <u>100.00</u> % |
| Excess in Revenue                                     | 708,074             |                 | 546,258             |                 |
| Adjustments to Income before Surplus:                 |                     |                 |                     |                 |
| Expenditures included above which are by Statute      |                     |                 |                     |                 |
| Deferred Charges to Budget of Succeeding Year         | -                   |                 | 191,645             |                 |
| Statutory Excess to Surplus                           | 708,074             |                 | 737,903             |                 |
| Fund Balance, January 1                               | <u>1,093,060</u>    |                 | <u>1,505,157</u>    |                 |
|   | 1,801,134           |                 | 2,243,060           |                 |
| Less Utilization as Anticipated Revenue               | <u>800,000</u>      |                 | <u>1,150,000</u>    |                 |
| Fund Balance, December 31                             | <u>\$ 1,001,134</u> |                 | <u>\$ 1,093,060</u> |                 |

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**Comparative Schedule of Tax Rate Information**

|                                   | <u>2011</u>            | <u>2010</u>            | <u>2009</u>            |
|-----------------------------------|------------------------|------------------------|------------------------|
| <u>Tax Rate</u>                   | <u>\$2.237</u>         | <u>\$2.159</u>         | <u>\$2.059</u>         |
| <u>Apportionment of Tax Rate</u>  |                        |                        |                        |
| Municipal                         | .486                   | .463                   | .442                   |
| Municipal Open Space Preservation | .009                   | .010                   | .010                   |
| County (Including Open Space Tax) | .266                   | .269                   | .256                   |
| Regional School                   | .680                   | .645                   | .606                   |
| Local School                      | .796                   | .772                   | .745                   |
| <u>Assessed Valuation</u>         |                        |                        |                        |
| 2011                              | <u>\$1,705,185,119</u> |                        |                        |
| 2010                              |                        | <u>\$1,714,220,447</u> |                        |
| 2009                              |                        |                        | <u>\$1,705,598,808</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> |
|-------------|-----------------|-------------------------|---------------------------------|
| 2011        | \$ 38,193,145   | \$ 37,908,847           | 99.26%                          |
| 2010        | 37,091,469      | 36,731,254              | 99.02%                          |
| 2009        | 35,197,479      | 34,904,146              | 99.16%                          |

**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<br/>Year</u> | <u>Amount of<br/>Tax Title<br/>Taxes</u> | <u>Amount of<br/>Delinquent<br/>Taxes</u> | <u>Total</u> | <u>Percentage<br/>of<br/>Tax Levy</u> |
|-----------------------------|--|---|--------------|---------------------------------------|
| 2011                        |  | \$ 231,713                                | \$ 231,713   | .61%                                  |
| 2010                        | \$ 3,044                                 | 181,797                                   | 184,841      | .49%                                  |
| 2009                        | 2,897                                    | 235,553                                   | 238,450      | .68%                                  |

**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> |
|-------------|---------------|
| 2011        | None          |
| 2010        | None          |
| 2009        | None          |

**Comparative Schedule of Fund Balance**

|              | <u>Year</u> | <u>Balance,<br/>December 31,</u> | <u>Utilized<br/>In Budget of<br/>Succeeding Year</u> |
|--------------|-------------|----------------------------------|--|
| Current Fund | 2011        | \$1,001,134                      | \$800,000  |
|              | 2010        | 1,093,060                        | 800,000  |
|              | 2009        | 1,505,157                        | 1,150,000  |

**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<br/>of Bond</u> | <u>Name of<br/>Corporate or<br/>Personal Surety</u> |
|----------------------|---|-------------------------------|---|
| Joseph T. LaPaglia   | Mayor   |                               |   |
| Paul C. Camella      | Council President                                     |                               |   |
| John J. Glaser       | Councilman  |                               |   |
| Jeffrey Bader        | Councilman  |                               |   |
| Jeffrey Hoffman      | Councilman  |                               |   |
| Kenneth Baum         | Councilman  |                               |   |
| Michael Struk        | Councilman  |                               |   |
| Edward Sandve        | Borough Administrator (retired March 1, 2011)         |                               |   |
| Wolfgang Albrecht    | Borough Administrator (June 1, 2011 to Present)       |                               |   |
| 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                                   |                               |   |
| Catherine Cullen     | Court Administrator (March 1, 2011 to present)        |                               |   |
| Kimberly McWilliams  | Deputy Court Administrator                            |                               |   |
| Corrine Dapuzzo      | Deputy Court Administrator (March 1, 2011 to present) |                               |   |
| Harry D. Norton, Jr. | 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 payroll revealed that employee quarterly wages were incorrectly reported on the quarterly payroll and state pension reports. It is recommended that internal controls be enhanced to ensure employee quarterly wages be properly reported on the quarterly payroll and state pension reports. In addition, the Borough should perform a reconciliation of the quarterly pension withholdings on the quarterly payroll reports and amounts remitted to the Division of Pensions.

Our audit of the petty cash revealed that certain petty cash reimbursements lacked supporting receipts. It is recommended that all petty cash reimbursements contain supporting receipts.

Our audit of the Borough Clerk and Board of Health revenue collections revealed that a cash receipt ledger for 2011 was not maintained. It is recommended that the Borough Clerk and Board of Health maintain a cash receipt ledger for all fees collected.

Our audit of the recreation department revealed the following:

- 2011 pool and camp fee ordinance was not approved by the governing body.
- Discounts of 10% for camp members that enroll more than one family member for the full six weeks was not given to families as per the brochure.
- Camp members were given a discount for the week of July 4 that was not approved by the governing body or in the camp brochure.
- Pool membership fees that were collected from April and May 2012 in the amount of \$19,025 were not deposited in a timely manner. (May 30, 2012).
- Daily pool collections were not reconciled to the capture point system when making deposits.

It is recommended that the internal controls for the Recreation Department's revenue and cash collections be reviewed and enhanced.

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

Our audit of expenditures revealed that numerous exceptions were noted where the departments ordered goods and/or services prior to the issuance of a purchase order. It is recommended that the Borough enhance their internal controls over purchasing procedures to ensure that purchase orders are issued when the goods and/or services are ordered.

**Current Year Comments**

Our audit of contracts revealed that sole provider vendors, state contracts and purchases made through the Bergen County Co-op were not approved in the minutes. It is recommended that sole provider vendors, state contracts and Bergen County Co-op vendors are approved by resolution in the official minutes of the Borough.

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS**

**Current Year Comments (Continued)**

Our audit of Other Trust Escrow Fund revealed the following:

- The person responsible for the writing of checks is also reconciling the bank statements.
- Old outstanding checks in the amount of \$12,862, should be cancelled by resolution.
- Escrow checks included on the bills list for approval do not include the check dates or check numbers.
- Escrow reserve budget status report year end balances did not agree to the audit reserve balances.

It is recommended that internal controls for the Other Trust escrow funds are reviewed and enhanced to ensure that:

- The individual reconciling the bank account is not the same individual issuing checks.
- All outstanding checks be reviewed and cleared of record.
- Official bills list include check dates and numbers.
- Reconcile escrow reserve balances in the Budget Status Report to the reserve balances in the audit.

Our audit of Current Fund tax collections revealed that deposit slips were not always attached to the supporting documentation for daily tax deposits. It is recommended that all Current Fund bank deposit slips are attached to the supporting documentation for all daily deposits.

Our audit of the Construction Code Department revealed that certain fees charged for permits did not agree to the Borough fee ordinance. It is recommended that all fees charged by the Construction Code Department be in accordance with the Borough's fee ordinance.

**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 \$26,000 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 Brush Chipper  
2011 Municipal Paving Project  
Acquisition of Roll Off Leaf Collector  
Acquisition of Ford Pickup Truck

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**GENERAL COMMENTS (Continued)**

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

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

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

Our examination of expenditures except as previously noted in our general comments, did not reveal instances whereby individual payments were made in excess of the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

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

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

The Governing Body on January 3, 2011 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 2011 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 8, 2010 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> |
|-------------|------------------------|
| 2011        | 0                      |
| 2010        | 1                      |
| 2009        | 1                      |

**BOROUGH OF WOODCLIFF LAKE  
SUPPLEMENTARY DATA**

**RECOMMENDATIONS**

It is recommended that:

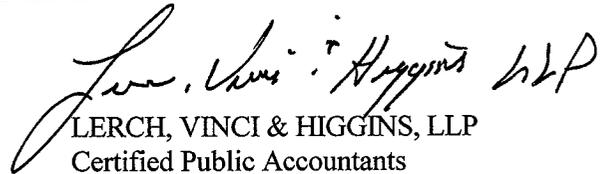
1. Internal controls over the disbursing of funds in the Current Fund be enhanced to ensure that sufficient funds are available in the budget appropriation.
- \* 2. Internal controls be enhanced to ensure employee quarterly wages be properly reported on the quarterly payroll and state pension reports. In addition, the Borough should perform a reconciliation of the quarterly pension withholdings on the quarterly payroll reports and amounts remitted to the Division of Pensions.
- \* 3. All petty cash reimbursements contain supporting receipts.
- \* 4. The Borough Clerk and Board of Health maintain a cash receipt ledger for all fees collected.
- \* 5. Internal controls for the Recreation Department's revenue and cash collections be reviewed and enhanced.
- \* 6. Police contract be reviewed to determine the correct calculation for the police officers' education incentive and that the police salaries and wages be paid in accordance with the salary agreement.
- \* 7. The Borough enhance their internal controls over purchasing procedures to ensure that purchase orders are issued when the goods and/or services are ordered.
8. Sole provider vendors, state contracts and Bergen County Co-op vendors are approved by resolution in the official minutes of the Borough.
9. Internal controls for the Other Trust escrow funds are reviewed and enhanced to ensure that:
  - The individual reconciling the bank account is not the same individual issuing checks.
  - All outstanding checks be reviewed and cleared of record.
  - Official bills list include check dates and numbers.
  - Reconcile escrow reserve balances in the Budget Status Report to the reserve balances in the audit.
10. All Current Fund bank deposit slips are attached to the supporting documentation for all daily deposits.
11. All fees charged by the Construction Code Department be in accordance with the Borough's fee ordinance.

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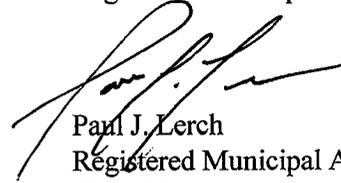
A review was performed on all prior year recommendations and corrective action was taken on all except for those recommendations denoted with an asterisk (\*).

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

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



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